Assessing College Student Needs for Comprehensive Financial Counseling

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To meet college student needs for financial counseling, it is important to assess why they seek counseling and the extent to which differing financial situations are tied to financial stress. This study examined these issues with a sample of 554 college students who participated in financial counseling and found financial problems in various situations were each linked to increased financial stress. Financial stress was positively associated with having student loans and other forms of debt and was higher for female students and lower for those having investments. From a needs assessment perspective, it is apparent that college students may be able to benefit more from comprehensive financial counseling than from financial advising that is tailored primarily to a single issue.

Keywords: college students, financial counseling, financial help-seeking, financial situation, financial stress

Financial challenges in higher education have been felt both at the institutional and individual levels. In tough economic times, public universities have faced shrinking budgets and have had to continually seek to trim "nonessential" services to students (Johnson, Oliff, & Williams, 2011). At both public and private universities across the nation, student financial counseling services were eliminated. In one recent report, there were only seven operating college-affiliated financial counseling centers in the United States (Moore, 2011). At the same time, students were facing many of the same persistent financial challenges associated with pursuing degrees in higher education, and some of these challenges appear to be getting worse. These include long-standing higher-than-average rates of inflation in the costs of an education compared to the consumer price index, growing levels of student debt, and fewer or poorer job prospects upon graduation (Collinge, 2010). As these individual pressures intensify, it becomes clearer that students need increased financial management skills. Hence, the paradox, although universities may save money initially by trimming financial counseling services to students, the services come at a time that students may need it most.

To be successful in providing needed financial services and to ensure investments in student financial counseling are cost-effective, it is essential that the services provided are well-matched to student needs. Thus, it is increasingly important that service providers understand the issues that define the reasons *why* students come for financial counseling and thus *how* financial counseling can assist them with managing their financial resources. In conversations with affiliated colleagues we found that existing financial counseling service centers face demands (cf. Moore, 2011) to demonstrate that they are providing outreach and services which are effective (Goetz, Cude, Nielsen, Chatterjee, & Mimura, 2011) and that they are doing so in cost-effective ways. What was puzzling is the relative sparseness of the peer-reviewed literature focused on assessing college student needs for financial counseling.

Therefore, the purpose of this study was to understand how varied student financial situations impact financial counseling needs. We documented the different student financial situations, examined the extent which they are associated with individual differences, and assessed whether they are

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associated with financial stress. This study may help to determine the extent to which college students would benefit from comprehensive, rather than particularistic, financial counseling. If students seeking financial counseling have a wide range of needs and each type of need is associated with financial stress, this study will underscore the limitations of financial counseling that addresses only limited topics, such as student loans. The results can be useful for administrators planning financial counseling services and service models by obtaining a view of the students' needs in one college student population. In the literature review, we described the evidence that shows how financial situations may be related to financial stress and discussed how financial situations function as "presenting problems" in the context of seeking financial counseling.

Literature Review

Financial Situation and Stress Among College Students

College students may face significant financial challenges beyond student loan burdens. For many students, college is the first time they are responsible for budgeting their spending and many have difficulty making ends meet. Some of the common problems include not having enough money for food, running out of money prior to the end of the semester, inability to increase income, and lack of skill in cutting expenditures (Jariah, Husniyah, Laily, & Britt, 2004). Not only are student loans a concern, but there are also concerns that students are graduating with greater amounts of credit card debt (Joireman, Kees, & Sprott, 2010).

Similarly, an uncertain job market with high rates of unemployment adds to the financial uncertainty students feel and may partially explain why increasing numbers of adult children are returning home to live with their parents. The 2012 U.S. Census Bureau figures indicated 32% of adults between the ages of 18 and 34 years were living at home with their parents (Vespa, Lewis, & Kreider, 2013). Saving money while living at home may not be the only benefit of living with parents after college. Parents play a large role in the financial socialization of their children (Danes & Yang, 2014; Gudmunson & Danes, 2011; Mimura, Koonce, Plunkett, & Pleskus, 2015). Dependence on parental support has been shown to increase family communication about finances (Edwards, Allen, & Hayhoe, 2007). In addition, parental involvement in financial decision making has been shown to decrease credit card debt levels (Palmer, Pinto, & Parente, 2001). Nevertheless, educators may be perplexed that even with this parental involvement there remains a need for formal financial education and counseling (Fox, Bartholomae, & Lee, 2005).

Gender has some broad implications regarding financial management behavior. For example, men were more likely to be overconfident in their stock picking ability (Barber & Odean, 2001). Therefore, this could be correlated with overconfidence in their ability to manage money, but more research needs to be done in this area. Women have been shown to have lower levels of financial risk tolerance and tend to be more open about their financial situation than men (Edwards et al., 2007; Gilliam, Goetz, & Hampton, 2008). The greater willingness of women to be open about finances could suggest that women would also be more likely to seek financial advice.

In addition, financial stress among college students has been increasing (Northern, O'Brien, & Goetz, 2010). Finances were the second largest source of stress for college students, ranking just behind academic performance (Groux, 2012). The student loan debt clock now reports nationwide student loan debt has surpassed $1 trillion, which is greater than consumer credit card debt and auto loan debt combined (Federal Reserve Board, 2013). This surge in student loan debt and increased college costs raised financial stress of college students.

