

Busting the Myth of Self-Financing College

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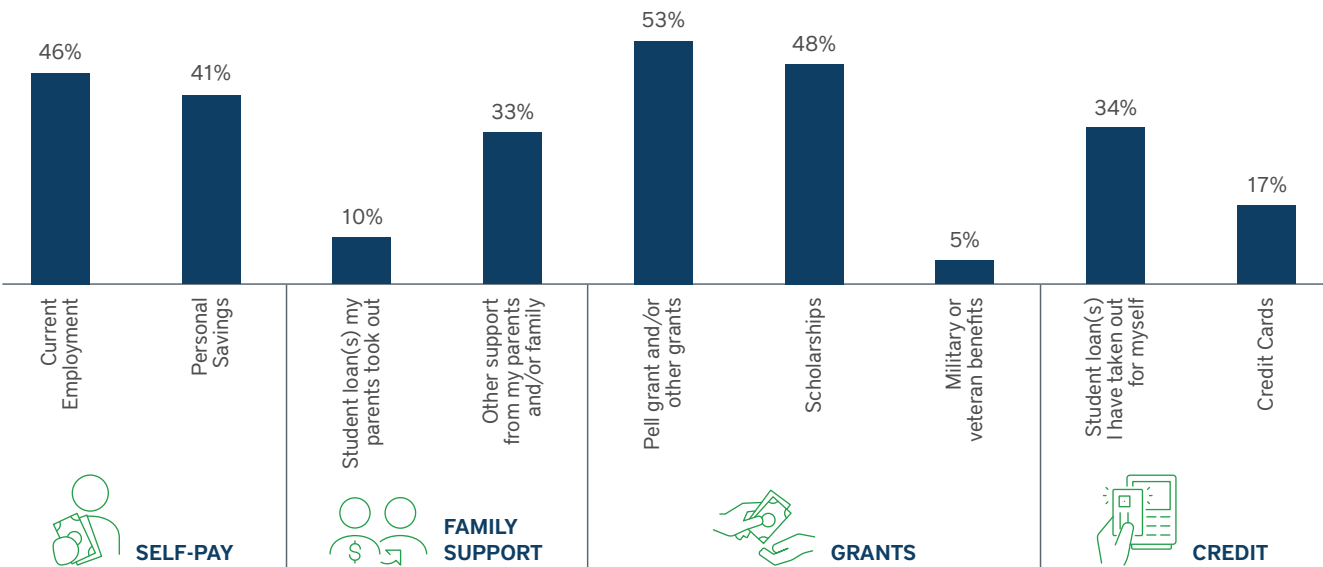
Introduction

The vast majority of undergraduate students use multiple resources to help pay for their cost of education. Even though most students work while enrolled, earnings from work are rarely enough to cover the full cost of attendance. Many respondents reported using earnings from their current employment or savings to pay for college, but only five percent used solely these self-financing methods. While it may have once been possible to cover the cost of college only through working while enrolled, that has not been a realistic option for decades.

Sources Used to Pay for College

Among undergraduate students, more than half reported using Pell grants or other grants and almost half reported using scholarships and current employment to help pay for college, as found in the fall 2024 Student Financial Wellness Survey (SFWS). About a third of respondents borrowed student loans and a third had financial help from family. Smaller percentages of respondents reported putting college costs on credit cards, having parents take out loans for their education, or using military benefits. This generally matches nationally representative data from the National Postsecondary Student

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



Aid Study for 2019-2020 undergraduate students, which show that 64 percent of students received a grant from any source, 34 percent had a federal student loan, and four percent had parents who took out federal loans for their education during that year.

