

# Enhancing Student Financial Education: A Technical Workshop

*CGS Summer Workshop  
San Juan, Puerto Rico, July 17, 2013*

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# Workshop Overview

I. The National Context for a Best Practices Project

II. Program Overview

III. Research Activities

*break*

IV. Open Discussion and Questions

# Enhancing Student Financial Education: Key Aspects of a Best Practice Initiative

- A major intervention into the #1 issue in U.S. higher education and the economy: **Student Debt**
- Positions graduate schools and U.S. institutions to be part of the solution called for by:
  - Students, legislators, CAO's, society, and the public
- Innovation and impact ensured through unique program features:
  - Student Engagement
  - Relevance

# Student Loan Debt: The National Context

# STUDENT DEBT LIVING

VOL. 10 ISSUE 1 AUGUST 2011

**Top Ramen**  
And Other Food Substitutes

**Your Internship**  
Why it's not technically indentured servitude

**WAL-MART**  
When you can't afford integrity

**Selling your Pokémon Cards**  
Learning To Part With Charizard

**Ignoring That Cough**  
It's Probably Nothing

**Drink your debt away!**  
A 50-page guide to self-destruction

**Why Didn't You Get any Scholarships?**

**Compound Interest**  
Why An Early Death May Be Right For You

## the EAGLE

### University has highest student debt a D.C. Universities

By Lili Kari  
Eagle Staff Writer  
November 15, 2011

Twenty percent of student payments, such as A-Save and D-Save, are stilling for more accountability from the administration, and



## STUDENT LOAN DEBT



## Degrees of Debt

This series examines the implications of soaring student indebtedness of students and their families.

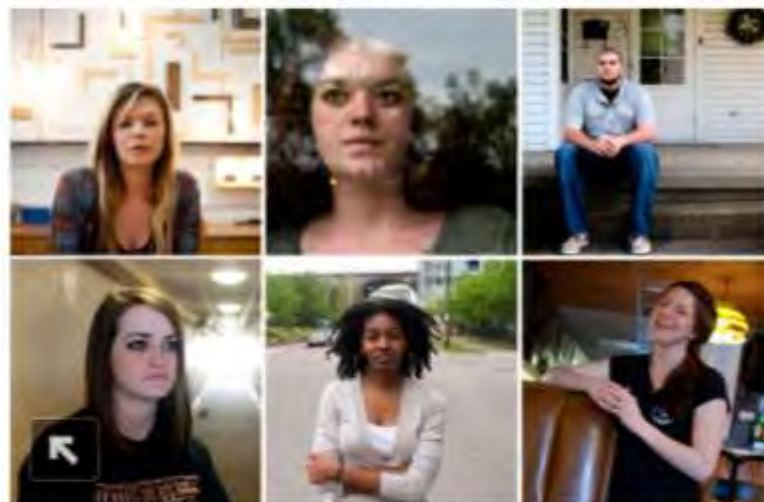
**PART ONE:**  
A Generation Hobbled by the Soaring Cost of College

**PART TWO:**  
Slightly, as Student Debt Rises, Colleges Confront Costs

**PART THREE:**  
When the Price of Sheddng Student Debt Is Hopelessness

**PART FOUR:**  
Debt Call on Students

### A Generation Hobbled by the Soaring Cost of College



Taking on debt has become a central part of the college experience for many students.

By ANDREW MARTIN and ANDREW R. LEURIDEN  
Published May 12, 2012 1,441 Comments

ADA, Ohio — Kelsey Griffith graduates on Sunday from Ohio



October 2, 2012



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### Student Loan Debt Exceeds One Trillion Dollars

Listen to the Story

President Obama visits Congress to extend the 2007 College Cost Reduction and Acco

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### Student Loan Debt: \$1 Trillion and Counting

Whatever happened to the American dream of going to college, landing a great job and living happily ever after? College is supposed to be about getting off to a great start, but it's a financial minefield that threatens to kill our young and everybody else too. The U.S. has the dubious distinction of now having more than \$1 trillion in outstanding student loan debt.

