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The Effect Of Student Default Rates For The Underprivileged: Engaging The University

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THE EFFECT OF STUDENT DEFAULT RATES FOR THE UNDERPRIVILEGED:
ENGAGING THE UNIVERSITY

BY

KATHERINE NAPIER, CPA, MBA, CISA, CIA

A Dissertation Submitted in Partial Fulfillment of the Requirements for the Degree

Of

Executive Doctorate in Business

In the Robinson College of Business

Of

Georgia State University

GEORGIA STATE UNIVERSITY
ROBINSON COLLEGE OF BUSINESS
2014

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ACCEPTANCE

This dissertation was prepared under the direction of KATHERINE NAPIER'S Dissertation Committee. It has been approved and accepted by all members of that committee, and it has been accepted in partial fulfillment of the requirements for the degree of Executive Doctorate in Business in the J. Mack Robinson College of Business of Georgia State University.

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DEDICATION

This dissertation and journey through the Executive Doctoral Program at Georgia State University has been a very rewarding experience. I have met many brilliant individuals, gained a few friends, gained invaluable mentors, learned to conduct research from my dissertation committee chair, Dr. Richard Baskerville, and learned to write scholarly from my committee members as they challenged me to release my hidden talents. I thank each of them for sharing their insights and experiences with me, and allowing me to share my insights and experiences with them as well.

I want to thank especially my husband, William, as without his support this endeavor would not have been possible. William encouraged me to follow my dreams and reach my highest potential while addressing a critical social issue in hopes of making a positive change in society. I would also like to thank my friends and colleagues in higher education that encouraged me to continue my education and assisted me in obtaining a site for my research as this dissertation would not have been possible without their trust, respect, and confidence in me to tell their story.

ABSTRACT

THE EFFECT OF STUDENT DEFAULT RATES FOR THE UNDERPRIVILEGED:

ENGAGING THE UNIVERSITY

BY

KATHERINE NAPIER, CPA, MBA, CISA, CIA

April 29, 2014

Committee Chair: Dr. Richard Baskerville

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As the cost of higher education continues to grow at astounding rates, research shows that, in most cases, students and their families face some level of debt to pay for their undergraduate degrees (Layman, 2011). This research study will use an engaged scholarship approach to address the reason some students repay their educational debt and some students' intent to repay their debt is quite different from the desired behavior. Additionally, we review the factors that affect students from underprivileged socioeconomic backgrounds that are, unfortunately, the largest contributor of delinquent student loan debt. Specifically, this study will identify elements using qualitative measures that influence the student's intent and behavior to act that will assist universities in policy development to change the perceived value and the academic sustainability of the student while understanding the student's behavior related to socioeconomic barriers and self-sacrificing influences.

Additionally, two theories are used as lenses to ground this study. The theory of reasoned action (Fishbein & Ajzen, 2010) is used as the focal theory, and place attachment theory (Scannell & Gifford, 2010) is used as an instrumental theory. The empirical results of this study offer factors that influence educational debt repayment and policy design.

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CHAPTER I: INTRODUCTION

As the amount of debt continues to climb, a pinnacle distress for students, due to the rising cost of higher education instruction, the changes in financial aid borrowing criteria (Choy & Li, 2006), and the limited availability of grants and scholarships, it is time that we address this disconcerting area of interest related to student loan default rates. This study will address the underprivileged student population and the constraints that prevent timely repayment of outstanding student loans. Additionally, this study addresses the pragmatic trajectory of the out-of-control student borrowing patterns that ultimately causes an increase in the student loan default rate, the student's intent to secure educational loans, and the student's pretentious behavior to repay this debt after attaining an undergraduate degree or at the end of their collegiate experience.

Moreover, the "underprivileged" student is defined as a student denied the level of opportunities that are incongruent with students of a middle-class or affluent background, with family dependencies and income below the poverty level as outlined by the U.S. Department of Health and Human Services. According to the 2013 Federal Poverty Guide for 48 U.S. contiguous states and DC, household incomes of \$11,490, \$15,510, \$19,530, \$23,550, and \$27,570 represent poverty levels for household sizes of one, two, three, four, and five, respectively (U.S. Department of Health and Human Services).

An engaged scholarship approach will be used to engage higher education administrators from an institution with a student body consisting of a predominately diverse student population directly affected by higher education costs associated with increased tuition costs, reduced public funding, and limited post-graduate job opportunities. We start the conversation with a review of the scholarly literature, as well as practitioner publications related to the underprivileged socioeconomic student, their need to enter into debt, and their attitude and behavior towards debt repayment for their postsecondary higher education experience. Based on a review of the literature, we are not aware of scholarly research that has addressed the

student's attitude to educational debt repayment and associated barriers using the lens of the theory of reasoned action and the place attachment theory (Bale, Coutinho, Swan, & Heinrich, 2013; Carnevale, Cheah, & Strohl, 2012; Price, 2004; Scannell & Gifford, 2010; Southey, 2011; Yoon, 2012). Moreover, in conducting the literature review, we did not find any literature that has addressed the cultural characteristics of the institution in policy formation that influence the intended behavior of the student in debt repayment.

The results of the study provide insight to educational institutions by describing the elements to stimulate the underprivileged students' interest and intent to resolve existing debt using an engaged scholarship approach in the realm of policy evaluation research as described by Van de Ven (2007). A policy model is introduced based on interaction with participants in the study. This model will influence institutional policy that adapts to cultural characteristics of the institution, as well as the constituents of an underprivileged socioeconomic background in federal student loan repayment. The policy model is categorically outlined to explain elements that influence the intention of repayment of student loans from the perspective of institutional influences and student behavioral norms.

Importance of Topic

This research study has induced concern of both higher education institutions and the federal government as student debt rises towards levels considered unsustainable as subsidies on the local and federal levels are quickly diminishing (Williams, 2006). Thus, this study primarily reviews the practical premise of this problem: rising student debt instigated by rising tuition cost and the socioeconomic barriers that influence the underprivileged student's repayment potential. To understand the magnitude of the effect of higher education cost on the underprivileged student population, we reviewed a report on affordability of higher education, which indicated that the poorest Americans in the year 2000 paid 27 percent of their annual family income for higher education, compared to the year 1980 where the poorest Americans

paid 13 percent of their annual family income, representing an increased share of higher education cost allocated to the underprivileged (Finney & Kelly, 2004).

The increase in student default rates is fueled by the cost of education and the student's need to borrow to fund their education. According to the most recent issue of a report by the U.S. Department of Education (Digest of Education Statistics, 2012), which evaluated postsecondary educational cost of attendance for 7,178 institutions receiving Federal Title IV funding in the United States from 2001-2002 to 2011-2012 academic years, the cost of full-time undergraduate tuition, fees, and room and board has increased on average at 4-year public institutions by 40 percent. Additionally, in the 2011-2012 academic year, a four-year nonprofit institution reported a 28-percent increase in educational cost compared to the 2001-2002 academic year, and a private for-profit institution reported a 2-percent decrease for the 2011-2012 academic year compared to the 2001-2002 academic year. Moreover, the report indicated that the estimated cost to attend a four-year public or private institution in the 2012-2013 academic year for undergraduate tuition, room, and board was \$23,872 for the academic year.

The tuition cost presented here represents the net price (Finney & Kelly, 2004) or sticker price of higher education cost. The sticker price of what a student pays for higher education instruction is equivalent to the sticker price displayed on a new car. In most cases, this is not the price paid, as commonly there are incentives and further negotiation that reduce this cost. These tactics are also used in higher education pricing. Notwithstanding negotiations, the sticker price of tuition and fees imposed on students by higher education institutions are commonly reduced by private funding and scholarships, as well as institutional and government subsidies. In addition, gross tuition cost and the sticker price of education are rising as subsidies are depleting (Bharucha, Goldstein, Grabois, Zimmer, & Van Zandt, 2012). As educational cost continues to elevate, the fate of the widening gap and increasing cost for the student is inevitable.

This study investigates a solution that offers an institutional policy model to help bring federal educational loan default rates to a controllable level, since available funds for future student borrowing will vanish if loan default trends continue on the current upward trajectory. The federal government awarded loans amounting to \$157 billion in 2011 (U.S. Department of Education, Federal Student Aid, 2011). Federal educational loans are replenished by students repaying the principle on their loans, the collection of interest on these loans, and the amount of budget allocated by Congress for education. If the amount of student loan repayment continues to decline, so does the interest collected on these loans, which will reduce the amount of funds available for future generations, rendering the system incapable of awarding loans at today's magnitude. According to a report issued by the office of Federal Student Aid (FSA) in the U.S. Department of Education, in fiscal year 2010, 4.1 million students entered repayment and 375,000 (9.2 percent) defaulted on these loans (National Center for Education Statistics (NCES), 2012; tables 381, 387, 400). Additionally, the report indicates the default rate on federal loans is increasing from 6.7 percent in the fiscal year 2007 cohort to 9.2 percent for the fiscal year 2010 cohort. Moreover, the student loan default rate for the 2012 cohort is 11% (NCES, 2012).

Additionally, the results of this study will encourage university and government interaction to assist students in post-educational employment choices to reduce educational loan debt. As the shift of educational cost occurs, students are exploring options of financing their educational experience through federal, private, and personal funding sources to achieve their aspirations of higher education and what is perceived to lead to a better life (Bastedo, 2009; Christie & Munro, 2003; Howard & Levine, 2004;). The federal government, in many ways, has achieved its goal of extending education to all who desire it through federal subsidized loan programs (Title IV); however, the means and place of employment opportunities available to the underprivileged student to initiate repayment is limited resulting in delinquency along with anxiety. Although

higher education is considered the best option for advancement, the unemployment rate is not favorable in today's economy.

During June 2013, the U.S. Bureau of Labor Statistics reported a 7.6 percent unemployment rate with 11.8 million people unemployed. The unemployment rate for African Americans was the highest according to the June 2013 U.S. Bureau of Labor Statistics Employment Summary: the unemployment rate for African American men and women was 12.8 percent and 12.4 percent, respectively. The unemployment rate for civilians with a bachelor's degree or a graduate level degree was 3.9 percent (U.S. Bureau of Labor Statistics, 2013) compared to those with education levels of high school or no high school diploma at 9.7 percent. The overall unemployment rate has improved slightly; however, the unemployment rate for college graduates is increasing compared to 2010-2011 unemployment rates: "The overall unemployment rate for recent college graduates is 7.9 percent, and the overall unemployment rate for graduate degree holders is 3.3 percent" compared to 3.9 percent for degree holders in June 2013 (Carnevale & Strohl, 2012).

According to Price (2004), students from low-income families with income below the poverty lines, usually the African American and Hispanic populations, will have higher educational debt as federal financial aid becomes the primary choice for funding their postsecondary education. Moreover, student debt repayment is severely impacted since the unemployment rate for African American graduates are the highest among all other races. According to the Bureau of Labor Statistics (2010), the unemployment rate in 2009 for African Americans with a bachelor's degree or higher was 7.3 percent exceeding the unemployment rate for all races reported by educational level: Hispanics at 5.7 percent, Asians at 5.6 percent, and Whites at 4.2 percent (Appendix A). An understanding of the characteristics and demographics of students who borrow for educational need is important as this allows us to gain insight on the factors that influence students repaying their loans.

According to Guida and Figuli (2012), race explains 20 percent of the variance in repayment and the increase of loan default. Although race may be a contributing factor in student default rates, this study attempts to go beyond race and explore factors that influence student repayment behavior that will eliminate or reduce higher education debt, as well as understand the student's perception of the consequences of securing educational debt and the student's repayment of this debt by selecting viable employment options in light of the current economy after the 2009 recessionary recovery (Sahin & Willis, 2011).

RESEARCH QUESTION

In order to appreciate this educational debt problem, it is important to gain an understanding of the behavior and norms of the student from an underprivileged socioeconomic status, the attentiveness to financial obligations in resolving outstanding educational debt, and the factors that might hamper the intent to repay this debt. The research question is how can the university improve the underprivileged students' ability and intent to repay their educational loans? To investigate this problem, we used a reasoned action theoretical approach as a lens to understand the level of federal student borrowing, as well as the attitude of the student related to debt repayment at an institution with an elevated federal student loan default rate (Fishbein & Ajzen, 2010). Moreover, as the study progressed in the area of student borrowing patterns and behavioral norms that affect the repayment of educational debt, the dyadic of socioeconomic barriers, and the student's attachment to their home environment caused us to introduce place attachment theory to explain this compelling phenomenon.

SUMMARY

The remaining chapters of this dissertation will include a literature review (Chapter II), theoretical background (Chapter III), research methodology (Chapter IV), results (Chapter V), discussion (Chapter VI), references, and appendices.

Chapter II: Literature Review. The literature review covers relevant peer-reviewed scholarly research and practical articles surrounding the student's behavior and institutional influences relating to educational student loan debt. A review of the literature on student's behavioral norms addresses student debt behavior, student borrowing behavioral control, student debt attitude, and student employment opportunities. Additionally, a review of the literature on institutional influences addresses student financing, student debt, and policy formation to review the elements that are suitable for higher education policy design.

Chapter III: Theoretical background. There are two theories used in this study that provide a lens to explore this area of interest. The theory of reasoned action assists in understanding the behavior and intent of students to repay educational debt, and influences that affect repayment behavior of federally funded debt, while place attachment theory explains elements that surfaced during the interaction with study participants that are influenced by socioeconomic barriers contributing to the rise in the default rate after the student matriculates.

Chapter IV: Research methodology. The research method section describes Van de Ven's (2007) engaged scholarship method as well as why this method is suitable to explore this problem using a qualitative approach. The study is conducted on a historical black college and university (HBCU) campus that meets the criteria identified in this study as a viable choice for our research. The study takes place in the southern part of the United States at an institution where the student population obtains some type of financial aid to fund their undergraduate educational experience. The institution's cultural characteristics and student body introduce challenges that are common among the underprivileged socioeconomic population. Additionally, semi-structured interviews and workshops sessions were conducted to glean salient data from the interaction with participants and increase the likelihood of viable factors that will influence the student's intent to act in repaying educational debt.

Chapter V: Results. In this section, we offer excerpts from conversations with participants that were gathered from interviews and workshops. The results identified themes that influence the intended behavior of students in repayment of their educational debt. Additionally, the surprising theme that surfaced was the relationship between socioeconomic barriers and place attachment theory.

Chapter VI: Discussion. The discussion argues for contributing to higher education policy design. The study introduces the following factors that influence policy as it relates to higher education delinquent debt for the underprivileged student: family influence, cultural bonds, resource constraints, socioeconomic barriers, and mobility and attachment. Additionally, the study links student default rates and unemployment rates to add to the area of concern. In this section, we address limitations and future research in this area.

CHAPTER II: LITERATURE REVIEW

The Institution

STUDENT FINANCING. The level of student debt is increasing due to the rise in tuition cost and the reduction in available scholarship and grant funds. The growing price of education passed on to students by higher education institutions in most cases leads to increased student financing. Grants and scholarships are beneficial to the student as these funds are at no cost to the student and do not require repayment or affect the student loan default rate. Figure 1 below briefly outlines the interrelationship between the economy, the state and local governments, the federal government, and the student linkage to higher education financing (Finney & Kelly, 2004). The funds from the student, the institution, and the government are interconnected. One feeds the other creating an interweaving dependence and relationship between funding sources.

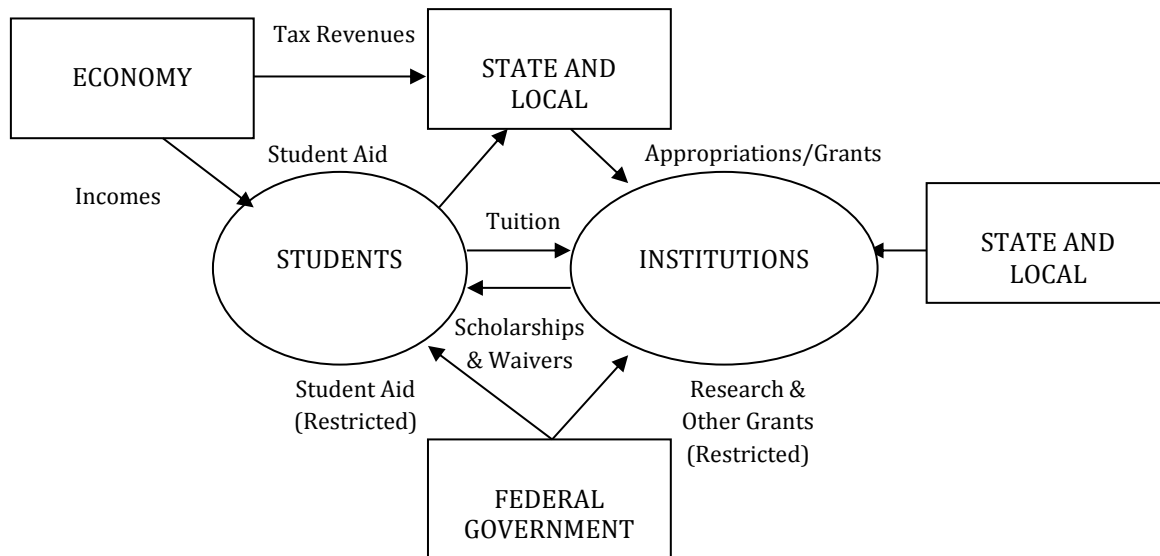


Figure 1. Student Financing Relationship. From Dennis Jones, National Center for Higher Education

Management Systems (NCHEMS), as cited in "Affordability: Obtaining and Making Sense of Information About How Students, Families, and States Pay for Higher Education" by J. E. Finney and P. J. Kelly, 2004, *Change* 4, p.

With the decline in the U.S. economy, public institutions must explore other sources for closing the gap between the level of public and private funding sources and the cost of higher education. The average cost of public and private nonprofit postsecondary education for an undergraduate student to reside on campus was \$27,435 for the 2010-2011 academic year (NCES, 2012). Moreover, the average higher education tuition cost for an undergraduate student was \$9,900 in 2011-2012 versus \$7,000 in 2000-2001, representing a 41 percent increase (NCES, 2012, tables 381, 387, 400). As public higher education cost increases, students are responsible for the residual not subsidized by the state resulting in a greater share of their educational cost (Rothstein & Rouse, 2011). A review of the literature addresses concerns by the student body regarding the increase in tuition cost and the inability to repay their student loans. Moreover, many students realize that this debt is “real,” and loan repayment may not be as easy as borrowing: The University of California raised student tuition by 32 percent in the fall 2009, which caused an uproar among the student body (“Ending Student Loan Exceptionalism: The Case for Risk-Based Pricing and Discharge,” 2012; McClanahan, 2011; Yoon, 2012).

According to Vossensteyn (2009), increase in tuition cost is widening the social gap and impeding fair social equity in public higher education. Critics have argued that the government should continue to pay a greater share of higher education cost as society is rewarded with more productive citizens that enter the workforce; however, there is limited coverage in the literature related to alternative government employment opportunities to repay educational debt (Bale et al., 2013; Yoon, 2012). The outcome of policy changes to encourage payment of higher education tuition cost can result in an inevitable decline in the enrollment of underprivileged students, who must work or defer their education until available funds are obtained from other sources (Ginder & Kelly-Reid, 2013).

In an effort to assist students with the cost of public higher education, institutions must strategize to establish techniques that will subsidize educational cost for low-income students. According to Vossensteyn (2009), solicitation of private funds and student repayment plans will

assist in decreasing the institutions “bad debt” expense while providing some relief to the student. Vossensteyn (2009) further articulated the need for differential tuition options where the institution provides other services for an additional cost. This strategy will increase revenue for the institution while offsetting other costs, assisting students of underprivileged socioeconomic backgrounds. In addition, charging for nontraditional educational choices may negatively affect enrollment (Vossensteyn, 2009). The importance of changing the perceived negative attitude of borrowing funds for educational cost from private funding sources (e.g., grants, scholarships, and deferred payment options) is essential in temporarily closing this financial disparity for students. In order for states and higher education institutions to increase the availability of educated students, implementing guaranteed loan repayment programs to defer payment of educational cost may encourage enrollment.

