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SPECIAL EDITION: EXPANDING QUALITATIVE
INQUIRY ON STUDENT LOAN DEBT

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Special Issue Introduction: Expanding Qualitative Inquiry on Student Loan Debt

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REFRAMING STUDENT LOAN DEBT IN THE UNITED STATES

Student loan debt concerns in the United States is frequently understood through its scale—now exceeding trillions of dollars and affecting millions of borrowers. While quantitative research has been essential in documenting borrowing patterns, repayment outcomes, and distributional inequities, it remains limited in its ability to explain how individuals experience and interpret debt. This special issue argues that **qualitative research is necessary to move beyond measurement and toward understanding the lived realities of student loan debt**. Across the eight papers included here, authors collectively demonstrate that student loans are not simply financial tools, but are deeply embedded in emotional, social, and institutional contexts that shape how individuals navigate higher education and beyond.

Debt as a Lived and Emotional Experience

A major contribution of qualitative research is its ability to uncover the emotional and psychological dimensions of borrowing. In *Beyond the Numbers: Humanizing the Student Debt Crisis through Borrower Narratives*, the authors analyze borrower accounts to demonstrate that student debt produces anxiety, frustration, and long-term uncertainty, reframing it as a lived burden rather than a purely financial obligation. Similarly, *Pause and Effect: Examining the Dynamics of the Student Loan Pause and the Challenge of Resuming Payments for Public Service Loan Forgiveness Borrowers* highlights how borrowers revisit and reinterpret their financial decisions over time,

emphasizing that debt is not a static condition, but an evolving experience shaped by life transitions and repayment realities. Together, these studies illustrate that **debt carries meaning**, influencing identity, mental health, and perceptions of the future in ways that cannot be captured through quantitative indicators alone.

Decision-Making and Behavioral Complexity

Qualitative approaches also challenge assumptions about rational economic behavior by revealing how individuals make borrowing and repayment decisions. In *“The Relationship I Have With Money”: Student Debtors’ Economic Struggles and Approaches to Money Management*, longitudinal interviews show that borrowers often adopt financial strategies that appear contradictory—such as maintaining savings while holding high-interest debt—because of prior experiences with insecurity and the need for financial control. This study demonstrates that decision-making is shaped not only by financial logic but also by emotional and experiential factors.

Similarly, the manuscript *“Some People Don’t Like Financial Aid, ‘Cause They Don’t Know How It Works, Completely”*: Student and Staff Perspectives on Student Debt explores how students and financial aid staff interpret loans differently. While institutions frame loans as a form of “aid,” students often understand them as risky and undesirable, highlighting a critical disconnect between policy design and user perception. These findings underscore that **behavior cannot be understood without** examining how individuals interpret and assign meaning to financial tools.

Institutional Actors and Embedded Perspectives

An important contribution of this special issue is its attention to institutional actors, particularly higher education practitioners. In *“Maybe It’s a Necessary Burden”*: Higher Education Practitioners’ Intro- and Extrospective Perspectives on the Student Loan Debt Crisis, the authors examine how practitioners simultaneously navigate their own debt while advising students. Through qualitative interviews, the study finds that practitioners view loans as a “necessary burden”—essential for educational mobility but emotionally and financially taxing—while also observing growing student skepticism and anxiety about borrowing.

This study highlights the role of practitioners as **embedded actors** who translate complex financial systems while experiencing their consequences firsthand. Their narratives reveal ethical tensions, emotional labor, and evolving perceptions of student behavior, including earlier onset of borrowing anxiety and increasing mistrust of higher education’s value. By centering practitioners, this research expands qualitative inquiry beyond borrowers alone, demonstrating the importance of examining those who mediate access to financial aid.

Structural Inequality and Access

Several papers in this issue emphasize how student loan debt is shaped by broader structural inequalities. *Borrowing Against Our Futures – How Recent College Graduates Navigate Student Loan Repayment* examines how borrowing is often a necessity for students from underrepresented and low-income backgrounds, illustrating how systemic conditions limit choice and reproduce inequality. Similarly, *Capitalizing on Time: Place-Based Aid and the Value of Lifting the Financial Burden for Low-Income Students* explores how targeted aid programs reduce borrowing and allow students to reallocate time toward academic success, demonstrating the broader benefits of minimizing financial strain.

The qualitative evidence across these studies shows that borrowing decisions are rarely made in a vacuum; rather, they are shaped by institutional pricing, limited grant aid, and unequal access to information. These findings reinforce that **debt is structurally produced and unevenly experienced**, making qualitative approaches essential for understanding how inequality operates at the individual level.

Time, Policy Design, and Changing Trajectories

A key insight across this collection is the role of time in shaping borrowing outcomes. The case study “*If I Could Go Back...: Understanding the Education and Career Decisions of Forgivable Loan Recipients in the North Carolina Teaching Fellows Program*” uses narrative inquiry to trace how participants’ plans evolve over several years. While students initially expressed certainty about fulfilling service obligations, many later altered their paths due to financial pressures, confusion about program requirements, or changing career goals.

This study highlights how **policy structures interact with human behavior over time**, revealing the limitations of assuming consistent or rational decision-making. It also demonstrates the importance of longitudinal qualitative methods for capturing how individuals adapt to changing circumstances and reassess prior commitments.

COMPLEXITY, CONFUSION, AND KNOWLEDGE GAPS

Across multiple papers, a recurring theme is the complexity of the student loan system and the presence of widespread knowledge gaps. The practitioner study reveals that both students and professionals often struggle to understand loan terms, repayment options, and long-term implications, contributing to confusion and misinformation. Similarly, research on borrower narratives and financial aid perceptions highlights how individuals frequently make high-stakes decisions with incomplete or inaccurate information.

These findings point to a critical limitation of quantitative models, which often assume access to clear and accurate information. **Ambiguity and misunderstanding are central features of the borrowing process**, shaping how individuals engage

with financial aid systems. Qualitative research is uniquely positioned to capture these gaps and illuminate how policy complexity affects decision-making in practice.

IMPLICATIONS FOR RESEARCH AND PRACTICE

Taken together, the studies in this special issue demonstrate the necessity of expanding qualitative research on student loan debt. They reveal that qualitative methods are essential for:

- Understanding emotional and psychological dimensions of borrowing
- Capturing discrepancies between policy intent and lived experience
- Explaining behavioral patterns that challenge rational models
- Exposing structural inequalities and institutional dynamics
- Tracing how debt is experienced over time

These insights have important implications for both research and policy. Efforts to improve affordability and reduce debt burdens must account not only for economic outcomes but also for how individuals perceive and navigate financial systems. For example, improving financial literacy requires more than providing information; it requires understanding how borrowers interpret that information within their social and institutional contexts.

CONCLUSION

The student loan debt crisis is often framed in terms of numbers, but numbers alone cannot explain how debt is experienced, contested, and navigated. The eight papers in this special issue collectively argue that **qualitative research is essential for capturing the full complexity of student loan debt**. By centering lived experience, narrative, and context, these studies reveal the human dimensions of borrowing and highlight the limitations of purely quantitative approaches.

As higher education continues to grapple with issues of affordability, access, and equity, incorporating qualitative insights will be critical for developing more effective and just policies. This special issue calls for a broader methodological shift—one that recognizes student loan debt not merely as a financial metric, but as an evolving, lived experience shaped by individuals, institutions, and structures over time.

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Beyond the Numbers: Humanizing the Student Debt Crisis Through Borrower Narratives

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ABSTRACT

Student loan debt is not only a financial burden but also a lived experience shaped by emotional, institutional, and social forces. This study analyzes 275 borrower narratives voluntarily submitted to the Student Debt Crisis Center platform, using reflexive thematic analysis to examine how individuals perceive and navigate their debt. After analyzing 275 stories, five major themes emerged: emotional distress, life-course disruption, structural vulnerability, persistent repayment barriers, and the erosion of trust in education. Together, those themes illustrate the complex ways student debt affects identity, stability, and future planning. This qualitative approach complements dominant quantitative scholarship by foregrounding the processes of lived experience and elevating borrower voices as critical data in understanding the crisis.

Keywords: student loan debt, borrower narratives, reflexive thematic analysis, emotional burden, life course disruption, institutional trust

The rising cost of higher education in the United States has led to a student loan debt crisis, and the numbers are preoccupying. Recent national estimates place outstanding student loan debt at approximately \$1.6–\$1.8 trillion, affecting over 40 million borrowers in the United States (Hanson, 2024; U.S. Department of Education, 2025). These figures underscore the scale of the problem but do not capture the subjective, lived experiences that shape borrowers' everyday decisions and well-being. This study, therefore, complements macroeconomic accounts by centering on borrower narratives as primary data.

This study aims to humanize the student debt crisis by examining narratives and highlighting aspects beyond the stratospheric numbers often associated with student debt. By focusing on these personal stories, we seek to uncover the emotional, social, and financial burdens of student loan debt. This research addresses a critical gap in the existing literature, which often emphasizes quantitative data, by highlighting borrowers' qualitative experiences.

While quantitative indicators clearly document the scale of the student debt crisis, they do not fully capture how borrowers experience and interpret this burden in their everyday lives. This research highlights the human dimension of debt by analyzing real-life stories, offering valuable insights that numbers alone cannot provide. These narratives offer an important perspective for policymakers and provide elements for creating more informed policies that directly address the challenges of student borrowers and guide future research on student debt, which needs to be emphasized.

Our research examines how borrowers' experiences shape their perceptions of student loan debt and how these perceptions are reflected in their narratives. Additionally, we identify themes related to societal and institutional influences on their debt experiences. This qualitative inquiry aims to shed light on the complexities of student loans and enhance understanding of this pressing issue.

LITERATURE REVIEW

The scale of student loan debt in the United States has reached unprecedented levels, reflecting the increasing cost of higher education. Total student loan debt surpassed \$1.7 trillion in recent years, representing a substantial financial burden for millions of borrowers (Hanson, 2024). Beyond the aggregate figures, research suggests that student loan debt significantly shapes borrowers' financial trajectories and life decisions. Studies have shown that educational debt can delay or prevent major life milestones, including homeownership (Collier, 2020; Mezza et al., 2020; Mountain et al., 2020), limit savings and negatively affect credit outcomes (Collier, 2020), and influence family formation decisions such as marriage (Bozick & Estacion, 2014; Gicheva, 2016). Additionally, student debt can shape career choices, with borrowers often prioritizing higher-paying jobs over public service or lower-paying fields to meet repayment obligations (Paulsen, 2024; Rothstein & Rouse, 2011).

The burden of student loan debt is not distributed equally across borrowers. Vulnerable groups, including first-generation students, non-completers, and borrowers who attended for-profit institutions, are disproportionately affected by repayment challenges (Hansen & Shaw, 2020). Racial disparities are particularly pronounced. For example, research shows that 81% of Black public-school graduates borrow to finance their education compared to 63% of white graduates, highlighting structural inequalities embedded in the higher education financing system (Hansen & Shaw, 2020).

Beyond financial outcomes, student loan debt also appears to influence borrowers' perceptions of the value of higher education itself. Additional evidence suggests that individuals who have taken on student loans are increasingly skeptical

about whether college is worth its cost. Heckman et al. (2020) found that borrowers were significantly less likely than non-borrowers to believe that higher education represents a worthwhile investment. This perception gap is particularly pronounced among women and Black respondents, suggesting that financial burden may erode confidence in higher education as a pathway to economic mobility.

Considering this scenario, examining borrowers' voluntary narratives offers an opportunity to understand better how financial obligations intersect with identity, life planning, perceptions of institutional trust, and the value of investing in educational degrees. To interpret these experiences, this study draws on two theoretical perspectives that frame education as an economic investment while acknowledging the emotional and subjective consequences of financial strain.

CONCEPTUAL FRAMEWORK

According to Becker's (1993) human capital theory, education is an investment that raises a person's economic potential and productivity. People seek education to gain skills, enhance their employment prospects, improve social mobility, and boost their lifetime earnings; therefore, the costs of education are justified by the anticipated long-term benefits. Within this framework, decisions about education are generally understood as rational calculations in which individuals weigh the costs of investment against anticipated economic benefits.

This theory has significantly influenced policy and public discussions, portraying numerous student loans as necessary to improve their outcomes. However, this theory often overlooks systemic inequalities and emotional impacts, particularly when the promised financial gains fail to materialize.

This theoretical framework is applied here to analyze student debt, in which students, for various reasons, are unable to repay their debts. Drawing on Becker's (1993) theory, it is possible to infer from students' narratives that borrowers first view student loan debt as an investment in their future. This strategy seeks to reconcile the financial justification for student loans with the emotional difficulties borrowers encounter when their expected financial gains are not realized, and they cannot repay their loans.

To better understand the emotional and subjective consequences of financial burden, this study also draws on scholarship related to subjective well-being. Research on well-being highlights how financial insecurity and prolonged economic stress can affect individuals' psychological health, life satisfaction, and perceptions of future stability (Tay et al., 2017). When applied to student loan debt, this perspective helps us understand that financial obligations are not limited to economic calculations and are connected to borrowers' emotional experiences, sense of security, and long-term life planning.

In conclusion, these two theoretical frameworks offer insights into borrower narratives. The well-being perspective highlights the emotional distress and disillusionment that can arise when anticipated returns do not materialize, even though human capital theory explains why people initially see education and student loans as a worthwhile investment in their futures. In other words, while Becker's

(1993) theory justifies investment, Tay et al.'s (2017) theory concretizes what happens when reality does not meet expectations. The study emphasizes the complex relationship among institutional structures, lived emotional experience, and economic decision-making by examining borrowers' narratives through this combined lens.

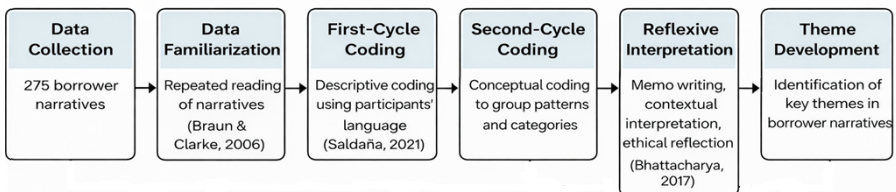
METHODS

This study employs a reflexive thematic analysis to explore the lived experiences of student loan borrowers, drawing on over 275 narratives submitted to the Student Debt Crisis Center platform. Participants voluntarily shared their stories for public advocacy, offering rich insight into the emotional, social, and financial burdens of student debt. All narratives were de-identified and stripped of metadata to protect anonymity and uphold ethical standards.

Following Hitch's (2024) interpretive framework and Braun and Clarke's (2006) reflexive approach, the analysis began with a thorough familiarization with the data. This involved repeated readings of the narratives to establish an immersive understanding of the content. Initial coding identified recurring patterns and concepts, which were then grouped into preliminary themes. These themes were refined through iterative memo writing, thematic mapping, and critical reflection.

Saldaña's (2021) comprehensive guidelines on first and second-cycle coding methods were applied in the analyses, prioritizing interactive and interpretive engagement with qualitative data. Close reading and descriptive labeling were used to create the initial codes, which were subsequently refined across several cycles to capture more thematic and conceptual patterns. This approach allowed codes to evolve from surface-level summaries to deeper analytical categories that supported theme development, as highlighted in Figure 1.

Figure 1: Analytical Process of Reflexive Thematic Analysis Applied to Borrower Narratives



In addition, Bhattacharya's (2017) emphasis on meaning-making, researcher positionality, and ethical reflexivity informed the interpretive stance of this analysis, ensuring that the findings were not only methodologically rigorous but also ethically grounded. Rather than treating coding as a mechanical act, the process was guided by a commitment to honoring participants' voices and recognizing the socio-political contexts embedded in their narratives, which is important because these contexts shape how borrowers experience and articulate the burden of debt.

The analytical process followed six sequential steps, summarized in Figure 1. First, we collected 275 borrower narratives. Second, we familiarized ourselves with the data through repeated readings (Braun & Clarke, 2006). Third, we conducted first-cycle descriptive coding using participants' language (Saldaña, 2021). Fourth, we engaged in second-cycle conceptual coding to identify broader patterns. Fifth, we carried out reflexive interpretation through memo writing and ethical reflection (Bhattacharya, 2017). Finally, we developed the themes that structure the findings.

Data Source and Analysis

This study used a qualitative dataset that includes over 275 personal stories from borrowers affected by the U.S. student loan system. The stories were gathered through a public call for testimonials on a policy advocacy platform, Student Debt Crises. Contributors shared their stories voluntarily and did not respond to any transcripts; they were only invited to share their stories through this platform. The stories are published openly to the public, and the researchers have no relationship with the website. This research has a remarkable difference from other narrative analyses, with self-initiated disclosure differentiating the dataset from traditional interview-based recruitment, in which participants are invited and consent to structured engagement; here, individuals actively sought to tell their stories in their own words, signaling intent to be heard within broader policy and public discourse.

The analytical procedure followed Hitch's (2024) interpretive framework and Braun and Clarke's (2006) reflexive thematic analysis. Hitch's interpretive framework, which emphasizes contextual awareness and the researcher's active role in interpreting participant narratives, offers a broad framework for qualitative inquiry. Reflexive thematic analysis (Braun & Clarke, 2006) provides a methodical procedure for identifying and examining patterns of meaning across the dataset while acknowledging that themes are created by the researcher's interaction with the data rather than passively discovered. The first step in the analysis process was becoming well acquainted with the data, which required reading the stories several times to develop a deep comprehension of the material. To find recurrent themes, terms, and expressions throughout the corpus, initial coding was done. This was an iterative process that followed Saldaña's (2021) guidelines for first- and second-cycle coding: early codes were descriptive and closely aligned with participants' language, while later cycles shifted toward more conceptual and interpretive codes that supported the development of candidate themes.

To refine these themes, the researchers engaged in memo writing, thematic mapping, and critical reflection, consistent with Braun and Clarke's (2006) reflexive approach. The researchers approached the narratives with careful attention to participant voices and the larger sociocultural contexts in which these experiences were situated, drawing on Bhattacharya's (2017) emphasis on relational ethics and meaning-making. This required reflecting on how interpretations were created, considering the possible ramifications of portraying borrowers' experiences, and prioritizing interpretations that acknowledged the structural factors shaping participants' narratives while remaining rooted in their language. This combination of

relational ethics, iterative coding, and reflexivity offered a methodical yet considerate way to examine how people perceive, understand, and confront the weight of student loan debt.

Theoretical Saturation

Although the platform repository contains over 82,275 borrower narratives collected over 11 years, this study focuses on the 275 most recent stories, between 2020 and 2025. Both epistemological and practical considerations guided this selection. Drawing on Bhattacharya's (2017) emphasis on contextual meaning-making and ethical reflexivity, the decision to analyze a temporally bounded subset aimed to reduce potential bias arising from sampling across disparate policy eras or institutional climates. Selecting stories from a consistent time frame allowed for a more coherent interpretive lens, minimizing distortions that might result from comparing narratives shaped by different legislative or economic contexts (See also Bruckner & Ryan, 2023); this was not the objective of this study, although it is important as well.

The process of familiarization and initial coding revealed recurring patterns, with a core theme of emotional distress, confusion about loan terms, and disillusionment with the promised return on educational investment, evident across these recent narratives regardless of demographic or institutional background. The recurrence of these patterns indicates that additional data would not yield new conceptual insights.

Following the criteria established by Glaser and Strauss (1967) and refined by Morse (2004), saturation is considered achieved when categories are sufficiently developed, and new data merely reinforce existing themes. Glaser and Strauss originally defined saturation in grounded theory as the point at which additional data no longer bring new insights, meaning that the concept is fully elaborated. Morse (2004) refined this idea by emphasizing that saturation is not simply about repetition, but about the richness and completeness of categories. In this study, we applied these criteria by examining whether new narratives added novel dimensions to our themes; once they consistently reinforced existing categories without introducing new conceptual insights, we judged saturation to have been achieved. Therefore, limiting the dataset to the most recent 275 narratives ensures analytical depth while maintaining methodological rigor.

Importantly, this study treats saturation not as a purely technical endpoint, but as a reflexive judgment informed by the researcher's positionality and engagement with the data (Bhattacharya, 2017). The iterative coding process, guided by Saldaña's (2021) framework of first- and second-cycle coding, supported the development of robust thematic categories.

Limitations

This study is based on narratives voluntarily submitted to a policy advocacy platform, which introduces several limitations. The data reflects only what borrowers chose to share, meaning we do not have consistent access to demographic information

such as gender, race, age, income level, or geographic location. Additionally, details about the type of institution attended (e.g., public vs. private) or the degree pursued are only available when explicitly mentioned by participants. The dataset is cross-sectional, capturing a single moment in borrowers' experiences, and does not allow for longitudinal analysis of how these experiences evolve over time. Furthermore, the study relies solely on self-reported narratives, limiting the possibility of triangulating findings with other data sources such as interviews, surveys, or administrative records. As a result, the findings should be interpreted as illustrative rather than representative. Nevertheless, these narratives remain critically important because they provide direct insight into how borrowers themselves articulate the burden of debt, offering policymakers, researchers, and advocates a unique window into lived experiences that are often obscured by aggregate statistics.

FINDINGS

After analyzing the narratives presented on the platform, five key themes emerged from the thematic analysis of 275 borrower narratives. While each theme reflects a distinct dimension of experience, they illustrate some emotional and financial consequences of student debt experienced by those students. Guided by Braun and Clarke's (2006) six-phase approach to thematic analysis, we identified the following: (1) The Perpetuation of Debt and Systemic Barriers, with subthemes of repayment futility, administrative obstacles, lack of transparency, and institutional mistrust; (2) Emotional distress, disillusionment, and impacts on well-being; (3) Life Course Disruption and Delayed Milestones, encompassing aging with debt, debt without degree, and postponed life transitions and (4) Structural Inequality and Vulnerability, highlighting the disproportionate burden on marginalized groups; and (5) Erosion of Trust in Education, reflecting widespread feelings of betrayal and loss of faith in the educational promise.

Even though these themes are correlated, they are distinct and sometimes not exclusive in the narratives. Many narratives contained overlapping concerns and themes, with borrowers describing, for example, the futility of repayment and the delayed life milestones, or the intersection between structural inequities and confusion about loan terms. This overlap was expected and normal for such a complex theme. The overlapping underscores the complexity of the student debt experience: borrowers' stories often moved fluidly across financial, emotional, and institutional dimensions, resisting tidy categorization.

Theme 1: The Perpetuation of Debt and Systemic Barriers

In several narratives, participants express frustration because they believe paying the debt is impossible, whether due to the amounts, the application of interest, or the lack of transparency about the amount borrowed. Borrowers consistently described the futility of repayment, noting that, despite years, sometimes even decades, of regular payments, their balances either decreased little or even increased, making it impossible for them to pay the debt. One borrower lamented, "They" lent me \$199K

without checking if I could afford that amount, I repaid \$136K on the original \$199K and still owe \$225K. At 67 years of age and only ICR available the best option to paying off the loan is death."

Another echoed this similar frustration: "Although I've likely paid my loans off twice over, because of the loan sharking interest structure, I am deeper in debt than I was 20 years ago."

These excerpts reflect broader concerns about negative amortization, a well-documented characteristic of certain loan structures, in which students do not feel they are actually making progress toward repaying and settling the debt. These dynamics are also closely linked to decreased subjective well-being, as prolonged financial stress impacts individuals' psychological health and life satisfaction (Tay et al., 2017).

Many pointed to interest capitalization and loan consolidation as central causes: "When I consolidated the loans, it started the clock again in 2011, and that's why there is a new disbursement date! It starts the clock all over again ?????!!!!!! In this case, there was no benefit in consolidating. I am having a panic attack!!!!"

Administrative errors and service mismanagement further compounded the problem. As one participant shared:

I called Navient to find out about getting them discharged because I found out that under the income-based program, loans would be discharged after paying for 25 years. Navient told me that they are only counting from 2011!!! Can they do that?

These accounts illustrate how systemic barriers perpetuate debt rather than reduce it, echoing prior findings that debt repayment often fails to reduce principal balances and instead exacerbates financial strain (Mezza et al., 2020; Rothstein & Rouse, 2011). As a participant explained, "I am working rather than retire so I can pay them off. I figure I will die before the loan is over." The opacity of loan terms and inconsistent communication from services further compounded confusion, with some participants unaware of how interest accrued or why their balances ballooned.

The identified sub-themes: repayment futility, administrative obstacles, lack of transparency, and institutional distrust, are directly related. Borrowers frequently described how the confusing terms of loans and administrative renegotiations exacerbated the futility of repayment, which, in turn, directly affected trust in institutions. This erosion of trust parallels broader research indicating that borrowers are increasingly skeptical of the value of higher education (Heckman et al., 2020). These findings demonstrate that policy interventions targeting student debt should address not only repayment structures but also transparency in administrative debt and borrower trust.

Table 1: Theme 1 Subthemes

Subtheme	Illustrative Quotes	Analytic Insight
Repayment futility	“I’ve paid over \$136K on a \$199K loan, and now I owe \$225K.” “I’ve likely paid my loans off twice over... and I’m deeper in debt than 20 years ago.”	Borrowers feel trapped in a cycle where payments do not reduce principal, reinforcing hopelessness.
Administrative obstacles	“When I consolidated the loans, it started the clock all over again.” “The previous guarantor was the New York Higher Education Services Corporation. This all is very confusing and frustrating.”	Loan consolidation and forgiveness programs are undermined by technical resets and inconsistent policies.
Lack of transparency	“No one explained the loans to me.” “I never requested my payments to stop... this was not a mistake made by me but instead was a loan company who fell short.”	Borrowers report confusion and misinformation, often unaware of how interest accrues or how terms change.
Institutional mistrust	“This was not a mistake made by me but instead was a loan company who fell short and is costing me more money than I should have to be paying now” “I’ll never trust the system again.”	Repeated negative experiences with servicers and institutions erode trust in the loan system.

Theme 2: Emotional Distress

In addition to the financial factor, student debt also leaves emotional scars, with many narratives presenting themes related to the emotional suffering associated with debt. Many described anxiety, panic attacks, and a sense of hopelessness. One borrower recalled, “It’s truly terrifying, depressing, and disgusting that so many of us are here in this position.” Another shared, “I’m so depressed over this repayment situation. My doctor put me on depression medication.” Several participants explicitly linked their loan stress: “I’ve had panic attacks just opening loan emails.” For others, the burden was described as:

I feel like I am drowning and now I feel like I'll never be able to buy a home or even have children. I wake up depressed every morning because I feel like the only purpose I have in this country is to pay off debt.

The emotional factor was not limited to moments of crisis but became a constant presence in borrowers' lives. As one participant wrote, "There is not a day that I don't think about my student loans and get extreme anxiety thinking about how I am going to pay them down." Another described the impact on their family life: "My debt gives me anxiety. I'm not even 30 yet. I've been working over half my life and have never been able to get ahead enough to breathe." Some even reported that the stress of debt contributed to physical illness: "Debt has made me physically ill." One borrower described the emotional toll as generational, writing: "I should be enjoying my golden years after working since I was 13 years old, I am now faced with paying of this debt that my son's current salary cannot even begin to payoff."

Table 2: Theme 2 Subthemes

Subtheme	Illustrative Quotes	Analytic Insight
Distress	"It's a living nightmare." "I am so overcome with grief and depression at the prospect of this weight, which for the last two years has felt...invisible. Weightless. And now that weight returns and I feel as if my chance at a healthy, happy, financially secure future slipping away."	Debt triggers acute emotional and physical reactions, sometimes leading to health crises.
Disillusionment	"I'm falling behind. It's just unbelievable and hopeless."	Chronic debt undermines self-worth and erodes belief in the value of education and hard work.
Impact on well-being	"It's like drowning with no lifeline." "Debt has made me physically ill."	The psychological burden of debt extends to physical health, affecting daily functioning and outlook.

These testimonies demonstrate that student loan debt is a serious threat to well-being, undermining mental health, self-esteem, and the sense of possibility for the future. They highlight how debt becomes a chronic stressor that shapes identity and daily functioning, extending beyond financial calculations into the realm of psychological survival. In this scenario, pursuing education rather than improving the quality of life worsened students' emotional states.

This theme is consistent with earlier studies (Dwyer et al., 2013; Walsemann et al., 2015) that demonstrate a strong correlation between financial strain and anxiety, depression, and decreased life satisfaction. Those studies have discovered that student loan debt, especially among younger borrowers and marginalized groups, is associated with worse mental health outcomes and feelings of less control over life trajectories. Our findings support the notion that student debt is not just an economic problem but also a public health issue with long-term psychosocial repercussions by placing borrower testimonies within this larger body of literature.

Theme 3: Life Course Disruption and Delayed Milestones

Student debt was constantly described as an impediment that disrupts expected life trajectories, influencing not only financial future but also family plans. Many borrowers shared narratives of their loans following them into middle age and beyond, fundamentally altering their sense of security and delaying or preventing achievements. For example, as one retiree explained: “I am 70 years old and I returned to school in my 40’s. I have been paying them down as I have gotten a decent contract job... I too figure I will die before the loan is over.”

Table 3: Theme 3 Subthemes

Subtheme	Illustrative Quotes	Analytic Insight
Aging with debt	“I will die with this debt.” “I am 70 years old... I too figure I will die before the loan is over.”	Debt persists into retirement, undermining security and generational mobility.
Debt without a degree	“I am still nearly \$20,000 in debt for a degree I neither completed nor found a use for.” “I left owing over 25k and here we are years later and I owe over 42k.”	Borrowers face the double hardship of debt and lack of credential, deepening economic precarity.
Postponed transitions	“I can’t buy a house, have no retirement, and will never pay this off.” “The biggest loss for me is not being able to afford children. I’ve wanted children for as long as I could remember. I never imagined a life without them..”	Debt delays or prevents major life milestones, reshaping personal and family trajectories.

The burden of debt in later life led some to postpone or abandon retirement altogether, while others feared leaving their debt as a legacy for their children. The disruption was even more acute for those who left school without a degree. One participant wrote:

I am still nearly \$20,000 in debt for a degree I neither completed nor found a use for. That price tag alone makes me regret ever going to university in the first place.” Another shared, “I left owing over 25k and here we are years later and I owe over 42k on student loans. I every year had to choose between food, rent, and surviving or pay over 300 for a debt that was a lie and I received nothing, but debt from.

These narratives highlight the double burden of financial liability without the credentials that might have improved earning potential, as well as the postponement of major life milestones such as marriage, children, and homeownership, in those situations borrowers face the burden of having the debt, but without the bonus of having a degree that could potentially improve their income.

The impact of debt extended to the postponement or abandonment of major life milestones. Borrowers described delaying marriage, homeownership, starting a family, or even basic financial independence. As one participant noted, “I have not been able to move out of my parents house and have been living check to check due to what I owe in student loans.” Another wrote, “I have delayed things such as purchasing a house and having children based upon the student loan debt that I currently have”. The sense of being unable to move forward was present in several quotes.

Those narratives demonstrate that student debt is not only a financial constraint but a force that shapes the entire life course, often forcing borrowers to defer or abandon key transitions and aspirations. Those without degrees faced compounded hardship, burdened by debt without the credentials to improve their economic prospects. Others reported postponing transitions such as buying a home or starting a family, describing debt as a barrier to stability and long-term planning. Taken together, these experiences reveal that debt is not only a financial constraint but a force that reconfigures personal trajectories and undermines generational mobility.

This theme aligns with previous research showing that student debt prevents or delays major life milestones. Research has shown that debt affects marriage timing (Bozick & Estacion, 2014; Gicheva, 2016), restricts career options (Paulsen, 2024; Rothstein & Rouse, 2011), and prevents homeownership and savings (Collier, 2020; Mezza et al., 2020; Mountain et al., 2020). Evidence that debt influences not only financial behavior but also broader life trajectories was provided by Rothstein and Rouse (2011), who showed that graduates with debt are more likely to pursue higher-paying jobs and less likely to enter lower-paying public interest careers. By setting borrower narratives within this collection of literature, our results confirm that student debt limits opportunities across generations and disturbs expected adult pathways.

Theme 4: Structural Inequality and Vulnerability

Student debt does not affect all borrowers equally; instead, it amplifies pre-existing social inequalities and exposes vulnerable groups to disproportionate risks. Many narratives revealed how first-generation students, low-income families, and single parents entered debt without sufficient guidance or institutional support, often relying on predatory lending practices or being excluded from relief programs. For example, one first-generation borrower explained:

No one tells you or your parents what to expect as a first generation student. When my working class parents were told that they had the ability to help me with higher education, they jumped at the chance and signed a parent plus loan.

Other participants, reflecting on their family's financial situation, shared: "My parents helped me to take out over 6 figures in student loan debt without any guidance—we were uneducated and unable to navigate the situation." "I'm a 29 year old single father, trying to fu[r]ther my education for me and my son. But I owe over \$11,000. With the minimum wage job I have I cant afford that and care for my son and myself."

For some, the gap of financial literacy and institutional support was compounded by predatory lending practices and exclusion from relief programs. As one borrower described, "I feel trapped and I just wanted to have a better life. I'd say its actually worse than if I'd never gone to school to begin with". The stories also revealed how certain groups are disproportionately excluded from forgiveness programs or pushed into riskier private loans. One participant recounted:

My family didn't have a lot of money, and I was the first to actually attend college. With little knowledge about the loan process, and an immediate need for money to pay for school life, I took out private loans. Now, 12 years later, my federal loans have been paid off and what remains is 40k in private loans that no one seems to be trying to help with at the federal level. I know a lot of others are in the same boat and feeling left out.

This theme is aligned with prior research documenting the disproportionate impact of student debt on vulnerable groups. Hansen and Shaw (2020) found that first-generation students, non-completers, and borrowers from for-profit institutions are disproportionately affected, while Black graduates borrow at significantly higher rates than their white peers. Heckman et al. (2020) further showed that debt erodes trust in higher education, particularly among women and Black respondents. Similarly, Pyne and Grodsky (2020) argue that graduate debt creates a "perfect storm" of stratification, deterring disadvantaged students from pursuing advanced degrees. Jabbari et al. (2023) demonstrate that forgiveness policies can influence household decisions and mobility, underscoring the policy relevance of these disparities. Bowie-Viverette and Saulnier (2023) highlight how debt exacerbates health and social inequalities, particularly in the wake of the COVID-19 pandemic. In conclusion, these narratives underscore how student debt amplifies existing vulnerabilities, reinforcing cycles of disadvantage and limiting opportunities for social mobility.

Table 4: Theme 4 Subthemes

Subtheme	Illustrative Quotes	Analytic Insight
Marginalized borrowers	“My family is low income and I was working towards my BA to make a better life for us. Nothing was delivered from them. I had to quit school and owed 80k in student loans.”	A lack of guidance and support leaves vulnerable groups more exposed to risk and confusion.
Lack of support	“Financial aid was so obtuse and not explained at all. Their so-called financial plans were never properly explained to me or my father.” “My parents helped me to take out over 6 figures in student loan debt without any guidance—we were uneducated and unable to navigate the situation.”	Absence of financial literacy and institutional support compounds disadvantage.
Disproportionate impact	“I was funneled into private loans I didn’t understand.” “I am 75 years old and I have a student loan debt upwards of \$250,000. I have a fixed income of under \$2,000/month”	Systemic inequities and predatory practices deepen the debt burden for already at-risk populations.

Theme 5: Erosion of the Promise of Education as an Investment

The last recurrent theme identified in the narratives was the erosion of the promise of education as an investment. Debt was not only described as financially and emotionally burdensome but also as undermining the perceived value of education itself. We identified a sense of betrayal and disillusionment in borrowers’ narratives, reflecting a profound erosion of trust in the institutions that promised education as a pathway to security and higher incomes. One disillusioned borrower wrote, “That price tag alone makes me regret ever going to university in the first place.” Another reflected, “just did everything I was “supposed” to do and the system failed me.” The sense of being misled was compounded by negative experiences with loan servicers

and forgiveness programs: “I answered the call to serve, and the door was closed on forgiveness.”

Others expressed a loss of faith in the entire system: “I’ll never trust the system again.” and “The system is rigged against us.” These statements were not isolated complaints but part of a broader pattern of disillusionment with higher education, government, and financial institutions. As an example, one borrower wrote:

There is no way the average person can ever hope to live a normal existence like this. We are hard-working ppl who were willing to work hard to earn our way in life. We “played by the rules” and if something is not done permanently about this situation, then our governmental leaders will have let us all down.

These accounts reveal that the student loan crisis is not only a financial or administrative failure, but also a rupture in the relationship between citizens and the institutions meant to serve them. Borrowers described feeling misled by universities, loan servicers, and policymakers, perceiving higher education as complicit in perpetuating financial harm. This erosion of trust was not limited to individual disappointment but extended to broader skepticism in the value of pursuing higher education degrees.

In this scenario, Heckman et al. (2020) found that debt erodes trust, particularly among women and Black respondents, reinforcing how financial strain intersects with systemic inequities. Pyne and Grodsky (2020) argue that debt creates a “perfect storm” of stratification, deterring disadvantaged students from pursuing advanced degrees. In conclusion, our findings confirm that student debt erodes trust in education, transforming what was once seen as a pathway to opportunity into a source of skepticism and regret.

Table 5: Theme 5 Subthemes

Subtheme	Illustrative Quotes	Analytic Insight
Betrayal by institutions	“answered the call to serve and teach to make our nation better. It is more difficult as we continue to face higher interest rates in our daily lives and meet our basic needs. Please cancel student debt!!”	Borrowers feel let down by institutions that promised opportunity and relief.
Broken expectations	“I trusted my government to help me when in fact MY GOVERNMENT IS A LOAN SHARK.”	Repeated negative experiences erode trust in both the loan system and broader social institutions.
Loss of faith in education	“I regret having furthered my education. My student loan debt has prevented me from qualifying for a mortgage.”	The promise of education as a path to mobility is called into question.

Together, these themes illustrate how the student loan system functions as an economic tool and as a means to reinforce long-term social inequality. The burden is not shared equally. Furthermore, the data raises questions about the fairness of forgiveness programs that are hard to access or applied inconsistently. Above all, the analysis highlights the need for policy reform grounded in understanding borrowers' experiences and ensuring accountability within the system.

In conclusion, these findings reveal that student debt is far more than a financial problem. It is a structural force that shapes who people can become, the opportunities they can pursue, their health, and even the stability of their families across generations. Borrowers' voices reveal that debt is not just about repayment schedules and balances, but also about trust in institutions, the hope of mobility, and the emotional toll of promises that often become constraints. Becker's (1993) human capital framework assumes education should yield returns across the life course, yet as Rothstein and Rouse (2011) and Mezza et al. (2020) show, debt often delays or prevents those returns, reshaping careers and households in ways borrowers never anticipated. Furthermore, as Tay et al. (2017) demonstrate, debt weighs heavily on subjective well-being, becoming "the other side of the income-happiness coin." In this way, the narratives make clear that debt is not simply an economic liability, but a lived reality that constrains life chances and erodes well-being.

DISCUSSION

According to the narratives examined in this study, student debt is a complex experience influenced by institutional, structural, and emotional factors, rather than merely a financial obligation. Borrower experiences reveal how identity, mental health, life planning, and public system trust are all impacted by debt. These results demand a deeper comprehension of the student loan crisis and challenge prevailing economic framings. The following discussion links these observations to previous research, emphasizing important areas in which institutional support, education, and policy can be helpful.

The emotional distress experienced by the borrowers in this study aligns with prior research on the mental health consequences of financial precarity. Walsemann et al. (2015) found that student loan debt is significantly associated with depressive symptoms and poorer health outcomes among young adults, even after controlling for socioeconomic background. Similarly, Sinha et al. (2024) conducted a review of the literature on the topic and concluded that financial stress from student loans contributes to anxiety and depression. These findings reinforce the narratives in this study, where borrowers reported panic attacks, emotional exhaustion, and a sense of hopelessness directly tied to their debt.

The disruption of life milestones due to student debt is well-documented. Scott-Clayton (2018) highlights how debt delays homeownership, marriage, and family formation, particularly among borrowers from for-profit institutions and marginalized backgrounds. These findings echo the narratives in this study, where participants described postponing retirement, housing stability, and parenthood due to persistent loan obligations. According to prior studies, student loan borrowers may

incur significant life costs beyond repayment. Debt can hinder or delay the acquisition of property (Collier, 2020; Mezza et al., 2020; Mountain et al., 2020), reduce the ability to save and damage credit (Collier, 2020), postpone marriage (Bozick & Estacion, 2014; Gicheva, 2016), and limit professional choices (Paulsen, 2024; Rothstein & Rouse, 2011). These patterns reinforce the argument that student debt is not merely a financial constraint but a life-course disruptor with long-term social and economic consequences.

Gap of Financial Literacy

As identified in this research, one of the causes of student debt is the gap of understanding among young people about the financial impact of their educational decisions and how those decisions will affect their future (Filbeck et al., 2020). As one borrower put it, “My parents helped me take out over six figures in student loan debt without any guidance—we were uneducated and unable to navigate the situation.” This statement underscores the intergenerational nature of financial illiteracy and its consequences. This pattern is often linked to a general deficiency in financial literacy among high school students, who may not fully grasp the long-term consequences of student loans or other financial commitments related to higher education. As Filbeck et al. (2020) note, financial literacy levels among students are frequently low prior to targeted education, and students often exhibit significant gaps between perceived and actual financial knowledge. These gaps can lead to suboptimal decision-making regarding borrowing, budgeting, and financial planning for college.

Many students take out significant loans without reading the text or fully understanding the terms, fees, accumulated interest, or the relationship between the cost of their degree and their salary prospects after graduation (Dynarski et al., 2021). It is common to assume that students have been guided by their parents, but sometimes even their parents do not have the necessary knowledge to help them make such an important decision. This reflects a broader, intergenerational gap in financial literacy and social capital. Research shows that families with more resources and informational capital navigate aid and loan systems more effectively, while vulnerable groups face barriers that perpetuate inequality (Dynarski, 2000). In such cases, students and their families may make high-stakes decisions without adequate information or support.

Henager and Cude’s (2019) research emphasizes that financial literacy, particularly subjective knowledge and perceived financial ability, is closely linked to both short- and long-term financial behaviors. Their findings show that high school financial education positively influences budgeting and long-term planning, with confidence in one’s financial ability emerging as a stronger behavioral predictor than objective knowledge alone. These sources prove the alternative theory that students can make better loan decisions with more knowledge.

Financial literacy is a small step toward helping more students understand the loan system (Filbeck et al., 2020; Henager & Cude, 2019). However, the student loan system itself is complex and ever-changing, from the types of loans available to families to the repayment plans that shift over time (Dynarski & Scott-Clayton, 2006).

Recent changes to repayment programs, including the transition from the SAVE plan to the Repayment Assistance Plan (RAP), have generated widespread confusion about eligibility and terms, reflecting long-standing concerns about instability in repayment structures (Paulsen, 2024; Mezza et al., 2020). No amount of financial literacy alone can fully resolve these structural challenges. Instead, the primary responsibility lies with the system to simplify and stabilize repayment options, while financial education can play a complementary role in helping borrowers navigate them more effectively.

In their evaluation of a high school financial literacy outreach program, Filbeck et al. (2020) discovered notable gains in financial self-esteem, subjective and objective knowledge, and financial behavior. The program demonstrated its strong equity potential by being particularly successful for female students and those with lower GPAs. Students with lower starting scores made the most significant improvements, suggesting they were highly responsive to the intervention. The program's successful implementation across numerous states and educational institutions demonstrates its scalability and effectiveness in closing financial literacy gaps among diverse student populations.

While expanding financial literacy is a valuable intervention, it does not fully address the structural nature of the student loan crisis. Even well-informed students may feel compelled to borrow due to limited alternatives. In these cases, students understand the loan terms and recognize the risks, yet still must borrow because higher education remains inaccessible without debt. This illustrates the limits of individual knowledge in the face of systemic constraints, underscoring the need for broader reforms that reduce reliance on borrowing as the primary pathway to college access (Collier, 2020; Dynarski & Scott-Clayton, 2006).

These findings suggest that while financial literacy programs can mitigate individual risk, broader reforms are needed to ensure that students are not forced into debt by systemic constraints.

Impact of Actions to Reduce Student Debt

Analyzing students' narratives reveals that they affect various sectors of adult life; therefore, impactful actions regarding student debt mean more than just financial public policies, with broad implications. According to Rothstein and Rouse (2011), reducing reliance on student loans can help level the playing field for students from disadvantaged backgrounds. Their findings suggest that debt burdens disproportionately deter these students from pursuing socially valuable but lower-paying careers, since repayment obligations constrain their choices. When the burden of debt is reduced or eliminated, students are free to select careers aligned with their interests and social contributions rather than financial necessity. This highlights how debt relief policies can expand opportunity and mobility, shifting the responsibility from individuals to the system that structures educational financing (see also Jabbari et al., 2023; Mezza et al., 2020).

Bennett et al. (2021) found that loan-reduction initiatives and targeted financial aid programs can reshape student borrowing behaviors and improve access for marginalized populations. When public-private partnerships are designed with equity

in mind, such as by incentivizing companies to support students from disadvantaged backgrounds, they can reduce systemic barriers to higher education and promote more inclusive economic mobility. This supports the equity criterion by ensuring that higher-income or already advantaged groups do not disproportionately access the benefits of such partnerships.

Tran et al. (2017) show that students who received employer-sponsored educational assistance had better retention and degree attainment outcomes than comparable students who did not. While the majority of students did not receive such benefits, those who did experienced positive long-term academic outcomes, suggesting that these programs can contribute to reduced reliance on loans and improved completion rates. Together, these initiatives point toward a more equitable model of higher education financing, one that reduces reliance on debt and expands opportunity across socioeconomic lines.

CONCLUSION

This study highlights the lived experiences of borrowers within the U.S. student loan system and the structural, emotional, and financial consequences they face. Using thematic analysis of borrower narratives, five headline themes emerged that illustrate the persistence of debt beyond financial metrics, showing its impacts on mental health, retirement finances, institutional trust, and the pursuit of life milestones. The findings align with prior scholarship on financial literacy and borrowing behaviors, demonstrating that debt is not solely the result of individual decisions and impacts more than the borrower's life in numerous aspects.

Financial literacy programs can help students make educated decisions, but they are insufficient to address the student loan crisis on their own. The persistence of debt is a reflection of structural problems with higher education financing, such as the difficulty of repayment plans and the scarcity of borrowing options. Therefore, systemic changes that lessen reliance on loans and guarantee equitable access to higher education must be combined with initiatives to increase financial literacy.

As the findings demonstrate, many borrowers understood many of the risks. Still, the lack of other viable alternatives to attend college, inequitable access to aid, and predatory practices by institutions led them to acquire debt. While improving financial knowledge is necessary, it must be coupled with broader reforms to address systemic issues in lending, higher education costs, and student loan forgiveness programs. In conclusion, reducing student debt and its consequences requires a multi-level approach: expanding equitable financial literacy programs, investing in targeted loan-reduction and forgiveness initiatives, and fostering institutional accountability to rebuild trust.

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Pause and Effect: Examining the Dynamics of the Student Loan Pause and the Challenge of Resuming Payments for Public Service Loan Forgiveness Borrowers

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ABSTRACT

This qualitative inquiry delves into the experiences and sense-making of borrowers enrolled in the Public Service Loan Forgiveness (PSLF) program, focusing on the impact of the student loan debt pause (The Pause) and the looming resumption of repayments. Through semi-structured interviews with 104 borrowers conducted between July and September 2023, the study reveals that The Pause alleviated borrowers' mental distress, enabling them to bolster savings, reduce other debts, and reconsider familial planning. However, the return to loan payments heightened mental distress, leading borrowers to contemplate strategies such as cost-cutting,

drawing down savings, and seeking additional income through secondary employment. The implications underscore the substantial benefits of The Pause for PSLF borrowers, highlighting its role in providing immediate financial relief and facilitating more secure longer-term financial planning. Conversely, the prospect of resuming repayments presents multifaceted challenges, both financial and psychological, necessitating nuanced policy considerations.

Keywords: Public Service Loan Forgiveness, student loan pause, subjective well-being, student loan repayment, savings and debt

In March 2020, in response to the COVID-19 pandemic, student loan repayments were paused to mitigate potential economic fallout. The pause, extended multiple times due to uncertainty and political motives, led to increased savings and higher credit scores for borrowers (Ghoshal-Datta et al., 2022). However, research on this topic remains limited, including qualitative inquiries into borrowers' experiences. Starting October 2023, the pause was lifted by a deal between Congress and President Biden, necessitating borrowers to adjust to resumed repayments (Ellis et al., 2023). This qualitative study focuses on borrowers in Public Service Loan Forgiveness (PSLF) and explores the impact of the pause guided by two main questions:

1. What did the student loan debt pause mean to borrowers in the PSLF program?
2. How were borrowers in PSLF preparing to resume payments?

LITERATURE REVIEW

Public Service Loan Forgiveness

PSLF was a bi-partisan effort, created by the College Cost Reduction and Access Act (CCRAA; 2007), to help encourage more college-educated individuals choosing public-service careers. PSLF seemed a simple design: borrowers with Direct Loans may work for a U.S. federal, state, local, or tribal government or for a tax-exempt 501(c)(3) non-profit institution and make 120 (10 years) qualifying payments while enrolled in an income-driven repayment plan (Federal Student Aid, 2023b). Borrowers must work full-time (or work at least 30 hours between two qualifying entities).

Noting unintended barriers and historical mistakes disadvantaging borrowers, in 2018 the U.S. Department of Education created the Temporary Expanded Public Service Loan Forgiveness (TEPSLF) where borrowers who previously were ineligible for repayment plans may have their repayments counted towards forgiveness (United States Government Accountability Office, 2019). In 2021, borrowers with FFEL or Perkins loans could consolidate into the Direct loan product and have these debts forgiven through PSLF (Federal Student Aid, 2023b). The Biden administration furthered TEPSLF measures partly because prior to the revisions, 97.3% of PSLF borrowers who applied for forgiveness were rejected. Illustrating how

poorly the PSLF worked before TEPSLF reforms, in June 2018, just 96 (0.34%) of 28,081 unique borrowers who submitted applications had their loans discharged – to a value of \$5.52 million (\$57,500 per borrower). As of June 2023, cumulatively 670,260 borrowers (32%) of over 2.06 million borrowers with eligible employment had their loan debt discharged via PSLF or TEPSLF – at an average of \$70,000 per borrower and a total of \$47 billion (Federal Student Aid, 2023c).

