

California Student Aid Commission 2018–19 Student Expenses and Resources Survey: Initial Insights

An Initial Look at the Obstacles Students Face Affording Higher Education

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Dear Colleagues,

I am delighted to share initial insights from the 2018-19 Student Expenses and Resource Survey (SEARS) from the California Student Aid Commission providing invaluable data and insight from today's college students about their college-going experience.

We are encouraged that the SEARS findings capture the student experiences and elevate the discussion on much-needed reforms to California's financial aid system. Student voices must play a leading role in this effort, and this important survey helps elevate the struggles and concerns of students on a statewide level.

After a ten-year hiatus, SEARS was updated utilizing a fresh methodology to yield higher quality data than in years past about student financial aid needs. This useful information will provide the Student Aid Commission, policymakers, advocates and researchers with rich data to inform policy, future research and financial aid budget development.

College affordability is a national crisis. This research gives us great insight into specific student needs in California where it is clear the real costs of college go beyond tuition and fees, making affording college here more challenging than ever. Meanwhile, student loan debt is skyrocketing. In California, college student debt among recent graduates over only a two-year period (2014-15 and 2015-16) jumped to more than \$10 billion for federal loans according to the Public Policy Institute of California. In 2019, student loan debt in California ballooned to \$133 billion from all credit sources according to major credit tracking agent Experian – a number that has doubled in just ten years.

According to this first look at our SEARS findings, many students do not have the financial means to cover college costs, nor do they have access to sufficient aid. In many cases, they are skipping meals, sleeping in cars, or otherwise going deeper into poverty – all in the name of pursuing higher education.

The survey serves a fundamental purpose to the Student Aid Commission as we update our Student Expense Budget for determining Cal Grant and other state financial aid eligibility. SEARS data shows differences by region in what students spend on housing, food and transportation. It also provides a more in-depth look at findings from student subgroup categories, such as ethnicity, age, supporting dependents and the institutions they attend.

The survey tool was designed by renowned research firm Mathematica in partnership with the College Futures Foundation and the California Student Aid Commission. We are extremely grateful for the opportunity to partner with these two exceptional organizations that share our mission to remove cost as a barrier to college success.

Our college students are an integral part of the state's talent pipeline, which we desperately need to fuel a thriving future workforce and economy. The seemingly overwhelming cost and expense obstacles too many students struggle with come to life in this report, and I am hopeful their insight and the rich data the report provides will be an impetus for meaningful change in California so that all students can succeed.

Respectfully,



Marlene L. Garcia
Executive Director
California Student Aid Commission



Introduction

Recent studies in California and the nation are beginning to illuminate various obstacles many college students face as they attempt to pursue higher education. The findings are proving useful in higher education and policymaking circles, particularly in California where access and affordability are pressing concerns. When it comes to actual costs and expenses associated with college, it is clear much more than just tuition and fees are involved. But for more than a decade, California's leaders have not had the benefit of hearing from students across the state who are in college today about their direct experiences.

To address this critical information gap, the California Student Aid Commission (CSAC), along with its partners the College Futures Foundation and Mathematica, has reinstated the triennial Student Expenses and Resources Survey (SEARS) in 2018-19, that sampled 150,000 California college students from all segments of higher education about their experiences and perceptions of college affordability. The survey results revealed meaningful differences in expenses for college costs when broken down by race/ethnicity, age, and region, as well as valuable insights about students' perceptions of their ability to pay for expenses beyond tuition, such as textbooks, housing and utilities, food, transportation and other essential costs. Survey findings related to the greatest obstacles to success – the costs of college and balancing school and work – provide eye-opening insight into what students need. CSAC shares this data to inform discussions regarding student success and student financial need.

“In order to afford college...I was working 36 hours to help pay both family expenses and my own during the school year and full time during the summer just to get by. However, my grades suffered dearly as a Computer Science major. I am now working less hours, but I do not have enough for food or health.

– Student, Greater Sacramento Area

INITIAL INSIGHTS FROM 2018-19 SEARS

Students cite cost and school-work balance as the major obstacles to success

The Commission wanted to understand the relative importance of financial issues in students' overall perceptions of challenges to succeeding in college. The survey gave students a list of eight possible options to select as the single greatest obstacle they face to succeeding in college:

64%

Of these options, a combined 64 percent chose either "cost of college" or "balancing school and work responsibilities."

While unsurprising, student responses to this question establish that students see cost and cost-related issues (the ability to balance school with the need to work and earn an income, presumably to help afford college) as the top obstacles to their success.