In the 2011-2012 academic year, approximately \$11.1 billion was funded by states for student financial aid, an increase of 3.2 percent from the prior year (“43rd Annual Survey Report on State-Sponsored Student Financial Aid,” 2012). The states’ share of higher education cost is in addition to the \$1 trillion student debt currently held by the federal government. These funds come in the form of scholarships, subsidies, and appropriations that feed between the school, the student, the state, and the federal government (Doyle, 2012; Toutkoushian & Shafiq, 2010). As articulated by Alon (2011), financial aid loans have not maintained the same rate of growth as tuition pricing. Accordingly, the research in this area revealed that grants are more effective in facilitating increases in graduation rates of students than loans (Alon, 2011). This research study will review factors that influence the student’s intention and behavior to act in repaying student loan debt to reduce educational loan default rates.

According to Layman (2011), in 2009, new debt repayment plans became available for federal student loans; however, the legislation for tax liability necessitates revamping for participants in these repayment plans to eradicate the tax liability in a single year. Although students may obtain scholarships or grants, the cost of education continues to increase, and

many students must obtain loans during their quest to obtain an undergraduate degree (Layman, 2011). In the 2006-2007 academic year, 73 percent of undergraduate students received financial aid including federal, state, and institutional student loans (Planty et al., 2009). Layman (2011) articulated that the amount of federally backed student loan debt in 2008 amounted to \$66.8 billion. Moreover, borrowing limits are attached to federally backed student loans such as Perkins Loans, Stafford Loans, and Plus Loans. One caveat is that the federal government has enacted laws to prevent discharge of federally backed loans in bankruptcy except for hardship to prevent passing this debt burden onto taxpayers (Ionescu, 2011; Student Loans in Bankruptcy, 2011).

STUDENT DEBT. According to Williams (2006), there is no bargain in obtaining education through a state university as the cost is now “like most social services, a largely privatized venture, and loans are the way that individuals frequently pay for it”. The cost of postsecondary education is skyrocketing, and the student’s unmet need, no matter whether the institution is public or private, is the student’s obligation payable upon graduation or at the end of their educational experience.

As articulated by Christie and Munro (2003), in the UK, government policy supports student education; however, much of the debt burden is intended for the student, as the government believes that the student reaps the benefit after graduation through increased “lifetime earnings.” The literature exhibited that the position of the government in several nations is consistent with shifting a substantial portion of educational debt responsibility from the government onto the student (Mhamed, Kasa, & Cunska, 2012). As noted in the literature, there is an equity gap of government funding for education as some students from affluent backgrounds are also reaping the benefits and reducing the available funds for those students from underprivileged socioeconomic backgrounds (Christie & Munro, 2003; Vossensteyn, 2009). Furthermore, the literature indicated that the shift of the debt burden from the

government to the student is not just part of the United States' landscape but is part of the global perspective, which makes this research study relevant and of general interest.

As articulated by Mhamed, Kasa, and Cunska (2012), public policy should assess the outcome and impact of a target group. The concern of educating the public deals with equity and access to higher education not only in the United States. According to Mhamed, Kasa, and Cunska (2012), in Latvia, students who once had their education paid in full by the government must now pay. In this study, repayment linked to the student's income level after graduation as the repayment criteria specifies the graduating student must have a certain level of income before repayment commences (Mhamed, Kasa, & Cunska, 2012).

In the United States, a well-known university made a leap to introduce a payment plan option that was unprecedented. Yale University embarked upon an experiment in 1999 that allowed students under a tuition option plan known then as the "tuition postponement option" to attend college paying no tuition while they matriculate with a pledge to pay the cost of tuition at a later time from future income (Harris & Landrum, 2013). This tuition payment plan was bold, received a lot of press coverage, and made a lot of sense. The study revealed a graduate from Yale University can earn a substantial amount of income by school name recognition alone. Moreover, the school's name is perceived to be a guarantee for elevated income levels. Although the plan was a socialist idea that may have helped all students in the cohort, it was unsuccessful based on the structure that appeared to punish the students who prospered and rewarded the students who became destitute. The program was structured in a way that the wealthy of the alumni would pay for the debt of the not so wealthy: A student with a debt of a few thousand dollars could now owe several thousand dollars due to the program's criteria that dictated that students with substantial income now picked up the debt for their fellow classmates (Harris & Landrum, 2013). As articulated by Harris and Landrum (2013), other tuition plans have grown out of this idea today such as the "Pay as You Earn plan" initiated by President Obama, "Pay It Forward" introduced by legislation in Oregon, and the "ExCEL Act" introduced by legislation in

Wisconsin. Since the future income of the graduates is an influential driver for these plans, it is important to note that gainful employment for college graduates with student loan debt is pivotal to encouraging repayment. Additionally, the place of employment opportunities is equally important for the student faced with diverse socioeconomic challenges.

There is one example of a school that is trying to address the issue of passing on educational debt to the student. Stinebrickner and Stinebrickner (2013) articulated a program that offers a no tuition fee for undergraduate higher education in a case study conducted at Berea College located in Kentucky. Stinebrickner and Stinebrickner (2013) articulated that equality in education can be achieved by removing the direct cost of education for low income students as the student of an adverse socioeconomic status is burdened by borrowing constraints. With the Higher Education Act of 1998, access to funding has been addressed to increase the availability of funds for all who desire an education as long as the student meets the criteria outlined. With the increase in available funding, it is necessary for alternative repayment programs to achieve equity. Moreover, the case study conducted at Berea College is intriguing as the school was founded to give those of a disadvantaged socioeconomic background a hope for higher education (Stinebrickner & Stinebrickner, 2013). According to the authors, the school primarily operated on donations; however, the students were required to provide service at the educational institution as a condition of enrollment. As institutions review avenues to assist the student in repaying educational debt, it is important that we understand the student's intent and behavior.

The increase in debt passed on to the student started with President Reagan's era when grant funds were curtailed, creating a shortfall and mounting higher education debt (Mattera, 2011). During President Obama's era in 2010, educational debt primarily controlled by the banks was eliminated, and the amount of Pell Grants offered was increased but not before student debt propelled to a staggering level of \$1 trillion (Mattera, 2011). It is essential for existing borrowers to repay their loans to provide available funds for the next wave of students seeking to fund their pursuit of higher education (Mattera, 2011).

POLICY FORMATION. The establishment of policy to instigate change is important in higher education; however, the level at which the policy is initiated and the influences of internal and external actors can have different effects on the institution (Bastedo, 2009). As part of this study, we reviewed the literature related to policy formation to understand heuristic elements used in policy development. However, during a review of the literature, we did not find any literature that used theory to develop higher education policy in the United States. Much of the literature that addressed higher education policy provided models for reviewing, analyzing, and implementing policy change. Additionally, theories that were used to analyze existing policy and policy change in the higher education arena incorporated multiple streams of theory (i.e., garbage-can model, punctuated equilibrium theory, network-actor theory, and advocacy coalition theory) to understand the perspective of policymakers (Bastedo, 2009; Capano, 1996). These theories were used to understand the institutional logic that is deeply seated in the higher education system governing body's adaptive norms, values, and beliefs (Bastedo, 2009).

The institutions that belong to a system governing body are predominately subject to the policies pushed down from this governing body who allows individual institutional policy development only if a system policy does not exist (Bastedo, 2009; Elboim-Dror, 1970). This form of policy formation and governance structure is prominent in most not-for-profit higher education institutions. The adoption of policy and a strong governing structure is necessary for legitimacy in achieving accreditation, as many accrediting bodies require a strong academic and financial platform that is governed by a higher legislative body that guides the goals of the institution. As articulated by Elboim-Dror (1970), the institution's policy formation structure offers criteria that evaluate the success of the institution's outcomes conceded during goal formation relating to specific policy direction.

We did not find any literature that addressed actual policy formation using an engaged scholarship and a theoretical approach to create a model for policy formation in higher education institutions. The limited research found in this area addressed the characteristics of

education policy formation (Elboim-Dror, 1970). Moreover, the characteristics outlined are tangible and intangible goals, means-end relationship, inconsistencies in established goals, priority ordering, the benefit and cost of the goal, environmental influences, actor influences, and discretion of decision-making (Elboim-Dror, 1970). In this study, we will further highlight five areas that are closely related to this study: intangible and tangible goals, means-end relationship, environmental influences, actor influences, and discretion in decision-making.

First, as articulated by Elboim-Dror (1970), intangible goals are based on subjective factors that motivate and inspire others. Subjective factors are difficult to measure but can offer huge rewards to improve constituent satisfaction. Tangible goals, as articulated by Elboim-Dror (1970), are the structured goals that are specific and measurable. Tangible goals are formulated by the higher education system institution to provide guidance to the individual universities that will achieve the desired outcomes based on the states' strategic plan. Tangible goals have a strong relationship to means-end goals, as the system institution's objective is to expand the educational level of its constituents. Second, Elboim-Dror (1970) described the means-end relationship for the higher education institution as the policies that achieve maximum education. The policies of most interest to the system institution are developed, focusing on enrollment goals and graduation rates. Third, environmental influences explain the network factors (e.g., politics, interest groups, community, parents, and the public) that influence higher education policy formation (Elboim-Dror, 1970). It is important for the system institution to understand the sensitivity of factors for all institutions under its purview to ensure that policies provide equity and equality for all (Alexander, 2011). Unfortunately, the focus is primarily given to the flagship institutions while the lower-level performing institutions are left with policies that are ill-fit to address their dynamic cultural makeup. The flagship institutions are also given the resources to attract the best students while the comprehensive institutions mostly of liberal arts concentration are given the leftovers, which make it difficult to enact institution specific policies (Bastedo, 2009). Fourth, institutional actors are important to the implementation of

policy and are instrumental in knowledge transfer (Elboim-Dror, 1970). Moreover, the relationship with students is essential in achieving policy goals and increasing student satisfaction. Although Elboim-Dror (1970) indicated that management influential powers are limited as they relate to educational activities at the system institution, manipulation of the governing body by higher-level managers is greater based on the knowledge of the institution and the network of relationships within the higher education structure. Fifth, discretion in decision-making outlines the limited discretion that is given to lower-level workers as this group is responsible primarily for carrying out the policy as provided by the governing board and higher-level administrators (Elboim-Dror, 1970). The lower-level employees are on the front line and have insight into the educational environment dynamics that are invaluable. In contrast, higher-level administrators have more flexibility to initiate institutional level policies, which can strengthen the institution but resources are rare (Bastedo, 2009; Elboim-Dror, 1970).

Summary of Literature on Institutional Influences

The literature review identified three areas that are directly influenced by the institution as it relates to the student loan delinquency rate: student financing, student debt, and policy formation. First, the literature covered the educational institution level of student financing and the interrelationship among all actors that contributes to and fuels the matrix of educational financing to control the escalation of delinquent debt (Finney & Kelly, 2004). The federal direct loan program is vulnerable to students without the discipline and understanding of the consequences of delinquent debt that can shut the Title IV system down, obstructing future funding. This would be detrimental to the higher education institution as well as to the student, as a great majority of students especially those of an underprivileged socioeconomic status receive federal student loans (Christie & Munro, 2003). Without the open access to federal student loans with limited criteria, many students who meet the guidelines of poverty would not have the opportunity for an advanced education and the ability to increase their income levels. Second, the literature addressed the effects of an increased amount of the cost of education that

has been passed onto the student and the need for the student to increase borrowing to meet this unmet need (Mhamed, Kasa, & Cunska, 2012). The student's debt pattern and need for funds to pay for the increase in tuition cost affect the student default rate as students from an underprivileged background are challenged to repay this debt. Additionally, during our review of the literature, a limited amount of the literature addressed institutional strategies that initiate debt repayment options for the student (Harris & Landrum, 2013; Stinebrickner & Stinebrickner, 2013). As students complete their collegiate experience, the university must understand the employment needs of these students and the behavioral intent to repay loans. Third, it is essential that the institution develop policy that is institution specific that addresses the cultural aspects of the institution and the student's behavioral intent that leads to reduction in student loan delinquency patterns. The literature covered a model that incorporates theory for analyzing or reviewing existing policy, but this is as far as it goes (Bastedo, 2009; Elboim-Dror, 1970). The gap in the literature surrounds the need for a theoretical model that addresses the cultural aspects of the institution and its constituents in developing policy to assist in debt reduction.

The Student

STUDENT DEBT BEHAVIOR. At the end of the fourth quarter of 2012, the total amount of outstanding U.S. student loan debt held by students and their families amounted to \$966 billion, compared to \$390 billion in the fourth quarter of 2004 (Federal Reserve Bank of New York (FRBNY) Consumer Credit Panel/Equifax, 2012). In review of the literature that addressed student borrowing behavior and the unmet need of educational cost, commonly higher among the poorest families, increase in borrowing leads to an overextension of debt that negatively affects the students' ability to pay back educational loans after graduation. The average undergraduate student loan balance in the fourth quarter of 2012 was \$24,803 (FRBNY Consumer Credit Panel/Equifax, 2012).

As the debt for students investing in higher education is increasing, public funds to supplement student cost is diminishing in the United States based on the decline in the economy: The effect is an increase in the student's share of higher education cost (Mattera, 2011). The literature addressed student debt consumption and borrowing attitudes of increasing higher education student debt. Additionally, a review of the literature assisted in understanding the effect that increased student contribution has on higher education access as well as deteriorating equity for the underprivileged socioeconomic class to meet higher education cost of attendance (Carnevale & Strohl, 2013). According to Vossensteyn (2009), indirect assistance is provided to parents to assist with paying the interest on their federally funded loans for their child's education through the federal tax system; however, this assistance is not passed on to the student or even paid on the debt. Mechanisms in the federal direct loan program are currently in place to pay federal loan funds directly to higher education institutions. Although it may be difficult to implement, leveraging federal and state education payment mechanisms can be expanded where the parent is acting as a conduit in receiving federal and state tax income to distribute the funds directly to the higher education institution or the agency responsible for servicing the outstanding federal debt where the student acts as the beneficiary. Student educational debt is becoming a familiar commodity, as the family contribution is not an option; however, family contribution is a factor in establishing loan limits and reducing loan awards used in awarding federal student loans.

As students from disadvantaged backgrounds may be debt averse, the constraints on borrowing funds for college does not affect college attendance, but instead, family income affects student preparedness (Rothstein & Rouse, 2011). Many students from an underprivileged socioeconomic status do not have the tools to succeed, or these tools are not at the level of their more affluent counterparts. The inability to obtain the tools needed to excel academically is influenced by environmental resources, family resources, and cultural constraints. According to Rothstein and Rouse (2011), debt is a means of financing college and aids students to

“internalize” investment decisions. The decision to invest in college has to be influenced by the desire to embark upon the academic experience, and the student must acknowledge the relationship between the investment and their academic achievement.

STUDENT BORROWING BEHAVIORAL CONTROL. Chudry, Foxall, and Pallister (2011) articulated the theory of planned behavior, the theory of reasoned action, and perceived behavioral control to glean the determinant factors of attitudinal drivers for borrowing that influence past behavior, involvement with money, and decision-making. The increase in student accounts receivable at higher education institutions may be attributable to the student’s decision to refrain from debt or the inability to borrow money from financial institutions or federal loan programs as higher education institutions are taking on the debt to meet enrollment goals.

It appears that parents are not providing financial assistance based on their past behavior and attitude of avoiding excessive debt. According to a report by the National Center for Education Statistics (2009), in the 2007-2008 academic year parent plus loans amounted to 3.8 percent of student loans awarded. The low borrowing behavior of the parents negatively affects the student’s attitude towards debt to fund higher education needs (Chudry, Foxall, & Pallister, 2011). The student’s past behavior of avoiding debt repayment is becoming a habitual action and predictor of future conduct (Chudry, Foxall, & Pallister, 2011).

In order to keep federal default rates low, there has been some progress in reaching out to students with federal loans to provide assistance in debt consolidation or forbearances. However, the true potential default rate is masked by the student debtor’s ability to obtain deferment options. According to Chudry, Foxall, and Pallister (2011), “changing an individual’s involvement with finance, normative beliefs, and perceptions of control toward borrowing, and not merely knowledge of financial sources” (p. 140) may lead to positive decision-making in borrowing patterns. It is conceivable that education is necessary to change the attitude and perception of the student to influence positive debt borrowing and repayment habits. Additionally, informing and educating debtors about contractual benefits they are not cognizant

of may assist in reducing the default rate, but this is not the only interaction that must take place. Moreover, several interactive vehicles that positively influence the student's behavior and intent to act are necessary.

According to Mitchell (2014), there were cases where students were borrowing federal student aid funds to supplement their living conditions as the high unemployment rates push the consumer back to school to make ends meet. Federal student aid funding has become an open access for loans if enrolled in school at least part-time (Mitchell, 2014).

STUDENT DEBT ATTITUDE. The literature provided coverage of other countries such as the Netherlands, England, and Australia that are not experiencing an influx of students applying for federally funded educational loans to fund their collegiate experience even though the student's financial obligation has now increased, unlike the U.S. where the federal government funds a sizable portion of the educational debt (Hessel & Anja, 2009; West et al, 2009). The student's attitude towards entering into debt is a significant determinant as it relates to educational debt. It may be conceivable that if the student has a healthy and realistic attitude about debt obligations and debt repayment, the student would only enter into debt if they can ascertain positive potential employment outcomes to repay this debt. This attitude leads to inequality in higher education for the socioeconomic underprivileged student who is left out of the pursuit of the American dream that higher education can bring due to an unpromising future and the inability to repay this debt. Moreover, if the student is not debt averse and enters into federally funded educational debt, but the potential for suitable employment in their field of study is not possible, this will lead to defaulting on this debt, increasing the educational debt default rate (Trent, Lee, & Owens-Nicholson, 2006).

According to Davies (1995), students that come from prosperous socioeconomic status backgrounds also enter into debt, but for reasons different from those of low-income status. Davies (1995) articulated that students of prosperous background enter into debt, but consider it temporary to achieve the goal of higher education to attain the lifestyle that they are

accustomed. Moreover, the benefits perceived by low-income students may be even more disproportionate than the benefits perceived by students of affluent backgrounds. The downward economic trend is leading one to wonder if the image of the rewards of a higher paying job resulting from a postsecondary educational degree is possible (Christie & Munro, 2003).

To determine the students' past behavior and attitude for entering into debt, consideration of several factors including fear and familiarity of the debt instrument is warranted (Steve, Simon, & Oleksandr, 2010). One of the arguments against transitioning more educational debt onto students of underprivileged socioeconomic status is that these students are, in most cases, debt averse and have not fully accepted debt as a means of accessing higher education, creating a social equality gap as government funding decreases (Christie & Munro, 2003; Vossensteyn, 2009). Additionally, educational debt makes up 9 percent of family income and is available from various sources; however, the federal government acts as a major supplier of educational debt in the United States (Federal Reserve Bank of New York, 2013).

STUDENT EMPLOYMENT OPPORTUNITIES. The literature provided some coverage of the choices made by graduating college students in the selection of employment opportunities. As articulated by Rothstein and Rouse (2011), students' are commonly driven to higher paying employment opportunities while viable public employment options are rarely sought after due to the low level of compensation. Furthermore, research conducted the Center of Education and the Workforce at Georgetown University identified the unemployment rates in the U.S. were favorable for recent graduates by select majors during 2010-2011 (Carnevale et al., 2012). According to the report, graduates experienced the following unemployment rates by majors: (1) The majors with the lowest unemployment rates were nursing at 4.8 percent, elementary education at 5.0 percent, physical fitness and parks and recreation at 5.2 percent, chemistry at 5.8 percent, and finance majors at 5.9 percent; (2) The majors with the highest unemployment rates were political science at 11.1 percent, film, video, and photography at 11.4 percent,

anthropology at 12.6 percent, architecture at 12.8 percent, and information systems at 14.7 percent (Carnevale et al., 2012). Rothstein and Rouse (2011) articulated possible employment choices by undergraduate students for public jobs will increase if a no cost grant is provided instead of financial aid. Mattera (2011) articulated that the economy has now made it necessary for an individual to achieve a certain level of education to survive in society. Although the economy was sluggish, the recovery after the Great Recession in 2009 resulted in workers with a bachelor's degree or higher coming out on top in the recovery (Sahin & Willis, 2011).