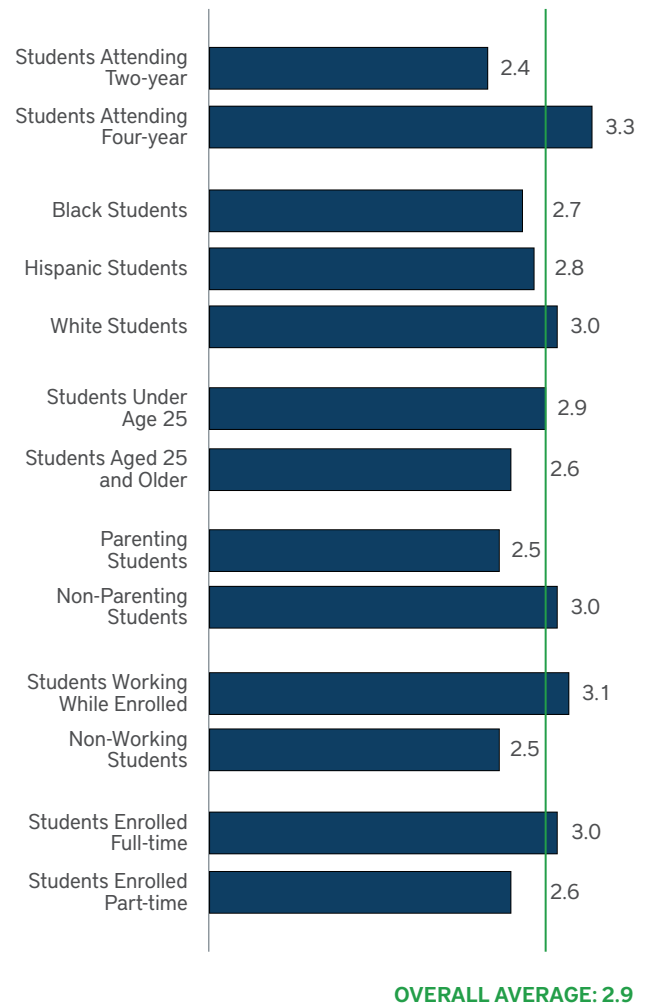
The average undergraduate respondent reported using 2.9 different resources to pay for college, though there were some significant differences between different groups. Respondents attending four-year institutions, white respondents, respondents under age 25, non-parenting respondents, respondents who worked while enrolled, respondents not in their first year, and full-time respondents all reported using a higher number of different resources to help pay for college compared to their peers.

Self-Financing College

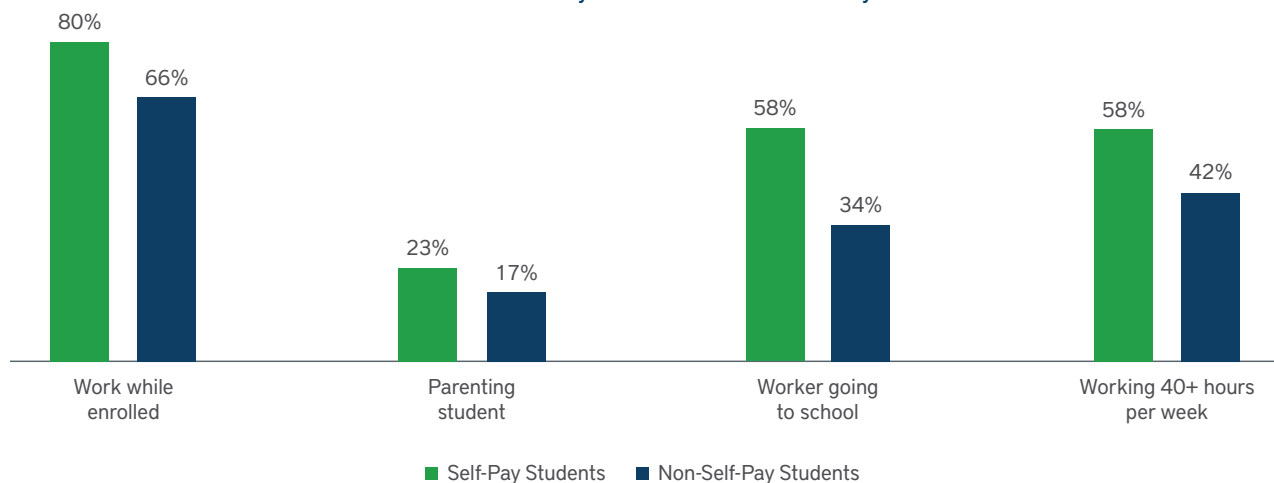
Across all undergraduate SFWS respondents, only five percent reported using only self-pay resources (i.e., current income and/or savings) to pay for college, though this varied some by sector. Eight percent of two-year respondents used only self-pay resources compared to just two percent of four-year respondents.

Self-pay only students tended to be older and more likely to be parents compared to their non-self-pay peers. Students using only self-pay resources were more likely to work while enrolled, and working self-pay students reported working longer hours than working students who had used additional methods to pay for school, with 58 percent of self-pay students working 40 or more hours per week compared to 42 percent of non-self-pay students. These working self-pay students mostly saw themselves as workers who go to school, rather than students who work. However, self-pay students were much more likely to be attending part-time, extending the time needed to earn their degree – 67 percent of self-pay

