

## Financial Literacy: What you Need to Know to Educate Your Students



 GREAT LAKES

---

---

---

---

---

---

---

---

### We Know That...

Financial Literacy Makes a Difference

**“High school and college students who are exposed to cumulative financial education show an increase in financial knowledge, which in turn drives increasingly responsible financial behavior as they become young adults.”**

Source: Visa, 2010

 GREAT LAKES

---

---

---

---

---

---

---

---

### However....

**A new report shows that the financial education movement is losing momentum.**

Source: Time Business and Money, March 2012

 GREAT LAKES

---

---

---

---

---

---

---

---

## Four Major Stumbling Blocks

- Four major stumbling blocks to building a successful financial literacy program
  - Don't know how to get started
  - Limited time
  - Limited resources
  - Difficulty reaching students



---

---

---

---

---

---

---

---

## Agenda

- Identifying the goals of your financial literacy program
- Develop a financial literacy team
- Planning the program
- Engaging your students
- Getting the word out
- Developing your program



---

---

---

---

---

---

---

---



## Identify Goals

---

---

---

---

---

---

---

---

### What Do You Want to Accomplish?

- Identify your school's needs
  - Reduce cohort default rate
  - Increase retention
  - Improve overall student success
- Identify your student's needs
  - Reduce over-borrowing
  - Minimize credit card debt
  - Improve money management



---

---

---

---

---

---

---

---

### Assess Your Student's Needs

- Internal sources
  - What are students most concerned about?
  - What issues do you hear regarding money from students?
  - What are their reasons for withdrawal?
  - What are their reasons for requests of emergency loans and additional loan funds?



---

---

---

---

---

---

---

---

### Assess Your Student's Needs

External sources

**Top Five Things That Stress College Students:**

- #1 Need to repay loans
- #2 Cost of education
- #3 Borrowing money for college
- #4 Need to find a job after school
- #5 Academic challenge of course work

Source: Time Business and Money, July 2012



---

---

---

---

---

---

---

---

## Assess Your Student's Needs

External sources  
**Top Money Mistakes College Students Make:**

- Abusing student loans
- Running up credit card debt
- Ruining their credit score
- Eating off campus
- Lending money to "new friends"
- Not having a budget
- Sharing personal information
- Being pressured into spending money
- Avoiding money classes

Source: CBS Money Watch, March 2011



---

---

---

---

---

---

---

---



## Develop a Team

---

---

---

---

---

---

---

---

## Develop a Team

- Developing a financial literacy team is good, particularly if time and resources are limited
- Benefits of a team approach
  - Increases buy-in from across the campus
  - Pulls together ideas, skills, and resources from other departments



---

---

---

---

---

---

---

---

### Develop a Team



**Which departments would be beneficial to a financial literacy team?**



---

---

---

---

---

---

---

---

### Educate the Team

- Begin by sharing facts with team members
  - Goal of the financial literacy initiative
  - How financial literacy impacts student success
  - Previous or existing financial literacy programs or initiatives
  - Needs assessment results



---

---

---

---

---

---

---

---

### Define Roles and Responsibilities

- Establish an agenda to include the purpose and goals
- Determine the frequency of regularly scheduled meetings
- Identify team lead
- Share projected financial contribution and/or time commitment from each department



---

---

---

---

---

---

---

---



**Plan the Program**

---

---

---

---

---

---

---

---

**Matchmaking**

- Once you've identified your goals, select or develop a program that will help you achieve them and fits your time and resources



---

---

---

---

---

---

---

---

**Determine the Target Audience**

- Who do you want to reach?
  - All students
  - Freshmen
  - Graduating seniors
  - Particular majors
  - Students who request private or unsubsidized loans
  - Students near their aggregate limit
  - At-risk



---

---

---

---

---

---

---

---

### Determine the Target Audience



Who are your at-risk students?



---

---

---

---

---

---

---

---

### Determine the Type of Program

- Online program
- Voluntary seminars
- Presentations
  - In-class
  - As part of an existing program
- Peer counseling
- Course curriculum
- Office dedicated to financial education



---

---

---

---

---

---

---

---

### What's the Target Date?

- When would you like to have it up and running?
  - Can roll out in phases
  - Set realistic target date



---

---

---

---

---

---

---

---

### Determine the Measurements



How will you know it's working?



---

---

---

---

---

---

---

---



### Engage Your Students in Financial Literacy

How do you get students interested?

