Elizabeth Coogan: I wanted to welcome you and thank you for attending this session, to hear what we have to say about financial literacy, and what students need to know.

You'll not only be hearing from Ed and I on behalf of the department, but we've got three wonderful panelists that have some great stories to share with you that I think you'll find very helpful.

Ed and I are part of the customer experience group at FSA, and we're highly committed to serving our customers and understanding their needs.

My experience with FSA – I've been here for about two years now, and most of my background is in banking and lending – I've taught personal finance in the college classroom for many years, and my most memorable experience was as a small business owner, creatively teaching young people about money. Maybe you're seeing a theme here. I'm extremely passionate and dedicated to finding ways to influence people of all ages to mind their money.

We all share the obligation, and I think it's actually an opportunity, to inform students and influence their financial decision making to make wise borrowing choices.

Borrowing money for higher education is a huge financial decision, and poor financial decisions can have a lifelong impact. These poor decisions, we know, can also influence our school's completion rates and cohort default rates.

Did you know that 39 million people have already made the decision to borrow money for college? That's almost the size of the population in the state of California. An additional 21 million people will indicate their interest in borrowing by completing a FAFSA. That's a lot of people that we are obligated to teach, influence, and encourage towards making smart borrowing choices.

I'd like to note – let's see, I'm going to – what we're going to be covering today. I'm going to be talking to you about some – what I think are three basic components of financial literacy, and make it seem really simple. Hope you'll agree.

Our panels here are going to share what they're doing at their schools, and please note that not all the panelists that are here are from the financial aid office. So, all areas of the campus can embrace this, and you can find some advocates out there that will support your program.

And then we're going to hear from Ed Pacchetti, who's our Director of Customer Analytics, and he's going to share about what some of the data is telling us about some of our most vulnerable student.

Ed Pacchetti: Thanks, Elizabeth. Good morning. Hold on just a second. I think I just might have torn the microwave out of the stand.

Bryan? All right. Came totally out of the podium. Yeah, I've never seen that. I've never seen this before. Okay, all right. Now, all right. Well, I'm just going to hold this microphone for a little while. Maybe. All right.

All right. So, I spend most of my day looking at data all the time. I look at how many students borrow, how many students pay off their loans, how many students graduate, and I think data is fascinating. I think it's fascinating to analyze it and really try to figure out what it's telling us. So, I hope that today I can present you with some of the data around students, and that it will help you to understand your students better, and serve your students better.

All right, we know that it's very challenging for you to focus on each student in the way that you'd want to. We know that in an ideal world, you would want to spend hours on entrance counseling and exit counseling with them, but we know that's just not possible. We know there's too few of you and too many of them.

I was at a speaking engagement with the secretary a couple years ago, and he was speaking to public school teachers, and one public school teacher raised her hand and said, "Mr. Secretary, you keep asking us to do more with less," and we're all out of less, and I guess that I think of that story because that, in some ways, makes me think of all of you. I think about the state funding cuts to colleges and universities the past three years, and endowments have gone down as well, so I think – well, I suspect – that a lot of you have been asked to do more with less to. So, in this presentation, we're not going to ask you work harder. We're just going to try to give you data that helps you to work smarter.

So if you have to choose on which students to focus, this may help you reach those students who most need your help. Number one would be students who are at the risk of not completing school. Without the degree or certificate, they will have a much harder time finding a job that pays them enough to pay off their student loans.

Students who are at risk of default – and later on we'll talk about some of the characteristics of these students who are at the risk of defaulting on their loans.

And students who take on high amounts of debt. In large part, you know how much your students are borrowing, and you may be the only person in their lives advising them on how to make wise borrowing choices. Your role can be critical in helping students to make those wise borrowing choices.

To help you identify students in need, let's take a closer look at each category. Let's talk first about the characteristics of students who do not complete school.

So, on this slide, there's a list of individual characteristics of students who do not complete school. These are individual characteristics, but as you probably know, these traits do not exist by themselves in isolation. Often times, you'll see students that exhibit one or more of these traits. The more of these traits a student exhibits, the more the internal and external pressures on that student can make completion less likely.

For instance, let's take the second one. Students work more than 20 hours per week. Students often work more to borrow less, but working more can contribute to non-completion. The better route for these students might have been to borrow a little bit more, have more time for their coursework, and complete their program; and then to demonstrate how these overlap, the students who work more often have a limited financial resources and often attend school part time. So you can see how these all overlap, and sometimes really make it hard for a student to complete.

And let's talk for just a bit. Let's talk for just a second about students attending for-profit schools. The iPad's data tells us that completion rates vary by institution type. The completion rates at private, non-profit institutions are 65 percent. The completion rate at public colleges is 56 percent, and the completion rate at for-profit institutions is 28 percent.

Now, let me put some caveats into that data. This is iPad's data. So it's the best graduation data we have at this point, but as most of you know, iPads only includes first time, full-time students. So, a number of your students on your campuses are left out of this data.

Let's talk next about characteristics of defaulters. In a way, you could do a checklist based on this slide. Number one, completion. The most important thing you could do to prevent default is to make sure that your students complete their program of studying. That's the most important thing.

Number two, students who go to for-profit schools. The latest three-year cohort default rate is seven-and-a-half percent at private non-profits. It's 11 percent at public institutions, and 22.7 percent at for-profit institutions. Students at for-profits make up 12 to 13 percent of the student population, but they account for 40 to 50 percent of all defaults.

Students who rely on private loans. Let's make sure that students exhaust Federal sources of loans before turning to private loans.

Students who borrow more than the average. Let's make sure that they only borrow what students need for school, to the full extent that you can. You don't totally control this, and we know that.