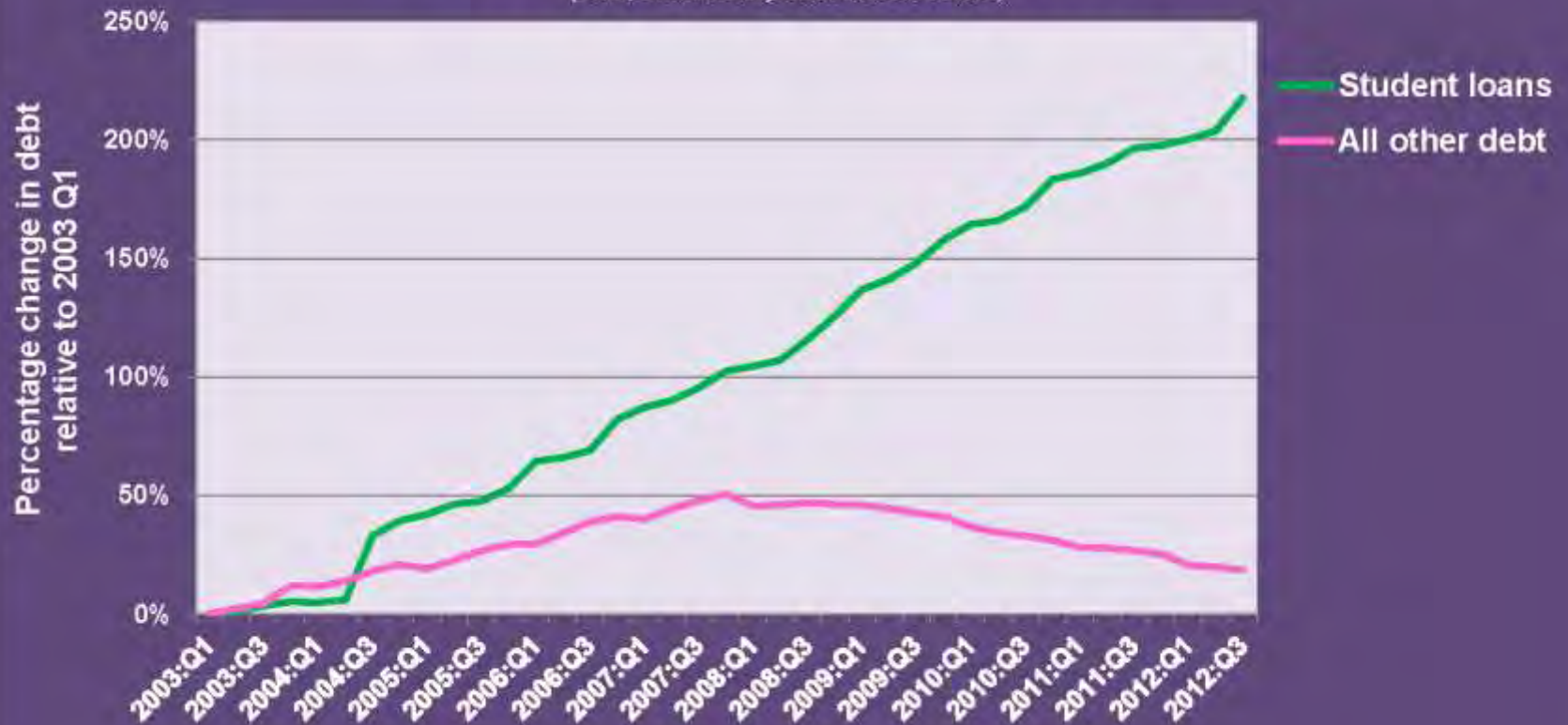
The crisis has the full attention of the Obama administration





