

WHO LIVES OFF CAMPUS?

An Analysis of Living Expenses among Off-Campus Undergraduates

OCTOBER 2017

KRISTIN BLAGG

VICTORIA ROSENBOOM



Acknowledgments

This report was funded by Lumina Foundation. We are grateful to them and to all our funders, who make it possible for Urban to advance its mission.

The views expressed are those of the authors and should not be attributed to the Urban Institute, its trustees, or its funders. Funders do not determine research findings or the insights and recommendations of Urban experts. Further information on the Urban Institute's funding principles is available at www.urban.org/support.

ABOUT THE URBAN INSTITUTE

The nonprofit Urban Institute is dedicated to elevating the debate on social and economic policy. For nearly five decades, Urban scholars have conducted research and offered evidence-based solutions that improve lives and strengthen communities across a rapidly urbanizing world. Their objective research helps expand opportunities for all, reduce hardship among the most vulnerable, and strengthen the effectiveness of the public sector.

CONTENTS

OVERVIEW

- 1** Previous Studies of Off-Campus Allowances for Living Costs
- 2** Determinants of Financial Aid for Off-Campus Students
- 2** Determinants of Living-Cost Allowances for Off-Campus Students
- 3** Profiles of Off-Campus Students
- 3** Family Financial Background
- 4** Personal Finance
- 6** Time and Travel
- 6** Correlates of Institutional Cost-of-Attendance Estimates with Demographics

STUDENT PROFILES

- 8** Full-Time Dependent Students Living off Campus
- 9** Part-Time Dependent Students Living off Campus
- 10** Dependent Students Living with Parents
- 11** Full-Time Independent Students Living off Campus
- 12** Part-Time Independent Students Living off Campus
- 13** Independent Students Living with Their Parents
- 14** Dependent or Independent Students Attending School Online

CONCLUSION

- 15** Conclusion
- 16** Appendix. Methodology
- 18** Notes
- 20** References

For most undergraduates, the experience of going to college does not mean settling into an on-campus dormitory. Instead, these students catch buses from off-campus apartments, drive to campus from their parents' homes, or log in from their kitchen tables. Among students who attended two- or four-year institutions in the 2011–12 school year, at least 79 percent lived off campus (appendix table a.1).

Just as room and board charges are included in attendance costs for an on-campus student, colleges also estimate costs that students will face while living off-campus. These amounts are included in a student's cost-of-attendance estimate. Though a student usually will not receive financial aid that fully meets her cost of attendance, cost-of-attendance factors into a student's net price (cost of attendance – grants = net price) and is intended to provide a reasonable estimate of the costs she would face upon enrollment in the institution.

Previous Studies of Off-Campus Allowances for Living Costs

Previous studies of off-campus allowances for living costs have shown that institutional allowances for living costs vary substantially, even within the same region or city (Kelchen, Goldrick-Rab, and Hosch 2017).¹ Competing incentives can complicate how a college decides on allowance amounts for living costs. For example, a lower allowance may make an institution appear more affordable and reduce overall student loan amounts, but it may also keep students from accessing the aid that they need.²



Photo via Shutterstock.

Compared with on-campus students, students who live off campus vary more in terms of their expenses, personal obligations, and constraints on their time.³ In this brief, we look at off-campus living costs through a different lens. We look at how well the current requirements for living-costs allocation appear to support different types of off-campus students. We estimate typical living costs, such as rent and child care costs, for seven different subgroups of off-campus students using the 2011–12 National Postsecondary Student Aid Study (NPSAS). We also provide information on each subgroup's typical financial background and estimates of time and travel to both school and work. We conclude with an analysis of institutional data that suggests that, though much of the variation is still unexplained, an institution's student demographics, as well as its location, may contribute to the differences in reported off-campus living costs.

Determinants of Financial Aid for Off-Campus Students

Whether a student is an independent or dependent student is one of the biggest determinants of financial aid eligibility. Undergraduate students are independent if they will be 24 or older by the start of the spring semester, if they are married or separated, if they are active duty military or a veteran, if they are legally independent from their parents, or if they have dependents of their own (children or other individuals who receive more than half of their support from the student).⁴

“Compared with on-campus students, students who live off campus vary more in terms of their expenses, personal obligations, and constraints on their time.”

Financial aid amounts are determined, in part, by the expected family contribution (EFC) calculated from information the student or the student’s family provided on the Free Application for Federal Student Aid. An EFC of \$0 indicates that the student or her family

cannot contribute to her education. In 2011–12, dependent students received an automatic EFC of \$0 if their household participated in a federal benefit program or was eligible to file an individual income tax return and had an income below \$31,000.⁵ Independent students with dependents were also eligible for an automatic \$0 EFC under these criteria. Though independent students without dependents may receive an EFC of \$0, they are not eligible for automatic EFC consideration.

Another key determinant of financial aid eligibility is a student’s enrollment status. For example, a full Pell grant award is only available for full-time students (those typically taking 12 or more credits). Students who are enrolled less than full time are eligible for a partial Pell grant that is tied to the number of credits they take. Students who are enrolled less than half time (fewer than 6 credits) are generally not eligible for federal student loans.

Determinants of Living-Cost Allowances for Off-Campus Students

Allowances for off-campus living costs vary by student background. Financial aid officers first determine whether the off-campus student will live on her own or with her parents (or other legal guardian). Both types of students are assigned a standard allowance for books, supplies, transportation, and personal expenses.⁶ Off-campus students not living with parents receive an allowance for “reasonable expenses for the student’s room and board,” but schools are not required to provide this allowance to students living with parents (FSA 2016).⁷ Institutions are granted leeway in defining what amount would be

considered a “reasonable expense” for room and board.⁸

Reported institutional living-cost allowances do not vary by dependency status. However, independent students with dependents (e.g., a child or elderly relative) are eligible for an allowance that supports the cost of dependent care when the student is commuting to campus, in class, or studying. Institutions may also have the authority to make a “professional judgment” to provide an additional allocation for living costs in special circumstances or may establish internal cost-of-attendance subcategories within the mandated categories (NASFAA 2017). Though these decisions are recorded internally by the institution, colleges generally do not publicly report the number of professional judgements or student subcategories.

