Sending Students a Letter About Their Debt Might Not Be Enough to Change Their Borrowing

The Indiana University system saw a much-heralded drop in borrowing after sending students a letter about their debt. The system was doing other things to educate borrowers, but the letter is what caught the attention of policy makers and others.

A paper based on evidence from an experiment at the University of Missouri at Columbia, however, suggests that a letter alone may not be enough to change borrowing patterns. The Chronicle spoke with the researcher behind that experiment, Rajeev Darolia, an assistant professor of public affairs and education at Missouri and a visiting scholar at the Federal Reserve Bank of Philadelphia. The following conversation has been edited and condensed.

Q. You tested a debt letter like the one that made a big splash in the Indiana University system. Was the University of Missouri planning to send one anyway? How did you get involved?

A. The university was interested in doing something to help students understand their debt and make good student-loan decisions. After the Indiana University system initiative got so much press, both in the media but also among the financial-aid administrator community, this was one that we thought would make sense to try out.

Q. How did you conduct the experiment?

A. We took all student-loan borrowers, undergraduates only, at the university and selected those who would be returning the next year. We randomly assigned half of
them to receive what we’re calling a loan notice, or the debt letter, as it’s been called elsewhere. They received this letter at two points in time. The letter includes information about their borrowing to date, their expected monthly payments, typical borrowing of their peers, and where they could get more data, how they could contact the financial-aid officer. We sent that last year, and then this year we observed how much they borrowed, their financial-aid receipt, how many credits they took, whether they dropped out. Then we compared the behavior of those who received the letter to those that did not.

Q. What did you find?

A. Something I would say was not surprising to me, though is a little bit counter to what’s been out in the public space based on some of those other studies. We found that the letter, in isolation, didn’t have an overall systematic effect on borrowing. We did find some behavioral changes for certain student subgroups, so it’s not to say that nobody changed their borrowing because of the letter, but over all we didn’t see a large-scale change. That’s somewhat different than the Indiana setting that found pretty large effects.

One other key thing that we found that didn’t manifest itself in differences in borrowing, but it’s still a really important outcome, is that students who got the letter were more likely to then seek more information. Those that received the letter actually came to the financial-aid office at a much higher rate than those who did not.

Q. Why weren’t you surprised your findings were so different from those in Indiana?

A. In the Indiana setting, there was a lot of attention given to this letter and the power of information — and I’ll say that I really believe in the power of information. What was less covered was the whole suite of other great programs that they had to encourage students to make active borrowing choices. What we did is only implement
this low-touch informational letter, and not this whole suite of other programs. One of the main takeaways is that information in isolation, without other supports, may not be sufficient to really drive behavior. This is not a criticism at all of what they did in the Indiana setting; they did a lot of really great things, but I think they did a lot of really expensive things that took a lot of coordination, which was not possible in the setting that we had here.

Q. If information alone doesn’t change borrowing behavior, what would really make a difference?

A. I don’t want to make it seem as though we implemented the perfect debt-informational letter. There are certainly some design elements that could be improved. But even that takes some time and some resources to figure out. One of the big things is the availability of systematic support for students, not just to get information in a letter, but also the ability to sit down with somebody and really go through in detail about the implications of their decisions, and also to have that be delivered in numerous different ways. That’s really important, but it’s also very resource-intensive.

Q. You write in the paper that even without changing borrowing behavior, the letter might have some value in making students more informed. That’s interesting because we sort of elide the idea of people being informed and people making good decisions, but it seems like those could be two distinct things. Could you flesh that out a bit?

A. A good outcome for students is not necessarily that students borrow less. For some students, borrowing less may be good for them; for others, borrowing more may actually make sense to allow them to complete. And so the outcome we found, that students were more likely to seek more information, I view that as a very positive
thing in that if they’re making active and informed decisions about financial aid, even if it means they’re borrowing the same amount, or some students may be borrowing more. What we’re really concerned about is their burdens later in life. As long as they’re making active and informed decisions, then hopefully this will also lead to fewer issues down the road as well.

Q. You’re doing follow-up work interviewing the students. What do you hope to learn from that?

A. The experiment allows us to provide some level of information on what we can track within our data. But there’s a really important other piece of this: how students are dealing with the options that they have. A student may decide to borrow the same amount, but work less or more in response to the information. They could also decide to borrow less from the university, but they may be going out to a private lender, they may be going to their parents to ask for more money. These are things that we can’t track in administrative data. It will be helpful to understand more nuance about how students use or don’t use this information.