Financial stress has been linked to lower grades and increased incidences of leaving college prior to finishing the degree (Joo, Durband, & Grable, 2008; Pinto, Parente, & Palmer, 2001). Moreover, financial stress can be aggravated when students come from first-generation racial/ethnic minority backgrounds. Phinney and Hass (2003) indicated financial stress was one of the most often cited stressors for first-generation minority college students. Furthermore, stress levels can be reduced with financial counseling. Britt et al. (2012) found college-affiliated financial counseling can decrease both immediate stress levels as well as helping participants to maintain a lower financial stress level 2 months later. The reduction of financial stress after financial counseling is promising, but there is a concern that not enough financial counseling centers exist to provide the individual counseling that is needed.

Understanding how financial situations link to stress is important because there is a negative association between financial stress and health (Adams & Moore, 2007; Drentea & Lavrakas, 2000; Kim, Garman, & Sorhaindo, 2003). Health improved for people who followed good financial principles and participated in financial education (O'Neil, Sorhaindo, Xiao, & Garman, 2005). As financial stress increased, physical health declined. Financial stress has also been linked to increased conflict in marriage relationships (Britt, Huston, & Durband, 2010; Gudmunson, Beutler, Israelsen, McCoy, & Hill, 2007; Kerkmann, Lee, Lown, & Allgood, 2000).

Financial stress is also hurting academic performance. Stinebrickner and Stinebrickner (2003) found an association between the need to be working and lower grade point averages. Fifty-five percent of students worked at least part-time during the academic term according to the 2011 American College Health Association survey. The National Survey of Student Engagement 2012 survey indicated roughly one third of students did not purchase required academic materials because of the cost. In addition, one third of college students indicated that financial stress had negatively affected their academic performance (National Survey of Student Engagement, 2012).

Financial Help Seeking

Several books and articles have been written on financial help-seeking behavior (Britt, Canale, Fernatt, Stutz, & Tibbetts, 2015; Fox, Bartholomae, & Trombitas, 2012; Grable & Joo, 1999, 2001, 2003; Joo & Grable, 2000, 2001; Lim, Heckman, Letkiewicz, & Montalto, 2014; Lown & Cook, 1990; Miller & Montalto, 2001; Wollan & Bauer, 1990). Most people who sought help did so to resolve a specific problem. In this way, help-seeking behavior parallels adult education principles. Adult education, including higher levels of postsecondary education and advanced college degrees center on the learning goals and needs determined by the student rather than merely by societal and institutional expectations alone. Likewise, students who presented themselves for financial education may have specific financial challenges they desire to overcome, or realize they lack aspects of financial knowledge that could otherwise benefit them. Thus, financial counseling should begin by assessing the student's financial situation and be applied where it is most needed; the two work in tandem.

Unfortunately, more research on financial education approaches has been done than on the assessment of student financial counseling (Archuleta, Dale, & Spann, 2013). Even though research in this area is limited, recent developments have been promising (e.g., Britt et al., 2015; Delgadillo & Britt, 2015; Klontz, Britt, & Archuleta, 2014; Smith, Shelton, & Richards, 2014). Several innovative financial counseling services have been developed recently; however, little is known about financial help-seeking behavior for those services despite the repeated calls from researchers (Lown & Cook, 1990; Miller & Montalto, 2001). The research that exists in financial help-seeking behavior results primarily from the contributions of Grable and Joo (Grable & Joo, 1999, 2001, 2003; Joo & Grable, 2000, 2001). Grable and Joo (1999) developed a helpful theoretical framework that outlined the processes involved in seeking financial help. They provided a five-stage framework in which people start with poor financial behaviors or habits and then progress toward evaluation, root cause analysis, making a decision to seek help, and finally seeking financial help.

Grable and Joo (1999) found that younger people, people with poor financial behaviors, and people with multiple financial stressors were more likely to seek financial help. Furthermore, they found that those who sought help from a financial services professional were more likely female, higher income, had a positive mental outlook, higher financial risk tolerance, and exhibited better financial behaviors (Grable & Joo, 2001). Data from the Retirement Confidence Survey confirmed these findings. In addition, Joo and Grable (2001) identified the factors associated with seeking and using professional help for retirement planning. Their study found that women, higher income households, those with positive financial behaviors, a favorable view of retirement, and greater levels of financial risk tolerance were more likely to seek professional help for retirement planning (Joo & Grable, 2001). Grable and Joo (2003) offered a snapshot of help-seeking behavior of university faculty and staff, and they determined the most popular sources of financial information were nonprofessional sources such as friends, relatives, Internet, and magazines. However, the research showed that professional sources of help like financial planners were the most useful to the participants of the study. Goetz, Cude, and colleagues (2011) found that college students who took a financial literacy course were more likely to participate in campus-based financial counseling.