As the amount of educational debt continues to escalate, it is time that we review existing programs to assist the student to repay their educational debt. Educational debt repayment programs backed by the federal government may reduce default rates. Much of the literature surrounding employment opportunities for students after graduation available to pay off federal debt addressed occupations that are in high demand with limited supply of viable human capital. As articulated by Messina (2010), jobs which are determined to fill a "national need" exist in the public service arena primarily dealing with healthcare, military, and teaching. For example, due to the shortage of teachers, the federal government offers programs that will relieve debt for service if the individual works in elementary and secondary special education providing teaching services in math and science. The STEM (i.e., Science, Technology, Engineering, and Mathematics) areas are disciplines with shortages of educated students and highly desired fields for the United States to advance in for the future and increased economic growth. To increase the attractiveness of human capital in these areas, the government will provide Federal Perkins Loans to relieve debt for students who enter the teaching field and serve low-income families and tribal colleges. Moreover, many states are offering loan forgiveness programs that include service requirements for public service positions (Messina, 2010).

Although bankruptcy may not be an option for discharging federally backed student loans unless one can prove hardship, Congress enacted laws to provide loan forgiveness if the student provides service for teaching or serves the country where there is a shortage or where a national

need exists (Layman, 2011). Moreover, if the student elects to teach for five years in these high demand fields, there could be forgiveness of some portion of the student loan depending on the discipline of instruction: the greater the need, the greater the relief (Layman, 2011).

Additionally, provisions have been enacted that will allow students to pay on educational debt over 25 years based on the percentage of the students' income. If the loan remains outstanding after this period with timely payments, the remaining loan balance is eligible for forgiveness.

Nevius (2009) articulated that performing public service will discharge unpaid educational debt after 10 years, or repayment of educational loans up to a certain amount per year under the National Health Service Corp. In addition, the private sector is also offering their own repayment plans attached to employment offers to attract candidates (Nevius, 2009).

According to Wu (2011), finding a job for college graduates is challenging, leading graduates to accept jobs that are not consistent with their skills. Koch (2012) articulated that during the economic recession, certain industries such as construction and manufacturing did not fare well with the return of jobs, realizing sluggish job growth and higher unemployment in these industries (Koch, 2012; Wilkerson, 2009). Moreover, several factors contributed to higher unemployment rates for some districts in the U.S., including age, educational levels, and industrial structure (Hicks, 2013; Koch, 2012;). According to Hicks (2013), employment after the recession of 1980 recovered at a faster rate compared to the recovery period after the Great Recession of 2007-2009 due to technology shifts. Prior to the Great Recession, manufacturing and mining jobs were held by lower educated workers; however, in the current market, technology has dictated a need for workers with a higher level of educational attainment (Hicks, 2013). This trend is leading one to question the return on a higher education investment if one does not fit into the fields that offer higher opportunities for employment (Wu, 2011).

According to a research study conducted by the Higher Education Research Institute at UCLA in 2009, "First-year students gave the belief that graduates of that school get good jobs as the most frequent reason for choosing their college" (Shaffer, 2012, p. 19). Moreover, according to the

research study, the average student felt that after they graduated, they would earn a sufficient wage that would allow them to pay their student debt (Shaffer, 2012). Low-income students or those of adverse socioeconomic status hold a significant portion of student debt so where are the job opportunities of choice for these students?

Although the top five states in the United States with the highest percentage default rate for student loans are New Mexico (15.4%), Arizona (13.6%), West Virginia (13.6%), Kentucky (12.9%), and Iowa (12.3%), the highest number of borrowers that default on their student loans reside in Arizona (51,329), Texas (32,306), California (31,558), Florida (27,714), Ohio (24,954), New York (21,936), Illinois (21,524), Pennsylvania (19,213), Iowa (18,680), and Michigan (18,258) (“Department of Education 2-Year Cohort Rates for Fiscal Years 2011, 2010, 2009,” 2013).

Summary of Literature on Student Behavior

As part of the literature review, we identified four areas that are directly influenced by the student as it relates to the student loan delinquency rate: student debt behavior, student borrowing behavior, student debt attitude, and employment opportunities. First, the literature addressed the student debt behavior that outlines the magnitude of loan balances carried by students (FRBNY Consumer Credit Panel/Equifax, 2013). The literature also addressed the fact that students of an underprivileged background may be debt adverse, which will prevent access to higher education due to the increasing share of the cost (Mattera, 2011). Second, the literature is rich in the use of behavioral theories that attempt to understand what factors influence the student to borrow funds for higher education (Chudry, Foxall, & Pallister, 2011; Davis, 1989). As students may be debt adverse due to the behavioral norms of parents, there is a need for financial literacy and additional education to inform students about federal debt and the consequences of non-payment (Chudry, Foxall, & Pallister, 2011). Third, the influx of students obtaining higher education debt is negated in other countries but elevated in the United States after the change in the Higher Education Act of 1998 (Hessel & Anja, 2009). This

open access to loans may affect students differently depending on their socioeconomic background. The students of affluent backgrounds will obtain educational debt to solve a short-term cash problem as these students have the attitude that once they complete college, the door for employment opportunities will open and afford them the ability to repay their educational debt (Davies, 1995). Fourth, students are not taking advantage of available lower paying public jobs as they are seeking income levels that are sufficient to repay their educational debt (Rothstein & Rouse, 2011). Many students of African American descent with a bachelor's degree are faced with unemployment rates above the national average, although other students of different races have a much lower unemployment rate in their field of study (Choy, 2006; Wu, 2011;).

The gap in the literature surrounds the correlation between unemployment rates and student default rates. Additionally, the literature did not explain the barriers that prevent the student to act related to the student's attachment with the familiarity of their home origin. When reviewing consumers that have defaulted on their loans by county, specifically counties in Connecticut, New York, and New Jersey, we noted that a number of students that default on their student loans have a strong correlation with high unemployment rates in these states, as shown below in Figures 2, 3, and 4 (FRBNY Consumer Credit Panel/Equifax, 2013; U.S. Department of Labor, 2013; Weerts & Ronca, 2012). A report issued by PWC in 2012 on student lending default management indicated that this increase in student loan debt is triggered by several factors. One factor of relevance in this research study that we attempt to explain is the unemployment rate. In reviewing data on the student loan default rates, we noticed that the unemployment rate for certain geographical areas showed a strong pattern that when the student default rate was high, so was the rate of unemployment.

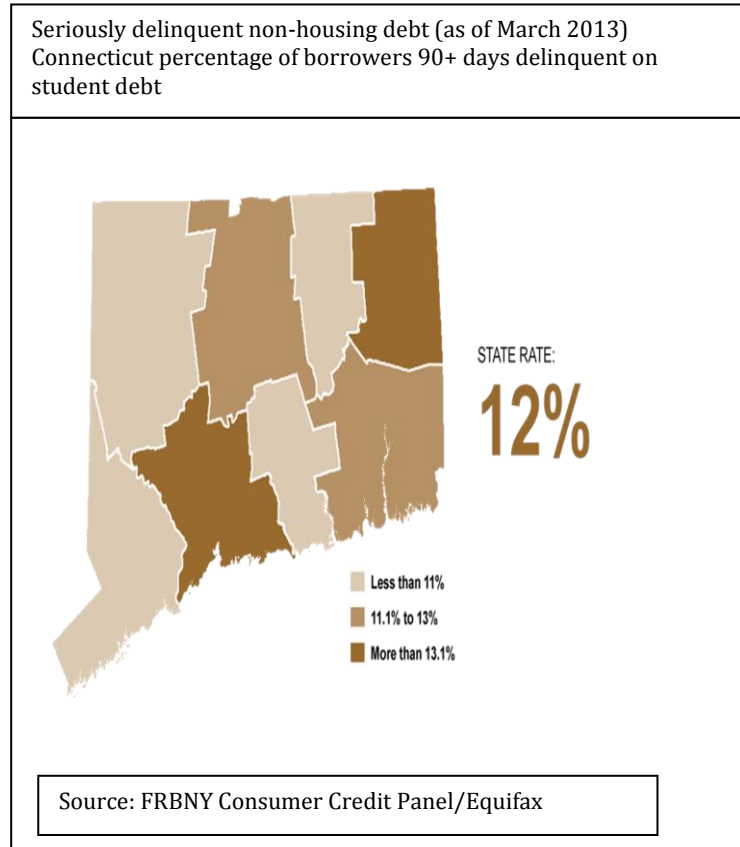
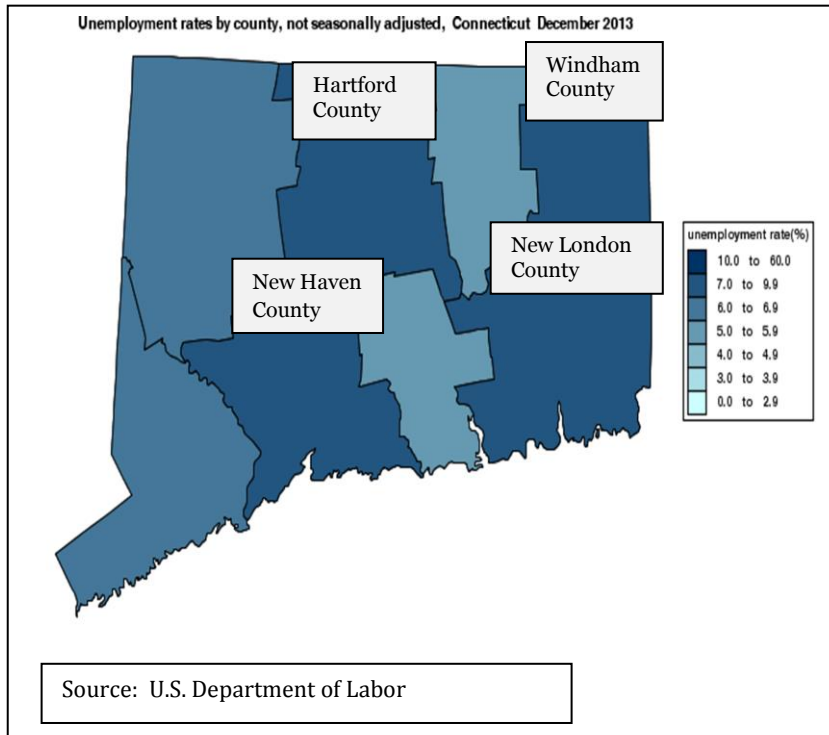


Figure 2. Map of unemployment rates compared to student loan default rates by state/county: Connecticut

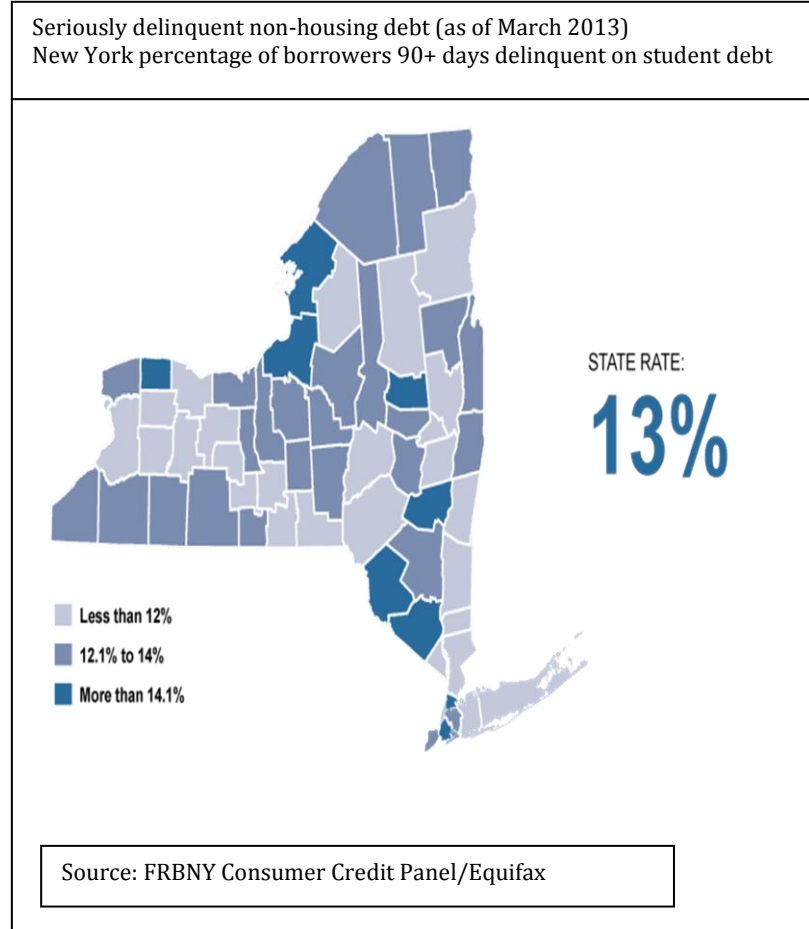
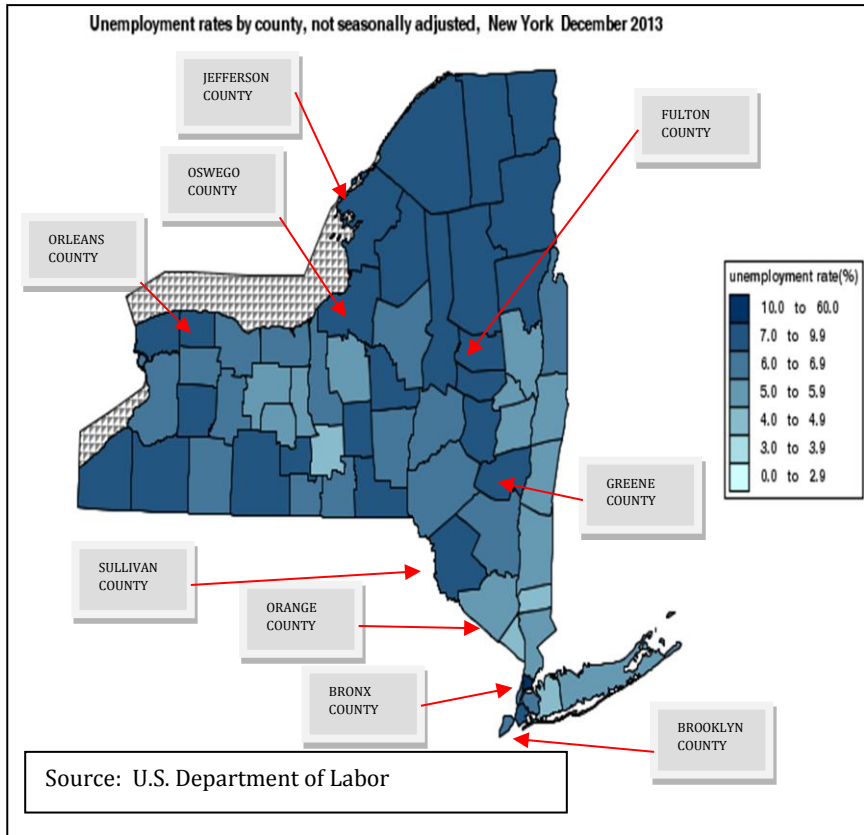
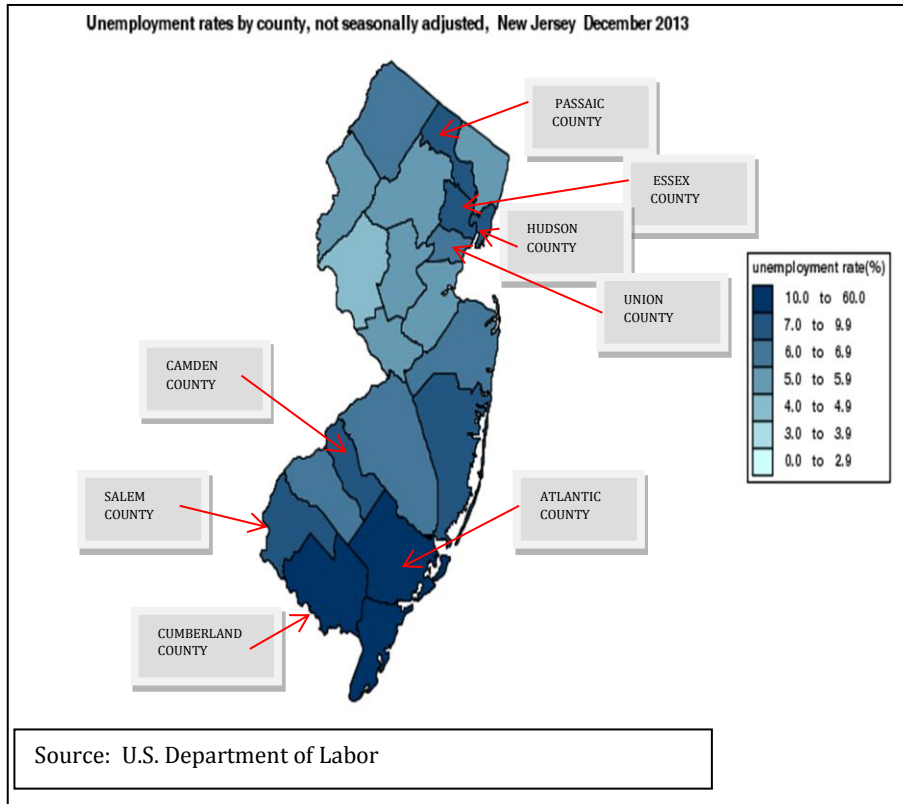


Figure 3. Map of unemployment rates compared to student loan default rates by state/county: New York



Seriously delinquent non-housing debt (as of March 2013)
 New Jersey percentage of borrowers 90+ days delinquent on student debt

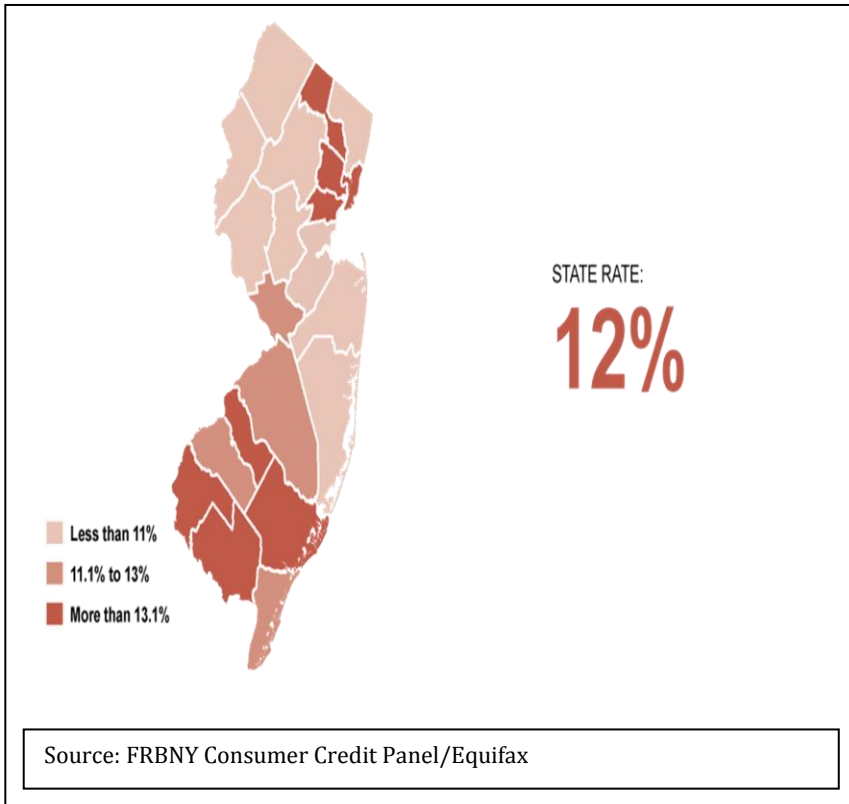


Figure 4. Map of unemployment rates compared to student loan default rates by state/county: New Jersey

CHAPTER III: THEORETICAL BACKGROUND

Theory of Reasoned Action

This study uses the theory of reasoned action (Fishbein & Ajzen, 2010) as a lens to understand the student's behavior and intent to perform a specific act, loan repayment. The constructs used as part of this theoretical lens are displayed below in Figure 5. According to Fishbein and Ajzen (2010), most theorists agree that, at a minimum, in order for an individual to perform targeted behavior, there must be a strong positive intent to perform, no environmental constraints or barriers can exist, and the individual has the prerequisite skills to perform the act. Moreover, the individual's attitude to perform a specific act is affected by the perceived benefit of the expected outcome, the level of social pressure, the congruence with one's own image of desired behavior, the emotional reaction in performing the act, and the capability to perform under the present circumstance (Fishbein & Ajzen, 2010).