The PSLF program draws considerable attention from policymakers and pundits – generally due to the comparatively short (vs. Income Driven Repayment programs) 10-year timeframe to forgiveness, who is likely to receive the benefits, and the predicted cost to the government over time (see Akers & Chingos, 2014; Delisle, 2016). For some, the costs to the government are concerning; resonating with policymakers because it supposes that people who are “well off” are the primary beneficiaries of forgiveness (see Delisle, 2016). One issue that draws attention is that graduate programs have used PSLF as a mechanism to bolster enrollment. Although studies have yet to capture a profile of who the “average” borrower in PSLF may be, narratives and work often focus on borrowers from law or medical school (Dabaja & Macki, 2018; Edwards-Johnson et al., 2018).

What researchers and policymakers are missing in conversations surrounding PSLF is a better understanding of what the lives of borrowers in PSLF “look like” – a similar gap has been highlighted in Income Driven Repayment (IDR) programs (Collier, 2020; Collier et al., 2021). Stunningly, the field and policymakers know very little about borrowers’ finances, demographics, and in general their lives. Hillman and Bruecker (2019) suggest these gaps remain understudied because either the data do not exist, or they are extremely hard or expensive to access. Recent iterations of the Survey of Consumer Finances have allowed Collier (2020) and Collier et al. (2021) the opportunity to expand the conversation – still, those data are limited. One way we can start to better understand what borrowers in PSLF lives’ “look like” is through qualitative inquiry.

Student Loan Repayment Pause and Resumption of Payments

The student loan debt pause (The Pause) was enacted early in the COVID-19 pandemic as part of a sweeping response by the Trump Administration to the predicted economic shocks. The Pause was enacted on March 13, 2020, and remained in effect through September 1, 2023 (42 months). The terms were relatively simple: borrowers with most federal student loans (e.g., direct, FFEL, and non-defaulted Perkins loans) were not required to pay their monthly repayments and the loan interest rates were reduced to 0%. Additionally, for borrowers in an IDR program or PSLF each month The Pause was active counted as a qualified payment (Federal Student Aid, 2023a).

The effects of The Pause are not yet well understood. However, studies have been gradually emerging as this event offers intriguing analyses regarding the impact of removing student loan debt repayment for millions of Americans. Recent work

suggested The Pause reduced borrowers' monthly total debt obligations by one-third and, unsurprisingly, dropped the delinquency rate to effectively zero percent. Moreover, The Pause was related to an increase in borrowers' credit scores from 640 in January 2020 to 668 (28 points) in December 2021 (Ghoshal-Datta et al., 2022), suggesting that on average borrowers could be paying less for other expenses such as durable goods as they would be considered less risky (Barroso & Schwahn, 2023) and receive better loan rates.

Dinerstein et al. (2023) reported similar trends: delinquencies for student loans dramatically dropped and credit scores increased by 28 points. Most gains were for borrowers who had experienced delinquencies in the past, again supporting Ghoshal-Datta et al. (2022). Additionally, the authors found an increase in consumer consumption soon after The Pause was enacted and an increase in debt load – which could signal that borrowers felt the increased security to take on debt for durable goods (e.g., a house or vehicle).

The impact of The Pause on financial behaviors differs between borrowers who have never experienced delinquency and those who have, revealing divergent pathways. Non-delinquent borrowers showed increases in other debt-related balances, while delinquent borrowers experienced decreases – for instance, non-delinquent borrowers saw increased mortgage balances of \$917, whereas formerly delinquent borrowers saw a decrease of \$120. The authors suggest that The Pause primarily benefited those in good financial standing, but other outcomes highlight benefits for those in precarious positions, including increased credit scores and the opportunity to pay down existing debts (Dinerstein et al., 2023). Thus, the benefits of The Pause were unequal, with some borrowers able to assume more debt while others focused on improving their overall financial health. Debates on student loan cancellation plans continue to revolve around the types of benefits valued and their implications for policy design (Abraham et al., 2022; Catherine & Yannelis, 2020; Perry et al., 2021).

Furthermore, Goss et al. (2023) estimated observable declines from pre- to post-Pause in borrowers entering auto loan delinquency and credit card delinquency – especially notable were the immediate declines for borrowers who would have been eligible for the Biden Administration's original student loan cancellation plan. As time progressed by the end of 2022, delinquency rates similar to pre-Pause trends returned. The authors attributed the bounce-back in delinquency rates, despite not having to repay student loans, to economic stress related to increased inflation at the time. Although the United States has been on track to experience a "soft landing" relative to inflation (Picchi, 2023) – throughout 2021 and 2022 inflation saw steady 12-month percentage increases with June 2022 experiencing a staggering 9.1% increase (United States Bureau of Labor Statistics, 2023). The combination of first increased inflation then effective federal interest rates would result in general economic distress and are fair factors to help explain delinquency bounce-backs – while suggesting The Pause itself was extremely beneficial to borrowers.

As September and October approached, monthly payments to the Department of Education increased as borrowers sought to get ahead on payments. Some borrowers made large lump sum payments from savings (Monarrez et al., 2023), which they had

accumulated by saving portions of the money intended for student loan repayments during The Pause (Akana & Ritter, 2022). Monarrez et al. (2023) also examined how borrowers planned to manage repayment, distinguishing between those intending to make full payments and those expecting to make only partial payments. Cutting discretionary spending was the primary response for both groups, followed by borrowing from other sources. However, strategies diverged, with those expecting to make full payments prioritizing finding additional income, while those planning partial payments prioritized cutting essential spending. This study offers insights into borrower strategies for dealing with repayment, providing a foundation for further qualitative inquiry.

GUIDING FRAMING

Our research is guided by the Tay et al. (2017) framework - which suggests that objective debt (mortgage, credit cards, and student loan debt) affects subjective burden (perceived financial distress) and with other factors like familial security affects subjective well-being (SWB) – such as psychological distress or satisfaction with life. The model has illustrated that student loan debt has unique effects on SWB which has been validated in other studies (Collier & Fitzpatrick, 2022; Fan & Ryu, 2023; Kim & Chatterjee, 2019). Given these unique relationships, pausing repayments would likely lead to different SWB outcomes, while resuming payments could increase distress. Our study explores how borrowers perceive dimensions of SWB in relation to both policies, contributing to future policy discussions beyond traditional considerations of deservedness and financial benefits (Collier et al., 2021; 2022; Shireman, 2017).

Beyond Tay et al. (2017), findings provided by Akana and Ritter (2022) and Monarrez et al. (2023) also informed our work. From Akana and Ritter (2022) we understood that during The Pause borrowers were using money that would have otherwise gone to monthly student loan payments to pay down other debts or to build savings – which aligns with Dinerstein et al. (2023) and Goss et al. (2023). Monarrez et al. (2023) show that to absorb the shock of repayments resuming borrowers are likely to cut discretionary spending, borrow money, and find additional income opportunities. In both cases, we build on these quantitative findings by learning about what the concepts and behaviors mean to borrowers – and thereby add nuance to the conversation.

METHODOLOGY

Sample

This study is part of a wider mixed methods agenda focused on borrowers in PSLF. From August 2022 through July 2023, participants were invited to engage in a survey

Table 1: Sample Demographics

		<i>N</i>	Percent			<i>N</i>	Percent
Race				Self-Income			
	African American/Black	23	22%		Under \$35,000	3	3%
	American Indian/Alaskan Native	2	2%		\$35,000-\$44,999	6	6%
	Hispanic/Latinx	4	4%		\$45,000-\$54,999	12	12%
	Two or More Races	5	5%		\$55,000-\$64,999	16	15%
Gender	White	70	67%	Highest Degree	\$65,000-\$74,999	15	14%
					\$75,000-\$84,999	12	12%
	Female	72	69%		\$85,000-\$99,999	16	15%
	Male	29	28%		\$100,000+	24	23%
	Non-Binary/Third Gender	3	3%				
Married				Highest Degree	Bachelor's	13	13%
	No	51	49%		Master's	54	52%
	Yes	53	51%		MBA	1	1%
Have Children					Law (J.D.)	11	11%
	No	66	63%		Ph.D/Ed.D.	24	23%
	Yes	38	37%		Medical (M.D.)	1	1%
Org Work For				Remaining Payments ¹			
	College or University	17	16%		Forgiven	20	19%

¹ Remaining payments determined at the time borrowers engaged in the survey, not at the time of the interview.

Higher Education Politics & Economics

K-12 School	4	4%	Waiting on Forgiveness	13	13%
Federal Government	7	7%	1-12 Payments	11	11%
State Government	6	6%	13-24 Payments	11	11%
Local Government	16	15%	25-36 Payments	9	9%
Other 501c3 Org	38	37%	37-48 Payments	3	3%
Missing	16	15%	49-60 Payments	8	8%
			61+ Payments	27	26%
	Avg	Median	Missing	2	2%
Age (Years Old)	41	40	Federal Loan Debt Balance		
			\$0 - Forgiven	20	19%
			Under \$20,000	3	3%
			\$20,000 - \$49,999	11	11%
			\$50,000 - \$79,999	26	25%
			\$80,000 - \$99,999	8	8%
			\$100,000+	36	35%

Note: Percentages may not total 100 due to rounding.

which asked if individuals were interested in being interviewed. Of $N = 2,307$ survey responses $n = 1,586$ borrowers (69%) were open to interviews. We randomized willing participants. However, African American/Black ($n = 189$) borrowers and those who were Waiting on a Forgiveness Decision (WOFD; $n = 57$) were all contacted as they were part of another focus. From July 2023 through September 2023, we contacted $n = 692$ (44%) individuals willing to be interviewed – and completed $N = 104$ interviews. We also used pseudonyms, chosen by participants. Given our larger sample size, we provide aggregate demographic details akin to quantitative studies. We do not intend to be dehumanizing. To the contrary, we focused on the unique stories and perspectives of our respondents; but a detailed table of over 100 participants is too long to include. Table 1 details the sample demographic characteristics.

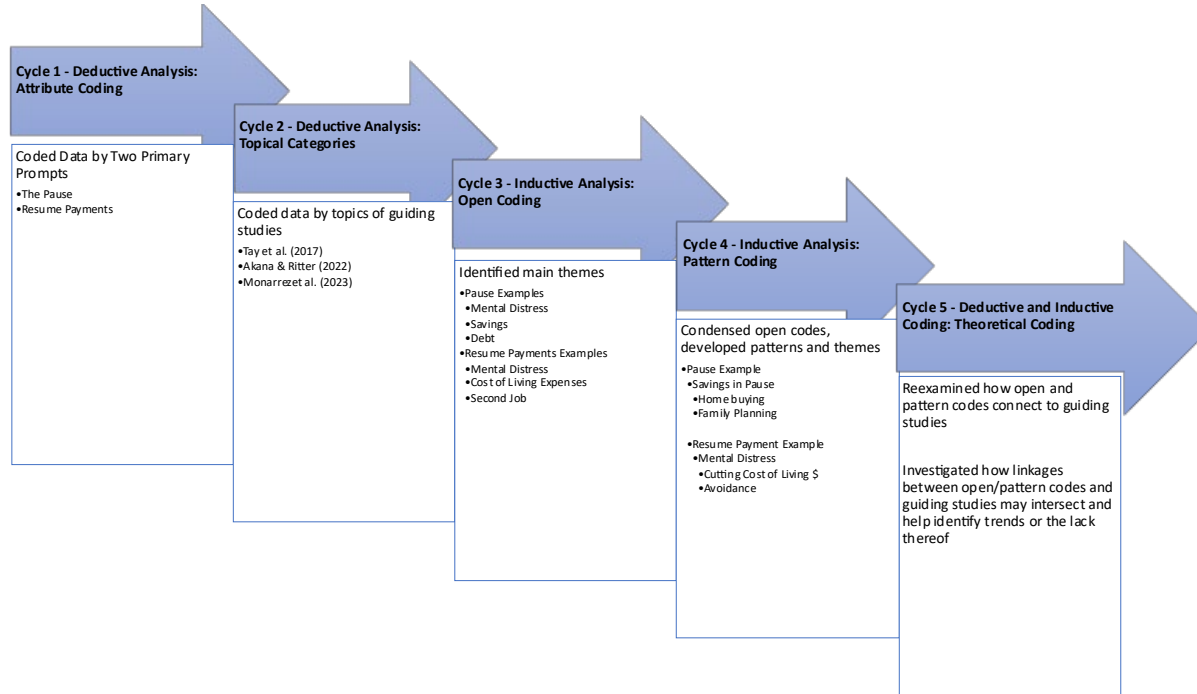
Interview Protocol

Interviews were conducted by five members of the research team. We used semi-structured interviews – so that all participants had baseline questions, but the interviewers had flexibility to probe deeper into topics or responses (Creswell & Creswell, 2022). The interviews lasted about 45 minutes. The interview protocol asked participants 12 questions or prompts on topics ranging from individual educational experiences, their understanding of student loan debt, and experiences with servicers, to elements of subjective well-being. Explicit to this paper, the following set of questions and prompts were asked:

1. Please tell us how the student loan debt pause has affected your
 - a. Finances and financial behaviors
 - b. Mental health and life satisfaction
2. Soon the repayment pause is set to end – how do you expect that having to resume payments will affect your life within the next 12 months?
 - a. How are you preparing to resume payments?
 - b. How has the end of the pause affected your mental health and life satisfaction?

These questions were formulated in response to emerging research on The Pause, which has demonstrated several positive effects (Akana & Ritter, 2022). However, there has been a notable absence of qualitative input from borrowers. The questions are also rooted in our guiding framework, as economic changes and disruptions are likely to influence how individuals perceive their SWB (Tay et al., 2017).

Figure 1: Coding Schema Inspired by Bingham and Witkowski (2021)



Coding

The coding process primarily took place in Dedoose software. Following each interview, a VVT transcript file was generated. Once these files were cleaned, they were uploaded into Dedoose. Our coding approach generally adhered to the methodology outlined by Bingham and Witkowsky (2021), involving multiple rounds of deductive and inductive coding (see Figure 1). The initial two cycles used deductive coding. In the first cycle, responses to interview questions, particularly regarding The Pause and resuming payments, were coded. In the second cycle, we categorized responses based upon our guiding studies. For example, discussions on mental distress we coded with Tay et al. (2017); sometimes responses were coded with multiple studies suggesting intersectionality. This approach, as inspired by Bingham and Witkowsky (2021), helped us maintain focus on the research questions and theoretical/practical contributions. These cycles provided a strong organizational framework, but further analysis aimed to delve deeper into the data and progress into meaning-making.

The third and fourth cycles involved inductive coding, where comments previously coded under specific themes were further analyzed to develop narrower codes. For instance, we examined comments related to resuming payments and initially coded under Tay et al. (2017) for instances of borrowers discussing mental distress. We then created additional codes under this theme to explain the underlying reasons for the distress, such as concerns about cutting costs related to their children, intersecting with Monarrez et al. (2023). This process was described by Bingham and Witkowsky (2021) as breaking down wider themes into smaller constructs or themes (Saldaña, 2016) helped refine the analysis. We provide examples of constructs in our findings section.

Finally, we initiated a fifth cycle where we revisited responses and reviewed the codes established in the preceding cycles, adjusting as needed. Our objective was to further pinpoint trends or commonalities among responses, codes, and relevant literature. While we successfully identified trends in some cases, in others, we acknowledged challenges in discerning broader patterns. This difficulty arises from the diverse financial and familial contexts of participants, as noted by Collier (2020). This final cycle played a crucial role in determining which data to include, understanding how participants interpreted their situations, and shaping both the findings and discussion sections. It also facilitated connections between our findings, guiding studies, and additional research. See Figure 1 for visualization of the coding schema.

The quotes presented have been cleaned up and are not completely verbatim. We understand there remains ongoing debate over the appropriateness and preferability of editing participant quotes (Eldh et al., 2020; Thorne, 2020). However, we opted to clean up or trim quotes for clarity (removal of verbal spacers such as “like” and “you know,” but also eliding subclauses), to create space for including more participants’ voices, to adhere to journal word counts, and especially at the insistence of the

participants who engaged in member checking – who suggested that doing so would enhance readability and understanding without changing the meaning of responses.

Credibility

We conducted two rounds of member checks. Initially, we randomized the sample and then reached out to 25 participants via email. We invited them to review the findings and discussion section, seeking their feedback on whether it resonated with their experiences and beliefs, and if they had suggestions for improvement. Participants were informed that their quotes might or might not be included. We intended to gather insights on the strengths and weaknesses of the section from those with expertise in their own experiences, as they play a vital role in ensuring the accuracy of the findings and framing of the discussion (McKim, 2023). After one week, six participants provided their feedback with the consensus aligning with the narrative presented – for example:

I think the report looks great. I like the way it has been broken down into the relief provided by the pause followed by the adverse effects of resuming payments – Adrian

I think the findings capture how I felt during the interview and how I continue to feel. Payments have resumed since then and as expected, mental health has deteriorated. As an example, my blood pressure has increased to the point that my doctor has been working with me to reduce stress. – Nathaniel

There were some critiques which we applied accordingly, such as cleaning up quotes. Additionally, Gabriel requested a clarifying footnote. After modifying the findings and discussion – we sent the updated section to the remaining participants who had not responded. Three more individuals responded and generally agreed with the narrative. Given participants' responses during validation, we are confident that our findings and discussion represent participants' experiences, beliefs, and personal expertise.

FINDINGS AND DISCUSSION

Borrowers shared that The Pause eased mental distress, allowed them to accumulate savings or pay down debt, and move forward their family plans. Regarding plans to resume payments, respondents revealed increased stress, plans to cut spending – sometimes from luxuries, sometimes from necessities.

Student Loan Debt Pause

Eased Mental Distress

Throughout the interviews, a recurring theme was that the pause on student loan debt alleviated mental distress. Consistent with Tay et al.'s (2017) theoretical framework, respondents mentioned distress related to savings and other financial obligations,

such as the inability to save before the pause or having high credit card debt. However, the unique stress caused by student loan debt seemed to dissipate during The Pause. Yet, disentangling these stressors is challenging because The Pause also enabled individuals to save more and reduce existing debt burdens.

Most participants discussed how The Pause provided mental relief from the normality of repaying:

Oh, my God! It's huge! And I'm really worried about it [payments] starting up again frankly. I mean it is kind of looming having this debt with no way out and a total inability to just get ahead of this debt. Being indebted like that, you just can't get your arms around it. It has just been like a real weight off me, like if there's a real psychic gravity to that kind of debt. – Sharon Sharon

It's a little bit of peace of mind. However, in the back of my mind, I'm know, I'm gonna have to pay this back at some point, the clock is ticking. – E. Money

So, it is not having that stress having to budget this \$600 a month to pay. I have car payments and then, just with the way rental prices are increasing - and its food costs. So, it's a lot of pressures that that make it challenging that really creates a financial burden. – Neville

Oh, my gosh! I think it was a huge burden off, knowing that that all the interest was no longer accruing like that. I've been paying them for so long and like, why are they not paid off. My husband also has student loans, combined it's overwhelming to think about never being able to get out from under that de[bt].

– Nomi

Yeah, it's been a game changer. I have developed a stress response where I've I became grinding my teeth to the point that I have now gaps between my teeth and my gums, and I would have nightmares about student loan payments. – Sam

The pause has been a literal lifesaver. I can go to work again and I felt like I was like a normal person for a little while. – Eric

This finding is consistent with theory and expectation. As loan debt/repayment are often tied to borrowers' ability save and engage in other financial behaviors (see Collier et al., 2021, 2022) and typically student loans cannot be discharged via other means like bankruptcy (Foohey et al., 2021) – we would expect to see that a policy removing this monthly burden would be related to eased mental distress (Tay et al., 2017).

However, relief was beginning to waver as The Pause was sunseting soon after we conducted interviews. Remember, we conducted interviews after the Biden Administration announced that payments would resume so borrowers were keenly aware that The Pause was near the end. Some examples of The Pause's tapering effects on mental distress were evident in quotes from Poet, Sharon Sharon, and E. Money. However, more shared this sentiment:

I live in constant fear that I'm not able to gain satisfaction because it's a pause and not a stop. It's coming back. You're asking me now, as I know that the pause is about to end; I can't speak to how I felt over the past couple of years. Right now, it gives me anxiety, knowing that we have to start paying again. – Nathaniel

Well, I don't have somebody trying to pound the door down for money that I don't have to give, but it's like a double-edged sword. I am grateful because I don't have to say, "I don't even have something you could take from me." But on the other hand, it's looming debt. I know it's there and will be there forever. – Nico Robin

These quotes highlight the significance of timing in this research. Nathaniel suggested that if we had interviewed people earlier during The Pause, we might have captured a different perspective on how the policy alleviated borrowers' mental distress. Yet, our timing allowed us to report on how borrowers interpreted The Pause in the transitional period as borrowers prepare for repayment. Again, it is unsurprising to capture anxiety related to returning to repayments as for over three years borrowers have constructed lives without having to repay these debts and so for many a return to repayment marks a dramatic shift in financial and social behaviors they have grown accustomed to (see Tay et al., 2017). Later, we highlight how repayment may modify these behaviors.

The Pause Helped Create or Bolster Savings and Pay Down Debts

The Pause was helpful to borrowers in either starting or bolstering various types of savings – as is generally aligned with Dinerstein et al. (2023). Here, a few borrowers talked about being able to save for the first time:

It was the first time that I could breathe a little bit and save money. This is what it's like to have extra money each month. I had really been living not paycheck to paycheck. – Carrie C.

Oh, gosh! It was amazing! Oh, it was so great! I for the first time was able to save money. I think my payments at the time were like \$560 a month. Previously, if I needed to pay for an emergency, I would have had to use a credit card which has super high interest or ask for a loan. So, it was the peace of mind of knowing that I could save money for a rainy day or for an emergency. – Miranda

Other borrowers could increase their monthly savings because of The Pause:

It has [The Pause being helpful]. I was barely putting any money towards savings. I just couldn't [save] with my loans. They were so expensive. – Adrian
It helped my family's sense of our financial security, knowing that we would be able to put an extra couple 100 bucks into savings. – Emily

Right before the COVID pause, I was paying about \$550 a month on my loans, that was the minimum amount I could pay and a great deal of my disposable income. In a weird way, when COVID happened I finally got kind of ahead financially. – Kevin

It's the difference between living paycheck by paycheck or being able to put a little bit of money as aside and savings and being able to just take a breath. – Clarence Thomas²

These stories align with wider quantitative trends revealing that abating student loan repayments allowed borrowers to start or bolster savings (Akana & Ritter, 2022). These outcomes also reinforce prior work suggesting that directly providing people money and the discretion to spend it often leads to spending/allocation in areas that would gain social and tax-payer approval (see Gennetian et al., 2021; Rojas et al., 2020).

Beyond general savings, some put more money into retirement accounts – including borrowers who are a bit older as was the case for Golda:

Oh, it's been probably the biggest blessing for our family. My student loan payment on income-driven was like a car payment, maybe a small mortgage. I was able to put more into my 401(k). – Nikki W.

Well, I used the money to save for retirement and emergency expenses like natural disasters - like earthquakes. We are prone to earthquakes here - and vehicle repairs. – Atticus

I am going to be 60 this summer, I was able to realistically start a retirement savings plan. I had something from my employer, but I will have enough extra money at the end of the month that I can actually start savings, that I should have started 30, 40 years ago. – Golda.

These stories show that borrowers must make long-term tradeoffs when repaying student loan debt – which likely will result in additional late-career and end-of-life issues that both individuals and the U.S. widely will have to confront (see Dettling et al., 2022). Prior work has made connections between student loan debt and borrowers' ability to save for retirement (Butrica & Karamcheva, 2020)³ and recent surveying suggests that the resumption of payments will force borrowers aged 45+ to adjust their retirement contributions and targets (Nationwide, 2023). The average age of our sample is 41 years old, meaning many will have to adjust retirement savings, which we intend to follow up on in the future.

Some borrowers also used savings engaged during The Pause to buy homes (see also Ghoshal-Datta et al., 2022):

During the pause a lot of those payments, I ended up just putting into savings and that's what we use to just buy our first home. – George Raymond

My husband and I bought a house. We were paying somewhere... depending on the year and my income and his income, between \$500 to \$700 a month, all in between grad school and undergrad repayments. – Kat

² Just a reminder, participants chose their pseudonyms, so this is not the Supreme Court Justice Clarence Thomas.

³ To be fair to this debate the links between student loan debt and retirement savings or behaviors are not settled, and we do not want to make it seem that way – Dettling et al. (2022) shows borrowers are not too far from non-borrowers regarding retirement savings later in career.

I definitely put money in the bank [during The Pause]... I think I was good about saving it during the pause. [Forgiveness] It's like night and day... I am a homeowner now. – Gabriel⁴

Oh, the pause, it was tremendous! It took us a lot of stress off, because at the time that the pause was happening, I was also a house hunting. – Ms. J

Borrowers stated that because of The Pause they were able to save money to buy durable goods. However, there may have been other factors that helped these decisions. For example, for people in PSLF (or IDR), remaining qualifying payments decreased each month – so each month during The Pause was essentially a government grant towards forgiveness. Additionally, starting in March 2020, 30-year fixed rate mortgage rates generally decreased hitting historical lows throughout 2021 (Federal Reserve Bank of St. Louis, 2023). We did not ask borrowers when they bought houses during The Pause, but a combination of these parameters and other factors not mentioned were also likely helpful in allowing participants the financial safety and confidence to buy houses during this timeframe – which is hard to isolate.

The ability to accrue savings related to borrowers feeling financial safety which translated to eased mental distress – and in some few extreme cases helped borrowers ease food/housing insecurity, like with Mary:

The last way that it's helped is just like plain old financial security. Just knowing that I have a cushion just that reduces like food insecurity and housing insecurity.

I feel like I can contribute to my family, I can get them things they need. – Mary

Mary was not alone in this sentiment as some borrowers used the phrase “space to breathe” or “breathing room” to convey what an increased ability to save meant to them. For example, Kay said, “I can go from hyperventilation to okay, maybe some normal breathing”, Sarah, “We could breathe, I was really happy that first year [of the pause]”, and as presented above, Clarence Thomas’ statements.

By pausing payments, the government provided borrowers with a better opportunity to save money (emergency, retirement, or otherwise), thus alleviating mental distress. Prior research indicates that undiagnosed mental disorders, including general mental distress as measured in our survey (see Kessler et al., 2003), are associated with approximately \$10,000 per person in direct economic burden (e.g., homeless shelters) and indirect costs (e.g., premature mortality, intentional death or suicide, and/or productivity loss via absenteeism; Taylor et al., 2023). Although these direct costs were not an “average” concern for the sample, some borrowers were either previously (Alberta) or currently homeless (Aurora and Nico Robin). However, our work draws obvious linkages to various indirect costs such as suicidal ideation

⁴ During member-checks Gabriel clarified his commentary and said, “I did not know at the time though that the future opportunities I would put my savings toward would be a break from work or homeownership. Those milestones only came to pass after I had decidedly reached that 120-payment threshold. So, the loan forgiveness was the impetus for both, however there's no question that the pause helped provide the means for both.”

(Collier & Fitzpatrick, 2022) and this work with work-related productivity. Eric's previous quote about the challenges of going to work and appearing "normal" underscores this point. Such outcomes should be quantified in future studies and considered in future ROI assessments for student loan modifications or forgiveness.

Family Planning and Assistance. Next, borrowers believed that The Pause was helpful for family planning. To our knowledge, the connection between The Pause and aspects of family planning has not been published on yet. Prior research has shown that having student loan debt is related to not having children, having children later in life, or having fewer children (see Min & Taylor, 2018; Nau et al., 2015; Velez et al., 2019). Multiple participants said The Pause provided enough financial security to have either their first or another child:

We wouldn't have been able to probably make ends meet without it [The Pause]. It was food, it was rent - particularly with COVID and a pregnancy. I couldn't maintain the same level of work consistently all the time. My contract work is variable, so our income was variable. – Marie A.

I'm strict about budgeting. I've gotten used to not having that \$600 each month. It quickly got taken over by other things like another baby. There's been just a lot of other new expenses that have come up within that interim, and my husband also lost his job due the pandemic at the very beginning and hasn't since really found a new job. – Aurora

Hugely, I have 3 kids. So that was a big factor in being able to afford having another child. When they [loans] were paused - we knew they'd eventually return, but they have been paused for so long that you get used to not having that bill every month. We were able to have another child and pay for 2 in daycare. – Nomi

We had a second kid during the pandemic. We don't have like gobs with money. So, it was like it was extremely helpful. – Sophia

Like with Nomi, other borrowers signaled that the pause helped ease financial burdens related to raising children.

I was on income-based repayment, the loan payments were never like huge, but I have 3 kids, and we have trying to live on one income. I'm a teacher, it's not a huge income so we've been managing with a little bit. The little bit of extra not having to pay those payments has made it a lot more relaxed. – Alberta

My partner and I work in higher education, we make fine money. But it's not great money. My kids are growing and keep getting bigger and more expensive.

I'm really worried about payment starting back up again. – Kelly Bundy

Overall, the research surrounding how student loan debt may affect family planning is nuanced (see Nau et al., 2015). Here, some borrowers here have indicated that The Pause has helped guide decisions to have either their first or additional children, mostly because borrowers felt more financially stable. Given there are concerns over long-standing declines in fertility and birth rates in the U.S. (Kearney & Wellesley, 2023; Morse, 2022) – including diminished childbearing by college educated women

(Kearney et al., 2022)⁵ – policies that cancel student loan debt may help moderate these fertility trends. Soon we intend to examine how secure these families feel after repayments resumed.

Plans to Resume Payments

Increased Mental Distress

We explored the experiences of borrowers as they were preparing to resume payments. As a reminder, we interviewed borrowers from July through September 2023 – and borrowers understood the student loan payment pause was set to expire at the end of September. Some earlier quotations illustrate how borrowers noted how they were distressed over the resumption of payments. When we specifically asked the question *What are you doing to prepare for repayments* more borrowers explicitly highlighted increased distress regarding the approaching deadline:

It's not good. It's anxiety inducing, it's embarrassing to have this out there, which is weird. I feel shame about it. It's also just like the effect on like my material ability to take care of myself, pay all my bills, and all that. – Sharon Sharon

Well, it's gonna be shit. It's fucking \$300 that I don't have any more. It's a \$300 pay cut monthly, and that's on the PAYE program, the cheapest program. I have that poor person's mindset. I get very upset about it, when I think about what we owe, I get pits in my stomach. – Nathaniel

It gives me anxiety every time I see anything in my email box about student loans. And I know I've gotten some emails from MOHELA. I need to log in and look at it. My trust in all of this is low, and I feel like I need to check and make sure if I need to apply. Thinking about it is overwhelming and anxiety-producing. – Marie A.

It's totally stressful, it gives me a lot of anxiety. I'm a pretty financially anxious person and feel like that's where I derive both comfort and insecurity are my financial stability. – Cecilia

I've already signed up for the new SAVE program. Those monthly payments are too much. I think I think there's this understanding that there's discretionary things that people can cut from. I don't know where to cut from - it's gonna probably come out of a combination of our food budget and or something else I might even have to take on debt some months when months are harder. I'm feeling the despair that I used to feel kind of creep back you know what my options are. I could die, that's the option, but that's not really an option. I feel a lot of despair, trapped, and depressed. I feel anxious all the time I have nightmares about this I wake up with my heart racing sometimes as it's getting closer. – Julie B.

⁵ For additional nuance, White college-educated women seem be strong drivers of fertility declines.

Most borrowers, but not all, who responded to this question suggested that changing the financially related behaviors they have engaged in for over three years was producing substantially increased mental distress. Such distress would generally be expected because of the financial insecurity has been (re)interjected into many of these borrowers' lives (Tay et al., 2017) – distress which, again, has measurable economic and productivity-related costs (Taylor et al., 2023).

Julie B.'s experiences are on the more extreme end of the spectrum, but we believe the quotes above illustrate the general distress that resuming payments levied on borrowers. However, there were some like Henry who felt that resuming payments would induce a marginal increase in stress, "It'll just make things a little bit tighter, just be a bit more careful with the money, it'll be a little bit more stress. Raise the stress level marginally." Henry's response is on the other end of the spectrum and not what we deem to be the "normal" experience for these borrowers.

Cutting Spending

When we asked how borrowers were adapting to resuming payments, the most common answer was adjusting budgets or cutting costs – which aligns with Monarrez et al. (2023). Although a common response - during the final cycles of our coding, we were unable to identify strong trends in "what" borrowers were thinking about cutting from their expenses and lives. As the quotes below illustrate, borrowers had different priorities based on their familial situations, money available, and personal priorities. Some cited having to cut out selected basic needs (see also Julie B. above):

I cannot afford that [repayments] right now. I might have to get a second job. I just redid my budget. Gas prices went up, housing went up, food went up. Food is expensive and a big stressor. I want to pay it back, but I can't afford to pay it back. – Sage

It will significantly impact us. We are struggling financially immensely right now. Our credit was completely trashed during COVID. We [are] going through the process of filing bankruptcy. – Julie S.

Others suggested they would cut spending related to their children:

We have small children. We are broke all the time because of childcare [costs]. They got rid of the child tax credit, we're just gonna have less. We're going to eat into our savings considerably. We don't have any kind of savings that we can do that [for the long-term]. We can't meet our monthly expenses on our current income and so savings is always supplementing, that's going to run out. – Sophia
We will do without certain things. I will have to cut back on buying things for the kids or ordering out dinner for them once a week. Just be cautious of my spending just cutting out other expenses. I mean, if it's gonna be \$900, I don't think I can afford that. – Helen

Cutting costs related to basic needs and child-related expenses is uniquely problematic so we want to make *clear* distinctions between borrowers like Sage and Sophia who are making extremely tough decisions on how to survive when repayments start and those who intend to cut out luxury goods. Again, because of wide variations individuals' financial (wages, domicile costs, other debts) and

familial situations (marriages, number of kids, extended family duties) we are unable to reliably discern who must make these tougher decisions versus those who intend to cut out luxuries as highlighted below. However, we intend to better understand these decisions in the second-year follow-up survey.

Next, some indicated cutting luxuries they grew used to during The Pause such as eating out, traveling, or memberships:

It's gonna be a year of tightening our belt. I should get my forgiveness next summer. We might probably not go on trips the way we were. We're probably not going to buy luxuries. We don't need them. – Dave Freeley

I think it will cut into the amount of travel – vacations that I've been able to go on the last 2 or 3 years. But what I'm more concerned about is if I have any significant costs that arise like vehicle maintenance, if I were to need a new vehicle, or if something comes up where I have an additional large monthly payment that I'm responsible for. That's where I would become anxious and a little bit uncertain. – Kyle

There's a little teeny bit of anxiety. I think we're fortunate enough we can make things work. We have to live possibly a little bit differently - probably less restaurants, travel, and going out. – Sam

What we'll have to do is just really look at our budget and figure out what we can drop- find luxury things that you might not need. All the random extra special services like a million streaming things – Kristy S.

Borrowers intending to reduce perceived luxury spending do not seem to display as much distress as those who must make decisions to cut costs related to basic needs and their children – which should be expected. While distress seems lower, there is not an absence of increased distress. The lingering question we cannot answer is whether the degree of increased distress experienced by borrowers intending to cut luxury goods would represent a marginal increase with limited effects or a more impactful increase that would affect well-being. Assessing that should be a future focus, as knowing the difference could be helpful in modeling mental distress increases and future ROI for student loan policy.

Beyond Cutting Costs

Additional to cutting costs, borrowers cited various ways they plan on adjusting to the expected impacts of resuming payments. One choice was to rely on savings – aligning with data suggesting U.S. adults have been drawing down savings to cover recent fluctuations in living costs (Barbiero & Patki, 2023) and borrowers' intentions to use savings to help repay the debt (Monarrez et al., 2023). For some, drawing down savings related to anxiety:

I've just definitely been trying to keep the balance, the cushion and my checking and savings higher. I get a little concerned or upset every time there's sort of an unexpected expense that I must pay where I must take out of there. I want to

make sure that those levels are high enough that it's not going to impact things too much when I resume payments. – Julie A.

I now actually have savings to fall back on, it's a safety net. It's not going to completely save me in an emergency. But I have something there. – George Costanza

The idea of depleting their savings to adapt to resuming student loan payments appears to significantly heighten financial stress and contribute to their distress, as anticipated (see Tay et al., 2017). However, due to the varying financial and familial circumstances of each borrower, as well as differing comfort levels with the amount of savings, the available data cannot accurately determine why some borrowers felt at ease drawing down their savings and to what extent.

Also aligned with recent work (Monarrez et al., 2023), some borrowers intended to work more, assume a second job, or engage in the gig economy. Remember, all PSLF participants must be working the equivalent of full time already. We remind readers of this parameter because there remains persistent public rhetoric that borrowers are “lazy” or do not work (Watson, 2022).

I am looking at having another job. There have been times throughout my career that I have had second jobs. I've driven for Uber, donated plasma, all the things throughout my entire career trying to make ends meet. And I'm always looking for opportunities for advancement just constantly. – Kristy S.

Getting another job is not off the list. I used to have like a side gig, where I was like buying and selling jewelry online. I would like buy estate jewelry and then resell it. – Sharon Sharon

I work 2 jobs. I work full time, and I also have a part time therapy position, and we've talked about taking on extra clients. Talked about my husband picking up a second job. We've had to cut some spending and negotiating with our both of our positions, so that we can work from home and save on commuting costs. So that has really affected us. – Marie B.

I have one consulting gig that'll bring in extra money. I'm looking at the possibility of a second consulting gig. I find that frustrating - I'm a full-time faculty member, I work full time at UCLA, and this idea that I have to do additional jobs on top of a full time job [is frustrating]. – Poet

There are ways that you can make a little more money at my office as the council first arrangement backup nights. When someone gets like arrested in the middle of the night a lawyer can volunteer to go – get waken up at 3AM and send on a 45 min drive to some court, to sit around and wait for them [arrested person]. If you do that for the week you get paid like 400 bucks. I have been grudgingly taking some of those on. – Nathaniel

Most borrowers that we talked to had career-level positions - for example, Kristy S. is a program manager, Sharon Sharon is a communications manager, and Marie B. a social worker – and Poet and Nathaniel's jobs are obvious from their quotes. We again remind readers about the parameters of PSLF because if these borrowers who must be full-time equivalent workers are feeling the need to assume more work or find a secondary job, then this pressure is likely higher for borrowers say in IDR programs but not in PSLF – given prior vulnerabilities (Collier, 2020; Collier et al.,

2021). It is likely that a fair share of borrowers intends to assume additional paid jobs or “gigs” which are likely to have lingering effects on productivity, mental distress, and familial-based relationships and decisions – each deserve deeper investigation.

Avoidance

Finally, we point out that some borrowers were avoiding thinking about resuming payments. Avoiding repayment was not amongst the most common answers but deserves recognition in this manuscript for future exploration and expansion given that in December of 2023, roughly 40% of borrowers did not make their October payment (Stratford, 2023). Of the sample, we coded five instances of borrowers avoiding repayment. Some were outright ignoring impending repayment:

I'm pretending it's not happening for now. I'll know the impact when payments resume. I also don't know what my payment will be because it's been so many years. I knew what it used to be but due to income changes and we had another kid, I don't know if my payment will go down. – Nomi

I haven't done a whole lot yet probably trying to avoid thinking about it. – Henry
Resume not really [thought about it]. They told me what my amount is. I'm keeping up with my information that I'm receiving but not really doing anything different. I guess, I am apathetic about it. – Sasha

To be fair to these borrowers – we do not know if these borrowers or other participants in our sample missed the October payment intentionally or otherwise. We only know that at the time of the interview, they were not yet planning for repayment. Inferentially, though these borrowers’ prior comments it seems that this event was ramping up distress, they were confused by new options (e.g., SAVE), had limited trust in new servicers, and that they were comfortable testing out the provided “on-ramp”. Each of these are factors that Stratford (2023) reported were aligned with our current knowledge of why some borrowers have missed that October payment.

Limitations

We believe that this study can help researchers, practitioners, and policymakers understand what The Pause meant to borrowers and how borrowers were preparing to resume repayment – with a focus on how these events were related to mental distress. However, we remind readers that we only interviewed borrowers who were in PSLF – which is currently the most generous loan forgiveness program available as debts are forgiven after 120 qualifying payments⁶ - and therefore, outcomes presented here may not all extrapolate to the wider borrower population. We also note that this sample consists of people who mostly have Master’s degrees, who generally have large outstanding federal loan balances, but have higher-than-median

⁶ It is fair to note that this program was not run optimally and caused a lot of distress, both because the government and servicers did not accurately tabulate counts and due to other administrative barriers.

incomes. Acknowledging such, we believe this study has value for the wider population – primarily those in IDR plans sans the PSLF benefit.

Generally, IDR programs exist for those who are unable to make payments based upon the traditional 10-year schedule; often these borrowers have elevated student loan debt and are not quite as financially well-off (Collier, 2020; Collier et al., 2021). As such, we believe that researchers would find similar trends highlighted here with The Pause reducing mental distress, helping more borrowers get ahead by saving or paying down debts, and generally allowing greater engagement in the perceived middle-class expectations of increased financial security. We believe that these elements would be more pervasive in a general IDR sample, because the time to forgiveness is nearly double and due to differing earnings, with more concentrated as median-earnings and below (Collier, 2020). Additionally, our findings align with previous research in the strategies borrowers intend to employ in response to the shock of repayment (Monarrez et al., 2023). Likely, a broader sample of IDR borrowers might uncover that resuming payments was more distressing than our findings suggest.

CONCLUSION

Our study provides a detailed look into the lives of PSLF borrowers as they made sense of what The Pause meant to them and how they were preparing to resume payments. Our work aligns with and expands upon the limited body (of quantitative) work that currently exists. However, because of the variation in individuals' lives (e.g., wages, familial security, and so on) even after interviewing over a hundred borrowers – it remains extremely difficult to pinpoint certain trends, like who feels more comfortable in drawing down savings to assist with student loan repayments. Overall, our findings suggest that The Pause had a variety of unintended positive consequences that could be followed up on in future work – such as with measures of productivity and particularly retirement savings. These borrowers' reflections on the transition from paying, to a reprieve, to a resumption of monthly payments, is not unlike an ABAB research design on the effects of student loan debt itself. Looking across the time periods, and consistent with quantitative evidence carrying student loan debt impedes savings, saving for retirement, purchasing a home, having children, and at-work productivity, while increasing stress, basic needs insecurity, and even suicidal ideation (see Dettling et al., 2022; Fan & Ryu, 2023; Min & Taylor, 2018). The prevalence and magnitude of these differences is important to consider as policy options for altering repayment structures or loan forgiveness are considered.

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“The Relationship I Have With Money”: Student Debtors’ Economic Strategies and Approaches to Money Management

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ABSTRACT

College graduates with student debt face challenges as they manage multiple financial obligations. This paper explores student debtors’ understandings of and relationships to money, including how they think about savings, retirement contributions, and credit card debt. Analysis is based on findings from part of a longitudinal study on student loans: 101 in-depth interviews with 15 participants with loans, first interviewed in 2016 when they were about to graduate college and then almost annually for nearly 8 years. Participants in this study, all college graduates with student debt, varied in their money management strategies. Many tried to avoid credit card debt, aware of its costs, yet succumbed to it out of necessity. For some, student debt obligations appeared to distort their relationship to money in ways that led them to make counterintuitive, disadvantageous decisions. Policy recommendations include relaxing barriers to savings and finding new ways to encourage retirement plan participation among young people.

Keywords: student loan debt, money management, financial strategies, credit cards, savings, retirement, credit card debt puzzle

College graduates with student loan debt face challenges as they seek to manage multiple financial obligations, including student loan repayment. In addition to other regular expenses such as housing, transportation, food, utilities, and health care, those with student debt have the additional financial burden of making loan payments. Managing all these costs requires careful budgeting, stable employment, and affordable expenses. Even for those who navigate this terrain without difficulty,

carrying student debt burdens may complicate their understandings of and relationships to money. Rather than examining student debt's effects on family formation, its impacts on mental distress, or the role of financial literacy and socialization, as other work has typically done, this article focuses on student debtors' understandings of and relationship to money. It focuses on their decisions and opinions about savings, retirement contributions, and other debts such as credit card debt.

LITERATURE REVIEW

Previous literature has examined various impacts of student loans, often focusing on the role of financial socialization in decisions about loans (Curran et al., 2018; Fan & Chatterjee, 2019; Jorgensen et al., 2017; Luhr, 2018; Rea et al., 2019; Robertson-Rose, 2020; Watkins et al., 2024), financial literacy and its impacts on decisions (Kim et al., 2019; Lusardi et al., 2021; Ricaldi et al., 2022), effects on well-being (Bartholomae & Fox, 2021; Curran et al., 2018), debt and psychological distress (Brown et al., 2005; Fiksenbaum et al., 2017; Robb, 2017; Zhang & Kim, 2019), and effects on family formation (Addo, 2014; Kuperberg & Mazelis, 2022). Debt and credit systems tend to exacerbate economic and racial inequality (Charron-Chénier & Seamster, 2021; Seamster & Charron-Chénier, 2017; Wherry & Chakrabarti, 2022). Those with student loans have worse financial well-being (Kim & Lee, 2025; Yao & Xiao, 2023). Racialized patterns of student loan debt contribute to the racial wealth gap (Seamster & Charron-Chénier, 2017).

Heavy debt burdens bring financial risks; even when people have sufficient income to cover debt payments and other expenses, crises can make it impossible for them to service their debt, especially if they lack savings to use in an emergency (Deevy et al., 2021). People who have paid off their student loans are more likely to own a home than those who have not (Letkiewicz & Heckman, 2018). Worry about managing money and debt affects intimate partner relationships (Plyusheva, 2025), and household debt is often the strongest predictor of couple conflicts (Lee et al., 2023). Studies have even found a negative impact on health and health care usage (Kuperberg et al., 2023; Sweet et al., 2013). Amid the body of research on student loan debt and its consequences, comparatively few works have sought to explore student debtors' relationship to money and their approaches to savings, retirement contributions, and other forms of debt like credit card debt.

Debt, Attitudes Towards Debt, and Financial Self-Efficacy

The literature on whether people with debt have greater tolerance for additional debt has produced complicated results. Having high debt as a student is correlated with higher tolerance towards debt (Davies & Lea, 1995), but it is unclear whether the correlation indicates a causal relationship (Boddington & Kemp, 1999). It is possible that tolerant views of debt lead to people taking on more debt, or that having to take on more debt leads people to become more tolerant, or that these develop in tandem (Boddington & Kemp, 1999).

Financial self-efficacy may play an important role in student loan debt's impact on future financial well-being. There is a great deal of research on financial knowledge and literacy, but self-efficacy also supports financial well-being (Brady et al., 2021). Self-efficacy can be defined as "the belief in one's capability to achieve or succeed at a given task" (Lown et al., 2015, p. 491), and financial self-efficacy is the belief in the ability to succeed financially; a study that controlled for age and income found that having financial self-efficacy is associated with greater savings (Lown et al., 2015). Self-efficacy also tends to support repayment of student loan debt (Heckman et al., 2014; Shim et al., 2019).

Debt delinquency—including student loan debt delinquency—increases financial stress, and financial literacy increases this stress (Xiao & Kim, 2022). In other words, understanding one's financial position can add to the stress about being delinquent. Similarly, subjective worry may be even more significant than debt levels in terms of emotional well-being (Loibl et al., 2022; Magwegwe, 2025). Financial stress, particularly regarding their student loan debt amounts, is widespread among students (Magwegwe, 2025). Financial worries can affect well-being, and students with more optimism and a sense of financial self-efficacy have been found to have less stress; student loan debt may negatively affect sense of financial self-efficacy, but those with more self-efficacy may also feel they will have less difficulty in paying off student loans (Heckman et al., 2014). Financial stress as well as attitudes play an important role in future financial decisions (Shim et al., 2019). People's perceptions of their ability to manage money also affect their financial well-being (Farrell et al., 2016; Lown et al., 2015; Montalto et al., 2019). It is also possible that those with difficulty paying off their loans experience decreased senses of self-efficacy.

Higher financial self-efficacy is also linked to lower levels of financial stress among student loan borrowers (Danahy et al., 2024), and good financial literacy *before* taking on student debt is associated with a higher level of financial self-efficacy (Brady et al., 2021). Yet it is important to note that self-efficacy alone isn't sufficient to financially succeed. As Shim et al. (2019) found, perceived difficulty of repayment is directly associated with actual difficulty. Sometimes no degree of positive attitude is sufficient to overcome financial burdens.

Retirement Contributions, Savings, and Student Debt

Most of the literature concerned with understanding the relationship between student debt and savings focuses on the fact that student debt usually correlates with lower savings (Brodmann et al., 2018; Korankye, 2024), and that more lenient student loan repayment models increase personal savings (Boutros et al., 2024). However, some research finds that financial threat, associated with debt, leads to smarter financial decisions (Fiksenbaum et al., 2017; Marjanovic et al., 2018), which could include engaging in saving if funds are sufficient.

Student debt might connect to saving for retirement, with potentially grave consequences for the future. Young adults often don't save for retirement (McKenzie & Liersch, 2011; Suh, 2022), particularly if they have student loans; those with student loans have lower retirement savings (Rutledge et al., 2021). Borrowers often

feel their debt payments keep them from addressing other financial priorities, such as saving for retirement (Lusardi et al., 2021; Rutledge et al., 2021). Research has found that the presence of the loan, not its amount, shapes this feeling, indicating it is possible that the perceived burden and the financial stress it causes is a main factor, rather than actual financial expenses (Rutledge et al., 2021). In light of this, McKenzie and Liersch (2011) argue that making it clear to individuals how retirement savings grow over time, so they understand the true opportunity costs of postponing or forgoing saving for retirement early in life, would increase saving for retirement.

