

# Building a Financial Literacy Program Using Change Management



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# Agenda

- Change Management
  - Definition
  - Outline to create a financial literacy program
- Effective programming
  - Determining the most effective financial literacy programming for students
  - Program development
- Initiating change
  - Effective program outreach
  - Program communication techniques



# Definitions

**Financial literacy:** 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)

- **Change Management:**

Techniques that aid in evolution, composition and policy management of the design and implementation of an object or system. (1995-02-16)

The Free On-line Dictionary of Computing, © Denis Howe 2010

<http://dictionary.reference.com/browse/change-management>

# Change Management

- 7. Assess the cultural landscape – financial literacy now**
  - 1. Address the “human side” (student needs)**
- 8. Address culture explicitly – effective programming**
  - 2. Start at the top (getting buy-in)**
  - 3. Involve every layer**
  - 4. Make a formal case – initiate change**
  - 5. Create ownership**
  - 6. Communicate the message**
- 9. Prepare for the unexpected & 10. Speak to the individual(s)**

<http://www.strategy-business.com/article/rr00006?gko=643d0>

# Outline

- 1. Assess the cultural landscape – financial literacy now**
- 2. Address the “human side” (student needs)**
- 3. Address culture explicitly – effective programming**
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# Assess The Cultural Landscape

## – financial literacy now

- 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



# Assess The Cultural Landscape

- financial literacy now



- Student Accounts:
  - Understanding the billing statement
  - How to remit a payment
  - Loan rights & responsibilities
  - Identifying late penalties & interest

# Assess The Cultural Landscape

## – financial literacy now

### Life Skills:

- Applying budgeting skills
- Making educated decisions about choosing debt products
- Understanding credit card terms?
- Setting financial goals
- Other



# The Human Side: The Student Needs

“Psychologists have found that simple information is more easily absorbed and recalled. This insight points to alternative ways to deliver financial literacy training. Reducing content complexity, and replacing classroom-based delivery with a lighter-touch method offers fresh promise for improving business decisions and outcomes.”

<http://www.cgap.org/blog/heuristics-behavioral-approach-financial-literacy-training>

# The Human Side: The Student Needs

Higher One surveyed 65,000 first-year college students on financial attitudes and behaviors. The survey found that campus-based financial literacy education programs should use **innovative approaches** to address financial literacy issued with students early on in their academic careers. - See more at: <http://www.cr80news.com/news-item/higher-one-opens-financial-literacy-grant-program-to-universities-nationwide/#sthash.F72juYv7.dpuf>

# Address Culture Explicitly

## – Effective Programming

What do **undergraduate students** need to know about their finances?

- First-Year: Student financial services/ **managing student account**
- In progression: Students need information about making **prudent financial choices**
  - Identifying daily expenses
  - Spending trade-off's (ex. Netflix vs. movie theater, bargain store vs. Nordstrom)
  - Debt management, credit card terms, rates
  - Costs involved with a vehicle purchase/expenses versus public transportation or carpool



# Address Culture Explicitly

## – Effective Programming

What are the financial literacy needs of **graduate students**?

- How to manage a **budget**
- How to **cut expenses**
- For some, making choices between **debt products**, or **debt consolidation**

What will the graduate students need to know when they leave school?

- Emergency **savings**
- Managing student **loan debt**
- **Investing** for their future



# Start At The Top

- Start with your immediate controller or VP
- Introduce the need and the benefit
- Tell them what the program will do for the university
  - Provide students with life skills (this is what the school is in business to do)
  - Perpetuates funding for future students at the university
  - Improve cohort default rate for university

# Involve Every Layer

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



# Make A Formal Case

## – Initiate Change

- Not “my” area of concern/job
  - Students understanding loan responsibilities perpetuates funding for future students
  - We are here to help our students succeed in their life
- Not “my” area of expertise
  - We do not have to be a CFP to implement financial literacy programs
- I have “budget restrictions”
  - Free available resources

# Create Ownership

Student Group	Current Programs	Sponsoring Department	Resource
Undergrad Student	Undergrad - Prefrosh Orientation	Financial Aid Office	Power point
Undergrad Student	Undergrad Billapalooza	Residence Life	Game recorded using Audacity free software
Student Specific	International Student Budget Workshop	International Student Programs	Budget workshop introducing online budgeting tools
Student Specific	Financial Literacy – (Underrepresented Students)	Diversity Center	CFP
Student Specific	Peer to Peer Program (Behavioral Issues)	Student Club & Student Health Center	Student Volunteers
Grad Student	Grad Budget Workshop	Office of Graduate Studies	Budget workshop including phone app demo
Grad Student	Foundations of Investing	TIAA-Cref	Investment Advisor
Grad Student	Budgeting and Savings	TIAA-Cref	Investment Advisor

