

Get Financially Fit: A Financial Education Toolkit for College Campuses

This is an abstract of a presentation at the annual conference that described various models for delivering financial literacy education on college campuses. It was based on *Get Financially Fit! A Financial Education Toolkit for College Campuses*, a how-to guide written by the American Council on Consumer Interests Consumer Education Committee. The publication can be downloaded from <http://www.consumerinterests.org/i4a/pages/index.cfm?pageid=4136>.

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In recent years government support for higher education has declined, tuition and fees have increased at a rate greater than inflation, and more college students have acquired more student loans as well as higher credit card debt (Choy & Li, 2005; Nellie Mae, 2005). The consequences of students' decisions are greater now as one's credit history affects not only their opportunities to acquire credit but also to find employment, buy insurance, and rent a home. College administrators are concerned about the effects of college students' financial decisions on academic performance, student loan default rates, and graduation rates (Cooke et al., 2004; Lyons, 2003).

This paper examines various models for delivering financial literacy education on college campuses and criteria for choosing an appropriate model for any given campus. It draws heavily on the work of the American Council on Consumer Interests (ACCI) Consumer Education Committee which created *Get Financially Fit! A Financial Education Toolkit for College Campuses*, a how-to guide to provide financial literacy education.

Content of Financial Literacy Curricula for College Students

There is little consensus on the concepts that *must* be included in a financial management education curriculum for college students. The ACCI Consumer Education Committee chose budgeting, credit, saving, and avoiding identity theft. An informal survey of eight U.S. universities that offer a comprehensive financial literacy curriculum indicated that *all* included budgeting/financial planning and credit and debt. The consistencies ended there, with ten other topics covered across the curricula.

Furthermore, there appears to be little consensus on the "best" approaches for college students to take to manage their finances successfully. Should students acquire credit cards? Or, should they use student loans to finance their education? Or, should they work more hours while in school, even if employment delays their graduation? The inconsistencies across curricula exist in part because few researchers have examined college student outcomes to learn which recommended financial management practices among college students lead to better outcomes.

Models for Delivering Financial Management Education on College Campuses

The ACCI how-to guide describes three approaches for delivering financial management education on college campuses. Each may be effective for a given level of resources. In addition, other models may be appropriate in some situations. The description of each model is abbreviated here but is complete in *Get Financially Fit! A Financial Education Toolkit for College Campuses*.

Single-event activities and programs are most appropriate for campuses with limited time and resources to devote to financial literacy. The most realistic goal for a single-event activity may be to raise awareness or change attitudes rather than to increase knowledge or change behaviors. Financial management education can be delivered on an *ongoing, informal* basis through workshops and seminars, websites, peer-to-peer programs, and distance learning. Relative to the single-event approach, ongoing

informal education requires more resources to deliver, including money, time, and subject matter knowledge.

Ongoing formal education to teach financial management to college students can take several forms. Four are discussed here. A *financial education/counseling center* creates opportunities to work with multiple campus partners and can be integrated into existing campus services. Challenges include finding and keeping qualified staff as well as the resources to support the center's creation and its ongoing operations.

The advantages of *peer-to-peer programs* include greater receptiveness of students to information presented by other students, relatively low cost, and opportunities to partner with other campus programs. The challenges include training students to teach the curriculum as well as to be effective presenters.

Another model involves *finding nonstudent professionals to deliver financial management education* to students through campus courses, workshops, or seminars. One challenge is finding financial professionals who are good presenters of information useful to all, including those who choose not to buy the product the professional is selling.

Distance learning can take multiple forms, from a self-study workbook to a podcast. The challenges are greatest for campuses that lack staff with technical expertise to design and deliver the distance learning.

Evaluating Outcomes

Including a plan for evaluation in the program design is key to insuring that one can measure the impact of any program. Evaluating outcomes will be especially important if the program has multiple partners who are not directly involved in the program but expect accountability for the resources they provide.

Get Financially Fit: A Financial Education Toolkit for College Campuses (ACCI, 2006) recommends and explains each of the following steps to plan effective evaluation of college and university financial management education programs:

- Conduct A Needs Assessment
- Define Program Objectives
- Identify Outcomes and Indicators
- Choose the Evaluation Method
- Develop a Realistic Plan for Implementation

Getting Started

Get Financially Fit: A Financial Education Toolkit for College Campuses (2006) recommends and explains steps to follow to create an action plan for delivering personal finance education on a college or university campus. The steps include: stating a mission, creating a vision, knowing the audience, defining success, selecting financial education materials, assessing resources, and identifying and overcoming challenges.

Financial education for college students is a critical need. Many excellent materials as well as on-campus and off-campus partners are available to deliver financial education programs. Additional research is needed, however, to identify the personal finance and student financial aid management practices most likely to lead to positive outcomes for students after graduation. The results from this research could be instrumental in improving the effectiveness of financial literacy education programs aimed at college students.

References

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Endnotes

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