Financial Education: Developing High Impact Programs for Graduate and Undergraduate Students

Summary of Key Data

1. **The majority of graduate students report feeling stressed about their personal finances and dissatisfied with their current financial situation.**

   Sixty percent of master's students and 55 percent of doctoral students report feelings of stress related to financial pressures. On a related note, 58 percent of master's students and 55 percent of doctoral students were dissatisfied with their current financial situation at the time the survey was conducted.

2. **Students who borrowed for their undergraduate degrees are about twice as likely to borrow for their graduate education.**

   Fifty-nine percent of students who had borrowed for their undergraduate education also have borrowed toward their graduate education, while only 29 percent of those without undergraduate debt have taken out loans to finance their graduate education. Students in a professional degree program are most likely to have borrowed (65 percent) and also hold the highest median amount borrowed ($26,917).

3. **The debt burden is greater for minorities who borrow for graduate study.**

   Minority students are more likely to take out loans, as slightly more than half (52 percent) of all underrepresented minority students (URMs) have borrowed toward graduate education compared to their non-URM counterparts (40 percent).

4. **Students with graduate debt exhibit potentially riskier credit card habits than others.**

   Among students eligible to receive federal student loans, those who had taken out loans for graduate study are less likely to pay their credit card bills in full than those who have no loans (41 percent compared to 70 percent).

5. **The majority of today's students have had little or no prior exposure to formal financial literacy or financial education.**

   Although graduate and undergraduate students are at an optimal life stage for financial education as they begin to take on a wide range of financial responsibilities, the majority of students (57 percent in fall 2013 and 55 percent in fall 2014) report having no exposure to financial education. Among those who were exposed to financial education, respondents are approximately twice as likely to have received it as an undergraduate (20 percent), and equally as likely to have received financial literacy exposure during graduate school and high school (10 percent, respectively).

6. **Students with student loan debt are significantly less satisfied, and more stressed, with their financial situation than their debt-free peers.**

   Nearly three-quarters (72 percent) of students with student loans disagree with the statement that they are satisfied with their financial situation, compared to less than half (46 percent) of student respondents without loans. While half (51 percent) of students without loans report being stressed about their personal finances in general, nearly three-quarters (71 percent) of students with loans report being stressed.

7. **In one year, the collaborative partnerships developed by universities participating in this project led to an increase in graduate students' awareness of available financial education resources.**

   Awareness of general university financial education resources increased from 32 percent in fall 2013 to 39 percent of graduate students in fall 2014, and awareness of financial education resources specifically targeted toward graduate students increased from 22 percent to 30 percent during the same period.

8. **The majority of underrepresented minorities and women view managing student loan debt as the most pressing financial issue their peers face.**

   When asked to identify the financial issue with which they struggled most, 56 percent of underrepresented minorities and 54 percent of women identified managing student loan debt as their primary concern.

9. **More than one-third of graduate students struggle to meet their financial obligations each month.**

   Thirty-eight percent of master's and 36 percent of doctoral students report experiencing difficulty meeting their basic monthly financial obligations. Further, nearly one-half of graduate students (45 percent) report loan debt management as an area of struggle. This issue was especially prevalent among the professional degree students (52 percent) and master's degree students (47 percent) surveyed.

10. **Graduate students are more interested in acquiring information about complex topics that are specific to later stages of financial responsibility than they are in basic financial literacy programming.**

    While interest in seeking information on 13 financial topics varies by graduate status, all three degree-types rank "general investing" as the topic of greatest interest (49 percent of doctoral students, 45 percent of master's students and 49 percent of professional degree students), and "fraud/identity theft" as the least (20 percent of doctoral students, 17 percent of master's students and 15 percent of professional degree students).

About CGS
The Council of Graduate Schools (CGS) is an organization of approximately 500 institutions of higher education in the United States and Canada engaged in graduate education, research and the preparation of candidates for advanced degrees. The organization's mission is to improve and advance graduate education, which it accomplishes through advocacy in the federal policy arena, research, and the development and dissemination of best practices.

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[1] The Thomson Reuters Lipper Large Fund Award is given to the group with the lowest average decile ranking of three years' Consistent Return for eligible funds over the three-year period ended 11/30/12, 11/30/13, 11/30/14 and 11/30/15, respectively. TIAA was ranked among 36 fund companies in 2012, 48 fund companies in 2013 and 2014, and 37 fund companies in 2015 with at least five equity, five bond or three mixed-asset portfolios. Classification averages are calculated with all eligible share classes for each eligible classification. The calculation periods extend over 36, 60 and 120 months. The highest Lipper Leader for Consistent Return (Effective Return) value within each eligible classification determines the fund classification winner over three, five or 10 years. A detailed awards methodology can be found at excellence.thomsonreuters.com/award/lipper. For current performance and rankings, please visit the Research and Performance section on TIAA.org. Past performance does not guarantee future results.

[2] Based on assets under management across Nuveen Investments affiliates and TIAA investment management teams