Speaking to that point, do you know how much students on your campus are borrowing? Do you know how much students at your institution borrow? If you don't, that can be a really good data point to know, just to know how much students have to borrow to attend your school; and then, do you know how much your students are borrowing compared to other schools within your state, or other schools – other comparable schools – across the country. Those can be really data points to know as you're evaluating how your school is doing, and then we'll focus more on students from lower income backgrounds a little bit later.

Let's talk for a minute about the data around unsustainable debt, and let's put this in a perspective. You read a lot about unsustainable debt in the media, but for undergraduate borrowers, high levels of debt are not common. Only seven percent have loan balances over $50,000.00. For a graduate students, about half a loan balance over $50,000.00, but often times a Master's degree comes with higher salaries that help these students to pay off their loans.

So what is unsustainable debt? Am I saying $50,000.00 in debt is unsustainable? No. There's an individual and specific set of circumstances for defining what is sustainable and unsustainable for each borrower. At Georgetown, they estimate that someone who graduates from an engineering program will make a million dollars more in their lifetime, while someone who graduates from an education program, like me, will earn about $241,000.00 more in their lifetime. So you can see that debt that is unsustainable for one student may be perfectly sustainable for a different student. However, as you work with your students, and you know what their individual circumstances are, you should be able to help them figure out what is sustainable for them. The bottom line? I should have majored in engineering.

Let's talk about risk for a second. The number one risk factor for default is dropping out of school. There is no other measure, no other data point we can look at that will reduce default more than getting students to complete their programs of study. Borrowers who do not complete are four times more likely to default on their student loans. Nearly 17 percent of borrowers who drop out of school default, compared to only about four percent of borrowers who graduate. Those that complete are much less likely to default.

This is a priority of the president of this administration. It's a priority of all of us at the Department of Education, and we know that you share the same goal. Just as we want your students to complete school, you want your students to complete their programs of study as well.

I'm a data guy, so I had to have at least one chart in my presentation. So this is talking about the students that take out over $50,000.00 in debt, and what's good to see here, is that even with that high level of debt, student debt goes down over time. So above the age of 34, student loan debts levels go down. That means that overall and over time, students are paying off their student loans. They're paying down their student debt. So, it's a good thing to know.

Let's talk a little bit more about low income students. They're more likely not to complete, and more likely to default. Often time too, they have overlap of many of those traits for not completing, and for defaulting on loans.

Research shows that low income students tend to incur more debt that their wealthier peers. Not surprising. Generally, the higher the family's income, the lower the likelihood that the student will default. In addition, families who have more money are able to provide a financial safety net for students that a lower income student does not have, which is ironic, because those are often the students who have to borrow more in the first place, and could probably most use that safety net.

Financial aid can be a critical factor to low income students, and we should all prepare to see more low income students. They're coming. It's the segment of our population in this country that is growing the fastest. If you don't see a lot of low income students now, get ready, because in the future, you're going to, and the stakes are higher for low income students, especially around having money to attend school. So, it's especially important to advise them to make wise borrowing choices.

Speaking of those wise borrowing choices, I'd like to turn the floor back over to Elizabeth Coogan, and she can talk about how to help your students make wise borrowing choices.

Elizabeth?

Elizabeth Coogan: Can you hand me the _____.

Ed Pacchetti: I'm going to hand you the microphone.

Elizabeth Coogan: Okay, can you hear me now? I hope so. Okay, thanks, Ed. _____ what we're going to do with that over there. Okay.

Okay, so we're going to get started off by talking about what is financial literacy. You can stop but read about the financial literacy. Open up any kind of periodical, the newspaper. There's an article about who doesn't know what.

The first general definition that's up there was provided by the president's advisory council for financial capability. So in fact, the president has put together a group of financial educators and financial access employees in the private sector to give him advice on recommendations on enhancing financial literacy.

There's also an agency in the government, the Financial Literacy and Education Commission. It's made up of 22 Federal agencies that are really working hard at this problem. The Department of Education is working closely with Consumer Financial Protection for consumer issues, and the FDIC on banking solutions for some of our students and minority students in particular.

It's well worth checking out. Mymoney.gov. It's a website. I hope most of you know it. I see some head shaking. It's got some great information about what the many agencies are doing, and as we'll mention throughout the presentation, there are a lot of wonderful free resources available out there. So, this isn't a situation where you're all starting with a blank piece of paper and you've got to figure it out all on your own, but it's a matter of connecting the dots.

So, for our purposes, what I'm seeing is that financial literacy, our students should be able to be well equipped with a sufficient level of financial knowledge when they enter the world of higher education, and we'd like for them to be able to understand these three concepts. Unfortunately, we know that's not always true, but…

So, the basics. Okay, looks pretty simple. Budgeting, borrowing, repayment strategies. A good understanding of these three basic concepts can influence students' financial lives and help them make wise choices. I think the challenge that we all have is the best way in which to communicate this, and to try and turn that knowledge into action.

So if we take a look at budgeting, the Fed's statistic is more than half American households do not budget. I won't survey you all out there, but… So, we need to help students understand basic concepts of a budget, and I think a budget will provide lots of links to good financial foundation skills.

Budget's a great learning opportunity that can exemplify the benefits of planning. Planning works well for your finances, as well as in the classroom academically, but it really is a habit that's sometimes hard to develop.

Budgets can also teach certain lessons, like setting goals, managing your spending, maybe avoiding impulse purchasing, comparison shopping, saving. Those are all great things that probably we could all use a little help in as well.

We need to help student understand that they have to be good at math to manage a budget. We need to remove the fear of numbers. How many people say, "Oh, I'm not good at finance. I can't do a budget." Okay, and I think that our panelists are going to show and demonstrate some really great things that can help students really embrace this concept.