As articulated by Fishbein and Ajzen (2010), to apply the theory of reasoned action, it is essential that the behavior of interest (i.e., corresponding behavior) is clearly articulated. Fishbein and Ajzen (2010), described the following elements of corresponding behavior: the action, the target, the context, and the time. The *action* is essential in describing and generalizing the behavior performed. In this study, the action refers to accepting, accumulating, and repaying student debt. The *target* describes the course of action. This study identifies federal student debt as the target. The *context* establishes the environment in which the behavior occurs. The point of interest in this study is the underprivileged socioeconomic student in a not-for-profit higher education institution. Furthermore, we identify the *time* as the current period and spanning over the past 10 years.

Fishbein and Ajzen (2010) described the perceived social pressures (i.e., normative beliefs) that affect one's intention to perform the action. In considering the applicability of social pressures, one can possess reward power, coercive power, legitimate power, expert power, or referent power (Fishbein & Ajzen, 2010). Moreover, Fishbein and Ajzen (2010) gleaned

injunctive and descriptive norms from these powers. Injunctive norms refer to an individual's perception of what behavior should be performed, and descriptive norms refer to the individual's perception of behavior that others are actually performing (Fishbein & Ajzen, 2010). These norms can be eloquently described by using an old cliché "walking the talk." The student must have the perception that the acceptable behavior is to repay their loans to achieve injunctive norms. Additionally, positive descriptive norms will lead to the student repaying their educational debt if the vision or images of others in the same situation is positive. Although the student may have good intention to act, the actual educational default rate reported by the Federal Reserve Bank demonstrates subterfuge. The anonymous interviews conducted using the constructs of this theory provide a means to encourage conversation without reprisal.

The control that one has to perform targeted behavior (i.e., control beliefs) is pivotal in determining the individual's intent to act (Fishbein & Ajzen, 2010). As articulated by Fishbein and Ajzen (2010), one cannot perform the targeted behavior if there is presence of ineptness, a lack of information, or a lack of power to act even if the desire of intent exists. The federal government has made substantial strides to provide information to the student in an effort to strengthen the knowledge transfer necessary for the student to understand the consequences of entering into debt, and the obligation of repaying their student loan debt; however, the student may not truly understand the consequences of nonpayment and the negative effect on future credit. If the student expects to gain employment after they have earned a diploma and this aspiration does not materialize, then paying for college is placed in the coffer with other debt, as the student does not have the resources necessary to begin the action. Moreover, the absence of viable means promotes hopelessness and negative behavior.

According to the theoretical model displayed in Figure 5, corresponding behavior, normative beliefs, and control beliefs precede the intention to act. Fishbein and Ajzen (2010) articulated that intention is a critical precursor of one's actual behavior. Moreover, behavioral intention

describes one's preparedness or desire to perform a given act. Furthermore, the intention construct includes a willingness to perform, expectation to perform, and attempt to perform (Fishbein & Ajzen, 2010). Accordingly, this precursor of intention that causes the behavior to occur does not address one's prior conscious intent to behave routinely (Fishbein & Ajzen, 2010). Moreover, these types of behaviors are considered heuristic in nature and are executed regardless of intent. Heuristic behaviors are not presented in this study as, in most cases, this is the first time the undergraduate student has entered into debt (Marriott, 2007). The student has just reached the legal age to secure loans and does not have the prerequisite skills to understand debt of this magnitude; however, society norms thrust the student into a financial matrix to pay for their collegiate experience.

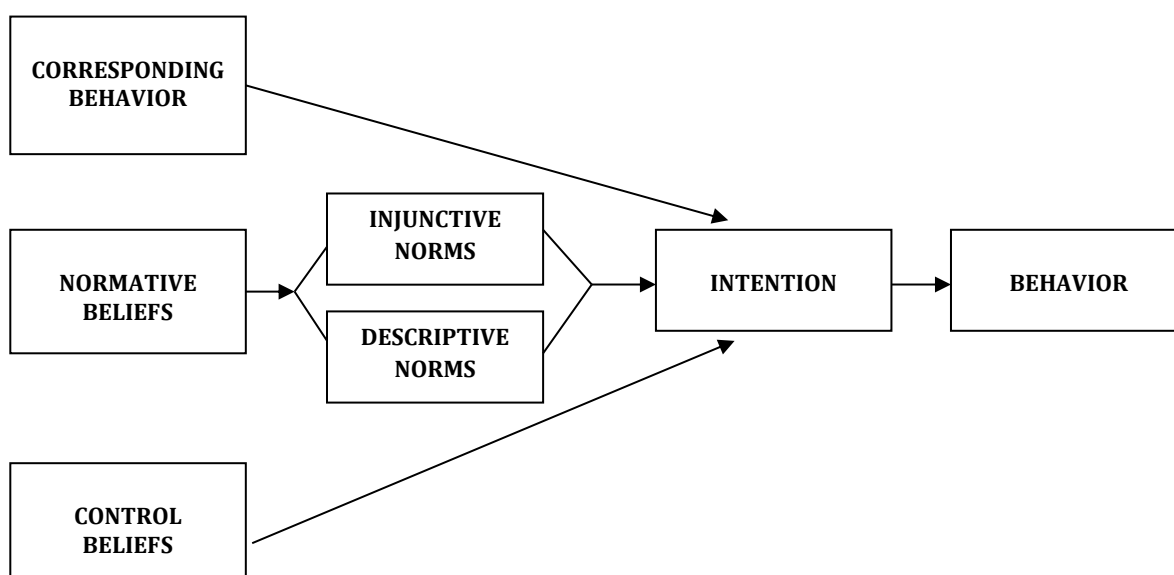


Figure 5. Theory of reasoned action. From "Predicting and Changing Behavior: The Reasoned Action Approach" by M. Fishbein and I. Ajzen. 2010. *Psychology Press*.

Application of theory. The elements in the theory of reasoned action are the focal point in understanding the behavior that can lead to policy development to initiate positive change in the student's actual behavior. The factors that cause the student to enter into educational debt

and subsequently repay this debt are of enormous interest in the effort to understand the higher education debt cycle. Moreover, the student's intent and the underlying factors that persuade or repudiate debt behavior are crucial in understanding this area of interest. The use of theory helps to understand the interest of the constituents and factors that shape the student's behavior. We find that theory is not only useful for understanding and analyzing policy, but it is equally important in policy development. Moreover, the theory of reasoned action provides a lens that allows us to focus on the behavior of the student directly affected by the policy as well as the societal and environmental influences that will prevent the student from performing the actual behavior of debt repayment (Gold, 2011).

Corresponding behavior. The corresponding behavior in this study is the timely repayment of federal student loans for the student's collegiate experience when the debt becomes due. In order to determine if there was a clear understanding of the intended behavior, an interview protocol was developed to address questions related to the student's corresponding behavior. As articulated by Fishbein and Ajzen (2010), it is important that all parties involved in the study understand the corresponding behavior that leads to the desired act. The theory of reasoned action motivates us to be more specific about the factors that identify the corresponding behavior to start the progression towards the intended goal. The *corresponding behavior* construct offers the criteria to clarify the behavior, the acceptable time to perform the behavior, and the context in which the behavior occurs, which is the cornerstone of interaction with study participants.

Normative beliefs. According to Fishbein and Ajzen (2010), intention is the most important element of performance that precedes actual behavior; however, this construct is preceded by normative beliefs that must be addressed, as well. In order to gauge the student's preparedness to repay their educational loans, it is important to understand the factors that would influence the student's behavior. During this study, the interview protocol specially addresses the student's likelihood to repay their student loans and the factors that would

influence repayment based upon the student's impression of what is happening around them. The student's perception, the perfect storm that is necessary to repay student loan debt, is important as it identifies the conditions that are necessary to start the repayment process. Moreover, understanding student's engagement with their peers is of importance in the higher education environment as the 'grapevine' is strongly used among undergraduate students and can provide insight into the influences that encourage positive or negative behavior.

Control beliefs. Additionally, the *control belief* construct serves well in this study, as it is necessary to understand barriers that prevent the intent to act. The student's desire to secure debt can be synergized by the parents, which leaves the student perplexed with the amount of debt after their collegiate experience and the inability to portray positive behavior towards debt repayment due to inadequate resources. Moreover, the intent to enter into debt is controlled by the parent while the intent to repay this debt subsequently passes to the student. We suggest that students from an underprivileged socioeconomic status enter into excessive debt because there are no other means of obtaining funds from their family, friends, or other sources. Additionally, the student's need to enter into debt may be derived from influences deeply seated in parental attitude towards debt and the needs of the family. Although the student may have the best intention to repay this debt after their educational experience, there may be other factors that prevent the actual behavior (Fishbein & Ajzen, 2010). Moreover, control beliefs can be influenced by the student's socioeconomic status, academic preparedness, or a social and environmental disturbance that prevents the student from acting.

Intention. Additionally, the student must connect the educational experience and the debt associated to increase the likelihood of favorable intent. The ability to obtain federal educational loans and the ability to repay these loans has some boundaries (i.e., negative consequences); however, the subvention by the federal government provides an accessible door to higher education for students without the resources for this endeavor (i.e., positive consequences). Moreover, the student's ability to obtain debt through subsidies for higher

education cost may be the only means to pursue higher education, providing the opportunity to compete in a volatile employment market (Bankson, 2011; McGuire, 2012). The federal government provides deferment options and low interest rates for repayment of federal student loans, which makes borrowing in the short-term attractive. Although the rationality of the student entering into debt may be of interest, this study does not address the student's rational behavior as this would add another dimension viable for future research.

Behavior. The actual behavior of the student is influenced by other preceding factors as outlined in the theory of reasoned action. This theoretical lens is used to determine what factors will influence the actual behavior of the students in repayment of educational debt. The desired behavior to repay student debt and understanding the influences that encourage or prevent action provides a door of opportunity into policy development that addresses student repayment behavior as the educational default rate continues to climb.

During this study, the theory of reasoned action offers a lens to target the desired behavior and understand the societal elements, the student's own perception, the student's perceived behavior in their inner-circle, the student's actual and intended behavior, and the obstacles that prevent the student from engaging in timely debt repayment. The theoretical lens will assist in understanding the factors that drive policy development affecting the underprivileged student. Moreover, as this study progressed, other factors surfaced surrounding socioeconomic barriers and attachment that led to a complementary theory, place attachment.

Place Attachment Theory

Place Attachment Theory is primarily used to explain individual attachment of place as it relates to personal, community, and environmental connection (Scannell, 2010). Furthermore, the theory offers the lens to understand the social and behavioral factors that may hamper a desired and productive outcome to detach from a current or historical bond (Scannell, 2010). Moreover, place attachment theory provides a complimentary lens that will assist in the explanation that influences the intended behavior of an underprivileged student in repaying

their educational loan debt due to socioeconomic barriers and the inability to leave their village or cultural and family bonds to seek out employment opportunities that would increase their mobility and financial means. Place attachment theory displayed in Figure 6 consists of three constructs: the person (i.e., actor), the process (i.e., psychological), and the place (i.e., object) (Scannell & Gifford, 2010). During this study, this theory began to radiate as the conversation progressed toward factors that are influenced by socioeconomic barriers. Place attachment theory is used, in this study, to explain the mediation of the control belief construct that extends the theory of reasoned action offering further insight into the intended behavior of the underprivileged students and the constraints of their environment or the student's habitual attachment. Moreover, place attachment theory explains the characteristics that are dominant in some underprivileged students that are detrimental to obtaining viable financial resources after graduation affected by an attachment to a place.

The person construct of place attachment theory identifies influences of the actor in two dimensions: the group (i.e., culture) and the individual (i.e., self) (Scannell & Gifford, 2010). As articulated by Scannell & Gifford (2010), the self is influenced by the place through which personal interactions or a sense of self within the environment can be elevated by attachment to the environment through positive memories and experiences. Additionally, one's familiarity with the culture and internalized values provide a sense of enchantment. The actors imagine themselves as part of a theatrical performance that creates a sense of belonging as these psychological images become bold and vibrant. Moreover, cultural influences based on religion and family values can influence the actor to act in a manner that is consistent with prior behavior. The actor focuses on the trees and has no familiarity with the forest, which lies beyond the tree, as the forest becomes a threat to his or her existence (Scannell & Gifford, 2010).

The psychological aspect of place attachment theory identifies the variables of affect, cognition, and behavior (Scannell & Gifford, 2010). In this study, the psychological construct expresses the emotional attachment to a place through social identity. The perception of home

and years of affiliation with actors in the social environment instigate an attachment that is not so easily released into the atmosphere.

Additionally, the place construct provides a sense of belonging, a bond that exists with the community, a group, or a geographic area (Scannell & Gifford 2010). This connection drives the student to relate to the members of their community through common interests or environmental factors, which leads to the desire to retain this familiarity throughout life (Scannell & Gifford, 2010). The attachment to a place controls the footsteps of the student that will limit opportunities for the future by stepping out of the familiar.

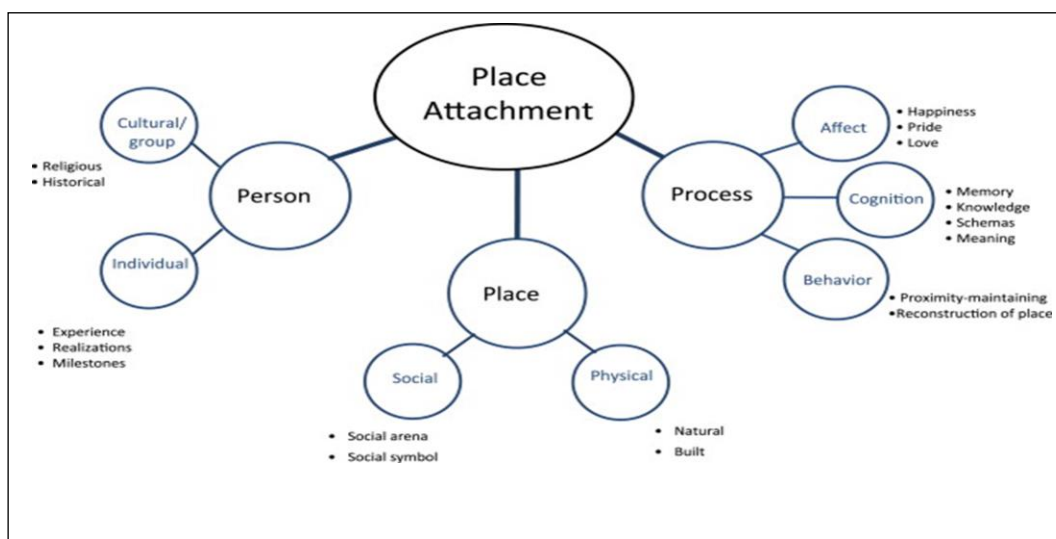


Figure 6. The tripartite model of place attachment. From "Defining place attachment: A tripartite organizing framework" by L. Scannell and R. Gifford. 2010. *Journal of Environmental Psychology*, 30(1), 1-10.

Application of theory. The lens provided by place attachment theory became important in understanding the conversations during interaction with participants. Although the theory of reasoned action provided the focal theory of this study, the theory of place attachment provided an instructional instrument that increased the understanding of the student's willingness to return home when other viable options were more beneficial in the student's prosperity. The place attachment theory was used in analyzing the data that surfaced during the interviews and

subsequent workshops with participants. The semi-structured interviews allowed us to probe into the participant's conversation related to the perception of thwart opportunities based on place attachments of students from an adverse socioeconomic status. Most authors in the realm of place attachment theory define place attachment as a bond that drives a person to have affection and attachment to a place or other aspects of the social or environmental dynamics (Manzo & Devine-Wright, 2014; Scannell & Gifford, 2010;). The constructs of person and place attachment are most prevalent in this study as we discuss below.

Person attachment. The person construct of place attachment theory provides a lens to understand the cultural influences of the underprivileged student's background and the need to include cultural aspects in the policy development that affects the student from an adverse socioeconomic status. Moreover, these factors can explain the influences that the student's culture has on their ability and willingness to act. Additionally, the student can be persuaded to act based on the perception or interaction with individuals that have been influential in their life (Manzo & Devine-Wright, 2014). Although the university in this study identified the introduction of a program to provide financial literacy to the student to increase the understanding of debt, without the reciprocal understanding by the parent regarding loans and education, these efforts do not lead to fruitful outcomes as the student is attached to the person, and a sense of trust and bonding is highly influential in debt repayment (Scannell & Gifford, 2010).

Additionally, the interaction from a parent with a strong grip can sway the student to return to prior experiences from influences of the individual, group, or culture after their collegiate experience. During the interaction with participants, it became clear that the student has a strong bond to a parent through what is perceived to be a *sense of security* and knowing that the parent will protect them throughout life (Manzo & Define-Wright, 2014; Scannell & Gifford, 2010). This attachment can lead to the student returning home to a familiar place and a familiar face. Additionally, the student of a socioeconomic background is faced with empathy and

emotional bonds that repel them to return home with a degree in hand to help the family out of their financial difficulties. Moreover, this action is increased by a sense of belonging (Scannell and Gifford, 2010).

Additionally, the student may have a commitment to their culture that instigates an attachment. The student's strong cultural attachment does not allow them to venture outside of the acculturation of their historical bond. This appears present as the student has the desire to attend a historically black college and university (HBCU) for their collegiate experience that further increases the cultural bond. Moreover, after the student's collegiate experience in this cultural movement that is present throughout the student's life, the images of an uncommon experience comes with anxiety for some students and prevents movement outside the village.

Place attachment. The place construct explains the student's social or physical attachment (Scannell & Gifford, 2010). The student at an HBCU, the setting of this study, has a social bond with the familiarity to the place. The social bond provides the closeness of the structural aspects of the environment. It is suggested that, in many cases, individuals are products of their environment, and the environment has a strong resemblance to a place of affection (Scannell & Gifford, 2010). This environment is where the student is most comfortable. If the student fails to move outside their environment or is not open to new experiences, the positioning of exciting opportunities outside the village can be just an illusion, as the opportunity is not reachable. Scannell and Gifford (2010) articulated the interdependent attachment that drives a person to become attached to a place through cultural and social involvement where there is a sense of security and connection. The unwillingness to venture outward into the world (i.e., outside of the forest) or a community that is unfamiliar demonstrates a mediating control barrier, place attachment.

