



# Pennsylvania Association of Financial Aid Administrators

## **Cultivating a Culture of Financial Literacy**

*Arianna Mears, Delaware Valley University*  
*Rebecca Schreiber-Reis, Dickinson College*

# Why is it so important?

- Choosing how to pay for college is often one of the first major financial decisions that young adults make  
**(Department of Education Financial Literacy Toolkit)**

# Why is it so important?

- “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)

# Financial Literacy in the US

- At the international level, the USA is ranked between 8-12 place out of 18 first world countries
- 18% of American students could not perform basic literacy tasks
- Only 9.4% of Americans answered all literacy questions correctly
  - 62.6% of Americans are left in between-understanding one or two concepts, but barely grasping full literacy

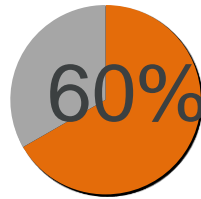
# Financial Literacy and Millennials

- Lack of follow up and understanding of financial organization
- >25% had missed a bill or been contacted by a creditor due to late payments
- Think they don't have student loans
  - 14% thought they didn't have any loan debt
  - An additional 28% didn't think they had federal loans
- Move more frequently than other generations
  - Billing addresses are rarely updated

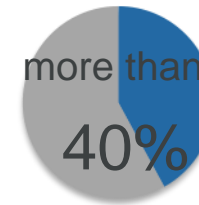
# Financial Literacy and Millennials

- 78% use friends' financial habits to determine their own
- 66% want to keep up with their peers on where they live
- 64% want to keep pace with peers clothing items
- 66% experience pressure to keep up with the types of places they eat and gadgets they own
- 50% had used a credit card to pay for necessities (food or utilities)
- 61% still receive financial help from their families

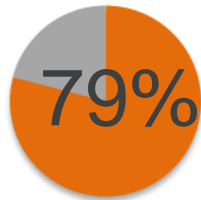
# Impact of Financial Strain on Students



First Year Students say they are frequently worried about their financial situation



of students are Concerned/Very Concerned about their ability to pay for next years education expenses (SERU)



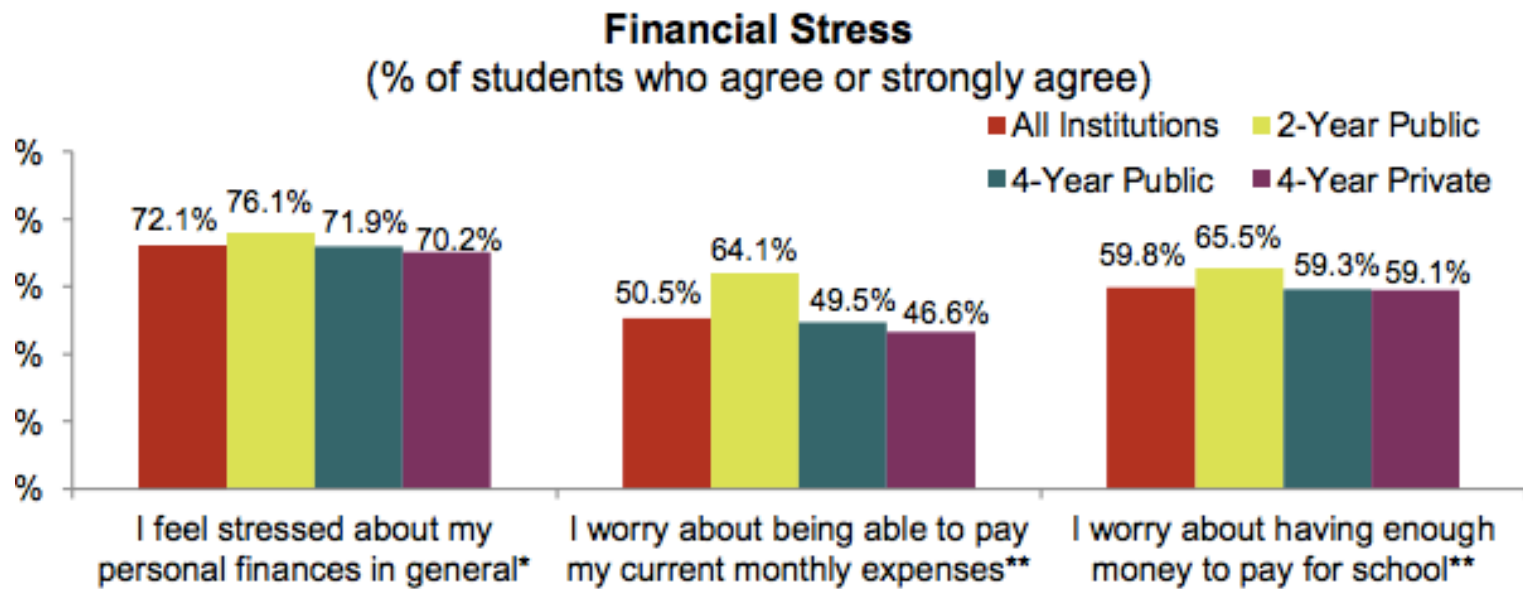
of students say they frequently worry about debt