Students who are attending classes less than half time are not eligible for an allowance for personal expenses and may receive a room and board allowance for up to three semesters (just two semesters consecutively). Students living in military-provided housing are not eligible for a room allowance.

Students taking courses completely online are divided into two categories. Correspondence (self-paced) students are typically assigned an allowance only for books and supplies. Distance education (instructor-paced) students are assigned a room and board allowance, along with an allowance for books, supplies, transportation, personal expenses, and dependent care (if needed). The school may use discretion to exclude certain expenses for distance-education students on a case-by-case basis.

Profiles of Off-Campus Students

We develop our profiles to align with the demographic indicators that are used to allocate a student’s financial aid and estimate his individual living costs. Using these indicators, we identify seven off-campus profiles:

- Full-time dependent students living off campus (not with parents)
- Part-time dependent students living off campus (not with parents)
- Dependent students living at home (with parents)
- Full-time independent students living off campus (not with parents)
- Part-time independent students living off campus (not with parents)
- Independent students living at home (with parents)
- Dependent and independent students attending exclusively online programs

Full profiles for each student begin on page 8.

Family Financial Background

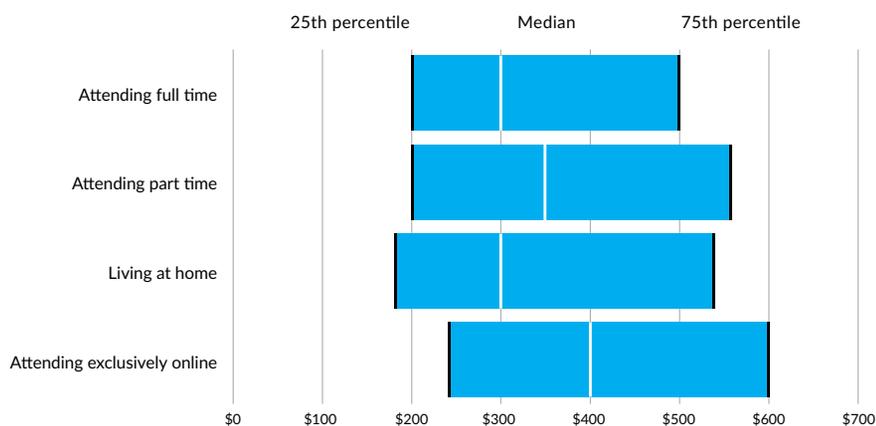
When we look at the profiles of our off-campus students by family background, we see substantial differences in the resources that students could potentially access to pay for their education and living costs. Overall, dependent off-campus students are less likely to be from a household that receives federal assistance and are about 13 percentage points less likely to receive a Pell grant than independent students. This is likely a function of the demographic differences between dependent and independent students; dependent students

are included in households with their parents or guardians, who are more likely to be financially secure. Full-time off-campus students and online students are much more likely to have student loans than part-time students or students who are living with parents.

Since 2004, the percentage of students with children has increased 30 percent, making the time and financial constraints of child care more salient (Gault, Noll, and Reichlin 2017). The cost of care varies not only by the number of hours and type of child care provider but also by the age of the child (Schulte and Durana 2016).

Among independent off-campus students, about 52 percent had children in 2011–12. Though independent students receive a child care allowance that is proportional to the time that they spend on classwork, we find that the amount paid for child care does not vary

FIGURE 1
Monthly Child Care Costs for Independent Students, Percentile



Sources: Urban Institute analysis of 2011–12 National Postsecondary Student Aid Study.

substantially between part-time and full-time students. Students attending online courses pay the most; the median cost of child care for online students with children cost is \$400 (figure 1).

For students who attend college in person, campus child care centers can be a valuable resource. The actual cost of these programs to the parent varies by institution (Boressoff 2013). Though the demand for on-campus child care programs is high, from 2005 to 2015, the share of public two- and four-year schools offering child care has declined in 36 states (Eckerson et al. 2016).

Personal Finance

Aside from their family backgrounds, off-campus students also vary substantially when it comes to their personal finances. Credit card marketing toward and credit card use among students has decreased since the 1990s (GAO 2014; Norvilitis 2014). However, we find that the majority of independent off-campus students have a credit card in their name, and credit card use is more prevalent among these students than among their dependent counterparts. Among those with credit cards, independent students are much more likely than dependent students to carry a balance over from month to month.

Independent and dependent students also diverge substantially when we look at what the median student reports paying in rent or mortgage. Dependent students living off campus (not with their parents) pay around \$250 to 275 per month for housing, but similar independent students pay nearly double that amount