Credit Cards, Buy Now Pay Later, and Predatory Lending

To understand the relationship between student debt and future financial behavior, it can be helpful to consider how debt is both specifically targeted towards vulnerable populations (Loomis & Cockayne, 2025; Roberts, 2013; Threadgold et al., 2025) and increasingly normalized (Cook et al., 2023). Attitudes towards spending and use of credit cards are predictors of debt (Norvilitis et al., 2006), in part because the lending industry tends to target those already accustomed to debt with payday loans or buy now, pay later (BNPL) options (Stegman & Faris, 2003; Waliszewski et al., 2024). Research shows that financially vulnerable households often must rely on credit for essential needs; BNPL services, part of a burgeoning credit option, are targeted toward already financially vulnerable groups, particularly low-income young women (Loomis & Cockayne, 2025). Indeed, BNPL services are the fastest-growing segment of the consumer credit market (Aisjah, 2024). An additional layer of this normalization is what Davey (2019) calls a “suspensory” attitude towards debt, which tends to emerge when individuals feel so overwhelmed by debt that they give up on the thought of ever paying it back.

People with higher self-efficacy are less likely to use BNPL services (Aisjah, 2024). Yet a focus on efficacy or financial literacy can be interpreted as part of an overly agentic assessment of the problem, missing the important role of larger structural factors. Threadgold et al. (2025) criticize the view that young people are ignorant or irresponsible regarding their debt. The authors argue,

Calls to be “responsible” or to make “rational decisions” make little sense when virtually all young people are in some kind of debt, with billion-dollar industries vying to produce new ways to attract their spending, track their buying habits, and encourage more consumption. (Threadgold et al., 2025, p. 52)

Some people—particularly those already in debt—who are unable to cover expenses rely on payday loans, a short-term consumer credit option (Stegman & Faris, 2003). Research examining consumer behavior and attitudes toward money management found that a personal inclination towards going into debt and family history of taking on a variety of loans slightly increased use of BNPL options (Waliszewski et al., 2024).

Research has examined the “credit card debt puzzle,” in which people report having revolving credit card debt, or balances on their credit cards they do not pay in full each month, as well as liquid assets (Druehl & Jørgensen, 2018; George & Leszczyszyn, 2021; Gorbachev & Luengo-Prado, 2019; Greene & Stavins, 2023;

Ricaldi et al., 2022; Telyukova, 2013). Researchers point to reasons for this “puzzle” like low financial literacy (Ricaldi et al., 2022). Greene and Stavins (2023) demonstrated that it is very common for people to hold onto credit card debt while keeping liquid assets in the bank. They provided the explanation that people need money in the bank, not credit cards, to pay for most household bills. They also found that having debt, including student loans, was associated with a higher likelihood of carrying credit card balances.

Telyukova (2013) similarly found that people may not pay off credit card debt even when funds seem available because they anticipate requiring those funds for expenses they cannot put on credit cards. People also sometimes carry credit card debt rather than pay off balances they have accrued as a precaution, knowing that they may lose access to credit or may not gain additional credit; for individuals worried about future liquidity, having an already open line of credit in addition to liquid assets feels safer, as it protects them from the consequences of not being granted credit in the future (Druehl & Jørgensen, 2018; Gorbachev & Luengo-Prado, 2019). Such research, even when it is not about student debt, provides insight into the economic, political, and cultural climate around debt that student loan holders enter after graduating.

METHODS

This study draws on data gathered as part of a larger study that included 116 in-depth qualitative interviews, totaling nearly 270 hours, with 24 participants first interviewed when they were about to graduate college, and then almost annually for nearly 8 years after graduation. In Spring 2016 (Wave 1) a collaborator and I interviewed 24 graduating seniors with student loans at two regional public research universities in the United States (12 students at each). Both schools were rated “best bang for your buck” by *Washington Monthly*, and their student bodies have similar profiles of diverse local students, including many first-generation college students. One school is in the northeast, in a high cost-of-living area, and the other is in the southeast, in a lower cost-of-living area. Participants arguably are the most likely of any group of students to benefit from their student loans: they attended public universities less costly than their states’ flagship campuses and crucially, succeeded in graduating, making them better positioned to repay debt than those who attend but do not complete college.

Screeners emails were sent to graduating seniors, inviting them to participate and asking if they had taken out loans. The plan was to follow a small group of participants in depth over several years at each school to obtain sufficient information power (Malterud et al., 2016). Potential interviewees were selected from a list of all graduating seniors at each university using a random number generator. At each school 23 students expressed willingness to participate, of whom 20 at each had loans. Participants were limited to those with loans to explore the range of experiences of those with loans. A random number generator was used to select 12 from each of these sets of 20, for a total sample size of 24.

Follow-up interviews took place in 2017, 2018, 2019, 2020, 2022, and 2024. All participants received invitations at each wave, so some participants missed one interview but participated in a later one. Among the initial 24 participants, 20 participated in at least one follow-up interview, 15 participated in at least five interviews, and 12 completed all seven waves of interviews. This article focuses on the 15 participants who completed at least five interviews (a total of 101 interviews over the 8-year period).

Recruitment methods allowed for the maximization of variability across the range of experiences, majors, and demographic factors. At Wave 1, participants ranged in age from 21 to 40 (median of 23). Sixteen were women and eight were men. Eleven identified as Black, 10 as White, two as Asian American, and one as Hispanic. The 15 focused on in this article include nine Black and six White participants, 11 women and four men. Self-reported loan amounts ranged from \$9,000 to \$130,000 at Wave 1 (median of \$30,000, mean just below \$40,000).

Interviews followed a semi-structured in-depth interview guide that included questions about various aspects of participants' pre-college, college, and post-college lives, their experiences, and their attitudes. Research focused on the developments in young people's lives as they dealt with loan repayment obligations, including their attitudes and practices regarding their evolving economic strategies and money management. Details were gathered about their employment benefits such as retirement accounts, their banking practices, use or avoidance of credit cards, and attitudes toward savings and debt.

All interviews were audio-recorded and transcribed by a professional transcription service. Transcripts were coded using NVivo qualitative analysis software, relying on inductive analysis and grounded theory techniques (Corbin & Strauss, 2008). The process involved reading transcripts carefully, using software to create nodes for each interview topic. Labels were attached to text from interviews based on the content themes in a process of open coding and then regrouped to identify connections between codes in a process of axial coding. After delving into detailed transcript data on issues related to money management and economic strategies, I identified themes that illustrate important patterns, and I focus my analysis on these below in the findings section.

References to "some participants" rather than a specific number are intentional to avoid any suggestion of statistical representativeness; to give a number might give a false impression. Drawing on the work of Small (2009), the perspective that it is not the number or frequency that matters with small sample or multiple case in-depth qualitative studies, but the identification of mechanisms, also frames my approach. Therefore, I explore the implications of findings regardless of the frequency of responses (Small, 2009).

FINDINGS

Participants in this study, all college graduates with student debt, varied in their money management strategies. Some variations were rooted in their experiences with scarcity at earlier points in their lives. Yet, for some, their student debt obligations

appeared to distort their relationship to savings, retirement contributions, and other forms of debt, such as credit card debt, in ways that led them to make counterintuitive decisions that sometimes disadvantaged them.

Student loans loom large in participants' lives. Crystal Christian said in 2020, "It's so heavy to me and emotionally draining." Simone Brown said in 2024 that she had a lot of financial anxiety and she traced it back to having student loan debt. Serenity Williamson shared in 2017 that if student loans were all forgiven she would save money: "Instead of paying off my past, I would invest it in my future," she said. These participants see debt as having a significant impact on their daily lives and their future plans.

Some participants noted potential positive consequences from their student debt, particularly in terms of their own ability to budget and be responsible. Mia Allen said in 2018, "I think it's made me more cognizant of how I'm spending and ... making sure that I'm being responsible with my money because I have loans to pay off." Mia also said in 2020 that her loans were even an asset in terms of showing regular payments on her credit history. Crystal thought her student loans might provide her some financial discipline, though she still struggled with credit card debt. Others reported that their student debt made them better students, more cautious, more appreciative, and helped them learn how to budget well in college and beyond. These experiences counter the notion that student debt has uniformly negative effects. Of course, reports of positive effects are different from empirical evidence that student debt increases financial savvy or academic diligence. Participants themselves do not know how they would have behaved if they had not taken the loans.

Some participants in this study made savvy financial decisions. But in general, participants' statements reflect a distorted relationship to money that came out in their comments related to credit card debt and savings, including retirement savings. Participants described a range of behaviors and attitudes related to the credit system, banking practices, and retirement contributions, and in their telling, their student debt considerations were intertwined with the rest of their financial decision-making.

"I Don't Want One": Credit Card Resistance and Debt

Some participants had chosen not to have credit cards. Several reported that family members had amassed credit card debt and they wanted to avoid the same fate. Olivia Robertson said in 2017 that her parents both lost their jobs during the Great Recession. She explained, "They were on unemployment, but all they could afford was to pay our bills for food and stuff, and that was it. They ended up with I think a lot of debt because of that." Her parents' past scarcity shaped her wariness of credit cards. Her student loans played a role as well. She said, "I think that's one of the reasons why I haven't gotten credit cards ... because I already know, 'no, you have [student loans to repay].' I didn't want credit debt as well."

Richard Miller also resisted getting a credit card, and he had never carried a balance. In 2017, he said, "I hate credit cards. I think they give you a false sense of security." In 2018 he said:

If I can't afford something I don't need to get it unless it's a necessity.... I think there's some benefits to having a credit card... I think it helps your credit score, so I'm not completely opposed to the idea, but as of right now, I don't want one. By 2022, Richard reported that he had since gotten credit cards but never carried a balance. In 2024, although they still had credit cards, he and his wife continued to avoid using them, primarily relying on their debit cards. Though credit cards were now part of his financial picture, he retained his resistance to them on principle and in practice.

Crystal came to consider credit cards risky through painful direct experience. An older student, she had been through the bankruptcy process prior to the study. From 2016 to 2018 she acknowledged rising credit card debt that was increasingly hard to pay. She had a 401(k) account she had built up before returning to school, and at the time of her first interview in 2016 she had already taken out a loan against it. A year later she was planning to take out another such loan to wipe out her credit card debt. She knew from prior experience that her credit card debt would likely balloon again. As she explained, "Then something comes up, and I'm like, 'All right, I'll just use a credit card for that,' and then [the credit card balance] builds up again.... Paid them off at one point, and it just builds up again." She understood the problem with this strategy, but she repeated it.

In 2019, Crystal said her new plan was that once she and her husband paid off existing credit cards, they would cancel the cards:

No store or regular credit cards, like Visa, MasterCard, done. Cash and a secured card to make purchases on websites that I'm not comfortable with. Or if whatever, a rental place needs a credit card to hold, we'll use a secured card to do that.... If I want a \$1,000 secured card, I'm putting \$1,000 on it. It'll act just like a credit card, but it's my money.

She compared having a credit card to being "like an alcoholic who goes through the [12 Alcoholics Anonymous] steps and no longer drinks, can't really visit the bar right now." When I asked what she would do if she wanted to travel out of state to visit her son at college, but she didn't have the funds at that moment, she said, "Then we will not go.... It's very uncomfortable. Don't get me wrong, it's not an easy thing. It's very uncomfortable, and we just have to go through that sacrifice." She was determined not to ever charge something to a credit card again.

In 2020, Crystal and her husband had gotten a personal loan to pay off some credit card debt and had gotten rid of their credit cards as planned. The interest rate on the personal loan was substantially lower than they had been paying on their credit cards, and it consolidated their debt payments. Crystal reported liking the consolidated debt in the personal loan and no longer having credit cards. She said, "I'm definitely in better control." She reiterated that she didn't think she was disciplined enough to use credit cards for the benefits they can provide, and she continued to compare credit cards to an addictive substance. She said, "You know, it can work for your benefit. Absolutely.... But for us...it was just like being an addict and...you just can't do any drugs at all. Just cut it off." Crystal felt she had finally landed on a technique that would work better for her and free her from credit card debt.

Alice Jones did not get a credit card until 2024. Up until that point she was steadfast that she did not want one. As she said in 2017, “I don’t plan on getting one.” In 2018 she said, “I don’t like the fact of paying money at the end of the month. I like to pay things when they’re due and that’s it.” She acknowledged that having a credit card “can help you build up your credit I’ve heard,” but she thought having credit cards also leads to:

spending money that you don’t need [to spend]. It should only be for an emergency I feel like. And I feel like some people they just swipe, swipe, swipe.

And then at the end of the month when they get the bill they’re like, “oh no.”

And they don’t have the money to pay for it.

In 2020 she said, “I don’t have a credit card.... Never have, never will” and in 2022 she said, “I’m never planning to get one.... I heard they get you into trouble, so. And I don’t feel like I need one.”

Big purchases had led Alice to become a borrower, however. While in 2019 Alice still said, “I don’t have a credit card. I never had one,” she had made her first purchase on credit, buying furniture on layaway. This BNPL procedure charged interest. The credit card she eventually got in 2024 was to pay for car repairs she needed and couldn’t afford, and it was linked to the auto repair shop. She was largely positive about having gotten the card. She said,

So they’re like, ‘Well you can open a Firestone MasterCard.’ So I did get a MasterCard and I’m paying—it’s crazy. It’s a really low amount that I’m paying.... I’m paying \$26 a month to pay off that for my car, the work that I had done.

Alice said she didn’t know the interest rate but was happy with the small payment. She said she felt a little nervous getting a credit card and was still planning to use the card only for vital needs. Although Alice felt like this new financial move was a bit daunting, she readily justified it saying, “It wasn’t like it was for shopping or anything.... I just got it to cover like my basic need, which was transportation,” she said. On the other hand, she acknowledged that she had tested whether it worked for other expenses, had found that it worked for a \$13 purchase on Amazon, and that if she got “in a bind” she would have the card with “like a \$4,000 limit.” Alice did need transportation to get to her job, but even if she found the \$26 a month an easy lift, making that payment on a high-interest loan would add up over time, impeding her ability to amass savings. It would have benefited her to have access to another way to pay for this necessary expense so she wouldn’t have had to get a credit card just to cover these urgent costs.

Others amassed credit card debt that was more obviously onerous. At the first interview in 2016, Ashley Rose didn’t have a credit card, but by 2019, she was carrying \$3,000 of credit card debt. She paid \$68 per month, the minimum. By the following year, her monthly payment was \$114, and she said she didn’t how know much was on the card total. “I don’t want to look at it,” she said. By 2022, she was paying \$230 a month and she said her total balance on it was approximately \$11,000. She said she didn’t know what the interest rate was or how long it would take her to repay it. By 2024, Ashley’s debt had climbed to \$14,000. Ashley’s credit card balance

and minimum payment had risen substantially in a few years, and she had no sense of if, or when, or how, she would be free of credit card debt.

Ava Wright at first followed a similar trajectory, and she reported in 2017 that she was paying \$70 a month on about \$2,000 of credit card debt, \$100 a month on \$4,500 in 2018, and more on \$6,600 in 2019. By this point her marriage had fallen apart and she had two small children. She accrued debt in part because she wasn't working and needed to purchase necessities for her kids and their father's financial support was lacking.

In 2020 Ava still had credit card debt. She explained, "I did get my one credit card down to zero at one point, and then I had to use it. Once they're paid off, I try not to use them because I don't want that added expense." Yet she had not been able to make much of a dent in her balances owed in 2020, or in 2022, or in 2024, when she reported essentially the same balances owed, because as she said in 2022, "I just do the minimum payments." She tried not to use her card, but "if I don't have gas money or if I don't have money for diapers or wet wipes, I'll still use it. So [my balance is] really not going anywhere." At her last interview in 2024 she reported she had not been able to pay even the minimums in recent months. Ava's credit card debt was climbing even though her new purchases were small and infrequent.

In 2016 Monique Lewis said that she had about \$2,000 in credit card debt spread across three cards with \$25 monthly payments each. When asked how long she thought it would take to pay it off, she said, "If I could stop buying stuff it shouldn't take that long." She framed the problem as a matter of self-control rather than necessity. But a year later she had seven cards and owed close to \$3,000. She was paying the minimum payment only on one of them, and she was not paying any of the other cards at all. By 2018 her debt was up to \$8,000, and she still wasn't making minimum payments. She was determined to pay it back eventually, but much like other participants with substantial credit card debt, she had no idea of how that might happen.

Some participants noted that getting a credit card might increase their credit scores but were still wary, like Richard, noted above. Serenity said in 2017 she was planning to get a credit card soon to raise her credit score. She said, "I want to open up a credit card ... just making sure that I don't miss any payments because late payments make a huge impact on your credit." She was aware of the dangers, although she emphasized the impact of late payments on her credit score more than the potential cost of carrying a balance while making minimum payments.

Some participants believed, incorrectly, that having credit card debt and carrying a balance rather than paying it off would benefit their credit score. Olivia said in 2018, "I do know that people have said that if you pay off the whole amount, then it doesn't look as good as paying off little by little." Crystal mentioned this as well, as part of a strategy for overcoming the damage to her credit score from having declared bankruptcy in the years before the study. This is an understandable assessment even though it's mistaken.

Several participants mentioned their lack of education about credit cards. Olivia said in 2019 that she felt fortunate her mother had warned her to avoid credit cards, because she did not receive any instruction on the subject in school. "When I

graduated high school, I was not prepared for college, and when I graduated college I was not prepared for life. So, it's just, no, there was no preparation at all," she said.

Unless you have people to talk to you and teach you, you just have to learn on your own. It just feels like, like when ... an eagle teaches this baby to fly and you just get dropped and you have to keep getting dropped until you learn how to fly.

I feel like that's how life has been for me.

The instruction she had received, to simply avoid credit cards, was not enough. Similarly, Ashley noted in 2024,

If they would teach us this stuff in— If they would've taught me— If somebody would've sat me down in high school and be like, "Hey, if you're gonna have a credit card, this is how it goes.... Like just because it exists, doesn't mean you have to use it all"... But then you get to a point where you're in over your head and you're like, "Well, how do I get out?"

Ashley's thoughts here suggest that financial literacy matters, that it is difficult for individuals to make good choices when they were never given education in these concepts, and that young adults may be eager to gain financial literacy if more training were offered widely in school.

Simone referenced the need for people to be better informed. She said in 2017 that she had "heard horror stories" about credit cards, "like maxing it out, \$10,000," and she thought that that came from people letting charges sit and collecting interest. Simone said that was a mistake: "I feel like a lot of people don't understand that sometimes. They're just like, 'Oh, I'll just make small payments, and the interest isn't that much,' but it adds up, especially if you're making large purchases." But she noted that credit cards can function as "an emergency fund," especially for needs that arise just before payday.

Between 2017 and 2022 Simone amassed and paid off most of a significant debt burden over several credit cards. She was down to one card left with a balance of \$3,000. The interest rate was 22%, and she paid a few hundred dollars a month on it. She was trying to avoid using credit and usually used debit instead. She could have paid off the balance with money she had in the bank, but she explained, "that's the thing, like, so I can pay the credit card off, but part of me, like, I guess it's just the relationship I have with money, it's just hard for me to see that go at one time."

Two years later in 2024 Simone's household's credit card debt had increased again. She and her husband had bought a house and had a child. They had credit card debt on five or six cards. She said in 2024, "I haven't looked at how much.... I'm scared. It's not too much though... Maybe like \$10,000." The same amount she had said signaled "horror stories" in 2017 felt more manageable in 2024—and, with a higher salary and a different perspective on finances due to marriage, homeownership, and parenthood, it probably was. Simone's debt picture also included a BNPL service called Afterpay which she had used to make some online purchases. Thus far she had paid on schedule to avoid interest, but this required careful effort and monitoring.

Simone explained that the credit card balance was "a lot, but I say it's not too much because when I think about how much I owe for my student loans, I'm like, 'That's nothing.'" Simone graduated college in 2016 with nearly \$130,000 in a

combination of public and private loans, and after years of paying substantial sums every month totaling approximately \$80,000, had approximately \$75,000 still to repay in 2024 due to interest. Simone's assessment suggests that her student loans weighed on her in a way credit card debt simply did not.

“There's No Point in Paying”: Working the credit card system

A few participants were finding a way around the worst pitfalls of credit cards. David Carter purposely allowed his credit card debt to go into collections. As he explained, once the accounts were in collections,

It's not collecting interest, so there's no point in paying.... They just want you to pay something. So at that point they're willing to negotiate even 50 percent of it. And it's been in collections for a while. Some of them, they escalate it to a lawsuit, and then they pretty much have to come up with a payment plan.

The implication is that such a payment plan might involve reduced payment. He resolved all of his credit card debt by his 2019 interview, and in one case, he had paid just 25% of the balance owed. In 2019, Flo Lily also said she had worked something out with companies for debt that was in collections. Like David she said that if you offer immediate payment, it is easy to get a discount. “The biggest discount I got it was \$1,255 for the one bill. I got it down to \$500.”

Monique said she was able to raise her credit score by having her mother make her an authorized user on two credit cards her mom was paying off. By 2022 Monique had gotten what she referred to as “a fake credit card” which she paid a few dollars per month to have, and it built her credit but did not actually give her a credit card to use. When asked if she had thought about just opening a new credit card to build the credit, she indicated she was afraid of a regular credit card, that she might end up back in collections if she held one. In 2024 she said she had no more credit card debt, and no more credit cards except a secured card she could only use if she put money on it, like a debit card. Over the few years that she implemented these strategies her credit score had improved.

Jason Summers was the only participant who was obtaining significant financial benefit from using credit cards, and it required a lot of work. At the first interview in 2016 he said he had many credit cards which he juggled for their various benefits. He explained:

I do a lot of applying for new credit cards to get the sign-up bonus for it, spending enough money on it, and then paying it off. Never carrying a balance on it but storing up bonuses from these credit cards and things like that, too. Figuring out if I'm making a purchase, what card gives me the best cash back for it or the most bonus points for it and stuff like that, too.... I've got hundreds of thousands of airline miles that I can travel free with now, too, because of it.

Jason was aware that there were tradeoffs and made sure that the sign-up bonuses cards with annual fees provided were worth it. He also acknowledged in 2017,

There's a slight reduction in your credit score whenever you have an application.... However, in the long run, you have more available credit, so your debt to available credit ratio, which is 35% of your credit score, is a lot lower

because any balance that you have is a lot smaller comparatively, because you have a larger credit available.

Clearly, Jason was a savvy credit card user. He participated in all of the waves of interviews, and at no time during the study did he carry a credit card balance. He also described the tradeoffs. He said that managing his credit cards was “a huge time investment but it’s something that I enjoy doing. Because of that, I’m very financially aware of all of my obligations and stuff.”

Jennifer Smythe took a more measured approach. She said she paid her credit card bill in full each month, explaining that it helped her credit and she was avoiding paying interest. She liked to use it for things that would give her benefits, “Well, you get 5% cashback [on one kind of purchase] in bonuses on there so for that month period. So I think, right now, it’s grocery stores.” She referenced 5% back on gas in 2020 as well.

“In Case for Rainy Days”: Holding on to savings instead of paying off credit cards

One of Simone’s reasons for making only the minimum payment on her credit card in 2022 was she and her husband were saving to buy a house and then to have enough money to have a baby. David said in 2016 that he could have paid off his credit card debt in full but that he was holding the funds “in case for rainy days.” Flo also referenced needing “backup money” and therefore not paying off her \$4,000 in credit card debt as quickly as she might have. She didn’t like that she had the debt, but she still put things she could not afford on a credit card. As she said, “What else can you do?”

Mia and Jennifer were also carrying credit card debts that they could have paid off more quickly than they were. Mia reported in 2022 that she had \$4,000 on a credit card and \$7,000 in savings, but when asked if she thought about using her savings to pay off her credit card, she said that she was afraid to because only having \$3,000 in her account would be too reminiscent of how little money she had when she was getting divorced. “I was like freaking out.... I don’t ever wanna be in that spot again.... There’s no way I could sustain and feel comfortable having that little in my bank account.”

Mia said if she got to \$10,000 she could pay off the \$4,000 in credit card debt because she would have \$6,000 left over. But 2 years later she felt that even though she had over \$11,000 in her checking account she could not pay off her credit card. She said, “If I got to \$15,000, I would put \$5000 toward my card ’cause I’d still have \$10,000 left [in the bank].” She was moving the goal as she still felt uncomfortable with the notion of letting go of a large amount of savings. She explained that she thought that discomfort was rooted in her experiences during her divorce:

I was paying a lawyer \$2,000 a month.... So like that’s where pretty much all my [pay]checks were going.... And there was just like times where like I realized I only had like \$400 to \$600 in my account. And that was such a scary feeling for me....and just that feeling of like helplessness and like feeling of like that I could look tomorrow [at my bank balance] and just with bills and everything and

it could be zero, it could be overdrafted. Like, that was just like a terrifying feeling to me. And I just feel like ever since then, I haven't-- I like try not to touch that big balance I have now because I'm just like, "I don't wanna lose it."

Like, even though I know rationally I have plenty left over, I just can't—I can't find the willpower to even do that, you know?

In 2024, Mia's credit card debt was about \$5,600, up from \$1,000 in 2018. She had saved enough to pay it off completely and was paying about four times the minimum payment. Yet she said, "It just feels safer to leave all that in [my bank account] and just try to keep paying off what—in lower amounts than I have or can do." When I asked if she knew how long it would take her to pay it off at the rate she was going, she laughed and said no, and when I asked if she knew the interest rate she said, "I haven't looked. And I don't really know if I want to."

Simone said in 2022 that she would pay off the balance if she could pay off her credit card *and* her student loans at the same time, but that wasn't possible. She said,

Like, it's so stupid. Like, the smart thing in my opinion to do is just to pay [the credit card] off because it's just literally tacking on interest, but then the other part of me is like, "No, don't pay it off."

With her still substantial student debt burden, she felt the need to hold on to money in her bank account. She said she wanted to hold on to the funds "'cause in the back of my head, I'm like, 'God forbid something happens. I always have at least enough to pay some of my [student] loan.'"

Jennifer also said she maintained a certain savings balance in her bank account instead of paying off a credit card balance when she knew "it would be smart" to pay off the balance. Similarly, Crystal, before she gave up credit cards altogether, said it was "a silly thing" to pay only \$50 on a \$78 credit card balance, even though she knew she would be paying nearly 30% interest on the amount she held onto, "just in case something else happens." She was aware she was spending more in the long run and said, "It's the dumbest... Oh, I can't wait to get out of this rut." She had \$7,000 in a savings account she could have used toward paying off credit card debt to avoid paying interest, but she was reluctant to diminish it, although she could not articulate the practical reasons why. All these participants framed their decisions as not the smart thing to do, indicating they thought there were better decisions they could make, yet they continued to make these—in their words—"silly" and "dumb" decisions.

Yet several participants said they understood why people might hold on to substantial savings when they could pay off credit cards, despite the costs. David said in 2024,

If you're living more paycheck to paycheck, then you wanna have more money in the bank [rather] than, you know, not carry a balance, and [so, you] kind of kick that can down the road.... I mean the savings is, you know, rainy day happens. You have that money there and you don't wanna remove that safety net. And as people in the study grew older and more independent from their parents, they may have felt like they didn't have anyone else they could rely on, so they had to make sure they had enough to cover their own expenses in a crisis.

Like David, Richard was not holding on to credit card debt while having funds to pay it off, and he also expressed understanding of why others might: "Some people

get maybe scared or worried.” Paying thousands of dollars at once feels “scary sometimes” compared to paying a few hundred dollars a month, he said.

You’re like, “What if something crazy comes up and I have this like immediate need for \$5,000 and I just need \$5,000. I don’t know, maybe that’s a reason sometimes. “I’ve got this—I’ve got this security money. I got this security money. I know that this [credit card payment] is only gonna be \$110 for the next infinity years [laughter]....” But, you know, that’s—sometimes it’s comfortable.

For people who haven’t had a lot of money in the past it can be difficult, when income increases and savings start to grow, to let go of a new sense of security to pay off old debt. Because it feels comforting to have that cushion in the bank, as long as people pay the minimums on credit cards they can feel like they are current on their bills *and* have savings. So sometimes people want to hold on to funds even though they pay more in the long run in interest. It can also be difficult to accept that the increases in salary and savings are real and not illusory. Serenity explained in 2024,

It’s kind of, like, not being able to let go of it. And I guess it’s something that is subconscious that you don’t really think about, but then, as you look at the habits in your life, you’re like, “Okay, how come I’m not paying this off if I can afford it?” ... I guess, you know, just from, like, you know, not making that much [in the past], and then you suddenly make that much and you kind of just wanna hold it.... It is security in a way, and the system kind of, like, sets you up in a way where it’s like, “Okay, if you just pay back this, you’re fine.”

Serenity explained that even understanding long-term benefits of debt repayment can make it hard to change habits:

Those habits can keep you, like, in a hole of kind of, like, not progressing financially. So I had to kind of—just kind of, like, get out of those habits. So I don’t think like that anymore ... So, when you’re talking to me now is actually a period where I’m transitioning out of, like, a lot of old habits because I want more and I want better.

Serenity had over \$50,000 saved and could pay off all her credit card debt, but then would have very little in her savings, so she said, “Yeah, I’m not gonna let that go,” though she still made the required monthly payments on her credit card. Similarly, Simone explained that she thought about paying off a credit card with her savings, “but I really hate seeing a large amount of money go, and I know it sounds so stupid, but I hate seeing a large amount of money just go.”

Noah Poole also preferred to run a balance rather than diminish savings. In 2017 he did not have a credit card in part because his parents told him not to get one, but in 2018, Noah said that he would use his recently acquired credit card before the \$3,500 he had in the bank:

I’d rather use my credit card and pay it off small, with small payments, [so] that I can always have that money if I really need it. Because I think I have a \$1,400 limit on my credit card. I’d rather just use that.

Noah also gave a different reason for maintaining a balance, saying that if he paid off the total owed on his card, “then I’ll like feel tempted just to buy something. ... So I try to not pay it off, then I’m like, ‘Okay. I have debt, so don’t spend.’” Noah was strategizing in a way he thought would minimize his debt, counterintuitively

carrying debt and paying interest to keep from overspending—even though by paying interest he was paying more than necessary. He said, “If I see zero, then I’m gonna buy something.... It’s like a discipline thing.” The intangible and emotional impacts of financial decisions were complex.

“I Like a Nice Cushion”: Holding on to Funds Just to Have Them

Many participants tried to build savings, and over the years it seemed the desire or need for a “cushion” grew. It’s possible that the ability and desire to save increased as participants aged and became more established in careers. For several people, “keeping a cushion” seemed more about an emotional and difficult-to-explain desire to hold onto money, rather than having funds available in case of emergency. In 2024 Ashley said she thought about paying some known bills in advance, like car insurance, but “then when the money comes, I’m like, I wanna hold onto it.... Like, I wanna hold onto it just a little bit longer.” Having experienced deprivation in the past seemed to make the desire to hold onto money more acute.

In 2024, Alice said she was able to put money aside, but “but I just like leave it in the checking instead of the savings.” In 2020, Ava had managed to build up a savings of a few hundred dollars, in part from government stimulus money she had been able to set aside, and she said, “I’m really trying hard not to touch that money.” Like Alice, in 2022 she had her money mostly in checking.

Like several other participants, rather than set aside a certain amount to save each month, Jennifer explained in 2020, “I see how much we have left over after we’ve paid all our monthly expenses.... Every so often, I’ve transferred some into savings.... I just let [the money in checking] build up and then when I feel comfortable enough, I transfer it over.... When it’s at \$7,000, I feel comfortable enough to transfer \$1,000 over after I’ve paid all the bills.... I like a nice cushion.” Her savings grew substantially from 2020 to 2022, and again by 2024, but she consistently said she liked to keep \$6,000 in her checking account. Jennifer’s practices highlight that it wasn’t just trying to build savings that mattered to participants, it was about where those funds were. Sometimes participants wanted to keep them in checking accounts, where the funds felt more accessible to them.

Participants also generally viewed funds in checking accounts as available for and earmarked for expenses, whereas they thought of money transferred to savings accounts as put aside, not to be spent on day-to-day expenses. And some had savings accounts that did not allow for instantaneous transfers to checking. When they lacked certainty that their expenses would not outstrip their income, they were reluctant to transfer money to savings accounts; even when they had extra funds, they were not building savings they could leave untouched. This meant missing out on interest they might have accrued in savings accounts, but it also shows that some participants were lacking a sense of security and confidence in their financial stability.

Like Jennifer, Mia kept thousands of dollars in her checking account. She said she had about \$5,000 in her checking account and about \$1,200 in her savings account. She explained that she did this because she was overcompensating for fear from when she had less than \$500 in her checking account in a period of hardship

after her divorce when she was “always so worried about overdrafting and stuff.... it’s just like that fear that I have inside that makes me not want to transfer it.” Past experience of hardship kept her from being able to trust she wouldn’t confront the same difficulties again.

Two years later, Mia reported that she had approximately \$7,000 in her checking account and \$200 in her savings account. She said in 2022, “I think it’s more of a comfort thing for me. Because I get worried that, like, you know, something’s gonna happen and I’m gonna end up getting a notification like, you have \$3 in your bank account.” She said if she had \$10,000 in her checking then she would be comfortable transferring money to savings. She believed her funds needed to be liquid, and likely spent, soon, so she wasn’t ready to think of her money as set aside and did not want to put it in her savings account.

Like others, Noah said in 2019, “I don’t like to put away too much money, I like to have money handy” and “I have to have a certain amount in my checking account for me to feel comfortable.” He said it sometimes took a few days for funds to be available when he transferred money from his savings, so, like other participants, Noah was forgoing some interest to keep funds in checking. In 2020, he said, “I don’t like to dump money into my savings account until I see a certain number in my checking account.” At the time he had about \$9,000 in his checking account and \$100 in a linked savings account. He said, “Honestly, it just feels safe [chuckles] when I log into my bank account, I’m like, ‘Oh, man I have all this money like ready to go, whenever.’”

In 2020 Noah thought about how in the longer run when he was making a higher salary, he would double up his student loan payments. But he was thinking long term about how he would want savings too. He said, “I think the only way I [would] feel comfortable is if I had \$50,000 in savings.” This large savings goal highlighted how difficult it was for Noah to trust that his cushion would be a lasting one, and it kept him from increasing his monthly student loan payment amounts even though doing so would have eliminated his debt sooner.

Crystal was also reluctant to diminish her funds, though she took it further than Noah did, delaying payment on bills that were due. She said in 2017 that sometimes she put off paying bills, but she wasn’t sure why. She explained that she was considering “hold[ing] onto the money. I don’t know what I’m doing with it, because it has to be paid anyway.” Crystal’s experiences demonstrate the interconnections of savings, retirement contributions, and credit card debt. In 2019 as she tried to get a handle on her finances, she said she had learned that first she should save \$1,000, “The second step is to pay your debt, and then third ... would be you have to have five to six months of expenses saved up, and then it’s retirement.” Crystal and her family had taken a financial course through their church, and a few other participants also noted seeking out advice from online forums or financial advisors who speak on radio or television shows. But Crystal was having trouble following the advice she had heard.

Crystal said in 2020, “I’m actively saving up to make sure that I have at least \$3,200 in our savings account” because that would cover her mortgage for 2 months. She said,

Two months is the number for now just so that we'll never be in a position again where we're two months behind in our mortgage which just happened. I want to be able to say, "Here you go. Here you go," and not feel that pressure of a mortgage.

Having experienced the inability to pay her mortgage and the risk of losing her housing was destabilizing to Crystal. Prior bouts of financial insecurity led her to prioritize building liquid savings.

"Can I Close This Account?": Banking Practices

Some participants struggled to build savings because they had little money to begin with and banking practices eroded what remained. Ava had struggled to save. She said in 2019 that overdraft fees were eating away at all her cash and she could not even close her accounts because they were overdrawn. In contrast, David had overdraft protection that drew any overdrawn amounts automatically from his savings account. He had more money than Ava and thus was able to do that.

Other participants had unconventional strategies for saving. Monique said in 2018 that she had about \$200 saved, in a drawer, in cash—not in the bank, because "if I leave it in the account I will spend it." When Monique had saved some money, her girlfriend encouraged her to do this. In 2019 she said:

She was like, "take it out your bank account," because that's my other thing. I swipe, swipe, and I don't look. So, she was having me take out my money every week, making sure I did it, and we would put it up in the room so that I wouldn't touch it.

Monique was using a strategy to make herself save, but she was risking the security of her funds, given that they were vulnerable to theft or incidents like fire.

Participants sometimes tried to trick themselves by putting money in different accounts to keep them from spending more than they wanted. Crystal explained that she had accounts with different banks to try to keep herself from touching the funds she wanted to save. Crystal said in 2024:

We got money for Christmas and it didn't need to sit in the account that we used to cover our bills, and we wanted to start saving. So we were strategic in saying, "let's get the money out of here, put it into another account so we don't look at it, and have it sit there for whenever we need it."

Flo said in 2022 that she did something similar, splitting paychecks and putting some in one account and some in another account. She had to be careful to manage the funds to make sure that she could cover bills as they came in, but automatically putting some money into an account she didn't use for bills made it easier not to spend it. This is effectively the opposite strategy from those who kept a "nice cushion" in their checking accounts instead of putting money into savings.

In 2020 Simone had amassed \$10,000 in savings. Like Crystal, Simone kept money in different accounts in different institutions. She said,

I have two different accounts that I try to hide, but I've been pulling from them now.... I have an account set up with a credit union, and I don't even know the account number. I keep the card away from myself.... I do not want to tap into

that. That's supposed to be my real, actual savings account. I try to keep that account far away because if I see a card, I'm going to use it.

Simone had multiple accounts and put funds into one that was more difficult to access as a way to keep herself from spending it. Simone said in 2022 she had amassed approximately \$25,000 in savings. She said:

I never thought I would say that ever. It kind of makes me emotional. Like, I never thought I would say that.... This is like the most money I've ever had in my life. So I'm kind of like, oh my gosh.... The one thing I'm good at is saving.... Like especially seeing things like how I really needed that rainy day fund, I'm like that there's nothing more comforting to me financially than knowing if, God forbid, if you couldn't work and you lost your source of income, like I have a few months I can like get by.

In 2024, Simone said, "Sometimes I just feel like you want your money to be yours." She referenced both "rainy day funds" and "different things" she might buy. Even though an economic assessment would treat her debt as a negative part of her financial picture, she felt that by not paying it down she was keeping her money. Over time Simone became more tolerant of debt, especially when holding onto it or even seeing it increase also meant she was building savings.

This Isn't Money Where I Can Just Change My Mind and Be Like, 'I'll Grab It': Attitudes and Practices Regarding Retirement Contributions

In 2016 most participants were not working for employers that provided access to retirement accounts. Over the years that followed, some remained tenuously connected to the formal labor market, either working intermittently in unstable jobs or as part of the gig economy. Others gained access to retirement accounts at work over time. Some opted to contribute, reported that their employer provided matching funds, and purposely contributed the amount needed to get the maximum employer match. Other participants believed they were participating in their employer's retirement fund program but were not sure how much they were contributing or if their employers were providing matching contributions. In some cases, they believed they had maximized their employer match and then forgotten the amount.

Jason was very aware of his employer's plan. Throughout the entire study, he knew how much his employer contributed, how to maximize it, and was contributing as much as he was allowed. In 2020, Flo was maximizing her employer's match by putting in 5% so that they would match 3% of her salary. "I don't miss a couple of dollars" in the paycheck, she explained.

Jennifer began participating in her employer's plan as soon as she was eligible. In 2018 she said, "Why wouldn't you" contribute the necessary amount to maximize the match from the employer. As she explained in a later interview, she was contributing 4% of her salary to her retirement plan in 2018 because her employer had a "little meeting thing about benefits" in which "they said, 'The way you get the best bang for your buck is doing a 4% [contribution] just because they match it at that.'" She was not entirely committed to maximizing an employer match, however.

In 2019 she acknowledged that if her employer would match up to 7% she would not be able to take advantage of the additional funds because of other financial priorities, explaining:

I'm going to wait until I make more money [to increase my contribution] just because right now we're just starting out and starting our retirement fund so early, I don't think it's going to be a big deal if I only do 4 percent now.

She increased her contribution to 5% in 2020, saying that at some point she had decided that she would increase her contribution each year if she got a raise. According to Jennifer she was just "listen[ing] to other people" when she made these decisions because she felt she didn't "know anything about" money management. In her case financial education in the form of her employer's meeting about benefits had been largely effective, although it had not made her feel very confident about her decisions.

Other participants had not set up retirement accounts, even though they were available through their employers. Mia said in 2017, when she already had a professional job in her field, that her employer had retirement options, but "I'm not entirely sure what it is. I haven't really set it up for myself yet. I figured that I'm young enough that I don't have to worry about it for a little while." She gave similar responses in 2018 and again in 2019. In 2020 she said that she still had not set up a retirement account. She explained,

I guess I just figured when I first started that I just didn't want to do it then and I just haven't really done it since. I figured that if I wanted to do it I could in a couple years so I just... not yet.

In 2022 Mia had moved and had a different job, and again she said she *thought* her employer provided access to a retirement account, "but I don't think I have that." When asked how she decided not to enroll, she said, "I think I was just like, 'Eh, whatever,' to be honest with you." It seems likely that the anxiety she referenced about having a substantial cushion of savings after going through a divorce that nearly ruined her financially played a role in her reluctance.

Ashley said in 2020 that she didn't participate in the retirement plan "because I wasn't really feeling their vibe. They were very pushy about it." She described the people at work who explained the accounts as "like vultures. They were money-hungry." Ashley's decision not to participate highlights an important point: even among those who were certain they had access to such accounts, some people opted not to enroll in employer-based retirement plans. The reasons may be more complex than Ashley's initial statement indicating distrust. It may also be that some people simply did not feel they could spare the funds from their paychecks, and indeed, as Ashley explained, the minimum contribution would have been \$75 per paycheck, "and I was like 'that's a lot of money from a check that's already not that big.'" It is impossible to distinguish between Ashley's sense of being pressured into participating in the retirement plan and her sense that people in her workplace were insensitive to the financial hardship of having her pay reduced. Regardless of the reasons, the result was that she was not enrolled in this vital program which would have benefited her financial future.

Mia and Ashley were not contributing to employer retirement plans like Jennifer was but Jennifer's overall financial picture was less precarious than Mia's or Ashley's. David also was not precarious in the way Mia and Ashley were. He had secured a high-paying job in his field, but in 2019 he wasn't contributing to the employer-provided 401(k) plan yet because he wanted to keep money more accessible due to high expenses. He did not feel he could afford the reduction to his take-home pay. Though David's salary was much higher than Jennifer's, his student debt burden was too.

Retirement accounts may be vital investments but the funds in them become difficult to access compared to savings accounts, and at least some participants were aware of this. In 2022, Simone explained she had contributed to her retirement accounts at the various jobs she had held since graduation. She had heard that she should increase her contributions from the 3% she had been doing "because it just works out for you in the end... I have yet to do that, but I'm gonna do that." Yet, she hesitated. "This isn't money where I can just change my mind and be like, 'I'll grab it,' you know," she explained. Contributing to a retirement account would threaten the cushion she preferred to have.

Crystal's experiences are unusual, but very instructive. Crystal had gone to—but not completed—college two decades earlier and had returned to school to finish her bachelor's degree later in life. She was the oldest participant, and she had been working full-time in a job that provided a 401(k) plan since well before the study. Throughout the study, Crystal contributed the amount needed to get the maximum matching funds available from her employer, but the worth of those contributions diminished when she took out 401(k) loans.

Crystal had an option to borrow against her 401(k), and with little in savings and mounting credit card debt, it's a choice she made more than once. When we spoke in 2017, she had just finished repaying a 401(k) loan for \$17,500 and had another for \$10,000 she was still paying back. Crystal said that taking on the loan allowed her to pay off bills that were weighing heavily on her; she explained in 2017, "I feel a lot freer and lighter." However, the reduction in her take-home pay led her to rely on credit cards to cover expenses in what became a vicious cycle. In 2019, Crystal had a second 401(k) loan and her husband had taken one through his work as well. Combined, over \$1,500 a month was withheld from their paychecks to repay these loans.

Crystal and her husband were not just borrowing from their retirement, but also reducing their take-home pay in ways that almost guaranteed they would continue to amass credit card debt. But the arrangement set her mind at ease. In 2018 she said, "Because they just automatically take it off the top [to repay the loans], I don't see it, and I get to live with, have to manage what I have." But she had great difficulty managing on what she had, which was why she had taken out the 401(k) loans in the first place, and now her take-home pay was further reduced to repay the loans. She even sometimes worked a supplemental part-time job on top of her full-time job to earn extra funds.

Crystal's situation was complicated. Taking 401(k) loans allowed her to immediately wipe her credit card debt, but it also siphoned from her retirement to do

it. The drop in her take-home pay reduced her disposable income, which in turn led her to rack up credit card debt again. It's possible to imagine a different arrangement in which she never touched her 401(k): nothing would have been withheld from her paycheck to reimburse her retirement for the 401(k) loans, and she would have had greater take-home pay which she could have used to pay her credit card debt; this would have meant more money in her retirement account. But it is hard to know if the additional take-home pay would have been sufficient to fully pay off her credit card debt.

In 2022 Crystal regretted having taken out loans against her 401(k), much as she regretted having carried the credit card debt. As she said, "There's a learning experience... Don't borrow from your 401K. If you can avoid it, don't do it. Because it eats away from the money that you bring home every day." She was also aware that borrowing against her 401(k) had reduced the funds invested for the future, and she said that it would likely affect when she could retire. In 2022 she said, "half of the time that I've been here I've been paying loans back. So I would say I'd probably have 50% more in my account now...if I hadn't taken these loans out." She was conscious of her mistake and wished she had done things differently.

At her last interview in 2024 Crystal had changed jobs, and her new employer did not provide matching funds. Instead, they provided year-end bonuses and she explained:

If you take that full bonus, and you put the whole amount in your 401k, they will match that amount... But if you take some money out of it, they don't.... You can take it all in cash and get nothing else from them. You can take part of the cash, put part into your 401k, you don't get anything. But if you take the full thing and throw it in there, then they'll match it. Because they're trying to encourage retirement to save for it. 'Cause they don't have pensions or anything. But when asked if she planned to put the whole bonus in to get the matching funds, Crystal said, "I probably won't. Even though ... that's probably the best financial decision. ... I should. I don't have a reason not to. I don't have a reason not to." We continued to discuss it, and Crystal concluded, "Because there's this sense of security, I think. Saying to myself, 'Well, at least take the money, put it away, just in case something happens. You'll have it in your savings account and it'll be there.'" Liquid assets still made her feel more secure, even though she would forfeit matching funds and she was far closer to retirement than other study participants.

DISCUSSION

Findings revealed that people's worries about financial insecurity played a role in their decisions about money, debt, savings, and credit. Yet, in addition to individual framings and personal experiences, financial precarity played a role as well. Common patterns as well as differences in perspectives and approaches highlight the complexity of the issues.

In line with other research (Davies & Lea, 1995), this study found some evidence that student debt may increase tolerance toward other debt. Simone was one example. She expressed a sense that her \$10,000 credit card balance was "nothing" compared

to what she owed for her student loans. This study was not designed to test whether people with student debt take on more debt, but in general having student debt did not seem to make people feel more *comfortable* taking on debt after graduation, even when they did take on credit card debt. Rather, they carried credit card debt largely because they felt they had no choice if they were to meet expenses, which included student loan payments. Concerns about credit score sometimes led participants to avoid late payments but not to avoid carrying a balance, despite the expense.

Some participants did not know their credit card balances or interest rates and preferred not to know because of the worry it sparked. It may be that they avoided understanding details about retirement contribution amounts and matching funds because more knowledge might make taking action feel more urgent. Thinking in realistic terms about what is necessary for retirement is particularly overwhelming for people who have experienced—or are experiencing—economic scarcity.

Some participants had access to retirement accounts but were unaware of matching contributions. This may be an issue for many workers, even those in middle age with retirement accounts for decades, and how to decide whether how, and how much to invest in retirement accounts remains mystifying to many workers. At the same time, a different problem some participants confronted—that employer-provided retirement funds are unavailable and salaries are insufficient—will remain a problem if not addressed, as other research has documented (McKenzie & Liersch, 2011). Amassing sufficient funds to borrow significantly against a 401(k) as Crystal did takes time, and it is not an ideal use of retirement funds once accumulated. Participants with a need for more liquid funds, including those with lower incomes and little to spare, as well as participants with a desire to hold on to a larger cushion of accessible funds in a bank account, were less likely to contribute to retirement accounts. In other words, those most financially able and secure were also able to contribute the necessary funds to get the maximum matching funds from their employers. Greater economic advantage makes it easier to benefit from tax-advantaged workplace retirement plans. This dynamic further widens economic inequality between student debtors.

For those with substantial student loan debt burdens, it is difficult to gamble on a long-away-future and risk not having access to funds in the nearer term, even though taking out student loans was also a substantial investment and a gamble they had hoped would pay off. It is possible that the sense that retirement is far in the future could play a role, but as Crystal's case suggests, even middle-aged workers may not have a strong enough sense of the impact of saving for retirement to prioritize planning for old age. It is unlikely this finding applies only to student debt holders. Anyone who's faced financial precarity, bouts of unemployment, or periods when their expenses outstripped their income might face similar constraints in saving for retirement.

Some participants strategized to save by keeping money in different banks, segregating funds in separate accounts, and making it difficult to access some of their funds. Many who were able to amass extra funds held on to those funds in checking accounts, hesitant to trust that they would truly be able to save those funds and not

need them for regular expenses in short order, perhaps indicating lower financial self-efficacy, as others have argued (Lown et al. 2015).

