

Financial Literacy II – Getting Your Plan Moving



Presented by:
Ruth Sharp, Bursar



Agenda

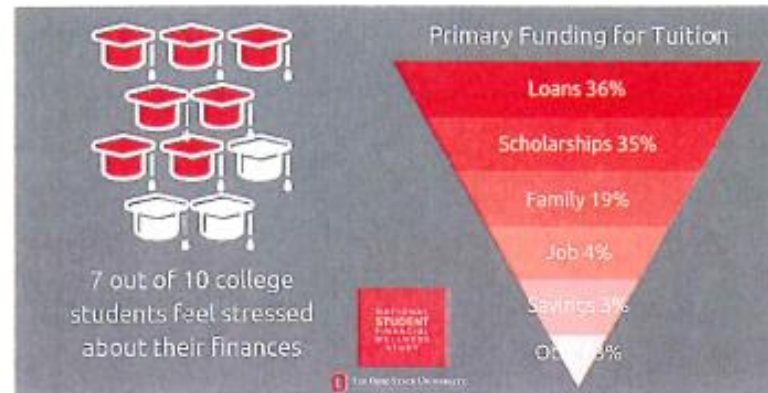
- Introduction
- Overview to get your plan moving:
 - Effective program traits
 - Financial literacy topics
 - Communications templates for:
 - Upper management buy-in
 - Department outreach
 - Responding to the “NO’s”
 - Contacting outside vendors who are already providing services to your campus
- A list of effective student outreach techniques
- Review the Resource Vault

70 percent of college students stressed about finances

National survey finds students optimistic, despite debt and stress

By: Jeff Grabmeier

Published on July 01, 2015



- Seven out of 10 college students feel stressed about their personal finances, according to a new national survey
- Nearly 60 percent said they worry about having enough money to pay for school, while half are concerned about paying their monthly expenses
- In fact, 32 percent of students reported neglecting their studies at least sometimes because of the money they owed.

<https://news.osu.edu/news/2015/07/01/financial-wellness/%C2%A0>

(July 1, 2015 National Student Wellness Study, 18,975 UG students, 52 colleges & universities)

Introduction

- Student loan debt now exceeds credit card debt and has climbed to about \$1.29 trillion;¹
- Over 70% of college students leave school with student loan debt; ¹
- And the average for these loans has been estimated to be between \$29,400 and \$34,000.¹
- Total student loan debt is increasing at a rate of about \$2,853.88 per second.²

¹ FinAid, <http://www.finaid.org/loans/studentloandebtclock.phtml>,

http://ticas.org/sites/default/files/legacy/files/pub/Debt_Facts_and_Sources.pdf,

and <http://blogs.wsj.com/economics/2015/05/08/congratulations-class-of-2015-youre-the-mostindebted-ever-for-now/>

² <http://www.finaid.org/loans/studentloandebtclock.phtml>

Overview of Effective Program Traits

Student:

- Fun
- Innovative
- Memorable
- Easy to absorb

University:

- Fulfill targeted needs
- Meet budget criteria
- Has measurable results
- Purposeful - provide life skills
- Replicate



Financial Literacy Topics to Select From

General Knowledge

- Managing student account
- Student loan understanding
- Identity Theft



Debt Management

- Credit scores
- Credit reporting
- Credit card rates & terms
- Debt products
- Debt consolidation
- Costs involved with purchasing a vehicle
 - purchase
 - expense
 - maintenance

Financial Literacy Topics to Select From

Budgeting

- Personal finance
 - setting a goal
 - having a plan
- Creating a budget
- Balancing a budget
 - identifying income sources
 - controlling expenses:
needs vs. wants
- Monthly budget
- Budget cycle
- Budget percentages
 - 50/30/20

Savings

- Types & rates including:
 - emergency savings
 - retirement savings
 - retirement investing



Financial Literacy Topics - Undergrads

What do **undergraduate students** need to know about their finances?

- First-Year: Student financial services/ **managing student account**
- In progression: Students need information about making **prudent financial choices**
 - Identifying daily expenses
 - Spending trade-off's (ex. Netflix vs. movie theater, bargain store vs. Nordstrom)
 - Debt management, credit card terms, rates
 - Costs involved with a vehicle purchase/expenses versus public transportation or carpool

Financial Literacy Topics - Grads

What are the financial literacy needs of **graduate students**?

- How to manage a **budget**
- How to **cut expenses**
- For some, making choices between **debt products**, or **debt consolidation**

What will the graduate students need to know when they leave school?

- Emergency **savings**
- Managing student **loan debt**
- **Investing** for their future

Communication – Upper Management

- Start with your immediate controller or VP
- Introduce the need and the benefit
- Tell them what the program will do for the university
 - Provide students with life skills (this is what the school is in business to do)
 - Perpetuates funding for future students at the university
 - Improve cohort default rate for university



Communication – Upper Management

Hello _____,

I would like to discuss the need for implementing a financial literacy program at our university

We have a need to (select one or two of the below, or add your own):

- Curtail financial clearance holds for returning students.
- Reduce attrition rates due to financial issues for returning students.
- Lessen the cohort default rate.
- Assist students in understanding the importance of protecting their personally identifiable information.
- Help ensure financial success for our students.

