Effective Strategies for Building a Financial Literacy Program

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Director of Financial Literacy
Indiana University

College Success Through Financial Literacy Conference
October 14, 2013
Quick Indiana University Overview

- **110,393 Students**
  - 89,888 Undergrads

- **7 Campuses**
  - Bloomington
  - Indianapolis (IUPUI)
  - East (Richmond)
  - Kokomo
  - Northwest (Gary)
  - South Bend
  - Southeast (New Albany)

- **Average Student Loan Debt Varies by campus**
  - Low – Southeast ($23,532)
  - High – Northwest ($31,686)
  - State of Indiana Average - $27,500
Indiana University Affordability Initiative

- Designed to reduce costs and slow student borrowing
  - “Finish in Four” Tuition Freeze
- Office of Financial Literacy
  - Established in July 2012
  - Guidance & consultation from University-wide task force
  - Sponsored by the Office of the Treasurer
  - Provides programming for all 7 campuses
  - Responsible for development and monitoring of effectiveness of programming
SURVEY SAYS...
Kevin Fosnacht 2013 ACPA NSSE Survey
(6,243 Students)

- Worry About Having Enough Money for Regular Expenses/Paying For College: 60%
- Reported Not Participating in Activities Because of Lack of Money: 40%
- Financial Concerns Impacted Academic Performance: 30%
- Did Not Buy Supplies to Cut Expenses: 20%
- Contemplated Withdrawing Due to Cost: 10%
IUPUI Spring 2013 “Pulse” Survey

To What Degree Do You Believe Financial Concerns are Negatively Influencing Your Academic Performance?

- 17% - Not At All
- 21% - Somewhat
- 23% - Quite a Bit
- 39% - Very Much

To What Degree Does Your Potential Student Loan Debt Cause You Concern?

- 15% - Not At All
- 20% - Somewhat
- 26% - Quite a Bit
- 38% - Very Much
IUPUI Spring 2013 “Pulse” Survey

To what degree does your family, parents, spouse, etc., support you financially in support of your degree goal?

- Underrepresented Minority Group: 2.15
- Non-Underrepresented Minority Group: 2.56

To what degree does your potential student loan debt cause you concern?

- Underrepresented Minority Group: 3.3
- Non-Underrepresented Minority Group: 2.82
To What Degree Do the Following Elements of Your Educational Expenses Cause You Concern?

- **Tuition & Fees**
  - Very Much: 47.8%
  - Quite a Bit: 23.9%
  - Somewhat: 19.4%
  - Not at All: 8.9%

- **Housing & Food**
  - Very Much: 24.6%
  - Quite a Bit: 27.1%
  - Somewhat: 23.8%
  - Not at All: 24.4%

- **Travel Costs**
  - Very Much: 27.1%
  - Quite a Bit: 17.4%
  - Somewhat: 39.7%
  - Not at All: 19.2%

- **Books & Supplies**
  - Very Much: 27.1%
  - Quite a Bit: 28.5%
  - Somewhat: 29.6%
  - Not at All: 35.1%

- **Personal & Misc.**
  - Very Much: 17.8%
  - Quite a Bit: 16.8%
  - Somewhat: 45.7%
  - Not at All: 19.7%
How Likely Would You Use...

Interactive Website

- Not at All Likely: 24%
- Somewhat Likely: 31%
- Very Likely: 16%
- Likely: 29%

Course for 1 Credit-Hour

- Not at All Likely: 15%
- Somewhat Likely: 27%
- Very Likely: 16%
- Likely: 42%

Peer Educator

- Not at All Likely: 32%
- Somewhat Likely: 31%
- Very Likely: 17%
- Likely: 21%

Topical Workshops

- Not at All Likely: 18%
- Somewhat Likely: 21%
- Very Likely: 26%
- Likely: 35%
How Likely Would You Use...

- Peer Education: 2.07 (Non-Underrepresented), 2.75 (Underrepresented)
- Topical Workshops: 2.31 (Non-Underrepresented), 2.76 (Underrepresented)
- 1 Credit Hour Course: 1.95 (Non-Underrepresented), 2.42 (Underrepresented)
- Interactive Module: 2.3 (Non-Underrepresented), 2.58 (Underrepresented)
Influence of Finances
Based on Level of Debt

Degree that Student Debt Causes You Concern
- $0: 2.23, $0.01 - $7,000: 3.2, $7,000.01+: 3.29

Help From Friends/Family
- $0: 2.29, $0.01 - $7,000: 2.94, $7,000.01+: 2.27

Finance Concerns prior to Enrollment
- $0: 2.32, $0.01 - $7,000: 2.55, $7,000.01+: 2.52

Finance Concerns Impacting Grades
- $0: 2.39, $0.01 - $7,000: 2.44, $7,000.01+: 2.23
IT'S NOT STEALING IF IT COMES FROM YOUR OWN INSTITUTION, RIGHT?
Find What Already Exists and Use It

- Despite the fact that financial literacy may be new, many on your campus are already doing something
  - Our department harbors the information and makes it available to everybody
  - Presentations, courses, materials, etc.,
- Do not waste resources recreating something that is already available
  - This is not just advice for within your campus
For-Credit Courses at IU

- F260: Personal Finance (3 Cr. Hr.) converted to 3, 1 Cr. Hr. courses
  - F151: Personal Finances of the College Student
  - F152: Basic Financial Planning & Investment
  - F251: Managing Personal & Financial Risk

- A for-credit course is an opportunity for collaboration with Academic Affairs

- Leveraging existing resources is valued by senior administration
  - Besides, saving money and looking good is what financial literacy is all about
PERSONAL FINANCES OF THE COLLEGE STUDENT
BUS F151 • 1 credit hour • Fall 2013

Two sections:
Online (#33846) and Fridays 10am-Noon (#33767)

Both meet Sept 13-Oct 11 for five weeks.

