

Building Your Financial Education Program



Agenda



- ◆ Making the case (25 min.)
 - Are you smarter than a 12th grader?
 - Define Financial Literacy
 - Recommendations for putting together a program
 - Resources
- ◆ Let's chat! (25 min.)
 - Does your institution have...?
 - What if...?
- ◆ Tips from your peers (10 min.)

Are you smarter than a 12th grader?



Inflation can cause difficulty in many ways. Which group would have the greatest problem during periods of high inflation that last several years?

- A. Older, working couples saving for retirement.
- B. Older people living on a fixed income.
- C. Young couples with no children who both work.
- D. Young working couples with children.

Are you smarter than a 12th grader?



Correct answer is B. Older people living on a fixed retirement income.

- 12th grade students: 40%
- College students: 5.7%

Are you smarter than a 12th grader?



Which of the following statements about sales tax is true?

- A. The national sales tax is 6%.
- B. The federal government will deduct it from your paycheck.
- C. You don't have to pay the tax if your income is very low.
- D. It makes things more expensive to buy.

Are you smarter than a 12th grader?



Correct answer is D. It makes things more expensive to buy.

- 12th grade students: 40%
 - 27.2% thought it was a 6% national rate.
 - 25.5% thought it was deducted from paychecks.

- College students: 57%
 - 28.2% thought it was a 6% national rate.
 - 12.7% thought it was deducted from paychecks.

Are you smarter than a 12th grader?



Your take home pay is less than the total amount you earn. Which of the following best describes what is taken out of your total pay?

- A. Social security and Medicare contributions.
- B. Federal income tax, property tax, and Social Security, and Medicare contributions.
- C. Federal income tax, Social Security and Medicare contributions.
- D. Federal income tax, sales tax, and Social Security, contributions.

Are you smarter than a 12th grader?



Correct answer is C. Federal income tax, Social Security and Medicare.

- 12th grade students: 56.4%
 - 21.2% thought property tax was deducted.
- College students: 74.2%
 - 12.5% thought property tax was deducted.

Define Financial Literacy



- Ability to analyze, manage and communicate about the personal financial conditions that affect material well-being.
- Ability to discuss money and financial issues without discomfort.
- Ability to make informed judgments and to take effective actions regarding the current and future use and management of money.

Why do students need to be financially literate?



Institution Type	% Borrowed	Cumulative Debt
4-year public	61.7%	\$17,277
4-year private	72.8%	\$21,957
4-year for-profit	87.3%	\$28,138
2-year public	33.2%	\$9,387
2-year private	69.1%	\$12,326
2-year for-profit	90%	\$12,107

Source: 2003-04 National Postsecondary Student Aid Study

Why do students need to be financially literate?



- Average credit card debt.
 - Graduate students
 - ✓ 2006 - \$8,612
 - Undergraduate students
 - ✓ 2008 - \$3,713
 - ✓ 21% had balances between \$3,000 - \$7,000
 - ✓ Only 15% of first-year-students had zero balances

Source: How undergraduate students use credit cards – Sallie Mae's national study of usage rates and trends, 2009.

Why do students need to be financially literate?



- Furthermore...
 - 60% were surprised at how high their credit card balances were.
 - 40% charged expenses they knew they didn't have the money to pay off.
 - 82% carried a balance month-to-month.

Source: How undergraduate students use credit cards – Sallie Mae's national study of usage rates and trends, 2009.

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A Guide to Implementing Financial Literacy Education



- Please see the handout.

Resources



- Please see the handout.

Let's chat!



- What are you currently doing?
- Do you have any recommendations for programs?
- What advice do you have for those looking to start a new program?

Questions?



Contact information



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A Guide to Implementing Financial Literacy Education

Financial literacy is a growing national concern, and a variety of financial literacy education resources are available to address this concern. But how do you know which financial literacy program is right for your school? Start by answering the following high-level questions:

- ◆ What is your main objective or goal for implementing a financial literacy initiative?
- ◆ When would you like to have your program up and running?
- ◆ Who are the key stakeholders that will be responsible for the program?
- ◆ What is your budget for implementing and supporting the program?
- ◆ How will you know that your goal has been accomplished?



After you determine your goal, target implementation date, key stakeholders and budget, you can begin working through the details that will help you narrow your financial literacy focus. Consider the following questions:

- ◆ How and when will you deliver the program?
- ◆ Who is your target audience?
- ◆ What will the course content and materials cover?
- ◆ Who will be responsible for managing the program?
- ◆ How will you measure the program's success?

Delivery

- ◆ Will the information be delivered passively (through posters, brochures or a website) or actively (during scheduled presentation times, as part of a class, or with other events)?
- ◆ Who will deliver the program?
 - Staff, faculty or several departments?
 - Can you use a mentor or peer-to-peer approach?
 - Can you use graduate students or alumni?
- ◆ When will you deliver the program?
 - One time only, once each term, multiple times per term, each year, or as an ongoing program?
 - Will you plan an annual financial literacy calendar for scheduling presentations?
- ◆ How will the information be delivered?
 - Individually or in groups?
 - In person, by paper, electronically, or through a combination of several delivery methods?
- ◆ Is there a default prevention plan that already includes a financial literacy component?
- ◆ Will you have financial literacy information on your website?
- ◆ When will you begin your financial literacy program?
- ◆ What technology or media is available for you to use?

Audience

- ◆ What student groups do you want to target with this information?
- ◆ Will you start with a smaller target audience, with plans to expand if successful?
 - Audiences could include freshmen, sophomores, first-generation students, education loan borrowers, students on probation, work-study students, transfer students and graduating students.
- ◆ Will you incorporate the financial literacy information into an existing program such as freshman orientation?
- ◆ Will you coordinate your financial literacy program with other events on campus?