students described their finances as "traumatic" or "very difficult"



# Impact of Financial Strain on Students





# Academic Impact

- Research shows that financial stress leads to poor academic performance
- Over **25%** said they did not purchase required academic materials because they didn't want to take out extra loans
- **80%** of students who self-reported being “financially stressed” say concerns frequently impacted academic performance and/or investigated dropping out
- Finances are leading (self-reported) cause for not persisting
- As levels of student concern about education finances increased, cumulative GPA decreased
- When working **20+** hours per week, cumulative GPA decreased

# Retention Impact

- **40%** of students say they did not participate in an activity because of finances
- Over **40%** report investigating working more to meet expenses
- **48.6%** worry about meeting monthly expenses
- **34%** say the amount of debt causes them a large or extreme amount of stress
- **22.7%** are not confident they can pay off the amount they've borrowed

# DelVal's Financial Literacy Program

- **Still in development**
- **Started by surveying current undergrad students (spring 2015) and recent graduates (summer 2015)**
- **Programs we have started**
  - **Adulting 101 Seminar – 30 minute presentation for seniors on loan repayment types and debunking repayment myths**
  - **Small group literacy presentations – involve budgeting tips and tools, loan repayment, and what to do when you receive that first paycheck!**

# Benchmarking at Dickinson

- 239 students voluntarily participated
- 60% were “Very Interested” in increasing their knowledge of money management
  - Nearly 39% were “Somewhat Interested”
- 58% have not been exposed to financial literacy in an educational setting
- 78% do not currently keep a budget
- 41% of students with a private loan are “Not sure” if it is in their name

# Dickinsonians Said-

- “The topic of managing finances after graduation feels overwhelming, and I don't even know where to begin learning about it. A program that breaks down how to perform basic survival skills of personal finance-- including taxes, loans, mortgages, budgeting, saving, and investing--would be incredibly helpful.”
- “I have no idea what I am doing when it comes to money management and financial planning, taxes, morgage [sic], credit card scores etc. I know nothing and it worries me.”

# Savē & Salt – Dickinson College

- Trial event- Student Loan Panel,  
Spring 2015



Rebecca

April 20, 2015 · 🌐 · ▼

was 😊 feeling accomplished.

Tonight I was on a panel discussing student loans, credit ratings, and more- my department's first attempt at a Financial Literacy event at Dickinson. Students came! They asked questions! They thanked us and wanted to talk more at the end! What an exciting night.

