



Financial Literacy That Sticks

Three Steps to Getting Your Point Across

Financial Leap of Faith

The National Association of Student Financial Aid Administrators (NASFAA) shared a 2018 survey by EverFi which found that incoming college students struggle with basic financial literacy. “Overall researchers have found that while young adults in higher education were taking on increasing responsibility for their finances they displayed a clear lack of skills, knowledge, and confidence in their abilities to do so.”

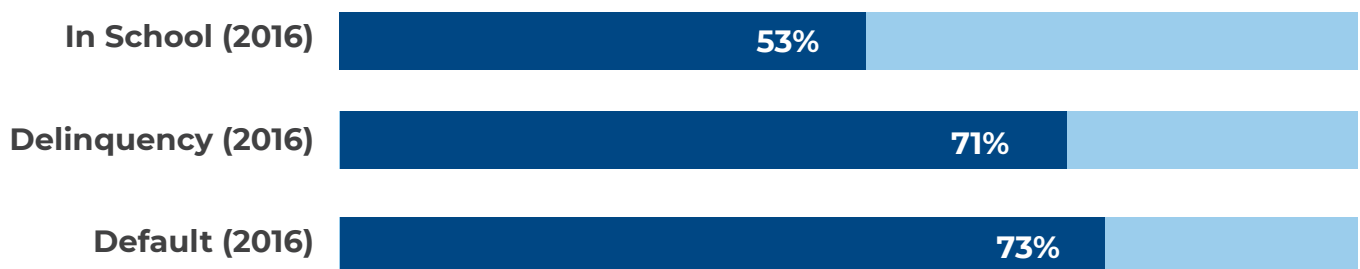
Your student borrowers, who have taken a significant financial leap to attend your school, may lack critical knowledge because the financial literacy messaging they’re exposed to does not resonate. **Let’s find ways to make financial education stick.**

Source: National Association of Student Financial Aid Administrators

The Case for Financial Literacy

A Federal Student Aid survey asked student borrowers, “Thinking back to the time before you took out any loans to fund your education, how would you characterize your degree of knowledge and understanding about student loan and Federal Student Aid issues?” Per loan status, here is the percentage of borrowers that indicated they had “no or very little knowledge”.

No or Very Little Knowledge



Source: U.S. Department of Education 2017 Federal Student Aid Conference

STEP 1

YOUR CURRICULUM ACCORDING TO THE STUDENT LIFE CYCLE

The student you admit is not the same student who graduates. Your curriculum must be flexible to meet the changing needs of your students.

Because your financial literacy message is lost if it's not relevant, let's break this step down into basic pieces by looking at the life cycle of a student.



Phase One

Prospective Students



Phase Two

Current Students



Phase Three

Graduates



Phase One: Prospective Students

According to *U.S. News & World Report*, two of the top five reasons why students chose a specific college were related to affordability. Your prospective and newly enrolled students will jump at the chance to learn how to make college affordable.

Your curriculum should focus on:



College Affordability

Develop prospective students' basic understanding of financial planning, smart borrowing, and avoiding costly enrollment mistakes, like the cost of classes dropped mid-term.



Loan Basics

There's a good chance students don't understand the FAFSA and their various loan options and details.

- Show them how interest rates and compounding interest will impact their future.
- Explain the terms and conditions of each loan type, average indebtedness, and what that means in terms of a level payment.



Budget and Credit

A credit rating might not seem that important to someone who doesn't plan to take out a loan to buy a car or house within the next five years.

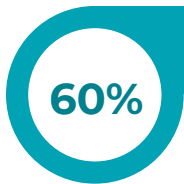
But students need to understand the importance of setting a budget now to avoid mounting credit card debt and private loans.



Phase Two: Current Students

According to a 2018 Panetta Institute survey of college students, 65% said they worry often or somewhat often about the cost of college and student loan debt. Relieve their concerns by arming them with knowledge.

Source: 2018 Panetta Institute Survey



In 2018, 60% of students said they expected to take out loans for college.



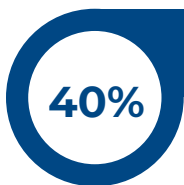
But just 15% of them felt they had the education, information, and resources to be able to pay off their loans in the future.

Source: National Association of Student Financial Aid Administrators

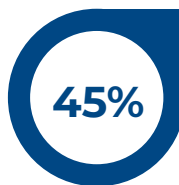
Your curriculum should focus on helping students deny “easy” credit, stick to an appropriate budget, and decrease the possibility of credit damage and identity theft.

Key Topics:

- Making an in-school budget
- Credit Basics
- Going Beyond Banking Basics
- Understanding Debt, Interest, and Repayment
- Avoiding Credit Hazards
- Money Savings Tips and Tricks
- Living Green and Saving Green
- What the Future Holds— an introduction to buying or leasing a car, mortgages, and federal student loan repayment options.