---

---

---

---

---

---

---

---

### Lectures (can be) Boring



- The average adult attention span is 10 minutes
- During lectures students use several coping strategies
  - Send texts
  - Doodle
  - Chat with friends
  - Sleep



---

---

---

---

---

---

---

---

## Learning Theory

Students retain:

- 10% of what they read
- 20% of what they hear
- 30% of what they see
- 50% of what they see and hear
- 70% of what they see and write
- 90% of what they do



---

---

---

---

---

---

---

---

## Students Learn Differently

- Engage students by appealing to their learning styles
  - Visual – learn by seeing
    - Handouts with pictures and diagrams
    - Visual aids such as flipcharts
  - Auditory – learn by hearing
    - Podcasts
    - Discussions
  - Kinesthetic – learn by moving or doing
    - Activities
    - Assignments



---

---

---

---

---

---

---

---

## How to Engage Students

- Use different speakers to grab and keep the student's attention
  - Captivating speakers
    - Motivational
  - Relatable speakers
    - Students or recent graduates
  - Credentialed speakers
    - Outside organization they respect



---

---

---

---

---

---

---

---

### How to Engage Students

- Consider offering a mix of programs with different delivery methods
- Let students talk and be active every chance possible during the presentation/seminar
- Allow students to connect their life experiences to the classroom lesson



---

---

---

---

---

---

---

---

### How to Engage Students

- Encourage students to use their technology during the presentation/seminar



---

---

---

---

---

---

---

---

### Activities



**What types of activities can be used to engage students?**



---

---

---

---

---

---

---

---



**Get the Word Out**  
Now that you have your program planned,  
how do you get them to come?

---

---

---

---

---

---

---

---

**Timing and Location are Important**

- Determine the date and time most convenient for your students
- Plan program with or around major event
- Schedule location easiest for your students



---

---

---

---

---

---

---

---

**Get the Word Out**

- Determine the most effective way to reach your target audience
  - Social networks
  - Flyers
  - Text messages
  - School website
  - Email
  - LED/flat panel display



---

---

---

---

---

---

---

---

### Use the Power of Influence

- Identify a campus champion to promote your program
- Ask faculty to promote your program in their classes
- Utilize student leaders to invite other students



---

---

---

---

---

---

---

---

### Promote the Freebies

- Use the freebies that are important to your students
  - Food
  - Giveaways
  - Raffles
  - Extra credit



---

---

---

---

---

---

---

---



### Develop Your Program

What do students need to know most?

---

---

---

---

---

---

---

---

## Determine Topics

- Determine topics through
  - Internal and external needs assessments
  - Needs of your target audience
- If an assessment is not possible, ensure students know the basics of:
  - Budgeting
  - Credit Management
  - Loan Repayment

```
graph TD; B[Budgeting] --- CM[Credit Management]; CM --- LR[Loan Repayment]; LR --- B;
```

GREAT LAKES

---

---

---

---

---

---

---

---

## Budgeting

- Benefits of budgeting
- Overcoming the obstacles of budgeting
- What should be included in a budget
- Ways to reduce spending
- Cost of spending leaks, conveniences, and mistakes
- Importance of saving

GREAT LAKES

---

---

---

---

---

---

---

---

## Credit Management

- What is credit
- Role of credit bureaus
- Difference between a credit report and credit score
- What your credit report say about you
- Different types of credit (installment, revolving, mortgage)
- How to request a free copy of your credit report and the importance of checking it regularly

GREAT LAKES

---

---

---

---

---

---

---

---

### Credit Management

- Who is FICO
- The five components that make up a credit score (and what is not included in a credit score)
- The importance of paying credit accounts on time and keeping balances low (credit utilization)
- Benefits of having good credit and the penalties of negative credit



---

---

---

---

---

---

---

---

### Credit Management

- How student loans impact credit
- How to build a credit history
- Implications of credit cards
- What is an APR and the cost of using credit
- How to limit debt
- How to repair credit



---

---

---

---

---

---

---

---

### Loan Repayment

- The cost of borrowing
- Repayment options
- Changing repayment plans
- Benefits and drawback of each repayment plan and consolidation
- How to qualify for forgiveness programs



---

---

---

---

---

---

---

---

## Loan Repayment

- How to use NSLDS
- Consequences of delinquency and default
- Importance of updating your contact information
- Importance of contacting your lender/servicer



---

---

---

---

---

---

---

---



## Resources and Conclusion

---

---

---

---

---

---

---

---

## Resources

- [360financialliteracy.org](http://360financialliteracy.org)
- [Jumpstart.org](http://Jumpstart.org)
- [Mymoney.gov](http://Mymoney.gov)
- [Annualcreditreport.com](http://Annualcreditreport.com)
- [Practicalmoneyskills.com](http://Practicalmoneyskills.com)
- [Nefe.org](http://Nefe.org)
- [Creditkarma.com](http://Creditkarma.com)
- [Financialit.org](http://Financialit.org)



---

---

---

---

---

---

---

---

## Conclusion

- Make financial literacy a campus-wide, coordinated effort
- Conduct a needs assessment to determine what students want/need
- Identify target populations to include students at greatest risk
- Make it a fun, engaging learning experience
- Implement a measurement to determine if it's working



---

---

---

---

---

---

---

---

## Conclusion

**“Financial literacy can help prevent younger people from making poor financial decisions that can take years to overcome.”**

— Alan Greenspan



---

---

---

---

---

---

---

---

## Thanks for Attending



© Great Lakes Higher Education Corporation & Affiliates

---

---

---

---

---

---

---

---