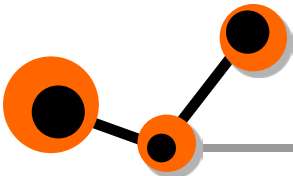




## Financial Literacy – One Program May Not Fit All



Presented by:  
Ruth Sharp, Bursar



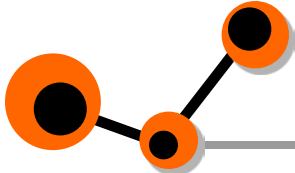


# AGENDA

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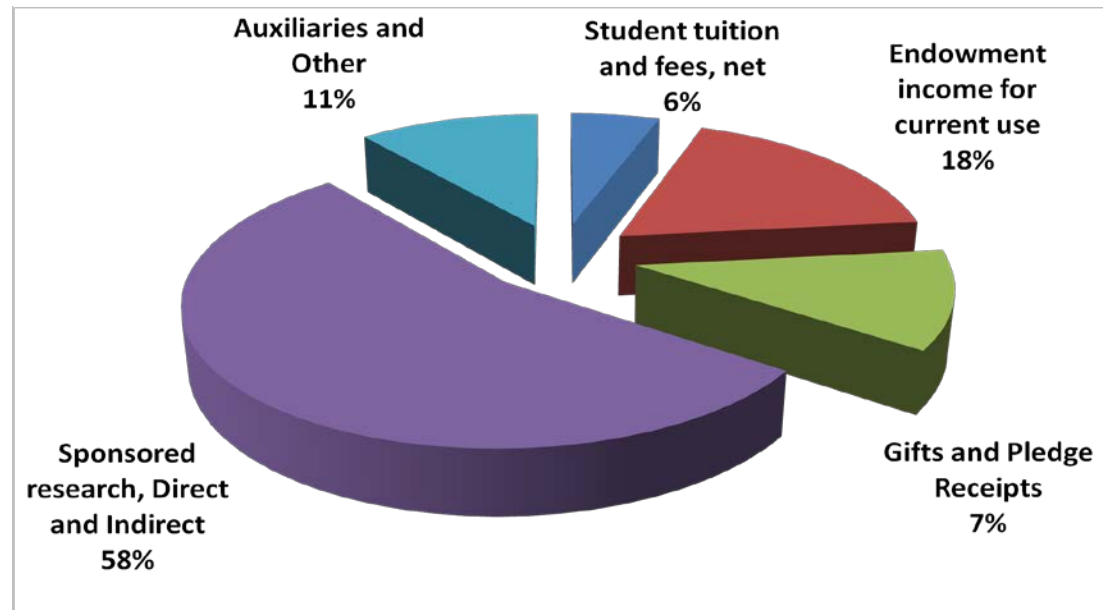
- Caltech's overview
- What is financial literacy?
- Contributing factors to financial mismanagement
- One program may not fit all
  - Six financial literacy program reviews
- Summary: Results & Partnering with Other Offices on Campus



# Caltech Overview



- Private research university located in Pasadena, California
- 2,243 students Fall AY2012/2013, 997 undergrads /1246 grads
- Annual budget of \$1.813 billion, ~\$578 million excluding JPL
- Endowment ~\$1.8 billion



# Caltech Overview

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- Most undergraduate students are financially managed by their parents
- Average <sub>1</sub>scholarship is \$34,831 – Estimated cost of attendance \$56,382
- Average financial aid package (includes loan and work) is \$38,756
- 98% of graduate students are funded by both tuition remission and stipend, and many receive one of the two, and outside scholarships
- The graduate student is expected to make financial decisions, with little or no financial literacy background
- Unfortunately, in the fall semester an average of 30% of graduate students at Caltech are placed on registration hold due to a Bursar's account balance

<sub>1</sub> Scholarships are provided by Caltech on a need base only, not merit based.

# Caltech Overview

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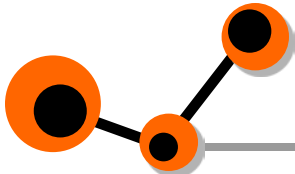
Michael S. Gutter, an assistant professor of family financial management at the University of Florida stated “College students who came from states where there was a course required were more likely to budget, were more likely to be saving, and were less likely to have maxed out their credit cards in the last year and were more likely to be paying off their credit cards fully”. But his research also suggested that “social learning is also very powerful as well,” he said. “What your parents tell you matters.”