Course Content and Materials

- ◆ Do you have a lesson plan? Do you need to make one?
- ◆ How will you determine what information to present?
- ◆ What is most relevant for your students?
- ◆ Will you create your own materials, use something already provided, or offer a combination of both?
- ◆ Who will assist with presenting financial literacy content? How will you determine who presents what information?
- ◆ How will you reinforce your messages?
- ◆ How will you capture the attention of your students?
- ◆ If presenting in person, how much time do you have to deliver your content?
- ◆ Where will you hold your sessions? Is the environment conducive to productivity?
- ◆ How will you "sell" it to your students? Will you advertise your course?
- ◆ What are the benefits for all involved?
- ◆ What outside resources are available for your use?
- ◆ Will you have outside "partner" assistance?
- ◆ Could faculty be involved?
- ◆ Is there cost involved? If so, will you pass that cost on to students?

Responsibility

- ◆ Is there someone "in charge"? Who is responsible for implementation?
- ◆ Which departments will be involved? What campus positions will be involved?
- ◆ What challenges or barriers do you need to overcome in order to implement your program?
- ◆ Will your courses or sessions be mandatory?
- ◆ Will the student receive credit or extra credit for taking this program?
- ◆ What do you need to help you accomplish your overall goal?

Measurement

- ◆ How will you evaluate the effectiveness of your program?
- ◆ Do you intend to incorporate tests or challenge questions to measure student learning?
- ◆ Will you survey students about their experience with the program?
- ◆ How do you plan to communicate lessons learned along the way?
- ◆ How will you measure behavioral changes?
- ◆ How will you evaluate trends in borrowing, debt levels and savings?
- ◆ Will you review research prior to implementing?



Syracuse University's Office of Financial Aid and Scholarship Programs financial literacy program

A multi-leveled financial literacy program designed to provide financial management tools to undergraduate and graduate students throughout their education. Officially announce in April 2010.

Program includes:

Life Skills: a web based, self directed financial literacy program that provides students with financial information, tips, and skills necessary to be financially successful.

Money Awareness Program (M.A.P): A two-part program; a two-part program. The first part is the replacement of student loans with grants, and the second part requires each participating student to complete a financial literacy session once a semester.

Federal TEACH Grant: Provides grants of up to \$4,000 per year to students who intend to teach in a public or private elementary or secondary school that serves students from low-income families.

"I Otto Know This!"- E-News: Electronic newsletter which provides financial information to help students better understand how to manage their money.

Financial Literacy Presentations: Provides group presentations on various financial topics per request from organizations on and off campus.

Financial Education Resources

Budgeting and Managing Your Debt:

<http://www.mint.com/>

<https://powerpay.org/>

College Costs:

<http://www.collegeboard.com/student/pay/add-it-up/4494.html>

Credit Card Search:

<http://www.cardratings.com/cardrepfr.html>

<http://www.cardtrak.com/>

Credit Scoring:

<http://www.myfico.com/CreditEducation/WhatsInYourScore.aspx>

Financial Aid:

<http://www.finaid.org/>

Financial Calculators:

<http://www.dinkytown.net/>

http://finance.toolkit.com/financial_calculators/

Financial Literacy:

<http://www.usafunds.org/schools/Pages/LifeSkills.aspx>

<http://www.getrichslowly.org/blog/>

<http://www.jumpstartcoalition.org/>

<http://www.jumpstart.org/fileindex.cfm>

<http://practicalmoneyskills.com/index.php>

<http://www.cashcourse.org/home/>

<http://www.mappingyourfuture.org/Money/>

<http://www.fdic.gov/consumers/consumer/moneysmart/index.html>

<http://www.yacenter.org/>

<http://pfp.missouri.edu/financial/>

<http://financialtip.blogspot.com/>

Free Credit Report:

<https://www.annualcreditreport.com/cra/index.jsp>

Identity Theft:

<http://www.ftc.gov/bcp/edu/microsites/idtheft/>

Interest Rates:

<http://www.bankrate.com/>

Investor Education:

<http://www.finra.org/>

<http://www.dollarsfromsense.com/>



Tips to create or re-define your financial literacy program:

- Promote USA Funds Life Skills across campus and reach out to other departments such as the office of supportive services, residence life, the parents' office as well as first-year and transfer offices.
- Brand your financial literacy program so people start to recognize it and know what it means.
- Stage an event to announce or launch your financial literacy program, and invite the campus and off-campus media, and include other departments around campus.
- Work with resident assistants on campus to incorporate financial literacy into their programs because students are more likely to listen to other students than an adult.
- Track the data included in USA Funds Life Skills showing the life lessons students complete and their scores on pre- and post-tests. Use the information to understand the topics that grab students' interest, then schedule presentations and workshops based on those topics. Another plus: show the administration how much students are learning and benefiting from USA Funds Life Skills.

Tips from Patricia Scott, University of Maryland - Baltimore

- **Do a survey of the student population to see what their interest level is**
- **Review the results and think of how best to provide the services to the students – group or individual – paper/web based or both**
- **Get institutional buy in especially showing how the program can assist with the reduction of the amount of debt borrowed by students**
- **Use ideas already available to you such as USA Funds Life Skills**
- **Partner with the local Consumer Credit Counseling Agency for programs to help students understand credit**
- **If you can hire someone who is dedicated to this function, that is a plus. This person could also be responsible for skip tracing and entrance and exit counseling**
- **Train all staff on what financial literacy is and how they can help students reduce their debt by borrowing only what they need**
- **After 1 year revisit how well the program has been received – survey students again and this time include other campus personnel that deal with students**
- **Be flexible and open to change – you may have to offer multiple programs because one size will not fit all students.**