In line with past research, some participants carried credit card balances from month to month and paid interest on those balances, even though they had funds available to pay the credit cards off in full, because they wanted to hold on to savings (Drue Dahl & Jørgensen, 2018; George & Leszczyszyn, 2021; Gorbachev & Luengo-Prado, 2019; Greene & Stavins, 2023; Ricaldi et al., 2022; Telyukova, 2013). Similarly, they opted out of contributing to retirement so they could build more liquid savings instead. In both scenarios participants decided against something that would have economically advantaged them in order to prioritize a higher balance in a savings account. Findings reveal a kind of invisible mental accounting participants engage in that sometimes led them to do counterintuitive things to restrain their spending, like making their own money hard to access, keeping cash hidden in their homes, or carrying credit card debt even when they could be free of it. Participants sometimes saw both credit cards and savings held in a checking account as sources of emergency funds. In addition to needing cash to pay for certain bills or as a precaution in case of losing access to credit in the future, participants cited a desire for comfort and an easing of financial worry.

This research is not without limitations. This study does not include people without loans, and undoubtedly student debt is only one factor in participants' lives that influences their approaches to retirement, savings, and credit card debt. Future research would do well to compare attitudes and practices regarding debt and money management between those with and without loans. Future research might also explore the role of financial advice from varied sources, as participants mentioned online forums, public figures offering financial advice, and courses available through their churches.

CONCLUSION

There are potential interventions that could mitigate some of the negative effects documented here. Institutions might provide students with information regarding credit card, saving, and retirement strategies, much as some of the participants proposed. The misconceptions many participants harbored regarding how to build a good credit score suggest a clear need for more education on this subject. At the same time, participants were aware that credit card debt is expensive and tried to avoid it. Programs to loan money to borrowers facing an urgent crisis, like Alice's need to repair her car, would be beneficial. Participants' experiences with a lack of adequate information also suggest that training in navigating savings, credit, and debt landscapes would be beneficial for young adults. Courses geared toward increasing financial literacy should be widely offered, and possibly required, in colleges but also in high schools to benefit those who do not attend college.

Employer practices regarding retirement accounts should be more transparent and communicated to employees clearly and frequently with options to revise, with clear information about the benefits of contributing. It is unsurprising some participants opted not to enroll; some truly felt they could not afford to see their take-

home pay reduced in the short term, like Ashley, but others, like Mia, simply did not understand how early contributions to a retirement account can compound over decades. How are employees supposed to assess what the right decision is in this regard?

The kind of informational meeting held at Jennifer's place of employment might be advisable in all workplaces with employer-provided retirement accounts, though Ashley's experience of mistrusting the information she received about the accounts at work suggests it is important to be sensitive to tone and perspective in such meetings. Transparent communication would aid people's understanding of how to best take advantage of retirement accounts, matching funds, and their options for rolling accounts over. It shouldn't be only the most savvy and wealthy who take advantage of these programs and the value of long-term investment. In line with McKenzie and Liersch's (2011) findings, making clear to people how beneficial it is to contribute even small amounts to retirement accounts early on in their careers so that such accounts can grow over time could help increase employee participation in employer-provided retirement accounts.

Allowing employees to take out their own contributions with no penalties and keep employer matching funds invested might encourage people to enter these programs, although they should be educated on the benefits of retaining invested funds rather than withdrawing them even in a crisis. An expanded Earned Income Tax Credit (EITC) could enable people to feel they can afford to contribute instead of opting out, and a government-provided option to start an IRA-style retirement fund independent of employer participation, with matching contributions from the government, could also encourage young people to invest in retirement accounts. Such accounts could operate like the EITC and other tax credits, requiring people to register and participate to get the matching funds.

Credit card reforms could increase transparency about the hidden costs of interest charges and reduce the high interest rates so that credit card debt does not balloon as easily as it does now. One participant, Jason, suggested that people having access to credit cards is a good thing, but that it might be advisable to better tie charge limits to income so that people don't get into too much debt. He had a point: It serves credit card companies to woo customers with high credit limits because those companies hope consumers will charge beyond their means and pay hefty fees as they struggle to repay balances for months or years. The misconception some participants held that it's good for your credit score to carry a balance—and the fees they paid as a result—served the interests of the credit card companies, but not their own interests.

Banking reforms can make no-fee checking accounts more accessible and can offer high interest rates in accounts even for people with low balances in savings accounts. Federally funded banking options and requirements that banks provide no-fee accounts with overdraft protection would improve financial well-being for low-income people. Another welcome change would be removing double overdraft charges so that if an account holder pays a fee for an overdraft, they do not pay that fee for a repeated overdraft from the same charge.

Banking institutions could allow account holders to segregate some funds to earn higher interest without the delays on funds transfers that high-yield savings accounts

sometimes impose. Account holders could set some money to be inaccessible through a debit card so that people don't feel a need to take the risk of hiding cash at home, as Monique did. No one should have to leave money in cash, which is vulnerable to loss, to protect it. These recommendations would allow those with lower incomes to get access to some of the same kinds of benefits higher-income people generally have to plan for retirement, avoid fees, and build savings.

Student loans are supposed to provide recipients a route to the American dream. Increasingly, evidence suggests that they may not be serving that purpose for many borrowers. This study shows that money management practices in the years following graduation may not support the wealth building that people borrow money to go to college to accomplish. Addressing these practices through revision of banking and credit procedures and policies, as well as provision of education and support to borrowers, could help universities and their students achieve their goals and enable the student loan system not only to make it possible for people to attend college, but also to broaden opportunities for mobility after college.

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“Some People Don’t Like Financial Aid, ‘Cause They Don’t Know How It Works, Completely”: Student and Staff Perspectives on Student Debt

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ABSTRACT

Conversations about student debt frequently target attendees of four-year and professional institutions, since higher-cost institutions are more likely to lead to high levels of debt. While some research has focused on financial aid and college funding at community colleges, we have comparatively limited scholarship regarding conceptualizations of student debt. Some scholars have studied financial aid staff at community colleges, but research has been primarily quantitative in nature. This study remedies that gap by offering a qualitative perspective about student debt, pairing student and staff views and analyzing them by investigating the social meaning of the money, or what student debt means to students and the staff members working in financial aid. Findings indicate that staff perspectives varied between paternalism and support of student debt, while students possessed emotional perspectives relating to fear of debt. Students in this study were fully aware that student loan debt is problematic and could have negative consequences on their future financial health. Because of the limited ability of grant and scholarship funding to cover their living expenses—as staff perspectives indicate—loan debt was an unavoidable last resort to pursue their educational goals.

Keywords: financial aid, student debt, qualitative research, community colleges

Conversations about student debt frequently target attendees of four-year and professional institutions, since higher-cost institutions are more likely to lead to high levels of debt. While some research has focused on financial aid and the experience of receiving college funding at community colleges (Graves, 2024, 2025a, 2025b;

Luna-Torres et al., 2018; McKinney et al., 2015; Ocean, 2021), we have comparatively limited scholarship regarding conceptualizations of student debt specifically. Additionally, while some scholars have studied financial aid staff at community colleges, that research has been primarily quantitative in nature (McKinney & Roberts, 2012; McKinney et al., 2013). This study remedies that gap by offering a qualitative perspective about student debt, pairing student and staff views and analyzing them by investigating the social meaning of the money, or what student debt means to students (Goldrick-Rab et al., 2009; McDonough & Calderone, 2006; McKinnon-Crowley et al., 2023; Zelizer, 2017). Focusing on a large, urban multi-campus community college in Texas that I term MCC (Koh et al., 2022), in this case study I ask (Yin, 2018): how do students receiving financial aid and financial aid staff understand the meaning of student debt? To answer this question, I first review literature about student loan debt, focusing on community colleges, address theoretical considerations about debt, explain my methodology, discuss the study's findings from both student and staff perspective, and end with implications for research and practice.

LITERATURE REVIEW

This section addresses contemporary research about financial aid in community colleges, starting with a summary of the student aid experience, moving to a discussion of research about community college staff and debt. It concludes with the theoretical framework that situates the study.

Community College Students and Financial Aid

Increases in the price of higher education in all sectors have impacted community colleges and contributed to a higher student debt load through loans (Keeney et al., 2023; Koh et al., 2022). Typically, community colleges are cheaper than four-year colleges in both net and sticker price for in-district students (Keeney et al., 2023), but the sector is not immune from cost increases. Research on policy-level attempts to ameliorate student loan burden such as Promise Programs—or income-based, location-dependent grant aid—has indicated both increased community college enrollment and lowering student loan take-up (Odle et al., 2021; Odle et al., 2025). Even though community college students might attend such institutions with varying purposes including intending to transfer to a four-year college, pursuing a workforce credential like a certificate, or simply taking a course for personal enrichment, some students still default—do not repay—their student loans (McKinney et al., 2021). One study found that those community college students who have defaulted are more likely to be those who completed some community college coursework but had yet to complete a degree or credential; this finding applies even if their loan debt is comparatively low, in amounts under \$5,000 (McKinney et al., 2021). Most of the growth in student loan debt in the last 10 years has come from graduate student borrowing, which by definition cannot be in the community college sector (Looney & Yannelis, 2024).

Community college students are more likely to be Black and Latine and older compared to attendees of four-year institutions (McKinney et al., 2021). Research has demonstrated time and again that Black students in particular hold a disproportionate share of student loan debt and are more likely to be in default on loans (González Canché, 2022; Jabbari et al., 2023). Such facts have inspired some financial aid scholars to take approaches such as Critical Race Theory. In such approaches, scholars have argued that the financial aid system itself is inherently racialized and discriminatory, intent on preserving the status quo of White wealth relative to individuals of color (Graves, 2024, 2025a, 2025b; Hypolite & Tichavakunda, 2019). In a study analyzing the Servicemen's Readjustment Act of 1944/The G.I. Bill, Graves (2025a) stated:

My approach is to contextualize the racial inequities by showing they are not by chance, but by design in an aid process that has been racialized since inception. Racism is the tool, but white supremacy is the goal for a complex aid system. (p. 938)

Before even holding and repaying student debt, though, community college students must go through the arduous process of applying for and receiving aid through completing the Free Application for Federal Student Aid (FAFSA) and passing verification or audits of the FAFSA's accuracy (Campbell et al., 2015; Cesar-Davis et al., 2024; Graves, 2024, 2025a), which research has found to disproportionately and negatively impact students of color.

Further, students must keep minimum grade point average and course completion requirements for Satisfactory Academic Progress to retain financial aid, a policy whose details in inception do not always match the goals of community college students given that their enrollment patterns do often mirror those of full-time, four-year students (Ocean, 2021; Taylor & Pauter, 2024). Community college financial aid staff fill in the gap of helping students access and receive monies.

Community College Financial Aid Staff

Literature about financial aid staff reflects a complex view of students and aid. Some community college staff viewed themselves as gatekeepers of aid protecting the federal government's money (McKinney & Roberts, 2012; McKinney et al., 2013; White, 2013). For instance, in White's study, staff members used language such as "you owe the federal government" when discussing aid with students (White, 2013, p. 142). In others, financial aid staff described themselves as agents enabling student success and contributors to their local community context (McKinnon-Crowley, 2022b). The COVID-19 pandemic and its dramatic changes in community college practice through the transition to online conditions and, briefly, funding structures through short-term yet significant financial investment via the Higher Education Emergency Relief Fund (HEERF) led some community colleges to focus on accommodating students' basic needs in their financial aid practice, using aid as a mechanism for determining student eligibility for campus-level programs of support (McKinnon-Crowley, 2022a, 2023; Pierce, 2021; Trentacoste et al., 2021). I argue, however, that it is crucial to view student debt at community colleges from both the

student and staff perspectives in its socially situated context, a perspective requiring qualitative research.

Theoretical Considerations: Social Meaning of Money

The majority of contemporary research about student debt in community colleges (and elsewhere) is quantitative in nature, likely because many research questions about student debt can be answered with numeric data. An analysis of student debt in such a numerical fashion, however, underemphasizes the amount of work required to receive and keep aid for imagined future gain, as the literature about verification has shown (e.g., Graves, 2024). Students receiving financial aid must know and understand what exactly financial aid means in terms of their future earnings, repayment options, and how to obtain, keep, and utilize financial aid, information that is certainly not easy to access (Graves, 2025a; Johnson et al., 2016; Porter et al., 2006; Ziskin et al., 2014). In addition, the economic returns for higher education are future-oriented. Students might think that a higher education degree is a good thing to possess and could think about the value of their degree in purely monetary terms (Cottom, 2017), but in the meantime they must actually pay for college and any other expenses in the present, not a future moment (Johnson et al., 2016), decisions which have both personal and social implications.

Overall, research on students receiving financial aid has typically utilized two perspectives: human capital theory, a concept from economics that emphasizes the rational decision-making capabilities of individuals, and financial nexus theory. In human capital theory, people make decisions based on the highest expected financial value to them over time. All decisions, especially those delaying immediate gratifications, consider the individual's consumption, leisure, and opportunity cost decisions. With regard to the decision to enter higher education rather than the workforce and accumulate student loan debt, this paradigm assumes that students are acting in what they perceive to be their best future interests, assuming that their happiness or earning potential will be greater over time because they enrolled in higher education (Davies & Lea, 1995; Goldrick-Rab et al., 2009). In this model, rational action designed to maximize the individual's own earning potential is the desired goal (Toutkoushian, 2019). Another model, financial nexus theory, situates student debt decisions in a larger matrix or web of influences beyond students' autonomous, rational assumptions about maximizing financial benefit. This theoretical model analyzes sociocultural and personal factors relating to debt. It considers how students think about college affordability (or lack thereof) and how financial aid information is presented, disseminated, and understood by students. Students and their parents may be motivated by psychological factors when considering financial aid such as risk aversion. There is, of course, no guarantee that the economic investment of college will yield economic returns (Goldrick-Rab et al., 2009).

In an economic view, a useable and useful financial aid system for students must be one that accurately portrays the amount of student debt that an individual can accrue and clearly communicates the financial benefits to be obtained from a degree.

In a less abstract and more concrete sense, students should also understand the terms and repayment options of their loans. To obtain this information, however, scholars need to know what current students think about financial aid and debt and if they think the investment is economically beneficial. I argue, therefore, that students' conceptions of their debt are just as important as the amount. As Zelizer (2017) argued, money and debt are not, in fact, fungible.

Money—and, by extension, financial aid—is embedded in a network of social and cultural relationships (Goldrick-Rab et al., 2009; McKinnon-Crowley et al., 2023; Perna, 2006; Zelizer, 2017). Students might think about the acquisition of debt as a sensible investment in future earnings, or as an absolute last resort, or something in the middle. Loans in particular hold an unusual place in financial aid. While from the perspective of financial aid policy and from staff members, loans are a form of financial aid, students could view loans differently, as something to be avoided at all costs (Hispanic Association of Colleges and Universities, 1994). These different understandings of the terms could lead to significantly different conceptions of aid (Wozniak, 2016). Missing from these discussions of student debt is an analysis of how students conceptualize aid *and* how the staff members they interact with to receive aid understand debt.

METHODS

As a case study (Yin, 2018), this paper utilizes interviews with 15 students receiving financial aid and 15 current and former financial aid staff members at the same large community college in Texas that I call “MCC.” Data collection was bounded by taking place at a single institution over a period of two months during the COVID-19 pandemic. See Table 1 for details about participant demographics. Students were required to be currently receiving some sort of financial aid at MCC at the time of data collection in order to participate; students were recruited through an email sent by MCC’s financial aid office. Staff members were recruited through email invitations to current and former MCC financial aid staff members.

I used ~45-minute interviews, document analysis of MCC’s website content, and demographic surveys collecting participants’ experiences with financial aid and their identities. All interviews were audio-recorded and transcribed. Twenty-nine of the 30 participants, both students and staff, completed a demographic questionnaire about their educational background, their student financing for college, and their history with MCC. In the interviews, I asked staff participants about their history and own experience with financial aid, their views on education funding, the purposes of financial aid, how they thought students conceptualize aid and the process of receiving it, during which perspectives on student debt emerged. I asked students about their financial aid packages, their educational history and experiences at MCC, their interactions with staff, and how they paid for college. Data analysis used the framework of social meaning of money to make sense of views of debt (Zelizer, 2017), systematically reading and annotating the transcripts with that lens.

Table 1: Participant Demographics

	<i>N</i>
Gender	
Women	26
Men	3
Unassigned	1
Racial Identity (Self-Described) ¹	
Asian	1
Black or African American	4
Hispanic	10
Idk [likely I don't know]	1
Mexican American	1
White, White European, or Caucasian	13
Type of Financial Aid While in College ²	
Grants	23
CARES/HEERF Funds	5
Federal loans	20
Scholarships	8
Work-study or service aid	4
No aid	1

Note. Table adapted from McKinnon-Crowley (2022b)

Positionality

I had what the literature would call minimal student loan debt from both her undergraduate and master's degrees, but I was able to defer them in graduate school and then pay them off within 10 years using traditional repayment methods. These perspectives shape my understanding of what role loans ought to play, if any, in how individuals and their families pay for higher education.

FINDINGS

This paper asks: how do students receiving financial aid and financial aid staff understand the meaning of student debt? Findings from the staff perspective indicate a complex view of student debt and its utility in the lives of community college students, with some staff members worrying that students could abuse the system by actions such as repeatedly failing to make Satisfactory Academic Progress, misunderstanding their economic needs, and overdrawing on student loans. Students could accrue substantial loan debt that staff viewed as excessive. From the student

¹ Numbers exceeded 30 due to multiple responses from participants in the demographic survey.

perspective, fear, terminological misapprehensions, and confusion permeated their understanding of debt and financial aid more generally.

Staff Perspectives

Staff members viewed community college students accruing debt as enabling education access but still expressed caution that it could be over-used and therefore amount to an abuse of government funding. The majority of staff members were clear that aid and “the right to an education is a human right,” as Marlene argued (all names are pseudonyms), but staff members also told stories of students abusing or misusing financial aid, and therefore the government’s money. In the staff members’ recounting, this abuse could occur in a few different ways. Students could take financial aid monies and then vanish with it, never to be seen again, or receive as much grant and loan aid as possible for a purpose with which staff disagreed. Staff were skeptical that students understood the consequences of their financial aid decision-making.

“Peace Out”: Students’ Potential for Abusing Aid

An abiding concern within financial aid practice as a whole is the student who appears at a school, takes the most financial aid possible in grants and loans, and subsequently disappears (Campbell et al., 2015). As Tina said, “Unfortunately, everybody’s not gonna be on the up-and-up. ‘I’m gonna register for school, get my loans, and peace out [leave].’” This fear motivates many policies within financial aid practice, including Satisfactory Academic Progress (SAP), which is supposed to ensure that students use aid to make progress toward their degrees (Ocean, 2021). The financial aid staff at MCC believed that students needed financial aid, but only within certain circumstances.

Some staff found students to be unduly “entitled” to aid, as Thomas phrased it, a characteristic he linked to Americans overall. Racquel and Lydia also noted that some students felt “entitled” to aid, a negative characteristic; other staff were less direct in claiming student entitlement. They offered a more tempered view of student attitudes and potential abuse of aid. Irina alluded to the extant possibility of students misleading the system about their need, saying that students genuinely, “Really do have a financial need, that they’re there because they want to learn, that they want to be there, that there’s no other way that they can go to school without help from financial aid.” While Irina did say that “There are the few that would really like the extra money [laughter] if it’s there,” she continued to say that “I feel that all of our students come from a place where they recognize that they need this education, and they can’t get it unless they have financial aid. There’s definitely a need.” Irina was certain that most students only used financial aid because their circumstances required it.

Olivia offered a similar interpretation of financial aid and need to Irina, stating when asked why she thought students applied for financial aid:

Because they need the help, in probably 95 percent of the cases. There's a few out there that are doing it just to—'cause we see them come in, and they enroll, and then they withdraw, so they're doing it to delay making payments on student loans. There's a few that're out there—they had the job change or lost their job, so coming back to school and getting financial aid is a way to get some extra income until things get better, the small percentage of career changers, right, that need that extra assistance to get started 'cause they're still trying to maybe work their job but come back to school and need extra money for child care. Most students are [applying] because they need the money to pay for school.

While offering reasons why some might use financial aid as a financial bridge to avoid other loan payments or gaining a little extra income, Olivia thought “95 percent” of students were using aid correctly, namely for their educational expenses. This quote can be read as Olivia and Irina emphasizing students’ genuine need strongly because of a narrative, shared by some of their colleagues, that students took on more aid than they needed. Other staff, however, thought students were underestimating their own financial aid needs to their detriment.

Encouraging Students to Accept Aid

Some staff believed that students were overly cautious in their approach to aid—believing it to be a scam—or were excessively concerned about taking out student loans. Lydia noted that while some students felt “entitled” to aid, others were so fearful of grant aid being a trick that they refused it when offered, musing that students might think:

With how society is today, there are so many untrue and unrealistic things, sources of money that are offered to people that financial aid is falling into that realm of maybe this is too good to be true. Maybe this isn't really money that's here to assist me.

Lydia believed that students might be too cautious in their pursuit of aid, to the point that those who needed it and met the criteria for grant eligibility in particular might refuse it out of an overabundance of caution. In a similar vein, Gabriella, speculating on motivations for students refusing aid, said that some students were unwilling to take it out of “pride”:

There are some students that are like, "I don't want to take free money," because they have that pride level. I'm like, "Girl, somebody's gonna take it if you don't. Why make it harder on yourself?" It's like, "You don't have to, but if you qualify, there's a reason you qualify. Don't add a struggle to your list. Let's try to make this burden a little easier for you.

Gabriella encouraged students to use the “vital” resource of student aid to make their lives a little less difficult. She believed they should swallow their pride to take the needed money.

Other staff reported that students thought they should take aid only if completely destitute. If they perceived themselves as more financially secure than any other student, they believed they ought to refuse offered aid. Antonia saw students’

perceptions of the necessity of aid as varying by age and other demographic features, noting,

My older students tend to tell me lately that, "I don't want no government handout," or, "I'm so well off right now that I feel bad for taking the money from somebody." I say, "Well you're not taking the money from somebody. You're eligible, you're eligible" ... My younger students, especially my Latinx students or my low income students will say that their parents don't want them to take out those loans and be in debt because what they see in the news.

The fear of loan debt loomed large for students, in staff members' reporting. In addition to students' concern with taking aid that they did not feel that they needed or wanted, Antonia observed that students experienced "stress" regarding financial aid, as students wondered: "What are the consequences to this to receiving this money, this free money?" Mindful of the fear toward student loans, Antonia encouraged students to apply for financial aid in a more covert manner. She passed along the information that a FAFSA application was required to receive scholarships through MCC. Scholarships were more palatable to students than grants or loans, as she reported students saying: "Oh okay, scholarships, I'm okay with that, that's 100 percent free money. Let me apply for financial aid." She also told students that even if they were offered a loan, they would not have to accept it.

Although these staff members frequently encouraged students to apply for aid, they were also mindful that short-term abuse of aid was possible. Per financial aid policy, disappearing with a loan and being a so-called "Pell runner" would cut off future aid eligibility, however. While students who do maximize their loans and then disappear are a possibility, this could prevent them from getting financial aid ever again and delay any transition to the post-educational workforce. Some staff members did not want financial aid to be used for non-educational expenses, but others understood that sometimes students' only source of income would be financial aid.

Inappropriate Uses of Financial Aid Monies

Although many staff were clear that financial aid was supposed to be a supplement to whatever other earnings and resources students could access—as Olivia said, "Financial aid is just there to help you get started, and it's definitely not there to help you pay for everything"—some staff were concerned that students were relying solely on financial aid for all of their income. In those cases, students could accrue substantial loan debt that staff viewed as excessive. In response to a question about whether students took financial aid for granted, Marlene replied,

I think in some cases, especially when you come across students who are in large loan debt. Even when they're young or when they're older...they're more interested in a way of paying just cost of living, really, and the only way to do that is go to school and get the financial aid.

Even though students were relying on financial aid to pay their living expenses, Marlene considered such behavior as a potential abuse of the system.

Dina was also concerned with how financial aid could be repurposed for personal use, specifically loan aid:

Other times, I think students see financial aid as—and if I’m being completely honest, a lot of ’em see it as a way to use for expenses other than financial aid [laughter]. Only again, that’s just personal experience that I have heard students say, “Use this money for my spring break cruise,” [laughter] or, “I need to borrow an additional 2,000.” I’m like, “Well, you just borrowed 3,500 last semester.”

Again, that’s where my reality check comes in. I’m like, “Well, what happened?” It’s none of my business, but at the same time, it’s like, “Well, you know these loans funds have to be paid back.”

When students asked to take out more loans than they had been previously given, Dina wanted to know what had changed in their lives that had required the use of more loans, and was simultaneously deeply concerned with high student debt burdens. Dina decries the use of financial aid for a “spring break cruise,” but seems content with students using it to fund the expenses of daily life. She continued with her thoughts on loans:

That’s the other thing is the borrow, borrow, borrow will eventually lead to that high debt, but like I tell them. It’s like if you borrow it wisely, it’s a good investment, but I do think some students—and not all, definitely not all students. It’s probably even a smaller percentage, I think, of students that see it as a way to use it for other than [laughter] educational purposes. I think for the most part, most of ’em are honestly usin’ it just to live day by day.

She understood that sometimes students had no choice but to take out loans as a source of replacement income as they completed their educational goals, including but not limited to getting a better job.

For some staff members, financial aid was supposed to help students get a better job as quickly as possible, not be used to cover living expenses in their entirety. From the staff perspective, delaying graduation by staying enrolled at MCC—and therefore continuing to get grants and loans—was perceived as a misuse of aid. Since some staff viewed students’ time at MCC purely as workforce preparation, putting off graduation merely delayed students’ inevitable exit (or re-entry) into the job market with their degree or certificate in hand. Staying in school and continuing to receive aid contravened that work-oriented purpose.

When speaking generally about the purpose of financial aid, Emilia said, I’ve seen both ends: those who use it too much and really need to, I don’t know. Once you got your degree, you need to go out in the workforce. You can’t just keep jumping from degree, degree, degree. Fortunately now there are limits that prevent them from continuing to do that. You do see that side of it. Be it’s their intentions, at first, were to make a better life for themselves, but then they got, I don’t know, afraid to go to that next step...I wouldn’t say it’s super common, but I have seen some students exhaust their whole Pell eligibility at [MCC] and they just didn’t seem like they wanted to go to the four year school or take employment once they finished one degree.

These students, in Emilia’s recounting, knew enough about financial aid to keep receiving it by declaring new degree plans and getting the maximum possible aid, but were not willing to take the next step and actually leave MCC. “Exhausting Pell

eligibility” means that the student used Pell Grants for 12 semesters of coursework, the maximum allowed (Davidson, 2014). In Emilia’s view, some students used financial aid to enable their lack of decision-making: she believed they should have gone into the workforce or transferred instead of staying at MCC.

Tina offered a similar story about how students maximized financial aid by using loans rather than grants to delay their next step:

Unfortunately, you have some people who have \$40,000, \$50,000 in student loans, but no degree, so that pattern—every time I’ve seen that, it’s kind of a pattern of people who wanna go to school, get loans so they can get money, but that’s the minority. I don’t see it a lot, but it does happen, and I think that’s why they have so many rules in place that the federal government has to try to catch people from doin’ it.

She did emphasize that this was a rare occurrence, and that government safeguards were in place to keep people from taking out what she viewed as too many loans without gaining a degree.

“All Free Money”: Staff Concern with Student Loan Debt

Despite these concerns regarding loan take-up, some staff were very concerned about students maximizing the amount of loans they could take out without seeing an appropriate return on that investment. Miriam, for example, believed that students thought financial aid was: “all free money, and they feel like once they fill it [FASFA] out, they should get the maximum.” Like Emilia, she believed that students should make sure to use their financial aid in a way that maximized their workforce potential, and opined that: “I wish the federal government would give schools a little bit more flexible [flexibility]” in making sure that they were only awarding aid to students who were going to use it to get the most well-paying job they could find. For her, that was the point of financial aid. Miriam wanted schools rather than the government to have more discretion in apportioning aid so that schools could discern who was appropriately using aid.

Thomas thought that students had a similarly economic orientation toward their time at MCC. He explicitly stated that the purpose of financial aid from the student view was “Gainful employment...people look to their education as a way to change their lives, not only as a way to be smarter, but as a way to change their lives, meaning they’re getting better jobs.” Thomas remarked that from the government’s perspective, “It’s [the purpose of financial aid] not really just educating people for the sake of their mental edification. It’s about getting gainful employment.” For these staff, the purpose of financial aid and higher education started and ended with student employment.

Students at MCC could have been studying at the school on and off for a number of years, and their financial aid profile followed them the entire time. They would not be able to escape their previous financial aid decisions. Staff worried that students were not taking the burden of eventually repaying the loans seriously, especially since student loans are almost impossible to discharge. Thomas, aware of the expenses of college, stated:

College comes with a very big price tag. Even if you can get a discount on that price tag—your financial aid may not pay for everything, but it can give you a great big discount. Or even if you get a student loan that you have to pay back later when you are making more money.

He attributed this style of college financing to American mores, continuing on to say: “that’s another way of American life is finance it now and pay for it later.” “Later,” though, was often closer than students thought.

Miriam in particular worried about students taking on loan debt that they did not understand because it would need to be paid back much later. She contrasted student loan debt to owing money on a car or a house with the following example:

When you look at your education, and you spend the money, you’re not thinking of that money in the back of, “Oh, I have to make this payment because I’m reading this book. Oh, yeah, I gotta make my loan payment.” You’re not thinking of that. There’s no tangible item, and it’s hard for people to understand your tangible item is what’s in your head. I don’t think that’s a problem with the student.

Conceptually, the very abstract nature of loans made them difficult to equate to other recurring, visible indicators of debt burdens.

Staff were aware that students could use financial aid in what they felt to be inappropriate ways. This could include too much loan debt or delaying graduation, but staff knew that loan bills would come due eventually and students would face the consequences of their financial aid decisions. Staff occasionally took a paternalistic view toward student financial aid decision-making, viewing them as naïfs who did not understand what they were doing, or more cynically, viewing students as malfeasants manipulating the systems for their own ends. Students expressed more emotional perspectives toward what financial aid meant for them, in some cases echoing misapprehensions about loans, specifically.

Student Perspectives: Fear of Financial Aid

All of the students in this study were using some type of financial aid, usually grants and loans. While they were comfortable enough with financial aid at MCC to speak to me about it, they were afraid of anything to do with financial aid outside of their own experiences, and believed that other students were similarly fearful. For example, Sylvia received exclusively HEERF funding for her financial aid package. She was otherwise paying for MCC out-of-pocket. Sylvia had, however, opted to take a provided loan in the past, but then immediately canceled it out of fear:

I did take out a loan a year or two ago for...I forget what they’re called, a subsidized loan, but then I immediately cancelled it because I thought that it would be smart to take out subsidized loans, even though I could afford to pay cash for my tuition and then have some extra cash on hand while I’m in school, and then pay it back once I graduate since there was no interest on it. Then, I saw a show about student loans and how the loan services are really shady—a lot of them are really shady—and how you don’t have any control over what service you get and how there’s a lot of people who have student loans, and they’ve been

making payments on their loans, and years later, they find out that those payments weren't applied to their actual loans.

Though Sylvia's concerns about her student loan payments being incorrectly applied were likely unfounded—and she correctly understood that subsidized loans received no interest while the borrower was in school—she was so nervous that her repayment money might be misapplied that she opted not to receive any loans at all. Other students were similarly loan-averse, like Victoria. She had no loans, but expressed the worry that “my biggest fear is not being able to get it [financial aid] and being in debt,” which is a bit of a contradiction in terms given the role that loans play in financial aid, but perhaps she is speaking of grant aid versus loans. The students in the study who did receive loans were not always clear about the types of loans they had.

Loan Confusion

Perhaps unsurprisingly, students were often imprecise about their types of financial aid, including both loans and grants. Two students, though, were well-informed about the different types of loans they held: Richard and Paulina knew that they had both subsidized and unsubsidized loans and used that terminology when speaking with me. Most loan-holding students were like Amelia, who when asked about her loan type said simply: “it's the bad one [Laughs]. The not good one.” Students were often vague about the types of grants they received as well. When asked about the kind of aid they had, the Pell Grant was a recognizable term for nine students; others simply said they were getting grants and were unclear about the types received. A few students like Paulina—without being directly asked—read me their most recent financial aid award letter or summary of aid and so provided precise details, but this was uncommon. Students were more likely to mention grants and loans when describing their aid packages as kinds of aid rather than scholarships, perhaps on account of the informational barriers discussed below.

Previous Degrees Impacting Aid

Sylvia and Aida both had completed bachelor's degrees prior to enrolling in MCC. In both cases, they decided that they wanted to pursue medical re-skilling rather than their bachelor's majors. This led to problems with their financial aid. Completion of a bachelor's degree impacted their SAP status. Since they had already achieved a higher education credential, they had to ask for special permission to be eligible for loan or grant aid; the Pell Grant was not available to them due to their earned degrees. Sylvia, who had not previously received financial aid, was irked at the SAP process when she applied for her the loan that she ultimately rejected:

You're only eligible to get financial aid if you had this SAP. Since I already had a college degree, I was automatically not making Satisfactory Academic Progress because I had too many credits. I had to do some extra paperwork to prove that I was making progress. Then, I did that, and then I got the loan.

...I guess the closest thing [to making her sad or angry about aid] would be the SAP. I just felt annoyed that I had to jump through hoops to prove that I was making academic progress when I've never had a student loan in my life. I should automatically be eligible for a loan since I've never had one.... It just seemed like kind of a silly and annoying thing that I had to do.

To solve the issue, Sylvia had to go into the MCC financial aid office in person "a couple a times and have them walk me through the process of fixing my SAP." Aida, who had received financial aid during her bachelor's degree, was less annoyed at the process of receiving aid than Sylvia. Not being eligible for the Pell Grant, as she had been during her first degree, was "probably just my biggest barrier. I've met whatever I could meet [in terms of grant eligibility], and it sucks, because it was all in a degree that I'm not using." Aida blamed herself for her choices in her younger years rather than financial aid staff or systems, however.

Aida compared the complete financial aid information she received from MCC with the partial data about the consequences of loan debt and borrowing she had received from her previous institution. She had attended a four-year, not-for-profit institution prior to attending both a for-profit institution and then, later, MCC. Reflecting on this experience, she remarked,

I feel like I've been very lucky with the ladies down at the [MCC campus] location. They've been very great to me...I feel like when I went to...my state university... they didn't really explain much to me, and I didn't really know what I was signing away on. I will say that. But at [MCC], I've been very lucky, but I feel like maybe when I was 18, I didn't really know what was happening, and-the full outcome of what I was doing.

Aida blames that institution for not properly briefing her about student loan debt. She had accrued approximately \$32,000 in loan debt prior to attending MCC, perhaps from both her not-for-profit and her for-profit institution. Aida was happy that MCC told her the truth about financial aid and did not push her into getting loans that she did not understand. Students usually did not attack financial aid staff over their difficulties with the financial processes, preferring instead to blame the overall system.

Confusion with Federal Systems

Students were puzzled by many aspects of the aid process, and sometimes made incorrect assumptions about what financial aid meant. Their confusion was not on account of staff behavior, in students' assessment, but rather endemic to financial aid. Students blamed outside sources. Staff's agency in financial aid decision-making, limited as it might be, was not evident to students. On account of these informational hurdles, students were not always accurate in their definitions of financial aid. As might be expected, definitions were a source of confusion as were the procedures that appeared to be without rationale.

Victoria, when asked to define financial aid, offered the following definition: "Business, financial. Money management, money in general." Other students were a little closer to what a staffer or researcher would define as financial aid, with Aida

defining aid as “grants and whatnot” and immediately following that with a discussion of scholarships. Even though students were generally correct in their definitional understandings of financial aid and knew that grants and loans were included, not all conceptions of aid were accurate.

Other Terminological Confusions with Financial Aid

Although Amelia and Sally were unique in their use of FAFSA to mean the financial aid office, some students used inconsistent terminology to refer to financial aid and were unclear, as briefly mentioned above about what financial aid actually meant. Students were unsure about the source of each kind of aid they received and whether it came directly from MCC or from the state and federal government. Such information is highly specialized knowledge, however. When asked to define aid in their own words, students’ provided definitions ranged from Sylvia’s very specific if slightly inaccurate “an array of ways to fund your education, and it can be through loans, grants—grants would’ve covered scholarships—and then, also, I guess grants could also cover gifts from family and other community members,” to Rosa’s and Paulina’s “lifesaving” definition of aid, to Victoria’s “money in general” definition quoted above. These definitions imply different orientations to financial aid, with some referring to the types of aid and aware of the functions that it played in student lives. Martina waxed poetic about the functional definition of aid when she said it is:

A beautiful tool that allows people to go and achieve their dream that people that wouldn’t have had—if they didn’t have parents that had a college fund for them, or they’re not able to pay for it on their own, that they can meet their goals and their dreams, achieve those dreams.

Beyond the forms that aid took, financial aid also meant the potential to “achieve those dreams” and attain educational success.

This range of definition corresponds to a range of understandings of aid, with consequences for student experiences with both received aid and the types of financial aid they might pursue in the future. Dylan used “FAFSA” to refer to federal aid systems. Olga gave her financial aid packaging, or perhaps the MCC financial aid office a substantial amount of agency. When commenting on her Summer 2020 enrollment, Olga stated “My financial aids³ said you need 12 hours.” Sally conflated grants with all of financial aid. She said the purpose of financial aid was “to definitely help guide a student where we get our grants, and make sure we’re distributed right.” Sally might not realize that loans were also part of financial aid, or she considered loans to fall outside of the semantic field of “financial aid.” Richard defined financial aid to include “grants and loans,” rather than scholarships or work-study, indicating that he might not pursue those types of aid in the future. Richard noted that while he was personally comfortable with financial aid, he knew that other people were reluctant to file for or use financial aid because it might be too good to be true:

³ This could also be read as “financial aides,” referring to the people who helped her with financial aid who were therefore her “aides.”

Interviewer: How do you think other students think about financial aid?

Richard: They might experience it differently, like some people don't like financial aid, 'cause they don't know how it works, completely. Like, I have some friends who aren't at all using financial aid, because they don't wanna pay it back if they have to drop the class.

He links other students' behavior in avoiding financial aid to lack of information about it, though here he seems to conflate financial aid as a whole with loan aid.

Staff Frustration with Student Terminology

The terminological confusion regarding financial aid irritated Racquel in her capacity as a staff member, who—while either conflating FAFSA with disbursed aid herself or adopting a student view of its uses—reported:

So they [students] start looking around for "How do I pay for tuition, and magically, FAFSA appears." ... The humor on some level is that I hear students all the time say, "Oh, I got denied financial aid." "You just got your Pell—not your Pell, but your loan distribution." I kind of go back and say, "Financial aid is an umbrella term for all of these types of aid. What you didn't get was grant funding. Under the big four, we checked off one that you weren't eligible for."

My other favorite, and it's like a pet peeve amongst all of my colleagues is that they got their financial aid reward letter. I'm like "rewarding you for?" just as a question, and then for years it was "my financial AIDS." I was like, "God, I hope we get a vaccine for that someday." "Yeah, my financial aids." "No, no, just one.

There's just one financial aid. We do a lot of crap, but it's just one.

Racquel offers this as a humorous—if off-color— example of student language use regarding financial aid, but the terminological confusion could have impact for students in their understanding and subsequent navigation of the aid process. Students who do not understand scholarships as part of financial aid, like Richard, might not see that as a source of available financing, and students might not realize that loans are included in financial aid, shaping their understandings of student debt.

DISCUSSION

In this study, I ask about the conceptual and social role that debt plays in the community college context. As the literature indicates, despite the comparatively low cost of community colleges when compared to four-year institutions, more and more students are accruing debt (Koh et al., 2022). This fact has not escaped the notice of community college financial aid staff concerned that students use money in a way suitable for their goals, both worried about their future but also the role of government resources. Student debt does not mean the same thing in all contexts (McKinnon-Crowley et al., 2023; Zelizer, 2017) and emotional language often appeared in the context of this study.

Staff in this study harbored complex views of student need. Keenly aware of the source of financial aid as federal monies (McKinney et al., 2013; White, 2013), they

were concerned that students would either knowingly or unknowingly take on too much loan debt and be unable to pay it back. Even staff who held the most expansive view of financial aid as necessary government intervention to enable college access still worried that students expressed entitlement to aid and could abuse it. This perspective was embedded in a view of the role of financial aid and community college education as a whole: preparing students to go into the workforce as soon as possible. According to staff, the overarching meaning of financial aid was to enable the government to invest money into students, students to trade their time and effort for this money, and then gain a return on their investment through the degree. Student loans were a surety for this purpose.

Students, though, were confused and fearful about loans and financial aid. Sylvia took and returned a loan after watching a program about student debt. Lydia reported similar concern from other students. The fear of student debt, specifically, permeated many conversations with students in my study; the ones who possessed debt usually had negative feelings toward this burden, like Amelia and Dylan indicated. I suspect that the media and scholarly attention toward student loan debt messaging has been too effective (e.g., Scott-Clayton, 2018), and as a result of this particular aspect of students' experiences (Perna, 2006), students preferred to avoid student loans entirely; remember Antonia's expressed concern about students and their parents' perceptions of news reports. While not inherently incorrect, student avoidance of even subsidized loans could lengthen their time in school, preventing them from attaining their educational goals quickly. This finding adds nuance to the literature about student debt (Johnson et al., 2016; Shaffer, 2014; Ziskin et al., 2014) and financial aid systems as a whole. Students in this study were fully aware that student loan debt is problematic and could have negative consequences on their future financial health. Because of the limited ability of grant and scholarship funding to cover their living expenses—as staff perspectives indicate—loan debt was an unavoidable last resort to pursue their educational goals. Perhaps understandably, students see loans similar to the context of replacement wages for lost income rather than a supplement or subsidy to achieve educational goals.

Additionally, though beyond the scope of this study to investigate fully, terminological differences persist in what counts as financial aid from the student and the staff perspective. Policymakers, staff, and scholars consider loans forms of financial aid, while many students do not, considering them to be in a separate category from aid that is not usually repaid such as grants and scholarships (McKinney et al., 2015). These conceptual and semantic distinctions lead to both communication issues and differences in import, given that the participants in the study frame loans as to be avoided whenever possible. Would financial aid as a whole be lumped into that group, causing students to avoid completing the FAFSA and therefore losing eligibility for scholarships?

CONCLUSION

This study has used a social meaning of money perspective to investigate how students and staff at a large community college understand financial aid and

student loan debt. It has added to the limited literature about community college financial aid staff and paired their perspectives on aid with students'. In an environment of increasing loan use for community college students, it is useful to understand both their attitudes toward aid but also those working with such policies at the institutional level. When higher education funding at the federal and state level remains uncertain in form as of this writing, community college students might become even more reliant on loans. Future research could conduct similar research at other institutions or delve more deeply into debt accrual decisions for community college students. At the level of practice, staff should ensure that their language and terminological choices are clear, accurate, and account for student concerns regarding debt.

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“Maybe It’s a Necessary Burden”: Higher Education Practitioners’ Intro-and Extrospective Perspectives on the Student Loan Debt Crisis

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ABSTRACT

Student loan debt held by borrowers in the United States, now exceeding \$1.83 trillion, has reshaped higher education access and affordability, yet little is known about how practitioners who advise students make sense of this system while navigating their own borrowing experiences. Guided by Weick’s (1995) sensemaking framework, this qualitative study examines the introspective and extrospective

perspectives of 30 higher education practitioners across diverse institutional contexts. Through semi-structured interviews, we explore how practitioners reconcile personal debt with professional responsibilities and interpret shifting student attitudes toward borrowing. Findings reveal pervasive ambivalence: loans are framed as a “necessary burden”—essential for educational and career mobility yet emotionally and financially constraining. Practitioners report growing student anxiety, early skepticism about loan value, and widespread financial literacy gaps. These insights underscore the ethical and emotional labor embedded in advising and highlight implications for policy, institutional practice, and professional development aimed at improving affordability and informed decision-making.

Keywords: higher education, student loans, finance, financial aid, student affairs

Student loan debt held by borrowers in the United States (U.S.) now exceeds \$1.83 trillion and has become a defining feature of U.S. higher education, burdening millions of borrowers with long-term financial obligations that often extend well into adulthood (Hanson, 2026). This debt is not merely a financial concern as it shapes life trajectories, delays major milestones such as homeownership and family formation, and contributes to persistent economic insecurity (Jabbari et al., 2023; Center for Housing Studies of Harvard University, 2024). Despite these consequences, the dominant narrative continues to frame college as a worthwhile investment, with institutions and policymakers emphasizing the long-term economic returns of a degree (Abel & Deitz, 2019; Zhang et al., 2024; New York University, 2024). However, this framing often obscures the uneven burden of debt across racial, socioeconomic, and generational lines, and fails to account for the emotional toll and financial precarity experienced by borrowers (Brown, 2020; Tachine & Cabrera, 2021). As tuition prices rise and public funding declines (Mitchell et al., 2019; Li, 2017), student loans have become a structural necessity rather than a choice and an institutionalized mechanism for access that simultaneously perpetuates inequality.

While extensive research has examined the lived experiences of borrowers, highlighting the emotional, financial, and aspirational toll of student debt (Jabbari et al., 2023; Brown, 2020), far less attention has been paid to the perspectives of higher education practitioners who operate within the very systems that facilitate student borrowing. These professionals, particularly those in student- and family-facing roles such as admissions counselors and financial aid officers, play a pivotal role in shaping students’ understanding of college affordability and access. Their work often involves translating complex institutional pricing structures and federal aid policies into digestible information for students and families, a task complicated by rising tuition costs, opaque financial aid formulas, and shifting public perceptions of higher education’s value (McKinney & Roberts, 2012; Mathis, 2010; McDonough & Calderone, 2006).

Practitioners are not merely intermediaries; they are embedded actors within a system that increasingly relies on student loans as a primary mechanism for funding postsecondary education (Mitchell et al., 2019; Dynarski et al., 2023). Many of these professionals are also borrowers themselves, navigating their own repayment

journeys while advising others on how to manage debt, serving in a dual role that can produce cognitive dissonance, ethical tension, and emotional labor (Mullen et al., 2018; Murphy et al., 2010). Their perspectives offer a critical, yet underexplored, lens into how institutional logics around affordability and access are internalized, negotiated, and sometimes resisted by those tasked with implementing them.

While practitioners work to educate students and their families on postsecondary finance, they do so within a shifting cultural and political landscape where public skepticism about the value of college is intensifying. Recent surveys reveal that Americans increasingly question whether the cost of a degree is justified, especially as student debt burdens grow and wage outcomes remain uncertain (Fry et al., 2024; Sandler, 2024; Nguyen et al., 2025). This skepticism is compounded by the visibility of elite institutions charging upwards of \$95,000 annually, often justified by the promise of generous financial aid packages that many families struggle to interpret or access (Perry, 2024; Taylor et al., 2025).

The broader context of rising tuition costs, stagnant public investment, and increasing administrative expenses has intensified financial pressures on both students and institutions (Evans, 2024; Mitchell et al., 2019; Spitalniak, 2022). These structural shifts have led to a growing reliance on student loans as a default funding mechanism, even as state appropriations decline and institutional spending on amenities and administrative overhead continues to rise (Li, 2017; McClure, 2019). Despite these challenges, higher education continues to be framed as a worthwhile investment, with longitudinal studies showing positive returns on college degrees across most fields and demographic groups (Abel & Deitz, 2019; Zhang, Liu, & Hu, 2024; New York University, 2024). However, this investment logic often fails to account for the uneven distribution of debt and opportunity, particularly among students of Color, first-generation students, and those attending under-resourced institutions (Burnett & Taylor, 2024; Tachine & Cabrera, 2021).

Therefore, practitioners find themselves at the intersection of institutional optimism and public doubt and are tasked with promoting access and affordability while contending with the realities of a system that increasingly commodifies education and normalizes (and often demonizes) student loan debt. As frontline professionals in admissions, financial aid, and enrollment management, they are responsible for translating complex financial information into actionable guidance for students and families, all while navigating their own experiences with student loans. Many practitioners are borrowers themselves, having financed their educational and professional advancement through the same mechanisms they now help others understand and manage. This dual role positions them uniquely to reflect on the ethical, emotional, and institutional tensions surrounding student debt, not only as individuals shaped by the system, but also as agents within it.

Subsequently, this study explores how higher education practitioners perceive the student loan debt crisis both introspectively as borrowers navigating repayment and career decisions and extrospectively as professionals guiding current and prospective students through increasingly complex financial landscapes. From here, this study is guided by three research questions:

RQ1) How do higher education practitioners reflect on their own experiences with student loan debt, and how have these experiences shaped their educational and career trajectories?

RQ2) What insights do practitioners offer about the attitudes and perceptions of current and prospective college students toward student loan borrowing and college affordability?

RQ3) In what ways do practitioners reconcile their personal experiences with student debt and their professional responsibilities in advising students about postsecondary finance?

Findings reveal that practitioners overwhelmingly express pessimism toward student loans, often describing them as a “necessary burden” that enabled educational attainment but came at a significant personal cost. Many participants shared regret over borrowing, particularly for graduate education, which they viewed as essential for career advancement yet financially burdensome. At the same time, practitioners reported growing student anxiety around borrowing, with concerns surfacing earlier in students’ academic journeys than in previous years. They noted that students often lack foundational financial knowledge and struggle to contextualize student loans within broader economic realities, frequently misunderstanding loan terms, interest rates, and the long-term implications of borrowing. These insights underscore the critical role practitioners play in shaping student perceptions of debt and affordability, while also navigating their own complex relationships with the student loan system and the student loan debt crisis.

