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PERCEPTIONS OF STUDENT LOAN DEBT:  
A PHENOMENOLOGICAL STUDY EXPLORING  
BLACK UNDERGRADUATE STUDENTS' EXPERIENCES

By

Pilar S. Prather

B.S., Murray State University, 2010

M.Ed., University of Nebraska-Lincoln, 2012

Ph.D., University of Louisville, 2023

A Dissertation Submitted to the Faculty of the  
College of Education and Human Development of the University of Louisville  
in Partial Fulfillment of the Requirements  
for the Degree of

Doctor of Philosophy  
in Educational Leadership and Organizational Development

Educational Leadership, Evaluation and Organizational Development  
University of Louisville  
Louisville, Kentucky

May 2023

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A Dissertation Approved on

March 6, 2023

By the following Dissertation Committee

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Committee member, Dereck Barr-Pulliam

DEDICATION.

This dissertation is dedicated to my parents and godparents,

Aaron and Felicia Prather,

Lonnie and Beverly Wade for their constant love and support.

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## ABSTRACT

### PERCEPTIONS OF STUDENT LOAN DEBT: A PHENOMENOLOGICAL STUDY EXPLORING BLACK UNDERGRADUATE STUDENTS' EXPERIENCES

Pilar S. Prather

May 12, 2023

The rising cost of higher education concerns many families in the United States, especially those from historically underrepresented backgrounds. The purpose of this study is to explore the phenomenon of Black students' perception of their student loan debt and how their financial knowledge influences their decisions at a public institution. This qualitative research provides space to empower individuals to share their stories through semi-structured interviews to get an account of their experiences. Grounded in Yosso's (2005) Community Cultural Wealth Theory, the study seeks to capture the unique ways Black students make financial decisions.

The dissertation is divided into five chapters: introduction, literature review, methodology, results, and conclusion. Chapter one introduces the historical context, problem statement, purpose, relevant context, research questions, and significance of the study. Chapter two reviews the literature that focuses on existing literature about student loan debt among Black students and their financial decisions. Chapter three outlines the research design, including the justification for the qualitative phenomenological method.



Chapter four shows the results from the participants' interviews which comprised five themes, and the interconnection of the interpretive framework and themes. Six themes emerged in this study: the affordability of higher education, the burden of debt, striving for financial stability, cultural finance comprehension, a pathway to equity, and a racial/ethnic journey. Chapter five begins with an overview, a discussion of the interpretation of the findings, and examines the results from chapter four compared to the extant literature. Finally, chapter five concludes with the limitations and implications for research, policy, and practice.

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## CHAPTER ONE: INTRODUCTION

This dissertation is comprised of five chapters. Chapter one offers an introduction to the historical context, problem statement, purpose, relevant context, research questions, and significance of the study. Chapter two reviews the literature that focuses on existing literature about student loan debt among Black students and their financial decisions. Chapter three outlines the research design, including the justification for the qualitative phenomenological method. Chapter four shows the results from the participants interviews which comprised of five themes and those themes are interwoven with the interpretive framework. Chapter five begins with an overview, a discussion of the interpretation of the findings, and examines the results from chapter four compared to the extant literature. Finally, chapter five concludes with the limitations and implications for research, policy, and practice.

**Historical Context.** As of 2018, the United States government owes Black American families about \$352,250 in reparations. The average net worth for White families in 2016 was approximately \$933,700, and for Black families was roughly \$138,200 (Craemer et al., 2020). A Black family has one-tenth the wealth of a White family (Schermerhorn, 2019). Based on Darity's land-based and Marketti's price-based estimation method for the period of slavery, the United States owes descendants of enslaved people approximately \$12 to 13 trillion dollars (Craemer et al., 2020). Craemer's wage-based method estimates \$18.6 trillion at a 3% interest rate owed to the descendants of enslaved people (Craemer et al., 2020). Slavery resulted in the lost

opportunities to accrue wealth, lost freedom, and pain and suffering that, if compensated at the time, would have significant wealth implications for Black American descendants of the enslaved living today (Craemer et al., 2020)

Even after slavery, racism and systemic discrimination have had similar wealth gap implications (Schermerhorn, 2019). Steeped in the racialized dispensation of resources, power, and social status, generations of Black Americans were vilified, downgraded, and forced into concentrated poverty areas, correlated with stigma and prejudice (Do. et al., 2019). The results of racial segregation disproportionately expose Black Americans to areas of concentrated poverty and all its social stereotypes (Chaskin, 2013). For example, post-segregation policies enacted by the federal government such as the Public Housing Program that provides affordable housing to low-income Americans also resulted in put more Black people in specific impoverished areas (Chaskin, 2013). Implications associated with segregation have resulted in forms of deprivation, such as decreased access to quality education and employment opportunities (Do. et al., 2019). For example, understanding their history will help Black students make informed financial decisions on the best way to pay for their higher education, based on the income-to-debt ratio of Black graduates (Do. et al., 2019). This is relevant to higher education and affordability for Black students.

Since Black students are more likely to use financial aid, especially loans, to pay for their higher education, they are less likely to rely on their family's income (Houle & Addo 2019; Landry & Marsh 2011; Wilson, 2007). According to Addo (2016), wealth measures economic well-being. It can act as a type of insurance, offering a sense of stability and protection against downward mobility in the event of a negative income or

change in a household's socioeconomic status (Addo et al., 2016). In the United States, racial wealth discrepancies are considerable and persistent (Addo et al., 2016). The background of wealth development and loss in the United States has pushed Black Americans to the bottom of the economic ladder (Oliver and Shapiro, 2006).

Wealth tends to be passed down intergenerationally, perpetuating wealth equalities or inequalities over time (Oliver and Shapiro, 2006). For example, Black students are less likely to draw from wealth to pay for college, transfer wealth to their children, and protect their children more from debt than their White classmates (Houle & Addo 2019; Addo et al. 2016; McKernan et al., 2014). Just as wealth is essential to transfer to children, so is financial knowledge (Houle & Addo 2019). Passing down generational knowledge is a valuable resource to transfer to children, especially when parents use their financial knowledge and resources to help their children navigate postsecondary institutions (Houle & Addo, 2019).

**Financial Knowledge.** This study uses two terms, financial literacy and financial knowledge interchangeably throughout this dissertation. Financial knowledge is the ability to use knowledge about money to manage resources effectively for a lifetime of financial well-being (Danes & Yang, 2014). For example, a financially literate person is more likely to use their knowledge about money to make appropriate financial decisions. Literacy is using knowledge (Williams et al., 2011). Research on the relationship between race and financial literacy has revealed that Black students have lower levels of financial knowledge than White students (Williams et al., 2011). According to Williams (2011), few studies have examined how financial knowledge influences Black students'

financial decisions and the information they receive, especially those from low-income families.

Often, children learn about finances from their families. Parents are an essential factor in the financial socialization of young adults (Markle, 2019). Parents who are positive financial role models make better financial decisions than parents who have a negative view of money (Markle, 2019). Financial literacy is necessary to make sense of college costs, financing options, and understanding the financial aid process (Markle, 2019). Many parents and students alike are poorly informed about the different college expenses and the eligibility requirements, availability, and coverage of financial aid (Markle, 2019).

Craemer et al., (2020) noted that if a generation of Black people is left out of financial opportunities, they cannot pass down financial knowledge (Craemer et al., 2020). The transfer of financial knowledge to Black children gives them exposure to various financial experiences that are beneficial when making financial decisions (Craemer et al., 2020). One out of five children live in poverty, which affects their intergenerational wealth opportunities, making it harder to move from a low to high-class status (Sommer et al., 2018). The most visible, but arguably not the most important, form of family transfer of wealth is inheritance after one's death (Craemer et al., 2020). Astoundingly, it is estimated that only 10% of children born in poverty move out of poverty by adulthood (Sommer et al., 2018). According to Sommer et al. (2018), "education is one of the strongest predictors of income in the United States. This educational disadvantage compounds over generations and is more pronounced in the United States than in the most advanced industrial countries" (p.3). Compared to other



developed countries, the United States ranks near the bottom of working-class residents who exceed the education level of their parents (Sommer et al., 2018).

In these early years of their adulthood, students assume full responsibility for managing and directing their financial affairs. High school seniors who enroll in college also have to decide on the type of institution to attend and how they will pay for college. Black students often matriculate to college, making riskier financial decisions that may jeopardize their economic well-being after college, such as high student loan debt (Ratcliffe & McKernan, 2013). When making decisions, a student should highlight their cost-benefit analysis, which has cognitive (tangible) and affective (intangible) factors (Dowd & Coury, 2006). According to Dowd and Coury (2006):

The cognitive component centers on calculations on cost and benefits calculations, as is typical of rational choice models. The affective component includes satisfaction with one's ability to pay for college; it embodies the student's perceptions regarding her/his financial circumstances. From this perspective, when students receive financial aid but continue to have unmet financial needs, the receipt of aid will have a negative effect on persistence due to dissatisfaction with those financial circumstances. (p. 36)

Therefore, this exploratory study will address how Black students view plans to handle their student loan debt and how their financial knowledge shapes their decisions.

**Problem Statement.** The current problem is the increased student loan debt for American students. Black young adults are more likely to borrow and owe roughly \$5000 to \$10,000 more than White borrowers (Houle & Warner, 2017). In addition, Black young adults experience larger adversities and discrimination, making loan repayment

difficult and creating inimical consequences (Houle & Warner, 2017). Teaching Black undergraduates to understand historical factors and financial knowledge of Black Americans and where they stand economically could be helpful to them when they are making financial aid decisions while in college -for example, choosing a major in a field that is in a high demand for employees, potential for long-term career growth, and high-paying jobs. This transcendental phenomenological study is important to examine Black undergraduates' perceptions of debt and the potential effects on their financial futures. Interviews provide deeper insights into the intricate experience of this population than surveys because the researcher can hear the participants' perspectives through their voices and point of view (Leavy, 2017). This phenomenological investigation is best suited to exploring and identifying the specific issues of Black undergraduates who take out student loans to finance their education. Understanding the lived experiences of Black undergraduates' perceptions of loan debt can assist educators and policy makers by offering a clearer understanding of this population's individual experiences through a narrative.

**Purpose Statement.** This paper's primary focus is on Black students' experience with student loan debt. The selection of this specific population is driven, in part, by findings from the extant research that Black students are more likely to borrow more loan money to finance their bachelor's degree than their White, Hispanic, and Asian peers (Scott-Clayton & Li, 2016). The purpose of this study is to explore the phenomenon of Black students' perceptions of student loan debt.

**Research Questions.** The following research questions are the focus of this study:

1) What contributing factors influence Black undergraduate students' decision to take out student loans?

2) What are Black undergraduate students' perceptions of indebtedness while in school?

**Significance of the study.** While financial literacy is a concern for all students, Black students, in particular, fare worse than other races (Williams et al., 2011). Currently, most Black students do not have the adequate knowledge to manage their financial aid or personal finances and graduate from college with high student loan debt (Saunders et al., 2016; Williams et al., 2011). The historical context that contributes to the wealth gap and economic inequality is important because it gives rationale on why Black students are more likely to be low-income students (Dowd & Coury, 2006). Access to loans has increased college enrollment at four-year colleges, but the effects of loans differ for low-income and Black students, who are more likely to be debt-averse due to their higher risk of default (Dowd & Coury, 2006). This introduction provides a glimpse of the connection between historical and systemic discrimination and the economic inequality that continues to plague Black college students' financial futures. The literature review describes the financial aid process, compositional factors, decision-making through a theoretical lens, perceptions of debt, a detailed view of the plight of Black borrowers, and gaps in the literature that need to be addressed. The methodology describes the transcendental phenomenology process including the instrumental design, interpretive framework, data-collection process, data analysis, limitations, and ethical considerations.

**Limitations.** Some limitations of the phenomenological study are the small sample size and geographical area. The study includes 10 participants from the University of Louisville (UofL). The sample size or geographical area did not represent of the entire United States population of Black undergraduate students. Secondly, in the analysis of open-ended interview responses, a measure of bias is evident as the researcher is interpreting the interpretations of others through the lens of her own experiences. Lastly, exploring a sensitive subject such as debt can lead individuals to hide their true feelings or falsify information about their financial situation.

**Delimitations.** The delimitation of the study includes three factors. The participants chosen for the sample will not include students within a graduate program or undergraduate students who have not taken out student loans. Only first-year and second-year undergraduates from a public four-year university who are currently enrolled were considered for this study.

Secondly, students that are not of the Black/African American race and are junior, seniors, or graduate students were excluded from this study. Lastly, the sample will be limited to the 18-24 age demographic because older students are more likely to have relatively higher levels of financial literacy (Warnock, 2016). Therefore, they will be excluded.

### **Definitions**

The following is a list of definitions to aid the reader in understanding the terminology used in this study:

***Black/ African Student*** – refers to an American of African descent and included in the Black diaspora. This includes descendants from Africa that were on the transatlantic

slave trade. The dispersion of a people, language, or culture that was formerly concentrated in one place, to scatter, to displace, to live in separate communities (DePaul University, n.d.).

***Essence*** – The essence is the essential feature of a phenomenological study (Creswell & Poth, 2018). The essence of a phenomenological study refers to how someone thinks about an experience (Leavy, 2017). In this study, the essence is Black students' conscious experience with loan debt and their perceived effects on their financial future.

***Financial Knowledge*** – *is* the ability to use knowledge about money to manage resources effectively for a lifetime of financial well-being (Danes & Yang, 2014). This study uses two terms financial literacy and financial knowledge interchangeably throughout this dissertation.

***Financial Literacy*** – A set of financial skills and information that enables people to make well-informed decisions about how to spend their money. Financial literacy is defined as the process of gaining financial information, followed by certain financial habits, and finally, financial well-being (Danes, 1994). This study uses two terms financial literacy and financial knowledge interchangeably throughout this dissertation.

***Perception*** – *Based* on phenomenology, perception is a source of knowledge about a phenomenon. An individual develops knowledge and a perception of a phenomenon as he/she experiences the phenomenon. Perceptions work unto themselves as new knowledge and perceptions are continually created as an individual experiences of phenomenon throughout time within social, cultural, and historical contexts (Moustakas, 1994).

*Phenomenology* – a study that describes the common meaning for several individuals of their lived experiences of a concept of a phenomenon. Phenomenologists focus on describing what all participants have in common; they experience a phenomenon (Creswell & Poth, 2018)

## CHAPTER TWO: LITERATURE REVIEW

The researcher will examine Black undergraduate students' perceptions of student loans and whether financial education could change their minds when making financial aid decisions. The literature review will explain the Higher Education Act of 1965, federal and state financial aid funding, compositional factors, decision-making through a theoretical lens, and perceptions of debt. This chapter also describes perceptions of debt through family involvement, types of borrowers, return on the higher education investment, and employment after graduation. Additionally, the literature explains employment after graduation and how race affects Black students' financial ability to pay off their loans.

Education is an economic resource that is not accessible or obtainable to everyone, which makes it a privilege (Tan, 2014). Education is a resource used as a conduit to improve one's economic and social status. Many jobs require a postsecondary degree, so students often view higher education as an investment for later economic growth (Tan, 2014). A society with a strong physical and human capital creates a prosperous economy (Tan, 2014). It is hard to pinpoint if education is related to improving a person's occupation and income (Tan, 2014). If the government does not address the past injustices, a growing educated society could increase the income inequalities under certain instances for low-income individuals (Tan, 2014).

In addition to pursuing a college degree, sticker price and net cost are two different prices to consider (Bui, 2015). The sticker price is the amount that schools list on their websites and brochures. The net cost is sticker price minus scholarships, grants, and financial aid (Bui, 2015). The net cost is what the student pays typically with loans, savings, or from their income (Bui, 2015). When discussing the rising amount of post-secondary education, this document refers to the student's net cost that the individual is responsible for paying after scholarships or grants are deducted from the price. The following section explains how the federal financial aid system is used as an investment tool to access higher education.

### **Federal and State Financial Aid**

President Lyndon Johnson signed the Higher Education Act (HEA) of 1965, which established the federal government as the primary provider of financial aid for college (Hillman & Orosz, 2017). HEA increased access to post-secondary education for low-income, middle-class, and minority students (Hillman & Orosz, 2017). There was an increase in funding for students, which created a more diverse student population within higher education. The HEA has gone through eight subsequent reauthorizations (1968, 1972, 1976, 1980, 1986, 1992, 1998, and 2008), policies regarding loan eligibility, interest rates, and borrowing limits gradually expanded access to loans to undergraduate and graduate students regardless of their financial need (Hillman & Orosz, 2017).

Currently, funding is accessible to low-income, high school graduate students and middle-class families in the form of subsidized and unsubsidized loans (Hillman & Orosz, 2017). Undergraduate students with financial needs can apply for subsidized loans. Students are more likely to take out subsidized loans than unsubsidized loans.



Students usually take out subsidized loans because the interest does not accumulate until after graduation instead of unsubsidized loans, which accumulate interest during college (Hillman & Orosz, 2017). The federal policy limits how much money dependent and independent students can borrow in these programs. The Parent PLUS loan program is the next largest. To receive this aid, an undergraduate's parent must apply and, upon a credit check, can borrow up to the remaining cost of attendance. The U.S. Department of Education provides funding to students through the U.S. Department of the Treasury and state governments. There are other forms of government support, such as work-study programs and private aid. Federal loans and the Pell Grant are the two largest aid sources for college students (Hillman & Orosz, 2017).

**A Shift in Higher Education Funding.** The Higher Education law introduced government-guaranteed bank loans, which continue to grow more than credit card debt and second to mortgage debt (Quirk, 2013). The guaranteed loan program formed the federal financial aid industry, led by the banks and U.S. government which Sallie Mae sponsored. Banks and the government have made much profit from high-interest rates on guaranteed loans (Quirk, 2013). For example, Sallie Mae's stock increased more than an estimated 1,900 % between 1995 and 2005. Sallie Mae's CEO, Albert Lord, made approximately \$225 million between 1999 and 2004 (Quirk, 2013). Thus, the student loan program not only made a profit for banks, Sallie Mae, and the federal government, and was the primary source of profits in the American higher education system (Quirk, 2013).

Over the past approximately 50 years, federal financial aid has undergone a policy shift. In the 1980s and 1990s, the U.S. government incurred large monetary deficits

because of the defense expenses and increased pressures from certain social programs (Melvin & Sticks, 2001). As a result of such monetary demands, the federal government began to shift responsibility for social and educational programs to individual states, ill-equipped to handle the unexpected and escalating demands for tax funds (Melvin & Sticks, 2001). The shift from grants to loans began when Congress passed the middle-income Student Assistance Act of 1978 (Melvin & Sticks, 2001). Part of this legislation limited the expansion of the Pell Grants and made subsidized loans more available to students regardless of their income need (Melvin & Sticks, 2001; Gladieux & King, 1999). The prominence toward loans was worsened as the rapid growth in federal aid during the 1970s came to a stop in the 1980s (Melvin & Sticks, 2001). In the 1970s, approximately 76% of federal financial aid was grants and 20 % of loans. By the 1980s, that was in reverse, with loans accounting for about 67% and grants 29% (Melvin & Sticks, 2001).

In 2012, the financial aid program dumped about \$113 billion into colleges and universities. With public colleges and universities receiving about 35% of their tuition from student loans, private colleges and universities receive an estimated 60%, law schools about 80% (Quick, 2013). To show how much the student loan program has grown, it has increased almost 10 times from the 1990s by about \$12 billion, tripled between 1999- 2000, estimated at \$33 billion, and doubled since 2004-05 with an approximately \$55 billion (Quick, 2013). It is important to know that student loans are forever, unlike a mortgage. Student borrowers cannot abandon loans through bankruptcy (Quick, 2013). In 2005 Congress changed the laws when they decided that students could

not get rid of loans using bankruptcy (Quirk, 2013). Federal public loans offer the best of all worlds in which loans cannot be deleted in bankruptcy.

Federal loans, on the other hand, have a standard rate established by the government, which gives them an advantage over private loans. In recent years, the proportion of students encountering a binding constraint on federal student loans has increased, indicating that private loans have become more popular. This has resulted in a significant growth in the usage of private loans as a supplement to household higher education investment (Ionescu & Simpson, 2016). As of 2021, private student loans account for around 8% of total outstanding U.S. student loans, which total around 131 billion dollars (Helhoski & Lane, 2022). Credit scores determine eligibility, interest rates, and loan limitations in the private market. Furthermore, default in the private sector impacts credit risk, which leads to poorer lending terms.

The rise of student loans originating in private credit markets suggests that individual credit risk may affect college investment (Ionescu & Simpson, 2016). Individuals with good credit, in example, may not be confined in their education investment by Federal student loan limits because they can access the private market, whereas those with bad credit may be (Ionescu & Simpson, 2016). Many private student loans require payments while the student is still in school, but some do allow you to defer payment while in school. Private loans rates are set by the banks in which banks can charge whatever interest rate or fees they want (Quirk, 2013). Quirk (2013) states that there is an argument that allowing students to file for bankruptcies will result in more losses for the system to absorb (Quirk, 2013).

However, this is also true for mortgages and credit card debt, both of which are dischargeable in bankruptcy (Quirk, 2013). Students can enroll in one of three options to have their loans forgiven. Debt can be forgiven if a person works for the federal, state, or municipal government for ten years, makes payments for twenty years or pays 10% of disposable income for twenty years (Quirk, 2013). On the other hand, the federal government loans money to banks for 0.75% through the Federal Reserve discount window while charging graduate students around 5.4%. It is important to note that the government is charging students interest rates almost nine times higher than what they are charging banks (Quirk, 2013).

**State Funding.** During the 2007 Recession, two and four-year state institutions cut funding, which resulted in colleges increasing tuition to cover the lack of funding. The slashing of funds continued, and between 2008 and 2018, states lost approximately more than \$6.6 billion (Jones et al., 2020). After adjusting for inflation during the ten years, states spent an estimated 13% less on students. State budget cuts and rising costs affected all students and disproportionately deterred entry for Black students (Jones et al., 2020).

However, certain states have provided initiatives to make higher education more affordable. Some states, such as Tennessee and New York, have created a new approach to increasing education attainment through “free tuition” programs that typically provide financial aid to cover college tuition. For example, the Tennessee Promise covers the cost of tuition and fees not covered by the Pell, Tennessee HOPE Scholarship, or the Tennessee Student Assistance Award (TSAA) (Perna et al., 2017). Appropriations of funding can impact how schools set tuition costs, as well as how much money they spend

on teaching and support services that help students stay on track to finish their degrees. Free tuition programs can have advantages beyond financial assistance and provide early awareness of college as a realistic option (Perna et al., 2017).

**Benefits of Financing Higher Education.** Incurring debt can have long-term benefits for some students, and therefore the accessibility of educational loans has a positive effect on college enrollment. Especially subsidized loans since they are backed by the federal government and loans that have favorable terms such as lower interest rates, and repayment is usually delayed until after graduation. Loan debt can lessen anxiety and stress by limiting financial hardship. In addition, students who take on debt may be in a better position to complete college than students who must work to pay for school (Dwyer et al., 2012).