## Change in U.S. Household Debt, 2003-2012 Student Loans vs. All Other Debt

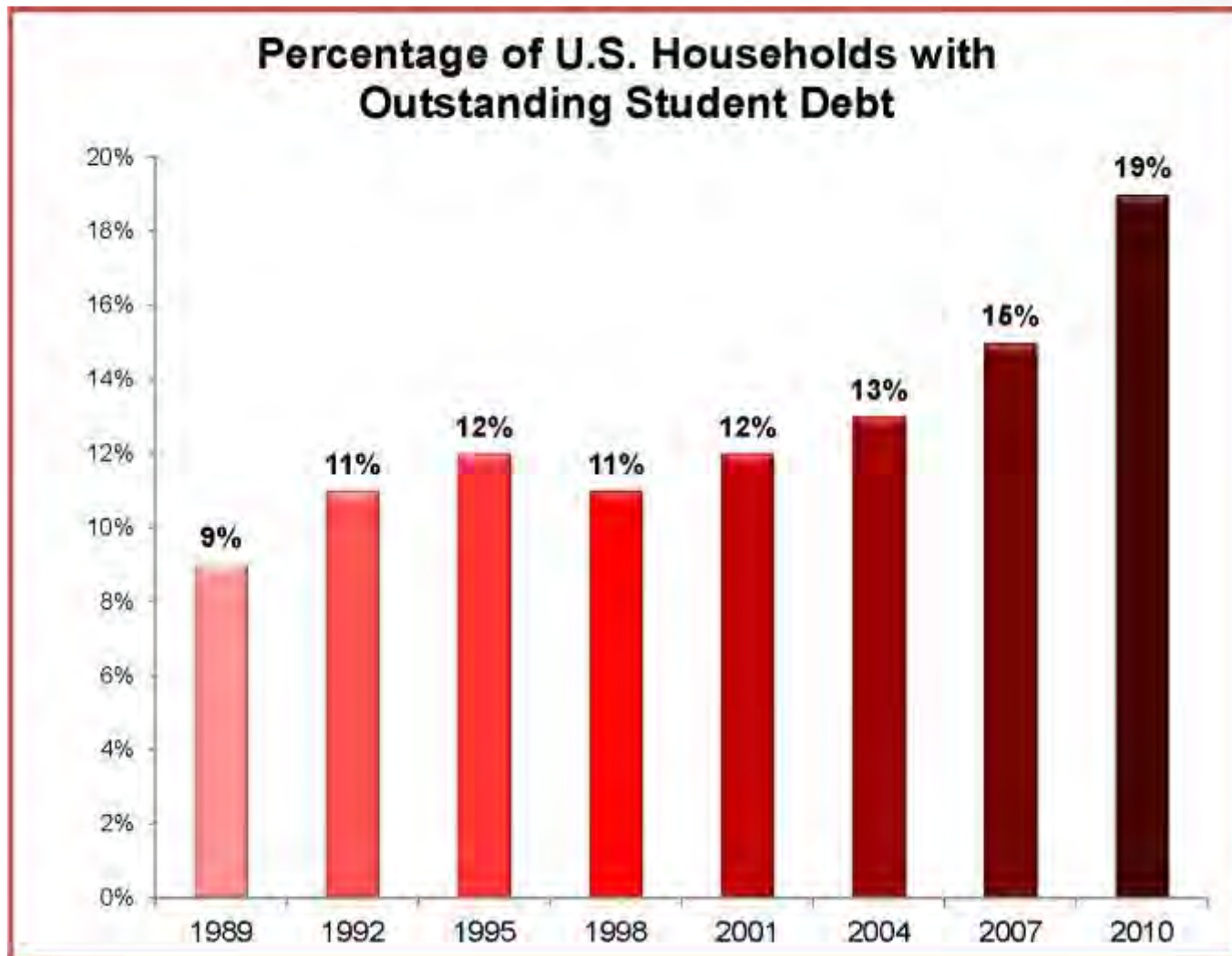
(Note, amounts adjusted to 2003 dollars)