- Long period of review- potential contracted programs, discussion across departments
- Decided on contract with Salt through American Student Assistance

# Assessing Needs

- Benchmarking Survey, fall 2016
  - Online, self-guided courses and on-campus presentations were the most popular presentation methods requested
  - Savings and investing, budgeting, and tax preparation identified as most-desired topics
  - Data suggested student loan awareness would benefit from some attention



# Recruiting Student Volunteers




- My Awkward Day at the Activities Fair
- Contacted students on list
- Held information sessions

## Result:

- Five students signed up to be Salt Ambassadors
- Four students completed online training and a group webinar
- Student volunteers assist with tabling for Salt sign-ups, hanging up posters, creating event ideas, and running events

# What's In a Name?

sav·vy

/ˈsəvē/ 

*informal*

*noun*

1. shrewdness and practical knowledge; the ability to make good judgments.  
"the financiers lacked the necessary political savvy"  
*synonyms:* shrewdness, astuteness, sharp-wittedness, sharpness, acuteness, acumen, acuity, intelligence, wit, caniness, common sense, discernment, insight, understanding, penetration, perception, perceptiveness, perspicacity, knowledge, sagacity; [More](#)

*verb*

1. know or understand.  
"Charley would savvy what to do about such a girl"

*adjective*

1. shrewd and knowledgeable; having common sense and good judgment.  
*synonyms:* shrewd, astute, sharp-witted, sharp, acute, adroit, intelligent, clever, canny, perceptive, perspicacious, sagacious, sage, wise; [More](#)



## Taglines:

- Savē Devils
- Savē: Know Your Salt
- Savē + Salt: Savor Your Financial Independence

# What We're Up To

- Tabling sessions for student sign-ups
  - Library, Student Union Building
- Budgeting workshops
- Investing Lecture
- Financial Literacy Film Series
- Partnering to present AAUW Start Smart salary negotiation workshops
- You Savē Devil- FinLit blog (in development)

# A Culture of Financial Literacy

- Dickinson Four: the questions that guide each academic year

## 1. Who? Make Dickinson yours.

Q: What is your personal financial philosophy? How do you plan to manage money during your time at Dickinson? How will you determine your approach to budgeting?

## 2. What? Discover what matters.

Q: What steps can you take now to prepare for future monetary success? How will you financially prepare for your study-abroad or mosaic experience? What can you do to get a great credit score?

## 3. How? Deepen your focus.

Q: How will you identify and achieve your long-term financial goals? Do you know how you will pay off your student loans?

## 4. Where? Expand your story.

Q: How will you apply the financial skills you've learned at Dickinson after graduation? How will your career opportunities relate to your financial reality?

# Program Goals

- Increase engagement with Salt
  - 14.6% of our invited population enrolled as of January 2017 (~4 months into program)
- Be featured during Orientation
  - Publications, Live Sessions, Parent Newsletters
- Introduce Salt platform to alumni
- Increase on-campus events for Fall 2017
- Hire a student worker to help manage and expand the program
- Launch financial literacy blog & create “branding” for program

# Rise Above It

- Gaining cross-campus support
- No budget- establishing need in a zero-based budgeting environment
- Increasing student volunteerism
- Finding most effective methods of communication
- Planning programs students will respond to enthusiastically



# Getting Started

- Define your mission statement & goals.
  - Why financial literacy?
  - Who will the program support?
  - What is your timeline?
- How will you measure success?
  - Collecting data on your campus
- What will be your primary methods of approach?
  - Online, on-campus, classroom lectures, extracurricular events



- How will you gain student interest and support?
  - Share as an opportunity to be a leader
  - Previous knowledge not necessary!
- How will you achieve interdepartmental “buy-in?”
  - Student Life, Career Center, Residence Life, Alumni Office, Admissions, Academic Departments
- Where will your budget come from, or how will you work without a budget?
  - Co-sponsors for events

# Let's Talk

- Have you benchmarked interest and knowledge on your campus?
- What types of events or platforms have you tried?
- Where have you had successes?
- What has been (or you anticipate will be) challenging?

# Keep the Conversation Going

- Is there interest in creating a closed Facebook group, Listserv, or other discussion group for the purpose of sharing financial literacy ideas?
- Please watch for a Survey Monkey link in the coming weeks, which will help us determine the financial literacy topics most desired in the PASFAA Post.

# 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
- Dickinson College, Department of Institutional Research, Fall 2016