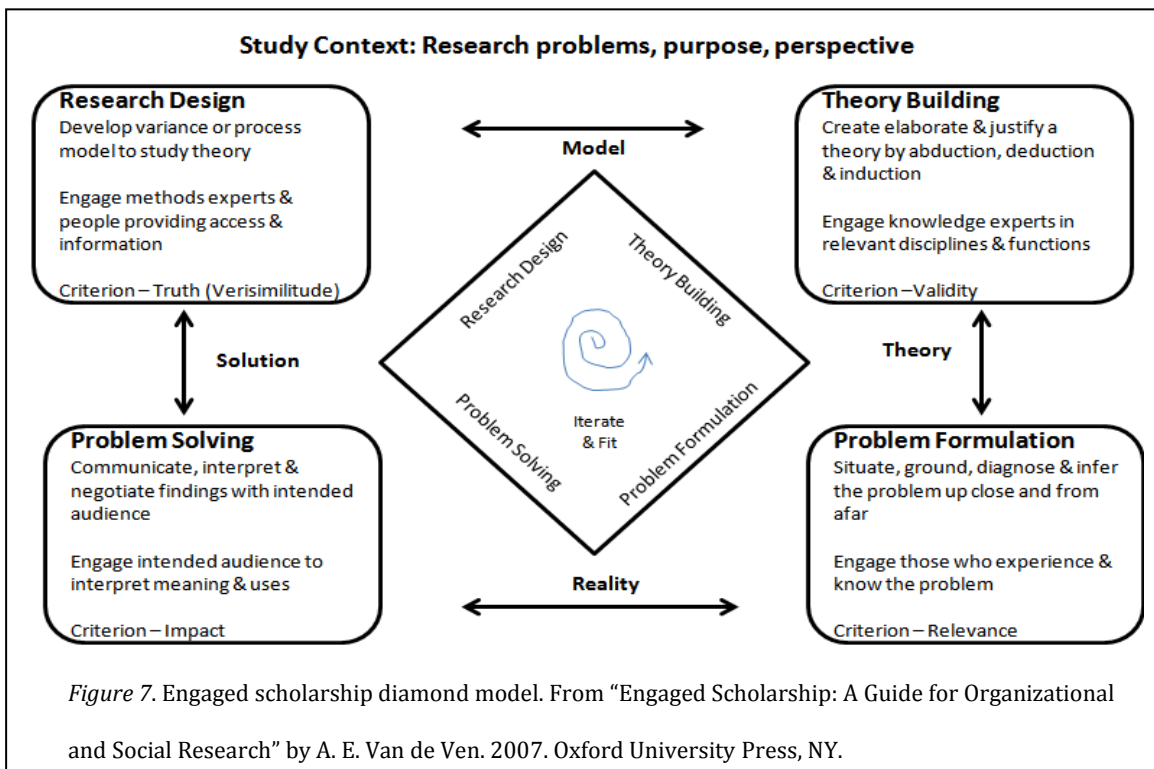
The attachment to a person and to a place is pivotal in understanding the controls that affect the student's behavior and the effects on the student loan default rates. Moreover, the attachment to place is an interesting focal point of this study that explains the student going

back to their home environment and the correlation between the default rate and the unemployment rate where the student resides (Figures 2, 3, and 4).

CHAPTER IV: RESEARCH METHODOLOGY

Research Design: Engaged Scholarly Research

This engaged scholarship research approach addresses the practical aspects of research as outlined by Van de Ven (2007) using a case study design. Van de Ven (2007) articulated engaged scholarship as “a participative form of research for obtaining the different perspectives of key stakeholders in producing knowledge about complex problems” (p. 9). In conducting this study, the engaged scholarship approach offers a method to identify the problem, consider alternatives to policy development, select a course of action, analyze the effects of the course of action, identify findings and learning through the research process, and communicate the knowledge gained. In this study, the engaged scholarship approach is used to undertake policy design as outlined using Van de Ven’s (2007) engaged scholarship diamond model displayed in Figure 7. This model incorporates research design, theory building (i.e., theoretical grounding), problem formulation (i.e., engaging participants), and problem solving (i.e., deriving results).



This study uses the engaged scholarship approach to understand the problem and offers a method for the researcher and university administrators to collaborate as partners. The administrators understand the practical aspects of the problem, possess the prerequisite expertise to offer solutions, and provide the level of access to relevant data needed to identify and analyze the problem for this study (Van de Ven, 2007). The actual sequence of steps used to conduct this study is described below and further outlined in Appendix B.

The theory of reasoned action (Fishbein & Ajzen, 2010) is used in this study to position the problem and ground the research. A semi-structured interview instrument was designed, which included open-ended questions instrumental in focusing the conversation on the student's educational debt behavior. Moreover, the questions in the interview instrument provided a basis for exploring this area of interest using the theory of reasoned action approach as a lens to collect relevant data from participants and narrow the scope. The interview instrument includes questions specifically designed to gauge the student's corresponding behavior, the student's intent to act, the student's attitude, the normative beliefs that influence the student's behavior, and the control behavior that prevent the student from acting using the theory of reasoned action lens (Fishbein & Ajzen, 2010).

Moreover, the interview data gathered adds to this field study explaining the students' attitude toward debt repayment, the barriers that exist in repayment, and the perceived value of the educational experience that influences repayment of student loans. Furthermore, this study involved another level of interaction with participants through group conversation in workshop settings. Although the workshop instrument consists of open-ended questions designed to facilitate interaction, the workshop sessions validated the participant conversations in understanding student's behavioral intent. The factors surfacing from the interaction with participants will assist the higher education institution to influence positive change in student behavior to repay their educational debt.

To gain access to the data, institutional and other online websites that provide financial information were used to review the financial statements of the institution to determine the level of outstanding accounts receivable balance and the level of federal student loan debt. The selected university was part of a state system with a student accounts receivable balance of \$58 million in 2012. The selected university records approximately \$10 million in tuition and fee revenue on its most recent available fiscal year 2012 financial statements with a current federal direct loan default rate of 21%.

Once the institution was selected, contact was made with senior administration. The Associate Provost at the institution was instrumental in gaining access and instigating interest in the research study. After introducing the subject matter to the Provost and Chief Financial Officer, a client-researcher agreement was obtained from the host institution. Additionally, in order to gain access, it was necessary to obtain separate approval through the institution's Institutional Research Board. After obtaining the necessary approvals for access and participation in the study, the institution and the researcher collaborated to select ten participants to participate in this study. The study was conducted on a voluntary basis.

To diagnose the problem area and validate the data obtained from the institution, as much information as possible was gathered relating to student default rates to understand the magnitude of the problem at the university and on a federal level. In order to obtain the data needed for this study and to understand the dynamics of the student's behavior and attitude towards debt and repayment opportunities at the selected institution, interviews were conducted with the ten participants. Additionally, the interview data was obtained from one student participant to focus the participants on the students' needs and perception of the students' educational experience that would influence educational debt repayment. Moreover, two workshops were conducted dividing the participants into two groups: lower-level administrators and higher-level administrators. A critical incident approach was used to obtain information regarding student debt repayment attitudes and behavior. The workshops

consisted of three to five participants that included higher education administrators that were directly involved in interacting with students and facilitating student's academic achievement, career attainment, and educational financing on behalf of the university. To gain salient points from the qualitative data obtained from workshops and interviews, an ante-narrative analysis was used to select excerpts of the story that contribute to this research study (Myers, 2009).

THEORETICAL GROUNDING

The theory of reasoned action is introduced to provide a framework for this study to connect theory to practice and ground this research study (Van de Ven, 2007). In order to strengthen and focus the conversation, an interview instrument was developed to interact with participants using relevant research literature and theory to induce exchange of dialogue to explain student debt behavior. Moreover, to understand the problem area, a literature review was conducted of scholarly research in psychology and social science disciplines surrounding student attitude, decision-making, and educational financing as well as educational debt. Additionally, archival data and peer-reviewed literature were used to provide an understanding of the academic and practical knowledge that concentrate on student debt and repayment. The study started with one theoretical framework; however, as the study progressed and during the analysis of participant interviews, another theory became necessary to explain this phenomenon (Davison et al., 2012). Additionally, as part of the engaged scholarship approach, this study engages the client and communicates the progress of the study, reflects on the outcomes, identifies implication of action proposed, and assess the generalizability of the results (Van de Ven, 2007).

Moreover, the conversation with participants led to factors impeding viable employment options to repay educational debt. This conversation warranted further review of relevant literature surrounding student employment. The literature in this area focuses on the effects of employment during the student's educational experience, college courses that are believed to increase the student's prospects for employment, and employment opportunities available in high demand areas of national need such as nursing and special education (Bale et al., 2013;

Carnevale et al., 2012; Yoon, 2012). Additionally, as identified by Van de Ven (2007), the use of alternative theories provides an additional level of rigor. This study began with a focal theory, and an instrumental theory surfaced resulting from the exploratory nature of the research (Davison et al., 2012). Moreover, the theory of reasoned action (i.e., the focal theory) will tease out practical relevance while place attachment theory (i.e., the instrumental theory) will explain the phenomena of the control barriers and the student's attachment to a place or person that leads to delinquent student debt.

The initial coding scheme used the theory of reasoned action lens to code the interviews, and subsequent coding schemes were refined by the themes that surfaced from the interviews and workshop conversations. Using a coding technique as outlined by Miles and Huberman (1994), an evaluation of the interview results was conducted to determine the reliability of data. Moreover, to determine the validity of the research evidence, a pattern-matching technique that concentrates on rival explanations served to identify emerging patterns in the data, providing focus on the research outcomes. The rival explanations that surfaced in this research study identified elements such as the lack of student engagement, parents' credit worthiness, and students' commitment and ownership of their educational pursuit as well as students' relationship to debt. The results of the observed pattern-matching of rival explanations identified potential gaps (Yin, 2009). The results of the interviews were grouped into themes, and these themes were used to fuel exchange in the workshop sessions. Additionally, concept mapping was used to analyze the interview data to provide a structured approach (Yin, 2009).

Engaging Participants

A review of several public and private institutions was conducted to ensure that the institution selected met the criteria for this study. The criteria established for the selection process included institutions with a substantial portion of their student population receiving financial aid to fund their education, the institution having a high default rate on these loans, and the student population being predominately of an underprivileged socioeconomic

background. Moreover, the institution selected for this study was a perfect fit as approximately 93% of its student body consists of students from an African American decent (considered the highest concentration of citizens in poverty in the U.S.), and approximately 95% of the student population receives some type of financial aid. Additionally, the institution had an elevated loan default rate over a three-year period of 21%; however, this rate is below the level that the institution would be deemed administratively incapable to manage federal debt at 25%.

In order to conduct this study at the host site, the research-client agreement allowed face-to-face interaction with participants during interview and workshop sessions. Moreover, a researcher-client agreement is necessary to reach a clear understanding between the researcher and client explaining the benefits of the study and possible shortcomings that may arise from the results due to the organizational culture and regulations that prevent interaction and availability of information (Davison et al., 2004; Susman & Evered, 1978). Additionally, interaction with the participants was conducted using a cyclical approach allowing the researcher to perform two cycles to communicate with participants in two levels of management at one institution (Davison et al., 2004). The first cycle provided insight by diagnosing the problem, the effects of change, and reflection of the results that produce greater focus during the second cycle. The second cycle instigated a holistic position among participants in policy formation that assist the institution to bring about positive change in student loan repayment. As an insider with several years of experience in an HBCU environment, as well as personal interaction with students regarding student debt, it was insightful to act as an outsider, a researcher, in obtaining data from this institution while facilitating conversations (Van de Ven, 2007). Moreover, this engaged scholarship research method helps to assess the student's attitude toward repayment of educational debt to understand factors that influence behavior by the student from an underprivileged socioeconomic status.

During this study, all interview sessions were first conducted using a staggered approach first with lower-level administrators and then with higher-level administrators. This sequence

of the interviews allowed us to take the information gleaned from each interview session to probe into the conversation of the participants that followed. As an insider of the HBCU environment, but an outside researcher, interaction was by a trusted informed source, which resulted in salient points of interest in resolving this problem and the elements necessary for policy development (Van de Ven, 2007). The administrators and the student from this educational institution were instrumental in providing practical knowledge to this study. The participation of the student participant allowed us to validate the conversations with the administrators on student attitudes and behavior. Moreover, we obtained salient information from a student who was in his senior year attending a higher education institution in the southern part of the United States. The student was also involved in administrative functions and decisions as a representative of the student body. This exploratory research study was designed to tease out the student body's attitude at this institution towards repayment of educational debt and employment choices that contribute to the student's repayment behavior. Moreover, we conducted anonymous interviews with participants to engage these key stakeholders in the problem and understand their views of the problem (Van de Ven, 2007).

The first set of interviews was conducted with study participants from lower level administrative managers consisting of those involved in the day-to-day interaction with students. These individuals are on the front lines of the organization and regularly come in contact with students who borrow funds to pay for their educational experience. Moreover, this group consisted of the Director of Financial Aid, who administers the federal financial aid program at the institution; the Financial Literacy Coordinator, who educates the student on the importance of borrowing funds at an acceptable level and the importance of academic success during the student's educational experience; the Financial Aid Coordinator, who communicates the importance of repaying student loans after the student's collegiate experience; the Director of Career Placement, who provides career services to help place students in employment

opportunities; the Bursar, who manages student accounts and the student's institutional debt; and the SGA President, who interacts with management advocating the student body's interest.

The second set of interviews was conducted with higher-level administrators at this HBCU, to understand the perspective of this group that is involved in the student's relationship to debt on an institutional level. Although the participants at the senior administrative level have a holistic view of the institutional perspective, these administrators also have daily interaction with students through mentoring and assisting in resolving student issues both financially and academically. The administrators at this high level consisted of the Provost, who is responsible for the students' academic experience; the Associate Provost, who is also responsible for the students' academic experience and providing mentorship to students to encourage success; and the Vice President of Finance, who is responsible for the financial and physical plant operations of the institution offering students an acceptable physical and educational environment.

The anonymous interviews were designed to gauge the student's behavior and attitude toward educational debt repayment and employment opportunities after completing a 4-year college education as well as to understand the university's interaction with the student and programs currently underway to confront student default rates. On average, each interview lasted approximately 30 to 45 minutes and was audio recorded. The interviews were conducted prior to the workshop sessions and after collection of relevant archival data pertaining to federal and institutional educational debt. The interviews were transcribed and uploaded into the NVivo software to identify salient data from the conversations and determine common themes for each workshop cycle. Using Yin's (2009) pattern-matching technique, similarities were exposed providing greater insight and direction for the workshop interactions. The results of the data collection and interviews further facilitated notable cases that provided insight into the research question and group conversations. A consensus of the problem was revealed after reviewing the information gathered from participant interviews. Moreover, after the completion of interview sessions, a strategy was formalized to identify the action and create a proposal to

inform the next steps. The interview sessions led to viable themes and solutions that provided further need for conversation, which occurred in the workshop sessions. The results of the interviews were separated into two groups (Group 1: The student and lower-level administrators; Group 2: Higher-level administrators) to develop the interaction necessary in subsequent workshop sessions.

In analyzing the data from the interview sessions, a coding technique and pattern-matching logic was performed as articulated by Myer (2009) that identified a common theme among participants. The results of the interview sessions with lower-level administrators using constructs from the theory of reasoned action (Fishbein & Ajzen, 2010) resulted in possible solutions as outlined in Appendix C involving themes, such as academic preparedness and sustainability, perceived value, socioeconomic barriers, and self-sacrificing behavior. Moreover, the coding technique and data analysis enabled us to categorize the data, identifying concepts in the interview related to debt repayment.

The workshops that followed the interview sessions offered the tool to collaborate with study participants after the data from the interviews were analyzed. Additionally, data was obtained from the National Postsecondary Student Aid Study related to financial aid recipients and the amount of aid received to validate the conversation related to the magnitude of debt and the student default rate in the interview sessions. Although the interview questions focused on the intent and behavior of underprivileged students in repaying educational debt, the workshops focused on possible intervention that the institution could take to positively influence the student to repay their debt. The workshop cycle was conducted twice by using one institution and two groups (consisting of 3 to 5 participants) as part of the engaged scholarship research methodology. The inductive reasoning approach began by facilitating workshop interaction fueled from preceding interviews, which revealed specific patterns to assist in further exploration. In order to capture the conversation, the researcher facilitated 1 1/2-hour

workshops, which allowed greater insight and collaboration as it relates to attentiveness to repayment of educational debt after the student earns a 4-year degree.

The conversations from the first workshop were based on themes that surfaced from the first set of interviews with the student and lower-level administrators. During the first workshop with Group 1, possible solutions, as identified in Appendix C, were offered to the participants to think critically about the issues that resulted from the anonymous interviews conducted with lower-level administrators only to determine if the solution would work in their environment. If the solution was not suitable, then the group was asked to identify why the solution would not work. This interaction and challenge to the workshop participants increased the conversation and sparked a need for a deeper dive into the problem area.

The conversations in the second workshop with higher-level administrators were based on the results of the first workshop with lower-level administrators and interviews from the higher-level administrators outlined in Appendix D. The themes that surfaced were grouped in focal areas involving academic sustainability and perceived value under the concentration of institution influence, and socioeconomic barriers and self-sacrificing behavior under the concentration of student behavior. During the second workshop with Group 2, we took the results of the interviews from the higher-level administrators and workshop discussion of the lower-level administrators to further engagement with the higher-level administrators facilitating the understanding of the problem and solutions on an institutional level. The participants of the higher-level administrators were asked to think critically about potential interventions outlined in Appendix D that could assist in resolving student debt issues for the underprivileged student.

After the second workshop, the results of the workshop session with the higher-level administrators were provided to the institution. The participants then reflected on the results and identified the lessons learned throughout the interaction. The institution determined that there were factors that were prevalent in influencing the student's intended behavior that were

known, but the institution did not seriously address the importance of these factors before this interaction. What resulted from this workshop is outlined in Appendix E, which separates the possible policy development in two focus areas: institutional influence and student behavior.

Derived Results

The results of this study and the focal areas in discussing the problem of the rising student default rate led to the policy model outlined in Figure 8. Using as the primary lens the theory of reasoned action and introducing the place attachment lens to explain the control barriers of the student's attachment to place introduce academic knowledge of the environment and practical knowledge of the problem. These two theoretical lenses also offer alternative approaches to policy development (Van de Ven, 2007). Moreover, the engaged scholarly approach that includes direct interaction with participants involved in the research setting where the problem exists provides a practical approach to policy development (Van de Ven, 2007).

Furthermore, the engaged scholarship approach used in this study is valid for this research study and policy development as we are engaging practitioners in the study to review factors that influence student repayment behavior. The criticality and dynamics of this subject require cycling through the process twice at one institution to ensure validity and feasibility of the outcomes. This study reviews current practices and evaluates alternatives that will decrease the default rates among underprivileged students that struggle to obtain suitable employment after their undergraduate educational experience. Using a qualitative approach, we draw on salient points of the research to explore this area of interest and policy development.

In summary, the reasoned action theoretical framework along with an engaged scholarship research approach was used to provide rigor and start the conversation. The theory of reasoned action constructs assisted in identifying descriptive measures to delineate the problem. Additionally, the resulting interaction with participants' group conversations helped to understand the reality of key concerns, and incorporating the place attachment theory helped to better understand the barriers caused by the student's socioeconomic status. This research

study addresses the factors that influence the underprivileged student repayment behavior, the barriers that prevent repayment, and the magnitude of debt secured during the student's undergraduate studies. The research method used allows us to review the influences by the educational institution that will increase the student's intent to repay educational debt. Moreover, this engaged scholarship research method allows us to collaborate with the client, which makes this research practical as well as scholarly by adding to the body of engaged scholarship and by offering an enhanced theoretical perspective as well as the use of a methodology in the social science discipline.

CHAPTER V: RESULTS

This research study was conducted at a historically black college and university (HBCU) in the south. The campus setting was a beautiful well-kept historical environment with 93% of its student body consisting of African American decent and 74% Pell Grant eligible, which indicates that the students have a financial need based on family contribution. The university is considered an open access institution and has a student population of nearly 4,700 students. The student demographics consist of approximately 86% in-state students, 10% out-of-state students, and 4% international students. Based on the most recent data available, approximately 17% of the students are admitted with some level of remedial academic requirement. A total of 95% of the student body are recipients of financial aid funds needed to support their higher education pursuit. Approximately 20% of the students that received financial aid during their collegiate experience at this university have recently entered into the repayment period (2013-2014 academic year) and are now defaulting on these loans. The university has an average retention rate of 71% and an average graduation rate of 32%. As a result of the interviews and workshop sessions with participants at this university, four themes were identified that can influence the intended behavior of student loan repayment and be useful in policy development to reduce the federal loan default rate. These themes are perceived value, academic sustainability, socioeconomic barriers, and self-sacrificing behavior, as displayed in Figure 8.