Source: Federal Reserve Bank of New York

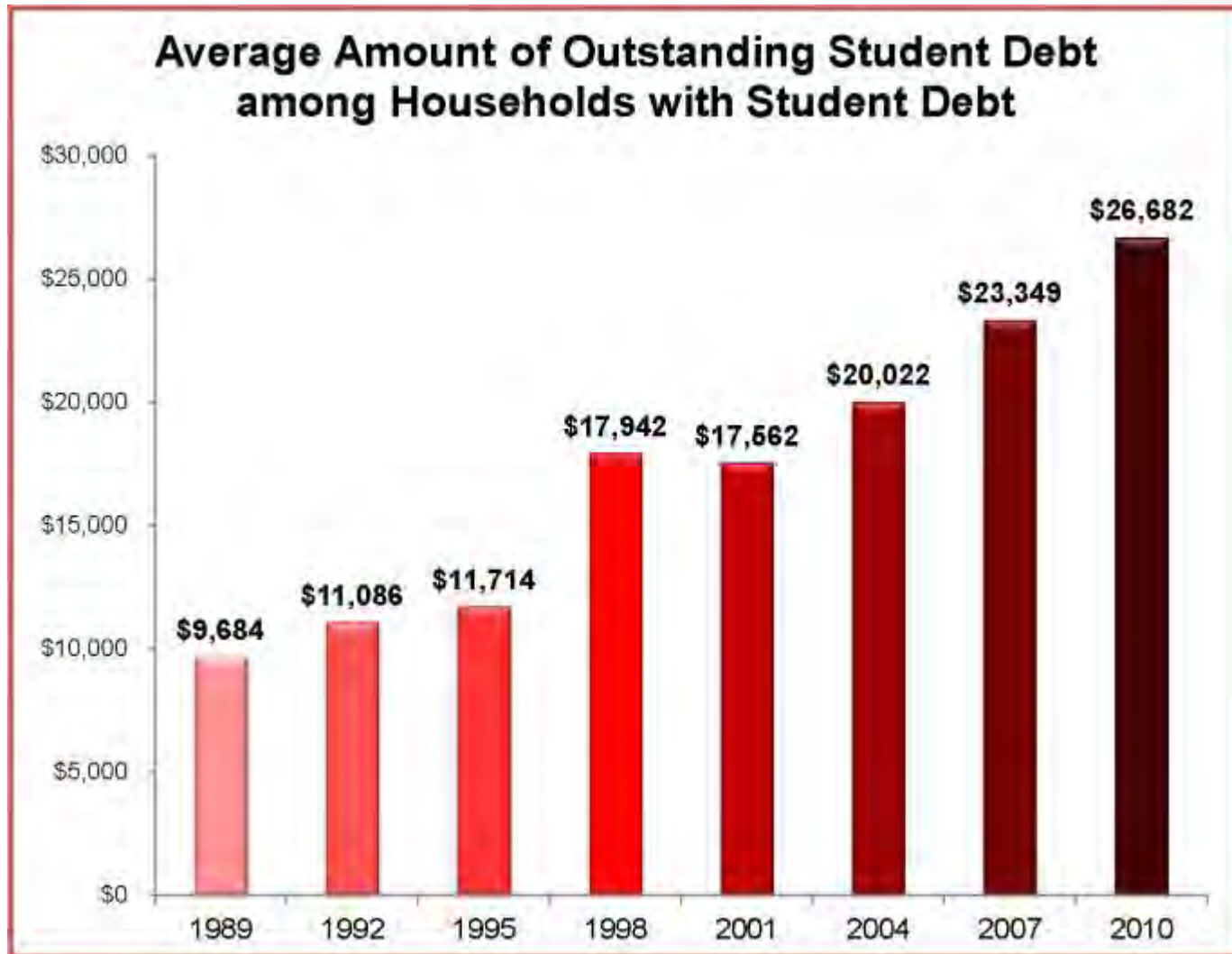
# Signs of a Student Debt Crisis

- Student loan debt exceeded \$1 trillion in the U.S. (combined federal/private)
- The balance of federal student loans has grown by more than 60 percent in the last five years.
- About two-thirds of bachelor's degree recipients borrow money to attend college, up from 45% in 1992-93.
- Student loan debt has surpassed credit card debt, with a record 1 in 5 households carrying student debt.
- Delinquency rates of student loan debt are twice that of other household debt.
- More than 1 in 4 students with debt are estimated to have past due balances.
- 17 percent of the 37 million borrowers are age 50 and over.
- As of October 2012, the average amount of student loan debt for the Class of 2011 was \$26,600, up from \$23,350 in 2007.