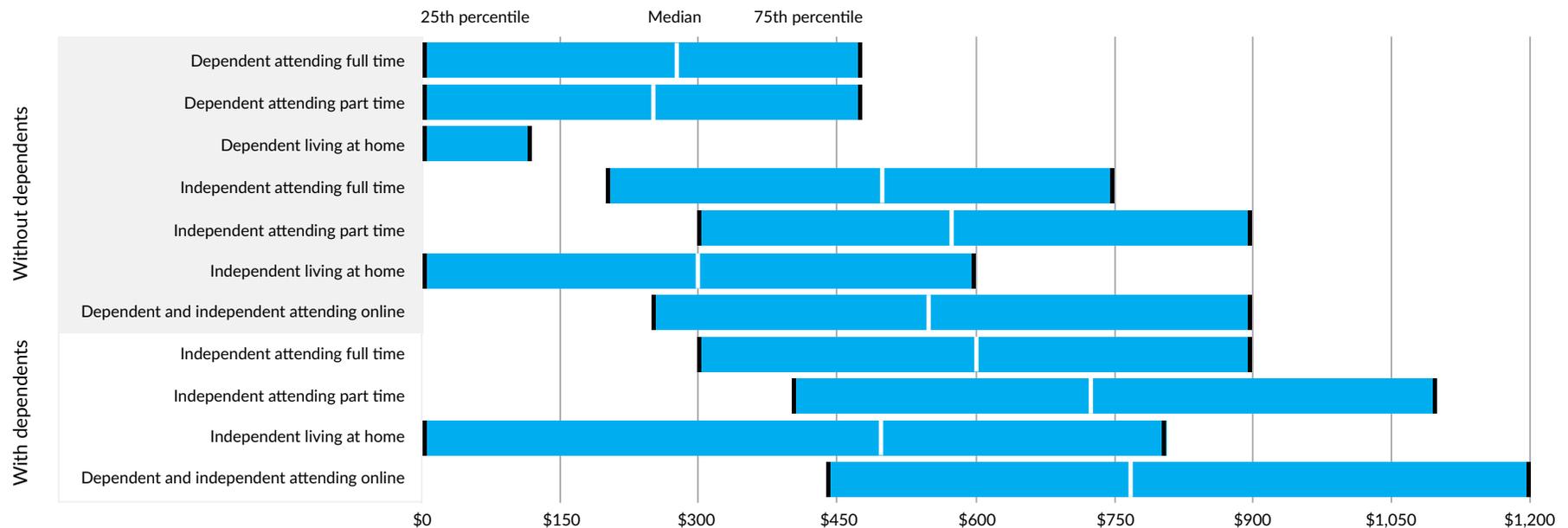
(\$525 to \$650).⁹ Independent students who live with their parents report having a median rent of \$400, whereas the median reported rent for dependent students living with their parents is zero. As might be expected, independent students with dependents tend to pay even more in rent or mortgage than independent students without dependents (figure 2).

Housing costs are one of the largest expenses for off-campus students. Previous work has shown that students are more likely to have roommates than university employees, particularly if sharing an apartment increases housing affordability or shortens their commutes to campus (Zhou 2014). This may be an option for

dependent students, but independent students, particularly those with dependents, may not be willing or able to share accommodations, thereby increasing their housing costs.

We find that 39 percent of all off-campus students report living with parents. This is consistent with data that show more young adults (roughly 36 percent of adults ages 18 to 31) are choosing to live with their parents (Vespa 2017). One study has shown that indebtedness, in particular, can increase the likelihood of residing with a parent (Dettling and Hsu 2014). It is also possible that students may feel family or cultural pressure to stay near home (Pérez and McDonough 2008; Perna and Titus 2005).

FIGURE 2
Monthly Rent or Mortgage Costs, Percentile



Sources: Urban Institute analysis of 2011–12 National Postsecondary Student Aid Study.

Time and Travel

When we look at the time that off-campus students spend traveling to school and to work, we do not see much difference among our student types. Dependent students tend to travel to school about four days a week, regardless of whether they are full or part time. Independent part-time students make less frequent trips to campus, averaging about three days a week. Students who live at home and independent students live about five minutes farther on average than other dependent off-campus students.

Most off-campus students, even dependent students attending school full time, hold a job during the school year. Among those who work, the median travel to work is four or five days a week. Independent students, even those who are enrolled full time, are likely to spend more time at work during the school year than dependent students. Independent off-campus students also tend to spend more time commuting to their jobs than dependent off-campus students.

Correlates of Institutional Cost-of-Attendance Estimates with Demographics

These profiles demonstrate that off-campus students experience varying financial and time constraints. Though some elements of our profiles are accounted for in the current financial aid system, such as living with one's parents or on one's own, having dependents, and the level and delivery method of coursework, other elements are not. For example, off-campus room and board allocations reported in the Integrated Postsecondary Education Data System (IPEDS) do

not account for the age of the student or the student's dependency status. Reported allocations for other expenses, including transit costs, do not include variations for the distance a student lives from campus or the number of trips she might need to make.

Other researchers have documented how allocations for living costs vary by institution, even within the same geographic area (Kelchen, Goldrick-Rab, and Hosch 2017). However, it is possible that some of the variation in these base allocations is the result of differences in the types of students that a given institution serves.

“Students who live off campus face diverse constraints on their time and personal resources. Our off-campus student profiles show that costs vary by more than whether students live with their parents.”

Using data from IPEDS, we observe that roughly 13 percent of the variation in off-campus first-time, full-time living-cost allocations (room and board plus other expenses for students not living with parents) is attributable to the institutions' location (table 1).¹⁰ We define location as the institution's combined statistical area (CSA) and the urbanicity of the institution's location (urban, suburban, town, or rural). We use the adjusted R-squared of an OLS regression to estimate the explanatory power of location.

We find that institutions may adjust their living-cost allocation based on the characteristics of students who receive financial aid. Using data from IPEDS and the US Department of Education’s College Scorecard, we control for the shares of independent students, married students, part-time students, and the average age of students at entry into the institution.¹¹ When we add these student characteristics to our regression, we find that the use of both location and student population characteristics explain about 18 percent of the variation in off-campus cost estimates.

Researchers have speculated that students’ future ability to repay loans also affects the allocation that institutions develop; we find some support for this theory.¹² Including the share of undergraduates

with loans, as well as the share of students who have repaid at least a dollar of their debt three years after graduation, into our regression with location and student characteristics explains 19 percent of the variation in living-cost allocations (table 1).

We observe that the variation in off-campus living-cost estimates is partially explained by observable differences in student characteristics, as well as by institution CSA and urbanicity. But there is still a substantial amount of unexplained variation between institutions. As others have suggested, it is possible that colleges consider other factors (such as the contribution of living-cost allocations to the percentage of students with unmet need) when setting these amounts.