“Even though I live with my parents, I still struggle to pay for gas money and food. I work two jobs but struggle.

– Student, Inland Empire/Desert

“The challenges I thought I would face paying for college have taken a back seat to the challenges I face paying for housing and food. I will be graduating next month and giving up my apartment to stay with friends and family. At 42 years of age, this was a difficult choice to make, but I cannot afford to keep up even my modest independence.

– Student, Mid-Peninsula Area



Cost of college



Balancing school and work responsibilities



Balancing school and family responsibilities



Classes are too difficult



Too little support from college



Too little support from family



Other obstacles



No major obstacles

¹ Specifically, 33 percent selected "Cost of college" and 31 percent selected "Balancing school and work responsibilities." The other six options combined for the remaining 36 percent of responses.

Non-tuition costs add up to

\$2K
per month

Fortunately for students, some costs – most notably, textbooks – appear to have declined significantly since the last SEARS. Students in 2018-19 reported spending about half of the inflation-adjusted 2006-07 total on textbooks and other educational supplies. Students were

asked to estimate their costs for college beyond tuition and fees in the following categories: books and supplies, food, housing, transportation, and personal expenses. The statewide average reported by students totals \$2,020 per month, or \$18,180 per nine-month academic year.

Many students perceive they do not have enough to cover costs

Unique to the 2018-19 SEARS was a series of questions asking students not just about their expenses or resources (such as work income), but their perception of their ability to cover the costs. For all major costs, students were asked the extent to which they agreed or disagreed with the statement “I have enough resources to cover the following expenses.”

Tuition and fees and housing and utilities were top areas for which students indicated they did not have sufficient resources. Specifically, 38 percent disagreed that they have the resources to afford tuition and fees, 35 percent books and supplies, followed by 30 percent said the same for housing and utilities.

35%

have low or very low
food security

33%

are housing insecure



Nearly one in three students report food and housing insecurity

The survey included two modules commonly used to measure housing and food insecurity: a 10-item set of the U.S Department of Agriculture (USDA) questions about food security and a 6-item set of questions about housing insecurity. Both items used a 30-day reference period. Based on their responses, 35 percent of students were classified as food insecure (defined as low or very low food security) and 33 percent were classified as housing insecure.

Living costs, especially housing, vary significantly by region

Unsurprisingly, living costs and other aspects of the college experience vary by region. The cost of housing, in particular, shows a wide variance across the 15 micro-regions of California – from \$753 per month in the Central Valley region to \$1,178 per month in San Francisco and San Mateo counties.

Similarly, the survey showed regional differences in housing and food insecurity. Housing insecurity was greatest in the Central Valley (41 percent) and Greater Sacramento (39 percent) regions, but met or exceeded 30 percent in all 15 micro-regions.

Food insecurity was reported by at least 27 percent of students in all regions, but was highest (47 percent) in the Northern Inland area, comprised of Butte, Lassen, Plumas, Shasta and Siskiyou. Students were least likely to indicate food insecurity in the East Bay region (27 percent).

Despite significant regional differences in actual housing costs and a wide variance in housing insecurity, students' perception of their ability to afford housing was similar across the state.

Students of color report the highest levels of food and housing insecurity

Since the Free Application for Federal Student Aid (FAFSA) currently does not ask students to self-report race/ethnicity, the Commission's administrative data has historically excluded race. Now, SEARS provides CSAC with a new ability to understand how issues of college affordability vary by race and ethnicity. Preliminary insights indicate that there are major differences in students' ability to afford college and perceptions of affordability by race. Specifically, Black and Hispanic students were more likely to access financial aid, such as Pell Grant or Cal Grant, and other public assistance benefits, such as CalFresh, but were also more likely to report food and housing insecurity and perceive they do not have enough resources to cover college expenses compared to their white and Asian peers.

Notably, even among students receiving scholarships or grants (such as Pell or Cal Grant), Black students indicated the highest levels of housing insecurity (42 percent) and food insecurity (54 percent).