Q. There’s a big push to help students make better borrowing decisions, and it doesn’t seem as if anyone has that completely figured out. What can research contribute?

A. There’s a lot that can be done about ways we can reach students, whether that’s delivery mechanisms, through texting, or online, or other creative ways, but also how do we present that information to make it really salient to the student so they can take action.

There’s this whole big question about what is the proper debt load for students. There’s people saying that we should have no debt, and there are some saying that we should have manageable debt. But we don’t actually know what manageable means. Understanding what is manageable debt for students is very important.
Columbia man arrested for making bomb threat to University Hospital

TAYLOR BLATCHFORD, 13 hrs ago

COLUMBIA — The MU Police Department arrested a 21-year-old Columbia man Wednesday night for calling in a bomb threat to University Hospital while he was a psychiatric patient there.

Erik Matthew Harris used one of the Missouri Psychiatric Center’s phones to call in a threat at about 4:30 a.m. on July 1, MU Maj. Brian Weimer said. Harris had been brought to the center, which is adjacent to University Hospital, by police on an involuntary 96-hour hold.

Harris was released from the psychiatric center Wednesday and was then immediately arrested by MU police on charges of making a terroristic threat, a Class D felony. He is being held in Boone County Jail on a $5,000 bail.

Weimer said he did not know why Harris had been brought to the center because MU police did not commit him there. He declined to comment on Harris’ specific threat because it is part of the investigative report.

UPDATE: Despite money withheld for the MU commission, it can still meet

STAFF AND WIRE REPORTS, Updated 14 hrs ago

Updated Information:
This story has been updated to add a statement from state Sen. Kurt Schaefer saying the commission can still meet and do its work.
JEFFERSON CITY — **A commission set up by Republican legislative leaders to review policies and procedures at MU will not get any state funds this year, but the commission still can carry out its work.**

Gov. Jay Nixon announced Wednesday that he is withholding $750,000 in state funding set aside for the University of Missouri System Review Commission. It was part of $115.5 million in funding restrictions Nixon announced to balance the state's budget.

The Missouri legislature created the commission when it passed Senate Concurrent Resolution 66 in May in response to a perceived lack of university leadership. The resolution was sponsored by state Sen. Kurt Schaefer, R-Columbia.

In a statement Thursday in response to Nixon's action, Schaefer said the commission will still be able to meet and carry out its work without any state funding. It will lose resources from outside staff, which the funding would have been used for, he said.

“"The money to fund the commission was taken from the university’s budget, it was not an increase," Schaefer said in a news release. "I believe the commission has important work to do in order to hold the university accountable to taxpayers through the General Assembly, and I hope they will continue their work."

Under the resolution, the commission was charged with conducting "a thorough review" of the UM System and recommending changes. The extent to which the UM System adopted and implemented the recommendations would "be considered by the General Assembly during the appropriations process."

“"The rules have gotten so out of balance. Many poor decisions were made," Schaefer said in a news release during the session in May, a reference, in part, to the events that led to the resignation of UM System President Tim Wolfe and MU Chancellor R. Bowen Loftin.
“The commission will serve as an outside voice and give some much-needed feedback on how to ensure the long-term survival and growth of the institution,” Schaefer said.

A list of its tasks include analysis of various aspects of the university system including administrative and campus structures, rules and regulations, degree programs, research activities and diversity programs.

The $750,000 appropriation would have reimbursed member expenses, paid staff and helped hire consultants. The commission is working under a Dec. 31 deadline, but it will not be funded until after Nixon leaves office in January.

The Democratic governor had no input on the panel's membership. The first four commission members were appointed on June 16 by Senate President Pro Tem Ron Richard, R-Joplin. His appointments included radio personality Renee Hulsholf; Neal Bredehoeft, a farmer in Alma and former MU student; Legacy Pharmaceutical Packaging Chairman Dave Spence; and Michael Williams, a partner in the law firm of Williams, Dirks and Dameron.

The last four members of the commission were named June 29 by Missouri House Speaker Todd Richardson, R-Poplar Bluff.