Jepsen et al. (2014) studied the job market and found that women attending a Kentucky community college earned a larger return on associate degrees and diplomas than males. Even if a student must borrow to pay for education, a college degree has the potential to yield a positive long-term investment (Robb et al., 2019; Akers and Chingos, 2014). According to Cappelli (2020), along with higher wages, employers view college graduates as individuals who succeeded at a reasonably difficult venture early in their adult lives (Cappelli, 2020). In 2020 the earnings and unemployment rates by education based on the U.S. Bureau of Labor Statistics (BLS) showed that college graduates on average make more than non-college graduates (Education pay, 2020). For example, employees with a bachelor's degree have estimated weekly earnings of \$1,305 in 2020, compared with approximately \$781 for employees with a high school diploma (Education

pay, 2020). The unemployment rate for someone with a bachelor's degree was 5.5%, compared with 9.0% for those with a high school diploma (Education pay, 2020).

However, higher education does not account for graduates' external benefits and salaries. According to Alonzi et al. (2015), failing to acknowledge the external social benefits leads to a lower quantity of education services selected than would be the case if all the external benefits of education had been included in the decision process. When a society undervalues education, it denies the benefits of a more educated population. As a result, many people who could improve their quality of life are denied the chance to do so and instead are condemned to a lesser standard of living. As a result, society misses out on the benefits of a better-educated population, and society suffers as a result (Alonzi et al., 2015).

**The Increased Cost of Higher Education.** As previously mentioned, America's national student loan debt is estimated at \$1.4 trillion (Luna-Torres et al., 2018). According to Cho et al. (2015), the burden of student debt accounts for an estimated four times of a wealth loss over an individual's lifetime and greater for students from low-income and minority families and those attending proprietary institutions (Hitonsmith, 2013). Tuition and fees continue to rise at public and private institutions to the point it has surpassed the average middle-class family's income (Hypolite & Tichavakunda, 2019). In the 1970s, borrowers would repay their loans quickly, but it now takes borrowers approximately 12 years to fully pay off their student loan debt (Hillman & Orosz, 2017). The increased cost of college has a greater effect on students who do not fully understand the financial aid system (Hypolite & Tichavakunda, 2019). It can be a complex process for those individuals with limited help and knowledge about the

available financial aid funding types (Hypolite & Tichavakunda, 2019). The growing student loans usage and increasing college enrollment does not mean that student loans have boosted college attainment (Cho et al., 2015).

According to Volkwein et al. (1998), few studies focus on the interplay of race and financial assistance. However, they only indicate variations in how specific groups respond to financial aid (Volkwein, 1998). Volkwein et al. (1998) state that their study is one of the first studies to examine loan borrowers' similarities and differences among Whites, Black, and Hispanic Americans. There have not been many studies that focus on this issue (Volkwein et al., 1998). According to Hypolite and Tichavakunda (2019), most studies compare the Black and White student college experience but do not solely focus on Black students' experience with financial aid. Scholars need to explore how Black students' financial aid experience and interactions with the financial aid staff (Hypolite & Tichavakunda, 2019). Borrowers that took out a combination of private and federal student loans reported a negative outlook and lower satisfaction with past borrowing decisions (Robb et al., 2020).

By 2017, a four-year public college cost was approximately 23% of the national household income but was approximately 40% of the average Black family's income in 17 states (Jones et al., 2020). In 47 states, students from low-income families would need to work at least 15 hours per week to pay for a public four-year college (Jones et al., 2020). Because of the wealth gap, Black households do not have the wealth to afford colleges' increasing costs (Jones et al., 2020). Based on policy changes, states continue to decrease funding at less prestigious community colleges and four-year public institutions than more prestigious public colleges (Jones et al., 2020). Black students are more likely

to attend less reputable colleges, which means states often spend an estimated \$1000 less on Black students than their White counterparts. Yearly, White students receive \$5 billion in educational funding than Black students (Jones et al., 2020). Black students have less access to financial resources when states are underfunding institutions. They have less access to the financial resources needed to complete their degree (Jones et al., 2020). Furthermore, loan compound interest works against students (Quirk, 2013). For instance, a loan at 6% interest will double in 12 years at 3% and triples in 24 years. As a result, the government, universities, and banks hinder future earning potential (Quirk, 2013).

**Review of Research.** This subsection will distinguish what has been done in the field from what needs to be done. The important variables and phenomena were relevant to Black students' loan indebtedness. Hillman and Orosz (2017) provides an overview of the HEA of 1965 and changes in the policy from 1965 to 2008 using a quantitative approach. Hillman and Orosz (2017) notes that more research needs to be done in the field about who borrows, why they borrow, and the consequences of student loan debt for borrowers (Hillman & Orosz, 2017). Volkwein (1998) administered one of the first studies using a national database to examine the student loan borrowers' similarities and differences based on race (Volkwein et al., 1998). Volkwein et al. (1998) created a quantitative methodology looking at institution type, age, race, gender, parent's education, income, financial need, multiple aid sources, high school preparation, college major and grades, institutions attended, educational degree completed, post-college, occupational attainment and income, loan indebtedness, marital status, and the number of children as variables (Volkwein et al., 1998). Volkwein (1998) notes that more research



needs to be done about lower default rates among females. Researchers and policymakers need to examine further loan default behaviors (Volkwein et al.,1998).

Melvin and Stick (2001) covers the causes and consequences of the federal student financial aid policy shift from grants to loans. A critique of Melvin and Stick (2011) briefly indicates the need for loan counseling services. However, it does not provide details on materials needed or how to minimize the accrued loan interests and information about the benefits of grants. Quick (2013) explains the changes in the funding options from grants to loans throughout the past four decades, and financial aid has had a huge impact on student loan borrowers. Quirk (2013) failed to address how specifically it has impacted students based on other factors such as race, age, and gender.

Hypolite and Tichavakunda (2019) studied how race and racism are ingrained into financial aid using a qualitative approach (Hypolite & Tichavakunda, 2019). The phenomena that arose from the study were racial stereotypes and microaggression, more time spent searching for scholarships, and reinforcement of the racial wealth gap (Hypolite & Tichavakunda, 2019). However, Hypolite and Tichavakunda (2019) and Jones et al. (2020) both suggest that more research needs to be done pertaining to the wealth gap and economic inequalities across different institution types (Hypolite & Tichavakunda, 2019; Jones et al., 2020). The following section will discuss how other student characteristics contribute to a student's likelihood of becoming a loan borrower.

### **Compositional Factors**

**Institutional Types.** There are specific factors that can increase the chance students may incur loan debt such as the type of institution they attend, age, race, socioeconomic status, and family background. Students who attend community college

and for-profit institutions have higher default rates than their peers at non-profit four-year or private institutions (McKinney et al., 2015). Low-income and minority students that attend community colleges and for-profit institutions often take out loans and have an increased likelihood of defaulting on their loans (Kelchen & Li, 2017). For-profit institutions are more likely to be predatory and provide less funding to students than non-profit institutions (Addo et al., 2016).

Community college-based loans have the highest default rates and lowest college completion rate (Luna-Torres et al., 2018). Only 50% of students that start at a community college complete their degree within eight years. It typically takes a community college student eight years to complete their degree (Luna-Torres et al., 2018). In addition, 50% of community college students must enroll in remedial classes, contributing to the longevity of attendance and low completion rate (Levin & Kater, 2018). Students that fail to complete their degree are more likely to default on student loans. Asian, Hispanic, and Black borrowers were less likely to graduate or transfer to a four-year institution than White borrowers (Luna-Torres et al., 2018). Although community college students have higher default rates, they more benefit most from higher education, given their challenging economic and social conditions (Luna-Torres et al., 2018). It is even worse for Black borrowers who drop out of college because they have limited job opportunities, and loans create barriers to financial success (Jones et al., 2020).

Historical Black colleges and universities (HBCU) have played a pivotal role in providing access to post-secondary education to Black students (Baker, 2019). However, HBCU students accumulate a larger amount of undergraduate debt than the average

bachelor's degree recipient (Baker, 2019). Students' race and ethnicity can estimate their likelihood of student loan default no matter what type of institution they attend.

Regardless of the institution type, student loan debt is an issue for all students but highly problematic for Black students (Gross et al., 2010). Institutions with a large population of minority students, for-profit and private institutions also have higher non-repayment and default rates (Kelchen & Li., 2017). Since these institutions have higher non-repayment and default rates, they should create strategic ways to decrease the loan burden, limiting disparities in employment and wages that continue to happen based on race and educational attainment (Kelchen & Li, 2017).

**Age.** Younger students have a better chance of repaying loans because they often have fewer financial commitments (Houle & Berger, 2015). However, wages are usually the lowest during the years immediately after college graduation, and loan repayment takes a portion of a person's earnings (Houle, 2014). As students age, there is an increased chance of loan default. Older students usually have greater financial obligations, such as supporting their families, which compete with or prohibit loan repayment (Houle & Berger, 2015). Family obligations may be a particular area of concern, especially if the individual also has to take care of children and aging parents (Chaney et al., 2019). According to Cappelli (2020), an estimated 34% of US adults over the age of 25 have a four-year college degree. An estimated 44% of high school graduates enroll annually at a four-year college, an amount that has grown slowly over time (Cappelli, 2020). A study by the National Financial Capability showed that in 2018 an estimated 44% of individuals between the ages of 18-34 have student loans, 29% of ages 35-54 and 8% ages 55 and older have student loans (FINRA, 2019).

**Race.** Although student loan debt may be a burden for young adults, debt negatively affects some groups more than others and has differential consequences across groups, especially based on race (Houle & Warner, 2017). Black students borrow more than Hispanic, White, and Asian peers across all institutional types (Addo et al., 2016). Black young adults are more likely to borrow and owe roughly \$5000 to \$10,000 more than White borrowers. In addition, Black young adults experience larger adversities and discrimination, making loan repayment difficult and creating inimical consequences (Houle & Warner, 2017). An estimated 58% of Black students are Pell Grant recipients (Jones et al., 2020). In the 1970s, the Pell grant covered an estimated 80% of public university tuition costs (Jones et al., 2020). In 2019–20, it covered only 28% of college costs (Jones et al., 2020). This decline has severe consequences for all Black students who disproportionately rely on the Pell Grant to make higher education more affordable and have turned to student loans to make up the difference (Hillman & Orosz, 2017). Discrimination in credit, higher education, and within the workforce plays a major part by which debt becomes more taxing for Black than White young adults (Houle & Warner, 2017). Even though Black and first-generation students are more likely to receive federal grants and file as independents, those students still have higher loan default rates (Kelchen & Li., 2017).

**Socioeconomic Backgrounds.** Socioeconomic characteristics influence an individual's financial knowledge and behavior (Shim et al., 2010). In terms of debt, students' family background and income status can predict the amount of debt students acquire. A student's family income and educational level improve parents' attitudes towards college affordability (Warnock, 2016). Students with college-educated parents

are less likely to default than first-generation students (Addo et al., 2016). College-educated parents are more likely to have financial resources and knowledge to help their children navigate college. Student borrowers show more financial self-efficacy throughout college and frequently communicate with their parents about finances. Those students are more likely to continue to ask their parents about finance after graduation (Rudi et al., 2020). Existing literature shows a positive association between parental financial role modeling and young adult healthy financial behaviors (Rudi et al., 2020; Serido et al., 2010).

Students from low-income backgrounds tend to start early adulthood with more debt than their economically advantaged counterparts (Addo et al., 2016). Warnock (2016) finds that all parents tend to miscalculate college costs regardless of income, education, race, or ethnicity. However, socioeconomically disadvantaged Black American and Hispanic parents were less likely to provide tuition estimates. Furthermore, when they did provide estimates, these were drawn from a broader range of higher education costs (Warnock, 2016). According to Grodsky and Jones (2006), there is a large gap in parental knowledge of college costs among middle and upper-class Black American and Hispanic families compared to White families (Warnock, 2016). Furthermore, low-income and less educated parents are more likely to believe there is no way to pay for college (Warnock, 2016).

Low-income students are more likely to make educational decisions based on their ability to pay for college rather than their academic performance. As a result, many high-achieving students from low-income families often are undermatch and admitted to less-selective institutions because of perceived financial difficulties (Hillman, 2013).

According to Hillman (2013), this is a growing problem since the average published tuition price for a private four-year college is higher than many low-income families' annual household income. Public colleges are also becoming more expensive tuition. Heller (2008) found that most public and private four-year institutions use need-blind admission policies, but few schools can cover 100% of a student's financial needs. However, according to Addo et al. (2016), other studies state that students from middle-class income families have the highest debt burden because financial aid policies put the burden on the families to finance their children's education. For decades individuals have used education to improve their chance to move up to another socioeconomic level and open doors that are otherwise closed to them (Alonzi et al., 2015).

**Review of Research.** This subsection will distinguish what has been done in the field from what needs to be done. The important variables and phenomena were relevant to student loan debt among Black students. Mckinney et al. (2015); Kelchen & Li (2017); Baker (2019) focus on undergraduate student loan debt, default rates, and high student loan payments (Mckinney et al., 2015; Kelchen & Li, 2017; Baker, 2019). Luna-Torres et al. (2018); Boatman & Evans, 2017) focus on characteristics of community college students through a quantitative approach looking at the behaviors of borrowers and debt-averse students. Luna-Torres et al. (2018) included information about the financial burden on low-income and minority students but did not address students at 4-year public institutions (Luna-Torres et al., 2018). According to Addo et al. (2016), Black young adults have more loan debt than their White peers. Addo et al. (2016) looked at the differences in wealth, family background, higher educational institutions between Black and White students and their ability to repay their debt (Addo et al., 2016). Houle &

Berger (2015); Houle & Warner (2017) explain the effects of student loan debt on future purchases such as homeownership.

### **Perceptions of College Affordability**

**High School Students.** College affordability is a major concern for families and paying for college is heavy for first-generation students (Redden, 2022). During high schoolers' junior year, it is often the time that they decide if they can afford higher education. Students are more likely to attend college within three years of high school if they think their families can afford it (Redden, 2022). However, according to Redden (2022), approximately 59% of high school students think their families cannot afford college attend are less likely to attend college. If a student believes their family can afford college, they are more likely to attend college (Redden, 2022).

**College Students.** Families should begin this process by creating a budget, determining their annual family contribution amount, and seeking financial advice as soon as possible. A study from Assalone et al. (2018) explored college affordability through the perspective and experiences of low-income students at urban public institutions in the south. The following highlights three costs that students cited as the most common unexpected school-related expenses they encountered. Furthermore, in some cases negatively impacted their performance or required making tough decisions between personal and academic necessities (Assalone et al., 2018). Students shared concerns about the lack of money to afford mental, dental, and other health expenses in the first area. Several students admitted they did not have health insurance. As a result, they avoided seeking medical attention or healthcare altogether, resulting in students

withdrawing from courses due to illness, which caused them to fall behind in coursework or miss too many classes (Assalone et al., 2018).

There are the cost of textbooks and digital access codes. Students have to take on the financial burden of college textbooks. Unlike textbooks that can be rented, shared, or sold back, digital access codes are connected to an individual student account and often expire at the end of the semester; therefore, the digital access codes cannot be shared or reused. Students are now expected to pay approximately \$100 or more to take course exams and complete homework assignments (Assalone et al., 2018). Transportation cost was also an expense that resulted in financial hardship throughout their college experience. Students who owned cars expressed concerns about having enough money to pay for gas and car repairs. Many students have off-campus jobs and need reliable transportation to get to and from work and classes. Even free campus shuttle service provided through the college required that students pay the student fees for the shuttle service whether they use it or not. Due to lack of money, some students could not return home during breaks and holidays, which created additional stress for the students and their families. In times that involved family emergencies, students often mentioned depending upon family and friends to support travel funds. Students have many inconsistencies that exist regarding the full-cost attendance. The first step is for the family to begin early planning and to think about college affordability, but this may be more difficult for low-income families. Institutions can help by providing college outreach programs for low-income communities. Institution leaders can also continuously gather and publish an accurate estimate of college expenses for the academic year on their websites to increase transparency. Grasping the college-going process early will



prove beneficial later for students as they enter college and navigate the process of paying for college.

### **Perceptions of Debt**

**Family Involvement.** Parents can play an important role in a student's choices to seek higher education and make financial decisions (Warnock, 2016; Hossler et al., 1999). Students learn attitudes and behaviors through the observations and imitation of parental figures who are in constant contact with them. Children learn about money from parents and family, which develops their financial management behavior that is intentional and unintentional (Shim et al., 2010). A family's socioeconomic status can also influence an individual's level of financial knowledge and behavior.

High school students' perceptions of loans are important given the proliferation of loans as an instrument to pay for the rising costs of higher education (Sullivan, 2013). Teens who work receive many beneficial financial lessons, including a sense of responsibility and greater skills at managing money. Working teens learn to save money and are more financially literate than non-working youth (Shim et al., 2010). Financial literacy programs can help high school students become more financially literate. Parental behavior and background as well, as the combined roles of school, can predict young adults' observational and cognitive financial learning outcomes (Shim et al., 2010). When young adults possess both objective and subjective knowledge of financial matters, they will demonstrate a greater perceived control of their behavior, resulting in a more positive attitude toward performing healthier financial behavior (Shim et al., 2010).

The importance of developing financial independence during adolescence can influence the relationship dynamics between parents and children. Previous research has

shown that financial issues become more noticeable between parents and their children during college (Allen et al., 2007; Shim et al., 2010). A parent's perceived ability to pay for college and knowledge about how to access financial aid affects their child's post-secondary enrollment and graduation rates (Warnock, 2016; Charles et al., 2007; Perna, 2000; St. John et al., 2005).

The perceptions on how to handle a financial issue can influence how students experience college. The nexus approach examines the financial reasons students choose to go to college, their experiences as well as how their expectations about the college cost influences persistence (St. John et al., 2005, 1996). However, racial inequality among a parent's socioeconomic status explains disparities in parental investments, and these disparities account for the Black and White difference in college attendance (Warnock, 2016). Zerquera et al. (2016) examines students' attitudes towards debt (Zerquera et al., 2016). Debt is not allocated equally among students, predominantly low-income, first-generation, Black, Hispanic, and Asian Americans. In fact, Asian Americans are more likely to borrow less than other students (Zerquera et al., 2016; Burdman, 2005; Cunningham & Santiago, 2008). Zerquera et al. (2016) describes three categories of student attitudes about debt: debt averters, debt intermediates, and debt acceptors.

**Debt Aversion.** On the other side of the lack-of-financial-aid-education coin is debt aversion. Even if students are well-informed, some may still choose not to borrow if they are debt-averse. Despite the potential financial earnings of a college degree, there is concern that some students underinvest in higher education and are reluctant to borrow to pay for college (Boatman & Evans, 2017). There are many reasons that can contribute to debt aversion such as self-control, difficult loan terms, and institutional barriers (Cho et

al., 2015). The complexity of the student loan application forms or lack of understanding of the payment schedule and the financial responsibilities of student debt contributes to loan aversion (Cho et al., 2015).

However, non-borrowers appeared to profit from early financial communication with parents (Rudi et al., 2020). According to Rudi et al. (2020), non-borrowing students with parents who discuss finances early within the home make better financial decisions. They tend not to discuss other financial matters with their parents after graduation. Investing in higher education using student loans is assumed to have a large rate of return (Boatman & Evans, 2017). However, students may choose not to borrow. With the increasing cost of postsecondary education, students who are averse to taking out loans for college may underestimate the benefits of higher education, resulting in students having to work to pay for college. Working to pay for college can hurt a student's academic success in college (Boatman & Evans, 2017).

Debt averters do not avoid loans because they are not in need. This group, despite financial needs, chooses to get a job or reduce expenses, such as sacrificing their standard of living (Zerquera et al., 2016). Many of the debt averters avoid loan debt because of the negative effects debt has on their parents or siblings and learning from their family's experience to find other ways to finance their education (Zerquera et al., 2016).

**Debt Intermediates.** The second group of students is debt intermediates who view debt as an essential part of their college experience. They are willing to carry some debt but make an effort to minimize the amount they take out. Students take out debt for specific reasons such as using loans to pay for medical bills, utility bills, or tuition costs not covered by scholarships or grants (Zerquera et al., 2016).

**Debt Acceptors.** The last group of students is the debt acceptors, who fully accept carrying debt of all kinds and consider it part of the college experience. Debt acceptors view debt as essential to maintain a specific lifestyle and accept the consequences of taking out loans. They do not shy away from using loan money for luxury items, such as using the loan money for cable TV or vacations (Zerquera et al., 2016). Often, perceptions about debt were shaped by the student's positive and negative experiences and those observed by family and friends (Zerquera et al., 2016).

**Return on the Investment.** The investigation of return on investment (ROI) in higher education can help scholars and policymakers understand the devices that produce differences in student returns on investment in higher education (Dorius et al., 2017). The gap in our understanding of the determinants of ROI at the level of institutions represents a missing piece in the larger puzzle of rising educational costs and the economic benefits of a college degree. The financial costs to attend college raise legitimate questions about a student's ROI of higher education and which universities are best equipped to deliver high ROI. Research shows that the average returns on a baccalaureate degree are positive, exceeding those associated with a high school degree (Dorius et al., 2017). However, college students face increasing net costs of higher education, which has resulted in rising levels of debt as they seek to develop their human capital and improve their career options (Dwyer et al., 2012).

However, debt is a double-edged sword viewed as a resource and a liability in which debt holders view it as contradictory. The perspective on educational debt as an investment that will support a long-term return is based on the arguments that suggest that the issue of funding post-secondary education may be that many young adults,

including working and low-class students, are unfairly averse to taking on debt to attend college and take a higher risk when trying to improve their standard of living (Dwyer et al., 2012). According to Dwyer et al. (2012) debt is a consistent problem because more and more students look at debt as a strategy for attaining education, housing, and other life goals.

Although educational loans have been shown to increase enrollment, there are mixed results for the effects of college loans on persistence and completion (Hossler et al., 2008 & Dwyer et al., 2012). Some research shows positive effects of loans on college completion. However, other studies suggest that debt increases students' chance of dropping out and regularly impedes college completion, particularly among disadvantaged students. The most consistent result is that grants are more effective than loans in encouraging persistence and graduation (Dwyer et al., 2012; Heller, 2008; Alon, 2007). These contradictory findings make interpreting student loans as investments more difficult (Dwyer et al., 2012).

Arguably one of the most challenging parts in assessing the effects on higher education is that it is not a required experience. Students usually choose to attend school based on their academic abilities and available resources; students with more economic and social capital are more likely to attend college (Cappelli, 2020). On average full-time students attending a four-year institution only an estimated 40% of students graduate in four years. The discussion about the financial benefits of college usually ignores this fact. Instead, it views evidence on the return from having a degree as evidence of the benefits of going to college (Cappelli, 2020).