Your Money

Working Financial Literacy in With the Three R's

By [TARA SIEGEL BERNARD](#)

Published: April 9, 2010



# What is Financial Literacy?

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- The possession of knowledge and understanding of financial matters  
[www.investopedia.com/terms/f/financial-literacy.asp](http://www.investopedia.com/terms/f/financial-literacy.asp)
- Student Bursar's Account: billings, payments, financial aid, loan rights & responsibilities
- Budgeting: family or school
- Savings & Investing



# Contributing Factors to Financial Mismanagement



- Product of environment – no role model
- At risk environment - for financial failure
  - Sole provider for a family unit
  - Education is not revered or prized
- Familial - Obligatory responsibility  
(cultural found in both grad & undergrad)
- Risky or addictive behavior overriding financial literacy talent
- Executive function disorders (ADD or Asperger's Syndrome)
  - Inability to Organize
  - Inability to Budget





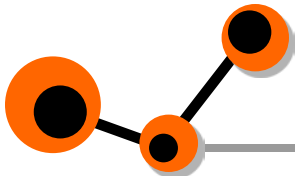
# Program I

## Dollars and Sense



Overview of Program: Presentation sharing financial information and expectations primarily with parents during Pre-Frosh (admitted students weekend)

- Main Topics: Student aid, student billing and payment
- Method of invitation: Financial Aid Office/Invitation Pre-frosh Weekend
- Outcome: Parents are able to make more informed financial decisions about their ability to afford the school
- Other comments on program: Primarily parent attendees. Average attendance is 60% of incoming pre-frosh parents. **Informative program, but does not address student financial literacy issues.**







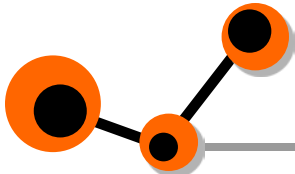
# Program II

## Bursar's Office Billapalooza



Overview of Program: Undergraduate jeopardy style group game developed to educate students regarding rights and responsibilities for student bill including financial aid.

- Main Topics: Student account and student aid including student loans. Helps student to become financially literate about the student account. Also educates about some of the loan rights and responsibilities.
- Method of invitation: House Resident Advisor /word of mouth, and e-mail
- Outcome: Group competition in a game format. Nominal prizes such as candies, beaded necklaces, and pencils are used to motivate and initiate knowledge transfer among students.
- Other comments on program: 2% of the house population participated in the pilot program. We are hopeful that the resident advisors will use the program in the orientation period for next year. Program questions, sound effects and music recorded onto a DVD using audacity- free audio editor and recorder. Bursar bills were created on poster board and laminated for re-use.



# Program II

## Bursar's Office Billapalooza



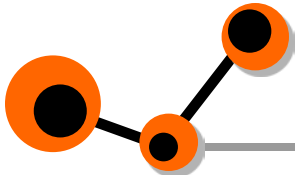
# Program III

## Caltech DO The Math



Overview of Program: Graduate student budget workshop offered during graduate orientation week

- Main Topics: Personal Budgeting and student account management
- Method of invitation: Graduate Studies Office/ Offered during the graduate student orientation period
- Outcome: **Budget tools received and information provided** for topics of interest such as tuition remission, stipend disbursements, and student account billing that may aid in successful budget management.
- Other comments on program: 20% of incoming graduate students participated in these sessions during graduate orientation week. The students who may need to be in attendance are not generally the ones who attend.



# Program III

## Caltech DO The Math



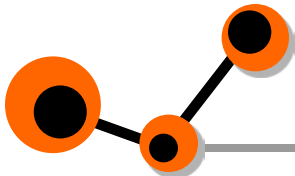
OCTOBER 2012 BUDGET				
CATEGORY	Monthly Budget	Monthly Actual	Variance	Other Comments
<b>INCOME:</b>				
From Stipend	2,100.00		(2,100.00)	
From Fellowship (to cover tuition & fees expense)			-	
From Jobs			-	
From a parent or relative			-	
From Student Loans			-	
From Scholarships			-	
From Financial Aid			-	
From Health Care Spending Reimbursement			-	
From Day Care Reimbursement			-	
<b>INCOME SUBTOTAL</b>	\$2,100.00	\$ -	\$(2,100.00)	
<b>EXPENSES:</b>				
Rent or Room & Board	650.00		(650.00)	
Utilities (\$40.00 X 2 months) airconditioner?	80.00		(80.00)	City of Pasadena bills for two month use at a time
Bursar Account Payment	400.00		(400.00)	
Groceries (\$50.00 per week additional to board plan)	100.00		(100.00)	
Car Payment/Transportation	650.00		(650.00)	Includes car maintenance, insurance, and gas
Insurance	40.00		(40.00)	Student medical insurance = \$121. add \$62. for dental
Dependent Healthcare			-	Additional costs apply to enroll spouse & dependent
Funds sent home to family			-	
Pet Care			-	
Entertainment	100.00		(100.00)	
Eating Out/Vending			-	
Tuition & Fees (\$11,663. + 382.00 per term/3 mo.)			-	
Books	-		-	
Computer Expense			-	
UID Card Charges	-		-	
<b>EXPENSES SUBTOTAL</b>	\$2,020.00	\$ -	\$(2,020.00)	
<b>NET INCOME (INCOME LESS EXPENSES)</b>	<b>\$ 80.00</b>	<b>\$ -</b>	<b>\$ (80.00)</b>	