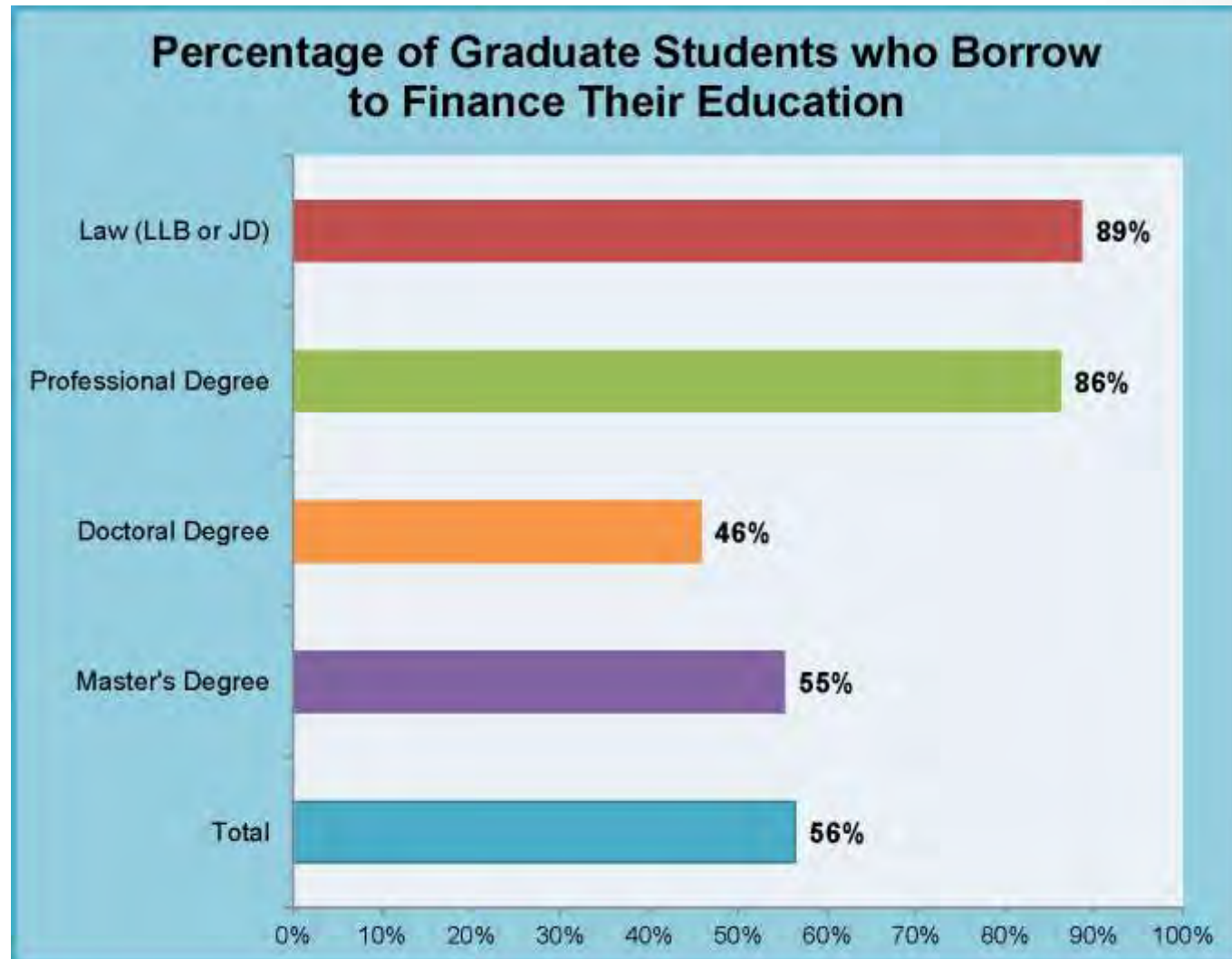


Source: Pew Center tabulations of Survey of Consumer Finances data

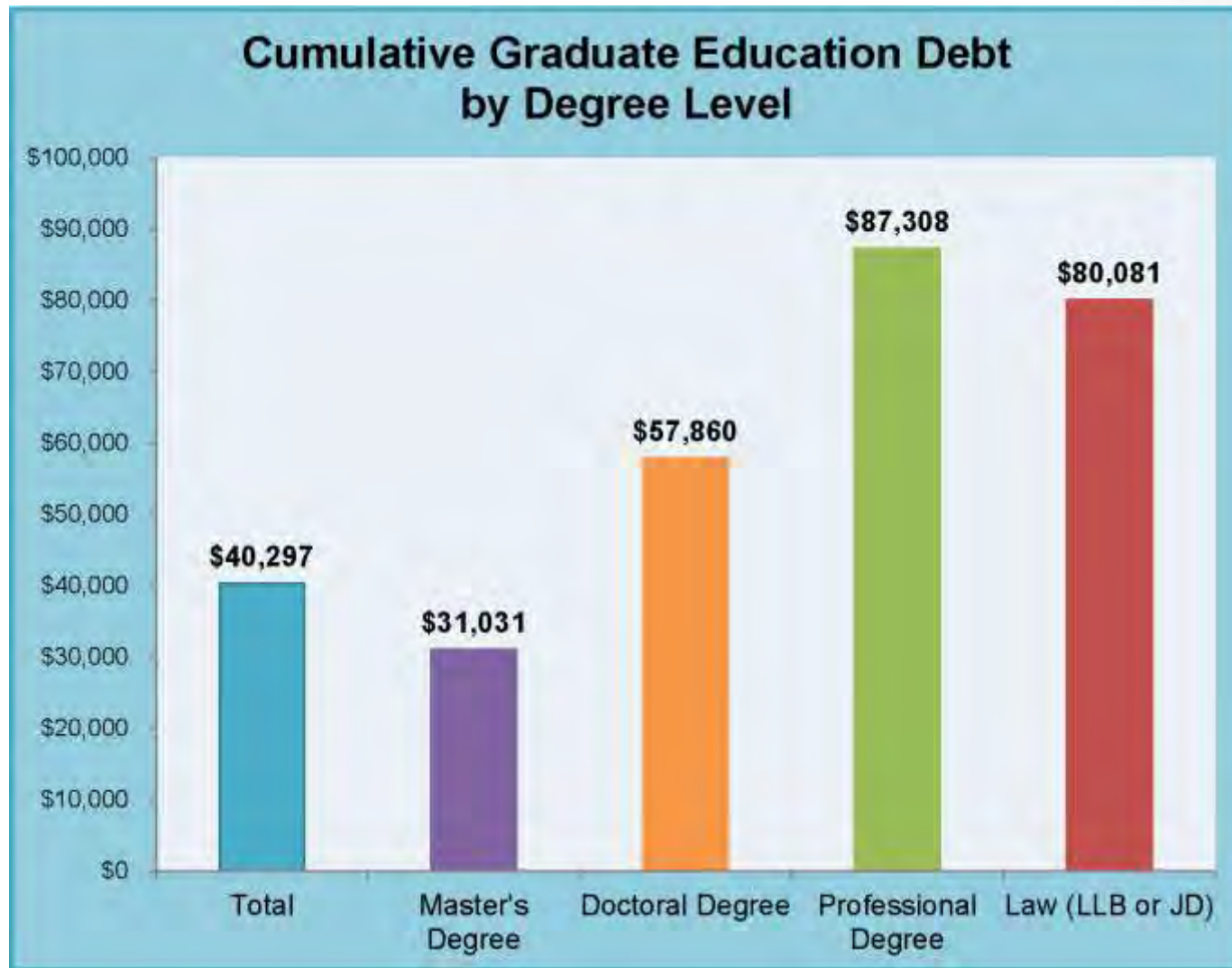