There have been many changes in higher education funding which state governments and quasi-autonomous regulates post-secondary funding and is an extremely decentralized enterprise. It is important to note that even with a high ROI from a college degree, it may not be enough to pay off the net cost of college (Cappelli, 2020). Especially since loans usually increase the costs of college, even though they provide a way for most students to attend. Although subsidized loans are available and typically the cheapest loans and are above the rate of inflation, they still have about a 6% interest rate. Since other loans, such as private loans, do not provide the options to stop interest rates while the student is in school, subsidies are still seen as a better loan option for students (Cappelli, 2020).

In addition to taking on loans when calculating the return of a college degree, many still have to work while taking classes because they cannot borrow enough money to pay for higher education. An average of 40% of full-time students have to work, which results in 10% of those working more than 35 hours per week which often prolongs graduation (Cappelli, 2020). Often, the student bases the return of the higher education on the fact that the wage structure will stay the same by the time the student graduates. However, it is difficult to know what other factors would be better to include to calculate the rate of return on their investment (Cappelli, 2020). For example, the type of college major can be more important than the school the student attends in determining future earnings. In some cases, two-year community college degrees can pay more than the average wage for a four-year degree, especially when in a technical field that is in demand (Cappelli, 2020). In addition, there are colleges that will do nothing for the student's future earnings and other institutions that do a lot (Cappelli, 2020).

Cappelli (2020) states that “the policy argument that individual students and their families should pay more of the costs of attending college because of the greater income they will earn, the short answer to an across-the-board policy is no. It is difficult to sustain that view because of the empirical evidence behind the claim that such students will earn more because of their college education is not compelling. Much of the higher wages that college graduates earn comes from attributes they hold independent of the college degree” (p. 40).

Overall, there is still a positive return for attending college even with the limitations, but the variation in the return is huge. The risk of negative returns due to student loan interest dropping out without a degree is more likely to affect individuals and their families who already have limited resources and are likely to fare worse after graduation (Cappelli, 2020).

**Employment After Graduation.** One of the reasons students decide to seek higher education is to attain employment eventually. In the United States, Black employees usually remain unemployed longer, lose their jobs more quickly, and earn lower wages than White and Asian employees. Often, racial stereotypes about Black people such as lazy, inept, or poor play a role in the job market, leading employers to see Black job seekers be less qualified and, therefore, expect less pay than White job seekers (Hernandez et al., 2019). Avery (2003) states early childhood experiences partially determine the meaning of money. Since Black and Hispanic groups are statistically more likely to grow up in poverty statistically, this shapes their thoughts about money. Therefore, low-income students use their parents’ salaries as a reference point which results in underestimating what they should be paid compared to wealthier families. Social networks can also play a part in salary perceptions and expectations in which minorities are more likely to lack those networks that will provide more financial opportunities (Avery, 2003).

In addition, Black workers often experience negative stereotypes when employers believe that jobs occupied by Black workers are less productive (Decreuse & Tarasonis, 2021). Black workers are more likely to be in unproductive jobs and employers often monitor them more. Even though Black employees have an estimated higher return-to-tenure rate than their White peers, characteristics like age, education, location, wages, and employment differentials are areas where Black employees experience large and continuous disparities over time (Decreuse & Tarasonis, 2021). For example, in 2016, full-time employers ages 24-34 with a bachelor's or higher degrees annual earnings showed the following: Asian (\$69,100) more than their White peers (\$54,700), and median earnings for both racial/ethnic groups were higher than those of their Black (\$49,400) and Hispanic (\$49,300) peers (National Center for Education Statistics, 2019). This happens in many job fields where White employees receive disproportionately higher salaries and employment opportunities prior to their work experience and education compared to similarly qualified minorities (Decreuse & Tarasonis, 2021)

Black employees experience larger economic insecurity than White employees, expect lower starting salary offers, and lack access to social connections that could positively influence their job opportunities (Hernandez et al., 2019). According to Hernandez et al. (2019), when employers have strong racial biases, they think Black job seekers are less likely to negotiate because they believe Black employees do not deserve higher salaries. Furthermore, highly biased employers assume that Black employees will be unlikely to negotiate as this fits the narrative that minorities do not deserve better results (Hernandez et al., 2019). However, there is a complex situation between race,



salary, and ethnic identity, which shows that Black employees that identify more with their ethnicity exhibit a positive effect of salary expectations. That was similar to White and Asian American employees, revealing the importance of the community cultural wealth theory (Avery, 2003).

**Review of Research.** This subsection will distinguish what has been done in the field from what needs to be done. The important variables and phenomena were relevant to student loan debt among Black students. Warnock (2016); Hossler et al. (1999) explain how racial wealth disparities play a student's part in parents' financial perceptions. The lack of financial resources affects Black parents' perceptions of paying for college, analyzing race, ethnicity, and socioeconomic differences to measure Black and Hispanic parental financial perceptions. Shim et al. (2010) and Allen (2007) examine undergraduates from a public institution using a cross-sectional study to test that conceptual financial socialization process model to explain young adults' financial learning skills, attitudes, and behaviors. Unfortunately, these studies only include first-year and second-year college students, which is a narrow and limited sample size.

Perna (2008) & Zerquera (2016) focus on students' willingness to borrow for college and their perception of debt. Findings show that students' knowledge of loans affects their willingness to borrow. These studies focus on student borrowers by age and school type but did not include specifics about borrowers based on race and ethnicity (Perna, 2008; Zerquera, 2016). Dwyer et al. (2012); Hernandez et al. (2019) explore the relationship between student loan debt and career earnings. Researchers found that borrowing is a complex decision. Hernandez et al. (2019) found the return of investment based on other factors such as race/ethnicity, family background, institutional type,

attitude towards debt, and financial knowledge (Decreuse & Tarasonis, 2021; Hernandez et al., 2019; St. John et al., 2015; Dwyer et al., 2012; Avery, 2003).

The risk of borrowing undercuts the reason for the federal financial aid policy that seeks to promote access to higher education (Schermerhorn, 2019). The Higher Education Federal Act of 1965 aimed to close the gap in college participation between wealthier and low-income students (Hillman & Orosz, 2017). However, it has not achieved its goal but has contributed to the wealth gap for Black Americans. Black Americans' economic state requires acknowledging that while the United States has made some progress, huge disparities continue to exist (Schermerhorn, 2019). It has been decades since the Civil Rights Act of 1964 was passed that outlawed discrimination. Nevertheless, racial pay inequalities in the workplace still exist regardless of a person's educational background (Avery, 2003).

### **Decision-Making through Theories**

**Human Capital Theory.** Many economists and social scientists have used Human Capital Theory (HCT) to analyze college students' decision-making behaviors relative to higher education access and participation. HCT views students' decisions to attend college as investments in higher education as an important form of human capital (DesJardins, S., & Toutkoushian, 2005). Churdy et al. (2011) state that students may decide to use loans to improve their future rather than view the loans as debt (Churdy et al., 2011; Cho et al., 2015). According to Cho et al. (2015), the Human capital theory (HCT) explains the rate of return of higher education and is a reason parents invest their time (Cho et al., 2015). HCT implies that a person will make investments in higher education as human capital if the potential benefits surpass the costs (Cho et al., 2015).

Financial aid decisions related to a human capital investment suggest that financial aid raises the educational attainment of children with parents that do not provide financial support (Brown et al., 2012; Cho et al., 2015). If an investment is made early in the beginning of a child's life it will increase the return on the investment of higher education (Cho et al., 2015). HCT indicates that a student's academic preparation, achievement, and access to financial reserves are expected to influence the estimated costs and benefits (Perna, 2008). According to Brown et al. (2014), certain researchers state that higher education has a positive return and is an important investment for young adults to attain a higher-paying job. Higher educational perceptions about the return on investment are based on the fact that academic and financial resources are always available (Perna, 2008).

HCT assumes rationality and does not account for the role of culture and society in shaping perceptions (DesJardins & Toutkoushian, 2005). In short, people make rational decisions when they allocate resources in their unique budget restriction between higher education and other commodities to maximize their utility based on their own unique and subjective preferences (DesJardins & Toutkoushian, 2005). However, HCT does not account for external factors such as institutional type, age, race, socioeconomic status, family involvement, systemic racism, and cultural background which can influence a student's financial decisions or choices (Perna, 2008). It is hard to pinpoint if education is related to improving a person's occupation and income (Tan, 2014). According to Quick (2013), it is hard to understand how expensive higher education can be. For example, Harvard's tuition only accounts for an estimated half its cost. The rest comes from its considerable endowment (Quirk, 2013). While it costs about \$80,000 per

academic year, most courses are taught in large lecture format, often by assistant professors if not by graduate assistants; cost may have nothing to do with it; schools are charging based on what they can get, not what they need to operate (Quirk, 2013).

**Rational Choice Theory.** The rational choice theory (RCT) is a psychological theory that explains a person's actions in terms of their mental states. A rational choice or action is when the individual takes the best available action given the person's preference and beliefs (Satz & Ferejohn, 1994). The RCT includes an explanatory power from features of the individual's environment. The psychology of the individual in such cases is a completely credited one: "preferences" are derived on the basis of an individual's location in a social structure. According to Satz and Ferejohn (1994), rational-choice explanations are most plausible in settings in which individual action is severely constrained and thus where the theory gets its explanatory power from structure-generated interests and not from actual individual psychology. For example, a college student who does not have the funding to pay for college may make the rational choice to take out a student loan to pay for school if they do not have other funding options with the student planning to pay off their loan after graduation.

When the individual is not in a strong environmental constraint, the individual's rational choice is a weak theory with limited predictive power (Satz & Ferejohn, 1994). In other words, the individual may make different decisions if a college student has their education paid for through scholarships or grants. That student may still consider taking out loans or working a part-time job, but the rational choice is not predictive because the student is not constrained. The theory of formal rationality does not judge the rationality of the individual's preferences: rationality pertains only to the relations among their

preferences. There are two points to consider about RCT interpretation. First, RCT describes what is going on inside us when we reason. Second, according to the internalist perspective, rational choice is both a normative and an explanatory endeavor. It instructs us on how to attain our objectives. Insofar as an action indicates a decision made by an individual, that decision may be scrutinized morally and prudentially. We can ask if a decision is suitable regarding the individual's beliefs and preferences for each given option (Satz & Ferejohn, 1994).

There are some RCT criticisms to consider when applying this theory—arguments against the idea of human beings as frictionless and omniscient calculating machines. RCT is too formalist to reflect a desired human psychology because it cannot make sense of the complexity of moral choices and conceptions of the link between choice and preference (Satz & Ferejohn, 1994). On the other hand, RCT is mostly employed in economics and sociology to illuminate systems of social interaction in labor markets, governments, and post-secondary institutions. Mental objects are essentially theoretical constructions derived from human behavior or calculating machines that assist us in making behavioral predictions; they make no claims about the individual's psyche (Satz & Ferejohn, 1994). RCT is a foundational theory that can be tied with other external factors and theories such as Human Capital Theory and Community Wealth Theory. These theories are used to provide more context to the RCT when viewing an individual's choice.

**Cultural Capital Wealth Theory.** According to Alonzi et al. (2015) for generations, the concept of education has been used as a tool to move a person up the socioeconomic ladder to another and deeply embedded in certain cultures. Although

Zerquera et al. (2016) focused on the three categories that influence students to take loans, students can also bring other forms of cultural perceptions such as cultural capital to the decision-making process (Zerquera et al., 2016). Cultural capital is not regularly acknowledged but is a factor in financial decision-making, specifically within minority communities. Pierre Bourdieu (1977) claims that upper- and middle-class families' knowledge is considered a capital value to a hierarchical society (Bourdieu & 1977; Yosso, 2005). Suppose someone is born into a family or community with knowledge deemed valuable. In that case, the person could access the middle and higher-class knowledge and socially move up a class through formal schooling (Yosso, 2005). Bourdieu's cultural capital theory provides a perception of how a hierarchical society replicates itself. It has often been interpreted to explain why the academic and social results of people of color are significantly lower than the outcomes of White Americans (Yosso, 2005).

Yosso's (2005) assessment of Bourdieu's research states that "cultural capital refers to accumulating cultural knowledge, skills and abilities possessed and inherited by the privileged groups in society. Bourdieu asserts that cultural capital (i.e., education, language), social capital (i.e., social networks, connections), and economic capital (i.e., money and other material possessions) can be acquired two ways, from an inheritance and/or through formal schooling" (Yosso, 2005, p.76). The majority culture has maintained power because there is limited access given to minority groups to acquire and learn strategies to incorporate these forms of capital for social mobility (Yosso, 2005). The culture capital theory emphasizes not just inheritance or assets by the middle class. However, the cultural accumulation of specific forms of knowledge, skills, and abilities

are valued by privileged groups in society (Yosso, 2005). According to Oliver and Shapiro (1995), narrowing the income of the earnings gap between Blacks and Whites is a misleading way to examine inequality (Yosso, 2005).

**Critical Race Theory.** However, Critical Race Theory (CRT) critiques the assumptions that students of color come to the classroom with cultural deficiencies. CRT is described as studying and transforming the relationship between race, racism, and power (Creswell & Poth, 2018). CRT embraces the concept of a socially created reality and specifically advocates that race is a social construct rather than a biological one (Hypolite & Tichavakunda, 2019). The history of CRT began in American law schools, bringing together issues of power, race, and racism to address the liberal idea of colorblindness. It contends that ignoring racial difference upholds and perpetuates the status quo, which is characterized by deeply ingrained injustices against racial minorities (Martinez, 2014). The CRT movement in legal studies is rooted in the social missions and struggles of the 1960s Civil Rights Movement that sought justice, liberation, and economic empowerment; thus, from its inception, it has had both academic and social activist goals. Furthermore, the movement is a response to the retrenching of civil rights gains and a changing social discourse in politics (Tate, 1997).

A paradigm shift from critical legal studies (CLS) should also be seen as part of the conceptual continuity of CRT. For individuals who are concerned in how race and racism are discussed in intellectual discourse, the differences between CRT and CLS are crucial. However, researchers in the CRT movement have contended that civil rights language in CLS does not sufficiently reflect the experiences of people of color. Scholars who have used both approaches of legal analysis have agreed that the law serves the

interests of powerful groups in society. The limitations of CLS included a lack of formalized structures for addressing racism, its focus on revolutionary reform, and the concept of false consciousness (Tate, 1997; Bergerson, 2003). Finally, this argument serves as the difference between CLS and CRT movements (Tate, 1997).

Black stories are highlights through CRT to challenge and teach educators and White society about racism and race issues through research and practice (Bergerson, 2003). CRT critiques the legal system based on people of color's experiences and incorporates people of color's skepticism toward a system that has repeatedly failed to provide social justice (Bergerson, 2003). According to Bergerson (2003), "CRT challenges claims about objectivity, meritocracy, color and gender blindness, race and gender neutrality, and equal opportunity. The problem with neutrality is that White people consider whiteness the norm; neutrality is perceived as equivalent to whiteness" (p 53). When White people are not aware of their whiteness, they may think they are colorblind. Colorblindness is another problem for critical race theorists (Bergerson, 2003). Advocates of colorblindness argue that decisions are made without considering race. The problem is that most White people cannot practice true color blindness. In fact, White people associate negative stereotypes with people of color while at the same time championing anti-racism (Bergerson, 2003). That is because white privilege is such an intricate part of their identity. White privilege means White people do not have to face certain inquiries. For example, it is less likely for someone to question whether a White person got a job based on their race or qualifications. Even with specific designed time and place for non-privileged groups, White people will often attempt to take back the pivotal focus (Bergerson, 2003).



CRT is a theory developed by people of color to understand their experiences better and reform the current system in ways that will be beneficial to people of color instead of viewed as creating a system that disadvantages White people. Whiteness is a race. The inability or unwillingness of White people to see their whiteness as a race is one of the most harmful aspects of neutrality (Bergerson, 2003). The privileges White people receive unfairly put them ahead of people of color in every competitive situation. When educators, policymakers, and administrators do not take race into consideration while at the same time operating from a white norm, policies and structures that are supposed to reduce racism perpetuate it (Bergerson, 2003).

**Critical Race Theory and Loan Debt.** Exclusion from financial education and opportunities is a major issue for Black people. That is why CRT is important because it focuses on their stories, experiences, and knowledge through the lens of race in higher education policies. For Black students to destroy these barriers that hinder their access, they need to learn how particular policies and systems operate across universities and society (Hypolite & Tichavakunda, 2019). A CRT lens centers race explicitly as a means for deepening understanding of Black students' experiences with financial debt both conceptually, mentally, and through interactions with financial aid staff. According to Hypolite and Tichavakunda (2019), higher education is intricately linked to imperialistic and capitalistic efforts that fuel the intersections of race, property, and oppressions” (p.5). Black people have more access to educational and monetary opportunities than at any other time in history. However, economic inequalities persist. This inequality is apparent when looking at the generational wealth gap stemming from slavery and other racial discrimination against Black people (Hypolite & Tichavakunda, 2019).

CRT brings racism to the forefront of the financial aid system and where and who should receive more of certain types of funding. According to Hypolite and Tichavakunda (2019), students across multiple races stereotypically assume that Black students rely on financial aid as the only way they can attend college. Black people are not a monolith and come from different socioeconomic backgrounds. Black students come from lower-class to upper-class status. According to Hypolite and Tichavakunda (2019), “critical race analysis assumes that race is always in play, never irrelevant. This critical race analysis shows how the seemingly race-neutral, income-based structure of financial aid policies are, in some ways, working to disadvantage Black students” (p.5). The first step to applying CRT in higher education is to come to terms with race, particularly Blackness.

According to Yosso (2005), combining CRT and Bourdieu's traditional cultural capital theory introduces an alternative concept called community cultural wealth. Community Cultural Wealth (CCW) in education is often used as a theoretical framework that challenges the ways race and racism impact educational structures, practices, and discourses through six forms of capital: aspirational, navigational, social, linguistic, familial, and resistant capital (Yosso, 2005). Note that there will be a further discussion about CCW in chapter three.

**Decision-making.** The easy access to loans through financial aid has resulted in many students accumulating large amounts of debt. Students' attitudes about loan debt are influenced by weighting the costs and benefits (Nonis, 2015). Nonis (2015) states that the uncertainty in decision-making results in a student looking at both the costs and benefits of higher education. Nonis (2015) discusses two ways to explain this decision-making

process. The first approach is called the bottom-up process. In the bottom-up approach, a decision-maker uses a rational and deliberate way of determining relationships between perceived risk and expected returns when evaluating new decisions and looking at all the possible outcomes before making a choice. The second approach is top-down decision-making. The student usually makes a quick and automatic assessment of the outcome's attractiveness based on whether the decision-maker views it as good or bad. If the outcome is perceived as good, it is expected to have returns and low risks. If the decision is perceived as bad, it will be expected to have low returns and high risks. In this study, Nonis (2015) combines the rational choice theory with the human capital theory concept measuring the return on higher education investment.

Another factor included in the decision-making process is the person's characteristics, such as cultural background, socioeconomic status, or race/ethnicity, as mentioned in the compositional factors section. For example, students are more likely to have low levels of financial literacy (Williams et al., 2011). As such, for these students, their global perception about loan debt or the top-down approach of thinking is more likely to direct their decisions. This global attitude can guide students' behaviors and perception of the costs or benefits of obtaining student loan debt (Nonis, 2015).

**Roadmap: Theory to Practice.** This section explains the different theories that can be present during a student's decision to attend college. Students can utilize multiple theories simultaneously throughout the decision-making process. For this study, applying HCT, RCT, and CCW to the financial decisions of college students, researchers can see the larger issue involving economic inequalities and barriers to entry for Black students.

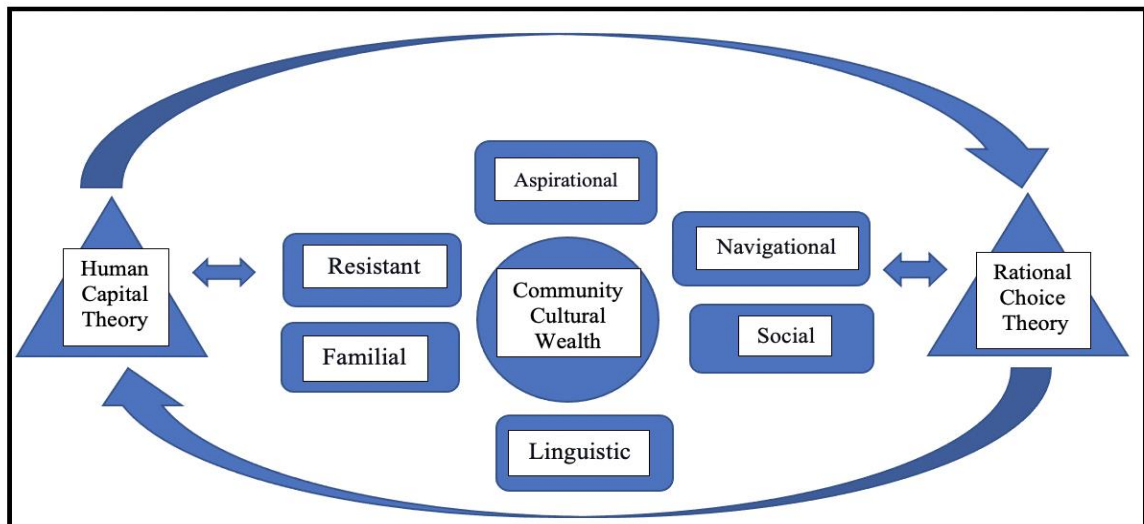
For example, a Black high school senior may decide to attend college by investing their human capital, such as time not spent in the labor market but in school, hoping to receive a return on their invested time with a college degree. The college degree represents the return on the investment with the hopes of receiving a high-paying job based on their college degree. The student will use HCT to explain why the student decided to attend college. As mentioned previously in chapter 1, there is a large wealth gap between the household income of Black and White Americans. Therefore, prolonged entry into the workforce for Black students without a guaranteed return on the higher education investment is an even higher human capital risk for Black Americans. The student could also use the RCT when reviewing their financial aid package. If the student does not have enough scholarships, grants, or income to pay for college, the student may make the rational choice to use loan money to cover the cost.

Throughout the decision-making process, while combining HCT, RCT, and CCW. CCW works as a foundational or background theory that is intertwined in the decision-making process. CCW has been placed in the center of the figure below and is used as the interpretive framework in this study, which the researcher will further explain in chapter three. CCW is at the center of the student's decision to attend, continue and pay for college. The student considers their six forms of capital as part of CCW: aspirational, navigational, social, linguistic, familial, and resistant capital. The six forms of capital influence the scope of the HCT and RCT.

For example, *aspirational*: the student makes a rational choice to invest their human capital, i.e., time spent attending college in the hopes of receiving a college degree; *navigational*: choices made on how to navigate the financial aid system and college, *resistant*: overcoming obstacles like racism in higher education or the rational choice on how a student may combat race-related situations, *social*: the student background, support system, environment in which student grew-up in or how the student choices to socialize with throughout college, *linguistic*: how the student communicates with family compared to faculty and staff, and *familial*: the student's family, friends, and community. A model of how the HCT, RCT, and CCW work together can be found in

**Figure 1**

*Roadmap Theories*



*Note. This model shows the financial decision-making process of Black students using human capital, community cultural wealth, and rational choice theories.*

Bourdieu (1977), Yosso (2005), Nonis (2015) found the importance culture plays in the development of minority students and their financial decision-making process through the lens of the cultural capital and critical race theory. The literature review aims to explain what has been done in the field and what needs to be done. The researcher will seek to fill the gap in the literature that pertains to loan debt among Black students. The research/methodology section will explain how the researcher plans to conduct this research. The following method/research design section proposes a qualitative approach to examine the impact of student loan debt has on Black students.