TABLE 1
Share of Living-Cost Allocation Explained by Institution and Student Characteristics

	Location	Student characteristics	Debt repayment	Location, student characteristics	Location, debt repayment	Location, student characteristics and debt repayment
Two- and four-year schools (n=1,823)	13%	4%	0%	18%	15%	19%
Sector						
Public (n= 852)	20%	3%	5%	24%	26%	27%
Private nonprofit (n= 516)	16%	4%	2%	18%	16%	19%
Private for-profit (n= 396)	11%	7%	8%	15%	15%	18%

Sources: Urban Institute analysis of IPEDS and College Scorecard data.

Notes: Institutions are included in the regression if they share a CSA with at least one other institution and have at least 100 undergraduates. Location is defined as an institution's CSA and designation as an urban, suburban, town, or rural setting. Student characteristics are the percentage of undergraduates who are dependents, married, enrolled part time, or enrolled exclusively in online education and the average age at entry. Debt repayment characteristics are the percentage of undergraduates with a student loan and the percentage of students who had repaid at least a dollar on the principal of their student debt within three years after leaving the institution.

FULL-TIME DEPENDENT STUDENTS LIVING OFF CAMPUS



11 percent of off-campus students in the 2011–12 school year were full-time dependent students not living with their parents. Sixty-eight percent of these students attended a four-year school, and 32 percent attended a two-year school.

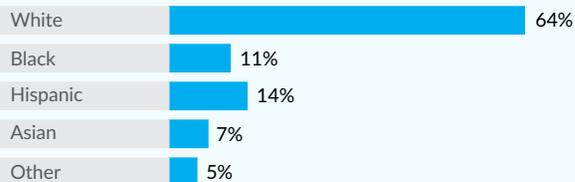
Dependent full-time off-campus students are assigned a room and board allowance that is determined by their school, along with an allowance for books, supplies, transportation, and personal expenses.

A student with an EFC of \$0 attending full time was eligible for a Pell grant of up to \$5,550 in 2011–12. A similar student attending three-quarters time was eligible for a Pell grant of up to \$ 4,163.

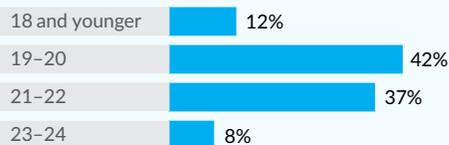
Gender



Race or ethnicity



Age



Family Financial Background

The median family income for these students was **\$66,510**.

13% of students were from households that receive at least one federal benefit.

36% of students received a Pell grant for their education.

47% of students had taken out at least one student loan for their education.

8% of students in this group had a work-study job.

Personal Financial Indicators

41% of students had at least one credit card in their name.

40% of students with a credit card carried a balance over each month.

The median rent students reported paying was **\$275 per month**.

66% of students work during the school year, with students working a median of **20 hours a week**.

Students earned a median of **\$4,000** from work during their enrollment in school.

Time and Travel Indicators

The typical student traveled between home and school about **4 days a week** and spent an average of **25 minutes in transit**.

The typical working student traveled between home and work about **4 days a week** and spent an average of **21 minutes in transit**.

81% of students attended an institution in an urban or suburban area.

PART-TIME DEPENDENT STUDENTS LIVING OFF CAMPUS



8 percent of off-campus students in the 2011-12 school year were part-time dependent students not living with their parents. Forty-one percent of these students attended a four-year school, and 59 percent attended a two-year school.

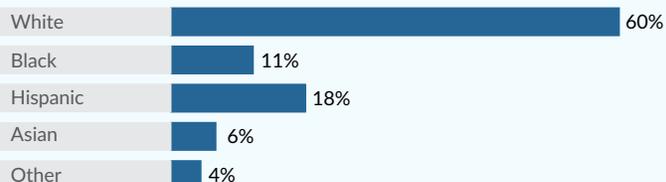
Dependent part-time off-campus students are assigned a room and board allowance that is determined by their school, along with an allowance for books, supplies, transportation, and personal expenses. Fourteen percent of students in the group attended school less than half time, so they were not eligible for an allowance to support personal expenses and may receive a room and board allowance for a limited time.

A student with an EFC of \$0 attending half time was eligible for a Pell grant of up to \$2,775 in 2011-12. A similar student attending less than half time was eligible for a Pell grant of up to \$1,388.

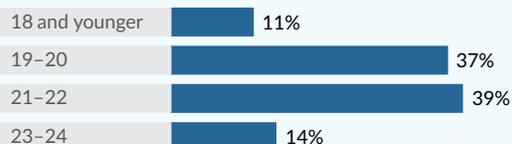
Gender



Race or ethnicity



Age



Family Financial Background

The median family income for these students was **\$60,667**.

12% of students were from households that receive at least one federal benefit.

31% of students received a Pell grant for their education.

27% of students had taken out at least one student loan for their education.

5% of students in this group had a work-study job.



Personal Financial Indicators

42% of students had at least one credit card in their own name

47% of students with a credit card carried a balance over each month.

The median rent students reported paying was **\$250 per month**.

72% of students worked during the school year, with students working a median of **26 hours a week**.

Students earned a median of **\$4,950** from work during their enrollment in school.



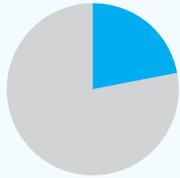
Time and Travel Indicators

The typical student traveled between home and school about **4 days a week** and spent an average of **25 minutes in transit**.

The typical working student traveled between home and work about **5 days a week** and spent an average of **21 minutes in transit**.

83% of students attended an institution in an urban or suburban area.

DEPENDENT STUDENTS LIVING WITH PARENTS



22 percent of off-campus students in the 2011-12 school year were dependent students living with their parents. Forty-five percent of these students attended a four-year school, and 55 percent attended a two-year school.