Source: Pew Center tabulations of Survey of Consumer Finances data

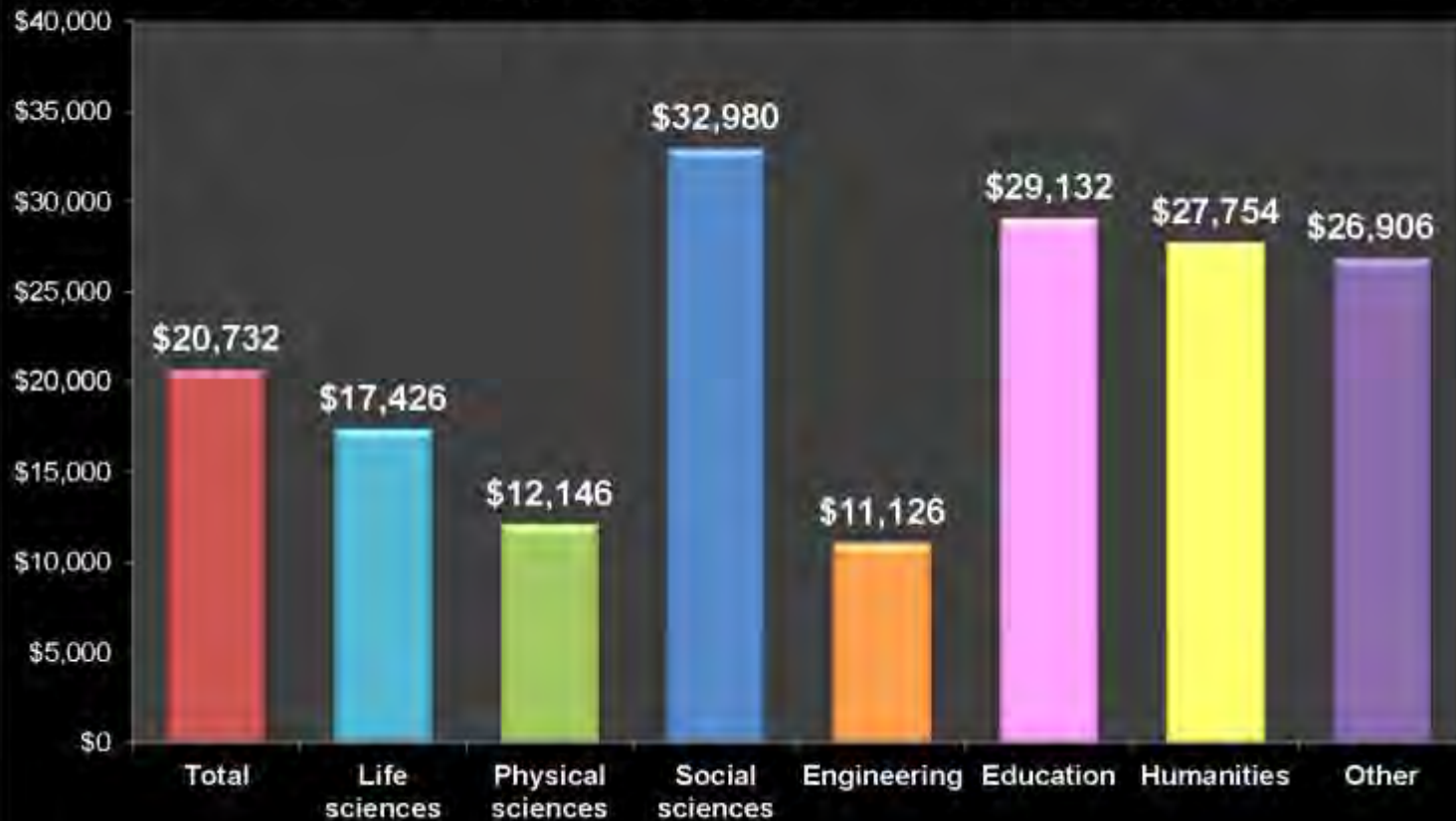


Source: NPSAS 2007/2008 