One primary benefit from financial counseling was helping clients to identify additional resources to apply to their financial situation (Wollan & Bauer, 1990). In addition, financial counseling has been shown to reduce stress and improve worker productivity (Joo & Grable, 2000). Financial counseling also led to a greater sense of self-efficacy in one's ability to be effective in financial management (Fox et al., 2012). Understanding more about who reaches out for help with their financial situation is important so more effective programs can be developed to meet the need for financial counseling services. However, there are only a small handful of college-affiliated financial counseling centers in the United States.

Research Questions

This research seeks to fill a gap in assessing the financial situations that college students report when they present themselves for financial counseling and to understand the sociodemographic characteristics that may predict these situations and the extent to which financial situations are related to financial stress. This was done by studying financial counseling intake surveys of college students who sought out help at a financial counseling center at a large public university in the U.S. Midwest. Specifically, we sought to address the following research questions:

RQ1: What are the financial situations that clients face when seeking counseling?

RQ2: To what extent are different financial situations associated with financial stress?

RQ3: What are the roles of sociodemographic factors in predicting financial situation and financial stress?

Method

Data

The data were obtained from intake surveys completed by college student clients in the process of scheduling an appointment for financial counseling at a university-based comprehensive financial counseling clinic in the U.S. Midwest. Each client completed an intake online survey before making an appointment at the clinic. The intake survey was designed to inform the financial counselor about the client's financial situation, financial stress level, and sociodemographic background, reasons for seeking counseling, counseling preferences, and availability for scheduling an appointment. Thus, the information presented in this study represents the state of the client's financial needs as they enter financial counseling. Student information was de-identified prior to sharing with researchers and subsequently approved for use by the institutional review board at the researchers' university.

Survey intake data were used from 554 clients who visited a Midwestern university-based financial counseling center for the first time between years 2005 and 2012. A detailed description of the sample is presented in Table 1. Most of the clients who made an appointment for financial counseling through the clinic website were single (76.9%), and most were White (81.6%). Participants' age ranged between 18 and 58 years, with most (84.3%) between ages 18 and 25 years. The sample included more female (58.3%) than male (41.7%). In terms of employment, 73.8% were currently working, whereas 26.2% reported that they were not working.

When exploring student loans, it was found 86.8% of students had student loans, whereas 13.2% reported no student loan debt. The median total federal student loan balance for the sample was $26,883 for those with student loan debt. The median of other financial debts, including credit card, car loan, and other loan balances, was $2,760 for those students who had other forms of debt. About 1 in 5 (20.6%) students held investments. Based on the intake survey, 96.6% of clients preferred to meet face-to-face with a counselor instead of by phone (0.7%) or e-mail (2.0%).

Measures

Financial Situation. Student financial situation was reported by clients in the intake survey. Clients were presented with a checklist created by counselors with many years of experience with students seeking financial counseling. Clients self-reported any areas that applied to their situation and were given the option to write in other concerns that were not represented in the checklist (write-in results were rare and were not included in this study). Financial situation questions included the options "Behind in monthly payments," "No saving or spending plan," "Too much credit card debt," "Overspending," "Expenses exceed income," "Creditors have contacted you," "Bankruptcy contemplated or filed," "Overdraft in last year," and "Unexpected crisis." Marked boxes were coded 1 (*yes*) and unmarked boxes were coded 0 (*no*). We also created a composite variable, called the number of financial situations, which was a sum of the aforementioned items, to use as a predictor in one of the regression analyses. With the number of items contributing, the possible span of this variable was from 0 to 9.

TABLE 1. Sample Descriptive Statistics (*N* = 554)

Category	*n*	%/*Mdn*
Age (years)		
18–21	77	13.9%
22–25	390	70.4%
26–29	53	9.6%
≥30	34	6.1%
Gender		
Male	231	41.7%
Female	323	58.3%
Marital status		
Single	426	76.9%
Other[a]	128	23.1%
Race/ethnicity		
White	452	81.6%
Other[b]	102	18.4%
Educational attainment		
High school	11	2.0%
Some college	342	61.7%
Bachelor's degree	125	22.6%
Master's degree	44	7.9%
Doctorate degree	32	5.8%
Employed		
Yes	409	73.8%
No	145	26.2%
Have student loans		
Yes	481	86.8%
No	73	13.2%
Total federal student loan balance amount		$26,883
Have other debt		
Yes	300	54.2%
No	254	45.8%
Total other debt amount		$2,760
Have investment		
Yes	114	20.6%
No	440	79.4%
Counseling preference		
Face-to-face	535	96.6%
Phone	4	0.7%
E-mail	11	2.0%

[a]Other category included married, divorced, separated, and engaged.

[b]Other category included American Indian/Alaskan Native, Asian, Black/African American, Hispanic, Native Hawaiian/Pacific Islander, multiracial, and other.

Perceived Financial Stress Level. Client-perceived financial stress level was assessed from the intake survey with a single item. Student clients answered the question "How would you rank your current level of financial stress?" on a scale from 1 (*lowest level of stress*) to 10 (*highest level of stress*). Note that this measure of financial stress corresponded to the time that the student first sought services from the clinic (usually online) at the time they were seeking to schedule an appointment and typically hours or days before the counseling session began.