Borrowing. We need to remind students early and often that borrowing has a cost, and the cost can vary. Ed mentioned about

Federal loans first, and how often have we heard that expression "Federal loans first"? But unfortunately, it seems the majority of borrowers surveyed, and there have been many of them out there, still don't know the difference between Federal and private loans. We think Consumer Financial Protection is trying to help, and they're doing a good job of that, and our studentaid.gov website does an excellent job at providing the difference between those two, but we need your help in delivering this message to students.

We also need to have students realize that they don't necessarily have to accept all the money that they are offered. Okay, minimize borrowing. It's sometimes a tough one, and I'm sure many of you would have some reaction to that. It's not always so easy, but even maybe provide a simple rule of thumb to borrowers, that if you borrow $10,000.00, that it's going to cost you $120.00 a month for probably more than likely ten years, and if you multiply that by each $10,000.00 increment, that's a fairly expensive to just accepting the funds that are being offered to you at the time.

Okay, of course, borrowing has to be linked to repayment, and basically, I think the message here is that all of your student borrowers should always, at any given point in time, know what their current outstanding balance is, and what an estimated monthly payment looks like. Okay, how best to convey that message? I think we all struggle with that. The department put up a new product in July of this year, Financial Awareness Counseling Tool Fact, and we think that that does a really good idea – that really does a good job at demonstrating what your outstanding balance is, and what a payment looks like, and it also does describe the basic fundamentals of a loan.

Students really need to understand that they have options to repay, and that they do need to keep in touch, and there are people that are out there to help them and explain the repayment options, and so we not only have to remind them of their obligation to repay, but I think it's important to remind them, and to demonstrate, the harm in not repaying, and how it really can have life-long consequences. It's going to cost them more, certainly, in fees. It's going to have an impact, a negative impact, on their credit score, which seems to be associated with so many of life's financial transactions, all the way – from simple the cost of borrowing, to having an impact on employment opportunities, a student's ability to rent; certainly going to have an impact on a mortgage rate when it comes time to borrow for a home, and it's going to impact, obviously, in general, future borrowing opportunities.

So as I mentioned earlier, we call it FACT – Financial Awareness Counseling Tool – that's on studentloans.gov site, and we have a couple of sessions that demonstrate that new tool that shows the total amount that a student has borrowed, extracts the data from NSLDS. It gives some hands-on exercises for budgeting, and generally managing your finances. There's some great, useful financial information, and we're in the process of building some of those techniques, and to entrance and exit counseling, and so those will be new and improved and available in the spring of next year.

Studentaid.gov. Hopefully all of you have had a look at our new site, and we think that that does a great job, all the way from information from preparing for college, to managing and repaying your loans, and there are several calculators that are available on the repayment section that can be useful to students, assuming that they get there to use it.

So, some of you may just be starting out, and some of – others may be considering how to improve your efforts to help students make wise financial choices. So, some of the things to consider, and I'm sure most of you have already asked yourself many of these questions, and it's really particular to your campus needs and your student demographics, but what type of program makes sense, and what the means is, were we going to do something online? Are we going to do workshops? Are we going to make it required at freshman orientation? Are we going to have one-on-one sessions? Are we going to have peer counseling? Peer-to-peer counseling, and the panelist, I think, can demonstrate some of those different approaches.

A big bearing on the commitment is your institution's resources. So you really need to look for advocates out there in your administration, okay? You don't have to do this alone, and we have – so our panels can represent that in some real live examples, and there are external partners out there. there are a lot of community organizations, professional associations, non-profits who are willing to help, and have good materials. It's just a matter of kind of understanding the resources that are out there.

The outreach is key too. You've got the students out there, but connecting them, providing the knowledge, and creating the action is a big, big challenge.

Financial literacy is a big deal. This spring, the White House actually had a financial capability summit, and they provided a tool kit, and that's been out there and available. It was available for public comment at one point, and it's a great resource. On page 28, it starts referencing the higher education possibilities, but it also addresses how financial literacy can be handled in a community, in the workplace, and K through 12, and I'm sure we all wish that they did a better job in K through 12 so it wouldn't be as big a challenge as it is for us.

There's a recent book that was published. It's probably the first of its kind. *Student Financial Literacy Campus Base Program Development*, by two of your peers. Sonya Britt is from Texas – is from Kansas State, and Dorothy Durband, from Texas Tech. They both have great programs.

There was a quote in the book. I think they mentioned someone who gave them advice, and the advice was "If you cannot start big, just start something," okay, and one of my favorite expressions it "It's never too late for now." So, I really – don't – we've all got to make some concerted effort on getting some things on our campus.

And so, did you know – I'm sure this is a new fact, and a new bit of information, but we came across a survey to make the point that students are looking to their school and their counselors and their school websites for assistance. So we at the department like to think that we can provide tools. We love for our students to come directly to them and to realize the benefits of using some of these, but we really need your help in delivering these messages, and so we've got some panelists here today that were kind enough to donate their time, to come and talk to you about what they're doing on their campus, and they're all very, very passionate about this. Michael Gutter is here from the University of Florida, and if you note, he's a professor. The family economic specialist, so he's not a financial aid administrator. We have Marina Test – sorry, Marina – from Georgetown, and Ann Lynn Hall from Central Mexico College. So we think we have different colleges that have different demographics, and some different programs, and they go at different ways to approaching this very important issue. So, Michael, I don't know what your choice of microphone is here.

Michael Gutter: Is this still on?

Well, good morning, everyone. Thank you so much for having me here. It was a big drive down here last night, a good excuse to get out, to stay in a hotel, and get a good night's sleep.

