The Importance of Financial Literacy

Presenters:
Juli Louttit, Butler Country Community College
Joel Philistin, University of Pittsburgh
Janet McLaughlin, University of Pittsburgh
“The number one problem in today’s generation and economy is the lack of financial literacy”

Alan Greenspan
<table>
<thead>
<tr>
<th>Percentage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>66%</td>
<td>of students say they worry about having enough money to pay for school</td>
</tr>
<tr>
<td>28%</td>
<td>of students have run out of money six times or more in the past year.</td>
</tr>
<tr>
<td>52%</td>
<td>of students reported being housing insecure.</td>
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Why is Financial Literacy Vital?
Statistics are taken from Higher Education Financial Wellness Alliance (HEFWA)

- 68% of students are less than confident that they will be able to pay off debt they acquired while in school
- 63% of students say they would have trouble finding $500 for an emergency
- 58% of students have more loan debt than they expected.
Has carrying debt become a norm?  
Is this a taught behavior?  
Stats: bankrate.com

<table>
<thead>
<tr>
<th>Type of Debt</th>
<th>Average Debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit Card</td>
<td>$5,221</td>
</tr>
<tr>
<td>Personal Loan</td>
<td>$17,064</td>
</tr>
<tr>
<td>Auto Loan</td>
<td>$20,987</td>
</tr>
<tr>
<td>Student Loan</td>
<td>$39,487</td>
</tr>
<tr>
<td>HELOC (home equity line of credit)</td>
<td>$39,556</td>
</tr>
<tr>
<td>Mortgage</td>
<td>$220,380</td>
</tr>
</tbody>
</table>
GENL 120 Financial Literacy Course

How I got here - Juli & Butler County Community College

- Working with students and apathy to loan program
- College Support
  - Understood the Impact
  - Enrollment/Retention
  - College Default Rates
Opportunities

- Workshops on campus
- Outside groups
  - Girl Scouts
  - Leadership programs
  - Student Clubs
  - High School classrooms

- Presentations focused on college costs, how are you paying and went into career salaries, household budgets and student loan payment
Moving Forward

- Introduced to Gene Natali
- Created curriculum for a test course
- Success
- Missing Semester
  - College cost vs career salaries
  - Create a budget
  - Car loans/Mortgage costs
  - Saving/investing
    - Why this stuff matters NOW
Today

- Revamped course with a focus on business planning
- Original course taught in our Pioneer College Now Program
  - High School Seniors
  - Outside Speakers
    - Banking with checking/savings accounts
    - Auto Loans
    - Gene Natali - Investing/Stock Market
  - Discussions on requirement for different student populations
    - First Generation
    - General Study Majors
How we got here...Janet & Pitt

- Financial Wellness Task Force was formed
- Poll the students - they are the biggest advocates & content providers
- Audience: Undergraduate, Graduate, Regionals, Transfer, etc.
- Decision to add a Financial Wellness Director - national search
- Peer to peer educators - being added
- Resource guide - university wide - from the library system - silos
- Make sure the material is relevant
- Partner with others on your campus - Trio, Student Affairs, Admissions, Alumni, Financial Aid, PittPanty, Thriftsburgh, etc.
Opportunities

- PittPantry - students in need - gains campus awareness
- Student Affairs - programming - significant outreach avenues
- Resident Life - RA’s & off-campus living
- Financial Aid - debt adverse/refunds/paying on unsubsidized loans or pre-paying
- Alumni - both learn and teach - partners
- Fraternities/Sororities - small groups to large groups
- Admissions - new student programming
- Career Services - retirement and graduation
- Student Payment Center - debt adverse / refunds
Today - Virtual and In-person

- Grocery Shopping on a budget
- Off campus housing
- Loan borrowing and repayment
- Avoiding Identity
- Budgeting
- Credit
- Insurance
- Investing
- Benefits as a new grad - retirement
- Saving
- FAFSA completion
Moving Forward

- Reality of what school really costs
- Lack of Emergency Funding
- Unexpected Costs/Emergency
- Employment Issues
- Food Insecurity
- Eating healthy and on a budget
- Missing Financial Aid Deadlines
- Loan Adverse
- Refunds

- First time budgeting
- Leases - legal contract
- Roommate issues
- Utilities
- Couch surfing
- Dream school vs cost & hurdle
- Net cost - family discussion

- What’s the message? Keep it positive - this is the game plan
What is Financial Wellness? Recap

- It is a topic for everyone and it’s for a lifetime
- It’s the basic understanding of finance and financial skills
- It’s learning these skills and successfully integrating them into everyday life
- It provides knowledge and confidence
- It allows an individual to live more confidently

- It’s teaching skills to students who may not have been exposed to this concept prior to coming to college
Feedback....it’s critical

Don’t be afraid to ask

- It helps build your program & content
- It helps gauge your audience knowledge base
- It empowers your audience
- It gets students talking about the programs
- Qualtrics or other survey methods
Take Away…

- One size does not fit all
- Getting students to attend sessions
- Plan on revamping, updating, making changes
- College age student are generally dependent upon their parents, but as they progress through college they begin to make financially independent decisions.
- Ask what the student wants….ex: investing may come before saving/budgeting
- It takes a village…be sure to include others on your campus
- Never stop!
Thank you for Attending!

Questions?

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