Sociodemographic Characteristics. Along with other information collected at the intake assessment, student clients reported several sociodemographic factors. Age was measured as a continuous variable. There was a larger share of missing age data (31%), because of nonresponse, than with any other variables included in the study (other variables typically had 2%–3% missing data at most). We noted that for those who did report age, there were very large numbers in the modal range from ages 22 to 25 years (60% prior to our handling of missing data) which we suspected based on experience working with traditionally aged college students. Furthermore, we were able to confirm that the vast majority of clients in this age range also reported "some college" as their level of education. By triangulating these various forms of information, we felt reasonably confident that grouping the missing values with those in the age 22–25 years group (reported in Table 1) or replacing the modal value (age 23 years; for our regression analyses) was a more reasonable option than a listwise deletion of cases of those without full information.

Gender was coded 0 (*male*) or 1 (*female*). Although we collected fairly detailed information on race and ethnicity, there was a very strong majority of White students and low numbers of student clients in other racial and ethnic groups. Thus, we recoded this variable as 0 (*White*) or 1 (*other*) without disclosing the numbers of students who composed the non-White group, but which included American Indian or Alaskan Native, Asian, Black or African American, Hispanic, Native Hawaiian or Pacific Islander, multiracial, and other groups, which were self-described. A similar pattern in the data was observed regarding marital status, with such low numbers in all categories (except for the large number of single students) as to preclude meaningful comparisons other than by comparison of singles to a collective group of nonsingle students. Thus marital status was coded 0 (*other*) with the other category including engaged (which likely also included cohabiting), married, separated, divorced, and widowed or 1 (*single*).

Employment status was also simplified to two groups coded 0 (*not employed*) or 1 (*employed*). There were three specific financial questions with dichotomous responses that we included as sociodemographic factors. There was a question about having any student loan debt, coded 0 (*no*) and 1 (*yes*), and a follow-up question about the total amount of federal student loans, used for descriptive purposes only. Second, there was a question about having any other forms of debt such as credit card debt or personal loans, coded 0 (*no*) and 1 (*yes*), and a follow-up question about the total amount of other debt, used for descriptive purposes only. A third question asked whether the student had any investments, coded 0 (*no*) and 1 (*yes*), but without a follow-up question on the amount.

Data Analyses

We reported the sample descriptive statistics previously in Table 1. To answer RQ1 regarding the financial situations of students seeking counseling, the results of a frequency analysis are presented. To answer RQ2 regarding the relationships between financial situations and financial stress, we graphed the differences in financial stress for those who did or did not report each of nine different financial situations; in later analyses, we also considered the summative effects of a pileup of financial situations in predicting financial stress controlling for sociodemographic factors. Finally, in a two-part final analysis to address RQ3, we first presented the findings of ordinary least squares regressions showing the effects of sociodemographic factors in predicting the number of financial situations and financial stress. Second, we considered the effects of sociodemographic variables on individual financial situations in a series of binary logistic regressions.

Results

Financial Situations Clients Face When Seeking Counseling

To identify problematic financial conditions faced by students seeking financial counseling, this study relied on intake surveys presented to clients prior to counseling at the time they sought counseling. The question on financial situation is part of an intake questionnaire that was developed by professional financial counselors at the clinic who have had years of day-to-day contact with clients on a regular basis.

TABLE 2. Frequency of Client Financial Situations (*N* = 554)

Financial Situation	*n*	%
No saving or spending plan	240	43.3
Too much credit card debt	131	23.6
Expenses exceed income	127	22.9
Overspending	102	18.4
Overdraft in last year	58	10.5
Behind in monthly payments	44	7.9
Creditors have contacted you	39	7.0
Unexpected crisis	35	6.3
Bankruptcy contemplated/filed	11	2.0