data as seen on [FinAid.org](http://FinAid.org)



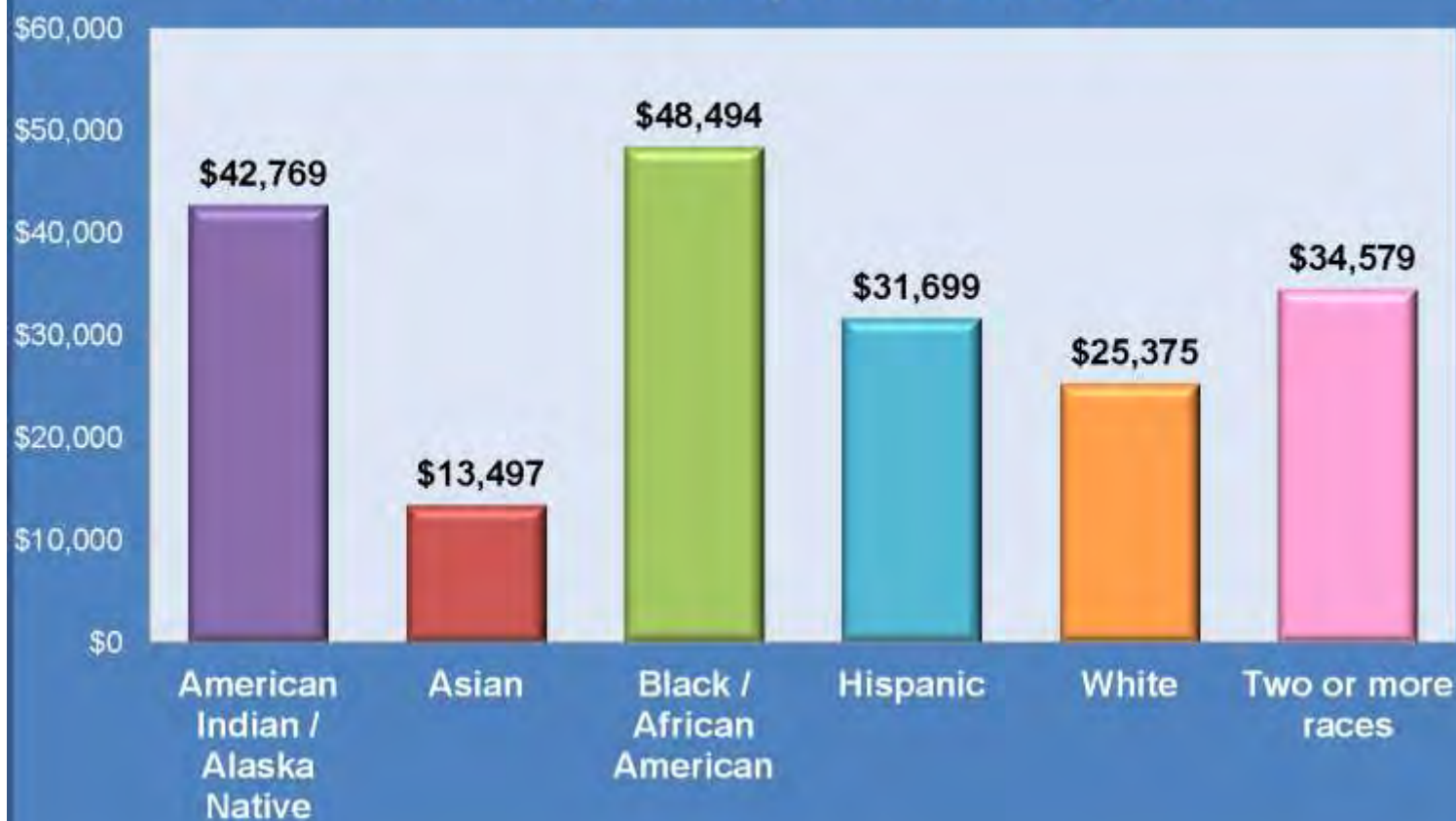
Source: NPSAS 2007/2008 data as seen on FinAid.org