The engaged scholarship research method provided the structure necessary to conduct this study and the theory of reasoned action (TRA) lens provided the necessary focus during the interaction with participants. The theory was instrumental in developing the interview instruments, which was the beginning of the conversations with participants. The TRA constructs instigated conversations that led us to focus on clusters of information that surfaced from analyzing the data from the interview session leading to noteworthy themes that were used throughout this study. Moreover, institutional influences and student behavioral themes were

the most reflective during these conversations. Furthermore, as the study progressed, at the tip of conversations with participants, it was evident that the *control belief* construct introduced socioeconomic barriers that emphasized the lack of employment opportunities in the student's home environment to repay student loans, giving rise to the need to incorporate the place attachment theory. The overall effect of the default rates for the underprivileged student presents several challenges; however, in this study we found that the culture, the social environment, and the nurturing aspects of the institution influence the student's collegiate appreciation. Moreover, the overwhelming themes that are dominant in this study will consist of both institutional influences (i.e., academic sustainability and perceived value) and student behavioral intent (i.e., socioeconomic barriers and self-sacrificing behavior).

In Figure 8 below, we display the four themes that surfaced during this study, which identified a relationship between institutional influences and student behavior. In the top portion of the diagram, the institution's interaction with the student will influence the behavior of the student. This part of the diagram involves both *injunctive beliefs* and *control barriers*, which is consistent with the theory of reasoned action (Fishbein & Ajzen, 2010). Although there are factors (i.e., perceived value and academic sustainability) that the institution and its actors can pursue independently to influence the behavior of the student through academic offerings, the relationship between the institutional influences and the student's behavior are interwoven.

The relationship between perceived value and academic sustainability is influenced by the institution, but the perception of an equitable outcome is in the eye of the student. According to an interview session with a student participant, the students perceive value as "hope" and a successful academic endeavor will lead to rewards for the future. This perceived view of the future and what others perceived the outcome to be of this educational experience are considered *injunctive beliefs*. According to the participants, success academically and in life gives the student hope. Hope for the student means success after graduation, which leads to a better life. The student enters college with the expectation of earning a degree. If the student is

successful in earning a degree in their field of study, then this becomes a prerequisite to the student's positive perception of value for their academic pursuit. Successfully earning a degree provides some satisfaction of perceived value; however, graduating with a low GPA and the inability to obtain employment in the student's field of study can lead to an undesirable outcome and an endless journey with no return. The inability to achieve a high scholastic standing diminishes the student's attitude to act favorably in debt repayment.

Moreover, a low GPA is troubling; however, not matriculating and an unsuccessful academic pursuit as described by participants can be perceived as wasted time and money for the student. At this point, the student has invested time, and the opportunities for the future are not much better than when the student started this pursuit due to the inability to finish this academic race. Preceding the introduction of this study, the institution began efforts to address academic sustainability and debt appreciation by initiating a financial literacy program funded by a federal grant. According to the participants, the student's inability to maneuver successfully through the academic arena introduces factors that are considered *control barriers*. The inability to succeed academically tarnishes the student's perceived value of the institution, and the student has lost any commitment to the institution.

The bottom portion of the diagram of Figure 8 depicts the relationship between socioeconomic barriers and self-sacrificing behavior demonstrated by the student. Students from an adverse socioeconomic status, which the majority of the students at this university closely mirror, are first-generation college students with challenges that are instigated by the society in which they live. The relationship between the socioeconomic barriers and self-sacrificing behavior of the student is exposed by the ill-preparedness of the student academically and the challenges that lead the student to be more concerned about their family structure and survival than their academic pursuit. The self-sacrificing behavior will drive the student to demonstrate a protective instinct to support the family structure, since the society in which they reside has barriers that limit resources to prepare the student for academic success. The self-

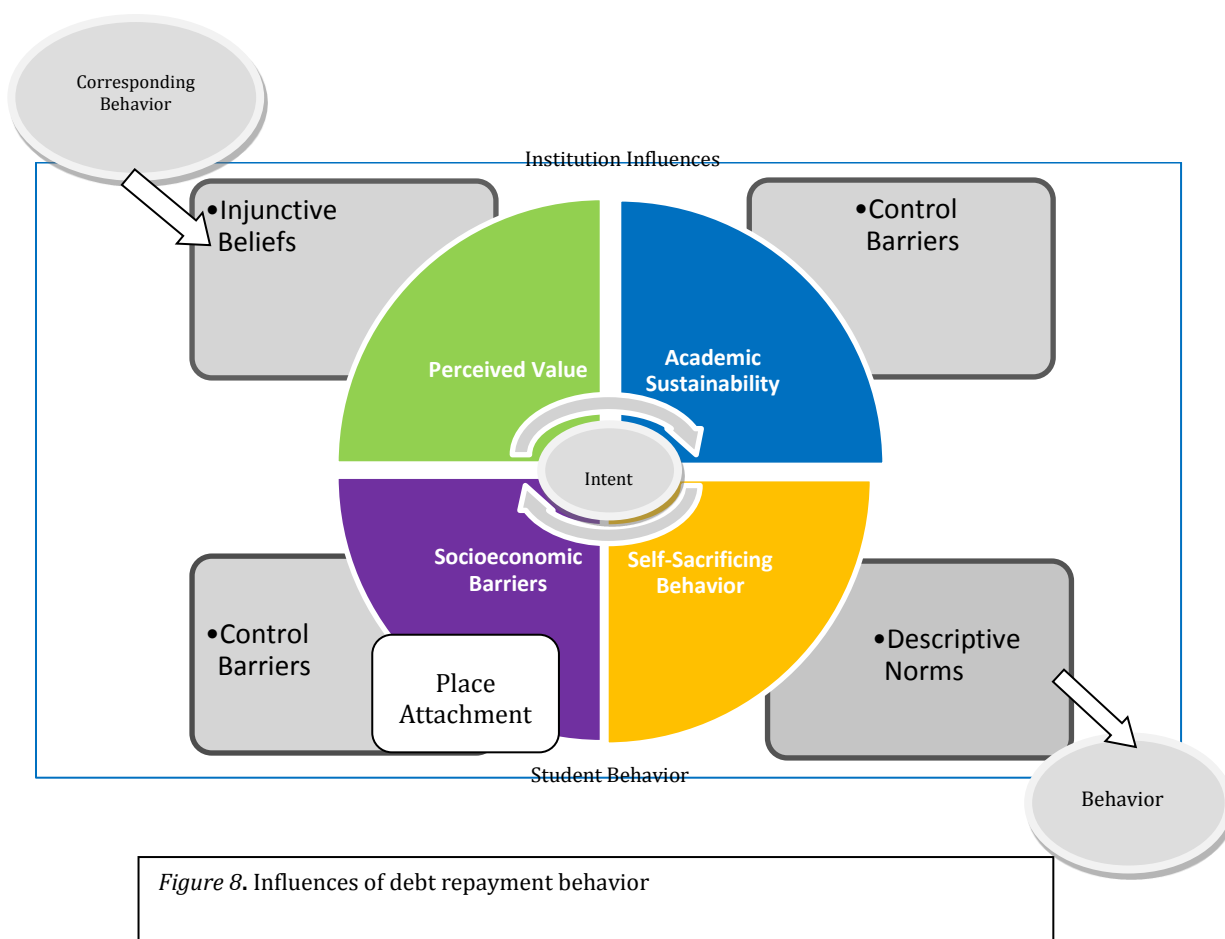
sacrificing behavior of the student portrays a *descriptive norm*, the actual student behavior. Moreover, it is not uncommon for the student to struggle to balance life and their collegiate success. The student will jeopardize their academic achievement and success to support the family by entering into excessive debt with no means of repayment. If the student obtains excessive debt to provide family support during their collegiate pursuit, then an unsuccessful academic career can lead to dissatisfaction and a poor perception of the value obtained due to the inability to survive academically.

Additionally, the inability for the student to venture outside of their home environment is considered the socioeconomic barrier that leads to limited future opportunities. Socioeconomic barriers are part of the construct *control barriers* that incorporate *place attachment* as the student demonstrates attachment to their village or family.

The arrow displayed at the top left of the diagram in Figure 8 starts the cycle of intent while the arrow at the bottom ends the cycle of intent. The arrow at the top left that points from corresponding behavior to injunctive beliefs is the entry point of the action by the student to repay their educational debt obligation when the debt becomes due, as well as the point of action by the institution to provide interventions that will increase the likelihood of the student to repay their educational debt. The arrow at the bottom right of the diagram that points from the descriptive norms advances out of an interwoven influence and behavior matrix that is perceived to occur in these emerging themes leading to the actual action of repaying educational debt for the student and the institution's involvement to influence the repayment of educational debt. The *intent* construct in the center of the diagram identifies a convergence of all four themes or influences that display the student behavior to repay debt and the institution's action to influence the student to act.

In the following sections on institutional influences and student behavior, the four themes that surfaced will be described, as well as the linkage between these themes and the emergence of the data during interaction with the study participants.

The Convergence of Research Themes and Theoretical Approaches



Institutional Influences

The educational institution has the ability to influence the student's behavior to repay their educational loan by increasing the student's academic success and the student's perception of value for their educational experience. As part of this study, institutional influences demonstrate the applicability of the theory of reasoned action lens by introducing the perceived value theme arising from the *injunctive beliefs* construct, and the academic sustainability theme arising from the *control beliefs* construct, which we identified as control barriers.

With an unsatisfactory academic progress rate in the spring 2014 semester affecting 753 students at this institution, academic sustainability is a huge concern with a student body of

roughly 4,700 students. Additionally, the university is now dropping students early for non-payment without reaching out to the student to understand the reason for non-payment. This strategy, although important for the institution to remain financially sustainable and to adhere to state mandates, may negatively affect the outcome of the institution's completion rate and the student's perceived value of their educational experience. This university and other higher education institutions are now trying to address the gap and the unmet need of students without the support of state funding. This unmet need is the gap between the financial aid funds awarded and the cost of education. In the following sections, we will outline some of the salient points of interview discussions and results of workshops with participants held at this university where the institution has the ability to influence the student's outcome.

ACADEMIC SUSTAINABILITY. The institution is responsible for providing the necessary assistance to influence the student to achieve academic success in an environment that is new to the first-generation student. The student's ability to achieve academic sustainability is a control barrier, which demonstrates the ability for one to act on his or her own accord. To accomplish the task of academic success, the underprivileged student must increase their ability to elevate in a competitive, social, and intellectual environment with fewer resources. The institution must assist students in this endeavor to remain a viable option for the student's education pursuit. Academic sustainability dominated the conversation, as this was a key determinant in the influence of debt repayment among participants.

The conversations that surfaced from the interview sessions and the workshop sessions with participants surrounded the student's inability to navigate successfully through the collegiate environment and achieve academic success. The students that require remedial courses at this institution are 17 out of 100 students. The participants indicated that the root cause is academic unpreparedness or under-preparedness of the underprivileged student that exit the K-12 environment. Moreover, the high rate of remedial courses requires a level of education that the student should have been prepared for when exiting the K-12 experience. Now that the student

has graduated from the K-12 system with deficient skills and is ill-prepared academically for college, the university must now prepare these students with fundamental skills necessary to succeed at the collegiate level. If the university does not raise the aptitude of the student before the student tackles their first year of course study, then the student's academic success will be stifled, which will lead to dissatisfaction, low self-esteem, and ultimately an increase drop-out rate and delinquent educational debt. Moreover, the student's inability to survive the academic challenge will negatively affect the federal student loan default rate.

As indicated by participants in this study, some students enter college with an unrealistic academic discipline choice without the prerequisite skills to sustain them through the journey, presenting challenges for the institution and the student. The unpreparedness of the student at an acceptable level for the discipline of choice results in additional cost to the student to elevate their academic skills that will allow a successful outcome towards their academic pursuit. The participants suggested that improved and increased collaboration with K-12 high schools and national efforts to improve preparedness of young adults before they exit the K-12 pipeline are imperative to achieve the desired result. Additionally, the state's investment in college prep courses that involve instruction at the collegiate level may be a vehicle to increase graduation rates and prepare the student for college success. As legislators look for solutions, one solution might include a broader review of goals that will incorporate partnerships between K-12 and postsecondary education institutions. The participants indicated that barriers exist on a national level that prevent successful collaboration between the K-12 and postsecondary education environments, as there appears to be a sense of a silo mentality. Moreover, the participants indicated that it is necessary to remove the national and state barriers that prevent collaboration to increase preparedness of the underprivileged student.

Additionally, based on the conversations from the workshops, the participants identified the major barriers in preparing the student academically for their collegiate experience as being rooted in the K-12 instructional goals and outcomes. If the K-12 educational experience is not

delivering students to the next level of their academic pursuit, then the student will not be successful as the intended learning outcomes at the collegiate level are more advanced. Without the desire or willingness of both K-12 and postsecondary administrators to collaborate and begin the conversation to increase the learning outcomes of students graduating from the K-12 environment, the chance for early intervention to prepare the student will be lost. In turn, the participants agreed that poor preparedness academically could increase the student default rate requiring interaction with the student to facilitate learning outcomes before the student enters the postsecondary educational environment. The student cannot move to college level courses or is required to take foundational courses before undergoing advanced level courses, which drives up the student's educational debt before reaching the core of their studies. To prepare the student for college, the costs of remedial courses are passed onto the student. These courses will delay the student's entry into college, and the student from an adverse socioeconomic status may be ill-equipped financially without sufficient resources to achieve the prerequisite educational skills.

The participants indicated that it was necessary for the institution to investigate ways to initiate summer courses that bridge the student's educational gap, offer credit barring courses that apply towards the student's degree, which would reduce the course requirement and ultimately reduce the student's loan needs. Additionally, the participants indicated that in order to address the academic aptitude of the student, it is necessary to assess the student's preparedness before sitting for college entrance exams. This prior interaction with students will assist to prepare the student before taking these exams to increase their aptitude to perform well on the test and reduce the requirement for lower level college course as well as remedial courses.

Additionally, the participants indicated that in order to reduce the magnitude of loans required for the student, the institution must make an asserted effort to encourage the student to achieve a high academic standing as they enter into college, as well as during matriculation to ensure eligibility of available grants and scholarships to close the unmet need gap and reduce

the amount of loans required. There is an effort at this institution to shift the students' priorities to position them for academic success, which increases their eligibility for additional funds. The participants indicated it is important for the parent to become engaged in their child's academic success and transition to the campus experience to increase the likelihood that the child is successful academically without the need for overprotecting, which can remove the student's ownership to succeed at the collegiate level:

“With this generation, we see a lot of hovering parents, and I believe that is even harmful to the student because the students still don't see the role they can play in steering their own campus experience and involvement beyond the campus environment.” (Participant #4)

The participants noted the largest increase in cost to the students over the past 20 years has been related to time to completion. It takes the student longer than four or five years to complete a degree. The participants indicated that the institution's policy that allows the student an excessive amount of time to decide on a major extends the student's time for completion. The participants indicated that shortening the time for completion would have a huge effect on the amount of student loan debt required.

“If we can create a way that the student graduates faster, incorporate summer into the norm, why is summer wasted time?” (Participant #1)

Additionally, the participants indicated that the student must have greater clarity of what they want to study without prolonged indecisiveness. The longer the student takes to decide on a major, the longer this extends their completion and increases the amount of debt, which could affect the default rate because the student must have the longevity to complete a major field of study to earn a degree. The participants indicated that the student who takes a course of study because it appeals to the parent and not to the student could lead to academic failure, as the course of study does not hold the student's interest. According to the participants, about 30 to 40% of students that enter this institution are the first in their family to go to college. The

student is not afforded the experience of a family member that has experienced higher education or even a professional career to offer the level of guidance needed to maneuver masterfully through the higher education matrix. The participants noted that some students are coming to college chasing an income level that they are not prepared to invest the time required to be successful. This leads to the need to increase the quality of advising that will assist the student to understand the commitment to their chosen field of study.

“The academic experience correlates to the end results...the degree and career, which impacts the default rate.” (Participant #2)

The participants indicated that there are significant challenges with the graduation rates. If the student does not matriculate, then it affects the institution’s graduation rates. The inability for the student to obtain a degree increases the likelihood of an increase of the educational loan default rate due to the student’s inability to survive academically as life challenges prevent repayment of their student loans. Moreover, the participant indicated that many students in adverse socioeconomic status would commonly request the maximum loan amount, which yields large refunds during the period of matriculation. This uncontrollable persistent borrowing behavior leads to high student loan debt where the student must start repayment six months after they cease going to school or all federal loan deferment options are exhausted. If the student is struggling academically, the path of *“disenchantment”* is inevitable. The institution has begun interacting with the student through a financial literacy program to educate the student on the consequence of taking on too much debt, while influencing students that academic success is important as financial aid dollars must be repaid if the student enters the status of being academically unsuccessful.

The student participant indicated the students at this institution felt *“just graduating period is a key opportunity”* (Participant #5).

Additionally, the institution has a challenge to influence the student to stay the course and remain in college to achieve academic successful. As students navigate through the college

environment, some students feel discouraged with the opportunity for the future and just stop attending classes. These students' are identified as "stopping out." The participants indicated that the student's action commonly occurs without notice. The institution is required to account for these students and notify the federal government if the student received financial aid. The average student that "stops out" is affected by the return of Title IV funds if this occurs within the timelines outlined by the federal government for ineligibility of aid funds since 95% of the students at this institution receive some type of financial aid. The students are informed of the repayment requirements while entering into federal debt as well as through exit counseling performed by the institution, but if the student stops attending without notice, exit counseling does not occur or matter to the student.

"Sometimes students don't properly withdraw...some stop coming...they don't realize that they are still responsible for the loans that they incurred." (Participant #6)

Additionally, with the increase in federal funding opening the door to more diverse students, many of these students are coming from families with the challenges of impoverished environments. The amount of funding offered to students just for the taking to achieve a college education may not be an option in the future if the default rate continues to increase and the state continues to reduce educational subsidies. It is up to the student to understand and manage the need to succeed academically while participating in the social atmosphere of the institution and balancing the consequences of debt for their education; however, the institution has the responsibility to assist in removing the noise to encourage academic success.

"It is one of those dynamics of life and how do you manage those things and be cognizant of the impact on what you consider your ultimate dream or goal as it relates to your education and balance all that stuff." (Participant #2)

Moreover, states are struggling to balance their budgets and meet the needs of their constituents. The ability to educate the citizens of the state is challenging for most states as available state funds are depleting due to the requirement to fund other more essential

subsidies. According to the participants, the students must understand that the state needs to determine if they are receiving a return on their investment. If students are not completing their education and degree completion rates are low, more schools will merge and eventually close. The participants indicated that we must explain the whole dynamics to the student, including the effects of the student defaulting on their student loan and how this will affect the institution that they call their alma mater. The institution has a vested interest in influencing the student to complete their education to achieve academic sustainability and a diploma at the end of their journey to increase graduation rates.

The participants indicated that many students work while attending school because of the financial need. The need to maintain a full- or part-time job during the student's academic pursuit with a full-time course schedule, in most cases, affects the student's academic standing, as the student does not have prior experience with balancing work and school at the collegiate level. The participants indicated that the student's ability to obtain employment on campus to support the operations of the institution might assist the student with some of their financial needs and increase the likelihood of success in their academic pursuit. Moreover, the institution is encouraging students to think of the college experience as their full-time job and make an asserted effort to obtain grants and scholarships to reduce the need to gain employment during their collegiate experience, thus preventing them from becoming academically unsustainable.

