Students from the department of Liberal Arts and Professional Studies recently participated in the National Student Financial Wellness Study (NSFWS)\(^1\). The NSFWS is a national survey of college students examining the financial attitudes, practices, and knowledge of students from all types of institutions of higher education. Initial findings from the study provide some important information about the financial well-being of York University students.

**Many are in debt**

Most students (72%) responding to the survey said that they have some form of debt - whether from credit cards, student loans, auto loans, or other personal loans. Most of that debt comes from student loans as 70% report having student loans. This is not all that surprising, as we know that most students finance higher education with student loans. However, some information about student loans is more troubling. More than half say they do not consult with anyone (for example, parents or financial aid officers) when deciding how much to borrow. Most troubling, however, is that one-third of students do not think they will be able to pay off their debt after graduation.

**Stress is high**

The study clearly finds that students are stressed out about their finances and this stress may have serious implications for academic success. Over 60% worry about paying monthly expenses. Almost 50% said the amount of money they owe has caused them to neglect their academic studies or caused them to reduce their course load. 60% said it caused them to consider taking a break from their studies and 40% said they considered dropping out altogether. This paints a grim picture as the impact that student loans can have on the academic success of students.

**Financial literacy needs improvement**

Financial literacy questions on topics such as inflation, compounding interest, and loan repayment were asked as part of the survey and students did not fare as well as we might hope. On the question concerning inflation and future buying power, more than half of students (53%) responded that they did not know or answered incorrectly. One-third of student responded either incorrectly or said they did not know the answer to the questions on compounding interest and loan repayment. A question was included to assess a student’s understanding of taxes and the impact on their take-home pay. Two-thirds of students responded that they either did not know or responded incorrectly. Almost 90% of York students in the survey indicated that have never had any sort of personal finance class, either in high school or post-secondary.

**For more information**

For more information on the study, including study design, sampling, and full survey results, please contact Jodi Letkiewicz (jodilet@yorku.ca).

\(^1\) York University was the only university outside of the U.S. to participate in the study. The responses from York students were consistent with overall responses indicating that the issue of student financial stress is not limited to York University. We would expect similar results from other Canadian institutions.