They include former UM System President Gary Forsee; Pamela Washington, an adjunct professor at Maryville University; Robert Duncan of St. Joseph, former vice chancellor for research and now vice president for strategic research initiatives; and Jeanne Sinquefield, who served on the MU Steering Committee and is a board member of the "All We Call Mizzou" committee, which raised $1 billion in five years for scholarships.

According to previous Missourian reporting, at the time of the last appointments, state Rep. Jacob Hummel, a Democrat representing Missouri's 108th district, criticized the appointments as chosen solely by Republican legislative leaders and "geared toward advancing a Republican political agenda."
Recovery-focused sober housing option to debut at MU this fall

By Alec Lewis

Thursday, July 7, 2016 at 2:00 pm

This fall, eight University of Missouri students recovering from alcohol and substance abuse will have a recovery-focused housing option.

Five students have signed up for the dual suite-style living environment in Discovery Hall that emphasizes sober living. Wellness Resource Center Director Kim Dude expects the three other slots to fill up and said MU could not have created a housing option like this without collaboration from MU Residential Life.

Dude said creating sober housing has long been a goal for her office. Two years ago the Wellness Resource Center began talking to students in recovery from substance abuse, which led to the creation of the student organization Sober in College.

“I’m thrilled so far because we really had no idea how it would be received,” Dude said, “and now I’m hopeful we’ll fill up and have even more spaces in the future.”

Residential Life Director Frankie Minor called the development of sober housing a “unique opportunity.”

Minor knew Dude wanted to create sober housing on campus. A projected drop in enrollment meant empty rooms, creating an opportunity for the program.

“I’ve wanted to support Kim in this initiative, and we’ve been looking for the right opportunity,” Minor said. “This was finally the right time.”

Students interested in sober housing must sign an agreement stating their need. After confirming the need, Residential Life will contact the student to pinpoint his or her level of interest. Students granted housing will pay the regular price for suite-style residence hall living — $8,155 per academic year — and will live with those also needing recovery-focused housing.

Minor said if there’s excess demand, Residential Life might have to weigh one student’s needs over another’s when deciding which to accept into the program.
Adam Dietrich, a co-founder of Sober in College, said sober housing could be the deciding factor for some students who are considering MU.

“I’m grateful they gave us an opportunity to fulfill this need,” Dietrich said.

**MISSOURIAN**

**Columbians demonstrate against black deaths at hands of police**

KATHRYN CAWDERY AND BROOKS HOLTON, 14 hrs ago

COLUMBIA — Chants for social justice rang out in downtown Columbia during a midday demonstration Thursday in response to the most recent police shootings of black men in Louisiana and Minnesota.

About 40 demonstrators gathered at Ninth Street and Broadway, shouting “stop lynching black folks” and "no justice, no peace."

Three of the demonstrators re-enacted the Tuesday shooting of Alton Sterling in Baton Rouge. Some passing motorists honked their car horns in support.

Jamie Davis, who portrayed Sterling in the re-enactment, used social media to organize the demonstration and made signs before the rally at Cafe Berlin, which posted on Facebook that it was closed Thursday "in protest of another black life lost to police violence."

"The violence that killed Alton Sterling and Philando Castile has become an all too common occurrence for people of color and it's beyond time for IT TO STOP," the Cafe Berlin Facebook post read. It included the hashtags #PhilandoCastile, #AltonSterling and #blacklivesmatter.

Sparky's Homemade Ice Cream delayed opening on Thursday; a sticky note on the front door had the hashtags of the men killed and a message the store would open later.
Davis said he organized the demonstration because he was “tired of seeing black men lynched in our country with no punishment for the law enforcement who is paid to protect and serve us, and instead they kill us and leave us lying in the streets.”

Tara Warne-Griggs, who was among the demonstrators, said police organizations have to be held to a higher standard when it comes to the policies used to train officers and prevent biases from influencing decision-making in the field.

"Only the circumstances of those encounters matter," Warne-Griggs said of the two deaths this week that were captured on video. "Anything else is noise and distraction."

Members of Race Matters, Friends, a local racial justice and social equity group, joined the demonstration.

"We have to deal with the fact that for decades white people have been brainwashed to believe that black people are dangerous,” Traci Wilson-Kleekamp of Race Matters, Friends said.

Wilson-Kleekamp wanted to see the same support for the recent police shootings as was shown after the mass shooting at a gay nightclub in Orlando.

“That's how we’re going to dismantle oppression," Wilson-Kleekamp said. "It’s that white people have to understand history, and they have to understand how what they know is making them actively believe in the things that they do this day."