LITERATURE REVIEW

The U.S. student loan portfolio—now topping an estimated \$1.83 trillion—has become a defining feature of U.S. postsecondary finance, shaping whether, how, and for whom higher education is attainable (Hanson, 2026). While many analyses continue to frame college as a sound long-term investment, especially on average and across most fields (Abel & Deitz, 2019; Carnevale et al., 2015; Carnevale, 2016), this logic of education-as-investment often obscures uneven risk and burden, particularly for students from minoritized and lower-income backgrounds (Addo et al., 2016; Houle, 2013; Houle & Berger, 2015). At once, the sector has experienced rising tuition and shifting cost structures amid decades of declining state appropriations (Adam, 2020; Colorado et al., 2023; Li, 2017), rendering loans less a choice than an increasingly institutionalized mechanism for access (Mangrum et al., 2022; Perry, 2024; Raisanen & Birkeland, 2016). This is what many practitioners and borrowers may characterize as a burden. Beyond aggregate returns, qualitative and mixed-methods studies document the emotional, temporal, and opportunity costs of indebtedness—including delayed milestones and heightened insecurity—nuancing the economic narrative with lived experience (Addo et al., 2016; Center for Housing Studies of Harvard University, 2024; Houle, 2013; Houle & Berger, 2015; Jabbari et al., 2023). Notably, far less attention has centered on higher education practitioners who help families interpret complex aid systems while themselves working within

the institutional logics that normalize borrowing, leaving a consequential gap this study addresses.

An Abridged History of Student Loans in the United States

Modern U.S. student aid evolved from a patchwork of federal, state, and institutional policies that expanded participation while reconfiguring how costs are shared among governments, institutions, students, and families (Adam, 2020). Histories of higher education finance and pricing trace a steady shift from public subsidy to cost-sharing, with loans playing a larger role since the late 20th century as list prices rose faster than general inflation (Adam, 2020; Baum et al., 2013; Kimball & Iler, 2023). Early efforts, such as the G.I. Bill, dramatically widened access but were implemented in ways that reproduced racial inequities in opportunity and credentialing, foreshadowing persistent distributional concerns in contemporary aid and lending systems (Humes, 2006).

Policy debates over whether federal aid (especially loans) enables tuition growth, popularized as the Bennett Hypothesis, have shaped public discourse and institutional pricing strategies (Bennett, 1987). While the op-ed that catalyzed the debate was polemical, later empirical work presents a more nuanced picture: students react to price signals, but the translation from aid to net price and enrollment behavior varies across sectors and policy contexts (Dynarski et al., 2023; Levine et al., 2020; McClure, 2019). Over the past two decades, state disinvestment has been a consistent driver of the cost shift to students (Toutkoushian & Hillman, 2012), with lower appropriations associated with higher student borrowing and increased tuition dependency, particularly at public institutions serving large shares of first-generation and low-income students (Li, 2017; Mitchell et al., 2019; Raisanen & Birkeland, 2016; SHEEO, 2024). Concurrently, sector costs have risen due to a mix of demand, labor-intensive service models, and institutional spending patterns, with debates about administrative growth and amenities continuing to the present (Evans, 2024; McClure, 2019; Mughan et al., 2022; Spitalniak, 2022).

Loans have undeniably expanded access, enabling many students—especially those priced out by stagnant local and federal grant aid—to enroll, persist, and complete degrees that yield higher lifetime earnings and non-financial benefits (Abel & Deitz, 2019; New York University, 2024). Evidence documenting positive private and social returns includes macro- and micro-level analyses of wage premia, occupational mobility, and civic outcomes (APLU, 2023; Scott-Clayton, 2015; Strohl et al., 2024; U.S. Bureau of Labor Statistics, 2024). Even amid rising prices, most fields still exhibit positive rates of return, although magnitudes do vary by major, institution, and student background (Carnevale et al., 2015; Carnevale, 2016; Zhang et al., 2024).

Yet the costs and risks of borrowing are unevenly distributed. Students who leave without a degree face the greatest repayment challenges, and racialized and Indigenous communities shoulder disproportionate burdens due to historical and contemporary stratification in wealth, labor markets, and institutional opportunity structures (Jabbari et al., 2023; Tachine & Cabrera, 2021). Historical exclusions,

visible in the GI Bill's differential implementation (Humes, 2006), continue to echo through intergenerational wealth gaps, while campus climates and resource disparities shape belonging, persistence, and post-college outcomes for students of Color (Humes, 2006; Hussain & Jones, 2021; Maramba & Velasquez, 2011). The financial and emotional tolls of indebtedness include delayed home-leaving, family formation, and homeownership, with broader housing precarity intersecting college affordability (Center for Housing Studies of Harvard University, 2024; Fernandez, 2022; Houle, 2013; Houle & Berger, 2015). As the national loan balance has grown and repayment rules evolved, Federal Reserve updates have underscored the scale and heterogeneity of borrowers' situations—by age, balance size, and completion status—further complicating one-size-fits-all policy fixes (Mangrum et al., 2022).

Ultimately, the U.S. higher education system has leveraged loans to widen access even as the financing model can reproduce inequality, especially when state support wanes and institutional costs rise. Policy responses, from transparency and gainful-employment rules to tuition resets, aim to improve value and affordability but cannot substitute for adequate public investment or robust grant aid (Colorado et al., 2023; Federal Student Aid, 2023; SHEEO, 2024; Ward & Corral, 2023).

Qualitative Perspectives on Student Loans

Qualitative and mixed-methods studies have enriched the economic literature by documenting how borrowers make sense of debt before, during, and after college. Students and their families have frequently described student loans as both enabling and constraining—a means to pursue aspirations that simultaneously produces anxiety, moral ambivalence, and sometimes regret, especially when program value is uncertain or outcomes fall short (Brown, 2020; Houle & Berger, 2015; Peters et al., 2019; Tomlinson, 2018). Many prospective students and families struggle to parse sticker price from net price and to contextualize loan terms, interest, and repayment options, gaps that can depress application and enrollment or push students toward suboptimal choices (McDonough & Calderone, 2006; Levine et al., 2020; Scott-Clayton, 2015; Taylor & Bica, 2020).

Public opinion research has further illuminated the affective climate surrounding borrowing and value: Americans have increasingly expressed ambivalence about whether college is worth the investment, even as labor-market data show persistent degree premia; media attention to eye-popping list prices at elite institutions intensifies skepticism and confusion (Cecil, 2024; Fry et al., 2024; Nguyen et al., 2025; Perry, 2024). Surveys of students and parents show that perceptions of affordability influence application behavior and choice sets, with affordability concerns surfacing earlier in the pipeline (Gallup, Inc., 2023; Knott, 2022; Redden, 2022). Scholars have also documented the emotional labor and embodied stress that accompany financial precarity and high-stakes decisions—insights that complicate purely rational models of human capital investment (Alstadsæter, 2011; Mayhew et al., 2016; Shalka, 2020).

Within this landscape, higher education practitioners, including admissions counselors, financial aid officers, and enrollment managers, play pivotal roles in

translating policy and pricing into actionable guidance for students and families. Prior work has highlighted practitioners' critical gatekeeping and counseling functions such as clarifying aid, fostering help-seeking, and shaping expectations (Handel, 2008; Mathis, 2010; McKinney & Roberts, 2012; Taylor et al., 2025), but the literature has not centered practitioners' perspectives on student loans, particularly as many advise while navigating the same student loan systems themselves. Practitioner-facing scholarship in student affairs underscores job stress, burnout, and value tensions in student-facing roles, suggesting that advising about debt likely entails ethical dilemmas and emotional strain, yet it seldom interrogates staff members' first-person experiences with borrowing or repayment (Mullen et al., 2018; Murphy et al., 2010).

By eliciting higher education practitioners' intro- and extrospective perspectives—how they make sense of their own borrowing and how they advise students in a context of rising prices, complex aid, and polarized public opinion—this study addresses a consequential gap at the intersection of policy implementation, organizational sensemaking, and frontline advising. It extends qualitative work on student debt beyond borrower-only narratives to include the embedded actors who mediate information, shape perceptions of affordability, and influence students' choices, often under institutional pressures and accountability regimes that can conflict with student-centered outcomes. Methodologically, the study also contributes to qualitative inquiry on college finance by foregrounding practitioner sensemaking and by articulating themes that can inform practice, training, and policy design.

THEORETICAL FRAMEWORK

To guide both the coding and interpretation of our qualitative data, this study draws on Karl Weick's (1995) theory of sensemaking, a foundational framework in organizational studies that examines how individuals construct meaning in response to complex, ambiguous, or emotionally charged situations akin to the student loan debt crisis. Weick (1995) identified seven interrelated properties of sensemaking: identity construction, retrospection, enactment, social context, ongoing processes, extracted cues, and plausibility. These properties together describe how people interpret their experiences and navigate uncertainty. Rather than seeking objective truth, Weick's (1995) notion of sensemaking emphasizes the creation of coherent, plausible narratives that help individuals orient themselves within dynamic institutional environments.

Weick's (1995) theory was particularly well-suited to our study of higher education practitioners, who occupy a dual role as both participants in and navigators of the student loan system. At the time of the study, many participants were student loan borrowers themselves, while also serving as frontline professionals tasked with advising students and families on college affordability and the federal financial aid system. Weick's (1995) theory provided a conceptual lens through which we could examine how these practitioners make sense of their own debt experiences and reconcile them with their professional responsibilities with both students and families. We leveraged the seven properties of sensemaking as a deductive coding

structure, allowing us to organize participant narratives around key dimensions of meaning-making, such as how they reflect on past borrowing decisions (retrospection), how their professional identities shape their interpretations of debt (identity construction), and how they respond to institutional and cultural pressures (enactment and social context).

Beyond coding, Weick's (1995) framework also informed our interpretive analysis, helping us better understand the emotional, ethical, and institutional tensions embedded in practitioners' narratives. For example, our emphasis on plausibility over accuracy helped us recognize how participants constructed internally coherent stories about debt, even when those stories may have conflicted with policy realities or economic data. Similarly, the property of ongoing sensemaking highlighted how practitioners' perspectives evolved over time in response to shifting student attitudes, policy changes, and institutional demands. By applying sensemaking theory throughout the analytic process, we were able to surface the multifaceted, often contradictory ways practitioners understand and navigate the student loan debt crisis, both as individuals shaped by the system and as agents working within it.

Group Positionality Statement

Our research team consisted of eight professionals, each employed at a different institution of higher education across eight U.S. states. Among us, six identify as cisgender White women and two as cisgender White men. All team members hold advanced degrees and bring between 13 and over 35 years of full-time experience in education, with many having spent their entire careers in non-financial aid student affairs (housing, student success, mentoring, etc.) and financial aid. These shared professional trajectories reflect a deep commitment to student access and success, but they also position us within systems that have historically privileged White, middle-class, and college-educated individuals, often at the expense of marginalized communities.

Prior to beginning this study, we engaged in structured conversations to examine our own beliefs about the value of higher education and the role that student loans play in the everyday lives of higher education practitioners, students, and students' support networks. While we shared a strong conviction that postsecondary education can be a powerful force for personal and social transformation, we also recognized that this belief is shaped by our own relatively successful experiences within higher education systems: experiences not universally shared. This reflexive process helped us acknowledge the risk of projecting our values onto participants and underscored the importance of remaining open to perspectives that challenge the notion of higher education as inherently liberatory for all: we acknowledge that it is not.

Our salient identities both inform and complicate this work. As White, cisgender professionals with long-standing careers in higher education, we are deeply embedded in the very systems we seek to critique, systems that have historically excluded and underserved students of Color, low-income students, queer students, and other marginalized groups. While our belief in the transformative potential of higher education motivates our work, we are also aware that this belief can obscure

the structural harm embedded in financial aid policy and practice, especially as it relates to student loans and student loan debt. Throughout the study, we engaged in ongoing reflexivity and peer dialogue to integrate our positionalities into the research process. We designed participant-centered interview protocols, collaborated in analysis to surface tensions and contradictions, and sought feedback from colleagues with different lived experiences in higher education and within the U.S. student loan system. We do not claim neutrality or objectivity; rather, we view our positionality as a lens that both enables and inhibits our understanding.

Additionally, we revisited our assumptions about financial knowledge and tools. While we continue to value the importance of equipping students with information to navigate complex systems, we recognize that financial literacy and credentials alone cannot dismantle the structural barriers faced by students of Color, low-income students, and other historically marginalized groups regarding student loans. We resist framing our work as a pathway to individual liberation and instead position it as part of a broader effort to expose and challenge the systemic inequities embedded in higher education policy and practice.

METHODS

To investigate how higher education practitioners perceive the student loan debt crisis, this study employed a qualitative research design. This approach was chosen to capture the depth and complexity of practitioners' personal and professional experiences with student loans, as well as the diverse ways they interpret and communicate financial realities to students. The following subsections outline the procedures used for data collection and analysis, along with a discussion of the study's limitations.

IRB Approvals and Recruiting Participants

Following approval from the lead author's institutional review board, participants were recruited using a combination of convenience and snowball sampling methods. The study's IRB authorization permitted outreach via email through two major professional organizations: NASPA (Student Affairs Administrators in Higher Education) and NASFAA (National Association of Student Financial Aid Administrators). Recruitment emails invited higher education practitioners to complete an online informed consent form, which included permission to be contacted by the research team for scheduling interviews.

To ensure the study captured perspectives from those directly engaged with students and families—and who had personal experience with student loan borrowing—the consent form included two screening questions. First, practitioners were asked whether their role involved daily interactions with students and/or families. Second, they were asked to confirm whether they had taken out student loans themselves. Only those who affirmed both criteria were included in the study.

In total, 30 practitioners from 26 different institutions participated in hour-long Zoom interviews. Of these, 26 were recruited through email outreach, and four were

referred through snowball sampling. The participant pool was evenly split between financial aid professionals and other student affairs staff, with representation across both public and private institutions, as well as two- and four-year colleges. The average participant age was 41 years. Table 1 displays the participants of this study and their demographics:

Table 1: Display Matrix of Participants (n = 30)

Pseudonym	Age	Race	Gender	Unit	Student Debt Amount
Adam	42	Caucasian	M	Student Affairs	\$0
Allison	49	Caucasian	W	Financial Aid	\$0
Amy	36	Caucasian	W	Financial Aid	\$125,000
Benny	29	African American	M	Student Affairs	\$80,000
Brian	46	Caucasian	M	Financial Aid	\$26,000
Brooke	43	African American	W	Student Affairs	\$0
Claire	48	Caucasian	W	Financial Aid	\$112,000
Diane	44	Multiracial	W	Financial Aid	\$0
Emma	34	Asian	W	Student Affairs	\$127,000
Eric	36	Caucasian	M	Student Affairs	\$26,000
Erin	56	Caucasian	W	Student Affairs	\$226,000
Heather	51	Caucasian	W	Financial Aid	\$0
Jacob	32	Latino	M	Financial Aid	\$120,000
Jenna	41	Caucasian	W	Financial Aid	\$0
Josh	47	Caucasian	M	Student Affairs	\$51,000
Julie	43	Multiracial	W	Student Affairs	\$100,000
Katie	43	Latina	W	Financial Aid	\$100,000
Kelly	41	African American	W	Student Affairs	\$99,000
Laura	35	Caucasian	W	Financial Aid	\$60,000
Lily	48	Multiracial	W	Student Affairs	\$45,000
Lucy	47	African American	W	Student Affairs	\$50,000
Matt	35	Caucasian	M	Student Affairs	\$82,000
Megan	36	Caucasian	W	Financial Aid	\$35,000
Natalie	47	Caucasian	W	Financial Aid	\$50,000

Paige	44	Latina	W	Student Affairs	\$100,000
Rachel	37	Caucasian	W	Financial Aid	\$0
Ryan	41	Caucasian	M	Financial Aid	\$60,000
Sean	34	African American	W	Financial Aid	\$0
Thomas	33	African American	M	Student Affairs	\$77,000
Tya	38	Multiracial	W	Student Affairs	\$0

Data Collection

This study employed a qualitative approach informed by Saldaña and Omasta's (2022) methodology. To explore higher education practitioners' personal and professional experiences with student loan debt, the research team conducted semi-structured interviews using open-ended questions. These one-on-one interviews, held between August and December 2023, encouraged participants to reflect on their own borrowing experiences, their observations of student attitudes toward debt and affordability, and how they navigate their professional responsibilities in advising students about postsecondary finance.

At the conclusion of each interview, participants were asked to provide demographic information, including age, race, gender, institutional role, and student loan debt status. These were data points relevant to understanding the economic and social dimensions of their experiences. While the interview protocol did not include direct questions about tuition, loan terms, or institutional pricing strategies, participants were invited to discuss the perceived affordability and value of higher education, as well as its role in shaping socioeconomic mobility.

All interviews were conducted via Zoom. Transcripts were auto-generated by the platform and manually reviewed by multiple members of the research team, who verified accuracy by listening to the recordings and correcting the text line-by-line. Data were stored in password-protected files, and participants were assigned pseudonyms to ensure confidentiality.

Data Analysis

To analyze how higher education practitioners make sense of the student loan debt crisis—both through introspective reflections on their own borrowing and extrospective observations of student experiences—we employed a two-phase coding process grounded in Karl Weick's (1995) theory of sensemaking. This framework, which emphasizes how individuals construct meaning in response to complex and emotionally charged situations, was particularly well-suited to our study. Weick's seven properties (identity construction, retrospection, enactment, social context, ongoing processes, extracted cues, and plausibility) provided a deductive structure for organizing and interpreting participant narratives.

In the first round of coding, each member of the research team independently applied Weick's properties to the interview transcripts. This deductive phase focused

on how practitioners reflected on their own student loan experiences (retrospection), how their professional identities shaped their interpretations of debt (identity construction), and how they responded to institutional and cultural pressures around college affordability (enactment and social context). These dimensions were especially salient in addressing RQ1 and RQ3, as participants frequently described student loans as a “necessary burden”—a mechanism for educational and career advancement that came at a significant personal cost. Many expressed regrets over borrowing, particularly for graduate education, which they viewed as essential for professional mobility but financially burdensome. Practitioners also described the duality of student loans as both enabling and constraining, highlighting the tension between opportunity and indebtedness.

In the second round of coding, we adopted an inductive approach to surface emergent themes related to RQ2 and how practitioners perceive student attitudes toward borrowing student loans and postsecondary affordability. Here, Weick’s properties of extracted cues and ongoing sensemaking were particularly useful. Practitioners noted a shift in student behavior, observing that loan anxiety now surfaces much earlier in students’ academic journeys, often in the first semester rather than later in their college careers. These cues, drawn from years of advising experience, helped practitioners interpret changing student perceptions and contextualize them within broader economic and cultural shifts.

Practitioners also described widespread gaps in student financial literacy, noting that students often misunderstand loan terms, interest rates, and the long-term implications of borrowing. These misunderstandings frequently contrasted with students’ comfort in taking on other forms of debt, such as credit cards or car loans, which carry higher interest rates but are perceived as more familiar. Practitioners expressed frustration at the difficulty of reaching all students and families with accurate, contextualized information, underscoring their critical role in shaping perceptions of debt and affordability while navigating their own complex relationships with the student loan system.

Throughout both coding phases, our team engaged in collaborative analysis and reflexive dialogue, informed by our positionality as White, cisgender professionals embedded in higher education systems. We acknowledge that our own relatively successful experiences with student loans and higher education could influence our interpretations. To mitigate this, we designed participant-centered protocols, sought feedback from colleagues with diverse lived experiences, and remained attentive to perspectives that challenged dominant narratives about higher education’s value.

Weick’s (1995) emphasis on plausibility over accuracy guided our interpretive stance. Practitioners often constructed internally coherent narratives that helped them reconcile personal sacrifice with professional purpose, even when those narratives conflicted with policy details or economic data. The property of ongoing sensemaking was especially salient, as many participants described evolving perspectives shaped by shifting student demographics, institutional demands, and policy changes.

Finally, we conducted member-checking by inviting participants to review their transcripts and a draft of the manuscript. All affirmed the accuracy of their contributions, and several expressed appreciation for being included in the study.

These responses reinforced the credibility of our analysis and the relevance of our findings to practitioners' lived experiences.

FINDINGS

This study explored the complex and often contradictory perspectives of higher education practitioners regarding student loan debt, both as individuals who have borrowed and as professionals who advise students on postsecondary finance. The findings are organized around three guiding research questions and reveal a nuanced landscape of introspective and extrospective insights. Practitioners reflected on their own borrowing experiences with a mix of regret, pragmatism, and recognition of the role loans played in enabling educational and career advancement. Simultaneously, they observed shifting student attitudes toward student loan borrowing and debt, marked by early anxiety, misconceptions, and a growing skepticism about the value of higher education relative to its cost. Across both personal and professional domains, practitioners grappled with reconciling their lived experiences with their responsibilities to guide students and families through increasingly complex financial decisions related to student loans. The findings are presented in two major sections—Introspectives and Extrospectives—each containing thematic subcategories that illuminate how student loan debt is understood, experienced, and communicated within the field.

Introspectives: Practitioner Insights on Their Own Student Loans and Student Loan Debt

“Maybe It’s a Necessary Burden”: Student Loan Debt as Part of a Plan

For many higher education practitioners, student loan debt was not just a financial obligation: It was a defining feature of their educational journey. While nearly all participants acknowledged the burden of borrowing, they also recognized that loans were often the only way to access the degrees necessary for personal and professional advancement. This tension between regret and necessity was a central theme in their reflections.

Katie articulated this duality clearly: “I believed education was valuable, and I paid the price. Sometimes, I regret it. It’s hard to reconcile the price with the promise, but maybe it’s a necessary burden.” Her words reflect a broader sentiment among practitioners who, despite valuing their degrees, questioned whether the financial trade-offs were justified. Jacob echoed this concern, describing the long-term implications of his borrowing: “I’m already deep in debt from undergrad, and I know I’ll need to borrow even more for graduate school. It feels like a long tunnel with no clear end, but that’s the path I have to go.” Similarly, for Diane, student loans were the only way, she felt, to afford the education she needed to pursue the career she wanted:

I was a fringe middle-class kid. I was smart and I got some scholarships, but I wasn’t on a full-ride. I didn’t qualify for nearly any need-based aid. There was

really nothing for me. So loans were the only way, at least from what I remember thinking going into undergrad.

Here, for Diane, Jacob and others, the pursuit of education was inseparable from the reality of debt and feeling as if student loans, although not ideal, had to be part of their educational plan.

Yet, some participants found hope in forgiveness programs, which offered a sense of relief and closure. Emma described her anticipated loan forgiveness as transformative: “Having \$127,000 forgiven will be life-changing. It’s not just financial for me, it’s emotional freedom from something that’s been hanging over me for years.”

Likewise, Tya suggested that her student loans and loan forgiveness was part of her plan, so she felt differently than colleagues who pursued other fields:

I always planned on going into something that could be forgiven. So, debt was just a stepping stone to get the job to be able to get the forgiveness down the road.

Some of my friends, they’re still paying their debts and probably will for the rest of their lives. For me, that was not part of my plan.

Her reflection highlights how debt can shape not only educational decisions but also emotional well-being and future aspirations. Meanwhile, other practitioners approached their borrowing with a sense of personal accountability, even as they acknowledged the challenges. For instance, Kelly shared, “I never expected anyone else to pay my loans. I took them out knowing I’d be responsible, but it’s still a heavy load.” Her experience underscores the internalized responsibility many borrowers feel, even when systemic issues complicate repayment. Laura, for example, recounted how her undergraduate loans didn’t qualify for forgiveness despite her efforts: “I didn’t realize some of my loans weren’t qualifying. I was making payments, but they didn’t count. It felt like I was doing everything right and still falling behind.”

Moreover, a recurring theme among participants was how little they understood about student loans when they first borrowed, even though they had fully planned on borrowing from the start. Julie admitted, “I wanted to go to a certain school. Maybe it was a financial reach, but I knew I was gonna take out loans. But I didn’t know much as a student. It wasn’t until I started working in financial aid that I really learned how it all works.” Heather similarly reflected on her early confusion: “When I was in college, I just did what I was told and took out the loans. I didn’t really understand the financial aid system or what loans meant long-term.” These comments point to a broader issue of financial literacy and the need for clearer guidance at the point of borrowing, especially for students who may make enrollment decisions that are a “financial reach” as Julie described.

The long-term consequences of early borrowing decisions were not lost on participants. Thomas remarked, “It’s absurd how much debt I took on at 18. You don’t fully grasp the consequences until years later, but here I am.” Similarly, Natalie explained that “I took on \$35,000 in loans, and knowing some of it may be forgiven made it feel manageable, but it’s been a long road and it’s not over.” Paige added, “I’m about \$30,000 in the hole from undergrad. It’s not unusual, but it’s still a lot. Repayment is gonna take a long, long time.” These reflections speak to the structural challenges of a system that allows young adults to make life-altering financial

decisions that can persist as a burden for years or as long as repayment or forgiveness may take.

Overall, these reflections reveal a shared narrative: student loans were essential, but rarely easy. Practitioners navigated their borrowing with varying degrees of understanding, optimism, and regret. Their stories underscore the complexity of student loan debt, not just as a financial tool, but as a deeply personal and often burdensome part of their professional identity.

“Didn’t Wanna Be Stuck”: Student Loans as an Upward Mobility Mechanism

For many practitioners, student loans were not simply a financial obligation; they were a calculated step toward escaping economic limitations and accessing professional advancement. Borrowing was often framed as a necessary risk, one that enabled movement from hourly jobs or stagnant roles into careers with greater upward mobility, stability, and purpose. Yet the optimism that once accompanied borrowing has, for many, given way to caution and concern about the long-term consequences.

For example, the decision to borrow was often rooted in a desire to avoid being trapped in low-wage work. Eric reflected:

I was extremely bright. I took calc in high school. But I didn’t go to college right away because I couldn’t afford it. When I finally did, I had to borrow. It was the only way to stop working hourly jobs and start building a career.

Like Eric, Brooke also wanted to avoid manual labor work that may not pay as well as working in education or human services:

I knew working in education wasn’t gonna pay a whole lot, but I was not gonna work retail. I was not gonna work in service or doing manual labor. There was just certain types of work that I was not gonna do, so I chose higher education and I chose to borrow to avoid all of that, and so far, I have. It was a good choice, despite the debt.

Along with Brooke, other practitioners mentioned “service jobs” as a reason they chose to go into debt to pursue higher education (Lily), while Sean also mentioned “blue collar factory work that goes away eventually” as a reason to take out loans in order to afford higher education and a better, more stable career.

Beyond undergraduate loans, graduate education emerged as a pivotal point in many practitioners’ journeys. While undergraduate borrowing was often seen as unavoidable, the need to take out additional loans for a master’s degree was described as a professional imperative. Erin stated, “I knew I had to get a higher degree to do what I wanted with my life and that meant graduate debt.” Thomas also explained, “I took out loans because I saw it as an investment in myself, even if it meant starting out in the red.” Amy reasoned that, in her field of financial aid, a master’s degree was essential for upward mobility: “You can work as a counselor with a bachelor’s, but if you want to even sniff a middle class living down the road, you have to have a master’s, and for me, that meant debt.” Here, the expectation to pursue graduate education, especially in fields like higher education, meant that borrowing didn’t end with a bachelor’s degree. It escalated.

And this escalation was not always accompanied by increased financial security. Brian shared, “I borrowed to get my bachelor’s because I thought it would open doors. And it did, but just barely. Then I realized I’d need a master’s to really move up, and that meant more loans. It felt like the bar kept moving.” Notably, Emma, the practitioner with the second most outstanding student loan debt in this study (\$127,000), said that she did not necessarily regret her choice to borrow because the choice was made for her: “To move up, I had to borrow. That’s all there was to it. I had to take out loans.” Here, the perception that credentials were increasingly required for even modest advancement was widespread, and it shaped how practitioners viewed their own borrowing decisions in hindsight, even if practitioners like Emma felt they had no choice.

Despite the burden, many still saw education as a worthwhile investment. Heather said, “I borrowed because I believed education would lead to a better life, and it did, in many ways. But now I see so many people treating it like a burden, and I get it. Because the debt is real. Still, for me, it was the only way to move up.” Jenna shared this sentiment, stating, “Having student loan debt changed me for the good and the bad. It was stressful but it ended up working out.” This tension between gratitude for opportunity and frustration with debt was a defining feature of practitioners’ introspections. Overall, these reflections reveal a complex reality: Student loans were often the only way practitioners felt they could access the education needed to advance professionally. Yet the cost of that mobility—financial, emotional, or otherwise—led many to experience considerable stress or uncertainty.

“Advancement Became Expensive”: Undergraduate vs. Graduate Borrowing

While many practitioners viewed student loans as a necessary step toward accessing higher education, their reflections revealed a deeper concern about the escalating costs of graduate education. For most, undergraduate borrowing was expected, but graduate borrowing felt like a second, heavier burden. The pursuit of advanced degrees, often required for career advancement in higher education and public service, came with a steep price tag that compounded their debt and complicated their financial futures. The transition from undergraduate to graduate borrowing marked a turning point for Katie. She shared, “As an undergrad, I didn’t need the program. But when I got to grad school, I realized I was going to need to find a way to pay for it. That’s when the loans really started to pile up.” Her experience reflects a common trajectory: initial optimism followed by the sobering reality of graduate-level costs. For Jacob, the financial pressure was immediate and overwhelming: “I’m already in the hole for this obscene amount of money just for my undergraduate, and now I’m looking down the barrel of this thing of like eight more years of graduate school.” These reflections really provide a snapshot of the anxiety many practitioners feel when faced with the long-term implications of borrowing across multiple degrees, knowing they were already carrying student loan debt and having to take on more.

For many practitioners, graduate loans were not just larger, they were more complicated. Laura described the confusion she faced when trying to manage her repayment of graduate loans: “I had taken some graduate loans out, but the payments

I was making weren't qualifying (for loan forgiveness). I had to waive the rest of my department on them, and I didn't even understand why." Likewise, Erin, the practitioner with the most student loan debt in this study (\$226,000), described graduate loans as "confusing, more confusing than undergrad," while Allison claimed that she only paid off her debt out of luck: "The terms of my graduate loans were just bizarre to me and it took me years to pay off. I think I just got lucky." Another practitioner, Josh, felt that graduate loans were "worse than undergrad." Josh continued:

I don't remember my undergrad loans being so scattered and all over the place. I think I had one big loan, but for graduate school, I've got like 4 loans, and they all have different, weird repayment terms. I don't know how it got that way, but graduate loans are worse. They just are.

Here, these experiences highlight the bureaucratic challenges that often accompany graduate borrowing, especially when navigating forgiveness programs and repayment terms.

The financial toll of graduate education extended far beyond tuition, especially for practitioners juggling family responsibilities and life expenses. Paige reflected on the dual burden she and her partner faced: "I still ended up spending probably \$30,000 just to get through my grad program. My partner also has student loans. We both went through the process, and it was a lot to manage." For many, graduate school meant not only tuition but also housing, childcare, and lost income, costs that compounded the debt and intensified the pressure. Emma described the emotional weight of her debt and the relief she anticipates from forgiveness: "I've got \$127K forgiven, and I'm just glad I'm almost 10 years in. Once it happens, I don't know. I might cry." Even those who successfully navigated forgiveness programs expressed frustration with lingering balances. Kelly shared, "I got all my loans forgiven except for \$9,000. I thought President Biden's plan would take care of the rest, and then it was denied. That last bit still weighs on me." These reflections underscore how graduate borrowing often feels like a long-term emotional and financial commitment, one that shapes life decisions and personal well-being for years.

Practitioners who work directly in financial aid acknowledged the complexity of graduate borrowing, often noting a disconnect between their professional expertise and personal navigation. Megan, a financial aid practitioner, admitted, "When I started, I didn't know much about public service loan forgiveness. It's not something my graduate students ask about, but I've had to learn it for myself." Income-driven repayment plans offered some relief, but not without trade-offs. Jenna, a single mother, explained: "There were long stretches where my payment was \$0.00, which helped. But if I'd been on a standard plan for my graduate loans, it would've been \$600 or \$700 a month. That would've been impossible." Heather added, "We completed the paperwork for the repay SAVE program for all my graduate loans, but they included my income, and the payments were absolutely ridiculous." As Kelly put it, "Graduate school is not just tuition. You have to live. You have to pay for housing. There's always going to be that additional expectation to take on loans." Ultimately, practitioners described graduate borrowing as a double-edged sword: essential for career advancement yet financially destabilizing. Despite the challenges,

most still viewed education as a critical pathway to mobility, one they pursued with determination, even at great personal cost.

Extrospectives: Practitioner Insights on College Students and Student Loans

“The Buyer’s Remorse Comes Sooner”: Student Loan Anxiety is Immediate

Practitioners working directly with students have observed a striking shift in when and how loan anxiety emerges. In previous years, practitioners reported that concern about student debt typically surfaced in the later stages of college, “junior or senior year,” when graduation and repayment loomed. Today, however, practitioners explained that the anxiety has appeared much earlier. Practitioners explained that they have worked with students who are “fearful” of debt and are “highly skeptical of student loans.” Jacob shared that one of his students “immediately regretted borrowing by their sophomore year. The buyer’s remorse comes sooner now.” This apprehension is not confined to campus offices; it’s showing up in family conversations too. Heather shared, “My son straight out told me if he had to take loans, he wasn’t going to college. He didn’t want to be in debt for the rest of his life.” This generational resistance to borrowing reflects a growing disillusionment with the promise of higher education as a reliable path to economic mobility.

The language students use to describe loans has also evolved, often shaped by media narratives and online discourse according to practitioners. Katie shared, “I find a lot of our students are now using the word ‘predatory loans,’ even when talking about federal programs. I was so shocked by that.” Similarly, Allison shared that she was working with a student and “they felt so strongly that loans were evil. Loans were just evil.” This shift in terminology suggests that students are internalizing mistrust before they’ve even engaged with the actual terms and conditions of borrowing. Diane also observed how this fear manifests in behavior: “There’s lots of kids with loans coming due who can’t buy a house, still live with their parents, and can’t pass credit checks. They’re stifled by debt, and they know it early.” She added, “We try to reach students with information, but they’re not always ready to hear it.” According to Diane, low attendance at financial literacy sessions and a focus on immediate concerns over long-term planning has made it difficult for practitioners to intervene meaningfully.

Even among students who do attend college, the burden of debt looms large. Kelly remarked, “So many students are looking at it as a burden right away and trying to figure out how to get around it. They’re not asking how to manage it. They’re asking how to avoid it in their first semester.” This avoidance mindset complicates efforts to educate students about responsible borrowing and repayment strategies. Some practitioners interpreted this shift as increased awareness. Natalie noted, “Students nowadays are more cautious and more savvy about taking on debt. They have a more realistic expectation of what their college degree is going to get them.” While this caution can be constructive, it also reflects a broader skepticism about the value of higher education in a volatile, ever-changing labor market.

Collectively, these insights reveal a profound shift in how students approach borrowing. The anxiety that once emerged near graduation now appears in the first year, perhaps before a single loan is taken out or a single payment is made. Practitioners are witnessing a generation of students who are more informed, more skeptical, and more fearful, raising urgent questions about how institutions can support students in navigating a system that, as Kelly described, “feels more like a trap.”

“They Don’t Think That Way...”: Student Loans as Burden, Not an Opportunity

Practitioners consistently observed that students today approach borrowing with a mindset shaped more by fear than strategy. As Claire explained, “My students see it as a burden. Period.” Rather than viewing loans as a tool to accelerate graduation or access opportunity, students often see them as burdensome and something to be avoided at all costs. This perception, while understandable given the broader economic context, has led to missed opportunities and a reluctance to engage with financial aid systems in constructive ways, according to practitioners in this study. Adam shared, “I don’t work in financial aid, but I talk to students about it and sometimes, loans are the way to go to graduate on time. But that message is not landing at all.” Natalie, a financial aid practitioner, explained that the students she counsels are “not open to loans. Even if borrowing means getting out a year earlier, it’s a hard no. Borrowing loans is not something anyone wants to do.” Here, practitioners emphasized that students consistently have felt that student loans are a burden, not a tool. This may be especially salient given examples provided by Adam and Natalie that suggest loans, in some cases, could be used to facilitate more efficient graduation, but according to these practitioners, student loans were a “hard no.” Here, for some students, the idea of debt was so overwhelming that it overshadowed the potential benefits of graduating early.

According to practitioners in this study, this idea of student loans as burdensome is especially pronounced among first-generation students, who often lack intergenerational knowledge about higher education finance. Thomas remarked, “Students don’t really understand what you are signing up for until it’s time to pay it, especially people whose parents didn’t go to college. Even when students understand the necessity of a degree, they remain skeptical about its value and the loans are the burden that weighs it down.” Natalie also remarked, “Some of these first gen students, I feel for them. They want to earn the degree because it’s like the bare minimum, but it doesn’t really promise you anything, and they talk about the loans as a burden to having that bare minimum.” Here, a few practitioners drew attention to how first-generation students, as a particularly vulnerable population, also felt that loans were a burden to be avoided.

Institutional gaps in financial education further compounded this ideology according to practitioners. Laura stressed, “There needs to be requirements of schools to provide education...exit counseling isn’t enough. Students just click, click, click, done, and then we turn around and are surprised by the attitudes toward student loans? We shouldn’t be.” Without meaningful engagement, practitioners felt students are left

to “navigate a very complex system on their own” with little guidance, reinforcing their perception of loans as traps rather than tools. Collectively, these insights reveal a troubling trend: Practitioners feel students increasingly view borrowing as a burden to be feared, not a resource to be leveraged. Practitioners see the consequences daily, with students delaying graduation, avoiding necessary expenses, or opting out of college altogether. According to practitioners, addressing this issue will require not only better financial education but also a cultural shift in how borrowing is framed, understood, and supported.

“...And They Don’t Know Everything.”: Gaps in Student Loan Knowledge

Practitioners consistently emphasized a troubling disconnect between students’ financial behaviors and their understanding of student loans. Despite widespread anxiety about borrowing, many students lacked foundational knowledge about how loans work, how repayment is structured, and how federal aid compares to other forms of debt, including credit card debt. For practitioners, this gap in financial literacy not only shapes student decision-making but also places a heavy burden on practitioners tasked with guiding students and families through increasingly complex systems. Lily, who worked in student affairs, shared that she was “talking with a student who was so off-base. They had no idea what their loans were and were sharing all of this misinformation and these students, they don’t know everything. It was awful.” As Megan, a financial aid professional, noted, “When we talk to students about how a credit card may be a loan with a 20% interest rate, and then we say a student loan is under 7%, you can see their souls leave their body. They’re just gobsmailed. They had no idea.” Ryan, another financial aid professional, also shared a story about a student who was considering loans and shared what they knew in a counseling session:

I had a student tell me, with a straight face, that a federal student loan was going to cost them 25%. That was the number they gave me. And so, I pulled up the federal student aid website, and we navigated to their student portal, and the rate was below 7%. The student told me they’d never checked their portal, and they had never been to the fed website. So, I asked them where they got their information, and they said they couldn’t remember.

Here, Lily, Megan, and Ryan’s stories illustrate how misinformation and lack of context distort students’ perceptions of borrowing, with these perceptions not being close to the reality of their situation.

This confusion is compounded by the limitations of existing financial education efforts, according to practitioners. Lucy reflected, “I didn’t know about loans, how they work or anything like that. I think most of us were like that until we worked in the higher education system, and most parents too. The Student Aid website is very confusing for a lot of people.” Benny added, “Our society is full of people who don’t understand the life they’re even living. Students, parents, half the people in education. They don’t know how loans work and they’re scared to death of them because we don’t provide the education about them.” Here, without meaningful engagement, students are left to navigate loan systems with little more than surface-level understanding.

Even practitioners themselves admitted to struggling with the system when they were students. Emma shared, “Before I worked in higher education, I didn’t know much either. I became an expert fast.” Laura echoed this sentiment: “I didn’t really get the nitty gritty of why I was paying on some loans, why those were deferred, and so I get it. I get why students still don’t get it, if that makes sense.” Kelly reflected on her own professional learning curve: “Even in the financial aid office, we don’t understand everything. I was telling a colleague that students deserve patience because student loans are tricky.” These admissions underscore how even those embedded in the student loan and financial aid system can struggle to navigate its intricacies, further complicating their ability to support students effectively.

Natalie offered a broader critique of policy design: “Financial aid policies are being created by people who don’t have that personal experience, so that trickles down to students and they’re confusing, and students don’t have the information they need so it’s a mystery to them. These policymakers, they do the minimal to get perspectives from those people.” Her comment point to a systemic failure to center the lived experiences of student loan borrowers in policy development and implementation, resulting in the entire student loan system being shrouded in a sense of “mystery.” Ultimately, these insights reveal a critical challenge for higher education: the need to bridge the gap between fear of student loans and understanding of student loans. For practitioners, students are entering postsecondary education with deep anxieties and possible misconceptions about debt, yet without the tools to make informed decisions. Practitioners reported that they are doing their best to fill that gap, but without systemic support, their efforts can only go so far. Addressing this issue will require not just better resources, but a reimagining of how financial literacy is taught, supported, and sustained throughout the student journey.

DISCUSSION AND IMPLICATIONS

This study set out to understand how higher education practitioners make sense of the student loan debt crisis both introspectively (as borrowers whose educational and career trajectories have been shaped by debt) and extrospectively (as frontline advisors who translate complex pricing and aid systems for students and families). Using Weick’s (1995) sensemaking framework, we find that practitioners construct coherent, morally charged narratives that reconcile ambivalence about borrowing (“a necessary burden”) with a professional mandate to promote access and persistence. These narratives emerge within a well-documented structural context of state disinvestment, rising institutional costs, and uneven debt burdens (Li, 2017; Mitchell et al., 2019; McClure, 2019; Mughan et al., 2022), alongside mixed public opinion about the value of college despite persistent average returns (Abel & Deitz, 2019; Fry et al., 2024; New York University, 2024; Zhang et al., 2024).

Per Weick’s (1995) theory, we find that practitioners’ professional identities as helpers, translators, or gatekeepers shape how they legitimize advising practices amid personal ambivalence about debt. Many participants described themselves as responsible advisors while also acknowledging regret or frustration as borrowers, mirroring the identity tensions found in student-facing roles more broadly (Mullen et

al., 2018; Murphy et al., 2010). Moreover, participants retrospectively reframed early borrowing decisions, especially for graduate education, as both instrumental and costly in their personal and professional lives. This backward-looking sensemaking surfaced dissatisfaction with initial loan knowledge, echoing research on borrowers' limited understanding at the point of decision (McDonough & Calderone, 2006; Scott-Clayton, 2015; Taylor et al., 2025).

In their daily work, practitioners shared that they tried to provide education for students around student loans to inform decision making (McKinney & Roberts, 2012; Taylor & Bicak, 2020), yet their enacted solutions are constrained by institutional and federal rules, including complex repayment and forgiveness pathways (Dynarski et al., 2023; Federal Student Aid, 2023). As if a lack of financial literacy and the complexity of the student loan system was not enough to render their positions extremely burdensome, practitioners' shared narratives were nestled among broader and societal discourse around student loans and higher education policy, leading students to claim federal student loans are "predatory." Here, practitioners strongly asserted that discourse (e.g., Bennett Hypothesis debates), organizational incentives, and media attention to list prices (Bennett, 1987; Evans, 2024; Levine et al., 2020; Perry, 2024) has helped shape students' perspectives of student loans. This sociality helps explain the diffusion of "burden" language and earlier-emerging student anxiety, rendering the everyday work of practitioners burdensome, especially in financial aid.

Weick's (1995) notion of ongoing sensemaking is also apparent in this study, as practitioners described a move from late-stage to early loan anxiety, aligning with trends in affordability concerns among applicants and first-year students (Fry et al., 2024; Gallup, Inc., 2023; Redden, 2022). This anxiety was in addition to what Weick would deem extracted cues, as these practitioners interpreted small cues, like students' use of terms like "predatory" and claiming federal loans have "25%" rates, as signals of broader skepticism and misinformation in the environment (McDonough & Calderone, 2006; Nguyen et al., 2025). To push against these phenomena, practitioners tried providing guidance that balances the risks and opportunities of student loans, even when navigating the financial aid system may be "complex" for all stakeholders involved. For instance, practitioners recommending limited borrowing to graduate on time is a plausible strategy amid incomplete information and varying program returns (Abel & Deitz, 2019; Zhang et al., 2024), especially given the well-established penalties for non-completion and eventual debt without degree (Jabbari et al., 2023).

Here, Weick's (1995) notion of sensemaking illuminates how practitioners held and are holding together competing logics: Education as investment, debt as constraint. And these logics were present within and beyond institutions that both widen access and reproduce inequality (Addo et al., 2016; Houle, 2013; Tachine & Cabrera, 2021). Their narratives are not simply personal opinions but organizationally embedded interpretations responsive to ambiguous, dynamic conditions (Weick, 1995) that represent the current cultural zeitgeist surrounding student loans and the student loan debt crisis. By centering practitioners as borrower-advisors, this study extends qualitative work that has historically focused on student and family

perspectives (Brown, 2020; Peters et al., 2019) and complements economic research on price sensitivity and aid design (Dynarski et al., 2023; Levine et al., 2020). Practitioners' dual positioning reveals value tensions and emotional labor at the intersection of policy implementation and student support (Mullen et al., 2018; Murphy et al., 2010).

Moreover, this study adds nuance to the "education as an investment" narrative. Participants' regrets about graduate borrowing, paired with recognition that advanced credentials are often required for mobility in student-facing careers, surfaced a moving bar phenomenon wherein required credentials have risen faster than wage gains, intensifying debt stress (Carnevale, 2016; U.S. Bureau of Labor Statistics, 2024; Strohl et al., 2024). This helps explain why skepticism intensifies even as average degree returns remain positive (Abel & Deitz, 2019; New York University, 2024).

In addition, our findings corroborate evidence of distributional inequities in borrowing and repayment burdens, especially for first-generation students, while emphasizing advisors' struggle to deliver timely, comprehensible guidance in systems that presume financial literacy many do not yet possess (Addo et al., 2016; Houle & Berger, 2015; McKinney & Roberts, 2012; Taylor & Bicak, 2020). The early nature of students' anxiety we document resonates with research linking debt stress to well-being (Tran et al., 2018) and with affordability's influence on college choice (Knott, 2022; Redden, 2022). Here, by documenting practitioners' early-stage observations (e.g., "buyer's remorse comes sooner"), we contribute to a growing body of work on the timing of affordability perceptions and the evolving public narrative about higher education's value (Fry et al., 2024; Nguyen et al., 2025; Sandler, 2024).

Implications for Practice

Advising should intentionally hold together two truths our participants voiced: 1) loans can be tools that, when modest and well-structured, reduce time-to-degree and expand opportunity, and 2) debt imposes real financial and emotional costs that are unevenly distributed (Abel & Deitz, 2019; Addo et al., 2016; Houle & Berger, 2015; Jabbari et al., 2023). Embedding this "both/and" stance can minimize absolutist "loans are evil" or "college always pays" messaging, aligning practice with Weick's (1995) emphasis on plausible, context-sensitive sensemaking.

Because anxiety is surfacing at application and first-term stages, institutions should build early, repeated, and contextualized micro-modules on net price, borrowing ranges, and income-driven repayment (IDR)/forgiveness pathways into onboarding, first-year seminars, and high-enrollment general education courses (McDonough & Calderone, 2006; Scott-Clayton, 2015). Short, scenario-based tools that compare loan APRs to common consumer credit APRs can set risk perceptions and provide foundational education about financial aid and student loans (McKinney & Roberts, 2012; Taylor & Bicak, 2020). Moreover, practitioners should work to simplify award letters and portals to highlight estimated total program cost, expected borrowing range, projected payment under IDR, and time-to-degree trade-offs (Dynarski et al., 2023; Federal Student Aid, 2023). Default nudges (e.g., prompts to

accept only subsidized amounts first) or scheduling a graduation financing plan (or the like) appointment when students add a third extra term can leverage enactment to create more sensible student decisions (Levine et al., 2020) and possibly attitudes toward student loans.

Given inequitable debt burdens and information gaps, tailor interventions, such as peer financial mentors, multilingual explainers, and targeted FAFSA/IDR clinics, to first-generation, transfer, and working adult learners (Addo et al., 2016; McKinney & Roberts, 2012; Tachine & Cabrera, 2021). Pair financial education with basic needs supports to mitigate the housing and food insecurity that magnifies debt stress (Center for Housing Studies of Harvard University, 2024; Fernandez, 2022). Similarly, practitioners can benefit from intervention, as well. Practitioners are managing complex policy changes and incredible flux at the federal level while navigating their own debt: *This situation in itself is an incredible burden*. Institutions should provide employees with workload protections, continuing education on evolving aid rules, and reflective spaces to align personal and professional values, reducing burnout and ethical strain (Mullen et al., 2018; Murphy et al., 2010). Short policy pulse-style briefings each term can sustain ongoing sensemaking (Dynarski et al., 2023; Weick, 1995) to ensure employees' needs are met in hopes to increase employee retention.

Implications for Policy

Persistent evidence has linked state disinvestment to higher net price and borrowing (Li, 2017; Mitchell et al., 2019; Raisanen & Birkeland, 2016). Restoring state appropriations and expanding need-based grants would improve affordability without relying on debt to close gaps (Toutkoushian & Hillman, 2012; SHEEO, 2024). In addition, the Department of Education's financial value transparency/gainful-employment regulations and simplification of repayment (including IDR) are critical but must be paired with plain-language disclosures at the program level (Federal Student Aid, 2023; Dynarski et al., 2023). Policymakers should standardize award letter elements and require program-level net price and typical borrowing displays (Levine et al., 2020; Scott-Clayton, 2015). This way, practitioners have a clearer and more consistent message to deliver to students and their support networks.

Limitations and Directions for Future Research

Our study draws on a purposive sample of practitioners who both advise students and have borrowed themselves; as such, results are not statistically generalizable. However, the analytic generalizability of the themes is strengthened by theoretical triangulation and member-checking. Future work should compare across institutional types and regions to test how different pricing and aid ecologies shape practitioner sensemaking (Fitch Ratings, 2022; Kelchen et al., 2021). Moreover, researchers could explore how advising strategies can be linked to student outcomes, including time-to-degree, borrowing amounts, and early IDR uptake (Braxton et al., 2013; Schreiner et al., 2012). Additionally, researchers can examine intersectional differences among practitioners (race/ethnicity, first-generation status, debt load) to

understand how identity conditions sensemaking and advice (Hussain & Jones, 2021; Maramba & Velasquez, 2011).