I wanted to share with you guys a little bit about financial literacy in the Gator Nation, if you will. So, looking a little bit – we're about two hours north of where you are right now, and I know we've got some friends in the room also from that area. So, we just wanted to share with you a little bit about what we've been doing there, and a lot of it parallels things that not only happen on K-State's campus, Texas Tech's campus, and my former employer, University of Wisconsin at Madison's campus. So, it's a pretty well established model that a lot of us have been trying to use at different levels. So this will just be an example of how some of those types of things have been put into practice, with varying degrees of success.

So, just who I am, of course. I am a professor at the University of Florida. I teach courses in financial planning specifically. I train students to become certified financial planner practitioners, or CFP practitioners. The Graduate level, I train students to do work on economic socialization. It's a fun concept. Most of us deal with it every day. It's the process in which we learn about money. So, we've done a lot of research on that and put it into a lot of place – put it into a lot of play, in terms of trying to think about how it affects our outreach efforts; and I do also conduct research on financial behavior; and lastly, lead our state-wide efforts in financial literacy through our 67 county extension offices.

So, I'm going to talk, then, a little bit today in particular about what we're doing on UF's campus, just to give you a few highlights of it. Some student outreach methods, things we've done that have been varying degrees of success, to try and get the attention of students, and then we're just going to touch base a little bit on how we, number one – we probably only have time to talk about how we deal with budgeting, but it's a neat resource that we wanted to make sure you all knew about, and let you know that you have access to it too. It's something we're all happy to share with everybody afterwards. So, if you like that resource and think it might benefit your campus community, let me know, shoot me an email afterwards. We'll see if we can help you out. It's not something we charge for, so that's kind of the first thing I tell everybody.

So, in general, there's more than one player dealing with financial literacy on the University of Florida campus, and I just wanted to highlight every person that's involved, but that would be my ten minutes. So without question, there's an enormous amount of effort being done by the Department of Family Youth and Community Sciences. That's my department, and we're doing a lot of things.

In particular, we launched a program several years ago that's our campus version of something we do in the statewide basis. It's called the Gator Cash program. Gator credit and spending help. The students came up with all these acronyms. Almost everything on our campus has "gator" or "swamp" in the title, as you might imagine. I'm sure your campuses are the same way. So we had an event called Savings in the Swamp. It's going to shock you, what can I tell you.

What we do with these students is we work with them. We have a statewide program called the Florida Master Money Mentor program. We train students to work one-on-one on – out, and do volunteer work, specifically helping people sit down and do budgeting, helping them understand their credit reports. Basic personal finance things that most of us have probably never had someone sit down and help us with one-on-one, so we make sure that we have some trained volunteers to do that, and we'll talk about how that looks on our campus in particular and what they do.

So, the Gator Cash program is something we're doing specifically within our department. In addition, there's students in free enterprise, which every year seem to be doing different financial literacy events, and I mention this to hopefully just – you're from all over the country. Different campuses of different sizes. So as you just hear some of these partners, think about whether or not there's anything like this on your campus as well. Consumer science programs, personal finance programs, ____ programs in the business school. Many of them have an ear or an eye towards the financial literacy issue right now, and see it as something that can contribute to. So I point it out, but there's a lot of potential partners, and without question, one of our best partners on our campus is the Office of Student Financial Services.

Every event we've had, our every Saving in the Swamp event, they helped us promote. They had a booth there. They were one of our first sponsors to sign up and volunteer, and we appreciated that. they said they were really grateful that somebody else took on planning such an event. So we were happy to kind of do that. It was a nice collaboration, one that let each of us kind of introduce our strengths and resources together. We have lots of people who are willing to present on topics. We had – we were able to get sponsorship – different giveaways, and they were able to come and give it a lot of credibility for the campus as well, which helped out a lot.

So, on the student outreach side of this then, who are we working with? How do we reach out to individuals? Well, number one, who is doing the reaching out? I'm one professor. I teach a lot of classes, and I do a lot of seminars for large groups on our campus whenever possible, but I can't do that every day. So we have to have a whole army of people really doing this. Our campus has 50,000 students on it. It's a big campus. Many of you are from large campuses too. One person, one office, is going to be really hard pressed to cover all of that themselves, if that's what they're trying to do.

Your comment earlier about prioritizing, finding those niche groups, identifying the at-risk groups, and high priority groups, is a critical first step, and I think that's very important.

We also have a lot of students who are required to do service learning on our campus. A lot of your campuses may also require students to sign up for service learning credits. We have students that love engaging in social media, love doing outreach, putting on seminars, being involved in something, and if they can apply something they've learned in a classroom, if some of them have an interest in either outreach, non-profit work, social work, or financial services, it's just a great opportunity for them to be involved on almost any dimension.

And our financial aid counselors we've worked with directly. Two years ago, they went through the Florida Master Money Mentor training themselves and were all certified at the time. So they were all – and they knew lots about many of these subjects already. We simply helped to hone them with a few tools that we were using – our semester base budgeting program that we'd adapted for students, and some things like that, to be some added tool belts, as well as thinking about what the financial coaching process looks like, specifically with budgeting and credit help.

And then of course we've done a really good job of trying to generate referrals. We have a real clear system of, "When are we supposed to send people to that office? What sort of not what a student mentor should do?" Sometimes students come to our mentors first because they think they're more comfortable with that.

We're reaching students through many different platforms – mobile campus, text messaging. ______ so we do it for large scale events that we want to promote. We're avid social media. We have a Facebook page. We have YouTube channels. We have students in classes required to make videos. So in several of my personal finance classes, students make videos for YouTube on subjects. Their audience is their fellow college students. If we had time, I would gladly share them with you, but you can certainly check them out. Shoot me an email, we'll be glad to send you the links to some of them.

So they're videos for college students by college students. They deal with everything from time use through money management, and of course, we have financial education seminars. We call them Gator Bites – Budgeting Information on Taxes, and other types of things, and Spending.