"We are a major employer in the region...we have students working at JC Penney's and elsewhere...We should be able to offer jobs to students keeping them on campus to remove distractions." (Participant #1)

Additionally, the participants indicated that the student's motivation for attending college influences their collegiate aspirations. If the student is only in college because their parents said it was time for them to leave the safety nest of home, the outcomes of the student's academic studies are negatively affected. The participants discussed an instrument that assesses the student's motivation before entering college, which can be incorporated into interactions

between the student and their academic advisor. With this tool, the advisor is better equipped to assist the student in maneuvering through the academic environment and reducing the time required to discover what the student wants to study, their study habits, and other factors that will gauge and capture the student's academic intent. This tool is a huge advancement for the institution and allows the institution to determine the factors that positively influence the student's behavior towards repayment of student loans.

The ability to retain the student and the student's achievement of success may not only involve academic challenges, but may also involve challenges that are part of the perception of the value that the student expects to receive from their collegiate experience. If a student does not feel they have received a value for their education, then the student may not find it beneficial to repay their educational debt. One of the salient arguments that surfaced during this study suggests that a student returning to an environment without viable employment will result in a negative intent to repay debt. Likely, this will increase the intent to repay educational debt.

“When they feel that there is hope” (Participant #5). The perceived value of education can induce repayment behavior: “If you have nothing to go to at that point, I’m back to where I started. If moving back to a poverty area, back into their environment. The only difference is that they have a degree.” (Participant #5)

PERCEIVED VALUE. Perceived value was a common theme among participants. The participants indicated that the institution could be instrumental in positively increasing the students' perception of the institution and their academic experience. The student's perception of the value they receive during their educational experience is important in influencing a positive reaction to debt repayment. Perceived value, which surfaced through conversations with participants, closely aligned to the injunctive beliefs construct (part of the theory of reasoned action lens) that is a precursor to intent and actual behavior of the student in repayment of student loans. The participants commonly identified perceived value to include positive interaction during the

student's collegiate endeavor, the student obtaining a career specifically in their field of study after graduation, and sustaining the enthusiasm of the student.

As the student navigates through the collegiate maze of uncertainty, this venture is foreign to the first-year student; therefore, the interaction with the faculty, administrators, and other students is pivotal in determining whether the student's experience socially and academically will be a rewarding one. The perceived value of the institution and the interaction throughout the student's academic pursuit is influenced by the institution and its actors. The participants indicated that 90% of students at this institution that will pursue graduate school indicate they will go to a different institution. The administrator is left to wonder what interaction soured the student's image of the institution. Is it the professor that loves the subject, but does not portray empathy, respect, or a willingness to engage the student, leading to a negative educational experience for the student? The participants indicated that the key to gaining the student's trust and respect is through mentoring the student. This mentorship is vital to the student expressing their concerns and the faculty and administrators assisting the student in developing a strategy to solve a difficult problem that they are facing.

Moreover, the participants indicated that the student may come to college excited about the possibilities of obtaining a degree, but this is quickly lost when they are faced with a bad experience initiated by "*professor knucklehead*" or "*roommate knucklehead.*" The ability to sustain the enthusiasm of the student when they arrive on campus is crucial. There was a strong consensus throughout our interaction with participants for the institution to protect the student from corruption in the environment. The participants indicated that they must do better in this regard. The participants indicated that they must determine a way to counterbalance the distractions, initiate intrusive advising, and provide mentoring early to identify the students that feel this disconnect.

The conversation related to gainful employment was all too real as the participants felt that the student's perception of educational value includes obtaining employment after matriculation. Some of the participants felt that the institution's offering of career service was not at a level that would benefit the students. The participants indicated that the institution's ability to increase involvement with corporate sponsorship would not only increase participation at career fairs on campus, but would also increase the student's positive attitude towards the institution as it appears that the institution has a commitment to encourage employers to hire students in intern or permanent capacities that lead to successful employment outcomes after college. The participants' conversations regarding career opportunities for the students also ventured to include understanding the needs of the labor force in the community to train students for careers in the area of need in these communities. The ability to obtain employment or become gainfully employed as required at private schools appear to be a driving factor that increases enrollment at these vocational institutions.

According to participants, if the student finishes their academic pursuit, receives a degree, and successfully enters the workforce in their desired career, then the student is likely to repay their educational debt. As a result of a sense of a future through gainful employment, the student feels an appreciation of the academic experience and is reaping the benefit of their educational endeavor. The participants indicated that the reverse can happen if the student does not earn a degree or a career that they believe they should have obtained, based on the investment of time and money:

"If you think that experience has not given you what you are anticipating and you have not gotten a job that you think you should have gotten and all this other stuff, after going to college, the rest of life is more important than paying for loans." (Participant #5)

In facilitating the workshops, ideas among the group was free flowing with exchanges surrounding changing the mindset of the student to lead them to understand that their

educational pursuit is an investment in their future. Most students have a perception that coming to college will improve their current lifestyle, but they cannot connect their collegiate experience with the educational debt in their current state. The participants feel that the students have not thought about the sacrifice that is needed today to enjoy the future. The participants indicated that the institution must do a better job at educating the students on the connection between the educational pursuit and the debt that is associated with this education. The institution currently is attempting to influence students in understanding the dynamics of the relationship through financial literacy programs.

The student participant indicated, *“College will improve my existence, but it is out there. It’s something that is far off and I’m in the here and now”* (Participant #5), and the administrators indicated, *“We need to understand what they are thinking so that we can understand the mindset that they need to value the education that they are getting.”* (Participant #6)

The participants indicated that the institution provides a social and academic environment that enables the student to thrive; however, some students come to college for different reasons that are conceived several years before they get to the front doors of the university. Although the university is preparing the student to go out into the world and flourish, there are many distractions that can alter this nurturing and protecting behavior by institutional actors.

“I wish we [could] filter some of the stuff, but this is part of the experience.” (Participant #2)

The participants indicated it is the institution’s responsibility to ensure they protect the student from the bad things that can happen in this world; however, the structure to increase academic sustainability of the student has not been fully established.

STUDENT BEHAVIORAL NORMS

The common themes that surfaced in the discussion of the student behavior to educational debt using the lens of the theory of reason action were surrounding socioeconomic barriers and

self-sacrificing behavior. These themes are akin to *control barriers* and *descriptive norms*. The place attachment theory was introduced to explain the conversations that surfaced during the socioeconomic barrier theme as it explains the student's attachment to their home environment or a person. The student behavioral norms provide insight to policy development that accounts for the interest of the constituent affected by the policy, which increases policy acceptance. In this section, we will discuss behaviors demonstrated by students through interactions with participants that the institution can use in policy development to understand the student's intent to act.

SOCIOECONOMIC BARRIERS. Socioeconomic barriers are influenced by one's environment that prevents the student from acting on his or her own consistent with the *control beliefs* construct using the theory of reasoned action lens. The participant conversations related to socioeconomic barriers gave rise to problems that the student faces in balancing their education and influences by the family structure and the bond with home. According to the participants, family influences appear to be a mediator that affects the student's life after college and their intent to repay educational debt. The student from an adverse socioeconomic status faces many challenges throughout life, which does not stop during the pursuit of their collegiate experience. The participants explained there are expectations placed on the first-generation college student to give back to the family as early as the first year of college. Therefore, commonly the student has to work a full-time or part-time job to continue supporting the needs of the family, which can affect the student's academic success and ultimately the ability to repay their loans. The student has a level of empathy for their parents and siblings and an attachment that is real. The participants indicated they commonly hear from the student the need to help their family.

"If I don't work, my family is going to suffer, then I'm going to suffer." (Participant #8)

Therefore, the challenge is huge. The student's environment from which the student came has a strong hold on their future pursuit. The participants indicated that the family should understand that if the student is successful academically, they could hopefully help their family.

In contrast, if the student does not matriculate and “stop out” of college, then the student returns home to their environment without achieving the goal they set out to accomplish. Moreover, the student returns to the familiarity of home with the present constraints that prevent success or worse, a return to poverty.

The participants indicated that they commonly face challenges in educating parents on the effects that the demands of their behavior has on their child, usually leading to missed opportunities. The communication sometimes is rejected by the parents as the family is in need and the child’s student refund appears to be the only viable option as seen by the parents for the family’s survival. The participants explained that many parents have an entitlement mentality, and their rationality for requiring the student to hand over their refund check to the family is based on the belief that it is time for the child to take care of them after many years of supporting the child. The participants indicated that their conversation with the parent sometimes leads to confession and reveals that the real intent for encouraging the student to enter into excessive educational debt, or even the parent entering into debt, is intended to support the child’s educational pursuit, but is used for other means. The parent is not concerned with the student’s educational debt right now. When the payment come due after the student has matriculated or fails to continue their educational pursuit, the parent pushes the ownership of the debt onto the student when the family reaped the benefit of these educational loans. The participants indicated that conversations with parents commonly emphasize the family’s need for the funds that are intended for the student’s education.

“Well, I took out the parent plus loan thinking that I was going to get some of that money.” Then the parent will state to the student, *“You are an adult now, the loan is your responsibility”* (Participant #8) to repay.

Moreover, in some cases, the participants indicated there are large refunds given to the student based on their financial aid budget package, which outlines the educational need for the funds. The availability of funds over the actual educational need leads the student to take out

the maximum loan amount to support the family. This is not the intent of the federal loan program; however, the upper limit of the funds offered is sometimes in excess of the cost of tuition, housing, and other educational fees for students. If the student does not have the appreciation for the debt and the consequences of borrowing more than what is needed, then the student may face the challenge of debt repayment, which leads to an increase in the educational loan default rate.

Moreover, the parental influence is serious and can be detrimental to the student repaying their educational debt. According to the participants, many parents will contact the school to inquire about the date that student refunds will be issued. The participants explained how parents would get a little anxious when the funds are not received to prevent disconnection notices at home; however, the participants noted that the student is residing in the dorm on campus. In some cases, the refund does benefit the student and will legitimately provide for the basic needs of the family at home. The underlying problem in understanding the amount of the refund needed and the use of these refunds is difficult to ascertain.

According to the participants, when the student has matriculated and has not achieved sufficient means to pay essentials to survive after graduation (such as food, clothing, or a place to live), repayment of educational debt commonly falls to the bottom of the list of debtors. The economic need of the student and their family will negate any rationality of repaying educational debt in the future. Sometimes the student does not realize that the use of these funds is tangible especially if a degree is not awarded, or employment is not achieved at the end of this journey. Additionally, the participants indicated from their interaction with students and parents that the family does not always consider it the best interest of the student. The participants indicated that some parents are not honest with their child and will intentionally deceive them. The enactment of the federal education rights and privacy act (i.e., FERPA) regulation is good for these students. The participants indicated that the institution has the responsibility to look out for the best interest of the student even if the parent does not.

“I had a situation where a student kept calling and coming by saying my refund was supposed to be mailed to my home, and my mom is saying she didn’t get it. When the student put a trace on it, come to find out mom had cashed the check and never told the student. They had a joint account.” (Participant #8)

The participants indicated that although there are parents that do not have the best interest for their child’s success, there are parents that are legitimately concerned with helping their child succeed. The participants indicated that there are some students who enter college from a prior structured home environment, which is lost when the student enters college. The student is now bewildered and unable to maneuver independently through the noise and distractions of the collegiate experience. The student is an adult, and under the FERPA regulations, the student has the right to control their educational activity and access to their educational progress. Moreover, the participants indicated that some students do not provide this access to their parents, and without the student providing parental permission to their educational records, the institution is left to monitor the academic success of the student, but who monitors the noise or the collegiate distractions that prevent academic success?

The participants indicated that there are different types of family and neighborhood influences that affect the student. There are family influences that prevent the student from experiencing new neighborhoods outside their own neighborhood, even if career opportunities await them, because the student has a bond to the family and the home environment. This bond to the family explains the *person* attachment construct, and the bond to the home environment explains the *place* attachment construct as part of the lens of place attachment theory. The participants indicated it is the institution’s responsibility to provide the student with an appreciation and an enjoyable experience in other environments to help them expand their horizons, which the institution is currently doing by offering internships and studies abroad in the summer:

“Our responsibility as educators is to educate students about places outside the map, outside the village. The more we give them a taste of what is out there, and it is their decision, but we can help them. Socrates was convicted for corrupting the young. Our job is to corrupt the young in a very good way, and show them something else.”

(Participant #1)

Moreover, based on the place attachment theory, this lens explains the negative consequences of the student’s reluctance to leave their current environment, hampering their future growth and reducing their chance of gaining employment in their field of study. The participants indicated that the fear of the unknown and the student’s home environment could negatively influence the student’s chance for success:

“Who is to know where they came from? [Student] so if they came from poverty areas, if they came from the upper-class, who knows. After they graduate, they are forced to go back to these selective areas what is that doing for them. If moving back to a poverty area back into their environment the only difference is that they have a degree.”

(Participant #5)

SELF-SACRIFICING. In this study, the self-sacrificing behavior of the student using the theory of reason action lens describes the *descriptive norms*. According to the participants, the student's desire to support their family is sacrificing their ability to succeed academically. This emotional bond will influence the student to undergo excessive debt to achieve their collegiate experience, but also to support the family structure. The participants indicated that the students that work full- or part-time jobs are working because there is a need to work; otherwise, they see a vision of the family suffering, which is real. This is also the reason some students take out more debt than needed. The participants explained that the student has empathy for the family and will feel guilt if they are in a warm dorm room, while their parents and siblings are homeless or lack the bare essentials to survive; therefore, the burden of school and family challenges are sometimes overwhelming for the student. The participants indicated that there are many

situations for the underprivileged student where they are challenged academically due to the lack of support from their family.

Moreover, the participants indicated there is a need to provide counseling and mentoring to the students to understand the students' challenges and assist with guiding them through the maze of life obstacles. The participants indicated they encourage the student to make their own decisions and let them know it is okay to do so. However, the participants also indicated that they express to the student that the decisions they make come with consequences that, at the end of the day, belong to them. The results of the lack of family support sometimes rise to the level, which requires the participants to provide coaching before the student ruins their chance of successfully obtaining a degree. The family influence is very strong, but the participants feel that it is their responsibility to mentor the student to achieve their desired goals for academic success.

“While mentoring a student about the time spent studying versus working, and taking care of her younger siblings. I finally asked the question: Is your mother supportive of you being in college rather than you working a full-time job? The student says my mother does not want me to be in college. She wants me to work a full-time job and take care of my younger sibling.” (Participant #4)

The participants noted that the lack of parental support could obstruct the student's progress.

Conclusion of Results

Based on the results of this study, four themes were identified that led to the intention and behavior for repayment of student loan debt. These themes surfaced from the theory of reasoned action and place attachment theory lenses. The overarching themes that resulted from the interview and workshop interactions outlined in Appendix E were academic sustainability, perceived value, socioeconomic barriers, and self-sacrificing behavior. These themes are necessary in involving constituents in successful policy development to influence positive repayment of student debt.

First, the theme academic sustainability suggests that if a student is successful in their academic pursuit, then this increases the likelihood of a positive attitude leading to a higher level of intent and ultimately the positive behavior of repaying educational debt. The participant conversations that addressed academic sustainability involved (a) establishing a program to better prepare students academically with foundational courses prior to the student taking college assessment testing; (b) providing the student with progressive advising services to understand the student's aspirations and create an academic roadmap for the student's success, while engaging in shortening the time the student must select a major field of study; and (c) initiating unconventional collaboration between postsecondary education and K-12 education that will ignite a change to improve overall educational outcomes.

Second, the perceived value theme addresses the student's perception of the value obtained during and after matriculation. Participants focused on the reciprocity of the student's commitment to the institution and the institution's commitment to the student. The perceived value theme initiated discussion that challenges the institution to (a) understand the current workforce needs in the student's community or specific home state, as well as the nation, (b) collaborate to create career plans that lead to commitment from corporate and organizational sponsors providing career opportunities for the student upon graduation, and (c) gauge the student's expectation of their collegiate experience upon entering the institution to understand their commitment to their educational success.

Third, the theme that addresses socioeconomic barriers identifies the difficulties faced by students in their social environment they have become accustomed. During participant conversations, the focus was on (a) understanding the societal barriers that restrict the outcome of repayment of educational debt; (b) providing the student with an appreciation of an environment outside of their home village, instituting a rounded student experience that involves internships that include foreign travel; and (c) understanding the student's bonds with

persons within their inner-circle, the community, and their culture that prevent forward progress.

Fourth, the self-sacrificing behavior theme reviews the student's actual behavior that results in an elevated student loan balance and the use of federal financial aid funds to address the student's need outside of educational needs. The focus of the self-sacrificing behavior theme involves (a) understanding the family influence and student's perception of their responsibility to the family; (b) educating the student on financial literacy, debt reduction, and the consequences of entering into excessive debt; and (c) providing counseling and mentorship to students to assist them in maneuvering through the academic maze and family responsibility.

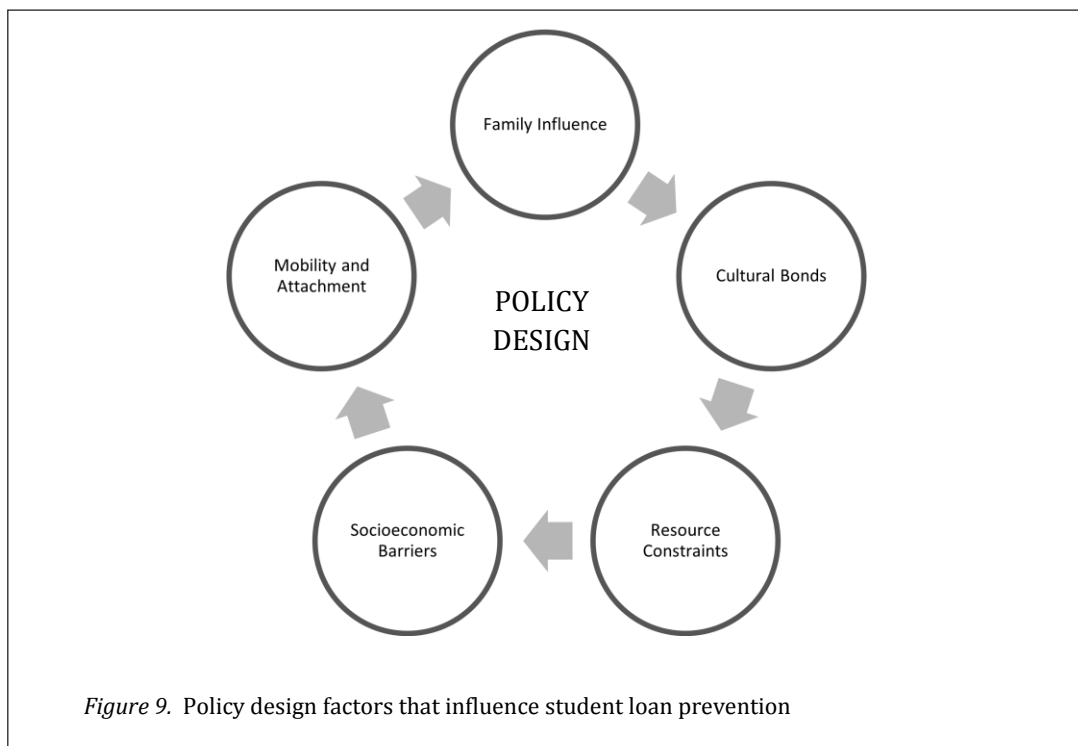
This study provides the foundation of policy development for targeting student debt repayment by incorporating institutional influences and student behavior, which include academic sustainability, perceived value, socioeconomic barriers, and self-sacrificing behavior, as well as the overarching mediator, place attachment.

CHAPTER VI: DISCUSSION

This study addresses the challenges faced by the student from an adverse socioeconomic background and the effects of student loans and resulting delinquency of educational debt. The study was conducted to provide a tool to universities that predominately serve the underprivileged student that has obtained some level of financial aid debt to fund their educational pursuit. In this section, we discuss the factors that will influence higher education policy formation, the surprising link between student debt and unemployment rates, the limitations of this study, and the opportunities for future research.