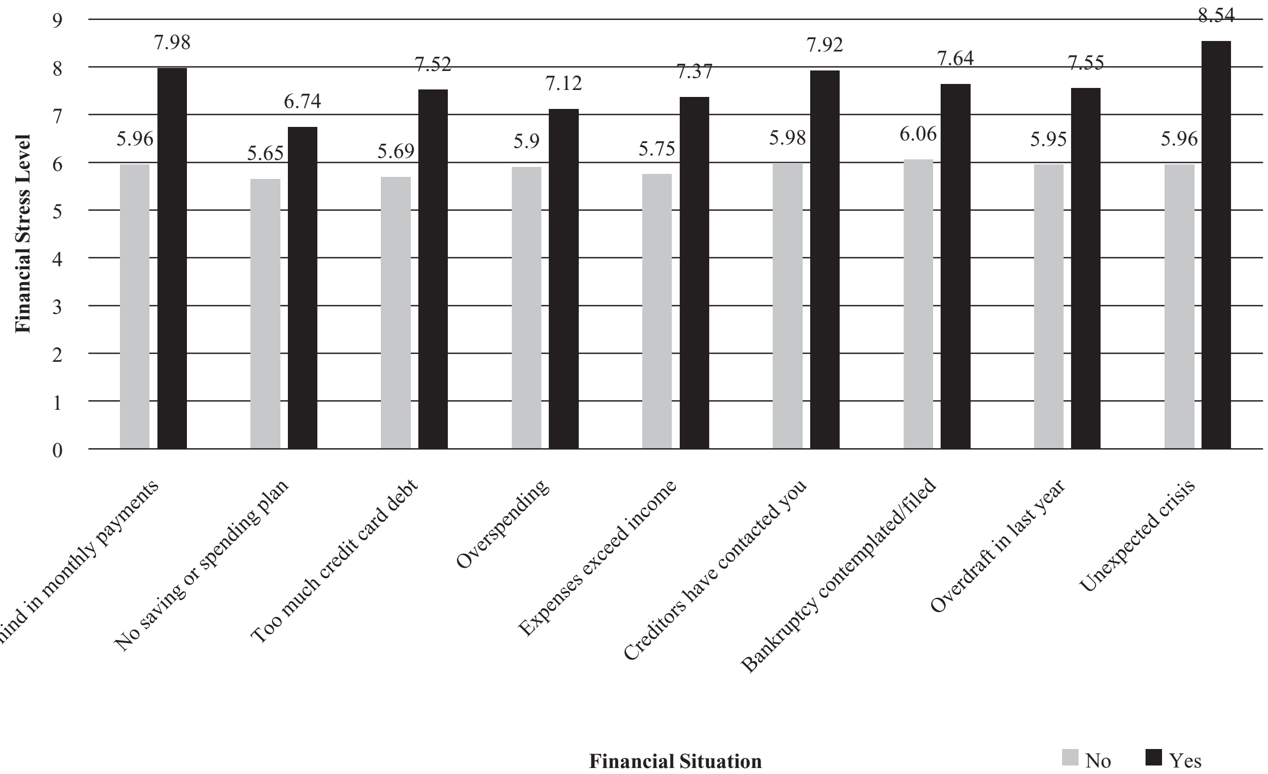
Note. Financial situations were reported by clients in the intake survey; clients self-reported all areas that applied to their situation.

Table 2 shows a ranking of the frequencies of the most commonly reported financial situations. These financial situations were (a) no saving or spending plan (43.3%), (b) too much credit card debt (23.6%), (c) expenses exceed income (22.9%), (d) overspending (18.4%), (e) overdraft in last year (10.5%), (f) behind in monthly payments (7.9%), (g) creditors have contacted you (7.0%), (h) unexpected crisis (6.3%), and (i) bankruptcy contemplated/filed (2.0%). Conspicuously absent from this list is a concern with student loan debt, which we speculate may be because of the ability students have in avoiding student loan payments while enrolled at the university.

Financial Stress by Financial Situations

Figure 1 shows the financial stress levels reported at the time of making an appointment with respect to each financial situation. Considering all nine financial situations individually, it was apparent that those facing an unexpected crisis reported the highest levels of financial stress (M = 8.54, SD = 1.44). There were also high numbers of financial stress for clients who were behind in monthly payments (M = 7.98, SD = 2.24) and those who had been contacted by creditors (M = 7.92, SD = 1.80). In contrast, there was a somewhat lower level of financial stress for facing the

Figure 1. Client financial stress level by financial situation.



Note. Financial situation was reported by clients in the intake survey, and the clients self-reported all areas that apply to their situation. The items were not mutually exclusive.

most common (see Table 2) situation of having no saving or spending plan ($M = 6.74$, $SD = 2.14$) relative to other concerning financial situations.

We conducted a series of *t* tests to examine whether there were statistical differences in mean scores between those who faced each of nine financial situations and those who did not report the situation. The results of these *t* tests are not shown but are available by request from the authors; the mean financial stress levels, however, are shown in Figure 1. In every case there was a significant mean difference, with higher levels of financial stress for those reporting a financial situation compared to those who did not report having a financial situation. In 8 out of the 9 financial situations the differences were highly significant ($p < .001$), and only the case of those who had contemplated or filed bankruptcy versus those who had not was statistically significant at the $p < .05$ level. It is important to note that these financial situations were part of a checklist in the intake form that was not mutually exclusive, and thus, each of the comparison groups would have contained students potentially facing other financial situations.

The evidence in Figure 1 for the relative evenness in the financial stress associated with reporting specific financial situations (although this was not empirically tested) suggests that there was no single issue that vastly outstripped others in producing financial stress. Facing an unexpected crisis resulted in an average financial stress of 8.54 on the 10-point scale, whereas having no saving or spending plan resulted in average financial stress of 6.75, and all other associated financial stress levels were clustered within this range for reported financial situations. In other words, it seems that there was largely uniformity of the effects of any particular financial situation on financial stress, and students in this sample faced a wide range of financial situations as they prepared to receive financial counseling.

Sociodemographic Factors Associated With Financial Situation and Financial Stress

As mentioned previously, we employed two different sets of analyses to examine the role that sociodemographic factors played in predicting financial situations and financial stress. Table 3 shows the results when we consider financial situations in aggregate.

