

DAVIS RESEARCH PROJECT



A message from Su Yeong Kim, Chief Researcher

We are very pleased to have you continue with the Davis Research Project. In this issue we highlight information on financial aid and student loans.

Please note that the project is housed at the University of Texas at Austin. We look forward to your continued support and participation in the project. We can be reached by e-mail at projectfamily@gmail.com, by phone at (415) 271-0390, and on the internet at <http://webpace.utexas.edu/syk343/>. When you move or when your contact information changes, please update your contact information.

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Financial Aid and Student Loans

The importance of education is emphasized in the Asian community, and many parents actively seek ways to prepare their children for higher education. Some parents may enroll their children in extracurricular activities such as advanced academic learning centers, and others may find private music or art lessons for their children. However, no matter how high a parent's hopes and dreams may be for an excellent education, it would not be possible without the proper funding for both their living and educational expenses.



Finances are often overlooked during the excitement of acceptance into a college or university, yet it is an extremely important factor in a student's academic career. Financial aid can sometimes carry a negative stigma. It may appear to some as a reflection on a family's lack of financial success, creating a reluctance to receive financial aid. However, financial aid is an umbrella term for several types of financial assistance for pursuing higher education.

"Finances are often overlooked during the excitement of acceptance into college"

Some types of financial contributions are greatly sought out by students because they do not carry payback obligations.

Financial Aid and Student Loans

Such options are government grants and scholarships or fellowships. There are also student loans that lend help to those who need to pay for living and educational expenses as well. Today, it is not uncommon for students to apply for student loans, in addition to receiving grants or scholarships. Although student loans are easily accessible for most students, they come with long-term financial commitments. They must not be



taken lightly, as students must be aware of the potential effects of interest rates, late loan payments, and fees on their overall debt. For some, the debt total may accumulate beyond their limit, potentially hindering chances to purchase a home or pursue professional degrees in the future.

In our study, 452 participants had been surveyed during early adulthood, and 43% of them had received some form of fi-

financial aid for living and educational expenses. Among those who had received financial aid, 39% received grants, 14% received scholarships or fellowships, and 23% received student loans. Financial aid came from other sources as well. Results showed that 19% of participants' living and school expenses came from their parents, and only 3% of living and school expenses were self-funded.

Of the 43% of participants who had stated that they received financial aid, roughly 66% of these respondents specified

the type of financial aid received, such as grants and student loans. The number of participants who had answered receiving a grant was very high, as 88% selected "Yes". In contrast, looking at student loans, the selection between "Yes" and "No" displayed a different result. At a near even split, 53% of the participants had answered that they had received student loans, while 47% did not. It appears that a large number of participants were willing to receive student loans, regardless of potential long-term financial burdens of student loans.

After analyzing the results of our study, it appears that grants, scholarships, and fellowships are received more than student loans. However, the reality is that students may require the supplementation of student loans along with other types funding in order to meet their living and educational expenses in pursuit of their higher education.

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