40% of students from 4-year institutions never took a personal finance course.



45% of students from 2-year institutions never took a personal finance course.

Source: National Association of Student Financial Aid Administrators



Phase Three: Graduates

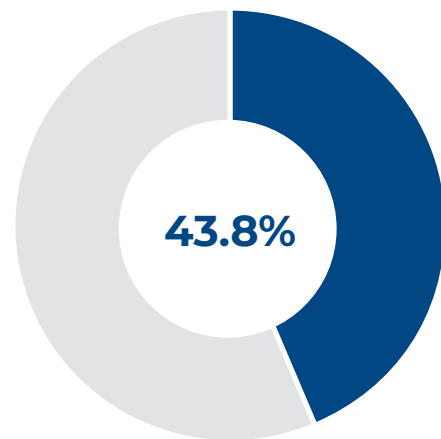
The Federal Reserve Bank of New York found that, among 2018 graduates, 69% of student loan borrowers left school owing \$29,800. Don't leave your students with regret.

Source: [Federal Reserve Bank of New York](#)

How Many Regrets Their Loan Debt?

In a recent survey by GoBankingRates, 43.8% of 18-24 year olds regret the total amount of their student loan balance.

Source: [GoBankingRates](#)



Graduates are on their own but don't have to go it alone. Support students by establishing a post-school relationship through financial literacy—they will be encountering money challenges they might not have been expecting.

An online, easy-to-access tool will:

- Reinforce the ideas expressed in student loan exit counseling
- Be a spot for students to continue learning
- Increase understanding of student loan repayment options
- Act as a reference point for grace and/or delinquent outreach

STEP 2

CATER TO THE AUDIENCE

You've got your curriculum. Now what?

Students will hear about your curriculum, but they may not find it easily accessible. Make it convenient by bringing the curriculum directly to them.



How Do You Cater to Your Audience?

A great curriculum only works if students become engaged. Here's how to get some attention from the 21st century student:

1. Keep Your Outreach Short and Simple

Attention spans are shrinking. Schedules are packed. College students need quick messages. The University of Minnesota's *Live Like a Student Now— So You Don't Have to Later* is a great example. Think of easy to remember sound bites to captivate your student's attention.

2. Make it Web-based and Mobile

The typical college student spends 8 to 10 hours per day on a web enabled device. You know where to find them.

3. It Should be Fun (or at Least Light-hearted)

Run contests of the best "selfie using coupons" or the best video of being green to save money. Engage them in fun money-saving, budget building activities and use school media outlets to share highlights and updates.

4. Let Them Spread the Word

Get student leaders, campus tour directors, RAs, and other ambassadors to endorse and participate via social media. Peer mentoring is a growing strategy for getting your message and tools in front of students. Savvy peers offer authenticity and can capture not only the attention of students but their trust. If the curriculum is good and the contests are fun—the promotion is complete.

Promote Everywhere

Social Media

Tap into what's trending. Tie today's current events to money managements.

School Website

Banner ads and news posts help spread the word and draw attention.

Electronic Bulletin Board

They're bright, shiny, attractive, and own a spot in high-traffic areas. Get your message on the board.

LMS

Adding banner ads and key messages on your *Learning Management System* will drive results.

Handouts

Litter heavily used areas (dining, community lounge, etc.) with your key messages and invite students to participate.

Email

Emails to campus accounts will be noticed as students use them for class, but don't overdo it.

Presentations

If you can get 3-5 minutes in front of students, perfect! 200 seconds of pure Fin Lit gold and you might save a financial life.



STEP 3

LIFE LESSONS

Students come to your school to improve their lives. Connect financial literacy to post-college life.



The Final Steps

Make your financial literacy program work by linking it to the top reason students come to your school.



More than 70% of all students name their final selection criteria as one of those six factors:

- **Affordability**
- **Availability of a desired program**
- **Reputation/academic quality**
- **Career outcomes/job opportunities for graduates**
- **Value of education for cost of attending**
- **Felt it was the right fit**

Source: 2017 Eduventures Survey of Admitted Students

More post-secondary students are viewing college as an investment with expected returns in the form of high income jobs.

Improve Outcomes

Help your students reach their career goals, by coupling financial literacy with post-college life:

- Send job/internship search tips with your financial literacy reminders. Do you have a career resource office? Partner with them for success.
- Ensure literacy education touches on topics such as auto leasing vs. buying, mortgages, and an introduction to investments.
- Invite recent grads back to campus to share their stories of life “in-the-real-world.”
- Gather experts from the community to deliver key insight on financial services. Realtors, financial planners, bankers, credit card collectors, and student loan servicers could all offer helpful advice for students with aspirations of financial success.



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