First, we investigated the effects of sociodemographic factors on the number of financial situations. Four out of eight sociodemographic factors significantly predicted the number of financial situations reported by the client. Female students reported more financial situations ($B = 0.596$, $SE = 0.135$, $p < .001$) than male students. Non-Whites reported more financial situations ($B = 0.710$, $SE = 0.171$, $p < .001$) than Whites. Clients having debt other than student loans reported more financial situations ($B = 0.983$, $SE = 0.134$, $p < .001$) than those not having any other form of debt other than student loans, and those who had any investments had fewer financial situations ($B = -0.345$, $SE = 0.166$, $p < .05$) compared to those without any investments. Other sociodemographic factors including age, marital status, employment status, and having student loans did not contribute to differences in the number of reported financial situations. Those variables that were related helped to account for 17% of the variance in financial situations.

Three of the four sociodemographic factors that significantly predicted the number of financial situations also were significant predictors of financial stress levels, although these predictors accounted for an even smaller 6% of the variance in financial stress. The significant predictors were gender, having other debt, and having investments; in addition, having student loan debt also had a marginal positive effect on financial stress level ($B = 0.505$, $SE = 0.282$, $p < .10$). Female students reported higher financial stress ($B = 0.453$, $SE = 0.194$, $p < .05$) than male students. Clients having debt other than student loans reported higher financial stress

TABLE 3. Ordinary Least Squares Regression Results for Financial Stress Level and Number of Financial Situations ($N = 554$)

	Number of Financial Situations		Financial Stress Level			
			Model 1		Model 2	
Variables	**Coefficient**	**SE**	**Coefficient**	**SE**	**Coefficient**	**SE**
Intercept	−0.260	0.521	4.904***	0.746	5.060***	0.679
Age	0.022	0.017	0.009	0.024	−0.005	0.022
Gender (*female* = 1)	0.596***	0.135	0.453*	0.194	0.097	0.179
Race/ethnicity[a] (*other* = 1)	0.710***	0.171	0.170	0.245	−0.254	0.226
Marital status[b] (*single* = 1)	−0.006	0.164	0.257	0.234	0.260	0.213
Employment status (*employed* = 1)	0.169	0.151	−0.092	0.216	−0.193	0.197
Having student loans (*yes* = 1)	0.104	0.197	0.505†	0.282	0.443†	0.256
Having other debt (*yes* = 1)	0.983***	0.134	0.565**	0.192	−0.023	0.183
Having investments (*yes* = 1)	−0.345*	0.166	−0.787***	0.238	−0.581**	0.217
Number of financial situations					0.598***	0.056
	$R^2 = .17$		$R^2 = .06$		$R^2 = .22$	
	Adjusted $R^2 = .16$		Adjusted $R^2 = .05$		Adjusted $R^2 = .21$	
	$F = 13.764$***		$F = 4.354$***		$F = 17.442$***	

[a]Other category included American Indian/Alaskan Native, Asian, Black/African American, Hispanic, Native Hawaiian/Pacific Islander, multiracial, and other.
[b]Other category included married, divorced, separated, and engaged.
†$p < .10$. *$p < .05$. **$p < .01$. ***$p < .001$.

($B = 0.565$, $SE = 0.192$, $p < .01$) than those not having any other form of debt other than student loans, and those who had any investments had lower financial stress ($B = -0.787$, $SE = 0.238$, $p < .001$) compared to those without any investments.

Prior to these analyses, we noted some results, not shown in the tables, regarding the numbers of financial situations that were reported. We looked to see the percentages of clients listing multiple situations and found 41.9% marked none, 19.1% marked only one, 15.7% marked two, 12.6% marked three, 5.2% marked four, 1.8% marked five, 1.6% marked six, and the remaining 2% marked seven. Furthermore, the correlation between the number of financial situations marked and initial level of financial stress was $r = .45$ ($p < .001$). This strong association highlighted the importance of considering the additional variance that could be accounted for in predicting financial stress by adding the number of financial situations with the sociodemographic factors in a second model (see Table 3). The addition of this variable increased the amount of variance accounted for in the models from 6% to 22%. This finding is consistent with the prior evidence addressing RQ1 which shows there is a strong positive relationship between financial situation and financial stress.

Our final analysis was a finer-grained analysis (to further answer RQ3) which considered the effects of sociodemographic variables on individual financial situations based on odds ratios from a series of logistic regressions (Table 4). We consider the effects of the predictors that were significantly associated with increased or decreased odds of reporting a financial situation.

First, there was evidence that older students were more likely to have expenses exceeding income ($OR = 1.060$, $p < .05$) and, marginally, to have considered or filed for bankruptcy ($OR = 1.083$, $p < .10$).

Second, compared to male students, female students were twice as likely to report no saving or spending plan ($OR = 2.171$, $p < .001$), nearly twice as likely to have had too much credit card debt ($OR = 1.767$, $p < .05$), two-and-a-half times more likely to have overspent ($OR = 2.561$, $p < .001$), nearly twice as likely to have expenses exceeding income ($OR = 1.886$, $p < .01$), and, marginally significant, nearly twice as likely to have had an overdraft in the past year ($OR = 1.807$, $p < .10$).