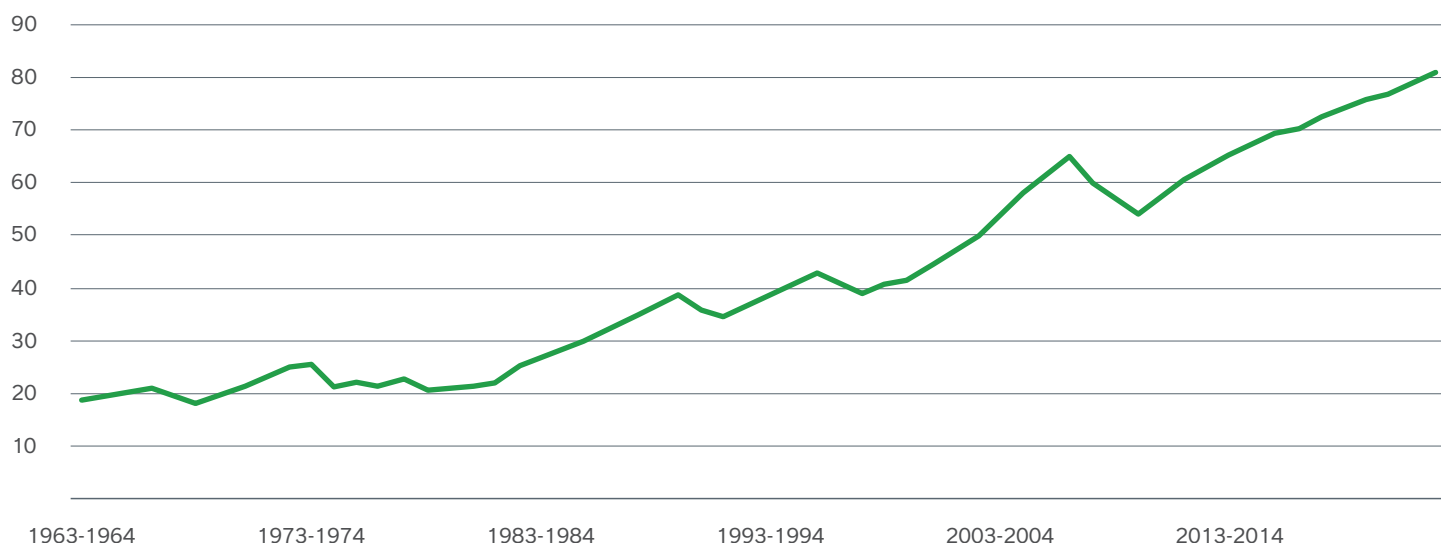
**Average Number of Resources
Used to pay for College
by Student Characteristic**



Characteristics of Self-Pay Students and Non-Self-Pay Students



Hours of Minimum Wage Work per Week Needed to Pay for Two Semesters
of an Average Undergraduate Education at a Public University



students were enrolled part-time compared to 33 percent of students who used additional resources to help pay for school. Using income from work to fully fund higher education costs is not a realistic option for most students to earn their degree in a timely way.

The Myth of Working Your Way Through College

As shown in the SFWS data, very few students pay for college entirely with their savings and work income, though this used to be easier. In earlier decades, students could finance an undergraduate education by taking a full course load while working enough hours to cover living and educational expenses, perhaps with the aid of savings from a summer job.

From 1966 to 1981, a time in which the minimum wage increased fairly regularly, an industrious undergraduate could have paid for two semesters of education at a public university (tuition, food, and housing) by working about 20-25 hours per week at a minimum wage job. Starting in the early 1980s and through the 1990s, as the cost of education increased and minimum wage increases grew infrequent, the number of work hours needed to pay for an education began to rise, and rose sharply at the turn of the century and again after the 2008 economic recession. The last federal minimum wage increase was in 2009, ushering in the current upward trend.

As of the 2022-2023 school year, an undergraduate attending a public four-year institution in the U.S. would have had to work 81¹ hours per week every week of the year to pay for the cost of attendance for two semesters.

Conclusion

Nearly all students reported using resources other than just their savings or income from employment to pay for college. Those who were able to use only these self-pay resources tended to be more financially secure than those who relied on other resources, but this represented only five percent of respondents. The average respondent reported using 2.9 different resources, though certain groups of students, such as working students and students attending four-year institutions, reported using more resources compared to their peers. College tuition has risen faster than wages, particularly minimum wage, over the past several decades, making it nearly impossible for students to afford the cost of college through work and savings alone.

¹ The average weighted student budget for an undergraduate at a public four-year university in AY 2022-2023 was \$28,562. In 2022, the minimum wage was \$7.25 per hour, with 6.2 percent taken out for Social Security. At a net of \$6.80 per hour, a full-time student with no other financial aid or assets would have to work 4,200 hours per year, or 81 hours per week, to cover the student budget.

Sources

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Cornett, A. (2025). Fathers in College: Navigating Family, Finances, and Wellbeing. Trellis Strategies.

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Pillars of Support: Results from an Evaluation of the Parenting Students Project at Austin Community College

Plumb, M. H. & Wheeler, P. E. (2025). Pillars of support: Results from an evaluation of the Parenting Students Project at Austin Community College. Trellis Strategies. <https://www.trellisstrategies.org/research-studies/pillars-of-support-results-from-an-evaluation-of-the-parenting-students-project-at-austin-community-college/>

Parenting Students: What They Need and What Institutions Can Do

Plumb, M. H. (2025). Parenting Students: What They Need and What Institutions Can Do. Trellis Strategies.

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