### CHAPTER THREE: METHODOLOGY

This chapter discusses the research design of the study. The purpose of this study is to explore the phenomenon of Black students' perception of their student loan debt and how their financial knowledge influences their college decisions. A phenomenological study distills individual experiences with a phenomenon, such as Black student indebtedness, to a description of the object of human experience, also known as the essence of the study (Creswell & Poth, 2018). There are two types of phenomenology: hermeneutic and transcendental phenomenology (Moustakas, 1994). The researcher used transcendental phenomenology, focusing less on the researcher's interpretations and more on describing the participants' experiences.

Additionally, Moustakas (1994) focused on one of Husserl's notions, bracketing which investigators set aside their experiences, as much as possible, to take a new view toward the phenomenon under examination (Moustakas, 1994; Creswell & Poth, 2018). Therefore, this chapter describes the instrumental design, interpretive framework, data-collection process, data analysis, limitations, and ethical considerations. The researcher's positionality is also explained in this section to understand the reflexivity and potential biases in this study.

## **Design and Rationale**

The student loans in this study exclusively focus on federal subsidized and unsubsidized loans and parent plus loans. Based on Hillman and Orosz's (2017) research, federal loans and Pell Grants are the two largest aid sources for college students. The Parent Plus loan program being is the next largest. To receive this latter aid, an undergraduate's parent must apply and, upon a credit check, can borrow up to the remaining cost of attendance (Hillman & Orosz, 2017). Parent Plus loans are also included in this study because, as the literature reviewed in Chapter 2 explains, parental involvement is an essential factor in a student's decision to attend college. Further, it shows how the cost of college can affect a student's family. This study excludes private loans from this study. The government makes federal student loans, with terms and conditions set by law. They include benefits such as fixed interest rates and income-driven repayment plans not typically offered with private loans (Federal Student Aid, n.d.).

This qualitative phenomenology explored the following research questions: 1) What contributing factors influence Black undergraduate students' decision to take out student loans? 2) What are Black undergraduate students' perceptions of indebtedness while in school? The qualitative approach provided space to empower individuals to share their stories, amplify their voices and minimize the power dynamic between the researcher and study participant (Creswell & Poth, 2018; Leavy, 2017). A phenomenological study describes a common experience in which individuals experience the phenomenon (Leavy, 2017; Moustakas, 1994). The essence is the essential feature of a phenomenological study (Creswell & Poth, 2018). The essence of a phenomenological



study refers to how someone thinks about an experience (Leavy, 2017). In this study, the essence is Black students' conscious experience with student loans and their perceived effects on their financial future.

For this phenomenological study, each participant participated in a semi-structured interview and later reviewed their transcribed interview for accuracy. The researcher recorded the interviews, transcribed the responses, analyzed the responses, and used the responses as data. More information about the interview protocol is discussed below. According to Creswell & Poth (2018), research questions and sub-questions are open-ended to allow the researcher to articulate the story of the participants' experiences.

The research questions were open-ended, evolving, and non-directional. The sub-questions further specified the research questions during the interview (King & Horrocks, 2010). New questions developed during data collection and changed or evolved into new sub-questions as the research proceeded. In this phenomenological study, sub-questions helped establish the factors of the essence of the study (Creswell & Poth, 2018; People, 2021). When the participants experienced debt differently, then investigation moved to elucidate those differing meanings and experiences. The responses that pertained to student loans and financial decision-making was extracted and coded from each interview. The significant statements and phrases underlie the clustered themes discussed later in this chapter.

**Participants.** The participants were selected based on their race, age, and educational status. Individual who identified as Black/African American students between the ages of 18 -24 years old, classified as traditional undergraduates attending the University of Louisville (UofL), and who agreed to sit for an interview were selected

to participate in this study. The age parameter was selected based on the UofL's undergraduate population of about 73% full-time students, who are mostly (86%) under the age of 24 and under (National Center for Education Statistics, 2020). Spitzer (2000) describes traditional students as 18 and under 25 years old, enrolled directly from high school, and attending college full-time (Spitzer, 2000). Black undergraduate students classified as first-year and second-year students from UofL participated in the study. As of 2019-2020, UofL had an estimated student population of 15,927, including 13% who identify as Black/African American. UofL had a population of 86% undergraduates between 18-24, and 55% (45%) identified as female (male) (National Center for Education Statistics, 2020). The participants were in two stages in their academic careers as first- and second-year undergraduate students. First- and second-year students were selected because they are at the beginning of their academic careers, which aligns with one of the goals of this study to ask questions and provide financial information better to assist them before their junior and senior year, and after graduation. In addition, this study gave first- and second-year participants more time to review their financial behaviors and knowledge.

All participants must have experienced the phenomenon of taking out student loans. Criterion sampling was used when recruiting participants because it worked well when all individuals in the study represented people who had experienced the phenomenon (Creswell & Poth, 2018; People, 2021). Snowball sampling was also used as a second level of sampling. Snowball sampling allowed participants to recommend other qualified participants (Creswell & Poth, 2018; Miles & Huberman, 1994).

Based on Creswell and Poth (2018), the recommended participants sample size is 3 to 15 participants. According to Dickerson et al. (2012), there are concerns with using undergraduate student participants, mainly gender imbalances and the representativeness of the samples. Therefore, the researcher strived to obtain a balanced sample size. It is a viable objective to provide a sample size similar to the undergraduate student population (Dickerson et al., 2012). The goal was to interview 10 participants with a semi-even number of male and female students. However, the researcher achieved data saturation with fewer male participants. Therefore, the researcher augmented the sample size to four males and six females, representing the UofL male-to-female ratio. When no new information emerges in the interview data and the researcher has reached saturation (Saldana, 2016; Strauss & Corbin, 1998).

The recruitment process started by visiting the UofL's Cultural Center. The Cultural Center provides advocacy for students, celebrates the campus community's diverse cultures, engages students in social justice issues, and supports the scholarship and retention of UofL students (University of Louisville, n.d.). In addition, the Cultural Center houses the Black Student Union (BSU) organization and African American Male Initiative (AAMI). The BSU promotes the campus community's intellectual, political, social, and cultural health, focusing on issues impacting Black students and student organizations (University of Louisville, n.d.). The AAMI seeks to increase Black male students' retention, graduation, engagement, and success at UofL through academic support and mentoring (University of Louisville, 2020).

The researcher also recruited students at the Swain Student Activities Center (SAC) and Ekstrom Library at the UofL. The Ekstrom Library is a public location and the

main branch of the UofL Libraries system. The SAC is the main hub for student life and houses many student affairs departments on the UofL Belknap campus. The SAC has many dining options, event spaces, lounges, and student activities where students spend their time (University of Louisville, n.d.). The recruitment plan had its limitations. The researcher selected students who have incurred debt and arguably demonstrated a higher level of campus engagement as opposed to UofL students who are less engaged with the Cultural Center, BSU, or visit the SAC or Library less regularly. Hence, this limitation related to the recruiting sites and organizations is noteworthy.

**Site.** The participants did not have to be located at a single site. However, they were individuals who had all experienced the phenomenon of student loan debt and articulated their lived experiences (Creswell & Poth, 2018). UofL is a public institution with approximately 6,413 undergraduates receiving federal student loans estimated at \$37,148,803 per year (National Center for Education Statistics, 2020). Since the COVID-19 global pandemic occurred, half of the interviews took place in a virtual setting as the primary method of collecting data. The virtual platforms allowed the researcher to record the interviews and share documents, such as the consent form and interview questions, during the meeting. As stated in the UofL COVID-19 guidelines, COVID-19 is a highly contagious virus that can be contracted through in-person interactions. Therefore, individuals should take safety precautions to mitigate the risk (University of Louisville, n.d.). In some instances, participants met with the researcher in-person at a public location, but masks were required. The researcher tape-recorded the in-person interviews.

### **Interpretive Framework: Community Cultural Wealth Theory**

As an interpretive framework, community cultural wealth centers on the needs of Black undergraduate students and communities in the study. According to Yosso (2005), combining CRT and Bourdieu's traditional cultural capital theory introduces an alternative concept called community cultural wealth. There is a significant contradiction in education since schools are more likely to oppress and marginalize students of color when schools have the potential to emancipate and empower them (Yosso, 2005). One of the significant issues is racism within US schools which breeds deficit thinking. Deficit thinking implies that minority students and families are culpable for poor academic performance because: students should come to school with the majority cultural knowledge and skills, which is seen as more valuable than minority cultural knowledge (Yosso, 2005). As a result, painting the picture that minority parents do not value or support their child's education (Yosso, 2005). The main problem with deficit thinking in schools is the overgeneralization of family backgrounds. It can worsen a person's view that educational success is shaped by sociocultural and language experiences and assumptions about certain cultural outcomes. This thinking is based on educators' perceptions that schools work and that students, parents, and the community need to change to conform to the educational system.

CCWT was used to look through the lens of people of color and nurtures cultural wealth through at least six forms of capital: aspirational, navigational, social, linguistic, familial, and resistant capital. These various forms of capital are not mutually exclusive or fixed but are dynamic processes that build on one another as part of community cultural wealth (Yosso, 2005). For illustration, aspirational capital is the ability to hold onto hope in an unjust system of inequality and dream for the future, even in the face of

real and perceived barriers at educational institutions (Yosso, 2005). In other words, in the aspirational capital stage, resiliency is shown in people who allow themselves to dream of possibilities beyond their conditions, often without the objective of attaining those goals.

The networks of people and community resources are social capital. For example, networking within their community to help a student find and attain a college scholarship. Navigational capital is the skills to move through social institutions, such as navigating racially hostile college campuses. It draws on the concept of academic success despite experiencing stressful events and conditions that place them at risk of failing or performing poorly in school. Finally, through knowledge and skills, resistant capital is used to combat behavior that challenges inequality (Yosso, 2005). For example, Black mothers constantly remind their daughters through verbal and nonverbal lessons that they are intelligent, beautiful, strong, and worthy of respect to resist the bombardment of societal messages devaluing Blackness and belittling Black women (Ward, 1996; Yosso, 2005). Also, believing that Black employee deserves the same pay as their Asian and White co-workers and are willing to negotiate a higher salary if need be.

Finally, cultural capital is a group consciousness and collective identity that serves as a resource to improve an entire group. Cultural capital has historically funded Black American schools and other educational institutions and programs in multiple ways. According to Yosso (2005), Black Americans are willing to contribute their time, energy, and financial and material resources to support these educational institutions because they know they are essential to the advancement of African Americans as a group.

## **Researcher's Positionality**

The interest in creating this study stemmed from the researcher's personal experience as a Black undergraduate student who attended a 4-year public college and took out student loans to cover the cost of college. The researcher knew that if she wanted to go to college, she needed to find funding because her family could not afford to send her to school. The researcher is a first-generation student, so the researcher had to research extensively to identify ways to fund her education. As a result, the researcher received multiple scholarships, which paid for her education at Murray State University in Kentucky. Once in college, the researcher realized that there were other expenses like housing, books, and food.

After working so hard to get to college, the researcher had to figure out how she would afford the additional expenses. The researcher opted to take out student loans the first year to pay for the additional expenses. Although that seemed an easy way to pay for college, deep down inside, she knew she did not want an enormous amount of student loan debt when she graduated. That is when the researcher decided that she needed to find a job. She found a job working in residence life as a resident assistant. As a resident assistant, the researcher received free housing and a small stipend, which paid for her books. This experience began her interest in finding the most affordable way to finance her education.

Additionally, the researcher has previous student affairs experience. The researcher provided information to students about the financial aid processes and policies. The most alarming conversation the researcher had was with a Black female student in the Public Health Program at Meharry Medical College. She already had \$100,000 in

undergraduate student debt and was pursuing a Master's in Public Health (MPH). This example speaks to the wealth gap issue many Black students have to deal with because their families do not have the funds to pay for their college education. The issue was the rate of return of higher education and the potential debt-to-income ratio. The entry-level salary for a person with MPH is estimated at \$60,000, not accounting for gender and race (PayScale, 2021). The student already had almost double the amount in student loans than the entry-level salary in her field and still needed to borrow \$30,000 to complete her last year of graduate school. Financial aid administrators advise students not to take more in student loan debt than their potential salary at their entry-level job in their field (Baker, 2019).

From a CRT perspective, race and racism are so ingrained into society that they become normalized (Milner, 2007). For example, the Black MPH student took out loans like many of her Black classmates and did not question why her family did not have the funds to finance her education and no repayment strategy after graduation. She just viewed her loans as the easiest way to pay for college. According to Milner (2007), "individuals from various racial and ethnic backgrounds may find it difficult even to recognize the salience, permanence, effects, and outcomes of racism because race and racism are so deeply rooted and embedded in our ways and systems of knowing and experiencing life" (p.390). CCWT highlights the connection between race and wealth to show that based on historic economic inequality, this Black female student is more likely to rely on student loan debt to pay for postsecondary education. One of the primary systemic barriers that have hindered the Black community is the lack of historical



financial context taught to each generation. The MPH student's experience described above reminded the researcher of her experience with student loans.

According to Milner (2007), "the systems of domination that work against so many and can contaminate what is known and how it is known about people and communities of color" (Milner, 2007, p. 397) makes it harder for the United States to grow to a diverse, harmonious, and prosperous society. The truth is that the purposely negative narrative about Black people needs to change. Suppose we do not fight for equality in education, politics, and employment. In that case, the researcher feels the student loan issue will continue to disadvantage Black students. Although the researcher can tackle this issue from different angles, her goal is to inform, educate, and bring awareness to her community through research. The purpose of her research positionality is to provide a glimpse of why she selected this topic and the type of participants in the study. As a Black college graduate with student loans, the researcher used her experience in the data collection process and from existing literature to create the research and follow-up questions. The researcher explained who participated in her study and how she planned to analyze the data.

**Instrumentation.** To collect data for the study, the researcher scheduled and conducted semi-structured, in-depth interviews and sent the transcribed interviews to the participants to review. Before meeting with the participants, a message was emailed to potential participants to ensure the participants fulfilled the requirements of the criterion sample. Interviews were scheduled in one-hour blocks at a public location or virtually based on the participants' preference. The eligible participants who met the criteria

mentioned above were identified, contacted, informed on the purpose of the study, and interviewed.

Based on a comprehensive literature review in chapter two, the researcher asked the participants open-ended research questions and developed sub-questions to guide the interview process. The literature review explains some historical contexts on how racism has played a part in Black Americans' wealth gap and economic status, which continues throughout education and employment (Schermerhorn, 2019; Jones,2020). For those reasons, the interview protocol goal is to learn about the perspectives on student loans among Black undergraduates and how other factors, such as their family's socioeconomic status, race, and institution type, contribute to their decision to take out a student loan. The following sub-questions aim to learn about the participants' compositional factors contributing to their decision to attend college. The questions are aligned based on the CCWT forms of capital. The community cultural wealth theory sections are aspirational, navigational, social, linguistic, familial, and resistant capital. The first research question has the following sub-questions:

- a) *Aspirational capital*- How did media (e.g., social media, television, movies) influence your perceptions of how much you could achieve financial security later in life? Why did you decide to go to college?
- b) *Navigational Capital*- Can you share any experiences where being financially knowledgeable was important to having access to certain spaces (e.g., institutions, organizations, neighbors)? What information did you receive from the financial aid office when you decided to take out a student loan?

- c) *Resistant Capital*: How does a Black person being financially knowledgeable influence social change?
- d) *Social Capital*: Do you consider your institution a diverse and inclusive environment?
- e) *Familiar Capital*: How did your family's socioeconomic status play a role in your decision to attend college? When applying for college did the cost of attendance play a part in your decision to attend college? Did your family discuss finances within your home, what specifically did you discuss?

The second set of sub-questions is under research question two. The purpose of the sub-questions was to understand the participants' decision-making process and if their decision-making process is associated with human capital theory, rational choice theory, community cultural wealth, or a combination of the theories:

- a) *Aspirational Capital*: Why did you start using student loans to pay for college? What factors went into that decision?
- b) *Navigational Capital*: What percentage of your student loan money do you spend on tuition, living expense, and leisure, please explain?
- c) *Resistant Capital*: How long do you think it will take you to pay off your student loan and do you have a repayment plan? How do you think your race/ethnicity will affect your ability to obtain employment in your field?
- d) *Social Capital*: How did what you learned about money growing up shape how you perceive college loans now as a college student? Do you think the salary in your field will be enough to pay off your loans and live the

lifestyle that you want? Did you receive financial advice when you decided to take out your first student loan and if so, what was it and from whom?

e) *Linguistic Capital*: Did you take out a subsidized and unsubsidized student loan?

f) *Familiar Capital*: Do you think the cost of your institution is affordable based your family's socioeconomic status?

The literature review also influences how the researcher developed the research questions and sub-questions.

### **Data Collection**

The researcher conducted semi-structured interviews, observed, took field notes, and recorded the interviews (Van Manen, 2014). People (2021) recommends using a semi-structured interview protocol. The researcher constructed interview questions relevant to the research questions so that key aspects of the study are addressed while allowing participants to discuss other information that may be relevant to the study (People, 2021). In the semi-structured interview process, the researcher balances the research topic and the disciplined naturalness in phenomenological research (Giorgi, 1985; People, 2021).

During the interview process, the researcher gave the participants a brief introduction about the focus of the research to set the tone and asked them to describe their experience of borrowing student loans. The researcher created an interview protocol (Appendix A) to investigate the two research questions. Participants were asked a set of sub-questions with follow-up and alternative questions to maintain flow. As an observer,

the researcher looked at facial expressions, eye movements, hand gestures, and other visual cues, which provided important signals about the participant's experience with student loan debt (Vagle, 2014). The verbiage, tone, pauses, silence, and any judgments or ideas brought on by the participant the researcher recorded and listed as supplement data (Kafle, 2014). The researcher's field notes included descriptions of the participants, location, background details, thoughts about patterns, ideas, and reflections from the interviews (Glesne, 2016).

Based on phenomenological theory, the interview should be left open-ended so the participants can express themselves and tell their stories about living with student loan debt (Pietkiewicz & Smith, 2014; Sander, 2017). The interview process was a dialogue between the researcher and the participant in which the researcher encouraged the participants to reveal unclear meanings and perspectives (Creswell & Poth, 2018). The researcher asked questions from the interview protocol, occasionally digging into the meaning of specific words, thoughts, or interpretations. At the moment, the researcher was fully responsible for deciding which questions to ask and in what order. A mock interview was performed during the researcher's qualitative research course and used to identify any questions in the interview procedure that was contradictory, confusing, or repetitive. This allowed the researcher to pace the interview and engage in the experience with interviewing techniques. The interview procedure was also sent to the researcher's committee at the UofL's College of Education and Human Development to identify any questions that needed to be clarified, included, or more accurate. The interview process was amended based on feedback from the chair, committee members, and participants.

The interviews were recorded to transcribe and provide identifying labels and organize them into separate files. The process of collecting data involves primarily in-depth interviews with the participants (Van Manen, 2014; Creswell & Poth, 2018), so after each interview, the researcher reflected on the data and interview skills for areas of improvement for future interviews (Coffin, 2018; People, 2021). The researcher kept a reflective journal throughout data collection and analysis to reflect upon after each interview (People, 2021). Lastly, the researcher recorded general thoughts and interpretations about the shared experience of student loan debt. At the end of each interview, the researcher gave the participants financial literacy resources to help develop their financial knowledge. The researcher also provided the contact information to the UofL Financial Aid or Counseling Center just in case the participants would like to talk with a professional to discuss their finances or unpack any emotions that may have arisen during the interview or they experienced during the study. The participants also received a few resource guides in the form of infographics on student loan information in Appendix B (Rose, 2021; Kapur, 2018).

### **Data Analysis**

The researcher evaluated data by conducting and transcribing interviews and using systematic, qualitative analysis to produce an account of the researcher's perceptions of loan debt. The two detailed descriptions included in phenomenology asked: "what" the individuals have experienced or "how" they have experienced it (Moustakas, 1994; Coffin, 2018; Creswell & Poth, 2018). The researcher took on the responses from the research questions and turned responses into data to analyze and highlight significant statements, sentences, and quotes that provided an understanding of

how the participants experienced the phenomenon of indebtedness (Creswell & Poth, 2018). Before transcription, each recorded interview was cataloged and put into a labeling system. The participants received assigned aliases to protect their anonymity. The researcher coded the assigned aliases to limit the chances of anyone being able to figure out the identity of the participants. The following steps explain how the data was analyzed.

**Step 1: Transcription of Interviews.** The researcher transcribed each recorded interview. The transcribed interviews are verbatim accounts to ensure the reliability of interpretation across the different accounts of experiences (Creswell & Poth, 2018). After an interview, the researcher transcribed and reflected upon the interview's tone and offered initial reactions to the data within a journal (People, 2021). Early assessments of the meaning of the data influenced the analysis in later phases; thus, any insights or assumptions gained while transcribing the researcher documented.

**Step 2: Reading and Re-reading.** The researcher read the transcribed interviews multiple times and analyzed them line-by-line to become familiar with the data. This step aims to immerse the researcher into the participants' perceptions of student loan debt (Roulston, 2018; Sander, 2017). Next, the researcher reviewed each interview to understand better each participant's challenges, worries, meanings, and experiences with student loan debt. The researcher read a section and then wrote what came to mind when reading the text. This stage involved noting anything interesting in the transcript, especially key comments that have meaning for the participants. The purpose was to create a complete set of notes that indicated the worries, events, norms, principles,

sentiments, and major experiences that matter to the participants, and the meanings of those things (Smith et al., 2013).

The researcher frequently replayed the recorded interviews to enhance the understanding of the responses as heard from the participants' voices since the study should stay anchored in the words of the participants. Audio signals from the participants were used to deduce implicit and explicit meanings; for example, pauses, quiet, anxious shaking voices, and inflection shifts in the participant's tone might reveal underlying meaning (Creswell, 2013). With the hopes that new interpretations would arise from the data with each subsequent reading and listening session of the interviews.

**Step 3: Memoing.** *Memoing* is a resource used in this study to enhance the research process and results. According to Birks et al. (2008), memo writing is used as an analytical approach to allow the researcher to attain abstraction while remaining tied to the data. Memos enable meaning to be extracted from the data, allow the researcher to maintain momentum, help map research activities, and facilitate communication in a research team. Memos were scribbled in the margins of the transcriptions while reading to begin the process of exploring the data and reflecting on the participants' experiences (Birks et al., 2008). When examining the data, the researcher used memoing to articulate, explore, contemplate, and challenge her interpretations. The researcher dived into the participants' world to develop a shared understanding of their financial knowledge and the phenomena of student loan debt they faced.