Third, other racial and ethnic groups fared less well than their White counterparts. Non-White students were twice as likely to report being behind in monthly payments ($OR = 2.330$, $p < .05$), nearly twice as likely to report no saving or spending plan ($OR = 1.934$, $p < .01$), more than twice as likely to have overspent ($OR = 2.345$, $p < .01$), marginally significant twice as likely to have been contacted by creditors ($OR = 2.047$, $p < .10$), nearly four times as likely to have considered or filed for bankruptcy ($OR = 3.889$, $p < .05$), and, almost three times as likely to have had an overdraft in the past year ($OR = 2.618$, $p < .01$).

Fourth, marital status and employment status had no significant effects on individual financial situations, with one notable exception. Employed students were nearly three-and-a-half times more likely to have been contacted by a creditor ($OR = 3.378$, $p < .05$) as compared to students who were not employed.

Fifth, having debt, other than student loan debt, was the most weighty or influential factor for the majority of the outcomes. Compared to those without other debt, students with debt were five times as likely to be behind in monthly payments ($OR = 5.108$, $p < .001$), nearly twice as likely to report no saving or spending plan ($OR = 1.667$, $p < .01$), six times as likely to have had too much credit card debt ($OR = 6.023$, $p < .001$), nearly four times as likely to have overspent ($OR = 3.611$, $p < .001$), more than twice as likely to have expenses exceeding income ($OR = 2.283$, $p < .001$), three times as likely to have been contacted by creditors ($OR = 3.115$, $p < .01$), and four times as likely to have had an overdraft in the past year ($OR = 4.112$, $p < .001$).

Finally, to a more limited extent, having investments seemed to work as a protective factor. Compared to students without investments, those with investments were only half as likely ($OR = 0.507$, $p < .05$) to report having too much credit card debt, and their likelihood of reporting an unexpected crisis was only a third as great as those without any investments ($OR = 0.345$, $p < .10$). Although this latter finding was only marginally significant, we noted that having investments was the only factor that significantly impacted unexpected crises. All the other financial situations had two or three sociodemographic predictors. The amount of variance accounted for was modest at best, ranging from 4% (for unexpected crisis) to 22% (for too much credit card debt).

TABLE 4. Odds Ratios From Binary Logistic Regressions for Likelihood of Financial Situations (*N* = *554*)

	Financial Situations								
Predictors	Behind in Monthly Payments	No Saving or Spending Plan	Too Much Credit Card Debt	Overspending	Expenses Exceed Income	Contacted by Creditors	Bankruptcy Contemplated or Filed	Overdraft in Last Year	Unexpected Crisis
Intercept	0.007***	0.321	0.010***	0.043**	0.025***	0.002***	0.002**	0.038*	0.026**
Age	1.040	1.004	1.028	0.997	1.060*	1.057	1.083†	0.962	1.030
Gender (*female* = 1)	1.524	2.171***	1.767*	2.561***	1.886**	1.604	0.573	1.807†	1.313
Race/ethnicity[a] (*other* = 1)	2.330*	1.934**	1.501	2.345**	1.498	2.047†	3.889*	2.618**	1.499
Marital status[b] (*single* = 1)	1.064	0.932	1.336	0.855	1.326	0.672	0.395	0.999	1.012
Employment status (*employed* = 1)	1.792	0.969	1.389	1.313	0.911	3.378*	1.166	1.556	1.213
Having student loans (*yes* = 1)	0.554	1.037	2.517*	1.080	0.988	1.827	1.626	1.292	0.687
Having other debt (*yes* = 1)	5.108***	1.667**	6.023***	3.611***	2.283***	3.115**	1.770	4.112***	1.705
Having investments (*yes* = 1)	0.801	0.788	0.507*	0.731	0.890	0.450	0.285	0.564	0.345†
Pseudo R^2	.13	.09	.22	.16	.08	.12	.12	.14	.04

[a]Other category included American Indian/Alaskan Native, Asian, Black/African American, Hispanic, Native Hawaiian/Pacific Islander, multiracial, and other.

[b]Other category included married, divorced, separated, and engaged.

†$p < .10$. *$p < .05$. **$p < .01$. ***$p < .001$.

Discussion

The purpose of this study was to assess student needs for comprehensive financial counseling. It is our position that a need for comprehensive financial counseling can be identified by assessing the financial situations (i.e., presenting problems) that students bring with them to financial counseling. If the range of situations is broad and those situations are consistent in producing the types of financial stress or discomfort that can interfere with academic progress (Stinebrickner & Stinebrickner, 2003), disrupt key social relationships (Gudmunson et al., 2007; Kerkmann et al., 2000), and lead to poorer individual outcomes (Adams & Moore, 2007; Drentea & Lavrakas, 2000; Kim et al., 2003), then comprehensive financial counseling should become a greater consideration on college campuses.

