

## **Research Report**

### **Assessment of Financial Literacy in Current DPT Students: Will They be Ready to Manage Educational Debt?**

#### **Background/Purpose**

Average annual tuition costs for Doctor of Physical Therapy (DPT) education increased by an average of 32% across all institutions from 2009 to 2019. Inflation was 17.2% during the same period.<sup>1</sup> DPT total program costs rose from \$25,642 to \$64,993 at public institutions and \$64,313 to \$112,714 at private institutions during the decade. A recent survey identified average DPT education debt at the time of graduation to be \$142,489, with 80% of this amount stemming from graduate school.<sup>1,2</sup> Student debt is linked to burnout, lower physical and mental health, higher stress levels, and delaying major life decisions.<sup>1,3</sup> In 2020, the Education Leadership Partnership (ELP) Student Debt Task Force and American Physical Therapy Association (APTA) identified improving financial literacy as one strategy to help with financial strain in early career physical therapists.<sup>1,4</sup> APTA recently published website financial education resources, but it is unknown if students access the site prior to matriculation. Only one study on financial literacy in DPT students has been identified in the literature, and their scores were not reported apart from the other six graduate health professional student groups in the study.<sup>5</sup> No other papers have assessed the utilization of the APTA's resources. The purpose of this study was to assess matriculating DPT student (1) financial literacy near the time of matriculation and (2) anticipated student debt at two institutions with DPT educational programs; and (3) to determine if students are aware of, and accessing, available APTA financial resources.

#### **Methods**

156 entering DPT students were included in the study. The questionnaire included 22 financial literacy questions selected from several published studies and used by financial agencies. Domains included: saving (6), credit and borrowing (6), investing (5) and student loan literacy (5).<sup>6,7,8,9,10</sup> In addition, demographics, previous levels of financial education, awareness of APTA resources and anticipated debt at graduation were collected. An electronic survey was emailed to students prior to starting their program and during program orientation.

#### **Results**

The survey response rate was 80%. The average age of respondents was 24 years. Overall, respondents answered 57% of the financial literacy questions correctly, 81% correct on the saving domain, 54% on credit and borrowing, 42% on investing and 47% on loan literacy. 46% of students estimated loans at graduation > \$100,000 and 61% estimated loans > \$80,000. 40% had personal financial debt other than educational loans. 86% had never looked at APTA resources and 58% reported no previous financial education.

#### **Conclusions**

Participants demonstrated low levels of financial literacy overall, yet better than previous studies on people in similar age groups.<sup>5,11</sup> However, they had low levels of student loan literacy and scores below those from a previous study.<sup>12</sup> The respondents anticipate high post-graduate student loan debt, and few had accessed available APTA resources. Based on the results of this pilot study, matriculating students may benefit from a financial literacy curriculum before or during their DPT education to make sound financial decisions. Further research would provide additional information on the utility and benefits of resources and impact on future financial decisions.

## References

1. American Physical Therapy Association. Impact of Student Debt on the Physical Therapy Profession: A Report from the American Physical Therapy Association. [apta.org](https://www.apta.org/contentassets/ee2d1bb7f9d841c983d0f21bb076bb79/impact-of-student-debt-report.pdf). <https://www.apta.org/contentassets/ee2d1bb7f9d841c983d0f21bb076bb79/impact-of-student-debt-report.pdf>. Published June, 2020. Accessed February 12, 2021.
2. Commission on Accreditation in Physical Therapy Education. Aggregate Program Data - 2018-2019 Physical Therapist Education Programs Fact Sheets. [capteonline.org](https://www.capteonline.org/globalassets/capte-docs/aggregate-data/archive/pts/capte_2019ptaggregatedata.pdf). [https://www.capteonline.org/globalassets/capte-docs/aggregate-data/archive/pts/capte\\_2019ptaggregatedata.pdf](https://www.capteonline.org/globalassets/capte-docs/aggregate-data/archive/pts/capte_2019ptaggregatedata.pdf). Published April 22, 2019. Accessed February 9, 2021.
3. Ries E. Beating Burnout. *PT in Motion*. February 2019. <http://apta.org/PTinMotion/2019/2/Feature/Burnout/>. Accessed January 20, 2021.
4. Education Leadership Partnership. Student Debt Task Force Final Recommendations Report, 2020. Published April 27, 2020. Accessed October 15, 2020.
5. Mulligan EP, Dickson T, DeVahl J. Financial literacy among health professions graduate students. 2020. *J Allied Health*. 2020;49(3):181-189.
6. Financial Industry Regulatory Authority. FINRA Investor Knowledge Quiz, 2020. [https://tools.finra.org/knowledge\\_quiz/](https://tools.finra.org/knowledge_quiz/). Accessed April 8, 2021.
7. National Financial Educator's Council. National Financial Capability Test. Financial Education Testing Center. <https://www.financialeducatorsCouncil.org/financial-education-testing-center/>. Accessed April 5, 2021.
8. National Financial Educator's Council. Student Loan Test. Financial Education Testing Center. <https://www.financialeducatorsCouncil.org/financial-education-testing-center/>. Accessed April 3, 2021.
9. US Department of Education. Student Loan Literacy Test. <https://www.savingforcollege.com/article/test-your-student-loan-literacy-and-financial-literacy>. Accessed April 2, 2021.

10. Clark RL, Lusardi A, Mitchell OS. Financial fragility during the COVID-19 pandemic." *AEA Papers and Proceedings*. 2021;111:292-96. DOI: 10.1257/pandp.20211000.
11. de Bassa Scheresberg C. Financial literacy and financial behavior among young adults: evidence and implications. *Numeracy*. 2013;6(2):Article 5. DOI:<http://dx.doi.org/10.5038/1936-4660.6.2.5>
12. Anderson DM, Conzelmann JG, Lacy TA. The state of financial knowledge in college: new evidence from a national survey. Santa Monica, CA: RAND Corporation, 2018. [https://www.rand.org/pubs/working\\_papers/WR1256.html](https://www.rand.org/pubs/working_papers/WR1256.html).