Older students and those with dependents face greater obstacles to affordability

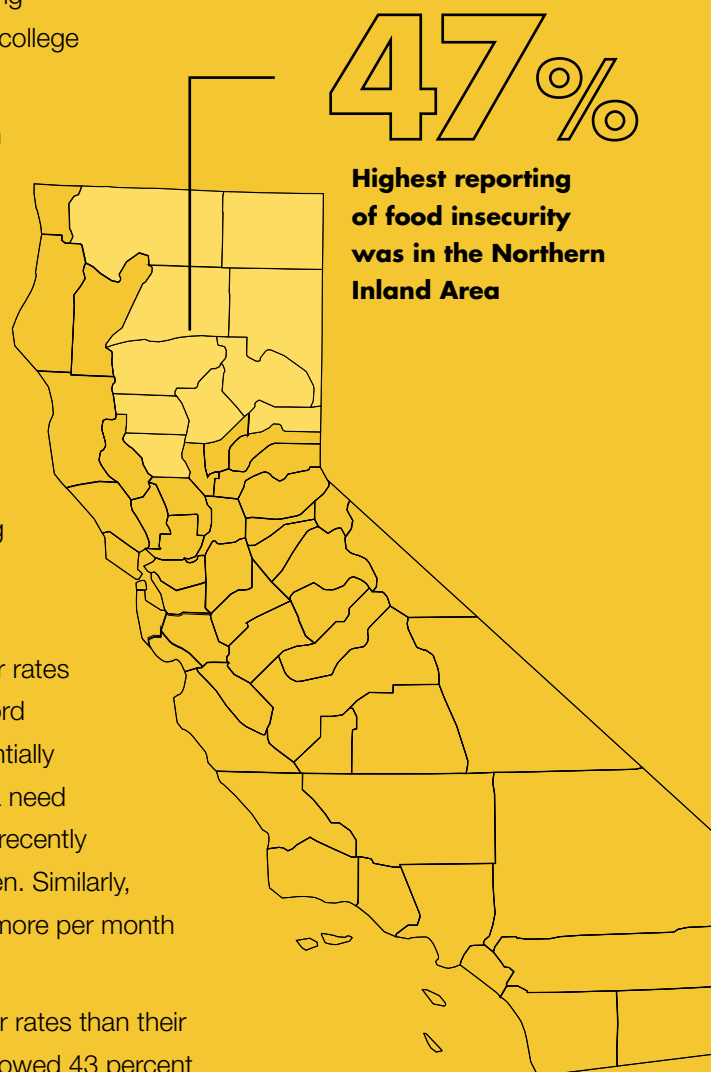
The initial analysis of the 2018-19 SEARS also focused on two often overlapping but distinct student populations that have been a major focus of policymakers as of late: students with dependents (including both dependent children and adults, such as ill or elderly family members), and students at least 25 years of age.

Across the board, both populations reported higher expenses, higher rates of food and housing insecurity, and less of a perception they can afford college costs. Students with dependents indicated spending substantially more (\$3,103 per month) as those without (\$1,830), demonstrating a need for additional financial aid investments in this population such as the recently enacted Cal Grant access award for students with dependent children. Similarly, students aged 25 years and older reported spending nearly \$1,000 more per month (\$2,691 vs. \$1,734) than younger students.

These students also experience food and housing insecurity at higher rates than their counterparts. For example, students with dependents' responses showed 43 percent with food insecurity and 54 percent experiencing housing insecurity (within the previous 30 days); the corresponding numbers for students without dependents were 34 and 30 percent, respectively.

“I would love just to get my degree and not have to worry about my bills so I can put my all into my studies.

– Student, Central Valley



Survey Methodology

The survey instrument and sampling methodology were designed in partnership with the College Futures Foundation and Mathematica and incorporated input from other stakeholders such as the SEARS advisory committee, students, and academic researchers. The survey was pretested in virtual focus groups and one-on-one interviews with students, and in the spring of 2018, the instrument was pilot tested with a sample of over 81,000 students at 55 California community colleges. Critical improvements to the survey include:

- Revising the response option ranges for cost questions;
- Determining appropriate reference points;
- Adding questions on students' perceptions around meeting basic needs, housing and food insecurity; and
- An open-ended question for students to share their experience around paying for college.

The full administration of the survey occurred in the fall of 2018 at four-year institutions and in the spring of 2019 at the California Community Colleges (CCC). All California State Universities (CSU) and University of California (UC) institutions participated in the survey, while CCCs, non-profit private institutions, and private for-profit colleges were sampled by region. For participating institutions with fewer than 1,500 students, all students were surveyed. For institutions with more than 1,500 students, samples of 1,500 students were drawn and surveyed. In addition to information on which segment and region the student was sampled from, the segments and institutions provided additional student data on:

Race/ethnicity

Age

Gender

CSAC administered the survey using Qualtrics, a web-based survey platform with a mobile-friendly interface and the feature to implement skip logic in the survey instrument. Students who were invited to participate in the survey were given four weeks to complete it and were offered the opportunity to enter into a drawing for one \$50 Amazon gift card per institution. A total of 15,419 students were counted as respondents to the survey based on the completeness of their responses which represents over a 10 percent response rate.