So – and again, these seminars are often invited or promoted. Who invites us? Everybody. The Graduate school invites us, specifically for a lot of the international students who are very unfamiliar with everything, from sort of the American credit system, to the budgeting system. We deal a lot with groups like Florida opportunity scholars. Another groups that come and identify – first generation college students. Students coming in from the low risk – or, I'm sorry, high risk, lower income backgrounds. So a lot of these students are in unique programs and clubs on campus. Those clubs pretty strongly reach out to our department, and we arrange seminars for them at least once or twice a year, at least once a semester typically. We're happy to make those opportunities available. We also work with fraternities, sororities, student financial aid related events, and other student organizations.

We also are happy during what's called America's Saves week, to promote our Savings in the Swamp event. That's our signature event that we put on from our department, but we prefer to work with everyone who already has an audience of people that they've identified or would benefit from financial education, and we keep pretty busy just doing that.

These seminars, anyone who attends them, can then sign up for one-on-one mentoring; sit down with one of our mentors, do some budgeting as a follow up. The average student doesn't take the time to do that with us, but the ones that do benefit a great deal.

So I just want to spend the last minute then talking about our basic budgeting approach and share with you this resource. We focus on semester-based budgeting. We do it in workshops or one-on-one. The process is very clear. It identifies issues and goals that the student has concerns about; how they're going to track and review their expenses for us for the first few weeks of the process; establishing a monthly budget that's going to then translate into a semester-base budget. A lot of their expenses cluster around both months and semesters. So it's important to think about a three-and-a-half to four-month window for most students, in terms of what their budget looks like. That also means that that's how long their financial aid disbursement has to last, which is another reason why we look at it from a semester-base budgeting standpoint. If we look at just the month-to-month budget, they often lose the big picture of what their full budget was for the semester.

We like to spread out their loan distributions and teach them methods for locking up some of the money, just using saving accounts that aren't linked to ATM machines, and other simple behavioral strategies, to try and reduce them spending down their disbursements too quickly, and coming in for emergency loans, and we possibly hope that by mapping their expenses, they may get to a point where ideally they can borrow less. We're optimistic about such things.

The reason why the calendar is so important is because most students will be more visually organized in that regard. They don't often think about their money. The timing becomes an issue. Those with part-time jobs don't get paid at the same timing as when their bills are due. Their loan disbursements come at one point. They have to force themselves to spread it out over that time. The visual representation of when money's coming in and when money's coming out can help them a lot to identify those patterns. This works really well with our freshmen. We give out about 25,000 of these calendars across the state of Florida, and several thousand of those go to our – many of the college campuses here.

This becomes a tool that they can use and adapt. Calendar-base budgeting starts with our free calendar that everyone's entitled to, but any calendar will do the trick going forward, so they can work on – and they can work a lot differently. There's more advanced things. Our students and mentors were happy to work with Google calendars, iCal, another adaptation that the students want to use with their Smart phones. Our paper calendar's a little clunky to some of them, but I still like folding a piece of paper in half three times and carrying it in my pocket. In case you didn't know, that makes eight boxes, which is the ultimate way to track your expenses. All you need is any piece of paper and a pencil. So we start off some students that way. Other students, we look at their iPhone and tell them what apps they might consider using that are free.

So we've given away over a thousand on our campus so far in 2012 – numerous workshops, one-on-one sessions, and we always encourage the use of technology. The 2013 calendar is in print this week, and if anyone's interested in seeing a copy of that for their campus, we'd be more than happy to make that available. It looks a little bit like this. Budgeting information on the side, the visual calendar on the right side, with lots of tips and strategies spread throughout the booklet and workbook. It's a standard calendar about yay thick. Pretty standard sizes.

My contact information is right here. If anyone has any questions – I know we'll have a Q&A session later, but I'd be happy to talk more about any of these things, and thinking about your own campus, and introducing you to any of the other services, and you're welcome to use red laser or any other CueCat scanner if you'd like my contact information.

Thank you very much. I'll turn it over to our next panelist. *[Applause]*

Marina Test: Thank you, Mike. I'm going to stand a little over to the side, 'cause I realized I can't see over the podium very well.

Good morning. My name is Marina Test. I am the Executive Assistant to the Dean at Georgetown University, and I began this Common Sense: Your Money, Your Future financial literacy program when I started a little bit over two and a half years ago.

As you may notice, I'm quite young. This is my first job out of college, and I have no background in financial literacy, so this was a very much a project of basically my literacy. I was first in my family to go to college in the U.S., and definitely did not have any background in how the whole U.S. credit system works, and budgeting, and all these things, so a big portion of this was I felt I should be able to get this information the same way that the students I work with at Georgetown should be able to get this information. So that's kind of where this program developed from.

I'll give you a little bit of a background. Originally, my office off the student financial services had wanted to started a financial literacy program and didn't really have any money for it, didn't really know how to do it. So they kind of grabbed whatever resources they had and put together five workshops a year in the spring, five weeks in a row, which you can imagine is a lot of stuff to do in very little time, especially when there's no money for it.

So, originally, this began as a small little project in 2006, and it kind of stayed that way until the fall of 2010, when I started. The year prior to that are all student run credit union, which is the largest in the U.S., decided to partner with our office to kind of bring these kind of tools to their students, because they work with the majority of the students on campus, and provide banking accounts for them. So this was something that they were interested in doing as well, and sought out the Office of Student Financial Services to be able to form a partnership with us.

Originally, that partnership was very split. Our office was in charge of doing these workshops, getting professors, or financial literacy experts, to actually host the workshops, and the credit union did a lot of fundraising in order to actually endow a program and form something more substantial than just five workshops a year in the spring.