Higher Education Policy Development

The engaged scholarship research method and the theoretical application, as part of this study, led to the results and insights for policy design in the higher education arena concerning the reduction of student default rates. The use of theory as it is used in analyzing policy can also be instrumental in policy development providing a better understanding of the constituents affected and factors influencing positive change (Bastedo, 2009; Capano, 1996; Elboim-Dror, 1970). The empirical results of this study address challenges and the balancing act of the underprivileged student, the pedagogy and lack of resources that affect the underprivileged student's preparedness, and the psychological nomenclature of human attachment. Accordingly, we discuss the notable factors as identified in Figure 9 that influence the underprivileged student default rate as a tool to assist higher education institutions in policy development to reduce this rate. The policy design is derived from Bastedo (2009) that encourages theory while formulating policy as well as incorporating influences from internal and external actors. The empirical evidence for the policy design was instigated from the results of the interview and workshop sessions using an engaged scholarly research methodology interacting with administrators from an HBCU environment.



Family influences. *Design a student debt reduction policy that incorporates factors that address psychological pressures that are conducive to the student's family structure to balance academic and family challenges for the student.* Universities are faced with many challenges including understanding the dynamics that the family structure brings to the campus environment. In establishing policy to tackle the federal default rate, universities may establish a committee that is charged with understanding the family pressures faced by students. This will allow the university to focus program offerings for the first-year student experience on intervention that will help the student understand how to balance the demands of learning at an advanced level and how the bond with the family structure overshadows this experience. The committee should consist of members that are affected by changes to the policy to ensure the policy includes elements that address the family support structure, the family demands on the student (Ginder & Kelly-Reid, 2013), the parent's monetary or nonmonetary contributions to the student's educational goals (Chudry, Foxall, & Pallister, 2011; Vossensteyn, 2009), and the

student's extended family's living conditions (Mitchell, 2004). Additionally, the university should understand how open access to federal loans contribute to student borrowing and family support to assist the student in making conscious decisions when obtaining student loans. The student's introduction to the campus environment (i.e., the open enrollment process) can include sessions that help the parents understand parental expectation and the family contribution (Rothstein & Rouse, 2011; Vossensteyn, 2009) that promote academic success for the student's collegiate endeavor (Chudry, Foxall, & Pallister, 2011).

Resource constraints. *Address resource constraints that prevent the student's academic preparedness and the prerequisite skills before the student undergoes academic placement testing in policy design.* The university can reach out to potential students to ensure they are better prepared to enter the higher education environment. The college application process can require students to submit their intent to attend the college of choice during the beginning of the student's junior year in the K-12 environment. The application deadline will allow the university time to contact the student and offer various informational sessions that will gauge the readiness of students from an underprivileged background (Rothstein & Rouse, 2011) and offer courses through available grant funds to increase the student's academic skills, where they face the most challenges, before undergoing the college entrance and academic placement exams.

Cultural bonds. *Establish a student debt reduction policy that incorporates factors that consider cultural bonds to understand the challenges faced by underprivileged target groups.* The university should develop policy that includes characteristics that consider the organizational culture, the institution's mission, and the constituents it serves. The culture and historical origin of the HBCU university uniquely positions the institution from majority institutions demanding the attention to the characteristics of the institution for the policy design to be effective (Mhamed, Kasa, & Cunska, 2012). All policies and specifically policies surrounding student repayment of educational debt should incorporate cultural aspects such as student and parent's credit worthiness and the ability to repay debt, as well as financial

education through seminar sessions and frequently asked questions to navigate successfully through educational debt pressures.

Mobility and attachment. *Design a student debt reduction policy that addresses the mobility and place attachment that influences the unemployment for the underprivileged student with a college degree, student indecisiveness to accept a major field of study, and economic factors that contribute to high unemployment within the student's chosen field of study.* Although the image of society reflects that employment is sluggish in the United States, this image is even worse for the student who graduates with an undergraduate degree and is unable to find work (Sahin & Willis, 2011). The university should increase the likelihood that the student acquires employment by linking employment with graduation (Mhamed, Kasa, & Cunska, 2012). Additionally, the university has a need to increase the student's perception of value by not holding on so tight to course offerings where there is not a current need by employers or advances in the country; otherwise, the university cannot deliver on the student's expectations, and the benefit of higher education slowly slips away if a need for the skills the student is receiving is oversaturated in the employment market (Christie & Munro, 2003; Layman, 2011; Messina, 2010; Trent, Lee, & Owens-Nicholson, 2006; Wu, 2011). The university should enact policies that would inquire early with students upon entering the institution to understand the expectation of the future employment: earnings, job competence, and interview preparedness (i.e., establish a roadmap to success). This intervention can be in the form of a course offering that is required during the student's core studies during the first-year experience that would encourage the student to think about their future and how they intend to achieve the desired future expectations.

Socioeconomic barriers. *Consider societal factors that affect the mobility of students and the student's ability to accept change in policy design.* The underprivileged student has many social and equity challenges that limit their mobility to advance beyond their current environment (Carnevale & Strohl, 2013; Vossensteyn, 2009; Madyun, 2011). The institution can

assist in preparing the student for change or developing a rounded student by incorporating processes in the policies that provide students with an appreciation of different cultures, geographic locations, artifacts, and experiences that will encourage positive change.

Formulating policies to address the factors that are influenced by socioeconomic barriers of students from an underprivileged background is important to move the student towards rewards such as employment after graduation as the village that they return may not have the employment opportunities that match their new skills.

The Link Between Student Default Rates and Unemployment Rates

As we reviewed the salient conversations that surfaced during this study, a strong correlation between the student's attachment to place and unemployment rates was revealed. A high percentage of underprivileged students are not finding jobs after graduation (Wu, 2011). The factors that affect the unemployment rate in the past are different from today, as the labor needs to meet the demands today are shifting based on a changing environment and employer needs (Hicks, 2013; Koch, 2012). The following data identifies the student default rate by state and county to understand where students that borrow federal debt reside and the associated unemployment rates for these states and counties.

Due to limited available data, we reviewed three states. In the states of Connecticut, New York, and New Jersey, we obtained data from the U.S. Department of Labor for December 2013 and data from the Federal Reserve Bank of New York Consumer Credit Panel and Equifax that shows the unemployment rate and the student delinquency rate. The student borrower's delinquency map for loans greater than 90 days delinquent was a close resemblance to the unemployment rate by county for these states. In reviewing the correlation in the state of Connecticut as identified in Figure 2, the unemployment rates for Hartford County, New Haven County, Windham County, and New London County represented 10% or higher in each of these counties. Moreover, the student debt delinquency rate for Hartford and New London counties were between 11% and 13%, and New Haven and Windham counties represented delinquency

rates of more than 13.1%. Additionally, in New York, the unemployment rate for Jefferson, Oswego, Fulton, Greene, Bronx, Sullivan, and Orleans counties was between 10% and 60%, while the student loan default rate for borrowers over 90 days delinquent in these counties was more than 14% (Figure 3). In the state of New Jersey, the counties of Passaic, Essex, Hudson, Atlantic, and Cumberland reported unemployment rates between 10% and 60%, while the delinquency rate for student loan borrowers over 90 days delinquent was more than 13.1% (Figure 4).

Conclusion

The university can improve the underprivileged students' ability and intent to repay their educational loans by developing a policy that incorporates the factors identified in Figure 8, as well as understand the link between the student loan default rates and unemployment rates for students returning to their home community to increase the likelihood of gainful employment for these students. The limitations of this study can also be opportunities for future research in the area of policy development and institutional influences that assist in reduction of the federal student default rate. The risk that may be encountered is that students are not affected by the policy elements outlined that involve institutional influence, affecting the student's ability to repay educational debt. Moreover, the perceived action may go in another direction and not result in positive debt repayment behaviors. Although many nations are passing on debt to students, this study was conducted in the United States and the factors that influence students in the U.S. may not be applicable to other areas of the world. Additionally, the study only covers a limited amount of states where there is a correlation between the student default rate and unemployment rate, which explains the barriers related to place of employment choices for students of an underprivileged socioeconomic background. Although the correlation is strong, there may be other explanations for the link between these factors that are not shown that describes the cause of this linkage. The study spans over a 10-year period using available current and archival data from 2002 to 2013; however, future data may represent a different set

of influential factors and the default rate may decline based on factors not offered in this study. Moreover, the research study does not address the circumstances of the student and any barriers that may prevent the student from accepting viable employment options, such as the unwillingness to relocate to another state due to other factors, such as the availability of viable transportation options or other resources to get to available jobs. Additionally, this research study does not address the students' ability to network with family and friends or those of affluent backgrounds to obtain resources to repay educational debt. The majority of the participants in this research study consist of higher education administrators. The student participant may not represent the collective views of the entire student body or students who are currently in repayment status.

Future research in this area might cover first the aspect of the default rate focusing on specific barriers and positive influences that lead to successful employment options for students. Second, future research could study the rationale that the student uses in decision-making to repay educational debt that involves outside family influences. Third, future studies might use the student as the primary actor in understanding policy change. Fourth, as this study does not fully explore place attachment theory as it relates to student default rates, future research studies might expand the effects of place attachment on student default rates by exploring and engaging with the student who returns to their home environment after their collegiate experience. Fifth, future studies might involve students that are in a repayment status and why these students repay or fail to repay their educational debt.

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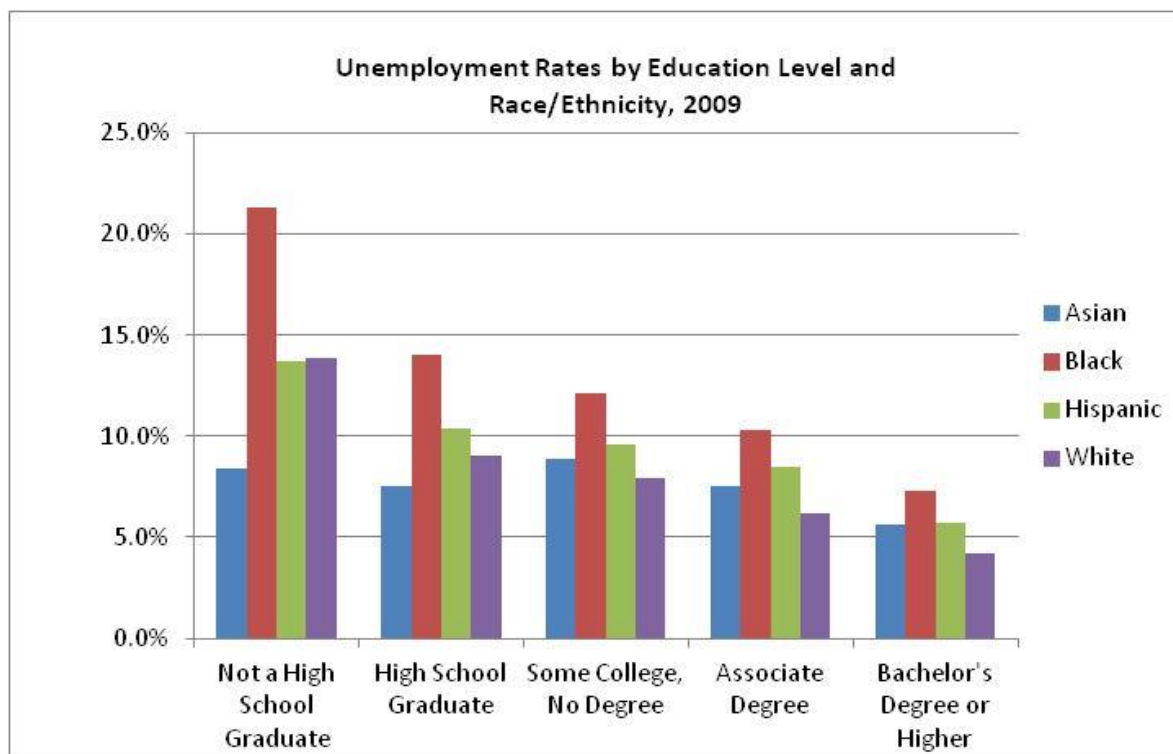
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APPENDICES

Appendix A

Unemployment Rates of Individuals Ages 25 and Older, by Education Level and Race/Ethnicity, 2009



	Education Level				
	Not a High School Graduate	High School Graduate	Some College, No Degree	Associate Degree	Bachelor's Degree or Higher
Asian	8.4%	7.5%	8.9%	7.5%	5.6%
Black	21.3%	14.0%	12.1%	10.3%	7.3%
Hispanic	13.7%	10.4%	9.6%	8.5%	5.7%
White	13.9%	9.0%	7.9%	6.2%	4.2%

Appendix B

Research Methodology Process

RESEARCH METHODOLOGY PROCESS	
Study Context	Sequence of Steps
PF	1. Identify Problem
TB	2. Conduct Literature Review
RD	3. Create Research Question
TB	4. Ground Research using The Theory of Reasoned Action (i.e. TRA)
RD	5. Interview Instrument Design
TB	6. Use TRA constructs in interview protocol
RD	7. Identify Criteria and Method to Access Data
RD	8. Identify Data Collection Technique
PF	9. Position Problem (Place and Time)
RD	10. Select Institution
RD	11. Select Participants
PF	12. Interview Participants using Staggered (Step) Approach
PF	13. Analyze Data conducted from Lower-Level Administrator Interviews
TB	14. Use coding technique and pattern matching to analyze interview results (using TRA)
TB	15. Adopt Place Attachment Theory resulting from interview results
PS	16. Conduct Workshop #1 with Lower-Level Administrators
PF	17. Code and analyze workshop results (focus themes)
PS	18. Conduct Workshop #2 with Higher-Level Administrators
PF	19. Code and analyze workshop results (refine themes)
PS	20. Construct Figure 6 (Influences of Debt Repayment Behavior Model)
PS	21. Construct Figure 7 (Policy Design factors that influence Student Loan Prevention)
Study Context Abbreviation	Description
RD	Research Design
TB	Theory Building
PS	Problem Solving
PF	Problem Formation

Source: Inspired by Engaged scholarship diamond model, (Van de Ven , 2007).

Appendix C

Results From Interviews Going Into Workshop #1

POSSIBLE SOLUTIONS	
Academic Preparedness & Sustainability	<ol style="list-style-type: none"> 1. Initiative to offer summer internships or camps to graduating HS senior that will prepare students for college level courses. 2. Provide students with tools to increase STEM aptitude increasing use of mobile technology.
Perceived Value	<ol style="list-style-type: none"> 1. Increase student involvement and interaction in decisions to improve student life. 2. Increase likelihood of gaining employment after matriculation. 3. Initiate 360-degree evaluation that will integrate student interaction with faculty, administrators, and staff. 4. Communicate results of interaction improvement quarterly in town hall meeting and allow student body to assist in the resolution. 5. Offer career fairs and events for students that have matriculated (involve alumni affairs in the future of student success during and after matriculation).
Socioeconomic Barriers	<ol style="list-style-type: none"> 1. Initiate work programs on campus applying funds directly to the students account initiating criteria that will prevent refunding these funds. 2. Initiate external internship programs encouraging corporate sponsors where the institution will introduce work that offers college credit. This introduces the student to other environments in their field of study outside of their current environment. 3. Initiate opportunities for community service initiatives in other states and foreign travel experiences through grant
Self-Sacrificing Behavior	<ol style="list-style-type: none"> 1. Include involvement of the parent in financial literacy (communication is not enough). Initiate a family day or weekend that incorporates financial literacy and the student's prospect for the future because of the education achieved. Find ways to incorporate changing the misperceptions of erroneous ideas about educational debt (i.e., changing norms, beliefs, and values). 2. Initiate an assessment to determine student attitude to debt that includes current and past family behavior. 3. Initiate institutional programs that will elevate awareness of respect, trust, appreciation for students. 4. Initiate program that will increase social skills and economic awareness to debt responsibility through doing (communication is not enough).

Appendix D

RESULTS FROM WORKSHOP #1

THEMES	POTENTIAL INTERVENTIONS
Academic Sustainability	<ol style="list-style-type: none"> 1. Initiate college prep and remedial courses in the senior year of high school and during the summer to prepare entering students for academic success. 2. Incorporate required labs during matriculation. (i.e., Determine what courses students are dropping and why. This may be the first sign of academic challenges, which will increase student debt.) 3. Involve the student body in the institution's learning outcomes. 4. Provide access to technology as part of learning requirement (e.g. initiate electronic textbooks and iPad – find ways to incorporate in technology fee or work with the student body to incorporate as part of student activity fee). 5. Understand the student's aspiration for education during the application process to determine the desire to learn and achieve academic success (i.e., Determine if this is the place that the student is trying to determine what they want to do with their life and encourage them to maneuver quickly). 6. Outline criteria for the student to succeed academically if financial aid is necessary (i.e., during and after matriculation). Initiate course inventory and include advisor monitoring and interaction twice a year to ensure the student is on track. 7. Decrease the time that a student is required to declare a major (i.e., taking too much time to find oneself will increase course requirements and ultimately student debt.)
Perceived Value	<ol style="list-style-type: none"> 1. Increase exchange of respect and trust among students, faculty and staff. 2. Increase student's commitment to the institution. 3. Identify the students expectation upon entry into college (i.e., what is the student expecting to get out of their collegiate experience). Obtain corporate sponsors to increase the likelihood of the student's success in career selection. Initiate summer internships to increase the likelihood of the student securing a viable option for employment after the student matriculates. 4. Identify the shortage of workforce skills needed in the student's home community and work with corporate sponsors in concentrated areas where the student will return after matriculation.

THEMES	POTENTIAL INTERVENTIONS
Socioeconomic Barriers	<ol style="list-style-type: none"> 1. Perform a survey to understand the family's attitude to educational debt and repayment (e.g. Determine the parent's expectation for the student to receive their educational loan funds for educational needs or to support the family.) 2. Understand the student's expectation of life after college. 3. Understand the family influence over life choices after college.
Self-Sacrificing Behavior	<ol style="list-style-type: none"> 1. Understand the family concerns and challenges of the student (i.e., Factors that suggest that the family's need supersedes debt repayment). 2. Understand if direct loans are helping the survival of the family or assisting with the student's educational cost. 3. Understand how the student refund is used (i.e., is this need or want?). 4. The institution should provide resources to assist the student in understanding and repaying educational loans when the parent has left the student with overwhelming debt (i.e., Make an asserted effort to reach out to the student not only the social aspects through Alumni relations, but determine ways to assist with educational debt repayment increasing student loan debt communication).

APPENDIX E

Outcomes From Workshop #2

THEME(S)	INTERVENTION
INSTITUTION INFLUENCE	
ACADEMIC SUSTAINABILITY	<ul style="list-style-type: none"> a) Establish a program to better prepare students academically with foundational courses needed to pursue higher education prior to college assessment testing. b) Provide progressive advising services to meet the needs of the student understanding their aspirations and creation of an academic roadmap for success. c) Reduce the time students take to decide on a major field of study. d) Initiate unconventional collaboration between post-secondary education and K-12 education that will ignite a change to improve overall educational outcomes.
PERCEIVED VALUE	<ul style="list-style-type: none"> a) Understand the current workforce needs in the student's home community, and the nation to close the gap on workforce needs. b) Collaborate with the student to create a career plan and initiate collaboration and commitment from corporate and other organizational sponsors that would provide career opportunities for graduates. c) Gauge the student's expectation of their collegiate experience upon entering the institution with the use of survey instruments.
STUDENT BEHAVIOR	
SOCIOECONOMIC BARRIERS	<ul style="list-style-type: none"> a) Understand the social barriers that may restrict the outcome of repayment of educational debt. b) Provide the student with an appreciation of an environment outside of their home state or village instituting a rounded student experience that involves internships that might include foreign travel. c) Understand the student's interaction with their community and the bond of their society norms to influence positive change.
SELF-SACRIFICING BEHAVIOR	<ul style="list-style-type: none"> a) Understand the family influence and responsibility of the student. b) Educate the student on financial literacy, debt reduction, and the consequences of entering into too much debt. c) Provide mentorship to the students to assist them in maneuvering through the academic matrix and family responsibility.