The memos served as a glimpse of the thought process at different stages of the research that facilitated an understanding of the researcher's perspectives and decisions



(Birks et al., 2008). The memos are investigatory and serve as a reference for further examination later in the research process.

**Step 4: Coding.** The analysis process included coding the transcribed interviews. The researcher structured the questions based on the research questions and community cultural wealth theory. There are two rounds of coding, including structural and In vivo coding. Structural coding is used in the first cycle and In vivo coding for the second coding cycle. Structural coding "applies a content-based or conceptual phrase representing a topic of inquiry to a segment of data to code and categorize the data corpus" (Saldana, 2012, p. 97). Structural coding works particularly well for researchers with multiple participants and uses semi-structured data-gathering protocols or exploratory investigations to gather major categories or themes (Saldana, 2012). Structural coding is shaped and determined by a specific research question and topic (Saldana, 2012). The researcher structured the interview protocol with research questions and sub-questions by community cultural wealth capital types. The researcher used this analysis as an initial coding step built on the next step of In vivo coding.

In vivo coding prioritizes participants' voices, shows the analysis of their views, and acknowledges the participants' unique situations (Leavy, 2017; Saldana, 2012). In vivo coding aligns this coding style with CCWT, highlighting Black stories to challenge and teach educators and White society about racism and race issues through research and practice (Bergerson, 2003). In vivo coding is a technique to allow Black voices and stories to be about student loans in the voices of Black undergraduate students. According to Saldana (2012), In vivo codes "uses the direct language of participants as codes rather

than researcher generated words and phrases" (Saldana, 2012. p.108). At the same time, the researcher analyzes the In vivo codes by the appropriate research question.

**Step 5: Emerging Themes.** After coding, the researcher condensed the codes, turned the data into themes, and put the data into tables. First, the researcher developed clusters of meaning from significant statements into themes. Next, the researcher put the significant statements notes into succinct phrases or themes to write a description of what the participants experience as textural and structural descriptions (Boyatzis, 1998). The researcher based the themes on the participants' words and interpretations and the researcher's understanding and explanations of the "essence" of student loan debt (Smith et al., 2013; Coffin, 2018). The themes are unique enough to distinguish meaning but not so generic that the senses become toned down and irrelevant to the study objectives. Thematic phrases are succinct and to the point, without multiple purposes connected to a single theme (Creswell, 2016). Many themes emerged at the beginning of the analysis process, which was further defined and polished after reflection and interpretation. According to Creswell & Poth (2018), the final code list should be no more than 30 categories of information and reduce and combine them into five to six themes that the researcher used to create a narrative.

**Step 6: Narrative.** The meticulous data analysis process led to the narrative's write-up, a descriptive account of the shared perceptions and experiences of Black undergraduates living with student loan debt while in school. The researcher developed themes as textural and structural descriptions to gain a deep understanding of the perceptions, meanings, and experiences associated with the phenomenon (Creswell & Poth, 2018).

- a.) Textural description of the experiences of the persons (what participants experienced)
- b.) Structural description of their experiences (how they experienced it in terms of the conditions, situations, or context) and a combination of the textural and structural descriptions to convey an overall essence of the experience (Creswell & Poth, 2018, p. 78).
- c.) Composite description was written from the structural and textual descriptions, which presents the "essence" of the perceptions of loan debt among Black undergraduates. This description mainly focuses on the participants' common experiences, including the underlying areas that were outliers or not captured in textual and structural descriptions (Creswell & Poth, 2018).

The narrative is a culminating statement piece of the essence of the phenomenon of Black undergraduates' perceptions of student loan debt to which the reader walked away from, understanding without experiencing oneself, what it means, and how it feels to experience student loan debt (Smith et al., 2013; Roulston, 2018).

### **Validation of Results**

The researcher was fully engaged in the process of reflecting on what the data states may be different from the researcher's understanding of student loan debt among Black undergraduates. When using epoche, the researcher sets aside prejudgments, biases, and preconceived ideas about things along with reduction. Phenomenological reduction is a strategy for separating knowledge of a phenomenon (bracketing) from the experience of the phenomenon, allowing for a new assessment of the experience devoid of preconceptions (Sanders, 2017). The researcher examined the participants' experience

of student loan debt with a fresh view by bracketing past experiences and allowing interpretations based on the participants' actual experience rather than the researcher's preconceptions.

The researcher is aware of their positionality in the study and remains sensitive to context (Smith et al., 2013). Reflexivity is a strategy that is a complement to phenomenological reduction. Reflexivity entails a conscious knowledge of the researcher's values, views, interests, objectives, and cultural, social, and historical settings, all of which can influence how and why interpretations are generated (Clancy, 2013). The main purpose of the reflective journal (kept throughout the process of data collection and analysis) was to maintain a suspension (Epoche) of personal experience of student loan debt during data collection and analysis (Husserl, 1999).

**Triangulation.** Triangulation evaluates the participant's descriptive responses, establishes a pattern, and compares it with the existing student loan and financial literacy literature. Triangulation is also a method that the researcher used with multiple data sources to address the research questions (Guion, 2011). Triangulation describes a detailed description of the phenomena and supports the study's findings (Leavy, 2017; Guion, 2011). The researcher intended to accomplish triangulation by analyzing several types of data, such as transcriptions, audio recordings of interviews, observation notes, memoing, journaling, and member checking (Creswell & Poth, 2018). To member check, each participant reviewed their transcribed interview for accuracy and agreed that the conclusions were credible (Peoples, 2020; Creswell & Poth, 2018). As part of triangulation, the researcher also compared data from the Trellis' Student Financial Wellness Survey (SFWS) to see if the themes align with the responses of this study.

The SFWS is a self-reported, online survey that documents the financial well-being and student success indicators of postsecondary students nationwide and at the UofL (Trellis Company, 2021). The researcher included the information taken from the UofL SFWS participants. The SFWS was administered a year and a half into the COVID-19 pandemic, surveying 14,086 participants. Of 14,086 respondents, 730 were UofL respondents on average, with a 5.2% response rate and 76% survey completion rate (Trellis Company, 2021). In addition, the researcher compared some of the following SFWS UofL findings (Trellis Company, 2021) with the participants' responses in this study since the participants in this are also UofL students. Below are the SFWS findings. The researcher explained the comparison of the SFWS findings to this study data in chapter five.

- Almost a quarter of respondents (23%) thought their school was aware of their financial difficulties, while a larger percentage (51%) disagreed or strongly disagreed.
- Almost two-thirds of respondents (63%) said they used their own money to pay for education, and nearly two-thirds (63%) said they utilized their current job as a resource. Only 2%, on the other hand, paid for college entirely with their own money and present work.
- Nearly half of respondents (40%) had not communicated with anyone at their school about their financial difficulties. They were most likely to speak with academic advisors when they did speak with someone. Many people sought financial counsel from people who were not financial aid professionals.

- During their undergraduate years, three-quarters of respondents (75%) claimed they faced financial issues or hardships.
- Even while still in school, students were concerned about their accumulated student loan debt. Seventy-three percent of those who borrowed indicated they now owe more on their student loans than they anticipated.

**Trustworthiness.** The researcher achieved the qualitative research studies' concepts of reliability and validity through different approaches compared to quantitative research (Creswell, 2013). Trustworthiness judges the quality of qualitative goodness and of an examination and results that are noteworthy to the audience (Schwandt, 2007). For the achievement of trustworthiness, triangulation of the data is necessary. Schwandt (2007) states that the following four criteria are required to obtain trustworthiness in a study: credibility, transferability, dependability, and confirmability.

**Credibility.** Credibility refers to the meaningfulness of the findings and whether these are well presented (Sundler et al., 2018). Credibility can be an internal validating tool where the researcher provides transparent data. For example, the researcher can use personal stories, review documents (observation notes), and conduct interviews to triangulate data and create credibility (Schwardt, 2007). In this study, the researcher allowed the participants to review their transcripts to confirm the authenticity of the material and gave them the option to elaborate on information supplied if they thought their remark was not expressed effectively (Patton, 2002).

**Transferability.** Transferability focuses on the usefulness and relevance of the findings. Transferability measures of whether the findings are sound and if the study adds

new knowledge to what is already known. These findings must be understandable and transferable research. Transferability ensures that the information acquired in this study is replicable for other studies (Schwandt, 2007). The information gathered was transferable because of an exceedingly detailed explanation of all data collected.

**Dependability.** Dependability, essentially reliability according to Schwandt (2007), is needed to “ensure that the process is logical, traceable, and documented.” Dependability was achieved in this study by keeping all information on file to establish a paper trail so that the data from the study can be transferred to similar research or recreated to further this research and used as a dependable source (Schwandt, 2007).

**Confirmability.** Schwandt (2007) describes objectivity or confirmability to “establish the fact that the data and interpretations of the inquiry were not merely figments of the inquirer’s imagination. It calls for linking assertions, findings, interpretations, and so on to the data themselves in a readily discernible way” (Schwandt, 2007, p. 299). The researcher accomplished member checking by clarifying gaps in the descriptions and allowing participants to review their transcribed interviews for correction.

## **Limitations**

The researcher encountered certain limitations using this qualitative phenomenological approach. The researcher considered bracketing. Bracketing is where the researcher sets aside her experience with student loan debt, as explained in the researcher positionality section, and took a new perspective on indebtedness among Black students (Dowling, 2007). The researcher analyzed the responses from the participants, as with any interpretation of others’ responses, a measure of bias is apparent,

as the researcher is interpreting the interpretations of others through the lens of her own experiences (Creswell & Poth, 2018). Another limitation when exploring a sensitive subject such as debt can lead individuals to hide their true feelings or falsify information about their financial situation. To minimize the risk of the study, the researcher informed the participants about the consent procedure, and that participation is optional.

Furthermore, participants could withdraw from the interview at any time and refuse to participate without penalty. In addition, the participants received assigned aliases to protect their anonymity and avoid identifiable information in the reporting documents (Creswell & Poth, 2018). Lastly, the sample does not represent the entire population of Black undergraduate students or student debtors.

### **Ethical Considerations**

The interview process includes ethical considerations. The participants received assigned aliases to protect their anonymity. To gain support from participants, they are informed about the purpose of the study (Creswell & Poth, 2018). The researcher recorded and transcribed the interviews. The researcher also sent the transcribed interviews to the participants to review for accuracy. The researcher sought Human Subjects Approval through the Institutional Review Board (IRB) permission. The researcher let the participants know that their participation was voluntary and that they were required to provide written or verbal consent to participate in the study.

This phenomenological study sought to understand Black undergraduates' level of financial knowledge and perceptions of student loan debt at a 4-year public institution. The study has limited risk in which the participants may feel uncomfortable discussing their finances and withdraw from the study anytime. However, the study also has



benefits, allowing participants to discuss their experiences with taking out a student loan. In addition, the participants' responses will contribute to the larger conversation about student loan debt. Furthermore, since this study includes explicitly Black students, it gives a community that has historically experienced economic inequality a chance to voice their financial perceptions and experiences.

This methodology chapter presents the research method used in this study. The study uses Moustakas' (1994) steps for transcendental phenomenological research and gives an in-depth, textured understanding of student loan debt among Black undergraduates. Using criterion sampling, the research group consisted of 10 participants. The participants varied by age and were Black first or second-year undergraduates enrolled in a 4-year public institution at the UofL. Participation in the study is voluntary—a semi-structured set of questions allowed for additional questions explicitly tailored to the participants. Using phenomenological reduction, triangulation, and reflective journaling, the researcher tried to reduce bias while maintaining trustworthiness, credibility, and transferability throughout data collection and analysis. Chapter four discusses the results from the data collection and analysis procedures presented in chapter three.

## CHAPTER FOUR: RESULTS

This chapter reports the results of the study. The researcher organized this chapter to highlight the two research questions and establish the nuances of the emergent themes of the phenomenon of Black students' perception of their student loan debt and how their financial knowledge influences their college decisions. The purpose of a phenomenological study is to reduce individual experiences with a phenomenon, such as Black student indebtedness, to a description of a human's experience, also known as the essence of this study (Creswell & Poth, 2018). This study section describes the setting, participants, results, validity/reliability, data analysis, and summary.

### **Setting**

The researcher recruited seven (70%) of the participants on campus from the William F. Ekstrom Library and three (30%) from the Swain Student Activities Center (SAC) at the UofL. The Ekstrom Library is a public location and the main branch of the UofL Libraries system. The SAC is the main hub for student life and houses many student affairs departments on the UofL Belknap campus. There are many dining options, event spaces, lounges, and student activities (University of Louisville, n.d.). The researcher interviewed the participants in-person and virtually. Approximately five (50%) of the students were interviewed in-person at the Ekstrom Library, and five (50%) virtually using Microsoft Teams (see Table 1). All interviews were recorded by a tape recorder or through Microsoft Teams.

## **Participants**

Ten participants were selected to engage in this study and received assigned aliases for each participant to ensure confidentiality. All the participants in this study self-identified as female or male. The participants ranged between the ages of 18 to 20, with an average age of 19.2. The participants consisted of ten African Americans: six females and four males, five of them first-year and of them second-year traditional students (see Table 1). All the participants met the criteria required to participate in this study; they were first-year and second-year undergraduates and had obtained student loans. Eighty percent of the participants were first-generation students and 20% had at least one college-educated parent. The range of student loan debt for participants was between \$10,000- 20,000, in which gender did not play a factor in their loan balance. The participants, on average, took out about \$10,000 per year of student loan money. Forty percent of the participants self-identified their financial knowledge as average, and sixty percent rated their financial knowledge as below average.

**Table 1***Participant Demographics*

<b>Participants</b>	<b>Age</b>	<b>Gender</b>	<b>Classification</b>	<b>Race</b>	<b>Ethnicity</b>	<b>Major</b>	<b>Interview</b>
<b>Allison</b>	20	Female	Second-year	Black	African American	Nursing	In-person
<b>Amanda</b>	20	Female	Second-year	Black	Brazilian/American	Psychology	In-person
<b>Grant</b>	19	Male	First-year	Black	African American	Nursing	Virtual
<b>Charles</b>	20	Male	Second-year	Black	Rwandan/American	Computer Science	Virtual
<b>Ken</b>	19	Male	Second-year	Black	African/American	Psychology	In-person
<b>Lisa</b>	18	Female	First-year	Black	Ethiopian/American	Business	Virtual
<b>Sam</b>	19	Male	First-year	Black	African/American	Exercise Science	Virtual
<b>Tiffany</b>	20	Female	Second-year	Black	Nigerian/American	Sociology	Virtual
<b>Tina</b>	18	Female	First-year	Black	African American	Business	In-person
<b>Wendy</b>	19	Female	Second-year	Black	African American	Psychology	In-person

**Participant Background Information**

The participants filled out background information before the interview. The participants indicated if they used the following funding options to pay for college: Pell Grant, scholarship, income, military/veteran benefits, parent plus loan, family funding, and self-identified their level of financial knowledge. They were also given a Likert scale to estimate their student loan amount and stated if they were in-state or out-of-state students. Participants were dependents of their parents and used their parents' income for their FAFSA application. Eighty percent of the participants lived on-campus, and 20% lived off-campus in an apartment.

**Table 2:***Participant Background Information (part 1)*

<b>Participant</b>	<b>Pell Grant</b>	<b>Scholarship</b>	<b>Income</b>	<b>Parent Plus Loan</b>	<b>Family Support</b>	<b>Military/Veteran Benefits</b>
<b>Allison</b>	x		x			
<b>Amanda</b>		x				x
<b>Charles</b>	x	x	x			
<b>Grant</b>	x	x	x		x	
<b>Ken</b>	x	x		x		
<b>Lisa</b>	x		x			
<b>Sam</b>	x	x	x	x		
<b>Tiffany</b>	x	x			x	
<b>Tina</b>	x	x				
<b>Wendy</b>	x	x				

**Table 3***Participant Background Information (part 2)*

<b>Participant</b>	<b>Student Loan</b>	<b>Student Status</b>	<b>Financial Knowledge</b>
<b>Allison</b>	\$20,000 - 29,999	out-of-state	average
<b>Amanda</b>	\$30,000 - 39,999	out-of-state	average
<b>Charles</b>	\$0 - 9,999	in-state	average
<b>Grant</b>	\$10,000 – 19,999	out-of-state	below average
<b>Ken</b>	\$20,000 -29,999	out-of-state	below average
<b>Lisa</b>	\$0-9,999	in-state	average
<b>Sam</b>	\$10,000- 19,999	in-state	below average
<b>Tiffany</b>	\$0-9,999	in-state	below average
<b>Tina</b>	\$0-9,999	in-state	very low
<b>Wendy</b>	\$20,000-29,999	out-of-state	below average

**Theme Development**

The researcher analyzed and coded the transcribed interviews. The researcher structured the sub-questions based on the research questions and the community cultural wealth theory (CCWT). There were two coding styles, which are In vivo and Structural coding. In vivo coding prioritizes participants' voice, shows the analysis in their views,

and brings acknowledgment to the participants' unique situations (Leavy, 2017; Saldana, 2012). Structural coding works particularly well for researchers with multiple participants and uses semi-structured data-gathering protocols or exploratory investigations to gather major categories or themes (Saldana, 2012). The researcher analyzed and turned the In vivo codes into themes and how the themes related to CCWT's six forms of capital: aspirational, navigational, social, linguistic, familial, and resistant capital.

After coding, the researcher condensed the codes, turned the data into themes, and tabled the data. First, the researcher developed clusters of meaning from significant statements into themes. Next, the researcher put the significant statement notes into succinct phrases or themes and wrote a description of the participants' experiences as textural and structural descriptions (Boyatzis, 1998). The essence of student loan debt guided the researcher's interpretation and understanding of the participants' responses to create the themes (Smith at al., 2013; Coffin, 2018).

**Themes.** The themes are unique enough to distinguish meaning but not so generic that the meanings were toned down and irrelevant to the study objectives. The final code list included 15 categories of information that were reduced and combined into six themes that the researcher used to create a narrative. The six themes developed through this study are the affordability of higher education, the burden of debt, striving for financial stability, limited financial comprehension, a pathway to equity, and a racial/ethnic journey.

**Affordability of Higher Education.** The categories that created the affordability of higher education theme are the following: availability of funding, bare family minimum, and in-state/out-of-state tuition rates. The theme of affordability of higher

education came from multiple responses from the participants. In this study, the researcher describes the affordability of higher education theme from participants descriptions of their families' socioeconomic status as middle-class (30%) or low-class (70%).

Affordability of higher education arose from the participants' families not having extra money to contribute toward their child's education and using their incomes to cover their household expenses only, categorized as the bare family minimum. Affordability of higher education also includes access to funding to cover the cost of college through financial aid options such as scholarships and grants.

Below are the ways the participants explained the affordability of higher education in the interviews. Based on research question one: what contributing factors influence Black undergraduate students' decision to take out student loans? During the interview, Ken was asked, did the cost of UofL play a part in your decision to attend college? Ken stated, "I would not be at this school if money weren't an issue. But since I did get a scholarship, it was my least expensive college choice." Allison stated, "cost plays a role to a certain extent. I didn't want to go out of state because it cost more money. I did not go to the University of Kentucky because it was too expensive, so I came to Louisville." When asked if their family discussed finances within the home, Charles stated, "I mean nothing too serious like saving your money when you can. You need a debit card, but nothing like what I would learn in a finance class. There was nothing like a 401K or getting a credit card. Still, Dad told me that because that conversation only came up because my sister mentioned it, I wouldn't think of it on my own. Just kind of like the bare minimum if anything."

Based on the second research question: what are Black undergraduate students' perceptions of indebtedness while in school? When asked the sub-question: do you think the cost of your institution is affordable based on your family's socioeconomic status? The affordability of higher education was perceived differently by Kentucky residents paying for in-state tuition than non-Kentucky participants having to pay for out-of-state tuition rates. Eighty percent of the participants, which included in-state and out-of-state students, indicated that UofL's tuition is affordable. However, 20% of out-of-state participants indicated that UofL's tuition is not affordable even if the student has a scholarship or grant. The study included 50% of the out-of-state from Chicago, IL.

These participants stated that their perception changed about the affordability of UofL. The participants thought college costs would be cheaper in Kentucky compared to Illinois. There is a difference in costs for out-of-state students at UofL. The out-of-state tuition and room and board cost are about \$36,000 per year for undergraduates (University of Louisville, n.d.). Suppose the participants were to compare the cost of a similar college to UofL, such as the University of Illinois of Chicago. The in-state cost of tuition and room and board at the University of Illinois is approximately \$27,000 per year for undergraduates (University of Illinois of Chicago, n.d.). Attending UofL costs about \$9,000 more annually for the Chicago participants than the in-state cost at the University of Illinois Chicago. Although the participants perceived UofL as more affordable, that is not the case based on the costs of each institution. This comparison is based on the costs presented on the institutions' websites and not accounting the financial aid the participants may have received.



However, they stayed enrolled at UofL because of the campus environment. The two participants were from Chicago, IL. They felt that Louisville provided a safer environment than Chicago and more opportunities for them to succeed academically. Therefore, the affordability of higher education for a community that has and continues to experience economic disparities, the participants felt that paying for higher education is harder for Black students. It adds a larger financial burden for out-of-state Black students since out-of-state tuition is more expensive, especially when race-neutral financial aid policies disadvantage Black students by failing to acknowledge the intergenerational wealth gaps.

**Burden of Debt.** The categories that created the burden of debt theme are as follows: limits/victimization, debt intermediates, no repayment plan, the uncertainty of the return on investment, and mental/emotional stress. In this study, participants described the burden of debt as not having wealthy parents and lack of generational wealth because of racism which was categorized as a limitation. The participants felt they did not have enough financial knowledge within the Black community such as how loans worked, ways to manage their money and how to invest in the stock market. They thought the Black community was continuously financially exploited and categorized as limits/victimization. The participants also had not considered loan repayment, which evoked mental and emotional stress.

The burden of debt theme came from multiple responses from the participants. Based on the first research question: what contributing factors influence Black undergraduate students' decision to take out student loans? Below are the ways the participants explained the financial burden of debt during their interviews. The researcher

asked the participants the following sub-question: how does a Black person being financially knowledgeable influence social change? Tiffany's response was, "It saves a lot of people from being in debt for a long period of their life. I feel like studying how to save, what you should do with your money, and how to save for school because I'm trying to figure out how I'm going to pay for my summer classes right now. And I'm trying to get scholarships or into a research program so that I can do that, so I can pay for it and not have to be a burden on my family".

Another student, Wendy stated, "I feel like when it comes to Black people being financially knowledgeable. We cannot take advantage of that knowledge and use it to further us because they're not gonna let us know. We have to find our own way of doing things and get what we need out of certain resources. And I feel like we try to be in things that have been to our disadvantage. It's never in front of us. It's always in front of everybody else." Ken stated, "Social change because you make better and wiser decisions on how you spend your money and what you want to get out of your money. Generational wealth and the creation of generational wealth".