So, now, now that we've kind of transitioned out of that, we are extremely close to having that endowment be substantial and be a real thing. We're hoping that funding for the program this coming year will start to actually come from the money that the credit union had fundraised.

So, the credit union is now transitioning into actually providing more programmatic support to students, instead of fundraising. They've kind of transitioned and are now more working on advertising and marketing with us.

The program has also been expanded from the original five workshops when I started, which was a mess to put together. If you can imagine, five weeks in a row for anyone, let alone students, to attend two hours every week out of their midterm sessions is a lot to take on. So, it's been expanded to a full year, with one workshop a month, which is much more manageable, and also provides a strong curriculum so that students could actually have skills that they're working on each month, and kind of developing their financial literacy throughout the entire academic year, instead of just at the end.

The added benefit to that is the program really used to focus on graduating seniors. So when I started, I kind of said, "Hey, that's just not fair. I just graduated, but I don't know any of these things," and I'm sure freshmen coming in are equally as disadvantaged. So, in expanding to a full year, we've also been able to provide access to a lot more students, and to be able to work with all student populations, from the undergrads to the graduates, ROTC, everyone that are our entire campus provides resources for.

So the first thing that I did in expanding the program was really build a curriculum. I think this is the most important thing to do. You have to have a goal. You have to have something that you're trying to teach. The original five workshops that we did the year before I came were kind of scattered. We did – one week was investing. The next week was budgeting. The next week was savings. There really was no way to connect them in a cohesive manner.

So in building a curriculum, it really gives students an opportunity to attend whichever workshops they think are most important to them, but to also be able to gain skills, and build on those skills throughout the academic year.

If you look at our program from last year, we always start out in September. There's a very famous professor on campus, from the MSB, the school of business, who just gets kids excited about financial literacy.

Financial literacy is not a very interesting sounding topic for those of us who are my age. So you have to make it seem something that's cool, something that's interesting. Talking about money is far cooler than talking about financial literacy. So just a matter of how you say it, how you get kids excited about, makes a big difference to whether or not they're going to listen to you.

So that's his job. He starts off the first workshop. He gets students excited about it, gives away prizes, makes financial literacy something that's on their minds, even if they can identify as financial literacy perhaps.

Then we leave on in October. We had a budgeting workshop. In November, we did credit. So kind of starting off with basics, but also making it little bit more advanced for anyone who kind of needs those more advanced skills. In December, we did security and insurance, protecting your assets, something that, again, we don't really hear about a lot, and surprisingly, college students are targeted often times, because they're not as well aware of how to protect their assets. So that proved to be a really important session for us, especially around the holidays, where there is more fraud, and things of that nature. in January, we had American Student Assistants come out from Boston and do a debt management workshop. Even though we have an entire staff of 40 in our financial aid office, it's nice to have someone else coming in, someone else offering kind of a different view, different opinion, providing those extra resources that our office may not have. In February, we had a business school professor do a workshop on investing. In March, we did our very first Common Sense Tax Week, which involved having a separate workshop for international students to do international student tax, and then have a regular tax 101 workshop for anyone who is just new to taxes, needed to know the basics, and had a third workshop on using online tools to be able to do your taxes, so Experian, things like that. Ways that you can find resources. Students tend to find resources online very easily, so showing them which resources are good ones to be able to access; and then in April, we invited recent alums to come back. So in the last two to three years, to kind of share their story. What were their finances like when they were in college? How did they manage their money? Did that change when they became recent college grads? How has that changed since as they became working professionals? Students will react best to their peers, and to people who can really tell them what it's really like, and so that provided a really great opportunity for those students who may not have been able to connect to some of the presenters, to be able to get a little bit more comfortable, and get that direct feedback that they wanted.

This year, as you can tell, there's a couple of workshops that are same. We like to keep certain ones around, for anyone who wasn't able to attend the previous year, but you want to have some variety, 'cause it gets stale, and you need it to be exciting, and you want the same audience returning in following years.

So a couple of things we added in – in August, we did GSP, as a Georgetown Scholarship Program. It's a program for first generation low income students, of which I have a 50 student caseload, but they're kind of split throughout campus. So they're the students who really need this information, who are really coming into Georgetown ill-equipped to be able to succeed in a lot of ways, whether that's academically or socially or financially. So we designed these budget boot camps for them, which is basically freshmen orientation session that's one day long. We split them up into groups of about 50 to 60, and kind of do financial literacy 101. Everything they need to know, but oriented in a way that's around Georgetown's resources and Georgetown's community. That's a big part of financial literacy. It's one thing to be able to just manage your money, but another thing to be able to manage it at the college where you're at, in the community where your college is located. If any of you have ever been to Georgetown, it's a very wealthy neighborhood. It's incredibly different from the rest of D.C., and a lot of these students have never been around this kind of wealth, so it's really difficult to manage the social pressures of – all my friends are going out to lunch every day, but I can't afford that. What do I do? So kind of – not only just giving them basic financial literacy, but also specific to their situation as Georgetown freshmen.

The other thing that we did is added in a graduate student workshop in October.. We noticed that doing debt management, okay – grad students and undergrads have very different priorities and very different needs. So you want to be able to provide resources to each different population. I'm going to go very quickly now, because I'm losing time.

We've been very successful at outreach to students in a number of ways, kind of more creative outreach. So, guerilla marketing, if anyone has ever heard of that, is kind of more in your face, bold, on the street kind of thing. So, one thing that was very successful was doing publicity stunts. We did a gigantic jump rope in the center of the quad and had people in big money suits, what you see right there, jumping up and down and inviting people to jump rope with them. Very random, but that's what got students excited. They're like, "This is crazy. What is it? I want to join in. I want to participate. I want to be a part of it." So that was very successful.

