

Plan for Success: Benchmark Your Way to Financial Literacy Buy-In

Cultivating a Culture of Financial Literacy

Presented by Arianna Mears, Delaware Valley University
and Rebecca Schreiber-Reis, Dickinson College



“Just as it was not possible to live in an industrialized society without print literacy—the ability to read and write, so it is not possible to live in today’s world without being financially literate...

Financial literacy is an essential tool for anyone who wants to be able to succeed in today’s society, make sound financial decisions, and—ultimately—be a good citizen.”

- Annamaria Lusardi
Professor of Economics,
Dartmouth College



Financial Literacy: Why We Should Care

What is 'Financial Literacy'

Financial literacy is the education and understanding of various financial areas. This topic focuses on the ability to manage **personal finance** matters in an efficient manner, and it includes the knowledge of making appropriate decisions about personal finance such as investing, insurance, real estate, paying for college, budgeting, retirement and **tax planning**.

Source: Investopedia.com

- Compared to other first-world countries, Americans perform poorly on financial literacy skill tests.
- Millennials are at-risk for financial pitfalls due to transient lifestyles, higher loan debt, and a challenging economic climate.
- Nationally, students report increasing stress as a result of financial issues.
- Financial strain has an impact on academics: poorer performance, decreased persistence and retention, and drops in cumulative GPA.

Sources: American Institute of CPAs and the Ad Council 2013 Survey; Brown Center on Education Policy at Brookings: 2014 Survey; Organization for Economic Co-operation and Development Survey 2014; Department of Education Financial Literacy Matters National FSA Presentation; FINRA Foundation: Nation's State-by-State Financial Capability Survey



Why Your Institution Should Care

- Financially literate students should be more able to:
 - Focus on successful completion of their coursework
 - Participate fully in campus life
 - Persist and graduate within six years
 - Graduate with less debt
 - Avoid loan default
 - Reach future educational and professional goals
 - Provide legacy financial support as alums




Achieving Interdepartmental Buy-In

- Identify departments ideally involved in your efforts
 - Career Services, Alumni Engagement, Student Life, etc.
- Appeal with personal stories from students or staff; highlight financial literacy in the news
- **Provide data**
 - Data from other research studies
 - Data from your own students!



Benchmarking = Your Own Data

bench·mark

/ˈben(t)SHmärk/ 

verb

gerund or present participle: **benchmarking**

evaluate or check (something) by comparison with a standard.
"we are **benchmarking** our performance **against** external criteria"

- show particular results during a benchmark test.
"the device should benchmark at between 100 and 150 MHz"

Survey your students to show the need for financial literacy at your institution.



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What Will You Measure?

Benchmarking can help you illustrate students’:

- Interest in financial literacy topics
- Knowledge of their finances
 - Student Loans – Do they have them? How much have they borrowed?
 - Do they keep a budget?
- Skills, and gaps in basic financial literacy education
- Desire for particular types of programming



Why Benchmark?



Data specific to your institution...

- Will be a stronger indicator of interest on your campus
 - Helps you to achieve interdepartmental buy-in
- Will help you to identify the specific needs of your students
- Will allow you to measure the success of your programming

When Should You Benchmark?



1. Pre-programming or early programming phase
2. One or two year check-in
3. Beyond – set parameters for long-term goals

Step – by – Step

1. Decide what you want to measure
2. Create your questions
3. Determine how you will quantify the responses
4. Choose a method of administration
5. Understand how to interpret your results
6. Plan application of your findings
7. Repeat!



1. Decide what you will measure:

- Financial literacy standards
 - Budgeting
 - Credit
 - Interest
- Campus tuition and fees
- Student loan debt
 - Federal or Private
 - Annual or Cumulative
- Programming interest



2. Create your questions

- What is the cost of tuition and fees for 2017-2018?
 - Actual, or the student's net cost
- What did you borrow in federal direct loans for 2017-2018?
 - Do you know if the loan is in your name?
- What financial literacy topic would you like to know more about?
- How would you like this information presented?
- Have you ever received financial literacy education? If so, when?
- Open format question- tell us more about your interests and concerns related to financial literacy.

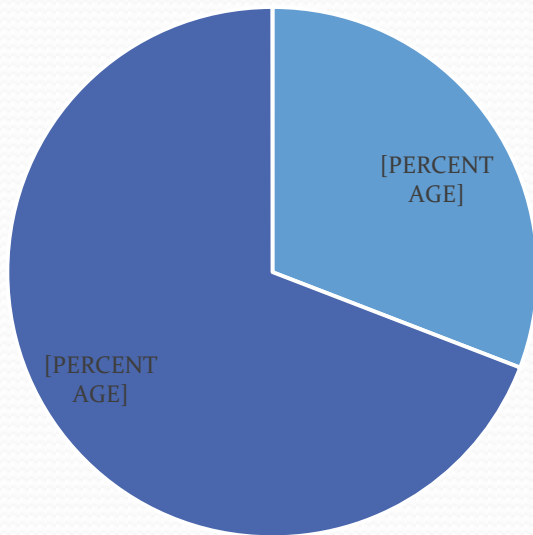
3. Determine how you will quantify the responses

- Accuracy
 - What percentage of students know the tuition and fees?
- Degrees of accuracy
 - To what degree are students unaware of their federal loan debt?
- Frequency of response
 - How many students prefer lecture style programming versus webinars?