Speak to an advisor:
317.274.2147

The Personal Planning Process
Assessing the Cost of College Life
Setting Financial Goals & Expectations

Constructing a Budget
Analyzing Income & Expenses
Checking Accounts & Demand Deposits

Saving: Options & Objectives
Cash Management Products & Services
Understanding Credit Terms & Costs

Establishing & Maintaining Creditworthiness
FAFSA, Stafford Loans, & Student Loans
Payment Budgeting, Deferral & Options

The Piggy Bank

IU

Indiana University
NEW STUDENTS ARE WILLING TO DO ANYTHING TO COME TO COLLEGE…
AND PARENTS ARE WILLING TO DO ANYTHING TO GET THEIR KIDS OUT OF THEIR HOME
CONGRATULATIONS!

You're an official financial guru now. See, managing your money doesn't have to be hard.

Check out your Action Plan one last time. You can print it or save it for future reference. Then put your newfound knowledge to the test with a final quiz.

GO TO MY ACTION PLAN >
TAKE THE FINAL QUIZ >
Student Data and Campus Financial Risk Analysis

Indiana University Data Summary
N = 10,500

- 37.7% increase in knowledge gains
- 63% learned new facts about personal finance
- 81.5% are planning to follow a budget
- 90% find paying for college is overwhelming
Focus on Your “Business Practices”

- Cost of attendance
- Annual Award Letter
- Annual Debt Letter
- Adjust part-time budgets
- Loan Disbursement
  - Delay 30 days and utilize card system
LEARN FROM OTHERS/PARTNER UP
“How Not to Move Back in With Your Parents”

- Partnered with Pete the Planner to create a series of podcasts on helpful finance tips for college students
- While sponsored by IU, we want any University to get involved
  - Have ideas for programming?
  - Want your students to be a part of the show
  - Opportunity for your students to get questions answered that are relevant to them
Peer to Peer Financial Advising

- Allows for more personalized financial literacy assistance
- Resource heavy
- Other universities launched successful “Peer” programs
  - We’re still getting there
- Online portal enables commuter students to have same access as residential students
  - Lessens chances of inability to utilize program due to “personal” conflicts
- Basing program in residence halls to act as a “financial RA” to students
  - Increases opportunity to impact students near point-of-sale
- Options for delivery
  - 1 on 1
  - Group Presentations
- Group presentations have been much more successful throughout the implementation of Peer Educating
ESTABLISH A TEAM
Who is Responsible for Financial Literacy?

• Everybody has an investment in financial literacy
  – Financial Aid
  – Student Affairs
    • Career Services, Student Life, Health/Wellness, et. al.
  – First-Year Experience
    • Student Success

• Campus communities or defined populations may have heightened awareness
  – Residence Halls
  – Fraternities/Sororities
  – Special Groups
    • TRIO
  – At-Risk

• Students are responsible, too
With 7 campuses, impossible to create something that works perfectly for everyone

Campus Teams
- Comprised of members of the groups listed on the previous slide
- Provide a leader for various financial literacy initiatives
- Can help push programming out to decision makers

Campus Liaisons
- Trained via CPFM program to establish baseline knowledge at every campus
- Provide campus leader for financial literacy
- Encourages Campus Collaboration

Help connect the dots
- Establish a grant fund for financial literacy at your institution
  - Encourages staff at each campus to propose financial literacy ideas
  - Allows the tailoring of events to meet individual campus needs
  - Increases chances for “outside the box” ideas
MAKE FINANCIAL LITERACY NOT BORING (I.E., AWESOMER, X > TERRIBLE, AWFUL x HORRIBLE)
MoneySmarts
## Paycheck Estimator

### Enter Information in Crimson Cells

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<th>Field</th>
<th>Value</th>
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<td>Filing Status</td>
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<td>Annual Salary</td>
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<td>Federal Tax Rate</td>
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<td>Annual Dental Insurance Premium</td>
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<td>Retirement Contribution %</td>
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<td>Annual Retirement Contribution</td>
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### Calculated Values

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<tr>
<th>Description</th>
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<tr>
<td>Gross Monthly Pay</td>
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<td>Non Taxable Wages (Health Plan, Dental)</td>
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<td><strong>Net Pay</strong></td>
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Social Media Bonanza
GET STUDENTS INVOLVED
You Need Students

- A financial literacy program designed solely by administration, faculty, and/or staff needs traction only students can provide.
- Have them be the marketers and the brains behind marketing.
  - Administration should determine the “what,” but students should be responsible for the “how.”
- Link with already-formed organizations, such as student government.
  - Provide you with opportunity to utilize students who have the most connections on campus.
- Should be one of the first steps in your efforts.
  - Without feedback from students, you can’t be certain you’re maximizing your reach.
- Student leadership desires being a part of value-added programming.
Questions?
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