# Communicate The Message

- Form campus leadership teams
- Reach out to students using departmental resources
- Utilize online resources
  - E-mail
  - Blog
  - Website
  - Drop box
- Partner with outside resources
  - Third party sites

# Prepare for the unexpected & Speak to the Individual(s)

- Management feedback
- Colleague input
- Peer group review
- Steering committee with student input

# Resources

## - Financial literacy websites

- <http://financialplan.about.com/>
- <https://www.mint.com/>
- <http://www.mymoney.gov/>
- <http://www.studentdebthelp.org/>
- <http://finance.youngmoney.com/credit-debt/>
- <https://www.upromise.com/>
- <http://www.startwithchange.com/>
- <http://www.spendster.org/>
- <http://www.collegescholarships.org/student-living/save-money.htm>
- <https://www.fdic.gov/consumers/consumer/moneysmart/index.html>



# Resources

## - Free applications

- Free Applications and Online Tools  
<http://www.lifehack.org/articles/featured/the-ultimate-student-resource-list.html>
- 15 Best Online Resources for College Students  
<http://www.lifehack.org/articles/productivity/15-best-online-resources-for-college-students.html>
- 15 Free Money-Saving Smart Phone Apps  
<http://www.fastweb.com/student-life/articles/the-15-free-money-saving-apps-for-students>
- Consumer Reports 7 Free Shopping Apps  
<http://www.consumerreports.org/cro/news/2015/11/7-free-shopping-apps-that-grab-holiday-discounts-and-deals/index.htm>
- Retail Me Not – Coupons and Promo Codes and Mobile App  
<http://www.retailmenot.com/>
- 40 Money Management Tips Every College Student Should Know  
<http://www.smartaboutmoney.org/Portals/0/ResourceCenter/40MoneyManagementTips.pdf>
- Textbooks – Buy, Sell, Rent and e-books  
<https://www.edvisors.com/plan-for-college/money-saving-tips/save-money-on-college-textbooks/>

# Resources

## - Program development sites

- [NEFE.Org](http://www.nefe.org) National Endowment for Financial Education: is the leading private nonprofit 501(c)(3) national foundation dedicated to inspiring empowered financial decision making for individuals and families through every stage of life.
- IGRAD Games, Calculators, Resources & More  
<http://www.igrad.com/FinancialLiteracyForCollegeStudents/>
- <http://www.higherone.com/knowledge-center/resources>
- [CashCourse®](http://www.cashcourse.org): 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](http://www.cashcourse.org)
- Jumpstart is an online library of financial education resources, for anyone committed to financial education for students.  
<http://www.jumpstartcoalition.org/jumpstart-clearinghouse.html>



# Resources

## - Credit related resources

- Obtain a Free Copy of your Credit Report  
<https://www.annualcreditreport.com/index.action>
- What is a FICO Score  
<http://www.myfico.com/CreditEducation/articles/>
- FICO Score Calculations  
<http://www.myfico.com/crediteducation/whatsinyourscore.aspx>
- Get your Credit Score for Free  
<https://www.creditkarma.com/auth/logon/>
- Household Budget Worksheet  
<http://www.kiplinger.com/tool/spending/T007-S001-budgeting-worksheet-a-household-budget-for-today-a/>
- Auto Loan Calculator  
<http://www.bankrate.com/calculators/auto/auto-loan-calculator.aspx>
- Mortgage Loan Calculator  
[http://www.bankrate.com/calculators/mortgages/mortgage-calculator.aspx?ic\\_id=calc-lead-auto-mortgages-globalnav](http://www.bankrate.com/calculators/mortgages/mortgage-calculator.aspx?ic_id=calc-lead-auto-mortgages-globalnav)
- Credit Union Education and Financial Tools  
<http://www.mycreditunion.gov/Pages/default.aspx>

# Resources

## - Games

- Cashflow Board Game

Video <https://www.youtube.com/watch?v=bvUXf1nMU94>

Store <http://www.richdad.com/apps-games/cashflow-boardgame>

- <https://www.financialentertainment.org/>
- <http://www.practicalmoneyskills.com/games/>
- <http://www.themintgrad.org/learn/>
- <http://www.edutopia.org/>



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