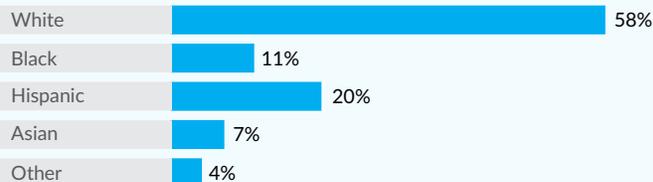
Dependent students living with their parents are assigned an allowance for books, supplies, transportation, and personal expenses. Students living at home may receive a small room and board allowance. Fifteen percent of students in the group attended school less than half time, so they were not eligible for an allowance to support personal expenses.

A student with an EFC of \$0 attending full time was eligible for a Pell grant of up to \$5,550 in 2011-12. A similar student attending half time was eligible for a Pell grant of up to \$2,775.

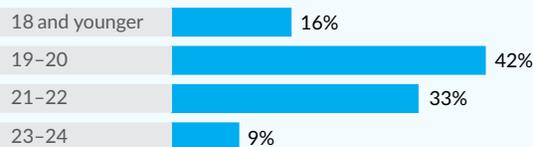
Gender



Race or ethnicity



Age



Family Financial Background

The median family income for these students was **\$58,364**.

14% of students were from households that receive at least one federal benefit.

36% of students received a Pell grant for their education.

32% of students had taken out at least one student loan for their education.

6% of students in this group had a work-study job.



Personal Financial Indicators

40% of students had at least one credit card in their name.

45% of students with a credit card carried a balance over each month.

The median rent students reported paying was **zero**.

68% of students worked during the school year, with students working a median of **25 hours a week**.

Students earned a median of **\$4,500** from work during their enrollment in school.



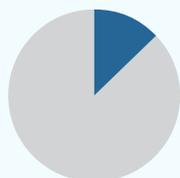
Time and Travel Indicators

The typical student traveled between home and school about **4 days a week** and spent an average of **29 minutes in transit**.

The typical working student traveled between home and work about **4 days a week** and spent an average of **22 minutes in transit**.

81% of students attended an institution in an urban or suburban area.

FULL-TIME INDEPENDENT STUDENTS LIVING OFF CAMPUS



13 percent of off-campus students in the 2011-12 school year were full-time independent students not living with their parents. Fifty-two percent of these students attended a four-year school, and 48 percent attended a two-year school.

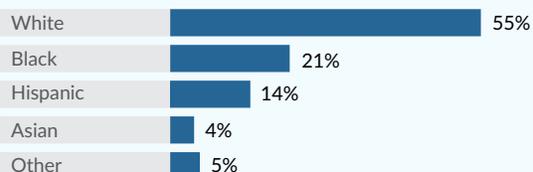
Independent full-time off-campus students are assigned a room and board allowance that is determined by their school, along with an allowance for books, supplies, transportation, and personal expenses. Independent students with dependents are granted an allowance for their dependents' care during class and study time.

A full-time student with an EFC of \$0 was eligible for a Pell grant of up to \$5,550 in 2011-12. A similar student attending three-quarters time was eligible for a Pell grant of up to \$4,163.

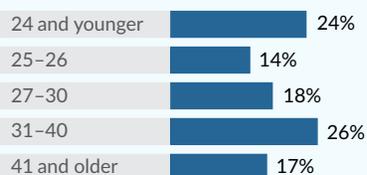
Gender



Race or ethnicity



Age



Family and Dependents

29% of students lived in households that received at least one federal benefit.

59% of students received a Pell grant for their education.

51% of students had taken out at least one student loan for their education.

4% of students in this group had a work-study job.

32% of students were married, and **55%** had dependents.

Among those with dependents, the median number of children was 2 and median child care payments were **\$300 per month**.

Of those who had dependents, **60%** were single or separated.



Personal Financial Indicators

52% of students had at least one credit card in their name.

61% of students with a credit card carried a balance over each month.

The median rent students reported paying was **\$525**.

61% of students worked during the school year, with students working a median of **33 hours a week**.

Students earned a median of **\$8,000** from work during their enrollment in school.



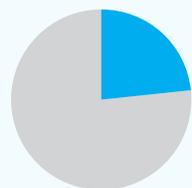
Time and Travel Indicators

The typical student traveled between home and school about **4 days a week** and spent about **31 minutes in transit**.

The typical working student traveled between home and work about **5 days a week** and spent an average of **27 minutes in transit**.

78% of students attended an institution in an urban or suburban area.

PART-TIME INDEPENDENT STUDENTS LIVING OFF CAMPUS



21 percent of off-campus students in the 2011-12 school year were part-time independent students not living with their parents. Thirty-five percent of these students attended a four-year school, and 65 percent attended a two-year school.

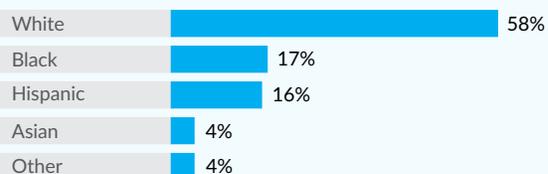
These students are assigned a room and board allowance that is determined by their school, along with an allowance for books, supplies, transportation, and personal expenses. Independent students with dependents are granted an allowance for their dependents' care during class and study time. Twenty-seven percent attended school less than half time, so they were not eligible for an allowance to support personal expenses and may receive a room and board allowance for a limited time.

A half-time student with an EFC of \$0 was eligible for a Pell grant of up to \$2,775 in 2011-12. A similar student attending less than half time was eligible for a Pell grant of up to \$1,388.

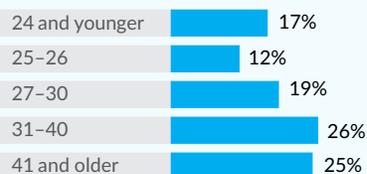
Gender



Race or ethnicity



Age



Family and Dependents

20% of students lived in households that received at least one federal benefit.

34% of students received a Pell grant for their education.

26% of students had taken out at least one student loan for their education.

3% of students in this group had a work-study job.

40% of students were married, and **53%** had dependents.

Among those with dependents, the median number of children was 2 and median child care payments were **\$350 per month**.

Of those who had dependents, **49%** were single or separated.