Based on the second research question: what are Black undergraduate students' perceptions of indebtedness while in school? The researcher asked the participants the following sub-question: what percentage of your student loan money do you spend on tuition, living expenses, and leisure? Please explain. All the participants used their student loan money to pay for tuition. Tina stated, "I didn't see any of the money. It went all to my tuition." Lisa said, "The majority of it is spent on tuition, and especially with my meal plan, it just goes back into that. I would not say leisure just been spending extra money on books right now. Like if it is, it's very tiny, like it's like getting a coffee. That's

like leisure to me at this point, but yeah, it's not much." The participants in this study are debt intermediates based on their responses. As mentioned in the literature review, a debt intermediate is a student who views debt as essential to their college experience (Zerquera et al., 2016). They are willing to carry some debt but make an effort to minimize the amount they take out. Students take out debt for specific reasons, such as using loans to pay for medical bills, utility bills, or tuition costs not covered by scholarships or grants (Zerquera et al., 2016).

The no repayment plan category came from the following sub-question: how long do you think it will take you to pay off your student loan and do you have a repayment plan? Participants consistently responded that they were just trying to pay off their loans as quickly as possible but did not have a repayment plan in mind. For example, Sam stated "I just plan to pay monthly. I've heard people say it took someone like 30 years to pay off their loans and I don't wanna have to do that, you know, spend the next 20,10, 30 years of my life paying off loans." Charles said "I have not thought about a repayment plan. I know that after you graduate, it is expected that you will make some kind of payment. But I need to read into that more. If I get a job right out of college, it will not take me very long, no more than a year and a half to pay off my loans."

The uncertainty about the return on the investment category came from the following sub-question: how did what you learned about money growing up shape how you perceive college loans now as a college student? The participants hope that a college degree will provide a return on their investment, with student loans and time spent in school as investments, and the potential return of receiving a high-paying job in the future would be enough to pay off their loans. Wendy stated "I first started hearing about

loans in high school. So, I feel like I didn't think it was gonna be as complicated. You know, I thought as long as I paid it back when you can but now there's like different things that go into it. If I would've known more about it growing up, I would have been more financially cautious especially when taking them out".

In this study, the burden of debt and striving for financial stability themes are on opposite sides of a balancing scale, with student loans being in the middle. The researcher explains the striving for financial stability theme below. These factors contribute to the participants' mental and emotional stress about their financial futures. In this study, burden of debt is defined as having limited family funding, Black students take out loans to pay for college without a plan on when they will be able to repay those loans. Debt often causes mental and emotional stress and makes students question the return on investment of higher education because of the uncertainty in securing employment, which is less clear and more complicated for Black students.

**Striving for Financial Stability.** The categories that arose to create the financial stability theme are 1st generation students, obligated, better financial life, college investment, generational wealth, and living within their means. The striving for financial stability theme is developed from the participants being the first in their families to attend college and feeling obligated to attend college based on society's standards. Additionally, college is an investment for a better financial future and the importance of living within their means to build generational wealth.

Based on the first research question, what factors influence Black undergraduate students' decision to take out student loans? The participants were asked the following sub-question: why did you decide to go to college? The participants felt like they were

expected to go to school and to have a college degree would result in a better financial life, especially if the participant was a first-generation student. Wendy stated, "I decided to go to college. Because it's like you're supposed to go to college, that's what I was taught. You gotta go, you know. I wasn't forced to come, but I mean, it was just always in my path that once you finish high school, you go straight to college so that you can finish your education because you can't do anything without a degree."

Amanda responded, "I went to college because nobody else had been in my family, so I wanted to be the first one." The participants were also asked: how did your family's socioeconomic status play a role in your decision to attend college? Charles stated, "It played a big role because I feel like this is the chance to kind of change the narrative of my family's financial story. Ever since my parents like fled the Rwandan genocide, it is like they've never been able to be stable. I feel like college gives me a chance to really create the life I want to live and then also, you know, help my parents." Striving for financial stability is defined as dealing with societal pressures to get a college degree to use as a tool for future financial stability while navigating the educational system and anticipating entering the job market where Black Americans often experience economic inequalities and discrimination.

**Cultural Financial Comprehension.** The categories that arose to create the cultural financial comprehension theme are as follows: college inexperience, differential cost, and navigating adulthood. The participants described the cultural financial comprehension theme as the inexperience of college when the participant was a first-generation student. The participants felt that if their parents were college graduates, then they could guide them through college. The additional cost of college was also a surprise

for the participants, especially the differential cost factor. Differential cost is the difference between the cost of two alternative decisions of a change in output levels (Cheslock & Riggs, 2023). For example, a science course requires a laboratory for scientific experiments. The laboratory may require a fee for the room and equipment. Furthermore, the student is responsible for paying for the lecture part of the course and the additional cost of working in the laboratory.

For the Adulthood category, 70% of the participants explained that their parents did not talk to them about finances. They wished their parents would have spoken to them about money matters, and 30% of the participants felt their parents taught them how money works. All the participants thought that the financial aid process was confusing and complicated. Based on the first research question: what contributing factors influence Black undergraduate students' decision to take out student loans?

The researcher asked the participants the following sub-question: what information did you receive from the financial aid office when you decided to take out a student loan? Allison stated, "Just get the money. The financial aid office sends you so much like you're giving this information to 18- and 19-year-olds, but we don't know what this means. So, my dad was a cop. He made enough money to support me like on paper. It's just like, like, you're fine. And I didn't get that much money from FAFSA because there's just like, your dad makes this much, your mom makes this much, your parents, but I am not by myself. I have other siblings too."

Wendy detailed how she learned about college differential costs below. Wendy's stated, "So they don't tell you that if you do qualify for like all these FAFSA grants, loans, and things like that, then you should choose certain things when it comes to

college wisely because they don't go over that. They don't say hey, don't forget you can't use this kind of meal plan. You can't live in this kind of dorm, don't choose this kind of apartment, don't choose these classes, do not pick labs because they're all gonna have fees."

The researcher also asked the following sub-question: did your family discuss finances within your home, and what specifically did you discuss? Lisa stated, "At times, I felt like they didn't want us to worry about money, especially because we were kids and it's like money at that age, money is more like an adult thing to deal with." Lisa also stated in the study when she learned about the financial aid process from her advisor instead of a financial aid professional. Grant said, "My mom really taught me how money worked at a young age. And anything she bought me, she would tell me, like, how much it was. And depending on that, it would be how much I had to work for it, you know. So, she taught me the value of money." The cultural financial comprehension theme is learning about the financial aid process and receiving financial assistance, resources, and information from non-financial professionals such as academic advisors, family, or friends.

**Pathway to Equity.** The categories that arose to create the pathway to equity theme are as follows: transformation, access to higher education, income and assets, and networking. The participants described how they have observed racial privileges, such as their White classmates having access to better educational opportunities, higher incomes, and networking prospects. The participants explained how White privilege is unfair and, at times, has disadvantaged them regarding finance and education opportunities.

Based on the first research question: what contributing factors influence Black undergraduate students' decision to take out student loans? The researcher asked the participants the following sub-question: can you share any experiences where financial knowledge was important to access specific spaces (e.g., institutions, organizations, neighbors, etc.)? For example, Charles explained, "I went to a private school on scholarship, and it was obvious my classmates had more money than me. It was obvious my White classmates came from well-off families. If it wasn't for their parents and their wealth, they probably wouldn't be able to afford to go to that school. Even now in college, there are kids whose parents like to pay for their college, and they don't have to take out loans, but my parents always lived paycheck-to-paycheck." Lisa stated, "My parents came from a third-world country and then did not have as many resources but then like being able to come to America that has a lot of resources. Where there's this better opportunity and learning about the transition from having nothing to having something to having a lot, it's like putting me in the position of learning how to save money and when to spend it wisely. The participants strive for fairness to receive what they need academically and financially to succeed (Smith, 2017). The pathway to equity is described as Black students striving to achieve economic equality and increase generational wealth.

**Racial/Ethnic Journey.** The categories that arose to create the racial/ethnic journey theme are as follows: racial limitation, cultural, hopeful, colorism, and diversity in college and the job market. The racial limitation is from a history of racism and how it limits a group of people from opportunities based on the color of their skin. Forty percent of the participants described their culture by explaining their ethnicity and values.



Colorism arose when one participant felt her complexion would give her more educational and job opportunities. Eighty percent of the participants felt that UofL was a diverse and inclusive environment and hoped the job market would embrace hiring more Black people. As for major college selections, 60% of the participants perceived that their race played a bigger factor than their potential major salary.

In this study, the racial/ethnic journey theme developed from the participants stating that they will have to work harder to get the same pay as their White peers, how important their culture is to their identity, their hope for a more diverse and fair job market that accepts more Black employees. Additionally, 80% of participants stated that UofL is a diverse and inclusive college campus. However, one participant felt that having a lighter skin complexion would give her more job opportunities.

Based on research question one: what contributing factors influence Black undergraduate students' decision to take out student loans? The participants were asked the following sub-question: do you consider your institution a diverse and inclusive environment? Seventy percent of the participants felt that UofL was a safe and diverse place to attend college. They found it easy to find friends and join organizations that supported their culture and values.

Based on research question two: what are Black undergraduate students' perceptions of indebtedness while in school? The participants were asked the following sub-questions: how do you think your race/ethnicity will affect your ability to obtain employment in your field? Below are some of the responses to this sub-question.

Allison stated, "In the psychology field, I think it is going to be kind of easy and kind of hard because a lot of places have been on this whole diversity thing. So, the

workplace tends to hire people from different backgrounds, but I still feel like I have to outperform and stand out among other people. You know, they say you have to work two times 10 times harder than your non-Black peers.” Sam is using another resource to increase his salary after graduation. Sam stated, “I chose to join military for physical therapy because they have a really good starting salary base of \$93,000 a year and then of course, you know, on the bonuses. And then the army, well, the military in general has great benefits. So that's another bonus. So that's why I chose to join the Army for physical therapy rather than just like a company or a business or like a private sector.”

Lisa stated, "I feel like people would underestimate me because I am Black. Like what I could comprehend or like how much I could handle. Even if I was qualified for the job or in my field in general, especially business, it is just dominated by White males. So, I feel like being in that industry is really difficult." Amanda explained, "It's different from my perspective, but you got to think about intersectionality. I am Black. Obviously, I am light-skinned, and my hair is very loose. I look much more acceptable." Tiffany stated, "I've seen a lot of people of color when I went to white schools like they code switch a lot, and when they see their community, then they're back to their normal selves. If you don't do it this way, they're gonna look down on us."

The participants were asked this sub-question: do you think the salary in your field will be enough to pay off your loans and live the lifestyle that you want? Lisa stated, "Not for a while. Being African American in my field. I feel like it would take a while to reach the level that I'd want to be at and to be able to make enough money and live the life that I want". Amanda stated, "I think I might be okay. But school doesn't teach you how to handle your money but to save your money. They don't teach you how to be

financially responsible. The racial/ethnic journey theme is the willpower to succeed academically and professionally in a system not initially built for Black people and where race is always in play, never irrelevant.

Below is a table that shows which themes arose in each research question.

**Table 4**  
*Themes and Research Questions*

<b>Themes</b>	<b>Research Question One</b>	<b>Research Question Two</b>
Affordability of Higher Education	X	X
Financial Burden of Debt	X	X
Strive for Financial Stability	X	
Cultural Financial Comprehension	X	
Pathway to Equity	X	
Racial/Ethnic Journey	X	X

The results from data coding, categorizations, and analytic reflection develops the themes: affordability in higher education, the burden of debt, striving for financial stability, limited financial comprehension, a pathway to equity, and a racial/ethnic journey. The following section explains how the interpretive framework of community cultural wealth theory connects to the themes in this study. The researcher used the interpretive framework to guide the understanding of the results, which influenced the research process.

## Figure 2

### *A Model of Community Cultural Wealth*

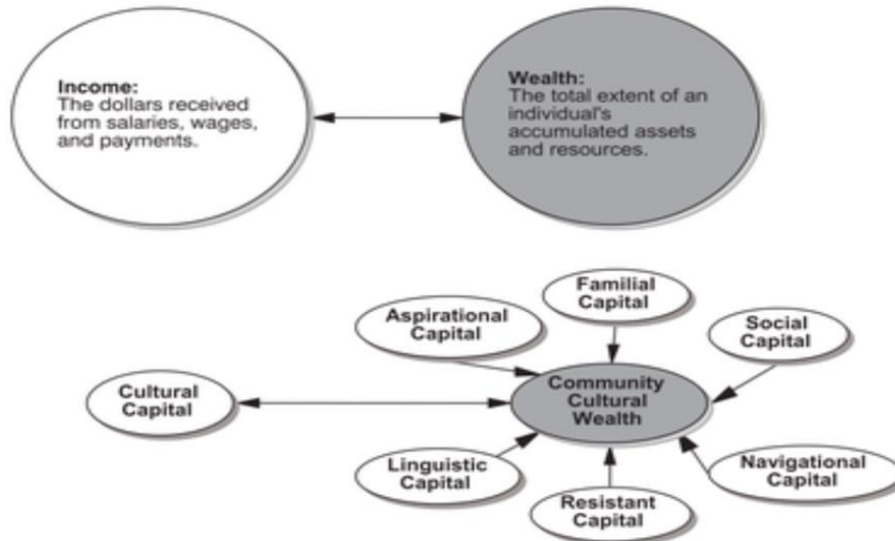


Figure 2. A model of community cultural wealth. Adapted from: Oliver & Shapiro, 1995

#### **Community Cultural Wealth**

A model of community cultural wealth.

### **Interpretive Framework through Themes**

Cultural wealth is an array of knowledge, skills, strengths, and experiences learned and shared by people of color and marginalized groups. The values and behaviors nurtured through culture work together to create a way of knowing and being (Yosso, 2005). As noted in chapter 3, the researcher structured the interview protocol by research question and cultural wealth capital type. Cultural wealth includes six types of capital: Familial, Social, Aspirational, Navigational, Linguistic, and Resistant capital. The six capitals are interconnected, strengthening an individual's ability to function in multiple environments. Below are explanations of how this study's themes and cultural wealth interconnect in this study.

**Familial Capital.** This type of capital focuses on the cultural knowledge of one's family. Familial capital can be seen through a wider understanding of what family is,

family values, or using a cultural lens to interpret their environment and experience (Center Education Center, n.d; Yosso, 2005). In this study, there were multiple responses on how the participants' families play a role in their decision-making. Familial capital is interwoven within the six themes. Each person's race/ethnicity shapes how the participants see themselves. Firstly, as for race, the participants in this study identify as Black. Secondly, many of the participants talked about their ethnicity, especially the participants that have immigrant parents.

As for the affordability in higher education theme, the participants expressed that they attended UofL because of the affordable tuition based on their family's socioeconomic status. For example, Wendy stated, "It played the biggest role in where I decided to attend college at the end of the day. It came down to where I assumed I could afford to go. In hindsight, if I were going to take out all these loans anyway, I would've gone to where I wanted to go." Family played a major role in why Amanda decided to attend college at UofL. She stated, "My mom went here. She played basketball here. So, she did not have to pay to go to college here and wanted me to attend here. I felt like community college would've been fine. You can really learn and get the same education. The teachers are the same, but she wanted me to attend here because she did."

For the participants, student loans, even though they provided an opportunity for them to go to college, were a financial burden. The participants also expressed how their parents stress how higher education will give them financial stability. The first-generational students expressed the fact that their parents did not attend college. There was cultural financial comprehension because they did not have the opportunity to

receive college advice. So, they wanted to attend college to gain knowledge and share it with their family.

**Social Capital.** It uses a person's community resources, connections, and building networks to support their goals (Center Education Center, n.d; Yosso, 2005). In this study, the participants explain their racial/ethnic journey by the way they formed friendships throughout their college experience. Throughout the interviews, the participants expressed how they navigate college as Black students at a Predominately White Institution (PWI). Many students expressed their self-awareness of their Blackness, especially in spaces where there are few to no Black students. For example, the racial/ethnic journey theme Tiffany explained describes how she navigates through classes that include predominantly White classmates and find solace in multicultural spaces and groups. Tiffany stated, "Ok, there is a thing that, uh, a lot of Black students and I do. We focus and live in La La Land like we are at an HBCU. We surround ourselves with a lot of diverse people and force ourselves as we search for it. So, like, we'll go to all the diversity and multicultural clubs to be surrounded by Black people to create an illusion that, oh, we are in a diverse school."

**Aspirational Capital.** With this capital type, individuals maintain hope and dreams for the future in the face of real and apparent barriers. It is the ability to imagine a future beyond their current conditions and work towards pursuing their dreams and aspirations (Center Education Center, n.d; Yosso, 2005). In this study, striving for financial stability and racial/ethnic journey themes align with aspirational capital. Many participants' reasons for attending college are in hopes of future financial stability. Potential financial stability is what drives students to persevere through college.

The images displayed in media form the participants' outlook on generating financial wealth using a college degree, regardless of negative Black stereotypes. For example, Ken stated, "In the media, it is portrayed that money is this accessible thing, but in reality, it is way harder to have access to money than people think."

**Linguistic Capital.** This capital includes intellectual and social skills attained through a group of experiences that bring language, history, and experiences that may not be shared elsewhere (Center Education Center, n.d; Yosso, 2005). The participants used linguistic capital in the racial/ethnic journey and cultural comprehension themes. Some participants explain how they must code-switch. Code-switching is the practice of alternating between two or more languages or varieties of language in conversation (Nilep, 2006). A person changes how they speak at college compared to how that person says to their family or community. For example, Tiffany explained, "I saw a lot of students of color when I went to a White school code switch a lot in school then when they are not in their school, they're back to their normal selves, especially in the Black and Nigerian community. If you are an immigrant and don't do it this way, they're gonna look down on us. So, we have to code switch to get a job and stuff, and if you don't, you can run into a lot of problems."

When the researcher asked about unsubsidized and subsidized loans, 8 (80%) participants did not know the difference between the two types of loans. The participants stated that the financial aid process needed to be more straightforward, and they did not fully understand their loan terms. Participants felt their cultural financial comprehension of how student loans work is prevalent in the Black community. Often, they feel left behind in financial discussions and need a financial aid representative to explain the

ramifications of student loan debt. For these students, acquiring financial knowledge as a low-income minority student was like learning a different language.

Charles explained how he viewed loans, stating "Growing up, I didn't know about interests, so I thought it was just like when you ask a friend to borrow ten bucks. I'll give you \$10 back. And I thought it was that." For the participant who knew the difference between the two loan types, they learned by asking family members who had already graduated from college. They also needed clarification on the information about taking out student loans. However, they could better understand the student loan process after a family member explained it in terms they understood. Many participants echoed that understanding money was a distinctive language because it required a different type of cognitive process and way of reasoning.

**Navigational Capital.** This type of capital involves maneuvering systems and institutions historically not designed to support communities of color. Multiple avenues of support and relief help an individual function and excel in systems that can often be isolating for folks that feel different. This type of capital includes the value of emotional support and mentorship and building and maintaining social networks that support reaching one's goal (Center Education Center, n.d; Yosso, 2005). The pathway to equity and racial/ethnic journey themes interwoven are in navigational capital. In navigational capital, individuals often are determined, persistent, and become proactive in overcoming a situation. Many participants talked about how racial privilege can help and hurt a person's opportunities. Societal privileges that benefit the majority over the minority make it harder for Black students to reach equity. For example, Allison responded, "So, I grew up in the country, like a majority white area. So, I kind of had to know a little bit



about money to be around certain groups. And being around them, they talk a lot about money too.”

**Resistant Capital.** This form of resistant capital emphasizes the skills and knowledge used to resist inequality and push forward. Resistance capital allows individuals to defy stereotypes contrary to their authentic selves. This capital works well with navigational and social capital which increases an individual’s levels of support in pushing forward and reaching their goals (Center Education Center, n.d; Yosso, 2005). In this study, resistance capital includes the racial/ethnic journey, striving for financial stability, and the burden of debt themes. For the racial/ethnic journey, many participants expressed how they felt their college is a diverse environment and would continue to be more diverse in the future. Half of the participants were also hopeful about entering the workforce. They expressed how they felt that employers would be more open to hiring more Black employees and creating a more diverse workplace because of the impact of the Black Lives Matter movement.

Many participants expressed the importance of financial knowledge and using college to combat the fact that Black people cannot be financially successful. Participants were taking on debt from not having family funding to afford college in hopes of a brighter financial future and a desire to create generational wealth. Grant stated, “Black people are capable of being just as smart, as successful as White people. But they try to limit us and not let us be as successful as them. So, we do have the capability because we were not given the same opportunities and advantages as them.” Table 5 provides a view of which theme aligns with a specific capital from the Community Culture Wealth theory.

**Table 5**

*Themes and Interpretative Framework*

<b>Capitals</b>	<i>Familial</i>	<i>Social</i>	<i>Aspirational</i>
<b>Themes</b>	- Affordability in Higher Education - Financial Stability - Racial/Ethnic Journey	Racial/Ethnic Journey to Inclusion	- Financial Stability - Racial/Ethnic Journey -Pathway to Equity

<b>Capitals</b>	<i>Linguistic</i>	<i>Navigational</i>	<i>Resistant</i>
<b>Themes</b>	- Cultural Financial Comprehension - Racial/Ethnic Journey	- Pathway to Equity - Racial/Ethnic Journey	- Burden of Debt - Racial/Ethnic Journey

**Validation of Results: Triangulation**

Triangulation evaluates the participant's descriptive responses, establishes a pattern, and compares it with the existing student loan and financial literacy literature. Triangulation is also a method that the researcher used with multiple data sources to address the research questions (Guion, 2011). Finally, triangulation describes the phenomena and supports the study's findings (Leavy, 2017; Guion, 2011). The researcher accomplished triangulation by analyzing the transcribed interviews, listening to audio interview recordings, and member checking. To member check, each participant reviewed their transcribed interview for accuracy and agreed that the conclusions were credible.

**Trustworthiness.** The researcher also sought trustworthiness in this study. For the achievement of trustworthiness, triangulation of the data is necessary. Schwandt (2007) states that the following four criteria are required to obtain trustworthiness in a study: credibility, transferability, dependability, and confirmability. In this study, the

researcher achieved credibility and confirmability by allowing the participants to review their transcripts to confirm the material's authenticity and allow them to elaborate on information supplied if they thought their remark was not expressed effectively (Patton, 2002). Transferability focuses on the usefulness and relevance of the findings. These findings must be understandable and transferable research. This study is transferable because another researcher with the same or different sample can replicate this study. The information gathered will be transferable because of a detailed explanation of all data collected. The researcher achieved dependability by keeping all information on file to establish a paper trail so that the information from the study can be transferred to similar research or recreated to further this research as a dependable source.

The results chapter presents the findings of this study by following the steps explained in the methodology chapter. This phenomenological study provided an in-depth examination of the essence of the lived experience of Black first-year and second-year students and their perceptions of student loan debt. First, the researcher recruited and interviewed the participants. The participants consisted of 10 students ages 18 to 20. The participants partook in 45-to-60-minute semi-structured interviews. Next, the researcher asked for participants' background information: their gender, class standing, age, race, and ethnicity, if they were Pell Grant recipients, the type of financial support they received, their estimated student loan amount, and their perceived financial literacy level.