In perhaps a more difficult line of research, future work could trace narrative change over time as policy shifts and economic conditions evolve (Lin et al., 2024; Sandler, 2024). For a student to use the word “predatory” to describe federal student loans and for another student to claim a 25% interest rate for a federal loan may speak to broader and more difficult-to-measure societal discussions and attitudes that could be tied to policy changes. Moreover, given the practitioners situated in this study as borrower-advisors, researchers could study graduate versus undergraduate borrowing more explicitly, given our participants’ emphasis on graduate debt escalation in student-facing careers (Carnevale, 2016; U.S. Bureau of Labor Statistics, 2024).

CONCLUSION

Practitioners in this study, and the students they serve, described student loans as both enabling and constraining: A “necessary burden” situated within structural cost shifts and unequal opportunity structures. Weick’s (1995) lens clarified, a bit, how student affairs and financial aid practitioners craft plausible, identity-affirming narratives to act amid ambiguity while absorbing students’ accelerating anxiety about affordability and student loan debt. Integrating these insights with the extant literature suggests a pragmatic agenda: *Reducing the need to borrow through public investment and grants while radically simplifying information and processes to build early, contextualized financial knowledge in order to protect borrowers through borrower-friendly policies, ultimately supporting the people who carry out this work.* In short, improving the conditions of sensemaking (Weick, 1995) around student loans for practitioners and students alike is not ancillary to affordability. Improving sensemaking around student loans will be central to making higher education intelligible, navigable, and just.

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Borrowing Against Our Futures: How Recent College Graduates Navigate Loan Repayment

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ABSTRACT

Student loan repayment can impact individual's financial outcomes and well-being. Life course theory suggests these impacts may result from how loan repayment interacts with life events, transition periods, and broader context in an individual's life. This paper highlights the experiences of recent college graduates as they navigate entering loan repayment simultaneously with other life changes after college graduation. Many borrowers in our study entered repayment as the COVID-related payment pause ended. In addition to these federal policy changes, borrowers in our study experienced profound changes in their employment status, health, and social lives after graduation. As time passed, these life changes and external policy contexts grew more salient, leading to changes in borrowers' repayment goals.

Keywords: loan repayment, college graduates; student loans; borrowing

Student loan repayment significantly shapes borrowers' postgraduate lives. A substantial amount of scholarship demonstrates how student loan debt impacts individuals' economic outcomes and mental well-being (for reviews, see Sinha et al., 2024; Yannelis & Tracey, 2022). For example, expectations of loan repayment can influence borrowers' career choices, steering them towards higher paying occupations (Field, 2009; Murto 2024; Rothstein & Rouse, 2011). In addition, increased debt burdens associated with higher tuition costs have been linked to lower

homeownership rates (Mezza et al., 2020). Beyond financial outcomes, managing student loan repayment can shape interpersonal relationships within families (Stivers & Berman, 2020); influence expectations of family formation (Houle & Addo, 2022; Napolitano et al., 2022); and affect broader socio-emotional well-being (Sinha et al., 2024).

Recent scholarship has also highlighted ways that borrower characteristics and external circumstance mediate the relationships between loan debt, repayment, and borrowers' postgraduate lives. Borrowers' social class background (Napolitano et al., 2022); race (Houle & Addo, 2019); higher education sector attended, degree attainment, degree type (Mezza et al., 2020); and debt amount (Velez et al., 2019) may all mediate borrowers' loan repayment. Understanding how student loans influence borrowers' life outcomes is thus one that requires recognition of the nuance and interplay across multiple facets of borrower identity, aspirations, values, and life circumstances.

Life course theory provides one lens for considering the interplay between student loan debt and outcomes such as family formation, living situations, and loan repayment status (Furquim et al., 2022; Houle & Addo, 2019; Napolitano et al., 2022). Life course theory posits that an individual's life trajectory results from individual choices as well as historical, social, and structural constraints (Elder et al., 2003). And, transition periods, such as graduating from college, can be foundational to later life outcomes (Elder, 1998; Hutchison, 2025; Settersten & Ray, 2010; Shanahan, 2000). Transition periods and what happens during those periods may closely connect with an individual's relative social position and accumulate (dis)advantages, potentially widening a socioeconomic gradient over time (Dannefer, 2020; DiPrete & Eirich, 2006; Elder et al., 2003). Student loan repayment typically occurs over many years, overlapping with many life transition periods. The interaction between loan repayment and life transitions may thus exacerbate differences in individuals' social and economic positions. Large repayment amounts can "impose significant financial risks" particularly for individuals already in precarious financial positions (Seamster & Charron-Chénier, 2017; p. 205). If these large payments occur simultaneously with other life events and transitions, borrowers may be unable to afford a loan payment and/or make other choices than if they had lower or no loan debt.

In this paper, we contribute to studies exploring the relationship between loan repayment and inequality in life outcomes through the lens of a single transition period: graduating from college. We collected borrowers' experiences via multiple rounds of semi-structured interviews between June 2022 and December 2023. The participants in our study all recently graduated from a four-year university in the Northeastern United States. Because these types of life transitions are multifaceted and nested within broader societal and cultural structures, understanding individuals' experiences during this time can inform broader questions of student loan impacts on borrowers' life outcomes. In this paper, we focus on answering the following questions:

- How do borrowers consider loan repayment in their post-graduation plans and aspirations?
- How do their perspectives change over time?

We found that borrowing and loan repayment informed borrowers' career goals and postgraduate plans. And, over time, borrowers' career goals and postgraduate circumstances grew in salience such that their circumstances shape their perspectives on loan repayment rather than being shaped by loan repayment. This is especially the case when circumstances changed because of factors outside our participants' control (e.g., federal policy changes, changes in health status, etc.). Across the recent graduates in our sample, we observed a divergence over time in participants' perspectives on loan repayment and their life circumstances. For some recent graduates, borrowing helped enable more education and related career progression. For others, student loans negatively interacted with poor job prospects and/or other mental and physical health conditions, exacerbating feelings of failure and anxiety. As a result, we present evidence that while student loans and loan repayment helped shape the postgraduate lives of our study participants, in many instances, their postgraduate lives and context shaped their approach to loan repayment.

BACKGROUND & LITERATURE REVIEW

At the time of this writing, the default Standard Repayment Plan for federal student loans is a 10-year repayment plan with fixed monthly payments. A majority of borrowers (e.g., 72% among those entering repayment between 2005-2014) are enrolled in this plan most of the time (Darolia et al., 2024). Borrowers can enroll in other repayment plans and extend the anticipated repayment period. These other plans include extended repayment, graduated repayment, and income-driven repayment plans.

Increasingly, individuals are taking longer to pay down their student loan debt. In their analysis of federal administrative data, Darolia et al. (2024) find that borrowers who entered repayment between 2010 and 2014 had, on average, paid down 20% of their debt five years after repayment. In comparison, borrowers who entered repayment between 2005 and 2009 had paid down 31% of their debt in the same amount of time. Increased debt burdens among later cohorts explain some of this change. Borrowers moving away from the standard repayment plan towards income-driven repayment plans, with longer repayment periods, also helps explain a large part of the lengthening repayment periods across borrower cohorts (Darolia et al., 2024).

Lower loan repayment rates mean that even fewer individuals are on track to pay off their student loans in the time estimated for a standard repayment plan. Using nationally representative data for students who began college in 2003, Furquim et al. (2022) found that only a small fraction of borrowers made regular, consistent payments over many years. Instead, borrower repayment patterns could be described in one of five ways: repay quickly; repay eventually; perpetually pay; consolidate; or default (Furquim et al., 2022). Borrowers who repaid their loans quickly made up only 13% of borrowers in this cohort and had the lowest average debt levels. Most of

these *rapid full payers* paid off their loans within five years and were more likely to hold a short-term certificate or no credential. In contrast, the largest group (38%) of borrowers were perpetual payers that had “long spells of regular loan payments (on average 15 quarters)” and frequently deferred loan repayment for an average of two years (Furquim et al., 2022, p. 9).

There are many reasons why student loan repayment may deviate from official loan repayment plans. For some borrowers, loan repayment burdens could be too high relative to their monthly income (Baker, 2019a; Chapman & Dearden, 2017). Navigating and selecting an appropriate repayment plan can also be fraught with administrative burdens (Goldstein et al., 2023) and/or dominated by the default repayment options (Cox et al., 2020). Borrowers’ repayment journeys can also coincide with other life events and transitions such as changes in employment status, graduate school enrollment, marriage, and parenthood (Furquim et al., 2022; Monaghan, 2020).

Life Course Theory

Life course theory provides one lens for examining loan repayment over time as life events and transitions occur (Furquim et al., 2022; Houle & Addo, 2019). Broadly, the theory suggests that life transitions, such as entering loan repayment, can impact overall life trajectories; and, that any impact is mediated by broader historical, economic, and social contexts, individual agency, and other life events or transitions (Elder, 1998; Elder et al., 2003). Broader circumstances and trends certainly influence the ability of borrowers to repay their loans. For example, the racial wealth gap and differences in access to credit and labor market opportunities can explain some of the racial differences in repayment rates (Houle & Addo, 2019; Seamster & Charron-Chénier, 2017). The 2008 economic recession also increased student default rates, particularly in communities with higher unemployment rates (Grosz & Monarrez, 2024). Federal policies, such as potential loan forgiveness, different loan repayment programs, and administrative forbearances, have also influenced how individuals approach loan repayment, with some increasing home purchases during the federal COVID-related payment pause (Dinerstein et al., 2024).

Life course theory also highlights how younger adults (individuals in their early twenties through mid-thirties), in particular, face many large life events and transitions (Arnett, 2000; Furstenberg, 2010; Settersten & Ray, 2010). These transitions include “leaving home, employment, education, marriage and relationships, childbearing” (Settersten & Ray, 2010; p. xvii). This period of life also overlaps with entering and managing loan repayment for many student loan borrowers. Other scholars have found evidence of potential interactions between loan repayment and these types of life transitions. Both descriptive and causal analysis, for example, suggests that student loan debt influences individuals’ major and career choices, inducing some students to forgo lower-paying fields of study and jobs (e.g., Field, 2009; Murto, 2024; Rothstein & Rouse, 2011; Smith & Albana, 2022). In interviews with high school graduates five to seven years after graduation, student loan borrowers described delaying marriage and family formation after beginning

repayment because loan payments introduced financial pressure that appeared less salient among non-borrowers in the sample (Napolitano et al., 2022). And, in interviews with six female graduates from a Historically Black College and University (HBCU), Baker (2019b) notes that borrowers' knowledge of their student debt evolved as they came closer to entering repayment.

In this paper, we build on prior work by documenting how recent college graduates think about student loan repayment as their professional and financial situations change post-graduation. We find that borrowers enter loan repayment and postgraduate life with similar goals to repay their loans in full, quickly. Within a short period of time, however, borrowers' repayment goals and actions began to vary as other life events occurred. Our study does not causally estimate the impact of life circumstances on student loan repayment. Rather, we document how life circumstances influenced borrowers' approaches to and perspectives on student loans repayment. We conclude by connecting what we observe among borrowers in our study with findings from other studies on loan repayment. We also discuss implications for researchers and policymakers to consider as loan repayment policies have continued to change during the writing of this manuscript.

SAMPLE & METHODS

This research highlights the perspectives of borrowers who recently graduated from an urban, public four-year university. We interviewed 23 borrowers multiple times between June 2022 and January 2024. While many borrowers disclosed borrowing both federal and private student loans, others only reported borrowing one type of loan (Table 1). The modal self-reported range of student debt was between \$20,001–\$40,000. Participants identified across a range of educational backgrounds; in addition to college graduates finishing their degree in four years, our sample also included returning adults, student parents, first-generation college students, and transfer students. Study participants also varied in their field of study, including both STEM (e.g., biology, nursing, psychology) and non-STEM (e.g., communications, education, political science) degrees. Participants ranged in age from 21–41, with an average age of 26. Despite varying in age, all study participants were transitioning from being a student to a graduate in ways aligned with *emerging adulthood* (Arnett, 2000). Many were focused on finding employment in their field of study and “becoming an adult”. And, while nearly all participants in our study lived off-campus, many also discussed changing their living situation to move further away from the institution depending on living costs.

Table 1: Study Participant Description

	Submitted Screening Questionnaire	Round 1 Interview/ Focus Group	Round 2 Interview	Round 3 Member Check
Borrower Characteristics				
May Graduates	36	17	10	8
August Graduates	10	5	5	3
Gender				
Women	41	21	13	9
Men	4	1	1	1
Unspecified Gender	1	1	1	1
Race/Ethnicity				
White or Caucasian	20	14	8	7
BIPOC or International	25	10	7	4
Unspecified Race	3	1	1	1
Borrower Debt Burdens				
\$1–\$20,000	10	4	4	3
\$20,001–\$40,000	18	10	6	4
\$40,001–\$60,000	11	5	2	1
Over \$60,000	4	2	1	1
Unsure	3	2	2	2
Borrowed Federal Student Loans	41	21	13	10
Borrowed Private Loans	17	11	8	7
Total (n)	46	23	15	11

Note: Table includes a summary of select participant characteristics as reported on the study's screening questionnaire. Loan debt amounts are self-reported at the time of participant recruitment; these estimates may have changed over the course of the study. Counts for federal and private loan borrowing may not sum up to totals because some borrowers reported borrowing more than one type of loan. Similarly, some borrowers reported more than one race/ethnicity; in these cases, we counted borrowers in more than one category.

Participant Recruitment

We recruited borrowers in the Spring of 2022. The first invitation to participate in the study was sent to all students on campus via email. We sent a follow-up invitation one week later. In addition to these two general recruitment emails, we worked with student affairs and advising offices to display an ad for study participation on campus televisions. Student advising staff also sent out emails directly to graduating seniors reiterating information from the campus-wide recruitment email. Through these efforts, we received 46 complete responses to a screening questionnaire.

The screening questionnaire asked interested participants about their anticipated graduation date; estimated amount of student debt; and type of loans borrowed. Due to the sensitive nature of the student loan-related questions, we asked interested participants to only submit the form if they (1) indicated an anticipated graduation date of May or August 2022; (2) had borrowed to finance their education at the university; and (3) were willing to participate in the study. We received 46 responses. Our sample is limited to students who were both willing to report their borrower status and who completed the interview scheduling and consent form processes. Ultimately, 23 of the students who submitted the screening questionnaire participated in the study.

Data Collection

We invited borrowers to participate in a series of three interviews. The first interview took place in June 2022; the second interview took place in January 2023. During these interviews, we focused on understanding borrowers' employment and life contexts as it related to their perspectives on student loan repayment. Because federal policymakers and advocacy groups were also actively discussing changes to the federal student loan program, our interview protocols also asked borrowers about their feelings and perspectives on both loan relief and forgiveness.

Personal finances are a sensitive and complex topic. As Zaloom (2019) notes in her study of how middle-class families pay for college, it is often taboo to discuss personal finances, even between parents and children within the same family. To promote a feeling of comfort and agency among study participants, we invited participants to choose to participate either via an individual interview with the research team or via a focus group with other students. In the first round of data collection, four students elected to participate in a focus group. After the first-round of data collection, all participants elected to participate in individual interviews. During each interview/focus group, we continued to build rapport with study participants by disclosing our own borrower status and experiences as appropriate. We also offered to send resources on student loan repayment to participants after the first-round interview; nearly every participant expressed an interest in receiving these resources. Some participants asked us for additional resources during the second-round interview. Most participants also expressed an interest in our study findings and keeping in touch as the study progressed.

To increase the dependability of our data collection process, we invited participants to review their transcripts and meet with us for a third time in January

2024. The third interview was an opportunity to both reconnect with participants and ascertain whether what we had discussed previously was still salient to them. Eleven participants responded to the third round of communication by reviewing their transcripts; five reviewed their transcript and met with us a third time.

Each interview session ranged in length from 60–90 minutes. All interviews were audio-recorded and transcribed via Zoom. Participants received a \$30 Visa gift card after the first and second round interviews. They received a \$15 Visa gift card as part of the member checking process, regardless of whether they participated in a third-round interview.

Coding and Analysis

We analyzed interview transcripts using Atlas.ti software and codebooks developed collaboratively by the co-authors. To develop the codebook, we first indexed three transcripts to the protocol using *structural coding* (Saldaña, 2021). We also utilized an elemental coding method, *concept coding*, to larger units of texts, such as stanzas, to provide a larger picture of a particular concept (Saldaña, 2021). This coding schema reflects how in some instances, participant respondents touched on questions in the interview protocol before they were asked, or elaborated more, on some concepts than others.

We then explored these structural and concept codes for similar meanings and ideas to identify initial patterns and emergent themes across student participant experiences (Braun & Clarke, 2022). Some categories and codes remained the same across both rounds of data; these included students' job search processes, aspirations for future employment, and loan repayment challenges. Other categories and codes were specific to the first or second phase of the study. For example, we asked students how their semester was going in the first round of data collection. This resulted in codes such as students' 'social experiences' in college and whether they identified any 'personal' or 'structural' non-monetary advisory support system.

In the second phase of the study, we asked more questions about how loan repayment obligations interacted with any other financial and non-financial obligations. We also asked about their current employment and/or educational status. This resulted in categories and codes such as 'current nonmonetary considerations' and codes for students' employment status, such as 'unemployed or underemployed'.

We refined the codebook by individually re-coding the transcripts for the three initial study participants and meeting to discuss discrepancies. We used the refined codebooks to code the remaining transcripts and met frequently to discuss any uncertainties in code application. These meetings were meant to build intercoder agreement through discussion and negotiation of coding disagreements (Campbell et al., 2013). This was important because we found that in some instances, the initial codebook did not encompass the experiences shared by all participants. For example, the three participants selected did not reflect as much on the cost of their undergraduate degree program as other participants during the second phase of the study. Discussing our analysis and observations frequently allowed us to augment our second-round codebook to include a category for students' reflections on the college

experience with codes such as the “cost to attend” and “non-financial supports” early in the coding of the second-round transcripts.

To help build trustworthiness in our data and interpretations, we gave participants time during each interview to ask about the study. We also shared preliminary results with participants via email while scheduling second-round interviews. In addition, we shared transcripts from both phases of data collection with participants in December 2023 and solicited their feedback and corrections to the transcript(s) via email, as described previously. Among participants who responded to this third round of outreach, none suggested changes. Providing these opportunities to discuss the study and our preliminary findings helped build rapport and provide a space for participants to give us initial feedback on the study findings.

Limitations

Our study was focused on individuals completing a credential at a public research university and transitioning their affiliations and identities (e.g., student to worker; undergraduate student to graduate student, etc.). We document how this time of transition informed participant perspectives on loan repayment during a time of rapid policy change. The experiences our participants shared with us may vary from what other borrower subpopulations (e.g., graduates of elite, private institutions; graduates of two-year institutions; non-graduates) may experience at similar transition points due to differences in loan amounts and labor market outcomes (Looney & Yannelis, 2024).

In addition, our sample was not designed to be representative of student borrowers overall. It is too small to further categorize how individual experiences, social identities, and personalities play in the divergence of participant perspectives on student loans. We also do not observe whether and how borrowers in our sample pay back their loans relative to other established borrower repayment profiles (Furquim et al., 2022). However, our participants share important insights into their loan repayment goals and how their perspectives on loan repayment changed in relation to their social and economic circumstances, which we describe in more details below.

FINDINGS

At the beginning of the study, participants’ perspectives on student loan repayment were very similar: they wanted to repay their loans. Most wanted to do so quickly. They also used similar language to describe their student loans and life stage. Over time, however, participants’ perspectives on repayment diversified as their postgraduate lives diverged. Later sentiments and plans on student loan repayment seemed connected to borrowers’ employment situations and total loan debt. We organize these findings across three themes: (1) “I want to pay this off and move on”, reflecting participants’ feelings at the beginning of the study; (2) “(Hoping) it was worth it”, reflecting the experiences of borrowers who felt more confident and optimistic in relation to loan repayment; and (3) “It’s a roller coaster”, a sentiment

expressed by many of the participants who described more negative experiences juggling loan repayment and other postgraduate life changes.

Theme 1: “I Want to Pay This Off and Move On”

Across study participants, borrowers expressed a desire to repay. At the beginning of the study (June 2022), most participants wanted to repay their loans quickly. Participants stated repayment goals ranging from the general, “repay as quickly as possible” to the more specific “pay off all my debt in a year”. Others were more reticent about specific loan repayment goals. These participants described strategies they were considering such as paying high-interest loans first; paying off smaller loan balances first; and waiting to see what job they ultimately would find to determine if higher payments were feasible. Although uncommon in our sample, two participants described explicitly making payments on loans while they were in school to prevent interest capitalization and/or lower their total amount due at graduation.

Regardless of whether participants had identified a repayment strategy, participants viewed student loan repayment as an important responsibility that interacted with many other aspects of their daily life. For example, Anthony, a Caucasian male graduating with a political science degree who began law school the following fall semester, described the obligation he felt to his lenders as something requiring lifestyle changes:

I just feel like...once you have paid off loans, you have a little more financial freedom to live somewhere bigger, nicer, and drive a newer car. A car that won't break down would be nice; I would love that! With so much debt, I just can't justify paying for things like that, knowing that I have all this money that I borrowed to go to school, and I still have to pay that back. That's not my money. That's [the bank's] money or the government's money.

Other participants echoed similar tradeoffs between loan payments and other financial commitments. This reflected a common view among participants that students loan payments would be one of many bills. Zara, for example, was a first-generation Asian woman graduating with a criminal justice degree who was helping to support her parents and siblings by working full-time while going to school. As she shared prior to entering her grace period,

I have a loan that is about \$9,000. So now I'm just hoping to get a job which is going to help me pay my regular bills... Within two years, I want to get rid of this loan, so I can move on and do something, because with this loan and other bills, I feel like I cannot save up money or plan to buy a house or anything.

The borrowers in our sample acutely described the ways they anticipated loan repayment to increase their monthly financial obligations and prevent future goals (e.g., “because of this loan...I cannot save up money or plan to buy a house or anything”). They also simultaneously expressed confusion around loan repayment plans and uncertainty over the exact amount of money they would need to repay. Chelsea, a White woman graduating with a communications degree, described this uncertainty over loan payments as a particularly “heavy weight”. She goes on to explain,

I don't know how [loan repayment] is going to affect me because I don't know what my job will be at that point. It's just really hard to gauge for me because I'm like, how can I do that if I have no idea what my loans are going to be to pay back...also just like knowing that you're going to have an extra bill every month, whether it's \$300, \$400, \$500 like whatever it is... just gives me like anxiety, knowing that there's a bill that I have to pay.

The uncertainty over loan repayment was compounded by uncertainty in borrowers' future job and living situations, particularly for participants entering the workforce rather than a graduate program after graduation. Eleven participants in our sample were actively looking for jobs during the first round of interviews. Many described their job search as one that needed to balance the realities of loan repayment with other goals, such as a job in their field of study or one that aligned with their values. As Stephanie, a White Latine woman graduating with a psychology degree shared, the uncertainty and pressure pushed her to prioritize salary over job fit:

I think what happens often is that I'll put what I find fulfilling in the background, and so the first thing that I look at when I see a job is like, okay what's the salary for this, where is it located and [pauses] is it something that's relevant to my degree. Whereas like the things like, am I going to like the boss; is this something that's going to make me happy; in the long run will this overwork me and underpay me? Those are all things that come in secondhand to like, is this [job] just going to be enough for me to get by?

As participants in our study graduated and began their transition to postgraduate employment and graduate school, it was clear that their feelings and goals for loan repayment were intricately connected to their other financial commitments and future decision-making. Participants in our study often explicitly shared their goals to pay off loans quickly in addition to their concerns about being able to “get by” independently. All participants we interviewed recognized that making loan payments would affect their budgets. They were, however, often uncertain how much their loan payments would be relative to their monthly financial picture. These feelings echo other studies, where borrowers underestimated the total amount of student loan debt prior to repayment (Baker, 2019b; Houle & Addo, 2022; Napolitano et al., 2022). Although the borrowers in our study discussed loan repayment as one factor in their postgraduate decision-making, many aspects of their postgraduate life (e.g., living situation, employment status, monthly income) were still undetermined at the time of graduation. The feelings and perspectives our participants described thus might also reflect the unsettledness participants felt in multiple aspects of their life (e.g., “I don’t know how it’s going to affect me because I don’t know what my job will be.”).

By the second- and third-round interviews, participants had begun to settle into new rhythms of employment, graduate school, and life. Across participants who participated in the second and third round of data collection, participants' views on loan repayment had also evolved. Although we reached saturation quickly during the first round of data collection based on the similarity of themes across interview participants, we observed wider variation in later rounds of data collection. During the second round of data collection, 8 of the 15 returning participants explicitly

described feelings of stress, conflict or worry as it pertained to loan repayment, despite few federal loan repayment obligations due to deferment for graduate school enrollment; grace periods; or the COVID-19 payment pause. Others described feeling optimistic about loan repayment or expressed confidence in their ability to repay. Across the sample, borrower feelings about loan repayment seemed to reflect other life circumstances such as their employment status, health, and social situation, which we describe in the two themes below.

Theme 2: (Hoping) It Was Worth It

During follow-up interviews, some borrowers in our sample presented a more relaxed and confident perspective on loan repayment than during the first-round interview. These participants attributed changes in their demeanor and views on loan repayment to external factors such as potential federal loan forgiveness and changes to their employment status.

Our second-round interviews took place in January 2023. During this time, an administrative forbearance and 0% interest applied to all federal student loans as part of the federal government's COVID relief strategy. The Biden administration had also proposed forgiving up to \$20,000 in student loans. Many study participants had applied for the plan, which was in pending litigation during the second interview period.¹

For participants who borrowed primarily federal student loans and described satisfaction with their postgraduate employment situation, the hope of loan forgiveness created opportunities to change their financial decision-making. For example, Nancy, a first-generation Latine woman who graduated with a sociology degree, had started working in an entry-level position while living with her family. She was adamant during the first round of interviews that she would pay off her loans “within a year” because she wanted to “be debt free and save enough to move out”. During the second interview, she reflected how her initial plans had changed:

I swear I made it so important to pay it off within a year. I kid you not. You know, I have not made one payment. [Laughs] ... I think a really big part of that is the Biden administration with their debt repayment and how they postponed the payments...I have \$25,000 in debt, and according to him with a Pell grant they'll erase \$20,000, so I don't know...like here I am paying, like being broke, like working so many extra hours just to pay off my student loans when [they] really could have just been erased. So I kind of just want to see that it'll happen.

Rosie, a White woman who was now teaching, also described a change in her decision-making because of the proposed loan forgiveness:

¹ The Supreme Court ultimately ruled against the U.S. Department of Education in June 2023 (Howe, 2023), months after we spoke with participants for the second-round interviews. The following month, U.S. Department of Education proposed a new income-driven repayment plan, the SAVE plan. This program was also litigated and ended as part of a court settlement in 2026 (U.S. Department of Education, 2026).

When I first I accepted this job, I had been doing some budgeting and the [loan repayment plans] factored into my decision accepting the job. But now it's not a factor in my budgeting anymore... Like, I just bought a car, and if I was paying off loans there's no way that I would have done that. It was just, I mean, comforting to know that by the time I do have to start paying it off, I'll probably by that point be looking for another, more high paying job. And so it's just been really like, even if it doesn't get forgiven, it's been the perfect time to have it on pause while I kind of get established because this year.

The federal payment pause, combined with the prospect of loan forgiveness, helped Nancy and Rosie shift priorities to other financial goals (e.g., saving and buying a car). It also changed their approach to loan repayment, relieving pressure to pay down debt within a certain timeframe or budget. In their analysis of credit bureau data during the COVID-related federal loan payment pause, Dinerstein et al. (2024) find borrowers who previously had good repayment histories were able to take out higher mortgages while borrowers who previously defaulted were less likely to default. For Nancy and Rosie, not having to make loan payments on federal loans helped increase their financial liquidity month-to-month in important ways.

For others, the payment pause and prospect of federal loan forgiveness was less of a contributing factor to their feelings of confidence and optimism. This was especially true for participants that were still in grace periods and/or deferment for other reasons besides the federal repayment pause. Instead, these participants cited their employment status as the major factor informing their current perspective on loan repayment.

For example, Nadia graduated in August 2022 with a management degree. A North African woman with strong family and social ties abroad, Nadia had just returned from traveling overseas at the time of the second interview. Six months prior, Nadia had been optimistic about securing a prestigious, high-paying finance sector job to help pay back her federal and private student loans. During this second interview, she shared with us how much the prior months and coinciding job search had weighed on her. She “was just not doing great like mentally” and had been struggling to apply for jobs despite extending a financial sector internship from the previous summer. She then decided to travel abroad, resigning the internship. Although currently unemployed and still looking for a job, her travels and the support of a mental health provider helped Nadia gain a new perspective. She shared,

I figured out that I don't need a super super demanding and prestigious job to like pay back [student loans]. I can still like, find something that makes me a little happier and something that I'm okay with. And I don't get anxiety [anymore] applying to jobs and still paying my student loans.

The calm and confidence she felt describing her job search, salary expectations, and loan repayment was reflected in her perspective on her federal loans:

[Federal loan repayment and potential loan forgiveness] is not something I'm worried about because it's a small amount and the interest rate is extremely low compared to my private loan. My private loan interest rate is crazy... [The federal loan] has never been something that I worried about, because the interest rate, it's just, it's something that I can take care of at any point in my life. Like for me,

the priority is my private loan, then my Federal loan. I'm still, checking if [the application website] is back up, reading news articles and everything, but it's still not as big of a deal for me as it is for other people.

Nadia went on to describe how her finance background helped her map out the financial tradeoff between investing funds and repaying her loans. The ability to plan across scenarios also helped contribute to her relative indifference to federal loan relief and overall confidence in managing loan repayment into the future.

We also observed participants who felt confident and optimistic towards federal loan repayment because their employment situation (and not just their aspirations) had changed. For example, Anthony, introduced earlier, was nearing the end of his law degree in December 2023. He had secured a second summer job, which he expected to turn into a full-time offer upon graduation. He contextualized the excitement and relief he felt upon receiving the job offer by sharing,

I have a lot in loans. And I knew that, sort of, going into law school, I was gonna need a high paying job to be able to make it like worth it... And I'm very grateful for [the job offer], because I know a lot of people go to law school with the same thought process. And the reality is, it doesn't work for everyone. And so, you know, it's kind of a risk. You're not guaranteed one of these jobs. There's a finite number of them.

His job offer created feelings of relief, helping him to “kind of let all that go. Like all that self-doubt, all the pressure of the loans...feels like so much weight off my shoulders.” Nadia and Anthony both felt content with their employment status and prospective financial situation, citing these changes as much more important than the prospect of federal loan forgiveness.

Theme 3: It's a Roller Coaster

Other participants experiencing less satisfactory employment outcomes, high loan burdens and/or other unexpected life circumstances had more complicated feelings about their loans and repayment. For many of these borrowers, the uncertainty around federal student loan relief and forgiveness was more salient than the possibility of permanent relief. Bailey, for example, was an exercise and health sciences graduate. They were working part-time in a hospital's cardiac rehabilitation unit, which had no full-time positions available due to budget shortfalls. Bailey lived with their significant other and their significant other's parents. They were making payments on a recently refinanced set of private student loans and described their frustration due to the uncertainty around federal loan repayment:

Even when I log onto my Federal loan account, it's like, “Next Payment due: \$0, Last Payment: \$0,” and then it says, “Loan Repayment Date”, and it is just blank. It's like you can't even plan for anything. It's not helpful. It's not helpful at all, but it's like weird because then [the website] will give me notifications at the top, saying it's deferred another 6 months, so like maybe June first or whatever. But then it doesn't put that as my repayment date! So I don't know.

The lack of consistent information contributed to Bailey's feeling of being on a “roller coaster of emotions.” Because they also balanced three other jobs in addition

to their hospital job, the uncertainty in both when payments would restart and whether the forgiveness plans would go through made it impossible to “determine whether I’d be able to, you know, cut down on a job and be able to afford the Federal payment at the same time”.

The feelings of being on a roller coaster were echoed by other participants. Kerry, for example, was a White woman who had returned to school to earn a second bachelor’s degree in nursing. As someone changing careers, she often characterized her decision to leave a well-paying career as an engineer as both an investment in herself and one that carried financial risk as it pertained to other financial goals (e.g. retiring and buying a home). When we last spoke with Kerry in January 2024, she was currently on medical leave from her nursing position due to a patient assault four months prior. She was still unsure whether her injury would require surgery and/or heal sufficiently to allow a full return to work. Although she received a partial salary, and was making loan payments, it was a “frustrating time”. In addition to the lack of structure due to not working, she also described unexpectedly higher loan payments:

The monthly payments came in higher than I was expecting. I just feel the quote that I got initially for a monthly payment, is a little bit, like maybe \$50 higher a month. So I wasn't kind of prepared for the total of what I was going to be dealing with every month. But luckily I'm still able to, you know, pay my bills. I'm just, I'm not doing much [else]. I'm not going out with friends as often as I used to and going out to dinner. It's a lot more cooking dinner and all that.

When asked to reflect on our past conversation and whether anything has changed in her thinking about loans and repayment, she shared:

The only thing I wasn't expecting in what we talked about is like other life things can happen. And you know, you still have these student loans to pay. So you know, of course, I wasn't expecting to get injured. And then I'm like restricted, you know, with limited payment coming in so that, I don't know. It's just something that I never even anticipated, or, you know, even thought of. So it's kind of like a reality check, I guess, of just you know, anything can happen. Life is totally unpredictable...It's just been kind of a little bit of a roller coaster.

Zara, introduced earlier, also experienced momentous life events during our study. When we first spoke, Zara had described paying rent and utilities for her parents and sister, who was also a college student. She was hoping to find a higher paying job so that she could pay off her loans “within two years”. When we last spoke in December 2023, many things had changed for Zara. She had moved to a different state and was now living with her in-laws. She had also welcomed a baby boy six months prior after quitting her job during a difficult pregnancy. Her current living situation carried traditional expectations about a woman’s role in the home to cook, clean, and raise children; she was not yet working outside the home. As she shared with us,

It's like really scary also. Now, since I have my son, I feel like, you know, life is so unpredictable like anything could happen. I feel like when I go back to work, I might be able to take care of [my student loans], but I don't know since I have [her son]...I feel like life changes. We do our best, but we can't really control our life. So, I'm not trying to worry about it too much. And like, since I have

him, I'm so busy doing like things with him it's like most of the time I don't even think about like my student loans anymore.

Zara's brother planned to help pay her student loans and enroll her in an income-driven repayment plan given her lack of income. However, she was still concerned about her growing student loan balance and whether she would be able to find a job once her child grew older. The combination of new parenthood, expectations from her in-laws, and unemployment converged with student loan repayment so that she felt "seriously like so overwhelmed and scared... and I'm not sure how everything's gonna go, if everything's gonna go as I plan."

The uncertainty some participants felt towards the end of our study had many sources. During uncertainty about the resumption of federal loan repayment and federal loan forgiveness, Bailey felt uncertain whether to "cut down on a job". Six months later, Kerry was in a similar holding pattern due to a workplace injury. For Zara, uncertainty related to new family dynamics and new parenthood butted up against her aspirations for financial independence and loan repayment. Although we do not observe whether borrowers in our study make payments and/or enroll in other repayment plans, we do observe clear divergence in study participants' feelings about loan repayment and their self-described feelings about being able to repay their loans.

How participants' incorporated loan repayment into their postgraduate plans thus continued to evolve as participants' employment and personal trajectories began diverging after graduation. Participants that expressed confidence of being able to meet or meeting their financial and professional goals, expressed contentment and even excitement for their lives ahead. Others felt less excitement about their situation, in some cases expressing stress, frustration, and uncertainty. Compared to the first-round interviews, by this point in the study, participants' descriptions of their loan repayment plans and strategies placed less emphasis on their aspirations for loan repayment within a specific timeframe. Instead, participants' loan repayment plans deferred to and reflected the context of their current life circumstances.

DISCUSSION

In this paper, we document how loan repayment and life events coincided for recent college graduates. We interviewed student loan borrowers, who had recently graduated from college, between June 2022 and January 2024. Borrowers in our study experienced large life changes during this time. This included changes to their physical and mental health, employment status, living situations, and social networks. Our study also coincided with federal student loan reform, including discussions of wide-spread loan forgiveness and administrative forbearance due to the COVID-19 pandemic. The interplay between life circumstances and broader federal policy changes varied for borrowers across our sample.

For some borrowers, student loan repayment became more manageable over time. This group included borrowers in our study who experienced financial relief due to the COVID-related payment pause. These borrowers saved at higher rates, made large purchases, and generally settled into "adulting". Others described positive changes to their employment status and solidified their career aspirations. Job offers

and promotions led to more confidence in participants' self-described ability to repay. For these borrowers, student loans were "worth it" as an investment in their future security. Loan repayment seemed feasible.

For other borrowers in our study, loan repayment became part of juggling employment, educational, and other life goals. Although we did not follow study participants long enough to observe resolution to some of the life challenges participants shared with us, we found evidence that the salience and stress of fulfilling a loan repayment goal was often intertwined with other life circumstances (e.g., finding a job, managing a health condition, taking care of dependents, etc.). Strikingly, a single life event – a workplace injury, parenthood, a new job – often weighed on borrowers' ability to repay their loans throughout our later-round interviews. It suggests to us that a borrower's pathway to repayment is thus one closely dependent on other external factors, besides a borrower's aspirations to repay.

That other external factors may complicate loan repayment is perhaps no surprise. Student loan debt and repayment patterns reflect broader opportunity structures. For example, there is ample evidence that uneven access to other forms of credit and inequitable wealth distribution contributes to disproportionate student loan borrowing among Black and Hispanic students (Dwyer & DeMarco, 2024; Houle & Addo, 2019, 2022; Seamster & Charron-Chénier, 2017). These borrowing patterns, combined with labor market discrimination, differences in familial wealth, and differences in the quality of institutions student attend, can explain the growing racial wealth gap across Black and White college graduates and the racialized patterns of negative amortization (Houle & Addo, 2022; Looney & Yannelis, 2024). Borrowers also vary in their ability to overcome administrative burdens associated with navigating complex loan repayment plans. In an analysis of participation in income-driven repayment plans, Goldstein et al. (2023) find that borrowers in higher-income neighborhoods are more likely to enroll in income-driven repayment plans, suggesting that highly indebted, higher income borrowers are better able to navigate the communication challenges and procedural errors associated with accessing income-driven loan repayment plans.

Fundamental differences in borrowers' lives may help explain distinct patterns observed in loan repayment pathways. Using nationally representative survey data and observations of loan repayment up to 12 years after starting college, Furquim et al. (2022) identified five repayment profiles: rapid full payer; perpetual payer; late full payer; persistent defaulter; and consolidator. Rapid full payers paid off their student loans in full, quickly. These borrowers had the smallest loan burdens, on average. Perpetual payers often had long periods of regular loan payments. Many also enrolled in graduate school, elongating the repayment period; by the end of the observation period, this group of borrowers were still in repayment (Furquim et al., 2022). Late full payers often experienced negative amortization and forbearance but paid off the loan within the observation period; persistent defaulters, on the other hand, spent years in default and most were still in default at the end of the observation period (Furquim et al., 2022). While the characteristics of perpetual payers are similar to borrowers overall, Black borrowers are underrepresented in both groups who fully pay off their loans, reflecting the racialized nature of student loans described above

(Furquim et al., 2022). In addition, Black, Latine, and first-generation college students and students who attended for-profit institutions make up the majority of persistent defaulters (Furquim et al., 2022). Similarly, Looney and Yannelis (2024) used national data to highlight the connection between poor repayment outcomes and the quality of higher education institutions borrowers attended. These studies highlight again the possibility that loan repayment may be closely tied to circumstances beyond a student's control. Quantitative analyses identifying repayment profiles (Furquim et al., 2022) and broader trends in borrower repayment (Looney & Yannelis, 2024), however, lack the rich information from qualitative inquiry to identify how life circumstances support or prevent some borrowers from paying off their loans sooner rather than later.

Our study thus fills an important gap. For while many participants wanted to pay off their student loans “as quickly as possible”, “within two years”, etc. at the beginning of the study, these aspirations changed alongside participants' life circumstances. Although we do not follow study participants for over a decade as the nationally representative survey data analyzed in Furquim et al. (2022), the divergence we observed across study participants' lives and loan repayment perspectives could easily precede the divergence into different repayment profiles. This is also consistent with life course theory and the notion that timing matters: transitions and life events can “pile up” and these cumulative advantages and disadvantages act as a mechanism for social and economic inequality (Dannefer, 2020; DiPrete & Eirich, 2006; Elder et al., 2003). For some borrowers in our sample, federal loan relief came at an opportune time, allowing for greater savings and large purchases, like a car. For others, loan repayment coincided with unexpected un(der)employment and exacerbated already emotionally and financially stressful situations. Loan repayment is thus a process where (dis)advantage can accumulate. With new federal repayment plans that raise the minimum repayment amount – even for financially struggling borrowers – it is imperative that policymakers and researchers stay abreast of whether these policy changes accelerate the manifestation of social and economic inequality among student loan borrowers.

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Capitalizing on Time: Place-Based Aid and the Value of Lifting the Financial Burden for Low-Income Students

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ABSTRACT

In this article, we present findings from a critical participatory action research (CPAR) study of Achieve Atlanta (AATL), a place-based, need-based grant program for students graduating from Atlanta Public Schools. The purpose of this research was to better understand how the AATL scholarship and its associated services shaped the experiences, opportunities, and positive outcomes of AATL Scholars, with specific attention to borrowing and debt repayment. We argue that lifting or reducing the debt burden allowed students to accumulate additional forms of dominant cultural capital, namely, time. We further argue that time, as a largely neglected form of capital, enabled students to *be* college students and provided the conditions for academic success.

Keywords: Promise programs, student debt, time, capital, qualitative research

The rising cost of college, coupled with inefficient financial aid processes (Dynarski & Scott-Clayton, 2006; Goldrick-Rab, 2016), confusion surrounding net cost (Ward

et al., 2025), and the student debt crisis (Scott-Clayton, 2018), have created significant concerns that lead many to question whether college is worth the investment. These concerns, alongside research demonstrating the continued benefits of a college degree (Goodman, 2023; U.S. Bureau of Labor Statistics, 2024)—particularly for low-income and racially minoritized students who stand to gain the most—continue to prompt the development of financial aid policies and programs that aim to increase access and affordability.

College promise programs (also known as “free tuition” programs) “promote educational attainment, a financial award above and beyond existing federal and state grant aid, and place-based student eligibility requirements in lieu of or in addition to financial need or academic achievement” (Perna et al., 2021, p. 1). Promise programs and other place-based aid programs are relatively new and diverse in organization, features, and implementation, which helps to explain some mixed findings that some programs may exacerbate rather than reduce inequality (Perna & Leigh, 2018; Perna et al., 2021). Despite some mixed results, researchers have largely reported positive outcomes associated with place-based promise programs, including increased enrollment in college, improved persistence and completion, reduced debt burdens, and improved academic performance (Andrews et al., 2010; Ash et al., 2021; Bartik et al., 2021; Bell & Gándara, 2021; Bueno et al., 2024; LaSota et al., 2024; Odle et al., 2021; Page et al., 2019a; Perna & Leigh, 2018; Petty, 2024; Ruiz et al., 2020). Although overall findings indicate that place-based promise programs largely produce positive effects on enrollment, persistence, and completion, we still know little about “whether, how, and the extent to which such scholarships affect other aspects of students’ postsecondary experience” (Bueno et al., 2025, p. 4). Further, because research on place-based promise programs is both limited and largely quantitative, there is a general need for additional qualitative insight into why such programs are worthy of continued investment (for example, see Jones et al., 2012; Miron et al., 2012).

In this article, we present findings from a critical participatory action research (CPAR) study of Achieve Atlanta (AATL), a place-based, need-based grant program for students graduating from Atlanta Public Schools. Our research aimed to better understand how the AATL scholarship and associated services shaped the experiences, opportunities, and outcomes of AATL Scholars, with specific attention to borrowing and debt repayment. In this work, we argue that lifting or reducing the debt burden allows students to accumulate additional forms of dominant cultural capital, namely, time. We further argue that time, as a less-discussed form of capital, enables students to engage more fully on campus and to *be* college students.

Our findings center *time* as an invaluable, foundational form of cultural capital (Bourdieu, 1986) that has received little attention in scholarship generally, and on college cost, financial aid, or debt burden, in particular. Time is an invisible, taken-for-granted part of our everyday lives, which may help to explain scholarly neglect of such critical forms of capital. Time is also *unlike* other forms of capital. For example, time is typically conceptualized as finite and non-renewable. But time, which enables individuals to accumulate additional social and cultural capital, has long been part of the dominant capital of the elite. For example, Martin (2012) studied

time use across student class backgrounds at a private elite university and found significant disparities in how students from varying class backgrounds spend time outside the classroom. For students in the upper tiers of the class hierarchy, more time was spent engaging in campus activities and social life. Martin (2012) argued that these students were better able to “embody the ‘collegiate scholar’ tradition of American elite education that aims to prepare well-rounded students for leadership roles and positions of power” (p. 445). Arguably, for the students in our research, lifting or reducing the financial loan burden and providing time to *be* a student, provided a significant reduction in mental stress, which opens space for greater cognitive capacity. Indeed, the ability to *be* a college student requires time—acquired here via economic capital.

To begin, we review existing literature at the intersection of student loan borrowing, debt repayment, and financial aid programs that help to increase college access and success for students from low-income backgrounds. We then discuss Bourdieu’s central theoretical concepts with particular attention to time as a form of cultural capital and its relationship to the literature informing our work. We follow by describing our CPAR approach to this research before our discussion of findings. We conclude this article with implications for policy and practice.

LITERATURE REVIEW

The Unequal Landscape of Loan Borrowing and Repayment

The current landscape of higher education makes it difficult for most students to attend and complete college without accruing loan debt. With rising costs and insufficient “federal and state efforts to address college affordability, student loans are integral to higher-education access” (Furquim et al., 2022, p. 3). But, as Goldrick-Rab and Steinbaum (2020) wrote, “The new economics of college are characterized by high college prices and insufficient grants and scholarships, and today’s students enjoy less wealth and income to contend with those prices” (p. 1). Given the rising cost of college amidst shifts away from federal grant-based aid toward a system more dependent upon loans (Hearn & Holdsworth, 2004) and persistent wage stagnation, student loan debt has become what many might call a *national catastrophe* (Mitchell, 2021). By the year 2020, higher education debt was the largest type of household debt, second only to home mortgages (Goldstein et al., 2023). Perhaps more concerning, the debt-to-income ratio is highest for low-income borrowers (Kopparam & Clemens, 2020). By 2026, student debt totaled \$1.833 trillion (Hanson, 2026) and shows no sign of abating (Kopparam & Clemens, 2020). However, for many students, “not taking out loans may mean not attending at all” (Velez et al., 2019, p. 203).

Even during college, loan debt can feel like a significant financial burden for students, which can create psychological distress and even impair cognitive functioning (Destin & Svoboda, 2018). For example, in their study of college students attending selective institutions, Destin and Svoboda (2018) found that the accumulation of loan debt in the first year of college was predictive of lower grades and the reduced likelihood of completion. Student debt has also been found to

influence decision-making after graduation, including delaying homeownership and family formation (Velez et al., 2019).

Rising cumulative default rates are also contributing to the debt crisis (Scott-Clayton, 2018). Default rates depend largely on student and institutional factors rather than the total amount of debt. In fact, in a longitudinal analysis of student default rates, Scott-Clayton (2018) found that rates are highest among those who borrow “relatively small amounts” (p. 35). Similarly, Looney and Yannelis (2015) found that many students who attended for-profit and two-year institutions, in particular, dropped out or were struggling financially before they enrolled, which made it increasingly difficult to pay off even small amounts of debt. Indeed, research has shown that the majority of all defaults are attributed to borrowers who attended for-profit and two-year institutions (Looney & Yannelis, 2015). Students attending these types of institutions have the highest rates of non-completion, and for-profit and two-year institutions have the lowest completion rates (Furquim et al., 2022). Importantly, Hillman (2014) argued that federal financial aid policy may be disadvantaging those from low-income and racially minoritized backgrounds while advantaging their more privileged peers.

Racial Disparities in Borrowing and Repayment

Jiménez and Glater (2020) argue that student debt is a civil rights issue. Although loans are generally perceived as a mechanism to make college more accessible, they are connected to social, political, and economic disadvantages that disproportionately affect students with racially minoritized identities. Scholars have only recently begun to consider the racialized political discourses and effects associated with student loans (Felix et al., 2024). Additional research demonstrates that student loans from any source are held in greater volume by Black students (Baum & Steele, 2010; Huelsman, 2015; Scott-Clayton & Li, 2016). Contextually, Black students borrow more on average when compared to their white peers at rates of \$58,400 and \$43,000, respectively (National Center for Education Statistics, 2023). This trend of increased borrowing among Black students is so prominent that Mustaffa and Dawson (2021) argued that the federal government has effectively created a debt trap that promotes racial capitalism in ways that perniciously affect vulnerable Black students.

While Jackson and Reynolds (2013) argued that student loans promoted college completion, they carefully illustrated the nuances of student loan debt for Black students. On the one hand, student loans may enhance college access and enable social mobility; however, on the other hand, Black students are often required to take out student loans more frequently and at higher values, increasing their risk of financial default. This is concerning because the financial burden of student loan payments and defaults creates negative economic consequences for borrowers (Cunningham & Kienzl, 2011; Elliott & Lewis, 2015; Gross et al., 2010) that are not comparable to those who do not have to borrow. These consequences have greater adverse effects on minoritized students, who are more likely to leave college with student loan debt and no credentials (Gladieux & Perna, 2005). Thus, because student loan debt is more widely concentrated among minoritized students, scholars have

consistently argued that the accumulation of student loans has created stratified economic outcomes that are more greatly connected to students who are first-generation, low-income, and racially underrepresented in higher education (Addo et al., 2016; Grinstein-Weiss et al., 2016; Houle & Addo, 2019; Huelsman, 2015; Jackson & Reynolds, 2013).