| Segment | Number of Participating Institutions | Number of Eligible Students Sampled | Number of Respondents | Response Rate |
|-------------------|--------------------------------------|-------------------------------------|-----------------------|---------------|
| CCC | 55 | 81,157 | 6,608 | 8.1% |
| CSU | 23 | 33,949 | 4,265 | 12.6% |
| For-Profit | 4 | 1,430 | 137 | 9.6% |
| Non-Profit | 19 | 21,532 | 3,154 | 14.6% |
| UC | 9 | 12,385 | 1,255 | 10.1% |
| Total | 110 | 150,453 | 15,419 | 10.2% |

Background

Starting in the early 1970s, CSAC worked in partnership with all of California's higher education segments to administer the survey triennially until 2007. After a 10-year hiatus, the survey is back with a revised methodology and results about how much students spend for living and school-related expenses in addition to tuition.

SEARS provides the only statewide cross-segment estimates of student's expenses and resources to attend college. It is responsive to the statutory mandate that the Commission "collect and disseminate data concerning the financial resources and needs of students and potential students, and the scope and impact of existing state, federal, and institutional student aid programs."² SEARS is also the primary data source used to calculate the annual Student Expense Budget (SEB), which determines student eligibility for Cal Grants and the estimated cost of attendance at California's higher education systems.



Student Expense Budget

Each year, prior to the opening of financial aid applications on October 1, the Commission develops a SEB, which estimates how much students spend for living and school-related expenses in addition to tuition. The Commission offers budgets for three typical living situations: living with parents or family, living on-campus independently, or living off-campus independently.

The SEB uses the standard cost of attendance categories:

- ✓ **Books and Supplies**
(Including course material fees and technology)
- ✓ **Food**
- ✓ **Housing and Utilities**
- ✓ **Transportation**
- ✓ **Personal/miscellaneous** (Including clothing/laundry, medical expenses, and personal care)

The SEB, once released by CSAC, is available to institutions to utilize when compiling their official Cost of Attendance (COA) figures for public release. Cal Grant eligible institutions may use the Commission's SEB to determine their official, published COA estimates. Institutions have an open period in which they can adjust their cost estimates using their actual institutional costs with the SEB as a source of data. Institutions can adjust as needed or use the expenses as outlined by the SEB. These COA estimates are also used to determine Cal Grant eligibility, as state law requires each student to have a minimum amount of unmet need to be eligible for Cal Grant A, B, or C.³

² California Education Code section 69514(b).

³ California Education Code section 69432.9.

History of SEARS and Reinstatement

The Commission administered the SEARS through the 2006-07 academic year. With the 2008-09 economic recession and accompanying State budget shortfall, CSAC was unable to secure funds to administer SEARS according to schedule. In the interim, the annual SEB was compiled by taking the 2006-07 survey data and applying an inflationary adjustment, using the California Consumer Price Index (CCPI). While this enabled the Commission to continue issuing the annual SEB, it was not a direct source of data about actual student costs.

In mid-2017, with the unanimous support of the Financial Aid Advisory Board (FAAB), the Commission began an effort to reinstate and modernize the SEARS. A SEARS advisory committee formed in 2017, comprised of representatives from the five primary higher education segments in California, CSAC staff, student association representatives and college affordability advocates. With the generous support of the College Futures Foundation, CSAC worked with Mathematica, a nationwide research firm with expertise in survey design and statistical analysis.

Conclusion

The data collected through the revised SEARS is important and relevant to California's higher education systems, providing the most comprehensive data available on student expenses and income sources to pay for college, as well as their perceptions of the adequacy of those resources to meet that need. This initial look provides actual data to confirm anecdotal evidence that there is a growing proportion of students who have difficulty meeting the basic costs of attending college. It also provides data to support the consideration of regional differences. And it documents that significantly higher proportions of Hispanic and Black students report difficulty in meeting the costs of college and experience greater rates of basic food and housing insecurity issues.

The survey results represent the first insights from a new and rich data set the Commission has created. Going forward, CSAC and its partners are committed to working with the state and its leaders to unearth what is and isn't working for our students to create a more equitable higher education system that fuels our future workforce and economy.

"We at the Commission are listening to students. We cannot ignore study after study, including our own, showing that something has to change so that we can help all California students succeed."

— Marlene Garcia,
Executive Director, California Student Aid Commission