Personal Financial Indicators

63% of students had at least one credit card in their name.

59% of students with a credit card carried a balance over each month.

The median rent students reported paying was **\$650 per month**.

74% of students worked during the school year, with students working a median of **40 hours a week**.

Students earned a median of **\$12,000** from work during their enrollment in school.



Time and Travel Indicators

The typical student traveled between home and school about **3 days a week** and spent about **29 minutes in transit**.

The typical working student traveled between home and work about **5 days a week** and spent an average of **26 minutes in transit**.

82% of students attended an institution in an urban or suburban area.

INDEPENDENT STUDENTS LIVING WITH THEIR PARENTS



19 percent of off-campus students in the 2011-12 school year were independent students living with their parents. Forty percent of these students attended a four-year school, and 60 percent attended a two-year school.

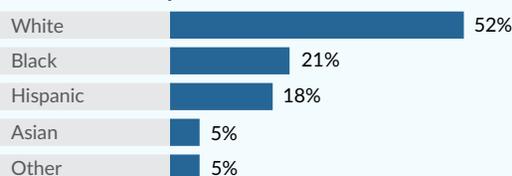
Independent students living with their parents are assigned an allowance for books, supplies, transportation, and personal expenses. Students living at home may receive a small room and board allowance. Twenty-two percent of students in the group attended school less than half time, so they were not eligible for an allowance to support personal expenses.

A full-time student with an EFC of \$0 was eligible for a Pell grant of up to \$5,550 in 2011-12. A similar student attending half time is eligible for a Pell grant of up to \$2,775.

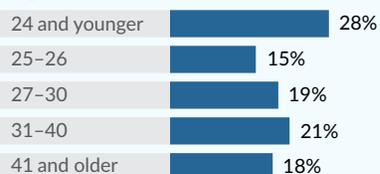
Gender



Race or ethnicity



Age



Family and Dependents

22% of students lived in households that received at least one federal benefit.

49% of students received a Pell grant for their education.

38% of students had taken out at least one student loan for their education.

4% of students in this group had a work-study job.

29% of students were married, and **50%** had dependents.

Among those with dependents, the median number of children was 2 and median child care payments were **\$300 per month**.

Of those who had dependents, **60%** were single or separated.



Personal Financial Indicators

53% of students had at least one credit card in their name.

57% of students with a credit card carried a balance over each month.

The median rent students reported paying was **\$400 per month**.

67% of students worked during the school year, with students working a median of **35 hours a week**.

Students earned a median of **\$8,280** from work during their enrollment in school.



Time and Travel Indicators

The typical student traveled between home and school about **4 days a week** and spent about **30 minutes in transit**.

The typical working student traveled between home and work about **5 days a week** and spent an average of **26 minutes in transit**.

76% of students attended an institution in an urban or suburban area.

DEPENDENT OR INDEPENDENT STUDENTS ATTENDING SCHOOL ONLINE



7 percent of off-campus students in the 2011–12 school year were dependent or independent students attending school online. Seventy-four percent of these students attended a four-year school, and 26 percent attended a two-year school.

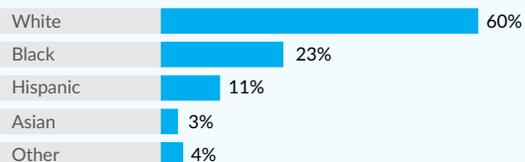
Correspondence (self-paced) students are typically assigned an allowance only for books and supplies. Distance education (instructor-paced) students are assigned a room and board allowance, along with an allowance for books, supplies, transportation, personal expenses, and dependent care (if needed). The school may use discretion to exclude certain expenses on a case-by-case basis. Eight percent of students in this group attended school less than half time, so they were not eligible for an allowance to support personal expenses and may receive a room and board allowance for a limited time.

A full-time student with an EFC of \$0 was eligible for a Pell grant of up to \$5,550 in 2011–12. A similar student attending half time was eligible for a Pell grant of up to \$2,775.

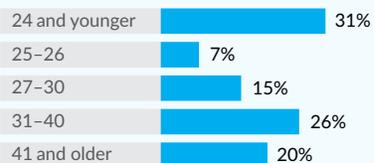
Gender



Race or ethnicity



Age



Family and Dependents

28% of students lived in or were from households that received at least one federal benefit.

47% of students received a Pell grant for their education.

54% of students had taken out at least one student loan for their education.

3% of students in this group had a work-study job.

36% of students were married, and **53%** had dependents.

Among those with had dependents, the median number of children was 2 and median child care payments were **\$400 per month**.

Of those who had dependents, **47%** were single or separated.



Personal Financial Indicators

57% of students had at least one credit card in their name.

70% of students with a credit card carried a balance over each month.

The median rent students reported paying was **\$600 per month**.

76% of students worked during the school year, with students working a median of **40 hours a week**.

Students earned a median of **\$15,000** from work during their enrollment in school.



Time and Travel Indicators

The typical working student traveled between home and work about **5 days a week** and spent an average of **28 minutes in transit**.

69% of students lived in an urban or suburban area.

Conclusion

Students who live off campus face diverse constraints on their time and personal resources. Our off-campus student profiles show that costs vary by more than whether students live with their parents. Status as an independent or dependent student or as a part-time or full-time student may affect the way that students allocate their expenses and their time.

The current process for generating off-campus living-cost allocations gives higher education institutions a substantial amount of discretion. We find some evidence that institutions may use this discretion to account for the needs of their students, relative to other institutions in the same area. However, there is still a substantial amount of variation in living-cost allocations that is not explained by available student characteristics or by institution location.

Researchers have argued that standardization of off-campus living-cost allocations will help students make informed decisions about the potential costs of attending college (Kelchen, Goldrick-Rab, and Hosch 2017). Given that much of the variation in living-cost allocations remain unexplained, our findings support the call for some degree of standardization. However, we suggest any standardization, such as the use of an independent cost-of-living index, should be implemented with documentation of additional adjustments for different types of students. The inclusion of these adjustments appears particularly important for independent students with dependents.