# Program III

## Caltech DO The Math



- About.com: Financial Planning
- Mint.com
- docs.google.com
- 118 Ways to save Money in College  
<http://www.collegescholarships.org/student-living/save-money.htm>



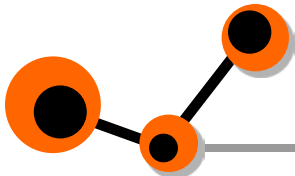
# Program IV

## International Student Finance & Budget Workshop



Overview of Program – Budget workshop for undergraduate and graduate students from an international background

- Main Topics – Cultural differences regarding money, Budgeting
- Method of invitation: International Student Services/ e-mails invitation to all students on their roster.
- Outcome: Embraced cultural diversity and **educated participants about the financial expectation of students and budgeting**
- Other comments on program: 40% of roster attended. Acknowledges that we are all unique, and have a common goal – Both financial and educational success!





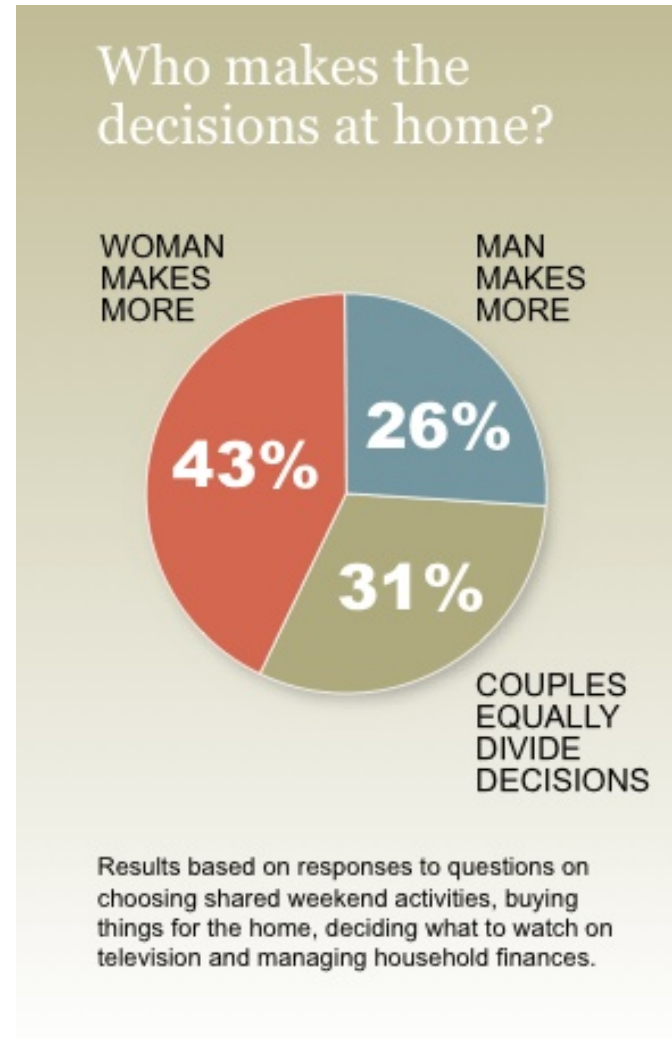
# Program IV

## International Student Finance & Budget Workshop



- Who is in charge of the money or handling the finances in your home?

"Public Mixed on Gender Roles in Jobs", by Rich Morin and D'Vera Cohn, Pew Research Center, September 25, 2008





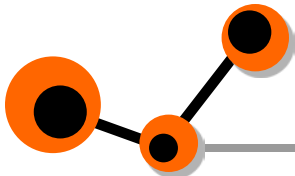
# Program V

## Cultivating Financial Literacy



Overview of Program: Certified financial planner (CFP) presentation to groups of underrepresented students during a luncheon

- Main Topics: Budget, save, invest
- Method of invitation: Diversity Center / Flyers posted throughout campus
- Outcome: Students received valuable information and had the opportunity to meet after the main session to discuss personal financial information regarding budgeting, saving, and investing.
- Other comments on program: Participants received a free lunch! Moderate attendance of 41% students. Many students were apprehensive to ask questions at first. Having one student staged to start with a question is helpful. Also helpful to have a speaker/CFP target the college level audience.