**David Aguayo, a researcher at MU, said he read about the protest on Facebook and attended because he feels that people need to speak up about violence against blacks. Aguayo urged people with privilege to join the cause.**

Rachel Taylor, another member of Race Matters, Friends, saw Davis’ post on Facebook and notified her group.

“I feel grief, for them, for people who are suffering," Taylor said. "They’re my friends, too. I mean, my friend Traci, she’s my dear friend, and I can’t do anything to keep her safe."
Race Matters, Friends is organizing a Grieve-In at 6:30 p.m. Friday night at Wilkes Boulevard Methodist Church in response to the recent killings. A news release from the group described the event as "your time to be loud in grief."

**THE CHRONICLE OF HIGHER EDUCATION**

**When a Chancellor Blocks a Student on Twitter**

Twitter has been both a blessing and a burden for college presidents and chancellors.

Some, like the University of Cincinnati’s president, Santa J. Ono, can attract tens of thousands of Twitter followers and use that following to promote their institutions. **Others, like R. Bowen Loftin, before his resignation last fall as the University of Missouri at Columbia’s chancellor, have attempted to engage with concerned students over Twitter during times of crisis.**

But it’s unheard of for a college leader to take the most drastic measure Twitter provides to respond to a student’s tweets: blocking them.

That’s what happened last week to Anniken Williams, a senior majoring in political science and international studies at East Carolina University. She took to Twitter to express her disdain for the record of Cecil P. Staton, the university’s new chancellor, who as a Republican state senator in Georgia sponsored a bill that became law requiring residents to show identification in order to vote.

Ms. Williams, vice president of the College Democrats of North Carolina, asked in one tweet on June 29: "How am I supposed to support my ‘chancellor’ when he supported voter ID laws that disenfranchises students?" In another tweet, she
criticized the University of North Carolina system’s president, Margaret Spellings, for nominating Mr. Staton to serve as chancellor.

Two days later, on July 1, the new chancellor’s first day on the job, Ms. Williams said she found that Mr. Staton had blocked her on Twitter.

The chancellor had also apparently changed his Twitter bio to read "Fair warning: social media bullies and trolls will be blocked," and later, "On Twitter to boost ECU, not to respond to political statements. Abusers may be blocked."

Ms. Williams chronicled the developments in a post on the blogging platform Medium last week.

Twitter users at the University of North Carolina came to Ms. Williams’s defense using the hashtag #AlreadySilencingStudents.

Mr. Staton has since unblocked Ms. Williams. But his initial action demonstrates how quickly administrators can find themselves taking heat after just a few clicks.

"Students’ voices are important and their questions welcome," Mr. Staton said in a written statement on Wednesday. "But I want students to have ways to engage with me face to face — particularly on complex issues where positive dialogue is so important to increased understanding."

A spokeswoman for the university, Mary Schulken, said in an email that Mr. Staton manages his own Twitter account, which he set up himself after being confirmed as chancellor by the University of North Carolina system’s Board of Governors, in April. He describes himself as "relatively new to social media," Ms. Schulken said.

Ms. Williams said that, as millennials, most college students use platforms like Facebook and Twitter to voice their concerns about college leaders. "I don’t think
most students nowadays sit down and schedule a meeting with said individual and go in and meet with them," she said. "It’s more over social media."

Ms. Williams also said that she did not expect a response from Mr. Staton when she posted the initial tweets criticizing him. "I was expecting what Margaret Spellings did, just completely ignoring it," she said. But Mr. Staton "went so far as to block me, and I think that if he had just ignored me, that would have been fine. Obviously I would have preferred an answer, but I think not blocking me would have been better than anything," she said.

Ms. Williams said she would attend a meeting on Friday with the chancellor and leaders of several student organizations.

"I’m going to try to make it clear that he needs to talk to students not just on his own terms, because to me that’s what that statement says: ‘I’ll talk to you, but on my own terms and conditions,’" she said. "And that to me doesn’t seem like a very open dialogue."

This fall Mr. Staton will begin posting open office hours each week when students can come in to speak with him, he said in the statement. He added that he encourages students to stop him for conversations when they see him on the campus.

"I use my Twitter account primarily to promote ECU," he said, "but don’t find 140 characters to be a helpful format for insightful dialogue about complex issues."