

Student Loans - Stated versus Perceived Attitudes

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This research is focusing on the Israeli engineering student and explores his attitudes regarding the dilemma: financing the education by loans, or by work. Taking a loan makes economic sense, and a loan can be considered as an investment that produces benefits immediately after graduation. The research results indicate two prevalent attitudes amongst the students: (1) Working during studies harms academic achievements. (2) Taking a loan is a responsible act. Simultaneously, this study reveals that, despite the benefits of loans, most of the engineering students in Israel search for work during their studies; only a slight minority of them takes loans during studies. How can this irrational behavior be interpreted? What is the explanation for this disparity between the stated attitudes of the students and their regular behavior? Consideration of the 'Value Curve' and the 'Norm Theory' may offer some insights into this disparity.

According to the 'Value Curve', a student perceives taking a loan as a larger risk in comparison with his anticipated income upon graduation.

Consistent with the 'Norm Theory', a student will decide to work during the period of studies if it seems to him that this is the accepted norm in his social circle. Even if the investment of the student's time in his studies is seen as reasonable and acceptable in his social circle, the student will still tend to work as long as work is perceived by him as the norm.