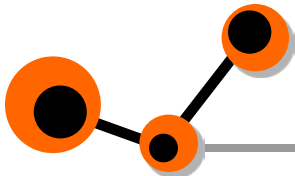






Overview of Program: Students experiencing financial difficulties may be referred for counseling and offered an anonymous peer to peer financial literacy program

- Main Topics: Discussion of behavioral triggers or causes to determine need
- Method of invitation: Students are referred from the Bursar's Office to the Deans' Office. Dean's Office arranges meeting with the Counseling Center. Counseling Center provides counseling services and may offer the peer to peer anonymous financial literacy program.
- Outcome Student with high need receives counseling and individualized education.
- Other comments: Slow to implement due to referral process. 50 volunteers, anonymous so uncertain of how many students participated. May be the most effective in addressing **at risk, obligatory, or addictive** type of behaviors due to the counseling and individualized education approach that is involved. Executive function disorders are recommended to a life coach.



# Summary – Other Resources



- NEFE.Org National Endowment for Financial Education - [CashCourse®](#):  
CashCourse is a free website providing students with financial education information for every stage of college life. While this program is available only to **nonprofit** colleges or universities, you can access abbreviated versions at [www.cashcourse.org/lite](http://www.cashcourse.org/lite) or [www.cashcourse.org/prep](http://www.cashcourse.org/prep) for high school students.
- <http://everfi.com/financial-education> Buttonwood is a program offered by Everfi. Based on students responses to the attitudinal and behavioral survey questions Buttonwood states their software may determine which students are at risk before they end up in a dire financial situation. This allows the student to get help much earlier and potentially avoid future problems.
- Money 101 Link on Bursar's Website page  
(HigherOne) One for Your Money  
<http://www.higherone.com/oneforyourmoney/>



# Summary- Programs



Program	Addresses contributing factors /Provides financial literacy to students?	Continue Program?
Program I	Yes, indirectly assist students via their parents	Yes, provides informative information to parents regarding school choice.
Program II thru V	Yes, supports financial literacy for students who may not have had a role model or just need more information.	Yes, provides education regarding budgeting, student account management, and personal finance.
Program VI  Executive function issues = life coach	Yes, May be the most effective in addressing at risk, obligatory, or inherently risky type of behaviors	50/50 chance, relies on referrals and peer availability for program. Attrition of volunteers is a factor.

# Summary –Measured Results

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- Do the Programs Help?

When reading a review regarding a news release for the Merrill Lynch [www.jumpstart.org](http://www.jumpstart.org), “a financial smarts for students” program stated “College freshman, for example, recorded a 59 percent score, while college seniors correctly answered 65 percent of questions

- Maintain a 0 cohort default rate thru continued student education regarding loans

- Some visible increase in student consultation by e-mail, not in office or by phone

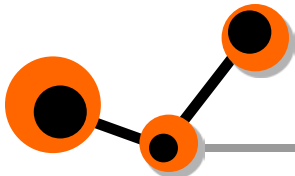
- Creating a structured payment plan we have 4% student participation who may have otherwise had to leave Caltech

# Summary – Measured Results

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- Provided a live webinar, and posted that webinar to Bursar's Office website to provide more information about the Pre-Bill that is sent out prior to the Fall term –  
Measured over 5 months:
  - 47.15% of all website requests were for the webinar
  - 10.74% of all website requests were for Incoming student or Pre-fresh information
  - Less than 1% of all website requests were to access the Money 101 link
- Caltech will be gathering data:
  - Number of program attendees
  - Continued monitoring of number of folks that visit the website links
  - Survey results of program (program knowledge vs. program enjoyment)
  - Number of registration holds per term
  - Aging receivables current year vs. past year
  - Attendance – attrition due to lack of ability to pay



# Summary - Partnering with Other Departments



- Pool resources  
(Another area may already be working with student, helps to understand whole picture)
- Partner with student clubs
- Seek summer programs to capture students early in the “finance” process
- Target the residential life programs
- Visit the Athletics Department



Work with the Educational  
Opportunity Programs (EOP)

# Summary - Partnering with Other Departments



- Financial Aid Office
- Diversity Center
- Graduate Studies Office
- International Student Center
- Health & Counseling Center
- Undergraduate Housing Office



# 10 Steps to Create a Financial Literacy Program

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1. Budget about 5 hours of time for a 4 week period  
**(One hour a day for 30 days)**
2. Choose a target topic
3. Partner with a department
4. Determine a method of presentation
5. Develop the content
6. Invite ~50 students in order to conduct a 10 student pilot group
7. Survey students for feedback
8. Make any needed adjustments to the program
9. Select another group of students
10. Try the program again





# Questions?

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## Bursar's Office

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M/C 120-87

Pasadena CA 91125

626-395-2988 Tel

626-304-0883 Fax

[bursar@caltech.edu](mailto:bursar@caltech.edu)

Office Hours 8:00 am to 5:00 pm M-F