In general, the burden of student loans limits young people's opportunities to participate in the economy and build wealth. Cooper and Wang (2014) argued that student loan debt is positively associated with decreased likelihood of homeownership as well as reduced accumulation of long-term wealth. Additionally, when young adults are indebted, they do not save for retirement; they do not consider buying homes or starting businesses, and they refrain from having children (Ambrose et al., 2015; Armantier et al., 2016; Bleemer et al., 2017; Nabi, 2022; Nau et al., 2015). However, Houle and Berger (2015) noted that young adults' ability to purchase homes may be more related to other financial and economic factors besides student loan debt. The accumulation of student loan debt also has mixed effects on young adults' enrollment in graduate and professional schools following their undergraduate degree programs (Malcom & Dowd, 2012).

Given the stratified effects of financing a college degree, multiple broad-scale financial assistance programs and policies have been implemented to reduce the barriers associated with college access and completion. Accordingly, a relatively large amount of research has been conducted to understand the effects of grant-based financial aid on the cost of college and, subsequently, students' decisions to enroll, persist, and complete. For the purposes of our paper, we focus our attention on Promise Programs as a type of financial aid with significant potential for increasing access and affordability (Bueno et al., 2024; Perna et al., 2021).

Promise Programs

Recent systematic reviews of the literature (LaSota et al., 2024; Nguyen et al., 2019) broadly indicate that grant-based financial aid programs play an important role in increasing outcome variables such as college enrollment, credit accumulation, persistence, and completion. Promise programs, in particular, have the potential to improve college-going and outcomes for students through localized, place-based financial support of students. Promise programs—now synonymous with place-based scholarships because they typically maintain strict residency requirements for eligibility¹—aim to facilitate college-going and increase student enrollment, persistence, and completion by reducing cost, and often providing additional supports (e.g., academic coaching). Additionally, place-based aid programs also aim to support

¹ While residency requirements are standard, they are not necessarily a feature of every promise program. For example, while developing a typology to explain the differences among 289 promise programs, Perna and Leigh (2018) explained that nearly half of the non-state sponsored promise programs in their analysis “frequently required[ed] recipients to be in a designated place for at least two years” (p. 159).

local communities by enhancing the college-going culture within the K-12 system and supporting the development of local economies (Miller-Adams, 2015).

Despite some studies that question a particular promise program's effectiveness on enrollment (Page et al., 2019b) and degree completion (Cohodes & Goodman, 2014; Sjoquist & Winters, 2012, 2015), as well as the degree to which promise programs equally benefit all students (Bell & Gándara, 2021; Perna et al., 2021; Rios-Aguilar & Lyke, 2020; Salazar, 2023),² researchers have found consistent positive effects of college promise/place-based programs on college choice and enrollment. For instance, findings from quantitative research conducted by Andrews et al. (2010) suggested that students (standardized test-takers) respond positively to price incentives offered by programs such as the Kalamazoo Promise program. As Andrews and colleagues argued, the Kalamazoo Promise program was the cause of increased applications to Michigan's most selective public and local public institutions. Similarly, Bartik et al. (2021) argued that attendance at Promise-eligible schools increased—particularly in Michigan, where there was a 19% increase in college enrollment following the Kalamazoo Promise Program. In addition to research regarding the impact of promise programs on college enrollment, scholars have also investigated the impact of college promise programs on college persistence and degree completion. Several scholars have identified positive effects associated with college promise programs (D. Anderson et al., 2023; Bartik et al., 2021; Dickason et al., 2024; Gándara & Li, 2020; Odle, 2022; Odle et al., 2021; Scott-Clayton, 2011), including recent work that found Oklahoma's program is associated with a reduction in low-income students' likelihood of undermatching (Bell et al., 2025).

Importantly, there is some evidence that has suggested students receiving place-based aid may be more likely to borrow less than their peers without the scholarship and may be more likely to take more favorable loans (Bueno et al., 2024). Further, researchers have also argued that place-based scholarships have the potential to reduce the stress students experience from borrowing, which may prove particularly beneficial for low-income students (Bueno et al., 2025).

Although overall findings on the impact of promise programs are mixed, when programs are deemed successful, it is important to understand how these programs shape experiences that lead to students' positive outcomes. In this article, we focus our attention on AATL, a place-based financial aid program.

Achieve Atlanta (AATL)

In a state without traditional need-based financial aid programs or a state-level promise program, the AATL Scholarship serves Atlanta Public School students pursuing postsecondary pathways. Because the city of Atlanta has one of the lowest

² Scholars have also warned of programs that engage in symbolic politics, “evoking a ‘strong’ version of a program while delivering its minimal version” (Monaghan & Attewell, 2023, p. 317).

social mobility rates in the country (Chetty et al., 2024), AATL was founded in 2015 to help students and graduates of the Atlanta Public School (APS) district access, afford and earn college credentials that are necessary and valuable for upward social mobility (Achieve Atlanta, n.d.). The organization's location and service region are intentional.

About half of the students enrolled in Atlanta Public Schools are classified as “economically disadvantaged” (Bueno et al., 2024). Bueno et al. (2024) defined economically disadvantaged students as those who are living in households that receive state-supported assistance through programs such as the Supplemental Nutrition Assistance Program (SNAP) or the Temporary Assistance for Needy Families (TANF) program. In addition to their status as economically disadvantaged, the largest share of students in Atlanta Public Schools (approximately 73%) racially identify as Black (Equity in Education, 2023)—a population of students that despite their high aspirations for attending college, tend to pursue certain postsecondary pathways (i.e., four-year colleges) at significantly lower rates than other groups (Allen et al., 2018; Blake, 2018; Buttaro & Battle, 2010; Villalobos, 2021). Given the significance of the intersection of class and race, low-income Black students experience the largest share of challenges with accessing, persisting through, and completing postsecondary degrees (M. Anderson et al., 2005; Grodsky & Riegle-Crumb, 2010; Merolla & Jackson, 2014; Mustaffa & Dawson, 2021).

Considering the many challenges associated with college access, persistence and completion for students in this region, AATL is making an impactful difference for students enrolled in APS schools. Since its founding in 2015, AATL has served 6,767 scholars/students who have attended 409 different institutions with scholarship funding totaling more than \$62 million. Of particular interest is how approximately one third of seniors enrolled in APS schools become AATL scholars, 94% of scholars are Black or Latinx, and 96% of scholars are eligible for the federal Pell grant (Achieve Atlanta, 2024).

Grounded by research that highlights the important personal and societal benefits of completing a postsecondary degree program, Achieve Atlanta “brightly envisions a future where race and income no longer dictate postsecondary success” (Achieve Atlanta, n.d., para. 1). AATL's mission is achieved through three interventions that allow AATL to (a) help students get to college, (b) financially support students who are paying for college, and (c) provide the socioemotional services that are necessary for students to complete college degree programs (Achieve Atlanta, n.d.). Through their district-wide college advising program, AATL supports all high school juniors and seniors who are enrolled in Atlanta Public Schools.³ This advising program provides an important resource for low-income, racially minoritized students who are interested in charting their pathway to college. In partnership with

³ AATL Scholars receive up to \$2,500 per term for 8 terms over 5 years for a bachelor's degree and \$750 per term for 4 terms over 3 years in technical/associate/certificate programs with the option to transfer to a bachelor's program. Scholars can also receive a one-time \$500 emergency grant for students struggling to remain enrolled due to unexpected hardship (Bueno et al., 2024).

colleges/universities and several non-profit coaching providers, AATL provides direct support through success coaching and advising that ensures AATL scholars receive the socioemotional support that is needed for them to persist through and complete their postsecondary degree program. Finally, AATL provides graduates of Atlanta Public Schools and scholars with need-based scholarship funding that eases the financial burdens associated with a college degree. When combined with other forms of financial aid (e.g., Pell grants, institutional/community scholarships, “low interest,” federally supported loans), the AATL scholarship is designed to limit a student’s need for loans.

As a specific intervention designed to support AATL scholars pursuing postsecondary pathways, the AATL Scholarship is particularly important in the state of Georgia, which lacks a state-level, need-based financial aid grant program, instead favoring the use of merit-based programs. For example, instead of utilizing financial need as a parameter of eligibility, the Georgia HOPE Scholarship and the Zell Miller Scholarship are metric-based programs that carry with them highly stringent eligibility requirements (e.g., a minimum GPA of 3.0 without SAT/SAT for HOPE or 3.7, qualifying ACT/SAT scores for Zell) (Georgia Student Finance Commission, n.d.). In addition to these features, Georgia’s state-funded grant programs limit the use of the financial awards to expenses associated with standard undergraduate tuition rates. This means that students receiving either the HOPE or Zell Miller Scholarships are not permitted to utilize funds for other direct and indirect expenses (i.e., room and board, books, transportation, fees) that add to a student’s total cost of attendance (Georgia Student Finance Commission, n.d.). Whereas Georgia’s state-sponsored merit-based financial aid program imposes restrictions that limit the support provided to economically disadvantaged and racially minoritized students, the AATL scholarship is designed to be a last-dollar support program that, after all aid from other sources is dispensed, can be used to cover remaining costs, including tuition, fees, and room and board (Bueno et al., 2024). Notably, prior research on AATL has shown its scholarship and associated services improve persistence and four-year college completion (Bueno et al., 2024). Further, as part of the project presented in this paper, new quantitative data provide evidence that AATL also improves the financial profiles of Scholars. For example, in their first semester of college, AATL Scholars are less likely to take out loans, tend to borrow less than their peers, and take out fewer “less favorable” loans (Bueno et al., 2025). The new quantitative findings also highlight additional positive academic outcomes, such as higher GPAs and an increased likelihood of earning more credit hours than their non-AATL peers (Bueno et al., 2025).

THEORETICAL FRAMEWORK

This research is largely informed by Bourdieu’s core “thinking tools” and the role of time itself as made and experienced via social practice. For Bourdieu, social practice is played out in fields of competition for various forms of capital accumulation and social positioning. In the field of U.S. higher education, we see well-defined patterns of alignment between students’ social class background and whether, why, when, and

where they attend postsecondary institutions. Indeed, Bourdieu has long provided a critical lens for higher education scholars to make sense of the reproduction of inequality of educational access, experience, and outcome within a society that purports to be meritocratic. For example, students from low-income backgrounds largely attend open-access and less-selective institutions, while students from upper-class backgrounds are concentrated within elite universities. Such class-based disparities cannot be explained away by talent and hard work alone but are the result of deeply rooted systemic inequalities that privilege the most privileged while disadvantaging those who do not possess the dominant capital rewarded by the field. Relative to temporality, the field of higher education turns to its own rhythms, pace (e.g., semesters, academic years), and expected trajectories of those within the field (e.g., the timely completion of a degree) that condition the habitus and influence (though not determine) individual outcomes (Atkinson, 2019). For Bourdieu (2013), the habitus can be defined as “the strategy-generating principle enabling agents to cope with unforeseen and ever-changing situations...a system of lasting and transposable dispositions which, integrating past experiences, functions at every moment as a matrix of perceptions, appreciations and actions and makes possible the achievement of infinitely diversified tasks” (pp. 82-83).

The possession and accumulation of dominant capital within any field is dependent upon one’s habitus, which incorporates the past in the present and “probable futures” (Bourdieu, 2000, p. 211).

In this regard, as a form of cultural capital, and a foundational element that allows for the accumulation of all forms of capital (over time), time is acquired and experienced differently depending upon one’s social position. As others have argued, the temporal is inherent to Bourdieu’s theory of practice, which allows for us to break with dominant conceptions of time as a thing in-and-of itself—a thing that is external to actors (Atkinson, 2019; Koll, 2020). Although time can be considered objective in nature (calendar/clock time to be gained or lost), Bourdieu allows us to conceptualize time as generated and lived subjectively. For Bourdieu, this means that time “is made and lived only by those who are endowed with the necessary faculties and capacities to ‘see objective potentialities in the present structure’ (Bourdieu, 2000, p. 213), for this is how they become ‘interested’ and ‘invested’ (i.e., Bourdieu’s notion of *illusio*) as opposed to being ‘indifferent to’ and completely out of the game” (Xu, 2025, p. 60). Thus, making use of Bourdieu’s three, central, interrelated concepts—habitus, capital, and field, allows us to make sense of time itself as a unique, foundational form of capital that is generated and experienced via social practice, requires time to accumulate, and is accumulated and experienced differently based on one’s social position. For Bourdieu (2000), significant quantitative and qualitative differences in how time is accumulated and experienced contributes to the reproduction of social inequality.

Drawing on Bourdieu, Atkinson (2019) explained, “Possession of the major capitals defining the social space—economic, cultural, social capital—defines one’s relative distance from necessity, an important element of which is time” (p. 955). By way of example, Atkinson pointed to Bourdieu’s work in Algeria wherein,

those for whom paying the bills, keeping their job, earning enough money to get by and so on are more pressing tend to be anchored more in the short-term future, while those freer from those exigencies have the luxury to build longer term projects.... This can manifest in modes of childrearing or lifestyles (e.g., approaches to diet and exercise); yet, it also has a very particular effect among those within the intellectual field. The specific condition of the scholar—having the time and leisure to think, reflect and so on... (p. 955).

Although few have conceptualized time itself as a distinct form of capital, Wladis et al. (2024) recently developed a holistic capital model that accounts for time (and body/energy) capital that are separate and distinct from social and cultural capital. However, we depart slightly in our conceptualization, remaining more closely tied to Bourdieu's original framework by identifying time as a form of cultural capital. Again, although Bourdieu did not identify time as a distinct form of capital, we argue that Bourdieu's complex definition of time places it within the realm of cultural capital, already embodied as part of one's classed habitus, but also objectified as quickly acquired dominant capital. Thus, time, as objectified cultural capital, can provide the very thing needed to become embodied and used to compete within the field of higher education.

In this paper, we also utilize Xu's (2025) understanding of time inheritance and what he calls the "time privilege continuum." Building on Bourdieu's framework and contributing to a Bourdieusian understanding of time, Xu (2025) recently proposed the notion of "time inheritance" as an understudied "mechanism that underpins much social inequality" (p. 44). Xu describes time inheritance as situated along a time-privilege continuum:

...advantaged time inheritors live with banked time through inheriting (1) accumulated labor time from their ancestors, which manifests in different forms of capital; (2) freed-up leisure time, which allows them to pursue preferred life causes and consume and appreciate life; and (3) time that feeds into their disposition and mentality, through which they develop this secured, safe, confident, entitled and relaxed approach to life ...which enables them to make more informed decisions and end up saving more time or even gaining time. ...On the other end of the time privilege continuum, the disadvantaged time inheritors live on what I call borrowed time. They do so through inheriting generations of deprivation of 'labor time' which manifests in forms of debt. (p. 40)

Following Bourdieu, Xu (2025) is quick to emphasize that time inheritance is not deterministic. For example, a student who does not possess advantaged time inheritance can still become socially mobile via, in this case, the infusion of economic capital that allows for the accumulation of time, which can re-shape how time in college is experienced. By doing so, this research also encourages the use of Bourdieu's thinking tools as "rupture," or rather, with less emphasis on the reproductive nature of the field. We follow Pitzalis and Weininger (2022) in their argument that scholars should view social action as dynamic, including one's habitus, which breaks with controversial notions of Bourdieu's work as deterministic and lacking transformative power. In our research to follow, we situate AATL as a

potential form of rupture, and AATL Scholars themselves as agentic actors situated within and adaptive to new structures that can allow for greater mobility.

RESEARCH DESIGN

Critical Participatory Action Research

In alignment with our theoretical approach, this research maintains a critical perspective that seeks to uncover and challenge social inequalities in the interest of promoting actionable change. Specifically, the research presented in this manuscript highlights the qualitative phase of a larger concurrent mixed-methods, three-year research-practice partnership project. Importantly, quantitative research conducted in advance of the qualitative phase informed the qualitative design and analysis presented in this paper. For example, our larger team met regularly to discuss how quantitative findings on positive student outcomes (have higher GPAs than their peers and can earn more credit hours than their peers) and loan portfolios (less likely to take out loans and borrow less money than their peers; Bueno et al., 2025) informed and shaped the questions asked in our focus group interviews.

Although we reference recently published quantitative findings from the project (Bueno et al., 2025), we focus solely on the qualitative data collected via critical participatory action research (CPAR) to provide insight that directly responds to the overarching qualitative research question that guided our work: How do the AATL scholarship and its related services shape the experiences, opportunities, and future outcomes of AATL Scholars attending Georgia State University? Our responses to this overarching question provide insight into *how* place-based programs produce positive outcomes within educational systems that are unequal.

As a critical approach to research, CPAR seeks to incorporate those most directly impacted by the social inequalities we seek to interrogate into all phases of the research process (Fine & Torre, 2021). The qualitative research team, which included the lead researcher, one Ph.D. graduate research assistant, and AATL Scholars as paid co-researchers, worked together to design and carry out each phase of the research project. In year one of our work together, the lead researcher and graduate student research assistant facilitated team training and the practice of critical reflexivity during regular research meetings. Following Fine and Torre (2019), we departed from the point of critical reflection: "...with an analysis of power, oppression, and privilege; we ask always, whose voices are smothered, whose are centered, and how might we produce knowledge together" (p. 434). Training included reading and discussing the CPAR literature that informed our work (see for example, Fine & Torre, 2021), piloting methods, and engaging in critical conversations about researcher positionality. In years two and three of the project, researchers continued training (e.g., data analysis) and worked together to collect and analyze all qualitative data. Across all years, the qualitative team also met regularly with the quantitative team to inform our processes and integrate data. As critical research, the qualitative team was also particularly interested in identifying ways AATL might continue to strengthen its services and support for students. As a research-practice partnership,

our findings and insights were also shared with key stakeholders throughout each stage of the research process.

Methods

Methods for data collection included five focus group interviews with current and former AATL Scholars at Georgia State University.⁴ Given the critical nature of this work, our team decided that focus groups would best allow participants to engage in facilitated conversation about AATL and share ideas about how AATL might also strengthen existing supports. We followed a critical approach to focus groups informed by what Hall (2020) calls *culturally responsive focus groups*. Although one researcher led each focus group interview, all researchers were present and participated in all sessions. Because the lead researcher was always operating from multiple positions of power (racially and from within the academy as an associate professor leading this work), we believed it was particularly important and useful for our AATL co-researchers to lead interviews and engage with Scholars. We used purposeful sampling to recruit student focus group participants using several strategies, including texting and email, and via an AATL GroupMe account. We were also careful to schedule interviews at different times of the day when undergraduate students would most likely be able to attend. We reserved and held all interviews within a common, easy-to-access space in the main campus library. We also sent follow-up and reminder texts prior to each focus group interview. Additionally, we offered a \$40 electronic gift card and provided breakfast or lunch (depending upon the time of the focus group). Although our recruitment efforts were intentional and strategic and we completed five focus groups (19 total participants), it is important to note that we experienced significant recruitment challenges. Although prospective participants signed up in great number, on average, about half (or fewer) attended each focus group interview.

At the start of each interview, we asked each participant to fill out a very brief demographic survey (no more than five minutes) and moved into introductions before asking a set of interview questions that guided our conversation. Focus group interviews lasted roughly 60 minutes, on average, and were recorded using an iPhone with microphone to enhance audio quality. Audio recordings were uploaded to Rev.com for transcription and were then cleaned by one researcher and uploaded to our shared space for analysis.

Additionally, our team was given the opportunity to add open-ended survey questions to three existing AATL surveys administered at different times during 2023-2024 to all current AATL students.⁵ The first survey, disseminated to all

⁴ Georgia State is one of many four-year institutions attended by AATL Scholars. Georgia State was selected as the research site as one of the most well-attended by AATL Scholars in GA.

⁵ Survey data were analyzed from students attending Georgia State University only (to align with findings from focus group interviews from students attending Georgia State). There were more than 300 completed responses for each survey administered.

incoming AATL Scholars in Fall 2023, had a 94% completion rate. The second survey, disseminated to all *returning* AATL Scholars in Spring 2023, had an 89% completion rate. For our purposes, the analysis of survey data was limited to Georgia State Scholars. A third set of questions was added to the 2024 survey disseminated to all returning AATL Scholars in Spring 2024, which had a 95% completion rate. The open-ended survey questions provided additional qualitative data that allowed us to triangulate interview data among a larger number of AATL Scholars.

Data Analysis

All members of the qualitative team conducted analysis of qualitative data, which included focus group transcripts and open-ended survey data. As a team, we decided to conduct analysis by hand using Excel worksheets for our survey responses and transcripts converted to Word documents. For interview transcripts, we used a two-stage coding process wherein we began with the open, inductive coding of responses by reading line by line and identifying emerging codes. We then conducted a second phase of coding to condense initial codes into larger categories. We approached this process together by coding the first transcript individually and then coming together to cross-check/define codes and reach intercoder agreement. We then split the coding of the additional transcripts and came together once again to review and determine larger categories, which were used to identify thematic findings (Miles et al., 2019).

To analyze survey responses in Excel, we first cleaned and filtered files, which originally included all AATL students attending all partnering institutions. Because of time constraints and to maintain project focus on AATL Scholars attending Georgia State University, we removed any non-Georgia State University responses and non-responses (left blank) to the open-ended questions. For the first two surveys, we created tabs for each open-ended question to manage coding procedures for individual researchers within Excel. Open-ended survey questions were analyzed and reviewed by team members adopting the same process used for interview transcripts. Responses to the third survey were provided near the end of the project funding and were analyzed individually by the lead researcher in the interest of time and consideration for unpaid co-researchers. Finally, each researcher engaged in parallel memoing during the analysis phase, which also helped to shape our final thematic findings, as well as record methodological decisions made throughout the process (Birks et al., 2008).

The potential for enhanced trustworthiness of findings in critical participatory action research is built into its foundations via the centering of the insight and voices of those with such valuable lived, expert-level experiential knowledge (Fine & Torre, 2019). By including and centering the experiences and deep insight of our AATL Scholar co-researchers, we were able to design and carry out research with enhanced credibility. This became increasingly evident as Scholar co-researchers gently corrected assumptions of team members throughout the study—challenging the ways we “imagined” students experienced or perceived higher education relative to AATL—teaching us important lessons about the lived realities of AATL Scholars

attending Georgia State University that shaped each methodological and analytical decision we made.

FINDINGS

Below, we highlight qualitative findings that inform questions concerning how place-based scholarships have positive outcomes. Although our research revealed numerous programmatic features that others have identified as contributing to positive outcomes (e.g., academic coaching), we focus on the foundational ways that lifting or reducing the financial burden for low-income students alone provides greater time for individuals to “be” college students. We argue that time, as a form of valuable capital brought about by greater economic capital, is at the foundation of enhancing well-being, engagement, and academic performance. We begin with a brief discussion of economic capital as the basis for increased access before focusing on the major findings regarding the benefits of converting economic capital into other valuable forms of capital, namely, time.

The Promise of Economic Capital Conversion

AATL Scholars indicated again and again that lifting or reducing the financial burden associated with the cost of college and student loans had a real and immediate impact on their decisions to attend college *at all*. In other words, students said they would not be in college if it weren’t for the AATL Scholarship. Responses to open-ended survey questions reflected similar sentiments regarding what life would be like without the scholarship. For one student, “It has really help with paying for school because without Achieve Atlanta I probably wouldn’t be able to go to school” (Fall Update Survey, 2023). Another student similarly mentioned, “Not having to stress or ask my parents to go further in debt for my sake is a huge relief. Honestly, I would not be able to go to college without Achieve Atlanta” (Fall Update Survey, 2023). Focus group participants also expressed similar sentiments: “My dad works in construction, so I would probably just do that or restaurants and stuff. Just jobs that you don’t really need a college degree for.” These responses are representative of a larger number of students who, without funding, may not be in college at all.

Once in college, economic capital also allows low-income students to better meet basic needs, which carries its own distinct burden (Goldrick-Rab, 2020). As Goldrick-Rab (2020) reminds us, “The new economics of college have greatly increased the gaps between college costs, family resources, and financial aid” (p. vii). Although students at Georgia State University have access to excellent services and resources on campus that aim to address basic needs insecurity—and it is clear these services and resources are much-needed on campus⁶—students were also able to utilize

⁶ According to a recent news article provided by Georgia State University’s food pantry, 59% of visitors reported experiencing food insecurity (Georgia State News Hub, 2024).

scholarship funding to cover the growing costs of food, housing, and transportation. Specifically, students communicated that the scholarship helped “pay for books and food for college,” “eased the burden of paying for necessities,” and allowed for “transportation” and “to stay up on rent” (Fall Update Survey, 2023).

Although we agree with research that has emphasized that economic capital alone does not go far enough in providing underserved students with various forms of dominant social and cultural capital needed to transition through college (Murdock, 1989), we focus on the ways that economic capital, in and of itself, generates an overlooked, but highly valuable dimension of student success—time. Thus, we argue that financial support—at the basis of all forms of capital (Bourdieu, 1986)—can be “quickly” converted into dominant cultural capital in the form of time. This is important because, for Bourdieu (1986), capital accumulation and conversion typically take a great deal of time. However, the almost immediate conversion of money to time via AATL also provides greater time to “be” a student, which seems to then increase the potential for further conversion into other forms of dominant cultural and social capital that lead to student success. Below, we focus on additional findings that relate to time as a distinct form of dominant capital needed to succeed as a college student.

Time to Study

For students, lifting or reducing financial burden (immediate and future) meant working fewer hours, which students directly connected to providing greater time to dedicate to their studies:

I don't have to work as much because I have a scholarship that pays for so much of my school. If I didn't have that, I would be working way more days, and I wouldn't have any time for my homework or studying.

Survey data revealed similar sentiments:

Every year that I have been in college, AATL has lifted a financial stress off of mine and my family's shoulder. They have allowed me to not have to work as much so that my primary focus is school (Spring Renewal Survey, 2024).

Other students noted, “It made it easier by requesting less financial support from family. It made me focus more on my academics and less on finding a job to help fund my studies (Spring Renewal Survey, 2024), and, “I was able to work less and really focus on my studies. Studio art studies require a lot of time and flexibility to be able to be fully involved. AATL has been a massive part of freeing me up to do that very thing” (Spring Renewal Survey, 2024). For this student, working less was directly tied to the scholarship, which provided the economic capital that converted to essential time spent in the studio. This also suggests that majors requiring significant engagement in creative production may be limited to those privileged enough to have such time.

Although students' motivation to do well academically also seemed tied to other features of the program, including the unique pressure to maintain their scholarships

by meeting the required GPA to stay in college,⁷ students drew direct lines between working fewer hours and increased time for their studies.

Time in the Experiential Core: “Being” a College Student

Reducing financial burden also provided time for students to *be* college students and experience college in ways that are often only available to those from more privileged backgrounds, engaging in campus in ways they would not have been able to without an influx of economic capital. Thus, the AATL Scholarship enhanced the college experience for students, which research has long indicated contributes to positive academic outcomes. Although students from low-income backgrounds may choose not to participate in campus activities, many are unable to do so because they work out of necessity or live off campus, which requires time to commute. Living on campus provides immediate, time-saving proximity to the “experiential core” (Stevens et al., 2008, p. 131) of college life. For example, one student reported, “Achieve Atlanta has helped me financially by helping cover my tuition so *I can experience* college and live in a dorm on campus” (Fall Update Survey, 2023). Another student noted, “Achieve Atlanta paid my housing which has been very beneficial to me. For the first time in my life, I really feel like part of a community & I definitely wouldn't have that if I still lived at home” (Spring Renewal Survey, 2024). Indeed, the ability to “be” a student and benefit from the full college experience requires time—acquired via economic capital.

Time spent engaged on campus can mean several things for students, including building social lives and developing meaningful relationships on campus, where we also see social capital conversion. For many, the economic benefit of AATL also allowed students to utilize time by engaging in broader extra- and co-curricular opportunities, including participation in internships, campus organizations, and study abroad. For example, one student noted: “Achieve Atlanta has helped me fund my schooling since Fall 2021 and my Study Abroad trip to Mexico during the Summer semester” (Fall Update Survey, 2023). Another student highlighted the importance of study abroad in their college experience:

This semester Fall 2023 I am studying abroad in Barcelona and it is the experience of a lifetime. I am using scholarships and the last of my college savings in order to afford it. The Achieve Atlanta scholarship helps me be able to afford this experience better, as I am putting a lot on my credit card. It will also help me to be able to save and afford a place once I am back from study abroad... (Fall Update Survey, 2023).

Others attributed the scholarship to their ability to participate in clubs and campus organizations:

⁷ Similar to work by Collier and Parnter (2021), our research also provided support for students’ performance and motivation to study as tied to the unique pressure to maintain their scholarships by meeting the required GPA to stay in college. Although important to note, our focus here is on the distinctive role of time.

The AATL scholarship makes life so much easier and adjustable for me because it allows me to pursue college from a more positive perspective than the negative perspective I've been subjected to. I'll now be able to be part of clubs, be more financially stable, and continue creating more opportunities to be a part of my college campus than I've ever been before. (Spring Renewal Survey, 2024)

Similarly, another student reported:

I was able to improve my entire learning experience by spending more time on extracurricular activities, internships, and even a part-time work that was connected to my field of study thanks to the scholarship's financial support. (Spring Renewal Survey, 2024)

These types of engaged campus experiences can be transformative and can contribute to supporting student learning and cognitive development (Mayhew et al., 2016).

Time, (Cognitive) Space, and Academic Performance

For the Scholars in our research, lifting or reducing financial burden converted into greater time for *being* a student—engaging in the campus, building relationships, and, as we document in this section, allowing students to focus their mental energy on their studies, to which they attributed a significant reduction in mental stress. Financial worry is intricately tied up in this sense of relief about their current and future economic situations. Financial worry or stress can place a heavy burden on the shoulders of students, particularly when those students have experienced significant economic insecurity throughout their lives. Researchers have found this burden can weigh so heavily that it takes up valuable cognitive capacity and mental bandwidth (Verschelden, 2025). College debt alone can negatively affect mental health and have significant long-term consequences for well-being, particularly for students from minoritized backgrounds (see a review of this literature by Sinha et al., 2024).

Thus, lifting the financial burden, which reduced stress and opened cognitive capacity, was often directly connected to providing greater time for studying and focusing on academic matters. For example, the following student reflected in a focus group interview,

Well, the scholarship, it alleviated a lot of stress that I have or had with finances and trying to pay for school. Um, and the goal is to have at least the majority of it paid off so you don't have anything to worry about so that you can spend more time studying. And in which I did, I spent a lot of time studying.

Similar insight was gained across surveys and focus group interviews as Scholars mentioned: “Having some help towards my cost to being in college is life changing. It's just been one less thing to worry about, because of it I can focus on actually doing well in my classes” (Spring Renewal Survey, 2024), and, “It allowed me to be able to work diligently in my classes without the stress of paying for college” (Spring Renewal Survey, 2024). Another student reflected on what life would be like without AATL, “having debt would be really stressful. Obviously, mentally your grades would probably suffer if you were stressed about money” (Focus Group Interview).

In the absence of debt and financial worry, students were able to open space for greater cognitive capacity, shifting time spent worrying to focusing on their studies,

which may contribute to improved academic performance. Importantly, in reflecting on what their lives might be like without AATL, Scholars were also better able to envision their futures as free from or with less debt, which widened the aperture of possibilities before them.

An Investment in Future Time

Lifting the financial burden allowed students to invest in their future time. Time saved or *banked* as an undergraduate, arguably allows students to invest in future possibilities that might have otherwise remained closed off or veiled by debt. Focus group participants included students with aspirations to go to medical school, a costly endeavor that can feel unattainable in the face of accumulated undergraduate debt. These AATL Scholars, however, communicated a sense of possibility because they will graduate with little to no debt. For example, one Scholar reflected in a focus group interview, “It’s [AATL scholarship] definitely helping me with my future because I don’t want to go into med school with debt, because it is all going to be a lot anyway.” Reflecting on the same question, a second participant in the same focus group planning to attend medical school added:

The med school thing is...I don’t want that [debt] in undergrad just to go to med school and have all this other debt... Graduating that [debt] free is like a blessing...being able to start medical school with no debt is like absolutely a blessing. Achieve Atlanta played a role in that, so I’m very grateful for it.

Others communicated similar sentiments regarding their futures. In the following focus group interview, a Scholar articulates his plans to go on to graduate school for teaching without as much financial worry:

I do think it’s difficult to just estimate how things are going to be a few years from now, but the total amount over the course of what, four years? It’ll be \$20,000. Assuming I renew it [AATL scholarship] every single time, that’ll play a large role in giving me security in my education, making sure I get through my undergraduate degree. I do plan on pursuing a higher education after that, being that I do want to be a teacher. So, I think I’ll use that money left over towards pursuing higher education, which this scholarship contributed to. So it’s good to know I won’t have to worry as much.

Given increased costs, debt, recent polls that indicate increasing skepticism surrounding the value of higher education (Fry et al., 2024), and research that indicates relatively high rates of loan aversion across student groups in the United States (Boatman et al., 2017), it is perhaps not surprising that a boost in economic capital at the undergraduate level may provide students with greater access to fulfilling their aspirations via additional higher education. Although we cannot know for certain whether students would’ve imagined the same potentialities for their futures had they not been AATL Scholars, in the data provided, students’ willingness to invest in their future time in graduate school is linked to their current experiences as AATL Scholars with little to no debt.

DISCUSSION AND CONCLUSION

In this paper, we argued that time, as a foundational, yet understudied form of dominant cultural capital—one quickly converted from economic to cultural capital within higher education via place-based aid—provides insight into *why* students participating in these programs may have more positive outcomes than their similarly positioned, non-AATL peers. Specifically, we found that time itself provided students with greater opportunities to focus their attention on their studies and engage in college life with less financial stress, which also freed up cognitive space and enabled them to invest in futures that may not have been within sight or reach in the absence of AATL. Without prompting, Scholars highlighted the fast conversion of economic capital to dominant cultural capital, which provided both the material and immaterial conditions necessary for greater academic success, broadly speaking.

Although this research does not employ psychological theory to explain the positive consequences of lifting the financial burden associated with the cost of college, it is important to note that scholars have provided evidence that “economic hardships specific to college students can influence immediate cognition and academic performance over time” (Destin & Svoboda, 2018, p. 320). Importantly, Destin and Svoboda (2018) found that student loans, in particular, can serve to remind students of the long-term financial burden associated with attending college. Lifting financial burden then, may provide cognitive benefits or serve to mitigate the negative consequences of living and studying while accruing debt. Our qualitative findings suggest real and immediate benefits that start upon entry to college and follow students through to graduation and into their futures.

For our purposes, engaging with Bourdieu’s core constructs enabled a multidimensional conception of time. For Bourdieu, time is central to the analysis of social space—the habitus, which is a structuring structure, “temporalizes itself in the very act through which it is realized” (Bourdieu & Wacquant, 1992, p. 138). *Being* a college student requires time—time that is structured by a dominant social order. For those who possess a dominant college-going habitus—one that embodies and closely aligns with the dominant temporal structures of higher education (e.g., time to think, focus, engage in campus life), time *for* college is an accepted feature of everyday life. For those entering college with less time *for* college, the benefits of converting money into time as an objectified form of cultural capital seem significant. More time for college can also convert to other forms of dominant cultural and social capital, which, over time, can accumulate and become embodied—ultimately altering one’s classed habitus. As a powerful, foundational form of capital then, time can re-structure students’ opportunity structures toward their potential futures.

Relatedly, Xu’s (2025) understanding of time inheritance and the “time privilege continuum” also provides valuable theoretical perspective. Following Bourdieu, Xu argued that “time underpins much social inequality” (p. 44). For Xu, students from privileged class backgrounds inherit *banked time* (time wealth), while students from disadvantaged class backgrounds inherit *borrowed time* (time debt), which,

compel[s] them to devote extra labor time in order to pay back the various forms of debts and hopefully acquire some forms of capital; this extra labor time is

often at the price of their leisure or freed-up time and can end up compromising their future plans and personal interests (p. 69).

Xu's research demonstrates the many ways that time inheritance constitutes an invisible mechanism for the reproduction of inequality. However, it also illustrates the non-deterministic nature of time-inheritance, and of Bourdieusian theory.

Although Bourdieu's theoretical tools allow us to reveal the more hidden mechanisms that reproduce inequality, they also allow us to move beyond reproductive, mechanistic notions of the social world (Pitzalis & Weininger, 2022). In our study, AATL's investment in students provided more than an infusion of economic capital (though valuable). Economic capital converted to a valuable form of cultural capital (time), which allowed students to experience college life differently and revise their "practical anticipation" of new potentialities (Bourdieu, 1997). Thus, our research also moves away from dominant reproductive narratives in higher education research toward interference and potential transformation, over time. Time itself, as a form of cultural capital, allows for personal investment in student life, increasing the potential for dominant time capital (to be a student) to become embodied. Arguably, embodied dominant time capital (along with other forms of capital that accrue over time) can enable an individual habitus to change, eventually bending away from the temporal structures of one's past. Thus, promise programs can function to transform individual lives and structures of inequality.

It is important to also recognize that money and time are not enough to close opportunity and outcome gaps. Indeed, students from low-income and working-class backgrounds often have unpredictable lives, which can throw students off track and shift priorities and pathways (Bettencourt et al., 2025; Goldrick-Rab, 2016). However, time has been largely overlooked as a foundational, highly valuable form of cultural capital necessary for student success. Although this paper is not *about* time use, it is also important to note that even with additional time, students from non-dominant backgrounds may use time differently, pulling on the various forms of capital they already embody to succeed. These forms of capital may not be recognized as dominant but can also allow students to—often very skillfully—employ non-dominant capital to “maneuver within hegemonic environments and apply them to the constructions of time framed by capitalism” (Bettencourt et al., 2025, p. 285). Future work should consider Bettencourt and colleagues' argument for centering time as central to understanding and addressing structural inequality and its reproduction.

As the cost of higher education continues to rise, significant questions about the fate of student need-based federal aid persist under the current administration. Such uncertainty surrounding college costs and access to higher education, particularly for low-income and racially minoritized students, requires sustained attention and alternative solutions. As Bueno and colleagues argued recently: “Place-based scholarships serve as a more certain path toward students' ability to finance their college education” (Bueno et al., 2025, p. 22). Although we recognize the holistic services often provided by place-based scholarship programs are essential, financial capital alone provided through “free college” programs can be converted into other valuable forms of capital that may enable greater college student success. As an increasing number of states and regions consider implementing promise programs,

we highlight the need for researchers to continue to examine the ways these programs can best support student persistence and completion.

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“If I Could Go Back...”: Understanding the Education and Career Decisions of Forgivable Loan Recipients in the North Carolina Teaching Fellows Program

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ABSTRACT

This narrative case study features the early career experiences and outcomes of eight former pre-service teachers in the North Carolina Teaching Fellows program (NCTFP). The NCTFP is a teacher recruitment program that provides forgivable loans and professional development in exchange for participants' commitment to teach in high-needs subjects upon graduation. Study participants joined the NCTFP in 2018-19 as postsecondary students in secondary STEM education. Interview and written data were collected in 2019 to understand how and why students chose to participate in the NCTFP and their educational and career goals. Follow up interviews were conducted in 2024 to understand how participants' educational and career interests and plans remained consistent or deviated over time, especially in the context of NCTFP forgivable loans and service commitments. Three major themes illustrate the ways that educational structures, actual teaching experiences, and the loans themselves shaped participants' lives, and their plans for the future.

Keywords: student loan forgiveness, teachers, STEM, career development

I got a lot of the ‘don’t teach’ when I was in high school... My senior year English teacher, she was like, ‘You could do so much more. Don’t teach, because, once you teach, you’re trapped.’... I was like, ‘Well, I feel like my story isn’t going to be the same.’... The pay thing was really bothering them but that’s not something that gets to me.

Zoe, 2018-19, 1st year undergraduate student

Rent is \$2,000 upwards...I’ve never been able to live alone... That’s probably one of the biggest factors that makes me want to leave [teaching]...I cannot afford life doing this job...Since we’re on the monthly pay, we’re making about \$2,800. I had to get a car, got to get gas ... all the things start to stack up.

Zoe, 2024-25, 3rd year teacher

In response to pervasive teacher shortages, the U.S. federal government and many states, cities, and school districts have implemented teacher recruitment initiatives. Economic incentives are a popular intervention approach for teacher recruitment in the United States (Thompson-Lee et al., 2025), and limited-duration economic incentives, such as bonuses, stipends, student loan forgiveness, or forgivable loans have been a particularly popular approach at the state level (Kolbe & Strunk, 2012). This study focuses on eight participants' experiences in the North Carolina Teaching Fellows program (NCTFP), a storied teacher recruitment program in North Carolina (NC) that uses forgivable loans as a recruitment and early career retention mechanism.

Teacher shortages are not a new issue in NC; indeed, the original NCTFP was envisioned in the 1980s as part of a swath of teacher recruitment and support initiatives in the state (Darling-Hammond et al., 2022). Launched in 1987, the original NCTFP sought to recruit high-achieving students into the teaching profession by providing selected

Fellows with grants “treated as loans” (i.e., loans forgiven through postgraduate teaching service; Public School Forum of North Carolina [PSFNC], 1986), and extensive professional development in preparation for the teaching profession. The original NCTFP was large and popular, enrolling over 10,700 Fellows from 17 institutions throughout its 1987–2011 tenure (Cohen, 2015).

In 2018–19, NC policymakers redesigned and relaunched the NCTFP in efforts toward rebuilding the state’s teacher workforce (NCTFP, 2017). Like its predecessor, the new version of the program provided forgivable loans and professional development to postsecondary students committed to teaching in NC public schools upon graduation. However, the new NCTFP was far smaller than its predecessor, offered at fewer institutions, and limited to students entering teacher preparation programs in the state’s hardest-to-staff subject areas: secondary STEM and special education. The new program also provided larger loans with greater postgraduate service requirements (NCTFP, 2017; see methods section for more policy details).

This longitudinal narrative case study focuses on the experiences of eight participants who enrolled in the relaunched NCTFP in its inaugural year. Data collection first took place in 2018–19 to understand participants’ decisions to join the NCTFP and their education and career interests and goals (see Smith, 2019, 2021, 2022), and again in Fall 2024 to understand participants’ early career experiences and outcomes, especially in relation to their NCTFP loans. This study answers the research question: How did 2018–19 NC Teaching Fellows participants navigate educational and career decisions in the context of the program’s forgivable loans?

OVERVIEW OF THE LITERATURE

Throughout this manuscript, I use the term “forgivable loans” to refer to programs or policies where postsecondary students receive upfront loans or stipends that may be repaid via postgraduate service, or in cash with interest. Although limited duration economic incentives are a popular policy lever across teacher recruitment programs (Kolbe & Strunk, 2012), there seems to be very little existing research specific to forgivable loan programs. At the same time, this research is difficult to locate. Researchers and policymakers alike use a variety of terms in reference to this type of financial incentive, including “grant,” as in the case of the original NCTFP (PSFNC, 1986) and the Teacher Education Assistance for College and Higher Education (TEACH) Grant program (Federal Student Aid [FSA], n.d.), “grant-to-loan” (e.g., Sparks, 2025), “scholarship” (e.g., Henry et al., 2012; Marder et al., 2017) and more, resulting in confusing policy structures, and the lack of a cohesive body of research.

Economic Incentives and Forgivable Loans

Across initiatives, research on teacher recruitment incentives generally focuses on large-scale outcomes, essentially asking whether financial incentives effectively recruit and retain teachers. Results are mixed, typically indicating that financial incentives are more effective in retaining than recruiting teachers (Thompson-Lee et al., 2025). However, effectiveness also depends on the size and nature of the incentive, as well as its larger context, including region, school, teacher, and student characteristics. The more difficult the working conditions in a school and the more qualified the teacher, the larger the incentive needs to be (Clotfelter et al., 2011).

Although there is limited research specific to forgivable loan incentives, the federal TEACH Grant program provides one illustrative example. In spite of its name, the TEACH Grant is a forgivable loan program that provides enrollees in eligible programs up to \$4,000 per year (FSA, n.d.). In exchange, recipients agree to teach for at least four years in a designated high-need subject area or position within eight years of completing their degree (among other stipulations; FSA, n.d.).

Evidence on the impact of the TEACH Grant is mixed. Two studies investigated whether the TEACH Grant increased enrollment in education degrees in high-need subjects—Peyton et al. (2023) found no impact, while Sparks (2025) found a modest impact, particularly among Students of Color. At the same time, there is an inherent selection issue, as many institutions opt out of the TEACH Grant program (Sparks, 2024), or place extra limits on student eligibility (Barkowski et al., 2018). In an evaluation, Barkowski et al. (2018) found that 63% of TEACH Grant recipients who began their service obligation period prior to July 2014 had grants converted to unsubsidized loans by June 2016. Common reasons included inability to find eligible employment (15%), changing one’s mind about teaching in high-need fields or schools (15%), not receiving qualifying job offers (14%), finding higher paying jobs at a non-qualifying school (13%) or other reasons (43%, e.g., school lost its high-need designation, layoffs).

In writing about the TEACH Grant, I can’t help but to recall a conversation I once had with a financial aid officer who referred to the TEACH Grant’s forgivable loan structure as a *groan*—a loan disguised as a grant. The negative

connotation of “groan” was not accidental; the program had caused considerable headache for him and program enrollees alike.

Outcomes from the Original North Carolina Teaching Fellows Program

As mentioned in the introduction, the original NCTFP was large, and popular. According to many metrics, the program was also successful; widely considered a model for other states (e.g., Carver-Thomas & Darling-Hammond, 2017; Clewell & Forcier, 2001; Hirsch et al., 2001; Podolsky & Kini, 2016). According to the PSFNC (2008), Fellows in the original program had a higher graduation rate (85%) than students across the University of North Carolina (UNC) System (54%) and entered teaching positions at higher rates (78%) than education students across the U.S (66%).

Despite its many accolades, a deeper investigation shows several shortcomings. An evaluation by Henry et al. (2012) found that the original NCTFP had two primary achievements: success in recruiting high-achieving students into teaching, and higher teacher retention rates among Fellows—two of the program’s original objectives. However, the program fell short in meeting other objectives, especially in its failure to diversify the state’s teacher workforce by recruiting more men and racially minoritized students into teaching. Further, Fellows generally did not enter teaching positions in low-performing or low-income schools, thus propagating existing educational disparities within the state (Henry et al., 2012).

Notably, Henry et al.’s (2012) evaluation overlooked whether participants completed the full length of their required service or repaid their NCTFP loans. This gap is common; most research attends to overall program performance rather than individualized outcomes and qualitative accounts. Still, there is evidence that many Fellows did not complete their service. One 2003 audit showed that 29% of Fellows had paid back their loans in cash (North Carolina Office of the State Auditor [NCOSA], 2003). Over ten years later, Cohen’s (2015) report showed similar figures; 30% of Fellows paid back loans in cash. To complement these figures, a news story by Hinchcliffe (2019) covered the experiences of 21 Men of Color and former Teaching Fellows who paid their loans back in cash instead of service. In explaining their trajectories, interviewees described receiving unanticipated professional opportunities that were ineligible for forgiveness, difficulties finding eligible employment, and administrative challenges.

CONCEPTUAL FRAMEWORK

The framework for this study is time-inconsistent preferences, a concept derived from behavioral economics. Traditional economics concepts are based on rational choice, or the idea that people make decisions by weighing costs against returns to make rational, optimal choices (Scott, 2000). According to behavioral economists, this process is unrealistic, as optimal choices can only be made when a person has perfect access to information, understands this information, and has beliefs that remain stable over time (Kahneman, 2003; Tversky & Kahneman, 1986; Weimer, 2017). Instead, humans demonstrate bounded rationality, making decisions based on limited information and biases based on the way information is presented, personal interests, simplifying strategies, and changing preferences (DellaVigna, 2009; Jabbar, 2011; Kahneman, 2003). Such constraints are highly salient for college students, given many students’ relative inexperience and the deep complexity of education and work systems (Castleman, 2015).

The concept of time-inconsistent preferences represents the idea that personal preferences change over time, and that people demonstrate a bias towards present interests (Baum & Schwartz, 2015; Camerer, 2014; DellaVigna, 2009). According to this idea, present-day tasks are perceived more cumbersome than those in the future, leading to discrepancies between long-term goals and short-term actions (Castleman, 2015). This bias is economic and affective; although people make decisions based on what they believe will make them happiest, it is difficult to predict future desires, and present bias leads to suboptimal decisions (Fudenberg, 2006).

The concept of time-inconsistent preferences has many applications to education and career decision-making. For example, college enrollment requires significant upfront financial and opportunity costs, while the economic benefits are typically only realized after completion (Dynarski & Kreisman, 2013). As forgivable loans also have temporal mismatches between proximal benefits (i.e., funding and professional development) and distal costs (i.e., teacher service), time-inconsistent preferences may help explain why some students in forgivable loan programs like the NCTFP repay loans in cash. Thus, through its longitudinal qualitative design, this study seeks to understand how NCTFP participants’ preferences changed—or not—over a six-year period.

METHODS

This longitudinal narrative case study (Gotham & Staples, 1996) uses qualitative data to understand eight pre-service Teaching Fellows' educational and career experiences, decisions, and early career outcomes as they relate to the NCTFP. Narrative case study research combines two methodologies, narrative inquiry and case study (Gotham & Staples, 1996). Centering human narratives and life stories, narrative inquiry is defined by its present-centered focus on life histories (Connelly & Clandinin, 1990). Reflection on life histories provides insight into identity development, including professional identity, with special attention to events, interruptions, and tensions as turning points (Creswell, 2014; McAdams et al., 2006). In contrast, case study emphasizes an in-depth description and analysis of a contemporary phenomenon within a bounded context (Yin, 2017). Combining these approaches enabled me to answer the research question by analyzing participants' life stories within a context bounded by both policy and time.