Implementing additional standardized aid categories is particularly important given the current internal procedures for granting students

additional cost-of-attendance allocations. For example, although professional judgements are well documented within financial aid offices, the number of professional judgements issued per school is not made public.¹³ Financial aid offices may develop additional allocation policies for certain student subcategories (NASFAA 2017), but these categories are also not publicly disclosed. Therefore, it is difficult to know to what extent financial aid offices may be using their discretion to assist different types of students.

Financial stress is associated with lower rates of college persistence and degree completion (Britt et al. 2017; Cabrera, Nora, and Castañeda 1992). College applicants should have access to consistent and accurate living-cost estimates before making their enrollment decisions. These estimates should account for the institution's location, but they should also reflect the types of costs and financial stressors that different types of off-campus students may face.



Photo via Shutterstock.

Appendix. Methodology

NPSAS ANALYSIS

To create our seven off-campus student profiles, we use the 2011–12 National Postsecondary Student Aid Study (NPSAS). Though NPSAS has eligibility requirements for institutions and students, we introduce additional exclusions that further limit the student universe being represented.

NPSAS institutions are Title IV-participating, nonservice academy institutions located in the 50 states or the District of Columbia. NPSAS collects these data for both graduate students and undergraduate students, but we only use the undergraduate student data.

In addition to institutional eligibility requirements, students had eligibility requirements. Students attending high school were excluded from the NPSAS. For the purposes of our study, that means that there should be no students who were enrolled in high school and college at the same time. Additionally, students who are “solely enrolled in a General Educational Development (GED) or other high school completion program” were also excluded from the study (Wine, Bryan, and Siegel 2014, 8). However, those enrolled in both a high school completion program and enrolled at a NPSAS institution were included.

Additional Exclusions

For our study, we introduce additional exclusions. Using the NPSAS institution level, we exclude students attending universities where

the highest program offering was less than two years. Additionally, we use residence while enrolled to exclude students who were living on campus. Finally, students who were enrolled at more than one institution are excluded because their residence status was unknown. NPSAS categorized these students separately because their residence may have changed during the year. With these exclusions, our student universe is limited to only undergraduate students attending two- or four-year institutions and living either in off-campus housing or with their parents.

Composition of Student Profiles

Our online student profile consists of both dependent and independent students who reported that their program was entirely online.

Students' dependency status was determined based on the federal criteria for independence. If NPSAS staff did not have all the necessary available data, dependency was based on the student's federal financial aid information.

Part-time students in our profiles are classified as attending the institution exclusively part time or mixed part time and full time. Those attending the institution exclusively full time make up the full-time student group.

Table A.1
NPSAS Undergraduates, 2011–12

Less-than-two-year institutions	Two-or Four-Year Institutions								
	Attended more than one institution	Living on campus	Student's program is entirely online	Living with Parents		Living off Campus			
				Dependent	Independent	Dependent		Independent	
						Part time	Full time	Part time	Full time
2.5%	8.2%	12.1%	5.1%	16.6%	14.5%	6.5%	8.6%	15.9%	10.1%

Note: The shaded columns are students who are excluded from our analysis.

IPEDS AND COLLEGE SCORECARD ANALYSIS

To assess the connection between student characteristics and institutional off-campus cost-of-living estimates, we use data merged from the 2015–16 Integrated Postsecondary Education Data System (IPEDS) and the most recent data from the College Scorecard (accessed in September 2017).

We use IPEDS data for off-campus cost estimates, along with institution location and percent of undergraduates in exclusively online education. For institutions that report off-campus cost estimates at the program level, we convert the estimate to an academic year estimate by dividing by the length of the program in weeks and then multiplying by 39 weeks (equivalent to a nine-month academic year). This replicates the living-cost adjustment used in previous work (Kelchen, Goldrick-Rab, and Hosch 2017).

We draw the majority of our student characteristics from the College Scorecard data. Some student characteristics (percentage dependent,

percentage married, age at entry) are drawn from a pooled cohort of students first recorded in the National Student Loan Data System in 2013–14 and 2014–15. The percentage of undergraduate, degree- or certificate-seeking students who were part-time, and the percentage of all undergraduate students receiving a federal student loan are drawn from the 2014–15 school year. The three-year repayment rate is drawn from the National Student Loan Data System, from the pooled cohorts of students who left the institution in either the 2011 or 2012 school years.

Our sample consists of two- and four-year schools in the 50 states and the District of Columbia, that serve more than 100 undergraduates and are located in a CSA with at least one other institution in the regression. Our descriptive OLS regression is estimated using robust standard errors.

Notes

1. Kim Dancy and Rachel Fishman, “More Than Tuition: High Uncertainty and Complicated Incentives,” *New America*, May 10, 2016, <https://www.newamerica.org/education-policy/edcentral/more-than-tuition-4/>.
2. Rachel Fishman and Kim Dancy, “More Than Tuition: Today’s Students and Institutional Incentives for Setting Yearly Budgets,” *New America*, May 5, 2016, <https://www.newamerica.org/education-policy/edcentral/more-than-tuition-3/>.
3. For example, students who live on campus are more likely to be dependents and to enroll full time and are less likely to have dependent children or receive Pell grant funding than those who live off campus with or without parents.
4. “Dependency Status,” *Federal Student Aid*, accessed September 26, 2017, <https://studentaid.ed.gov/sa/fafsa/filling-out/dependency>.
5. “The EFC Formula, 2011–2012,” *Information for Federal Aid Professionals*, accessed September 26, 2017, <https://ifap.ed.gov/efcformulaguide/attachments/101310EFCFormulaGuide1112.pdf>. Federal programs include Supplemental Security Income, Supplemental Nutrition Assistance Program, participation in the free and reduced-price school lunch programs, Temporary Assistance Needy Families, or Special Supplemental Nutrition Program for Women, Infants, and Children. The income cutoff in 2011–12 for automatic EFC was unusually high. In the 2016–17 year, the cutoff was \$25,000.
6. The amount for transportation and personal expenses may vary between the two groups. In the 2015–16 school year, 48 percent of institutions reported different amounts for students living off campus with parents and for students living off campus without parents. Thirty-three percent of institutions reported a higher amount for students not living with family, and 18 percent reported a higher amount for students living with family.
7. Matthew La Rocque, “Federal Cost Data for Students Living at Home Are Significantly Understated,” *Institute for College Access and Success*, May 24, 2016, <https://ticas.org/blog/federal-cost-data-students-living-home-are-significantly-understated>.
8. Institutions may use both primary (e.g., student surveys and expenditure diaries) and secondary (e.g., data from the Consumer Expenditure Survey) to develop their estimates.
9. Rent or mortgage amount is \$0 if paid by someone other than the student. Independent students living with a spouse included the cost that both the student and her spouse were responsible for paying.
10. See appendix for methodology details.
11. Controlling for CSA and urbanicity, a 10 percentage point increase