3. Determine how you will quantify the responses

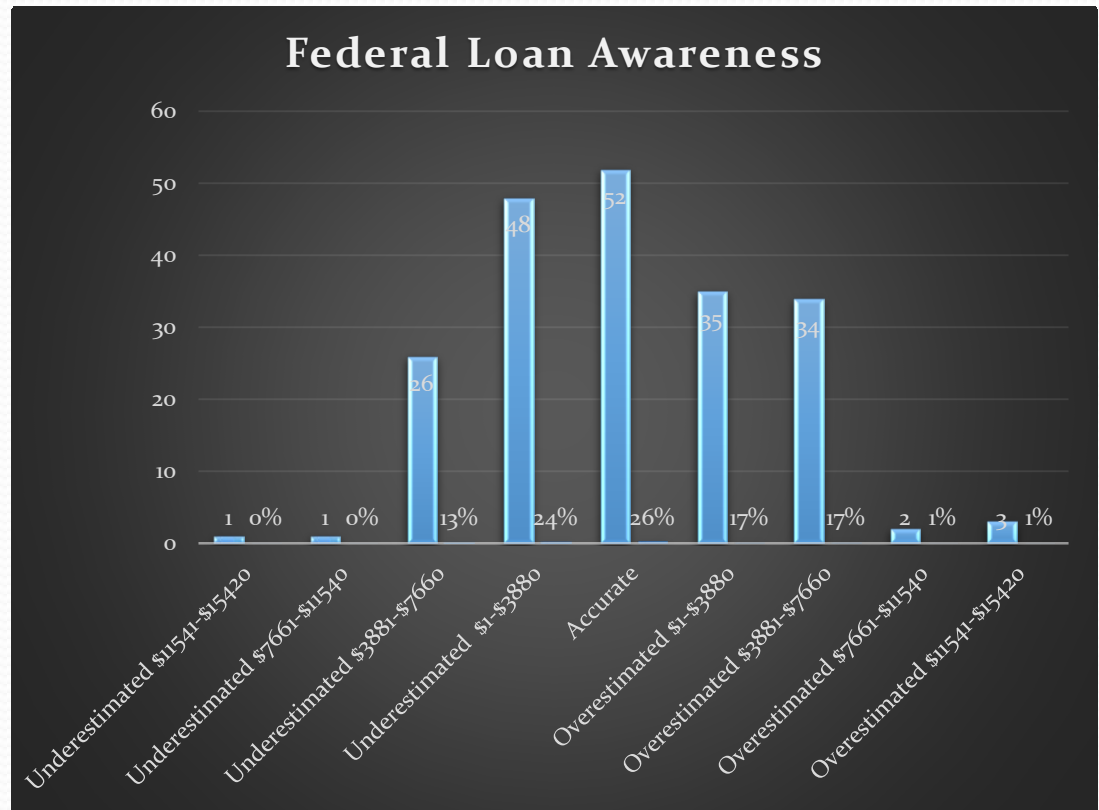
Accuracy

Fed Loan Awareness



Degree of Accuracy

Federal Loan Awareness

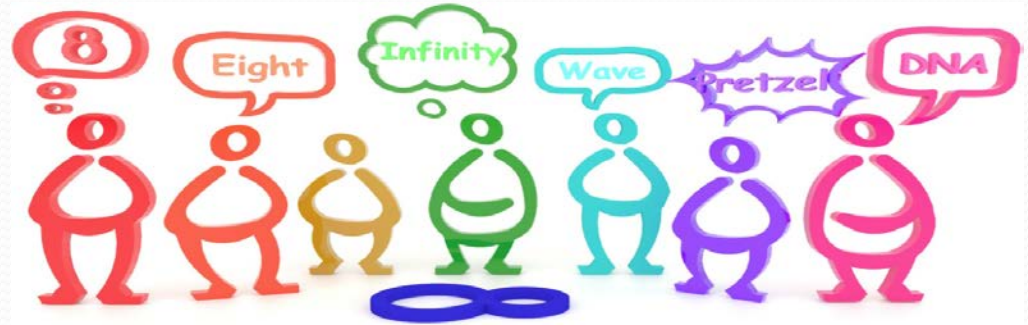


4. Choose an administration method

- Paper surveys
- SurveyMonkey
- Financial Literacy software platform
 - Some offer metric reports of student use
- Qualtrics
 - possibly through your Institutional Research department



5. Understand how to interpret your results



- Quantitative:
 - Mean, Median, and Mode
 - Standard deviation
 - Visual tools
 - Bar graphs, scatterplots, line graphs, histogram
- Qualitative:
 - Themes in students' narratives
 - Feedback on the survey process (verbal, emailed, etc.)

6. Plan application of your findings

- Present findings to your key campus administrators.
- Develop programming based on results.
- Create budget requests.
- Recruit grant writers on campus.
- Determine who will do the work – current staff members, student workers, student volunteers?
- Select a web-based platform, if applicable.
- Partner with advancement to search for donors interested in supporting your program.

7. Repeat!

- Consider a follow-up survey within a few years of your first benchmarking
 - Repeat some questions
 - Add new, pertinent questions
 - Hold focus groups for qualitative feedback
- Excellent opportunity to determine:
 - Student awareness of program
 - What is working
 - How you can improve



Resources

- www.surveymonkey.com
- Email Arianna or Rebecca for sample questions:
 - Arianna.Mears@delval.edu
 - schreire@dickinson.edu
- Professor Annamaria Lusardi's Financial Literacy Initiatives: <http://www.dartmouth.edu/~alusardi/>
- Test Yourself:
<http://www.usfinancialcapability.org/quiz.php>