We're part of all the different on-campus events and fairs, making sure that your brand really stands on its own. You don't need to say what is common sense. People just get it. Common sense. They get it.

We did a promotional video challenge, so encouraging students who are involved in other fields who may not be interested in financial literacy to do something they're interested in, so we reached out to a class, and all the kids who loved doing videos and things on their own made this video clip that's available on our website. If you go on gucommonsense.com, you could check it out.

The orientation sessions I mentioned, we have a lot of swag that we give out, so bags, USB drives. Basically, incentives to get – students love free stuff, so the more stuff you can give to them, that also has your logo on it, all the better. They'll be excited about it. They'll go on your website. It'll drive attention to you.

Our website has definitely the biggest driving factor of our success. Everything is available online. All the PowerPoints are updated at the end of the workshops. We have tools and resources available. You can contact us directly. That's the promotional video that I was mentioning before. So that's been a big hit, and you want to make your website more student friendly. A lot of financial aid websites, if you notice, are information driven, and kind of more business professional, so we went kind of in a completely different way with this, to make it more youthful, more exciting.

And last but not least, in addition to the Common Sense workshop series, we developed a peer counseling initiative in order to provide our students some place to go to if they feel more comfortable talking to peers, instead of financial aid administrators, or people who are a little bit more outside of their age zone. So, our peer counselors are completely volunteer based. They're about 25 to 30 students who do this as something that they're passionate about, and interested in providing services to other students. We provide the ___ book core training for them, to be financial administrators, so they kind of get to write that on their résumé, and kind of serves an internships for them, to be able to say, "I'm a financial aid peer counselor, certified and trained.

They do office hours. They do dorm storms, which are info sessions in the dorms, but kind of a little bit more informal and relaxed, not something a financial aid administrator would be doing.

They participate in phone-a-thon outreaches for all incoming low-income first generation students, to be able to offer extra support, and participate in a number of community outreach initiatives in the Washington, D.C. area, specifically with low-income, first generation-based high schools in the neighborhood to be able to provide resources for schools that otherwise really just don't have those resources.

You'll see the travel resources. This Jolla survival guide is a budgeting booklet that they put together. We're working on a much larger one, but it was basically a number of resources on how to save money around Georgetown, whether for books, travel, food, entertainment, whatever it is. That's been kind of a big hit on campus. So, kind of different ways of spreading the same wealth of information, but in ways so that different populations can really react to and respond to it, and that's it. *[Applause]* And, Ann Lynn.

Ann Lynn Hall: Good morning, my name is Ann Lynn. They put me last because they knew that I had to fly across country, and that I wouldn't be awake until the end of the session, which was really good, because I'm awake now.

I wanted to introduce myself. My name is Ann Lynn Hall. I work – I'm the Executive Director of See and Connect. I'm going to tell you a little bit about CNM Connect. I initially started at CNM as a position called Achievement Coach, and when I was hired, they said that I'd be working with students on how to take tests, and how to talk to their instructors, and how to take notes, and I thought, "Great. I'm ready to do that," and within the first three months, I realized that was not my job at all, that students were coming in with barriers that had to do with money, and that I needed to skill up pretty fast about money, about financial aid, and other financial resources, and so what you'll be seeing is the culmination of my work over the past 12 years.

The other thing that I'll say is that CNM has developed a national financial coaching training, and I've got some information available up here, up front, if you're interested, so I also do financial coaching training nationally as well.

So, when Ed was talking earlier about non completers and that list of non-completers, my stomach sunk a little bit, because every criteria on that list, except for one, typically describes most of our students at CNM. So CNM is the largest post-secondary institution in New Mexico. We're larger than our four-year partner that's across the street. We typically serve between 30- and 40,000 students annually. Most of our students are minority students. Most of our students are first generation students and like community college, average age is typically older than a four-year university.

New Mexico is a low-income state, so most of our students are making less than $20,000.00 annually. The work that we do within CNM connect those numbers mirror our colleges numbers, but know that many of our students are going to school with children, and then the bullet at the end is the one I want you to pay the most attention to on this slide. Sixty-seven percent of our students have trouble paying their monthly bill. So that's a pretty big chunk of students, but if they put their budgets together, they don't have enough money to pay for everything that they have going on that money.

We did a survey, the Sense survey, and again, I'm going to highlight the third bullet on here, looking at why do our students drop out of school? And when we first did – we did Sense, and then we'd also did a non-retain student survey, and when we first put this survey together, I thought, "How are we ever going to talk to students who we didn't retain? They're gone. We have no way of getting a hold of them," and so we went back and talked with them about why they dropped out, and these were the four reasons that people dropped out. Part of it was connections. Part of it was instruction that made sense to students in an educational model that they were really engaged in. The third area was around financial aid, and this was broader than just financial aid. Our students talked about not just about advisement, but they needed resources. They needed to figure out ways to pay for things. And then finally, there was an idea that they needed greater awareness about resources available. So we knew we had a lot of resources for students, but they weren't figuring out what they were very clearly.

So, what we did is we put together something called CNM Connect, and in this slide, you can't see those big – the letters around the outside – but what I want you to know is we've done change in two different ways. One way is looking at how we make institutional changes across the board, and so we have an emergency scholarship program. I'll give an example of one of these institutional changes. We have an emergency scholarship program, and what we found is that sometimes students were asking for help for services that – or funds – that we had available in other places, and so we made a change, so that whenever students applied for this emergency scholarship, they had to talk to an achievement coach first. So they had to get a letter of recommendation. That coach was able to help them work through, if there were other resources available, and so those emergency funds were only going to students that we knew needed them, and so that was a way of us screening students.