in the percentage of independent students is associated with a \$115 increase in living-cost allocation ($p < 0.05$). A 10 percentage point increase in the percentage of married students is associated with a \$550 increase ($p < 0.01$). A one-year increase in the average entry age is associated with a \$80 increase ($p < 0.05$). A 10 percentage point increase in the number of part-time students is associated with a \$304 decrease ($p < 0.01$). We do not observe a statistically significant relationship for the percentage of students taking coursework exclusively online.

12. Controlling for location, a 10 percent increase in the number of undergraduates with loans is associated with a \$189 increase in living-cost allocation ($p < 0.01$), and a 10 percent increase in the institution's three-year student repayment rate is associated with a \$205 increase ($p < 0.01$).
13. Nationally, about 1 percent of Pell grant recipients filed for a professional judgement in the 2015–16 award year (see “Federal Pell Grant Program Annual Data Reports,” US Department of Education, last modified June 30, 2017, <https://www2.ed.gov/finaid/prof/resources/data/pell-data.html>).

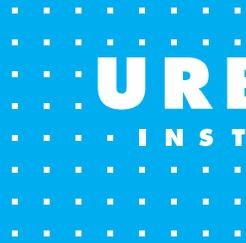
References

- Britt, Sonya L., David Allen Ammerman, Sarah F. Barrett, and Scott Jones. 2017. "[Student Loans, Financial Stress, and College Student Retention](#)." *Journal of Student Financial Aid* 47 (1): 25–37.
- Boressoff, Todd. 2013. *Financing Child Care for College Student Success*. Washington, DC: Institute for Women's Policy Research.
- Cabrera, Alberto F., Amaury Nora, and Maria B. Castañeda. 1992. "[The Role of Finances in the Persistence Process: A Structural Model](#)." *Research in Higher Education* 33 (5): 571–93.
- Dettling, Lisa J., and Joanne W. Hsu. 2014. "[Returning to the Nest: Debt and Parental Co-residence among Young Adults](#)." Washington, DC: Federal Reserve Board.
- Eckerson, Eleanor, Lauren Talbourdet, Lindsey Reichlin, Mary Sykes, Elizabeth Noll, and Barbara Gault. 2016. "[Child Care for Parents in College: A State-by-State Assessment](#)." Washington, DC: Institute for Women's Policy Research.
- FSA (Federal Student Aid). 2016. "[Cost of Attendance \(Budget\)](#)." In *Federal Student Aid Handbook*. Vol. 3, 33–42. Washington, DC: FSA.
- GAO (US Government Accountability Office). 2014. [Credit Cards: Marketing to College Students Appears to Have Declined](#). GAO-14-225. Washington, DC: US GAO.
- Gault, Barbara, Elizabeth Noll, and Lindsey Reichlin. 2017. [The Family Friendly Campus Imperative: Supporting Success Among Community College Students with Children](#). Washington, DC: Association of Community College Trustees.
- Kelchen, Robert, Sara Goldrick-Rab, and Braden Hosch. 2017. "[The Costs of College Attendance: Examining Variation and Consistency in Institutional Living Cost Allowances](#)." *Journal of Higher Education*. 88 (6): 947–71.
- NASFAA (National Association of Student Financial Aid Administrators). 2017. [Cost of Attendance: Award Year 2017–18](#). Washington, DC: NASFAA.
- Norvilitis, Jill M. 2014. "[Changes over Time in College Student Credit Card Attitudes and Debt: Evidence from One Campus](#)." *Journal of Consumer Affairs* 48 (3): 634–47.
- Pérez, Patricia A., and Patricia M. McDonough. 2008. "[Understanding Latina and Latino College Choice: A Social Capital and Chain Migration Analysis](#)." *Journal of Hispanic Higher Education* 7 (3): 249–65.
- Perna, Laura Walter, and Marvin A. Titus. 2005. "[The Relationship between Parental Involvement as Social Capital and College Enrollment: An Examination of Racial/Ethnic Group Differences](#)." *Journal of Higher Education* 76 (5): 485–518.
- Schulte, Brigid, and Alieza Durana. 2016. [The New America Care Report](#). Washington, DC: New America.

Vespa, Jonathan. 2017. [*The Changing Economics and Demographics of Young Adulthood: 1975–2016*](#). Washington, DC: US Census Bureau.

Wine, Jennifer, Michael Bryan, and Peter Siegel. 2014. [*2011–12 National Postsecondary Student Aid Study \(NPSAS:12\): Data File Documentation*](#). NCES 2014-182. Washington, DC: National Center for Education Statistics, Institute of Education Sciences, US Department of Education.

Zhou, Jiangping. 2014. “[From Better Understandings to Proactive Actions: Housing Location and Commuting Mode Choices among University Students](#).” *Transport Policy* 33: 166–75.



URBAN

· · · · I N S T I T U T E · E L E V A T E · T H E · D E B A T E