On the other hand, if the financial situations that students face are limited, then noncomprehensive financial counseling services can be used when addressing single issues. Student service centers supporting only student financial aid or student housing are common on university campuses. But, when issues such as budgeting, credit issues, or cash flow problems lie at the root of a student's financial situation, a predetermined program of information sharing on a topic that does not fit the student's need may stymie his or her progress. The degree to which broad student/client assessments are made in advance of services and are used by the counselor to address the client–counselor interaction will likely be a good indicator of the level of comprehensiveness of financial services.

This study found that a wide range of financial situations were present among students at one Midwestern university. The major areas of financial concern that college students reported include the lack of savings, high credit card debt, not enough income to cover expenses, delayed monthly payments, overspending, and overdrafting.

Not surprisingly, this study also found a positive and significant association between having debt (i.e., student loans and other debt) and financial stress level. As found in previous studies (Bound & Turner, 2007; Scott-Clayton, 2012; Stinebrickner & Stinebrickner, 2003), the students with higher amounts of debt are likely to struggle with academic performance because they are likely to work longer hours in the labor market. Students in our study who were employed also reported more negative involvement with creditors. The financial aid office on college campuses often provides financial education to the students who are applying for financial aid. It may be necessary to mandate that all students applying for financial aid attend some kind of financial education services (e.g., financial workshops or seminars).

Sociodemographic factors were better at predicting the financial situations of students compared to their overall stress levels, however, the number of financial situations reported added significantly greater predictive power in predicting financial stress than did sociodemographic factors alone. The number of financial situations completely explained the gender differences in financial stress levels and partially ameliorated the effects of having student loans and reduced the extent to which having investments was a protective factor. These findings underscore the positive impact that addressing immediate financial situations can have in reducing financial stress. In examining individual financial situations, we noted that having other debt was usually more stress inducing than having student loans. Despite the fact that student loan amounts were larger on average than amounts for other forms of debt, it is likely the difficulty of needing to make payments on these loans that induces stress, whereas student loan payments would be deferred until after graduation. It was evident that these other loans were predominantly revolving credit card debt, and students who were employed were more than three times as likely to have been contacted by creditors. This suggests that some employment while in college may be a necessary, albeit counterproductive, response in facing credit card payments. Thus, effective financial counseling that can prevent or correct poor financial behavior may free up time that students can use for study and making academic progress.

This study found that female students experience higher stress levels than male students. Concerted effort is needed to target female students for educational opportunities in personal finance. The education program could focus on budgeting, credit card use, living within a budget, and saving for the future. This preventive approach may discourage students from taking additional and unnecessary loans, which is likely to increase financial stress, lower academic performance, and quality of life for students. At the same time, our findings for gender could have been influenced by selection effects because our sample included only students who presented themselves for counseling. More work is needed to determine whether male students who faced challenging financial situations were simply less likely to request counseling services which could have biased our results.

Limitations and Future Directions

Although this study provides information about what type of financial problems college students have and how they are related to financial stress they experience, the findings of this study cannot be generalized to the entire U.S. college student population because of the sample used in the study. A future study with a similar focus using a nationally representative sample will most likely provide further insight on financial challenges that college students face. All participants were from a single Midwestern university. All participation was voluntary and it is possible that students who experienced high levels of financial stress did not participate in financial counseling.

Future research should build on this study to investigate best practices in comprehensive financial counseling. In addition, the interrelatedness of financial situations should be further investigated. Financial literacy and counseling that is comprehensive should use tools such as listening and diagnosis more effectively. As a result, different approaches to training financial counselors may be required. We could not determine from our cross-sectional data whether financial issues follow any typical sequence or patterns of occurrence. For example, students at the beginning of their college careers (i.e., freshmen) may be more likely to benefit from informational campaigns and coursework in financial management, whereas students who are nearing graduation may face financial challenges and opportunities that accumulate across the college career. If financial situations are indeed *developmental* in such a manner, longitudinal research with panel data can be effective in determining the etiology of financial situations that could benefit from financial counseling.

Implications for Financial Counselors and Educators

The findings of this study suggest that basic financial education services such as budgeting and controlling credit card use can be helpful to students in managing their financial resources. The services can be provided via a combination of financial counseling centers and family finance education. Many universities currently offer family finance education, and fewer operate financial counseling centers. Too often among these, the majority of college students are not aware of the financial counseling services available at their campus. It is important to have financial education as a priority on college campuses through a coordinated effort of the academic administration, student services, and the family finance program. In addition, peer-to-peer financial planning and education service programs consistent with recommendations from Goetz, Durband, Halley, and Davis (2011) could be considered at colleges and universities to help students solve financial problems. Adequate financial and personnel support is also essential to the long-term success of financial education and counseling services.

This study and the considerations that we suggest should involve future research, assist those who create policies, and make funding financial counseling services a priority. For schools seeking to expand services or training of existing personnel, the findings suggest that outreach to non-White students and developing strategies for male students (who are less likely to seek counseling) or, we suspect, to report relevant financial situations should be a priority. Also, when reaching beyond single-issue advising, our study suggests that a focus on the most common situation of not having a budgeted spending plan is highly warranted. Overall, being able to respond to specific student financial situations reduces financial stress and thereby helps students succeed.

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