CNM Connect is a different model, a different way of doing business at our college, and we've been doing it for about six years. Our focus is really on student navigation. So how do we help students get in, through, and out our – their experience at the college? And so, instead of saying – and I know that you all will have this experience, and so I'm going to do a quick survey from you all. How many of you all have ever had a student that came and they said, "Someone else sent me from over there, and someone else sent me from over there." Anybody have that experience in your institutions? Yes. So it happens a lot, about that we don't take responsibility for helping students out with whatever they need, and so CNM Connect, we talk about no wrong door, or maybe perhaps this is the right door, no matter what students are showing up for.

So students don't experience siloes. They don't experience that bounce from multiple departments and multiple referrals, and what we really wanted to look at was providing holistic, comprehensive understanding of our students. So CNM Connect has a location. We have a location at each of our campuses. It's a concept and a philosophy of how we interact with students, and it's also a group of people that know that they're not ever going to say, "You need to talk to somebody else. Go down the hallway." So we do this work in person, online, and on the phone.

And thematically, we use this picture of the puzzle, because we know that students need a lot of different things in place to be successful overall, and so these are the different services that we provide. We do a large tax site, so again, looking – look at how many of these have to do with money, and many of our students who are going to get their taxes done for free, 40 percent of their annual income is showing up at that tax moment.

So those of you – let's do quick hands. How many of you are doing taxes at your schools? Okay, so not very many. Forty percent of annual income. That's a huge chunk. Imagine in your own head, calculate out 40 percent of your income. If you got it in February, what would you do with that money? I mean, it's pretty amazing.

We also help students with financial aid. We're not the financial aid office, but helping them navigate our own financial aid office is a big thing. We also do benefit screening. So let's see how many folks in the room do benefit screening for folks' Federal/State benefits. Anybody? Okay.

Another great way of income generation in a college. So, helping students apply for food stamps, helping them apply for housing, helping them apply for daycare. Again, this is another way of bringing in money that would supplement traditional forms of financial aid.

Finally, we help students with scholarships. We have a performance-based scholarship. I talked about an emergency scholarship. We also have a book scholarship and a tuition scholarship as well.

So, this is a little bit of a timeline about our work. I'm choosing not to talk about that right now. The three things I want to talk to you a little bit about – one is we provide a financial education course at our college, through our business department. When we were looking at doing financial aid – financial education about six years ago, we were trying to figure out the best way to do that, and we looked at our own catalogue, and lo and behold, we had a financial education course on the books that we were choosing not to teach, and so all we did was we started advertising it.

We were doing some workshops through CNM Connect that were very well attended, non-credit workshops, and we decided that the business that colleges do, and so I'm just going to be transparent, the way we make money as a business is by offering courses, and so we were generating – had an income generation stream for the college. So it's a three-credit hour course through our business school. We teach both face-to-face and online versions of it, and we target both our college students, but also our dual credit high school students. So we know that students show up better prepared financially when they go to school.

We also do financial coaching, so I have a belief that there's a difference between financial education and financial coaching. Financial education, in my belief, is providing information to students so that they make better choices. I want you all to think about your own financial lives right now, and think about if there are any financial things that you should be doing differently, like I don't know, saving more for retirement, paying off credit cards. Anybody in the room have any financial choices that you know the information that you need, but you haven't made the behavior change? Anybody? Be honest.

Okay. So, the financial coaching end of things is about helping people identify what their goals are, and then to make the changes that they need to change that behavior. So we implemented that as well, and then some of the things that we do are really, really simple, and so I want you to walk away with something that you can take back with you.

So for example, with financial aid distribution of checks, which happens every semester. We included top ten tips – apparently I'm not as awake as I thought I was – for financial education in every financial aid check envelope. So we knew that we could get information out to everybody that way.

We also partner – you can over time we've served more students. That's really good. we've also partnered a lot with financial aid, not only on the scholarship – so we help screen those scholarships. We help students put letters together. We also help out with appeals. So if students put together an appeal package, we will help them put together a success plan, so that when they go to the financial aid office with those appeals, they're more likely to have a successful experience in future semesters as well.

So as I mentioned, I do have some flyers about financial coaching training, if you're interested in that at your institution, and I am going to turn this back over to Ed for a couple – two last slides, and then if you've got questions, think about your questions, okay?

Ed Pacchetti: Thank you, Ann Lynn. All right, we're running a little short on time here. *[Applause]* Since we're running a little short on time, let's open the floor for questions, and we just had this general call to action. We know we need to work together. Your students are our customers and our borrowers, and we share the same goal, which is student success, but we'd be really interested in hearing about insights you have, questions you have, comments you have, anything. This is kind of a learning opportunity for us. So, there's a couple of microphones in the room. If you have anything to add, feel free to step up to one of those and…

Any questions? All right, I see one brave man here.

Audience: Good morning.

Ed Pacchetti: Good morning.

Audience: You mentioned the use of peer counselors for working with your students. Do you have a text that you would recommend, or a program, like Inseptia, or AFCPE training, or something like that?

Michael Gutter: Sure, well, the AFC training, the accredited financial counselor training's certainly great, and we do have a few students that see that as part of their career path in general, so we certainly encourage that, and some of our leadership works with that. in general, we put them through the Master Money mentor training, which was originally developed out of the Ohio State University, and used in many different county extension offices around the country. We've used that training in particular. It's worked for us now in 6 – 30 counties in Florida, and on our own campus as well. So, we work with that one in particular, but it's available to other people to utilize as well, and not just us.

Marina Test: And as I mentioned, we use the NASFAA core training. That's the National Association of Student Financial Aid Administrators. They have a peer counseling training that they provide that you can purchase directly from them, and then use for as many students as you want.

Ed Pacchetti: Are there any other questions or comments? We got about five minutes left if we need it. Anyone else? All right, seeing none, thank you very much for sharing part of your day with us. *[Applause]*

[End Audio]