The themes that arose from the interviews are in this chapter and how the themes interweave in the research questions and interpretive framework. The following six themes emerged that answered the research questions: affordability in higher education, striving for financial stability, the burden of debt, cultural financial comprehension, a

pathway to equity, and the racial/ ethnic journey. This chapter also discussed how the researcher validated the results. Finally, chapter five discusses the interpretation of the findings, the implications of this study and recommendations for future research.

## CHAPTER FIVE: CONCLUSION

This phenomenological study sought to understand Black students' perceptions of their student loan debt and how their financial knowledge influences their financial decision-making. Chapter five begins with an overview, a discussion of the interpretation of the findings, and examines the results from chapter four compared to the extant literature. Finally, this chapter concludes with the limitations and implications for research, policy, and practice.

### **Overview**

History suggests continued economic inequalities that Black people still face and experience. Even after slavery, racism and systemic discrimination have had similar wealth gap implications (Schermerhorn, 2019). Since slavery, the racial wealth gap has continued to increase due to fluctuating income levels, rates of employment based on race, and inheritance differences, all systemic issues. Generations later, remnants of financial illiteracy in the Black community are made evident through social issues such as the racial wealth gap and high loan debt (Schermerhorn, 2019). In addition, racial segregation disproportionately exposes Black Americans to areas of concentrated poverty and all its social stereotypes (Chaskin, 2013).

In comparison, financial literacy is a concern for all students. However, Black students fare worse than other races (Williams et al., 2011). Currently, most Black students do not have the adequate knowledge of how to manage their financial aid or

personal finances and graduate from college with higher student loan debt (Saunders et al., 2016; Williams et al., 2011). Furthermore, the selection of this specific population is driven, in part, by findings from the extant research that Black students are more likely to borrow more loan money to finance their bachelor's degree than their White, Hispanic, and Asian peers (Scott-Clayton & Li, 2016). Therefore, this study aimed to explore Black students' perceptions of student loan debt, how they obtain knowledge through available sources of capital, and how this influences their financial decision-making in college. Below is a discussion of this study's findings and how it is associated with the literature presented in chapter two.

### **Summary of Findings**

The researcher posed the following research questions for this study: 1) What contributing factors influence Black undergraduate students' decisions to take out student loans? 2) What are Black undergraduate students' perceptions of indebtedness while in school? The community cultural wealth theory was also interwoven into both research questions.

**First Research Question.** The data showed that students perceive loan debt as a vehicle to strive for financial stability, even with the risk of taking out a loan. From the responses in the study, many of the participants revealed that they were first-generation students from low-income families with the burden of debt trying to provide generational wealth for their families. The data also showed cultural financial comprehension of the long-term risk and type of loan the participants had taken. Family and community play an important role which the researcher mentioned throughout this dissertation, such as providing guidance, and emotional and financial support to a student. The Black students

felt their community lacked financial knowledge, which disadvantaged them. The participants felt it was intentional to keep the Black community down. All the participants used their student loans to fund their education because they did not have familial capital in the form of family financial advice to navigate the financial aid process or funding to cover the cost of college.

However, there was a sense of resistance capital of using their college degree to combat the financial limitations on the Black community. Many first-generation students felt that the financial aid process was confusing and did not have the racial privilege of getting financial guidance from their families. Furthermore, revealing linguistic capital in a large part of the data because the participants did not fully comprehend the student loan information and coding switching in how participants communicate in college compared to their family and community. The code switched served as comprehending tool since the participant often learn more about the financial aid process from in their community.

The results showed that the racial/ethnic journey to inclusion plays a part in a student's financial decision-making process. The data shows that the racial/ethnic journey is still a contributing factor in the economic inequality of Black people. In this study, the racial/ethnic journey was the only theme interwoven within all CCWT's capitals. The participants also described social capital, using community resources such as cultural clubs, and socializing with classmates, faculty, and staff. They also found a place where they could socialize with Black students, creating a sense of comfort. All participants mentioned race on multiple levels, such as Black stereotypes and colorism. Colorism is the prejudice or discrimination against individuals with a darker skin tone, typically among people of the same ethnic or racial group (Winters, 2014).

For example, one of the participants with immigrant parents from Brazil stated how the color of her skin and hair texture gave her a better chance of receiving a higher-paying job. The participant's comment aligns with previous literature. According to Winters (2014), immigrants from around the world with the lightest skin earned, on average, 8-15% more than similarly qualified immigrants of darker hues. Colorism is also a persistent problem for people of color in the United States (Hunter, 2007). Slavery produced colorism, which became ingrained in the essential principles of Black American society (Harvey et al., 2017; Coard et al., 2001). During slavery, enslavers distinguished Black Americans by their perceived intellect, talent, and financial worth based on their skin tone, with lighter skin tones valued more highly than darker hues (Coard et al., 2001; Maddox & Gray, 2002). According to research, these early discrepancies between people with light and dark skin tones have persisted (Harvey et al., 2017). As a result, people's perceptions of Black Americans continue to be strongly influenced by their skin tone (Maddox & Chase, 2004; Maddox & Gray, 2002).

Inequality and socioeconomic mobility, attractiveness, and the racial socialization of children have been the areas that have received the most attention in the examination of colorism (Burke, 2008; Burton et al., 2010). In this broader context, colorism functions as a social stratification mechanism that generally places members of lighter-skinned groups at the top and members of darker-skinned groups at the bottom (Harvey et al., 2017). Black Americans and White Americans often find lighter skin tones on Black Americans more attractive than darker skin tones (Hill, 2002). Some studies (Goldsmith et al., 2007; Hill, 2002; Hughes & Hertel, 1990; Keith & Herring, 1991) have indicated



that skin tone differences have important implications for occupational status, income, and level of educational attainment.

There is a distinction between colorism and racism. Racism is an intergroup phenomenon that occurs when two or more racial groups socially compare one another (Harvey et al., 2017). Colorism has its roots in the separation of free Whites and enslaved Black Americans in the United States, although it is primarily an intragroup issue (Harvey et al., 2017). These biases could be held by either people outside or inside the focal group. The in-depth discussion of colorism is beyond the scope of this study. However, it is essential to highlight some of the complexity of how racism within one's race can also play a factor in a student's financial status and decision-making process.

In addition, taking out a loan has implications beyond college costs. The participants' experience of being a Black student at a Predominately White Institution (PWI) is also a factor. The data showed that participants were grateful for the opportunity to get a degree. However, they felt that their White classmates had a better chance of getting a higher paying job and more networking opportunities even though they were getting the same degree. Data showed that there was a feeling of unfairness that they were taking a bigger financial risk by taking out a student loan than their classmates of other races.

**Second Research Question.** Family socioeconomic status and racial/ethnic journey influence the participants' perceptions of student loan debt. The race theme showed up as the participants being Black people in society attending college trying to combat negative stereotypes; the participants use navigational and resistance capitals as they maneuver attending a PWI as a person of color.

Ethnicity is also a factor, especially for the participants with immigrant parents. The participants expressed that if you come from an African household, you are expected to go to college, and they expect you to be a doctor or lawyer. It is a cultural custom to honor your parents by getting a respectful and high-paying job (Takougang & Tidjani, 2009). It is not to say that African American families did not expect their children to exceed, but the ethnicity theme was mentioned more with the participants (40%) with immigrant parents. Still, it is often expected from an early age to attend college in an African household because of the sacrifice the parents made to come to America. Ethnicity also showed up in the study of the African American participants (60%) as they talked about the history of racism within the United States and how that has economically affected the Black community.

In addition, the data showed that participants were aware that they would have to take out student loans to finance their education. Participants' socioeconomic and first-generation status played a part in their perceptions of college affordability and burden of debt, with 30% of the participant self-identifying as middle-class and 70% as having lower-class socioeconomic status. Low-income and less educated parents are more likely to believe there is no way to pay for college (Warnock, 2016). However, they felt they made an affordable choice to attend UofL compared to other institutions and felt this would lessen the debt they would incur. The data also showed that their perception of the burden of debt was on their minds when they thought about paying back their loans after graduation.

This study revealed that the participants needed a plan on how they would pay their loans and hoped that their degree would result in high-paying jobs that would allow

them to pay off their loans. Although they are aware of racism in the job market and their student loan debt, the participants displayed aspirational capital by remaining hopeful about finding a financially prosperous job in the future. Furthermore, they are hopeful that a more diverse work environment will welcome more Black employees. Each participant's ability to envision a future beyond their college experience and work toward pursuing their goals and dreams is a significant motivation for them to continue college. This section highlights the participants' perceptions of indebtedness while in school. However, they could encounter barriers that impede their expectations for a better financial future, such as socioeconomic status and racism.

### **Relationship with Previous Research**

Regarding linguistic capital and access to financial knowledge, Black students in prior studies (Jones, 2020; Baker, 2019; Houle & Warner, 2019; Hypolite & Tichavakunda, 2019; Lofton, 2019) have employed language that was translated into certain forms of knowledge into phrases they can understand (Rudi et al., 2020; Hypolite & Tichavakunda, 2019; Yosso, 2005). In this study, students voiced a need for more linguistic capital in the financial aid process. These concerns translate to the cultural financial comprehension theme, making it harder for the participants to fully understand the potential long-term consequences of taking out a student loan and the impact it may have on their financial futures— unless the process was explained from someone in their community, which aligns with past studies (Baker, 2019; Hypolite & Tichavakunda, 2019).

Eighty percent of the participants stated that the financial aid information needs to be more easy-to-understand content. Additionally, students are more likely to take out

subsidized loans than unsubsidized ones because the interest accumulates after graduation (Hillman & Orosz, 2017). In comparison, the results from this study align with the literature (Baker, 2019; Hypolite & Tichavakunda, 2019; Hillman & Orosz, 2017; Addo, 2016) about providing more financial information to the Black community and that students are more likely to take out subsidized loans than an unsubsidized loan. Ninety percent of the participants in this study wished they knew more about student loans and user-friendly financial aid resources and increased their financial knowledge. All participants took out an unsubsidized loan, and 40% also took out subsidized loans.

Research from Hillman & Orosz (2017) does not explain if the students know the difference between subsidized and unsubsidized loans, or if financial aid staff just told students which loan type to select. This study finds that 90% of the participants did not know the difference between a subsidized and unsubsidized loan. Furthermore, the participants stated that they received limited financial aid counseling when deciding on how to cover college costs and how to seek outside counsel. All participants wished they had received a video or better financial aid advisors to explain the financial aid process in simpler terms. In addition, they were given other options outside of just loans before attending college.

Family and societal norms were interwoven in familial and aspirational capital when learning about financial matters. Black students in prior studies (Addo et al., 2016; Baker, 2019; Do et al., 2019; Hillman; 2017; Danes; 1994) noted that family and society play a part in students' views of life and their decision-making process. Nonis (2015) states that uncertainty in decision-making results in a student looking at both the costs and benefits of higher education. Nonis (2015) discusses two ways to explain this

decision-making process. The first approach is called the bottom-up process. In the bottom-up approach, a decision-maker uses a rational and deliberate way of determining relationships between perceived risk and expected returns when evaluating new decisions and looking at the possible outcomes before making a choice.

The second approach is top-down decision-making. The student usually quickly and automatically assesses of the outcome's attractiveness based on whether the decision-maker views it as good or bad. Another factor included in the decision-making process is the person's characteristics, such as cultural background, socioeconomic status, or race/ethnicity, as mentioned in the compositional factors section. Furthermore, combining HCT, RCT, and CCWT in the decision-making process. CCWT works as a background theory intertwined with the decision-making process. In this study, the participants applied the bottom-up approach to take out loans.

Familial capital shows the affordability in higher education and racial/ethnic journey themes, and familial and aspirational capital reveal the strive for financial stability theme. The literature does state that there has been a limited expansion of the Pell Grant, an increase in subsidized loans and that most public and private four-year institutions do not cover 100% of a student's financial need (Addo et al., 2016; Heller, 2008; Melvin & Sticks, 2001; Gladieux & King, 1999). The data from this study aligns with the literature, with 90% of participants being Pell grant recipients but still needing to take student loans to cover the cost of college. The literature failed to address that even with additional funding, such as a scholarship, it is not enough to cover college expenses. Seventy percent of the participants in the study have a Pell grant and a scholarship and still had to take out a student loan to pay for college.

Parents and families develop their children's financial behavior, which is intentional and unintentional (Shim et al., 2010). This study supports previous literature about family influences on students' financial decisions. The data revealed that when the participant received financial information from family, it was often to get a scholarship to pay for college. Perna (2008) found that parents were integral in teaching their children some aspects of how loans and credit cards can be beneficial. However, students in this study stated that their parents mainly taught them about scholarships and to use student loans if they do not have enough scholarships and grant funding to cover the cost of college. Although 20% of participants mentioned credit cards in this study, it contained little discussion. The participants stated hearing about a credit card from family but not having or using credit cards to purchase things. However, it is an example of different types of capital that participants were aware of but were not relative to this study.

The previous literature addressed how family lack of financial information affects a student's financial future (Addo et al., 2016; Allen, 2007; Danes, 2014; Houle, 2014; Perna, 2008). The participants were shocked to learn about the additional college costs that their grants and scholarships do not cover. The data showed the hard part for participants who listened to their families about money and getting a scholarship but still had to take out loans. However, a parent's perceived ability to pay for college and knowledge about accessing financial aid affects their child's post-secondary enrollment and graduation rates (Warnock, 2016; Charles et al., 2007; Perna, 2000; St. John et al., 2005).

The literature from chapter two does not go into depth on the mental stress placed on students and their families during college. However, the researcher finds that even

though the students chose UofL because of its affordability compared to other schools, it was still a mental stressor, especially not having financial support from their families. The mental stress of finances and race aligns with Do et al.'s (2019) research indicating that socioeconomic conditions predicate mental illness in the (predominantly White) general population. However, there is limited information on how social and economic factors influence the risk for mental illness, specifically for Black people. Furthermore, the perception of discrimination, marginalization, and perpetuation of negative Black stereotypes and chronic experience of prejudice may harm Black people's mental health (Do et al., 2019; Sommer et al., 2018; Dowd & Coury, 2006; Volkwein et al., 1998).

Resistance capital is often paired with navigational and social capital, which increases a person's level of assistance in pushing forward and reaching their goals (Center Education Center, n.d; Education pays, 2020; Yosso, 2005). This study often combined these three capitals in the participants' responses. In this study, the race/ethnicity journey theme played a part in all three capitals. The results showed the participants' perceptions of how a person's race constantly contributes to the privilege they receive in society. Those privileges or lack of privileges based on race contribute to the Black community's burden of debt theme. According to Hypolite and Tichavakunda (2019), "higher education is intricately linked to imperialistic and capitalistic efforts that fuel the intersections of race, property, and oppression (p.5). Critical race analysis assumes that race is always in play, never irrelevant. This critical race analysis shows how the seemingly race-neutral, income-based structure of financial aid policies are, in some ways, working to disadvantage Black students" (p.5).

These findings align with the literature that race influences Black students' perceptions of student loan debt, where the participants felt their White classmates would pay off their loans faster than them (Houle & Warner, 2017; Houle & Berger, 2015; Houle, 2014). In addition, they have seen White privilege benefit their White classmates in school and work. The participants believe their White counterparts were more likely to come from a more financially stable family. They also felt that their White classmates would have a more extensive societal network and receive better jobs (Cappelli, 2020; Avery, 2003).

However, the current literature does not speak to students' hope to improve their financial future despite racism. The study revealed that even with negative stereotypes of Black people, the participants felt the job market still welcomes diversity and seeks to hire more Black professionals. Furthermore, the data showed that the responses inferred that the participants invoked resistant, social, and navigational capital regardless of the financial burden of debt of student loans in hopes of achieving their financial goals.

The data did align with the literature about students using higher education as an investment tool for future earnings, even if that meant having to take a student loan to cover college costs (Jones, 2020; Alonzi et al., 2015; Churdy et al., 2015; Tan, 2014; Churdy et al., 2011). However, for those hopes that attending college would result in a return on investment, 50% of participants were still determining if a four-year institution was the right choice and stated that part of the reason, they attend college it is because is a societal norm. Students question if attending a community college or seeking to learn a trade would have been a better financial choice. As the researcher mentioned, critical race, rational choice, and human capital theories are in students' choice of where, when,



and if they attend college (Hypolite & Tichavakunda, 2019; Luna-Torres et al., 2018; Cho et al., 2015; Nonis, 2015; Bergerson, 2003; Satz & Ferejohn, 1994).

As part of triangulation, the researcher compared data from the Trellis' Student Financial Wellness Survey (SFWS) to see if the UofL results in part of SFWS align with the responses of this study. The SFWS included 81% full-time students, 70% female, 30% male, and 47% of the participants were first-year or second-year students. In the SFWS study, race/ethnicity is 62% White, 16% Black/African American, 6% Asian/Hawaiian/Pacific Islander, and 6% Hispanic/Latino (Fletcher et al., 2021). The SFWS results showed that 50% of students felt their UofL was unaware of their financial difficulties. In addition, they were 56% more likely to seek financial advice from an academic advisor or people who were not financial aid professionals (Fletcher et al., 2021). SFWS survey data showed that 75% of UofL students faced financial hardships during college, and 73% were concerned about the amount of student loan debt they had accumulated and now owe more on their student loans than anticipated (Fletcher et al., 2021).

The SFWS results listed above align with the findings in this study. Approximately 75% of participants felt the school was unaware of their financial difficulties and hardships. Furthermore, 50% of the participants sought financial advice from an academic advisor or a non-financial professional such as a family member or friend. In addition, the result from this study aligns with the SFWS data, with 90% of the participants concerned about their student loan debt and owing more on their student loans than they anticipated.

However, there was SFWS data that did not align with the findings of this study. The SFWS results showed that about 63% of the participants used their income to pay for some of their education. Not the case in this study, and the participants were likely not to use their income to pay for college. The study showed that 70% did not use their income and were more likely to use financial funding such as a Pell grant, scholarship(s), or student loan to cover the cost of college. In addition, this study includes UofL undergraduate students. However, it has only Black race/ethnicity, so the researcher provided a cross-analysis of the UofL population to this study to see if it aligns with the views of UofL Black undergraduates. Using a cross-analysis, UofL can better pinpoint the information most helpful in incorporating growth, strategies, and development for a more inclusive and diverse student population (Ladany et al., 2012).

### **Limitations**

Firstly, the researcher has presented the connection between the researcher and the phenomenon. To prevent bias, the researcher has maintained a research journal throughout the process to maintain reflexivity, bracketed experiences, and triangulated the data across more than one data source by members checking the transcribed interviews and comparing SFWS survey data. Reflexivity entails a conscious knowledge of the researcher's values, interests, objectives, and cultural, social, and historical settings, which can influence how and why interpretations are generated (Clancy, 2013). By journaling the researcher's values, views, and objectives of wanting to increase financial knowledge and limit student loans of Black students. Additionally, to teach Black students the history of economic inequality that Black Americans have faced as a way to learn from it and use it to improve their financial knowledge. The researcher also had to

journal about her cultural and social experience as a Black researcher, student, and woman in America.

Moustakas (1994) focused on one of Husserl's notions, bracketing which investigators set aside their experiences, as much as possible, to take a new view toward the phenomenon under examination (Moustakas, 1994; Creswell & Poth, 2018). The researcher kept a journal throughout the data collection and analysis that included thoughts about literature the researcher read in chapter 2 and her experience with student loans. This journal helped the researcher to suspense (Epoche) her personal experience of student loan debt and the literary knowledge she acquired while writing chapter 2.

By bracketing previous experience, the participants' perceptions and experience of student loan debt were new and grounded interpretations based on the participants' perceptions and experiences rather than the researcher's preconceptions. The process of bracketing and reflexivity was a continuous process reflecting on the nature of the researcher's interest in the phenomenon to become self-aware and limit subjectivity (Clancy, 2013). However, the researcher's experience is like the participants' student loan experience. Since the researcher is Black, has student loans, and attended a public four-year university in Kentucky. These factors served as strengths within the study. In addition, the researcher's experience helped in participant recruitment, data collection and analysis, and interpretation of findings in ways that an outsider would not have access to or establish trust and rapport with participants, which served as a benefit in this study.

Second, even though other unrelated factors might affect the outcomes, the researcher has focused on the problems related to student loan debt. As a qualitative study, demographic data, and other variables outside those specifically studied could

contribute to emerging themes. Despite being based on the participants' own words and having been examined in collaboration with participants, the researcher's interpretations center on the impact of student loan debt on perceptions of indebtedness and what it means to be financially successful as a Black student.

Third, the study's findings are limited to the educational field and lack the ability to generalize the Black population. The criterion sampling was selected to reflect the researcher's experience as a Black student with student loan debt. Further research needs to be conducted within the education sector and extended beyond first-year and second-year Black students to determine if the emergent themes are shared amongst Black junior and senior students or other populations to confirm the findings of this study. Also, the sample came from a geographically small area in a mid-size institution in Kentucky, which does not represent all Black students.

### **Recommendations**

The following recommendations have been developed throughout the research process and broken down into two types: recommendations for action and future research.

**Action.** Research is about gaining knowledge, but knowledge without action is of little importance. The evidence gained from this study illuminates the need to better inform students and families of the consequences of indebtedness. The students used the rational choice theory when deciding the type of college to attend; this included the financial package such as scholarships, Pell grant, and loan availability. The financial aid package showed the importance of the affordability of higher education based on the participants' perceived socioeconomic status and familial capital. The perceived pathway

to equity of gaining a college degree is a factor in the participants' rational choice to attend college and enter the workforce later.

The participants have applied human capital theory by forgoing college to invest in higher education instead of entering the workforce. The participants bring the cultural capital theory of six capitals into their financial decision-making and college experience. The participants choose to invest their time and take on debt with the perception of achieving financial stability later in life. Despite the burden of debt, Black students possess positive perceptions of postsecondary education even with financial regrets regarding student loan debt. Nevertheless, the financial burden of debt is real and negatively affects a student's college experience and adds financial stress. Therefore, borrowers and their families should fully understand the loan process and the consequences of debt to make well-informed decisions.

This study aimed to research why it is essential to create a targeted, user-friendly financial aid and financial literacy curriculum that includes historical information about the economic events that affect Black students. The study showed that lack of exposure to financial information and where the participants sought financial advice is important. The participants were more likely to learn about the financial aid process from family and academic advisors than from financial aid professionals. Therefore, higher education institutions should create user-friendly guides to explain the financial aid process, financial literacy topics, and student loans to Black students to improve their financial futures by including Black parents and the type of financial aid information needed for the Black community. Also, receiving feedback from Black parents on the financial aid process and financial topics they find the most important. Since parental involvement

affects a student's financial decisions, financial literacy education must start in their formative years. For example, a bridge program from high school to college teaches students about financial aid options.