Case Context: North Carolina and the 2018-19 North Carolina Teaching Fellows Program

Despite its popularity, the original NCTFP was defunded in 2011 as part of cuts made by a new NC political regime following the 2008 Great Recession (Darling-Hammond et al., 2022). From 2009 to 2018, the number of NC teachers declined by 5% while student enrollment increased by 2% (Darling-Hammond et al., 2022). Compared to national averages, NC has a higher percentage of schools with unfilled or hard-to-fill teaching vacancies (51.9% in NC vs. 46.9% across the U.S.). NC teachers also have a lower average starting salary (\$42,610 in NC vs. \$44,530 nationally in 2022-23), higher rates of job dissatisfaction (12.7% vs. 10.9%), and a higher proportion of teachers working additional jobs (20.3% vs. 17.1%; Learning Policy Institute [LPI], 2024). Like many states, NC has also seen declining participation in its teacher preparation programs, indicating waning interest in the profession (10.5% decline from 2017-18 to 2021-22; LPI, 2024).

In 2018-19, state policymakers relaunched the NCTFP in response to growing shortages. The new NCTFP was far smaller in size and scope than its predecessor, with a 2018-19 budget of \$6 million (North Carolina General Assembly, 2017). The new NCTFP partnered with just five institutions¹ and restricted student eligibility to two subject areas based on state needs: STEM and special education (NCTFP, 2017). Like its predecessor, the relaunched NCTFP emphasized the recruitment of high-achieving students, with a rigorous selection process (Smith, 2019).

Notably, while the original program only admitted incoming bachelor's students, the relaunched program was open to incoming and already-enrolled undergraduate and graduate students transferring into approved teacher preparation programs in eligible licensure areas (NCTFP, 2017). The forgivable loans were also larger, at \$8,250/year with an interest rate "not to exceed 10%" (NCTFP, 2017). Fellows' eligibility for loans varied based on their educational status; those admitted as incoming bachelor's students were eligible for four years of funding (up to \$33,000), while already-enrolled students with over 24 credit hours who were admitted to the NCTFP were eligible for up to two years of funding (\$16,500; UNC System, 2022).

With larger loans, the new NCTFP also required longer terms of service. In the new program, Fellows were required to teach for two years per year of funding received. Thus, first-year undergraduates who received four years of funding were required to teach for eight years. One caveat, however, was an incentive for teaching in "low-performing schools,"² which halved the required service terms. The new program therefore sought to recruit and retain high-achieving students into teaching positions in high-needs subjects, especially in low-performing schools. In 2018-19, 74 students were accepted and participated in the NCTFP, including 53 in STEM education—the focus of this study (UNC System, 2022).

Since its relaunch, the NCTFP has grown and changed in critical ways. As of 2025-26, the NCTFP has 10 partner institutions and elementary education was added as a high-needs subject area (UNC System, 2026). The forgivable loan amounts have also grown (up to \$10,000/year), while service requirements were reduced (one year of service per year of funding). The low-performing service incentive was removed (UNC System, 2026). Despite these updates, study participants joined the program in 2018-19 and are therefore beholden to NCTFP requirements from its inaugural relaunched year.

¹ Partner institutions included three public institutions: North Carolina State University, UNC Chapel Hill, UNC Charlotte, and two private institutions: Elon University and Meredith College.

² Low-performing schools are identified by the North Carolina Board of Education's Department of Public Instruction School (NCDPI) Report Cards, where schools are assigned A-F letter grades. Report Card grades are based mostly (80%) on school achievement scores, calculated from a composite of test measures, and academic growth (20%), where student performance is compared to predicted performance (NCDPI, 2018).

Data Collection

Data for this study were collected at two major time points: 2018-19 and 2024-25.

2018-19 Data Collection

After receiving IRB approval, I began recruitment by sharing study information with NCTFP coordinators at each partner institution and the UNC System office, and by conducting 30–60-minute interviews with coordinators to strengthen my understanding of the program across sites. All coordinators agreed to share study information with qualifying Fellows. Students were eligible if they were enrolled in the NCTFP, were age 18+, and were enrolled in secondary STEM education programs. Prospective participants completed an electronic survey to indicate interest and confirm eligibility. All eligible respondents were invited, 10 participated across five institutions.

In Spring 2019, each participant completed background surveys, a 90-minute in-person interview, and a 45-minute follow up interview. To begin the first interview, participants were provided with paper and a pencil and were asked to create a timeline representing key events in their educational and career development history. Consistent with narrative inquiry, this activity was designed to promote recall, give participants ownership over their experiences without the priming effects of interview questions, build rapport, and promote triangulation (Bagnoli, 2009). Next, interviews followed a semi-structured protocol of questions focused on participant academic and career interests, NCTFP interests and experiences, and postgraduate plans. Interview participants were compensated with a \$25 Amazon gift certificate.

Approximately one month later, I conducted follow-up interviews with each participant to confirm narrative details and to solicit their feedback on emerging study themes (more in the analysis section). These interviews took place in-person, virtually or over the phone based on mutual availability. Follow-up interviews were recorded and manually transcribed, and participants received a \$15 Amazon gift certificate. At this phase, I also told participants about the possibility of a five-year follow-up study and solicited consent for related communications. All participants consented and shared their personal email addresses, phone numbers, and mailing addresses.

2024 Data Collection

After receiving IRB approval for the follow-up study, in Summer and Fall 2024, I contacted all original participants by sharing information about the follow-up study. Six participants responded immediately. I sent two more emails to nonrespondents and then two invitations via text; two additional participants responded via text. In total, eight of the original 10 (80%) responded and completed follow-up interviews (Table 1).

Table 1: Participant Information

Pseudonym	Gender	Race/ Ethnicity	2019 Class Year	2018-19 Academic Program	Original Academic Program Outcome	2024 Teaching Status
Monica	Woman	White	First-Year	Science Education	Completed	Teaching high school science
Taylor	Woman	White	First-Year	Math	Changed major	Not teaching
Victoria	Woman	White	First-Year	Middle Grades Ed.: Math & Science	Transferred institutions; Changed major	Teaching middle grades math (low-performing school)
Zoe	Woman	Black	First-Year	Environmental Science & Political Science	Completed Environmental Science only	Teaching middle grades science
Jenna	Woman	White	Sophomore	Middle Grades Ed.: Math & History	Completed	Teaching middle grades math
Matilda	Woman	White & Hispanic	Junior	Chemistry	Completed	Teaching high school science

Kyle	Man	White	Junior	Technology Education	Completed	Not teaching
Felicity	Woman	American Indian	Master's	Master's degree in Education	Completed	Teaching high school math

In 2024, participants completed 1-hour virtual interviews over Zoom. Before each interview, I reviewed each participant's 2019 data to refresh my memory of their experiences and to draft participant-specific probes. I started interviews by asking participants to take a couple minutes to write down important developments in their educational and career paths since 2018-19, an informal replication of the timelining activity. I then asked participants to share what had come to mind. After, I followed a semi-structured protocol tracing chronology, asking about participants' experiences completing their degree programs and participating in the NCTFP, student teaching, job searches, career decisions, work experiences, and plans for the future. I also added individual probes based on 2019 data. For example, in Spring 2019, Felicity had already signed a contract to work at a specific school district. When she did not mention this contract in her initial recounting of the last five years, I asked about it. As it turns out, she never ended up working for the district. Finally, questions addressed participants' NCTFP service progress or loan repayment, decisions related to teaching in low-performing schools, and plans to stay in NC.

At the completion of follow-up interviews, participants received a \$75 electronic Amazon gift certificate. All interviews were video recorded and transcribed by Zoom. Within a week of each interview, I rewatched recordings to immerse myself in the data and clean all transcripts. All data were saved in the updated electronic database and added to Dedoose for analysis.

Data Analysis

In 2019, I analyzed data by reconstructing each participant's data into a sequential order, and analyzing each narrative on its own (Riessman, 2008). While restorying, I developed a list of questions for each participant to clarify details and to gather feedback related to emerging themes. Second interviews therefore served as a member checking exercise in the first wave (for narratives and findings from the initial wave, see Smith, 2019).

In 2024-25, I reviewed all study data and themes from the first wave, within-narrative themes, and themes across participant narratives. I analyzed data participant-by-participant, starting with their 2019 data followed by 2024 transcripts, making note of any educational or career decisions that deviated from participants' original goals and plans. Because participants entered the NCTFP at various points in their educational trajectories (and thus had varying NCTFP service requirements), I also mapped out participants' major educational and career events, including changing academic programs, institutional transfer, graduating, and entering new jobs (Figure 1).

To identify themes across narratives, I open coded 2024 interview data in Dedoose. Example codes included "COVID-19," "academic performance," "changed program," "partner/family," "low teacher salary," "labor market opportunities." Throughout data review and open coding, I recorded memos to note patterns in the events that led participants to change plans. This process resulted in several chronological themes, including past academic experiences that meaningfully shaped their paths; work experiences, especially among those who became teachers; and future plans, especially related to NCTFP loan repayment and service.

Positionality

Like participants, I, too, grew and changed between 2019 and 2024. I began this study as a doctoral student in North Carolina, whereas I am now a faculty member in Pennsylvania. I have never been a K-12 teacher myself, but many of my personal friends completed degrees in education, became teachers, and have since left the profession. I work in a college of education, and I have seen declining interest and enrollment in teacher preparation programs firsthand. I feel strongly about the importance of a well-educated, well-prepared, well-supported teacher workforce, and I have found it somewhat heartbreaking to hear the stories of talented people who once dreamed of becoming teachers, but who have been pushed out of the profession through unsupportive systems. Still, I went into interviews open-minded and eager to hear participant updates, especially in the interest of continuing to improve teacher support programs.

Figure 1: Major Educational and Professional Events in Participants' Lives, from 2019-2024

Figure 1. Major Educational and Professional Events in Participants' Lives, from 2017-2024														
	All Participants Entered the NCTFP	Data collection Wave 1		Start of COVID-19 Pandemic								Data collection Wave 2	Estimated Last Year of Service*	
Monica	BY1							ST, G(B)	J1(T)					2029-30
Taylor	BY1			Pr(TF)	Pr(NTF)	I(NT)		G(B)	J1(NT)	MY1 (NT)				-
Victoria	BY1	Mar	Tr, Pr(T)					ST, G(B)	J1(T)					2025-26
Zoe	BY1							ST, G(B)	J1(T)					2029-30
Jenna	BY2					ST, G(B)	J1(T)				J2(T)			2024-25
Kyle	BY3	I(NT)		ST, G(B)	J1(NT)				J2(NT)					-
Matilda	BY3			ST, G(B)	MY1(T)		J1(T)							2024-25
Felicity	MY1(T)	ST, G(M), Mar	J1(T)			TFC			J2(T), LNC					Complete
	F18	Sp19	F19	Sp20	F20	Sp21	F21	Sp22	F22	Sp23	F23	Sp24	F24	

Key:

Shaded areas reflect periods where participants no longer participated in the NCTFP, whether due to attrition (Taylor, Kyle), or service completion (Matilda)

*Assuming continual service

BY1/BY2/BY3 = Bachelor's Year 1/Year 2/Year 3 (at time of NCTFP entry)

G(B/M) = Graduated (Bachelor's/Master's)

I(NT) = Internship/Applied work experience (Non-Teaching)

J1/J2(T/NT) = Full-time Job 1/Job 2 (Teaching/Non-Teaching)

LNC = Left North Carolina

Mar = Married

MY1(T/NT) = Master's degree Year 1 (Teaching/Non-Teaching); first year indicated, only

Pr(TF/NTF) = New Academic Program (Teaching Fellows eligible and affiliated/Not Teaching Fellows eligible or affiliated)

RL = Repaid NCTFP Loans

ST = Student Teaching

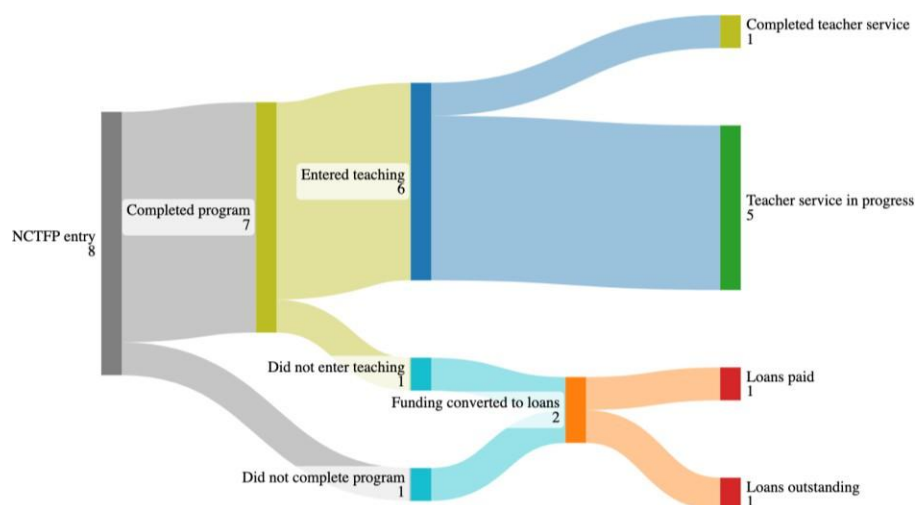
TFC = Teaching Fellows Service Complete

Tr = Transferred Institutions

FINDINGS

When this study began in 2018-19, all eight participants were newly enrolled in the NCTFP and were “fairly certain” (Matilda) or “very certain” (all others) they would complete the program’s postgraduate teaching requirements. By 2024-25, six participants were, indeed, middle or high school STEM teachers on track to relieve their loans through service. Two participants, however, never became teachers. Taylor changed majors and left the NCTFP after her sophomore year—her NCTFP loans are in repayment. Kyle completed his program but decided not to become a teacher—he has since repaid his loans. See Figure 2 for an illustration of these outcomes.

Figure 2: 2018-19 North Carolina Teaching Fellows Participant Service and Loan Outcomes in Fall 2024



Note. Visualization produced using SankeyMATIC (Bogart, n.d.).

Regardless of specific outcomes, participant educational and early career paths were rarely linear. Analysis resulted in three major themes, each with its own subthemes, that illustrate how and why participants interests and goals have changed, or may change in the future: (1) “What am I supposed to do?”: Diversions due to STEM requirements and misaligned educational structures; (2) “It’s not what I imagined”: Navigating the realities of schools and teaching; and (3) “If I could go back”: Managing forgivable loan repayment in cash and service.

“What Am I Supposed to Do?”: Diversions due to STEM Requirements and Misaligned Educational Structures

All eight participants changed their academic plans or majors at least once during their undergraduate years (Table 2). For Jenna, Kyle, Matilda, and Felicity, these changes were captured retrospectively in 2019, while participants who were first-year students in 2018-19 made changes between waves of data collection. In some cases, these changes were diversions made out of necessity. In others, changes were based on evolving interests, and structural opportunities or barriers. This theme has two subthemes.

Table 2: Evolution of Participants’ Postsecondary Academic Aspirations and Major Programs

Pseudonym	Participants’ Academic Plans and Programs
Monica	Intended special education → Science education (9-12)
Taylor	Math (with middle grades teaching licensure) → Psychology (with K-6 teaching licensure) → Psychology → Master’s degree in Applied Behavior Analysis
Victoria	Middle grades education, math and science → Elementary education (K-6; with special education licensure)
Zoe	Political Science and Environmental Science (with middle grades licensure) → Environmental Science (with middle grades licensure)
Jenna	History (with secondary teaching licensure) → Middle grades education, math and social studies
Kyle	Intended engineering major → Technology education (9-12)
Matilda	Music education → Pre-pharmacy → Chemistry (with 9-12 teaching licensure) → Master’s degree in Education
Felicity	Math education → Math (and American Indian Studies) → Master’s degree in Education

Note. Some academic program names have been slightly edited to protect participant confidentiality.

“I Can’t Pass That”: Navigating Challenging STEM Course Requirements

For Kyle, Taylor, Jenna, and Monica, required STEM courses served as a significant obstacle to enrolling in or completing the academic programs they originally aspired to.

Kyle’s story is distinct in several ways. Despite his initial certainty about becoming a teacher, Kyle had already begun to express uncertainty about this plan by the second 2019 interview. Kyle’s trepidation came from his longstanding interest in engineering; he had applied to college to study engineering but was not admitted to his institution’s engineering college. Kyle still enrolled and took pre-requisite courses

with the goal of transferring into engineering, but he struggled in advanced calculus and physics courses. As he began to consider other options, one of Kyle's professors recommended that he study technology education. Although he had "never really considered [teaching] before," Kyle applied to his institution's technology education major, and simultaneously applied to the NCTFP. Thus, for Kyle, difficulty in STEM courses was a path *into* education, even if temporarily.

At some institutions, STEM education students major in STEM subjects, whereas other institutions offer education majors with STEM concentration options, especially in middle grades education. These inconsistent and complex structures were confusing for several participants who enrolled in one program only to later learn about other options. For example, Jenna wanted to become a math teacher but was deterred by the prospect of majoring in math, leading her to enroll in college as a history major (her "second passion"). As she explained, "I like math, but if you're a secondary [education] minor, you major in math. I would have to take up to Calculus IV. I was like, 'I can't pass that.'" However, Jenna soon learned about her institution's middle grades education program, which allowed her to study education with a concentration in math. Jenna changed majors and applied to the NCTFP, grateful for this option.

Monica also changed trajectories; she originally planned to study special education but chose science education instead once she learned that her institution did not offer a bachelor's program in special education. Monica struggled in science education, failing the first levels of chemistry and physics. As Monica's program also required advanced chemistry and physics, she felt stuck: "I was flipping out about it. I'm like, 'what am I supposed to do?' I was like, 'I'm not going to be able to pass these, and I'm not going to be able to get this degree.'" Monica retook both classes but never ended up taking the more advanced versions. At the time, Monica's program was reconsidering its curriculum, and she received permission to substitute these requirements with courses better aligned with environmental science, the subject she hoped to teach.

Taylor also had trouble completing STEM courses. When she enrolled in college, Taylor had hoped to become a middle school math teacher; at her institution, this meant completing a math major. However, Taylor struggled with Calculus III, mathematical reasoning, and linear algebra, feeling "extremely frustrated" that she had to take these courses: "I just want to teach middle schoolers fractions and simple equations. I didn't really feel like I needed calculus and linear algebra." In her sophomore year, Taylor switched majors from math to psychology with a teaching licensure in K-6, as the option to teach sixth grade math kept her eligible for the NCTFP.

Notably, although STEM courses were an obstacle for some, others excelled in these fields. Felicity was a stand-out math student who received regular encouragement to pursue applied math; she even changed majors from math education to math as an undergraduate student. By the end of her bachelor's program, however, Felicity had re-committed to pursuing a teaching career. Zoe and Matilda also succeeded in STEM majors in environmental science and chemistry, respectively.

“I’m Not Teaching Third Grade”: Misalignments Between Academic Preparation, Clinical Placements, and Teaching Jobs

Beyond STEM courses, several participants also encountered other misalignments between postsecondary requirements, licensure plans, clinical placements, actual school structures, and job opportunities. While misalignments were generally inconvenient, for Taylor they were frustrating enough to leave education, and the NCTFP, for good.

As described above, Taylor originally enrolled in college as a math major before switching to psychology with a K-6 licensure. The inclusion of sixth grade within this licensure area kept Taylor eligible for the NCTFP; she therefore planned to teach sixth grade math. Yet, the primary focus of the K-6 licensure is elementary education. In her junior year, Taylor received her clinical assignment, a classroom where she was expected to stay for two years and complete student teaching. Unfortunately, the placement was in an elementary school. As she recounted: “They announced that I was going to be in a second-grade classroom, and I was like, ‘Absolutely not. I do not want that. I don’t want to be teaching elementary school at all.’” This was the last straw for Taylor; she dropped the K-6 licensure and left the NCTFP.

Victoria had a similar experience. Unlike Taylor, Victoria was originally interested in teaching elementary school but instead chose middle grades education in math and science to become eligible for the NCTFP. However, Victoria got married after her first year of college and transferred institutions to live with her husband. The coordinator at Victoria’s new institution encouraged her to pursue a K-6 licensure, given her interests. As Victoria explained, “[the K-6 licensure] still allowed me to get that degree that I wanted, instead of just settling for a degree that I felt like I ‘had to’ [*air quotes*] get.” Although Taylor and Victoria attended different institutions, Victoria was also placed in an elementary classroom for student teaching, a “frustrating” arrangement:

I kind of expressed to the school...“Hey, I’m planning to teach sixth grade...Is there any way I can be put in a sixth grade teaching placement?” and they were like “No.” That was a little frustrating ...I went through my student teaching and I was like, “I’m preparing myself for something that I’m not going to be teaching. I’m not teaching third grade...I can’t if I want to pay back this scholarship [NCTFP loans].”

For Taylor, misaligned goals and preparation structures led to leaving education. For Victoria, this same misalignment was a barrier in receiving appropriate preparation to teach sixth grade.

While lower stakes, another misalignment was evident among participants in science education. In North Carolina, secondary science education students can earn a comprehensive licensure, spanning subject areas. Yet, participants’ programs of study were often more focused, creating a gap between participant expertise and subject area assignments. For example, Matilda’s degree and student teaching are in chemistry, but she now teaches environmental science. For Matilda, this misalignment was due to job opportunity and priorities; she applied to a job opening in a desirable district, and the subject happened to be outside of her original training.

Ultimately this worked out; Matilda enjoys teaching ninth grade and she believes her chemistry degree prepared her well for teaching environmental science (and biology, which she has recently begun teaching as well). However, Matilda suspects that the opposite would be more difficult, that teachers trained in earth science or biology might struggle to teach chemistry. Although Monica and Zoe are both teaching in their preferred subject areas (also environmental science), this was also an important consideration, and limitation, within their job searches.

“It’s Not What I Imagined”: Navigating the Uncertainties and Realities of Schools and Teaching

Second, participants who became student teachers and teachers experienced significant gaps between their expectations of what teaching would be like, and the daily realities of the work. These gaps led to changing career plans and goals, including larger questions about the sustainability of the profession, and participants’ expected longevity in their roles. Differences between expectations and realities were exacerbated by the COVID-19 pandemic, participants’ initial experiences on the job, and related financial stress. This theme includes three subthemes.

“Dealing with the Unknown”: Teaching During COVID-19

In 2024 interviews, all participants reflected on the ways that the COVID-19 pandemic impacted their educational and professional experiences. Those who were student teaching or teaching during the pandemic’s start were especially affected. At the time, participants navigated unprecedented conditions in education and in the world—experiences that introduced new questions about the future of education and teaching, and participants’ fit in the profession.

For Kyle, COVID-19 and related questions about the future “derailed everything.” In Spring 2020, Kyle was student teaching in an engineering high school class. Student teaching itself was challenging, especially the intensive schedule and Kyle’s difficulty establishing himself as an authority figure, as he himself was “freshly 21.” However, everything changed when the pandemic began. For Kyle—and others—the beginning of the pandemic was “scary,” especially being in a school, where germs are known to spread quickly. Then, when Kyle’s school moved online, it wasn’t the experience he imagined. For Kyle, COVID-19 introduced many new uncertainties:

At the beginning of the semester for my senior year...I felt like, “I’ll give [teaching] a shot, see where it takes me.” And I started enjoying it. I mean, it did get tiresome, you know, 12-hour days, 5 days a week...It definitely started wearing on me. And then the whole COVID-19 situation just kind of escalated that, and the uncertainty around it, of, like, “Will this ever be the same again? Are we ever going to be back in normal settings?”

For Kyle, COVID-19 “kind of just changed everything”:

It was like, “Okay. I don’t think I’m going to have the security that I thought I would have with teaching previously because of what’s going on. So how can I

make this work?” And turning towards engineering was just kind of the best solution.

Kyle completed student teaching and his degree, but only applied for jobs in engineering.

For all participants, the pandemic introduced new challenges, especially once schools moved from in-person to virtual instruction. Felicity was a first-year teacher in Spring 2020. When her school went virtual, she was expected to teach via Zoom and Canvas, two platforms she had never used before. Felicity’s school-provided laptop was also sorely out of date, resulting in regular technological issues. Technology was also a challenge for Matilda, who was student teaching in Spring 2020, as many students in her school did not have access to computers, cameras, and internet. Felicity, Matilda, Kyle, and Jenna (who had a clinical placement in Spring 2020) all described the difficulties of teaching STEM subjects online, especially hands-on subjects like chemistry and engineering, and teaching students with needs incompatible with online instruction, such as English language learners who rely heavily on visual cues. Participants saw low student attendance and engagement across online and mixed modality environments, which introduced new difficulties and affected morale.

Unfortunately, participants navigated this period with little support. Despite impossible conditions, Felicity felt as though she had failed her students: “I was like, ‘There’s no way on Zoom, over Canvas, I’ve given you everything you need to be successful.’” As a first-year teacher who had received little help or feedback, the experience was emotionally difficult. Felicity shared:

I felt very unsupported. Very isolated as well, because I was working in my house. I was not in a very good headspace at the time. I don’t think a lot of teachers were, but I just felt very overwhelmed. I cried a lot. That might be too much information. But I did. I cried a lot just because I just didn’t know. I just didn’t know what I was doing.

As a student teacher, Matilda also felt isolated and unsupported during COVID-19. The online environment made it difficult for Matilda to build relationships within her school, which exacerbated already-challenging conditions. With the help of her roommate and her mom, who reminded Matilda that things would eventually go back in person, Matilda tried to reassure herself: “[It] was really helpful for me to remember like, ‘Yes, you hate this. You hate it right now. But all of the things that bring you joy are the things you’re not getting.’...I had to keep reminding myself that it was [eventually] going to be different.”

Unfortunately, Matilda and others taking education courses in Spring 2020 also received little guidance and support from faculty. Course content focused on managing in-person classes, thus feeling dated and irrelevant. Matilda recalled asking her professors how to engage online students who she could not see or hear and feeling frustrated when they could not offer helpful suggestions. Matilda describes bonding with classmates about how disconnected the faculty were from the realities of K-12 teaching at the time: “We kind of jokingly were like, ‘I don’t really think they know what they’re into here.’ None of us had a handle on it.” Jenna had a similar experience, with her faculty acknowledging the gap: “Even all of my professors at

the time were saying, ‘If y’all can survive teaching during this time, you can survive anything.’”

“I Was in No Way, Shape, or Form Prepared”: Heavy Workloads and Difficult Conditions

The second subtheme refers to the negative surprises participants experienced once they became full-time teachers. In some cases, these experiences were intrinsically intertwined with COVID-19 and its lingering effects. Across the sample, participants had heavy workloads as new teachers and were frequently asked to teach larger classes or additional subjects alongside growing administrative responsibilities and shrinking supports. In general, the daily realities of teaching were different from what participants imagined when they chose the profession.

Monica was one participant who experienced a significant disconnect between her expectations and the realities of the work. She described:

There are some parts of [teaching] that, like, suck, compared to what you think it's going to be, frankly. It's kind of like when you're younger, and you tell someone you want to be a teacher and your teacher responds like, “Oh, don't become a teacher,” and you're kind of like, “I'm not going to let you say that to me” ... And then, when you're an adult and you are a teacher, you're like, “Oh, this is what they were trying to warn me about.”

Monica attributed some challenges to “generational changes” in student behavior, including “things that would have never happened when I was going to school.” For Monica, these challenges led to regular questions about how long she could stay in the career:

With more experience, I'm getting more comfortable. But at first, I was like, “This is terrible. I'm going to quit.” I thought I was going to quit literally like two months in... Then, after my first year, I was like, “I'm going to quit.” And then, after this second year, I don't know. I started taking anti-anxiety medication, that helped a lot. Because my blood pressure is so high every day, and my anxiety was so high every day... I'm learning to love it now. But, for a solid year, I hated it. Like hated it, a lot, and it definitely was worse than what I thought it was going to be.

Unfortunately, Monica was not alone; most participants had stressful entry experiences. Although some parts of the job became easier, growing workloads added new sources of stress.

As a first-year teacher in Spring 2020, Felicity's story perhaps best illustrates the lingering effects of the pandemic era. Although Felicity's first year was disrupted by COVID-19, her second and third years were even more difficult due to school changes. In addition to the health pandemic, 2020-21 was a time of great social turmoil and racial reckoning in the U.S. (e.g., Dixon & Dundes, 2020; Shullman, 2020). At Felicity's school, a racially charged incident occurred between students, and the principal was “pushed out” after her first year. By her second year, a new principal was hired and came in “guns blazing,” wanting to change “all the ways that the school ran,” thus creating additional turnover. Felicity was already teaching three

hybrid pre-calculus sections with 36 students each, but her class enrollments were increased to 70 students each when other teachers left, with almost no communication around these changes.

Felicity's school resumed in-person instruction by her third year, which she thought would help. However, she was now required to teach "social emotional" homeroom lessons. She described:

These lessons ranged from religious events to social things that were happening, cultural things that were happening. We covered Supreme Court cases. We covered very difficult cultural topics that I felt, as a math teacher, I was in no way, shape, or form prepared to teach or had the knowledge to teach. And some things I just didn't like – religious things that I was, like, "Well, I don't practice this religion. I don't know anything about this religion." It didn't feel like it was my place to teach some of these things. We had a lot of very heated staff meetings that year a lot of the teachers were not happy about having to do all of these things, especially coming right off of COVID, and having to already fill in some of the educational gaps that students had missed.

Despite "loving her first year," Felicity began applying for new jobs. As she had completed her required NCTFP service by this point, Felicity's options were flexible, and she ended up taking a new teaching job out of state.

Difficult work conditions were also stressful for Victoria, the only participant teaching in a low-performing school. Victoria chose a low-performing school for faster loan relief, but felt underprepared for teaching in this environment, especially student "behavior issues" and the wide spectrum of student skill levels within each class. Administrators at Victoria's school were also "not very supportive of teachers," leading to "a lot of drama." Victoria's workload has also grown:

The school has a plethora of new things that they've asked us to do... We need to assign working lunch... we need to do minors and majors. There's like a million things that they've added onto our plates this year, and it's taking up a lot of time... I have to bring a lot of the work home with me.

While Victoria has no immediate plans to leave the teaching profession, her heavy workload and time away from her family raises concern. She shared:

I've got two young kids. I'm pregnant with my third ... I get home at 5:30 because I'm a cheer coach, and I haven't seen my kids all day, and I still have work to do... I hate that for my family... [my kids] never get to spend time with me, because I'm doing work. I'm always doing work... If my dad stays until 5:30 when he's supposed to leave at 4, he gets paid extra. I don't get paid extra. I'm just doing it out of the "kindness of my heart" [*air quotes*]. Like, it sucks! It really sucks.

Like Victoria, other participants were also dissatisfied with their school administrators, difficult student (and parent) behaviors, and growing workloads with no additional support. Unlike Victoria, Zoe is teaching at a high-income school, where some of the biggest challenges are student entitlement and parent expectations. Zoe even feels uniquely supported by her school administration and resources. Despite these positive conditions, Zoe's workload is also growing in concerning ways. Although she was hired to teach science, teachers in Zoe's school were recently

asked to begin teaching a second subject; for Zoe, it is social studies. Zoe is frustrated by this development, describing it as a “huge disservice to the children.” Although Zoe also feels committed to teaching, she has been experiencing feelings of burnout and is eager for a break.

“I Cannot Afford Life Doing this Job”: Job Choice and Sacrifices to Make Ends Meet

Finally, another disconnect between participants’ expectations of teaching and the realities of the job has been participants’ difficulty paying bills and affording daily necessities on a teacher’s salary. While teaching was stressful in itself, financial strain led some participants to make major sacrifices, including relocating or limiting their job searches to specific counties or districts, living with roommates or partners, and working additional jobs.

Although NC has a statewide salary schedule for teachers, some counties and districts offer additional supplements or benefits (e.g., additional pay for a master’s degree, a benefit the state no longer offers). Thus, participants were drawn to better paying schools, with some explicitly limiting their search to these opportunities. As Monica described, “This sounds kind of silly, but I was looking [for jobs exclusively] in counties that paid the most in North Carolina.”

Zoe, Matilda, and Felicity all made similar decisions. During her master’s program, Felicity had signed a job contract with a local school district, but when the district failed to communicate confirmation of her position, Felicity grew increasingly worried and applied to other jobs. She described:

I kept emailing and kept emailing and kept emailing [the district]. And they were like, “We’ll eventually get to you.” ...It made me very nervous that I was waiting...I ended up taking the job in [another district] ... I signed my contract on my honeymoon... I just felt like I really need to secure a job, because I have bills to pay. I’m getting married. I have loans. I need to pay off that kind of stuff.

While Felicity only had about \$6,000 in student loans outside of the NCTFP loans, her husband has much more student debt. Instead of the initial district she had signed with, Felicity took a different job with one of the highest-paying districts in the state. When Felicity eventually left this job, she took a position out of state, despite the fact that she had never originally planned to leave NC. As she shared, “This sounds terrible, but [school in new state] was going to pay me significantly more.... I got master’s pay that North Carolina didn’t honor. It was a significant pay raise.”

Other participants’ experiences were also shaped by money, in a way that was hard to imagine when they first chose the profession (see Zoe’s quotes at the front of the manuscript). Indeed, in 2019, Monica, Zoe, Felicity, Jenna, Matilda, and Victoria all described the negative messages they had received about teacher pay, especially in NC, and related discouragement they had received from teaching, often from their own teachers and family members. Still, it was hard for participants to imagine their lives and financial needs long after college.

Several participants tried to work second jobs while teaching but found this unsustainable. For example, Zoe began working at a local restaurant but stopped:

“Health-wise, my body couldn't take it. My mind couldn't take it.” Notably, parents from Zoe's school patronized the restaurant, and sometimes would “just give [her] cash.” She explained:

The parents are aware, like, “You taught my kid all year, and you do not make enough money, so I literally am having to pay you out of pocket for my child's education because you did good, and I want you to have something.”

Zoe and Jenna both described difficulty paying rent and affording “basic necessities” on their salaries. Like Zoe, Jenna also began working a second job but found the schedule grueling and unsustainable. Recently, Jenna has relocated and moved in with her boyfriend, which will allow her to split living costs. The prospect of sharing rent has left Jenna feeling more confident about her financial situation and ability to meet her expenses. She explained:

Having a dual income will definitely help.... I think [the pay] is on the back of every teacher's mind. Obviously the pay doesn't represent what we do in the classroom every day. But I try not to worry about that a whole lot, just because teaching really is my dream job. And I can't imagine myself doing anything else. Monica shared a similar experience, also finding that living alone was simply not affordable on a teacher's salary. Recently, Monica moved in with her brother to share rent costs.

Across the sample, the main solutions to managing teacher salaries were sharing costs with roommates and partners and working additional jobs. While it was difficult to manage second jobs while teaching, several participants took on additional paid roles within their schools and worked summers. Two participants who have had a comparatively easier time paying their bills are Matilda, who comes from a high-income family and had no additional debt, who works in a high-paying district, and who works several supplementary roles within her school; and Victoria, who feels secure due to her husband's military benefits. Notably, more than one participant joked about “marrying rich” as a solution to managing low teacher salaries. Zoe even observed that most of her colleagues are able to afford teaching because they have either “been teaching for so long” that they earn sufficient salaries, or they are married to “husbands making \$300,000 a year.”

“If I Could Go Back”: Managing Forgivable Loan Repayment in Cash and Service

Finally, across interviews and embedded in the themes above, it was clear that the NCTFP forgivable loans have shaped participants' early career decisions and paths, including their job searches, commitment to teaching, and their plans for the future. As of 2024, two participants have repaid their loans, whether via service (Felicity), or in cash (Kyle). It is notable that Felicity and Kyle had received one and two years of NCTFP loans, respectively; thus, their NCTFP loans and service requirements were among the lowest in the sample.

When asked whether they would do the NCTFP again, all eight participants said yes. Kyle and Taylor specifically lamented the forgivable loan component of the program—especially due to the NCTFP loans' “extremely high interest rates”

(Taylor)—but both participants would have taken out other loans anyways and, at the time, both truly believed they would become teachers. The other six participants agreed, describing how the program and the loans were essential for accessing and completing college, and becoming teachers. This theme has two subthemes to illustrate the disparate paths participants have taken to pay back their loans.

“I Didn’t Really Think I Would Ever Be Paying Back Those Loans”: Paying Loans in Cash

Although Kyle and Taylor had once felt certain that they would become teachers and repay their NCTFP loans through service, both ended up choosing other paths.

Coupled with the uncertainty of the pandemic, the prospect of making more money in another industry helped Kyle choose not to teach, and to justify his decision financially. Including the NCTFP loans, Kyle estimated that he had borrowed about \$36,000 in total for his bachelor’s program. For Kyle, COVID-19 was “lucky but unlucky” in the sense that federal student loan interest rates were reduced to 0% from March 2020 until August 2023 (although he says that the NCTFP loans still accrued interest during this time). The relief allowed Kyle to “save up enough” to repay the NCTFP loans, which he prioritized due to high interest rates, which he estimates were “closer to 9%,” rather than “around 4%” like his federal student loans.

Financially, Kyle is glad that he chose not to teach. As he shared:

I hate to make the comparison, but I went into engineering making more than [my student teaching mentor] had been making for 17 years of teaching. That was kind of the point where I was like, “Okay. I don’t think I can seriously consider teaching anymore”

Although he regrets taking out the loans, Kyle was glad he participated in the NCTFP, calling the program “invaluable.” He could also see himself returning to teaching at the end of his career, after making enough money, or “marrying rich” (although he joked, “prospects are low right now”).

As of 2024-25, Taylor is the only other participant who plans to pay her NCTFP loans back in cash. After Taylor left the NCTFP, she took out federal loans to pay for her subsequent years of college and her master’s program. Although she is currently taking out new loans, Taylor is also actively paying off the NCTFP loans due to the “extremely high” interest rates. I asked Taylor if she knew the interest rates were higher on the NCTFP loans when she took them out. She did not:

I didn’t know. When I signed up for it and agreed to be an NC Teaching Fellow, I thought nothing would change my mind...I didn’t really think I would ever be paying back those loans. I’m sure they told us about the interest rate somewhere, but I was also 17 and didn’t really know what it meant.

When asked whether she would still participate in the NCTFP if she could do it all again, Taylor expressed no regrets, describing that she knew her private institution was expensive, and she had expected to take out loans. Currently, Taylor is working as a registered behavior technician and pursuing a master’s degree in Applied

Behavior Analysis. Once she completes her credentials, Taylor expects “a significant pay increase,” which will reduce financial stress.

“This Large Sum of Money Hanging Over our Heads”: Paying in Service and Plans for the Future

The remaining participants have repaid their forgivable loans through service (Felicity) or are on track to do so. Matilda is in her final year of required service (four years), and Jenna has one more year left (four years). Victoria, Zoe, and Monica all received loans for four years and thus owed eight years of service. Victoria chose a job in a low-performing school, thus halving her service to four years; she has one year left. Zoe and Monica both have five years remaining.

A new feature of the 2018-19 NCTFP program was the opportunity for participants to halve their service by teaching at a low-performing school. Among participants, only Victoria chose this incentive. Overall, Victoria felt underprepared for teaching in a low-performing school, something that was quickly evident during job interviews. At one school, for example, Victoria was asked about her experience with “aggressive students.” Victoria reflected:

I was like, “What am I getting myself into?” ... “Is this a good idea? Am I going to be safe?” ... Because I had no information. And the schools that I grew up in were not low performing. So, I didn't even know what that looked like.... how it looked for teachers, how it looked for students. I had no information.

Still, Victoria accepted a job at a low-performing school. While the experience has been difficult (as described above) she has remained committed to the job. No other participants prioritized or even seemed to consider jobs in low-performing schools.

Like Victoria, Jenna and Matilda have just one year of service left. Now that she has a more affordable living situation, Jenna feels optimistic about the future, and committed to staying in teaching long-term. Matilda is less certain; while she is satisfied with her current compensation (around \$60,000, including a salary benefit for her master’s degree, stipends for additional roles within the school, and summer work), Matilda is concerned for the long term:

I'm definitely going to try and stick around one more year in teaching. I'm not 100% sure after that... Partly because, between 2019 and now, I've gotten engaged. I'm planning a wedding... I know that there will eventually come a point where it's not necessarily as financially sustainable. The NC teacher salary schedule, you have a pretty steady increase until about 10 years. And then at 10 years, it kind of starts to fizzle out ...Once you have 10 years of experience in a field, you expect to be making a little bit more.

Although Matilda completed her bachelor’s and master’s degree without additional loans, her fiancé has student debt. Interestingly, Matilda’s fiancé is considering changing careers *into* education to become a history teacher. The couple has lamented that, as a history educator, he is ineligible for the NCTFP. When asked what she would do if she left teaching, Matilda is unsure.

For Zoe and Monica, loan relief is still five years away. Both participants talk about the loans as a powerful incentive for staying in teaching despite the challenges of the profession. Although Zoe feels relatively well-supported at her school, she is also ready for a break. As she shared:

I don't want to stay in [teaching] for 30-something years and be like, "I hate my life and my job every single day," because it reflects in the classroom. It reflects on the kids. So, I'm like, "If I leave and come back, I'll remember how much I love it. Because absence makes the heart grow fonder" *[laughs]*.

When asked what she would do instead, Zoe is also unsure. Given her bachelor's degree in environmental science, Zoe wonders about careers in science. Even if she does take a break, Zoe is confident she will complete her service, framing this commitment as a source of motivation:

It's a nice requirement, to a degree, to see if you like something....It gives me a timeline to go by....I am someone who traditionally would quit things, be like, "I don't like it, I'm going to dip out now." But it's nice to have something kind of holding me to trying it out.

Monica shared a similar sentiment; teaching has been difficult, and she has been tempted to "run for the hills." However, every year she "feels a bit better about it." She shared:

A lot of it is this large sum of money hanging over our heads...Yeah, you can leave [teaching] and pay back the money, but a lot of us are in because we didn't have the money in the first place... Like, what am I going to do if I have to pay back all this money?

DISCUSSION

In 2018-19, participants were undergraduate and graduate students newly accepted to the NC Teaching Fellows program, a storied NC teacher recruitment and preparation program. Upon graduation, all participants planned to teach middle or high school STEM education. Approximately six years later, six of eight participants have actualized this dream, although their paths were rarely linear. Two participants never became teachers. This study extends existing research through its attention to a forgivable loan program, and its longitudinal narrative case study design, which enabled in-depth exploration of participants' lived experiences within a complex policy context.

In this study, I used time-inconsistent preferences as a conceptual framework, expecting participants' educational and career journeys to have evolved over time. When designing this study, it had seemed likely that at least some participants may not become teachers, given outcomes from the TEACH Grant (Barkowski et al., 2018), reports from the original NCTFP (Cohen, 2015; NCOSA, 2003), and based on my own lived experiences. Indeed, despite my preparation for each interview, interviews often went down unexpected paths. While I did not include prompts related to COVID-19, all participants discussed how COVID-19 disrupted their college, clinical, or teaching experiences. Participants' personal lives had also changed in significant ways, which was not something I had considered in advance. Whereas the

first wave of data collection included substantial discussion related to the support (or lack thereof) participants received from authority figures such as parents and teachers, these same figures were mostly absent from 2024 narratives. Instead, participants now considered their careers in the context of their romantic partners and children, or their plans for family building.

The findings follow a chronological order, starting with the ways that participants' postsecondary experiences shaped their paths and plans. Notably, all participants in this sample had changed academic plans or majors, often due to structural limitations and opportunities (e.g., Monica wanting to study special education, but choosing science education when special education was not available, or Victoria wanting to study elementary education, but initially choosing middle grades STEM education to participate in the NCTFP).

For most participants, commitment to the NCTFP constrained academic (and professional) choice sets, even in the face of other obstacles and life events. In some ways, participants appreciated these restrictions, as they served as a simplifying strategy in decision-making (another behavioral economics concept; Kahneman, 2003). For example, when transferring institutions after her marriage, Victoria picked the closest NCTFP partner institution, unwilling to give up her "scholarship." Overall, participants were highly committed to the NCTFP and those who left only did so when the tension between program requirements and their lived experiences became untenable (Taylor) or began to feel functionally infeasible, thus irrational (Kyle).

As students, a particular frustration among participants were misalignments between postsecondary structures and the realities of teaching jobs and school structures. Several participants were frustrated with the prospect and experience of completing STEM majors and/or advanced courses, especially when participants would not be teaching this content in middle and high schools. Similarly, misaligned clinical placements for Taylor and Victoria were highly frustrating—enough for Taylor to leave the NCTFP. Thus, time-inconsistent preferences were sometimes a result of changing personal conditions and preferences, but were sometimes a result of real obstacles and unsupportive systems and environments.

An important idea related to time-inconsistent preferences is that people choose actions that they think will make them happiest, but these forecasts are often incorrect (Fudenberg, 2006). As findings show, affective disconnects over time are not just the product of misunderstanding one's future self but can be influenced by external conditions and updated lived realities. In 2019, none of us could have predicted the COVID-19 pandemic and its short- and long-term effects on schools and teaching. Although Kyle was the only participant to leave teaching due—at least in part—to COVID-19-related conditions, he was certainly not alone. There was substantial teacher turnover during the pandemic (Bacher-Hicks et al., 2023), with teachers reporting high stress and a lack of support (Devers et al., 2024). Indeed, these trends were evident among participants' accounts of the deep emotional toll of teaching online during this time with very little support. As was quoted, everything that had led Matilda to become a teacher in the first place had changed or was gone, even if temporarily. Thus, while some participant preferences changed over time, the profession itself had also changed in real ways.

Unfortunately, the realities of teaching also led many participants to update their perceptions of the profession and question their futures in the field. While most participants had envisioned being career-long teachers in 2019, there was far less certainty about these plans in 2024. Participants who were teaching remained confident in their ability to complete their NCTFP service commitments, but were not sure whether they would stay in these roles long-term. As findings illustrate, participants' jobs were difficult, stressful, and, for some, financially untenable. While all participants chose teaching aware that teacher salaries are generally low, the realities of earning a teacher's salary were more challenging than expected. Suddenly, the warnings that several participants had received from their own teachers about the profession rang true.

Finally, the third theme shows how participants considered and weighed their NCTFP service and loan commitments when considering their current and future career paths. Financial dynamics limited choice sets, as did the NCTFP—participants sought NC secondary STEM teaching jobs that would make them eligible for loan relief, and that would also earn them the most money. These goals led most participants away from high-needs (and low-performing) schools, thus repeating a shortcoming of the original NCTFP (Cohen, 2015). Interestingly, despite the many challenges participants faced in teaching (or in trying to become teachers), participants still generally agreed that they would have followed the same paths and would still participate in the NCTFP if they could do it all over again.

IMPLICATIONS FOR PRACTICE AND POLICY

As a rare qualitative inquiry into participant experiences in a forgivable loan program, this study offers a number of implications for practice and policy. First, it is worth noting that the changes that NC has already made to the NCTFP are promising. Additional partner institutions expand Fellows' choice sets, especially if unexpected life events or changing preferences lead to institutional transfer. Reduced service requirements (despite higher loans) reduce postgraduate burdens and the temporal mismatches between program costs and benefits. Further, the addition of elementary education as a high-needs subject area is also helpful to expanding options, especially for Fellows who may be deciding between elementary and middle grades education, or those who encounter difficulties on other paths, such as those in secondary STEM education.

Still, findings illustrate other possibilities. For one, institutions should carefully consider curricular requirements, especially in STEM education, and clinical assignments. Teacher experience and training, including licensure and subject-specific certification, are associated with teacher quality (Clotfelter et al., 2010) but disconnected requirements may deter some students from STEM education, perhaps unnecessarily. Even between data waves, this seemed to be an active consideration at one institution, as mentioned by Monica. Ensuring alignment between clinical placements is also an important area for improvement, especially for students pursuing K-6 licensure who plan to teach sixth grade. Misalignments between student

teaching assignments and students' career interests results in a disservice to teachers and students alike.

Through the eyes of the NCTFP, six of eight participants could be considered "success stories," especially through quantitative metrics. However, participants' narratives reflect more complicated realities, and their long-term outcomes remain to be seen. While six participants are indeed following the paths policymakers hoped to see, real-time qualitative data show that they are also finding these experiences unsustainable. Even those who remain highly committed to the profession are having difficulty making the career work within their lives, feeling almost forced out of the profession they once aspired to and loved. Thus, even if the NCTFP is effectively recruiting students into teaching, or into high-needs subject areas (and low-performing schools), participants' experiences in the profession raise important questions about the sustainability of these early career paths and outcomes. From participant narratives, it is clear that bigger, state- and profession-wide changes are needed to effectively recruit talented students into teaching, and to retain the talent that is recruited, especially higher salaries, master's pay for teachers, and greater supports for teachers in schools. For low-performing schools specifically, ensuring appropriate clinical preparation and support structures for new teachers may be uniquely essential.

In all, forgivable loan programs directly address two major challenges in teacher recruitment and retention: high student loan debt among teachers, and low teacher pay (Allegretto, 2023; García et al., 2023). At the same time, forgivable loan programs are designed with a temporal mismatch of proximal benefits and distal costs. Most participants *committed to the* NCTFP early in their postsecondary trajectories, often with little firsthand information about what teaching would be like (and with no ability to predict changing conditions). Since the relaunch, 397 Fellows have completed their degree programs or licensure, while 96 withdrew from their programs and 13 left their institutions or had other outcomes (UNC System, 2026). Of the 397, 324 (81.6%) are teaching in NC public schools, 78 (24%) of whom are teaching at low-performing schools. Sixty-two of the 397 (15.6%) are repaying/have repaid their loans in cash, and 4% are in deferment/grace period or "other" status (UNC System, 2026). Given these early outcomes, policymakers need to consider the reality of participants changing academic and career paths, creating policies to be supportive, and not punitive. One of the most harmful program components is the high interest rates on NCTFP loans, making these loans much more expensive when participants' plans to teach were not actualized. Even more importantly, it is likely that greater investment into the state's teacher workforce could reduce attrition. Understanding participant lived experiences provides critical context to quantitative data, and more qualitative research is needed as it relates to understanding forgivable loan programs like the NCTFP.

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