In doing so, we will be providing life skills for our students. Students who are financially successful are more likely to complete their education. These students who are financially successful are more likely to donate back to their alma mater. In addition, they are more likely to repay their student loans. These payments perpetuate funding for future generations. And in addition, repaying loans lowers the university's cohort default rate.

In closing, my plan is to reach out to other departments to share in this task. I would like to meet with you in two weeks to discuss my progress on this project.

Communication – Department Outreach

- Pool resources (Another area may already be working with student, helps to understand whole picture)
- Seek summer programs to capture students early in the “finance” process
- Partner with student clubs
- Target the residential life programs
- Visit the Athletics Department
- Work with the Educational Opportunity Programs (EOP)



Communication – Department Outreach

Hello _____,

I would like to discuss the possibilities of partnering with your department to implement a financial literacy program for our university students. I understand that you have a need to provide programming for students, especially during the _____ (Prefrosh, Orientation, or other time period.)

By partnering together we can (select one or two of the below, or add your own idea for helping students):

- Provide a fun and exciting workshop for our students.
- Minimize student stress by helping the students to understand financial matters.
- Curtail financial clearance holds for returning students.
- Assist students in understanding the importance of protecting their personally identifiable information.
- Provide life skills for our students' success.

In closing, I would like to understand what type of program students are most interested in, (such as game, workshop, or online resources.) Also I would like to meet back in two weeks to continue the conversation about implementing that program.

Communication – Responding to the “NO”

- Not “my” area of concern/job
 - Students understanding loan responsibilities perpetuates funding for future students
 - We are here to help our students succeed in their life
- Not “my” area of expertise
 - We do not have to be a CFP to implement financial literacy programs
- I have “budget restrictions”
 - Free available resources



Caltech

Communication – Responding to the “NO’S”

Hello _____,

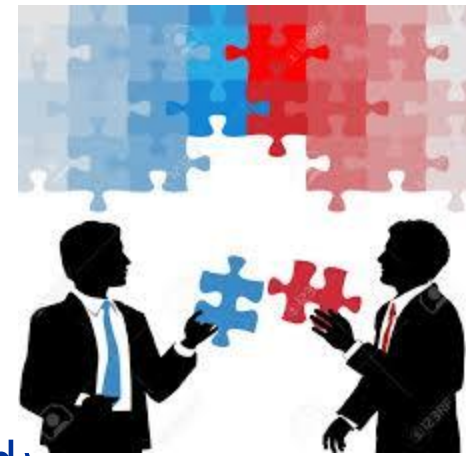
Thank you for the opportunity to meet regarding the implementation of a financial literacy program. I understand that you have concerns about implementing a program because:
(Select one of the objections below, and its rebuttal.)

1. Financial literacy programs are not part of your area of concern or job.
Remember that we are all here to help our students succeed in their life. Also, students who are financially successful have less stress and are able to focus more on their academia.
2. Providing financial literacy training is not your area of expertise.
Please keep in mind that we do not have to be a CFP to implement financial literacy programs. We only need to work together to provide information to our students in a fun and interesting way.
3. You have budget restrictions.
Please consider that there are many free available resources online for us to review. Also, we can split the cost of the lunch, paper and pencils if needed. In addition, we may be able to invite a third party resource pro bono.

In closing, I look forward to the opportunity to discuss the possibilities. Please let me know if you will be available on Tuesday or Thursday of next week.

Communication – Outside Vendor

- Already on at your campus
 - Treasury Services (bankers for operations)
 - Purchasing Services (bankers for purchasing card)
 - Human Resources (staff & faculty retirement plans)
- Independent contractor working with special groups (faculty)
 - CFP
- Third Party Processor
 - Online billing and payment providers
 - Collection companies



Communication – Outside Vendor Resources

Hello _____,

Our university is interested in implementing a financial literacy program. Our goal is to provide students with information pertaining to _____ (fill in one or two financial literacy topics.)

I am wondering if your organization would be interested in getting involved. If so, you may contact me at the below e-mail or phone number.

Note: Organizations may get involved in several ways such as providing programming, staff, or other resources including grant money. If an organization would like to get involved, be certain that their contributions will not be considered as an outside conflict in accordance with your university or upper management's policy.