Additionally, since outside of family, the participants were likely to seek financial advice from their academic advisors. Therefore, financial aid professionals should seek to create partnerships with academic advisors. Next, a university can create a committee for this matter. The committee should include Black parents, college and high school students, financial aid staff, and academic advisors.

In addition, create a collegiate diversity plan and curriculum that educates Black students based on the themes of this study and how their financial experiences may align or not align with non-Black students. This curriculum should focus on budgeting, credit, financial planning, student loan borrowing, and the economic history of Black Americans. The history in the curriculum should focus on not only the downside of economic inequality of Black people but also inspirational stories of financially successful Black people throughout history. It is essential to include successful financial stories since 80% of the participants expressed mainly learning about poverty and racism within the Black community. Preparation for such programs should also include student loan default topics such as forbearance, deferment, repayment options, and the negative consequences of student loan debt. Furthermore, faculty and administrators should discuss the debt and default rate by race.

**Future Research.** The researcher displayed the importance of qualitative research to understand the intricacies of the experience of student loan debt and race/ethnicity. Quantitative research is a reliable statistical analysis, but the unique themes that emerged

from this research would be difficult to discern without employing a qualitative methodology. Furthermore, since experience is challenging to validate statistically, further qualitative research is needed to validate the study results further.

Due to a lack of understanding of the experience of Black students' loan debt while in school, there needs to be a greater focus placed on the increased financial burden it has on Black students compared to non-Black students. Much of the current research focuses on student loan debt and perceptions of debt during school for all students. While important, this sheds little light on the experience of Black students' debt that continues to reveal race-neutral, income-based financial aid policies that are more likely to disadvantage Black students. Without acknowledging the racial wealth gap, the financial aid systems contribute to the racial wealth gap and the unequal allocation of resources (Ray, 2019).

For those reasons, the researcher plans to continue her research as a potential faculty member and student affairs administrator. Based on the results from the study, the researcher will incorporate lessons learned from her interaction with Black students, especially regarding financial aid. By encouraging and providing financial resources that address topics such the student loans, financial aid process, credit cards, budgeting, investment, and the economic history of Black Americans. All topics that the participants mentioned in this study.

The purpose of this study is to challenge the traditional literature, practice, and theories used to explain the experiences of Black student loan borrowers and offer transformative solutions to racial and class subordination in our societal and institutional structures. Another possible research avenue would be to focus on the experience of

Black students that did not have to take out a student loan and examine their perceptions towards debt and finance to see if race/ethnicity is still a factor. By focusing on individuals who do not have student loans, the research would reveal a greater understanding of the perceptions of student loan debt.

The research established consistent themes for a small group of the overall population, yet future research should focus on other homogenous groups to understand their experience with student loan debt. Also, the sample consisted of a relatively small regional group of students in a mid-size public institution in Kentucky; future research should focus on other areas and states to determine if the debt experience is similar across the country. By expanding the research, new themes should emerge in the experience of students, and new understandings of the results should emerge. This study aims to provide solutions on how Black students can work towards closing the wealth gap through higher education without adding to it.



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**APPENDICES**

**Interview Protocol**

**BACKGROUND INFORMATION**

Name: \_\_\_\_\_ Date \_\_\_\_\_  
(Your name will not be used in the research reporting.)

Preferred Gender \_\_\_\_\_ Email \_\_\_\_\_

What is your major and class standing?

What is your age?

What is your race and ethnicity?

Do you use any of the following methods to pay for college?

	Yes	No	I don't know
Student loan(s) I take myself			
Student loan(s) my parent took out			
Other support from parents and/or family			
Pell Grant and/or other grants			
Scholarships			
Current Income			
Military or veteran's benefits			



What is your estimated student loan amount?

Less than 10,000	10,000-19,999	20,000-29,999	30,000-39,999	40,000-49,999	50,000-59,999	60,000-69,999	70,000-79,999	80,000 or more

Rate how you perceive your level of financial knowledge as a college student:

Very Low	Below average	Average	Above average	Very High

**1. What contributing factors influence Black undergraduate students’ decision to take out student loans?**

*Aspirational Capital:* How did media (e.g., social media, television, movies) influence your perceptions of how much you could achieve financial security later in life?

Why did you decide to go to college?

*Navigational Capital:* Can you share any experiences where being financially knowledgeable was important to having access to certain spaces (e.g., institutions, organizations, neighbors, etc.)?

What information did you receive from the financial aid office when you decided to take out a student loan?

*Resistant Capital:* How does a Black person being financial knowledgeable influence social change?

*Social Capital:* Do you consider your institution a diverse and inclusive environment?

*Familiar Capital:* How did your family’s socioeconomic status play a role in your decision to attend college?

When applying for college did the cost of attendance play part in your decision to attend college?

Did your family’s discuss finances within your home, what specifically did you discuss?

**2. What are the Black undergraduate students' perceptions of indebtedness while in school?**

*Aspirational Capital:* Why did you started using student loans to pay for college? What factors went into that decision?

*Navigational Capital:* What percentage of your student loan money do you spend on tuition, living expense, and leisure, please explain?

*Resistant Capital:* How long do you think it will take you to pay off your student loan and do you have a repayment plan?

How do you think your race/ethnicity will affect your ability to obtain employment in your field?

*Social Capital:* How did what you learned about money growing up shape how you perceive college loans now as a college student?

Do you think the salary in your field will be enough to pay off your loans and live the lifestyle that you want?

*Linguistic Capital:* Did you take out a subsidized and unsubsidized student loan?

Did you receive financial advice when you decided to take out your first student loan and if so, what was it and from whom?

*Familiar Capital:* Do you think the cost of your institution is affordable based your family's socioeconomic status?

# 9 WAYS TO PAY DOWN STUDENT DEBT FASTER



## 1 MAKE EXTRA PAYMENTS

Extra payments pay down the principal faster

When making extra payments, contact your loan servicer to have overages applied to your principal.

Many student loan companies apply overpayments to your next loan bill instead of your principle balance.

## 2 EARN MONEY ON THE SIDE



Get a side hustle to earn extra income

Put extra money towards extra payments on student loans.

## 3 THROW ALL "FOUND MONEY" TOWARD LOANS

If you get any extra money during the year put it towards your loans



Tax Refund  
Christmas Bonus  
Overtime Pay  
Birthday Money

## 4 REFINANCE WITH A PRIVATE LENDER

\$10,000 in student loans will have \$4,559 in interest charges alone!

10-year repayment plan with 7% APR

\$121.33 per month for 10 years



### FIXED INTEREST RATES

Private companies are offering fixed interest rates as low as 3.5%

### SAVE ON INTEREST

Private loan with 3.5% APR & 10-year repayment plan - \$96.56 per month & \$1,587 in interest charges



### PAY OFF SOONER

7-year loan plan - \$132.12 per month & \$1,099 in interest charges

## 5 ENROLL IN AUTOPAY

Some lenders offer a 0.25% autopay interest discount when paying with an eligible checking or savings account.

Make sure cash is in your checking account before the automatic payment clears.



## 6 MAKE PAYMENTS WHILE IN SCHOOL

### SUBSIDIZED

In-school payments lower your principal balance while the government subsidizes interest charges.

### UNSUBSIDIZED

Interest accrues while you're in school so lower your principal balance ASAP to pay less overall.

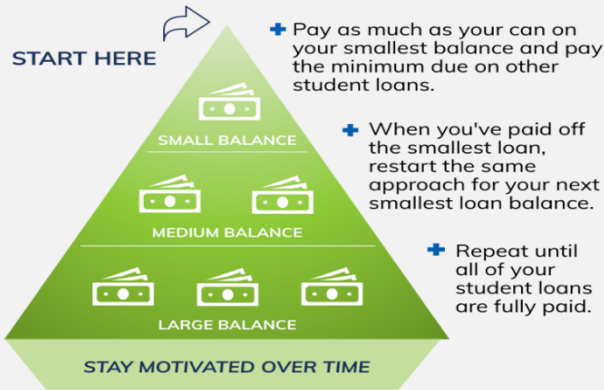
## 7 LIVE LIKE A POOR STUDENT

Live at home with your parents or share an apartment with roommates.

Hold off on buying a house or financing a new car.



## 8 TRY THE DEBT SNOWBALL



## 9 ASK YOUR BOSS FOR HELP



### GOVERNMENT AGENCIES

Government employees might be eligible for up to \$10,000 a year through loan repayment program.

### PUBLIC SERVICE PROFESSIONALS

Public service professionals, like nurses and teachers, have access to federal loan forgiveness and state-based loan repayment programs.



### NEGOTIATE BENEFITS

It's worth negotiating for student loan repayment benefits in the same way you'd negotiate your salary.



## Appendix B: Student Resource

# THINGS HIGH SCHOOL STUDENTS SHOULD KNOW ABOUT

## THERE ARE TWO TYPES OF FEDERAL STUDENT LOANS.

Federal loans are divided into two types: subsidized and unsubsidized. Subsidized student loans are for those students that have financial aid, and the federal government pays the interest while they are in school. Whereas, unsubsidized student loans are available for all the students - To be eligible for both of these loan options, students and their families must submit a FAFSA.

### LOAN PAYMENTS AREN'T DUE IMMEDIATELY AFTER GRADUATION.

The students get a six-month grace period during which no payments need to be made. This allows them to find employment within this time period and then start their monthly loan payments.

## THERE IS SUCH A THING AS STUDENT LOAN FORGIVENESS.

The student loan can be forgiven but for that the students have to fulfill certain requirements. Like they can take up a job in public sector with government organizations or other types of qualifying public services like law enforcement, teaching and military service.



## STUDENT LOANS CAN'T BE DISSOLVED THROUGH BANKRUPTCY.

Student loans cannot be terminated, they are with you for life till the time you dont make all the payments. While most debts can be terminated through bankruptcy but this philosophy doesn't work in student loan. If you stop making the payments federal government has the right to start taking your wages from work in order to pay the debt.

## **IRB Approval Letter**

### **THE PERCEPTION OF STUDENT LOAN DEBT RESEARCH STUDY**

Dear Participant:

You are being invited to participate in a research study about the perception of student loan debt by answering questions in the attached interview protocol. The purpose of this study is to interview students in-person and virtually to attempt to understand perceptions of student loans debt and financial challenges/barriers facing Black undergraduate students. This study will be conducted by Pilar Prather and supervised by Dr. Jacob Gross in the College of Education & Human Development at the University of Louisville. There are no known risks for your participation in this research study. The information collected may not benefit you directly. However, the information learned in this study may be helpful to others. The information you provide will be used to support students facing financial challenges/barriers without a firm understanding of the financial barriers that students experience and how those barriers might affect their financial future.

The interview will take approximately an hour to complete. You will be paid by Amazon gift card for your time, inconvenience, or expenses while you are in this study. You will receive a \$20 Amazon gift for completing an interview and another \$20 Amazon gift after reviewing your transcribed interview. Each participant will be eligible to receive \$40.00 for their full participation in this study. Because you will be paid to be in this study, your information such as your name and email may be collected to issue the payment. In addition, the study team will keep records of how much you are paid. If you are a student, your payment may be directed to the Financial Aid Office.

Individuals from the College of Education & Human Development at the University of Louisville, the Institutional Review Board (IRB), the Human Subjects Protection Program Office (HSPPO), and other regulatory agencies may inspect these records. In all other respects, however, the data will be held in confidence to the extent permitted by law. Should the data be published, your identity will not be disclosed.

Taking part in this study is voluntary. By answering the interview questions, you agree to take part in this research study. You do not have to answer any questions that make you uncomfortable. You may choose not to take part at all. If you decide to be in this study, you may stop taking part at any time. If you decide not to be in this study or if you stop taking part at any time, you will not lose any benefits for which you may qualify. Participation in this research study is not required for a course, course credit, degree, or graduation. Participation in this study will not affect your course(s), course credit(s), degree, or graduation.

If you have any questions about your rights as a research subject, you may call the Human Subjects Protection Program Office at (502) 852-5188. You can discuss any questions about your rights as a research subject, in private, with a member of the Institutional Review Board (IRB). The IRB is an independent committee made up of people from the University community, staff of the institutions, as well as people from the community not connected with these institutions. The IRB has reviewed this research study.

If you have any questions, concerns, or complaints about the research study, please contact: Pilar Prather at (270) 217-6375 or Jacob Gross at (502) 852-8795.

If you have concerns or complaints about the research or research staff and you do not wish to give your name, you may call the Compliance Hotline at 1-877-852-1167. This is a 24-hour hot line answered by people who do not work at the University of Louisville.

Sincerely,  
Pilar Prather, M.Ed.  
Jacob Gross, Ph.D.

## RECRUITMENT INFORMATION

Dear Participant:

I am contacting you in regard to your possible interest in participating in my dissertation research study entitled “The Perceptions of Student Loan Debt: A Phenomenological Study Exploring Black Undergraduate Students’ Experiences”. The research study will be conducted by Pilar Prather, a Ph.D. student in the Educational Leadership and Organizational Development Program and supervised by Dr. Jacob Gross. Prather will interview students to attempt to understand perceptions of student loans debt and financial challenges/barriers facing Black undergraduate students.

### **Students who meet the following criteria are highly encouraged to participate:**

- Identify as Black or African American
- All genders and majors
- Full-time undergraduate student at the University of Louisville (UofL)
- First-year or second-year student
- Between the ages of 18-24
- Taken out a student loan to pay for college expenses
- Meet virtually: Microsoft Teams or Zoom or In-person at a public area on the UofL campus

### **What does this study involve for students?**

- Unsigned informed consent (aka preamble) and short background sheet
- One interview
- Review of completed transcribed interview for accuracy and credibility

### **Incentive(s)**

- Students will be eligible to receive \$40.00 for their full participation in this study.
  - Completed interview: \$20 Amazon gift card
  - Review of completed of transcribed interview for accuracy and credibility: \$20 Amazon gift card

If you are interested in participating in this study or have any additional questions, please contact Pilar Prather at [psprat03@louisville.edu](mailto:psprat03@louisville.edu). Dr. Jacob Gross can be contact at [jacob.gross@louisville.edu](mailto:jacob.gross@louisville.edu).

Thank you,

Pilar Prather, M.Ed.  
Jacob Gross, Ph.D.



## Institutional Review Board

Human Subjects Protection Program Office  
300 E. Market Street, Suite 380  
University of Louisville  
Louisville, KY 40202



<b>DATE:</b>	March 22, 2022
<b>TO:</b>	Jacob P Gross, Ph.D.
<b>FROM:</b>	The University of Louisville Institutional Review Board
<b>IRB NUMBER:</b>	22.0250
<b>STUDY TITLE:</b>	<b>The Perceptions of Student Loan Debt: A Phenomenological Study Exploring Black Undergraduate Students' Experiences</b>
<b>REFERENCE #:</b>	742365
<b>DATE OF REVIEW:</b>	03/22/2022
<b>CONTACT FOR QUESTIONS:</b>	Jackie Powell 852-4101 jspowe01@louisville.edu

The Vice-Chair of the Institutional Review Board (IRB) has reviewed this study and determined the following changes are needed:

1. Protocol - Per first set of stipulations, please explain in detail the nature of reimbursement for two stages of data collection via Amazon gift cards. Presently the protocol does not mention that participants will be re-contacted to review their transcripts etc., nor does it mention that participants will be reimbursed for participation. You could insert an edited/expanded version of what is found in
2. Please attach a "clean" (untracked) copy of the revised protocol.

**Alternative Instructions for attaching documents:**

1. You will need to track your changes to the documents.
2. Please remember to update document version dates as well.
3. You must attach both a "tracked" version and "clean" version of any document you've **changed or your response cannot be reviewed.**
4. **When ready to attach your updated documents, please scroll down on the stipulation response form and click "add new component" and then click either "other study documents" or "informed consent" to upload your revised study documents.**
5. **\*Once the documents are uploaded, click the checkmark next to each one and then hit "attach."**

For guidance on using iRIS, including responding to stipulations and attaching revised documents, please follow the instructions at <https://louisville.edu/research/humansubjects/iRISSubmissionManual.pdf>

A handwritten signature in black ink that reads "Melissa Evans Andris".

Melissa Evans Andris, PhD, Vice Chair  
Social/Behavioral/Education Institutional Review Board  
MEA/jsp

## CURRICULUM VITA

NAME: Pilar S. Prather

ADDRESS: College of Education and Human Development  
1905 S 1<sup>st</sup> St,  
University of Louisville  
Louisville, Ky 40208

DOB: Paducah, KY – June 4

### EDUCATION & TRAINING:

B.S., Business Administration  
Murray State University  
2006 -2010

M.Ed., Education Administration  
University of Nebraska-Lincoln  
2010-2012

Ph.D., Educational Leadership and Organizational Development  
University of Louisville  
2019-2023

AWARDS: Dissertations Completion Fellowship  
FINRA Investor of Education Foundation  
2022-2023

University Fellowship  
University of Louisville  
2021- 2023

Diversity Fellowship  
University of Louisville  
2019 -2021

### PROFESSIONAL SOCIETIES:

- National Association of Student Personnel Administrators (NASPA)
- American College Personnel Association (ACPA)\_

## PUBLICATIONS:

- Gross, J.P., Shaw, T., **Prather, P.**, King, S., Thorton, T., Uhls, E., & Porter, R. (2021). Campus support programs in Kentucky for youth formerly care. Research Brief. Center for Economic Education. <https://louisville.edu/education/centers/economic-ed/files/ky-csps-research-report.pdf>
- Gentry, C., Espiritu, E., Schorn, M. N., Hallmark, B., Bryan, M., **Prather, P.**, & et al. (2020). Engaging the community through a longitudinal, interprofessional, interinstitutional experiential learning collaboration. *Currents in Pharmacy Teaching and Learning*. <https://doi.org/https://doi.org/10.1016/j.cptl.2020.09.012>

## NATIONAL MEETING PRESENTATIONS:

- **Prather, P.** (2020). Financial literacy explained through transformational and servant leadership. Graduate Student Regional Research Conference, Louisville, KY.
- **Prather, P.** (2018). A community-academic partnership fostering community-engaged research. Justice and Advocacy for Health in Tennessee, Nashville, TN.

## STUDENT AFFAIRS EXPERIENCES

### **Graduate Fellow**

**August 2019 – May 2023**

*University of Louisville – Louisville, KY (College of Education and Human Development)*

- Serve as a research coordinator for the Center of Economic Education
- Supervise student workers, collect, manage, and analyze data using statistic package for social science (SPSS) software
- Co-develop grant proposals with principal investigator to secure extramural funding for foster youth
- Conduct regular reviews of policies and procedures for adherence to Fostering Financial Literacy for Educational Attainment grant mission and strategic plan responsibility; to assess policies and procedure are current, comply with the state regulations
- Create educational resources to enhance the knowledge and skills of personal finance for K-12 educators, college students, college administrators, and working adults
- Conduct qualitative and quantitative research on topics pertaining to higher education finance and affordability
- Facilitate workshops for employees in higher education on the topic of personal finance
- Generate reports explicitly connecting research to practice by using empirically supported evidence to shape Center of Economic-developed initiatives

### **Program Manager, Interprofessional Education Program**

**February 2017 – July 2019**

*Vanderbilt University Medical Center –Nashville, TN (Meharry-Vanderbilt Alliance)*

- Developed, implemented, and coordinated day to day activities of a comprehensive program for inter-institutional, interprofessional (IPE) project
- Created a curriculum and oversaw budgetary management of departmental projects
- Collaborated with community partners, faculty, and students to co-create program, generate deliverables, and deploy quality assurance tools.
- Oversaw recruitment, selection, training, and supervision of 40 project participants and 5 community partners
- Facilitated program assessment initiatives and institutional research on IPE best practices
- Served as an academic advisor to the Meharry-Vanderbilt Student Alliance

**Program Coordinator, Master of Public Health Program  
September 2014 – January 2017**

*Meharry Medical Center–Nashville, TN (School of Graduate Studies)*

- Provided administrative support for the Master of Public Health Program
- Oversaw recruitment, selection, training, and supervision of incoming graduate students
- Collaborated with academic units and student services departments to develop intervention and retention programs for students facing academic challenges
- Served on Regional Campuses team, updated resources for distribution, and worked with local agencies to provide services for students in crisis
- Coordinated leadership development and academic success trainings and workshops
- Led graduate student recruitment campaigns through networking, recruitment fairs, conferences and social media platforms
- Planned, scheduled, and implemented events of varying scale, including campus orientations, student leadership trainings and retreats, Student Government Association trainings, community involvement fairs, and graduation celebrations
- Created paraprofessional curriculum and facilitated a citywide public health diversity initiative
- Collected, reported, and analyzed student retention data through comprehensive assessment systems
- Supported regional research collaboration focused on college completion and externship placement
- Counseled students on personal and academic concerns

**Residence Director, Residence Life  
July 2010 – August 2014**

*University of Nebraska – Lincoln, Lincoln, NE (Office of Residence Life)*

- Managed all residence hall programming and community life by implementing a wellness programming model and worked with multiple university departments to create campus-wide events
- Supervised staff, resolving conduct concerns, providing training for students, advising student group
- Conducted monthly health and safety inspection
- Served on an active on call rotation for 400 residents
- Served as a judicial hearing officer for all hall-level violations and apartment-level violations utilizing an educational and developmental approach
- Conducted tours of Residence Halls for prospective residents
- Managed and allocated budgets for programming, student organizations, and student activity fee accounts
- Advised the Residence Life Student Government Association and acted as a resource to student leaders regarding student governance policies, constitution and bylaws, and resource allocation
- Managed the Registered Student Organizations (RSO) chartering process, provided supervision for RSO and lead training sessions for organizational leaders and their advisors
- Chaired the Diversity and Inclusion Taskforce, aimed with creating safe and equitable spaces for students on campus

## ACADEMIC AFFAIRS EXPERIENCE

### **Adjunct Instructor -School of Graduate Studies Fall 2014 – Spring 2017**

*Meharry Medical College, Nashville, TN (Graduate and Professional Studies)*

- Provided instruction to professional and new graduate students in the following courses:  
*Externship/ Field Placement and Thesis Research*
- Created partnership with community organization to provide internship opportunities for graduate students
- Collaborated with course developers to improve curriculum design and student learning outcomes
- Engaged students using a variety of online and multimedia platforms and pedagogies

## CERTIFICATIONS AND TRAININGS

- Title IX Investigator Training, 2018-2021
- Diversity, Equity, and Inclusion Training, 2012, 2015, 2019, 2020
- Safe Space Training, 2011, 2012, 2013
- Responding to Sexual Assault Training, 2012, 2013

## ADMINISTRATIVE AND LEADERSHIP EXPERTISE

Strategic Planning\* Student Success\* Student Engagement\* Team-based Decision Making\* Facilities Management\* First Year Experience\* Crisis Response and Threat Assessment\* Transformational Leadership\* Diversity Equity, Inclusion and Justice\* Budget Management\* Professional Development\* FERPA\* Institutional Effectiveness\* Classroom Management\* Conflict Resolution\* Accreditation Reaffirmation\* Student Organization Advisement\* Fund/Friend Raising\* New Student Orientation\* Family Programs \*Undergraduate, Graduate, Medical, Student Support