Effective Student Outreach Techniques

- Form campus leadership teams
- Reach out to students using departmental resources
- Utilize online resources
 - E-mail
 - Facebook
 - Blog
 - Twitter
 - Website
 - Drop box



- Partner with outside resources from third party site postings

Effective Student Outreach – Program Vehicles

Select the tools you will use to facilitate the program:

- Online programs and apps
- Peer to peer sessions
- Video's
- Alumni participation
- Webinars and workshops kits by faculty members
- Games
- Outside industry speakers
- Certified financial planner (CFP)
- Vendor resources or participation
- Academic programs (both credit or non credit)

Program Resource Examples

Student Group	Current Programs	Sponsoring Department	Resource
Undergrad Student	Undergrad - Prefrosh Orientation	Financial Aid Office	Power point
Undergrad Student	Undergrad Billapalooza	Residence Life	Game recorded using Audacity free software
Student Specific	International Student Budget Workshop	International Student Program Office	Budget workshop introducing online budgeting tools
Student Specific	Cultivating Financial Literacy (Underrepresented Students)	Diversity Center	CFP – Outside Resource
Student Specific	Peer to Peer Program (Behavioral Issues)	Student Club & Student Health Center	Student Volunteers
Grad Student	Grad Budget Workshop	Office of Graduate Studies	Budget workshop including phone app demo
Grad Student	Foundations of Investing	TIAA-Cref	Investment Advisor - Vendor
Grad Student	Budgeting and Savings	TIAA-Cref	Investment Advisor- Vendor

Resource Vault

Visit Second Alliance's Resource Vault at:

<http://www.secondalliance.com/clients/financial-literacy-schools/>

Select tools for your program:

- Workshops,
- Webinars,
- Games,
- Videos
- Academic programs
- Program resources
- Financial literacy games
- Templates for communication

Resource Vault - Financial literacy websites

- <http://financialplan.about.com/>
- <https://www.mint.com/>
- <http://www.mymoney.gov/>
- <http://www.studentdebthelp.org/>
- <http://finance.youngmoney.com/credit-debt/>
- <https://www.upromise.com/>
- <http://www.startwithchange.com/>
- <http://www.spendster.org/>
- <http://www.collegescholarships.org/student-living/save-money.htm>
- <https://www.fdic.gov/consumers/consumer/moneysmart/index.html>



Resource Vault - Free applications

- Free Applications and Online Tools
<http://www.lifehack.org/articles/featured/the-ultimate-student-resource-list.html>
- 15 Best Online Resources for College Students
<http://www.lifehack.org/articles/productivity/15-best-online-resources-for-college-students.html>
- 15 Free Money-Saving Smart Phone Apps
<http://www.fastweb.com/student-life/articles/the-15-free-money-saving-apps-for-students>
- Consumer Reports 7 Free Shopping Apps
<http://www.consumerreports.org/cro/news/2015/11/7-free-shopping-apps-that-grab-holiday-discounts-and-deals/index.htm>
- Retail Me Not – Coupons and Promo Codes and Mobile App
<http://www.retailmenot.com/>
- 40 Money Management Tips Every College Student Should Know
<http://www.smartaboutmoney.org/Portals/0/ResourceCenter/40MoneyManagementTips.pdf>
- Textbooks – Buy, Sell, Rent and e-books
<https://www.edvisors.com/plan-for-college/money-saving-tips/save-money-on-college-textbooks/>

Resources Vault - Program development sites

- [NEFE.Org](http://www.nefe.org) National Endowment for Financial Education: is the leading private nonprofit 501(c)(3) national foundation dedicated to inspiring empowered financial decision making for individuals and families through every stage of life.
- IGRAD Games, Calculators, Resources & More
<http://www.igrad.com/FinancialLiteracyForCollegeStudents/>
- <http://www.higherone.com/knowledge-center/resources>
- [CashCourse®](http://www.cashcourse.org): is a free website providing students with financial education information for every stage of college life. While this program is available only to nonprofit colleges or universities, you can access abbreviated versions at www.cashcourse.org
- Jumpstart is an online library of financial education resources, for anyone committed to financial education for students.
[http://www.jumpstartcoalition.org/jump\\$start-clearinghouse.html](http://www.jumpstartcoalition.org/jump$start-clearinghouse.html)

Resources Vault - Credit related resources

- Obtain a Free Copy of your Credit Report
<https://www.annualcreditreport.com/index.action>
- What is a FICO Score
<http://www.myfico.com/CreditEducation/articles/>
- FICO Score Calculations
<http://www.myfico.com/crediteducation/whatsinyourscore.aspx>
- Get your Credit Score for Free
<https://www.creditkarma.com/auth/logon/>
- Household Budget Worksheet
<http://www.kiplinger.com/tool/spending/T007-S001-budgeting-worksheet-a-household-budget-for-today-a/>
- Auto Loan Calculator
<http://www.bankrate.com/calculators/auto/auto-loan-calculator.aspx>
- Mortgage Loan Calculator
[http://www.bankrate.com/calculators/mortgages/mortgage-calculator.aspx?ic_id=calc-lead auto mortgages globalnav](http://www.bankrate.com/calculators/mortgages/mortgage-calculator.aspx?ic_id=calc-lead_auto_mortgages_globalnav)
- Credit Union Education and Financial Tools
<http://www.mycreditunion.gov/Pages/default.aspx>

Resources

- Games

- Cashflow Board Game

Video <https://www.youtube.com/watch?v=bvUXf1nMU94>

Store <http://www.richdad.com/apps-games/cashflow-boardgame>

- <https://www.financialentertainment.org/>
- <http://www.practicalmoneyskills.com/games/>
- <http://www.themintgrad.org/learn/>
- <http://www.edutopia.org/>



Caltech