## Average Amount of Education-related Debt of Doctorate Recipients by Broad Field of Study, 2011



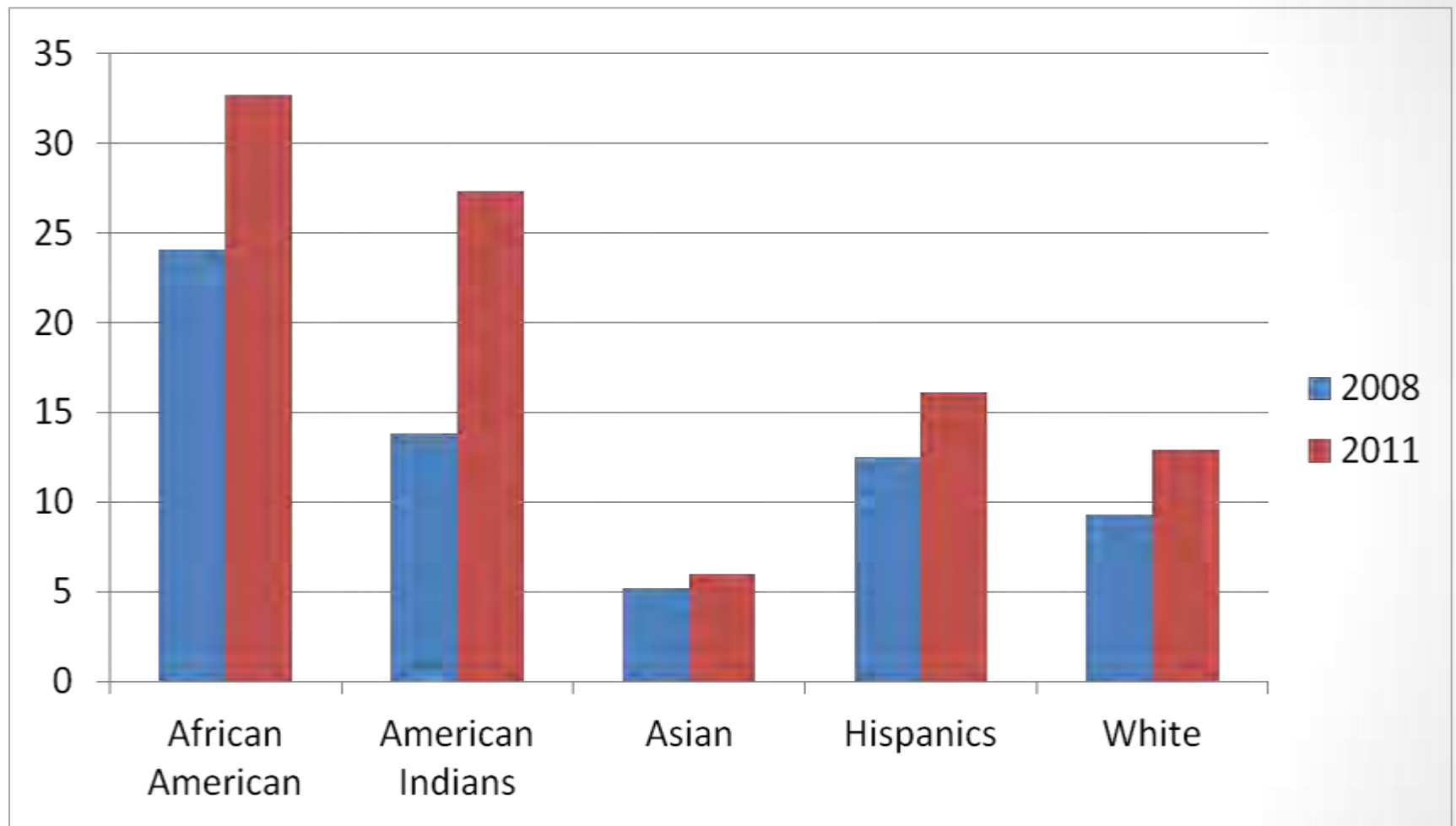
Source: NSF/NIH/USED/NEH/NASA, Survey of Earned Doctorates, 2011

## Average Amount of Education-related Debt of Doctorate Recipients by Race/Ethnicity, 2011



Source: NSF/NIH/USED/NEH/NASA, Survey of Earned Doctorates, 2011

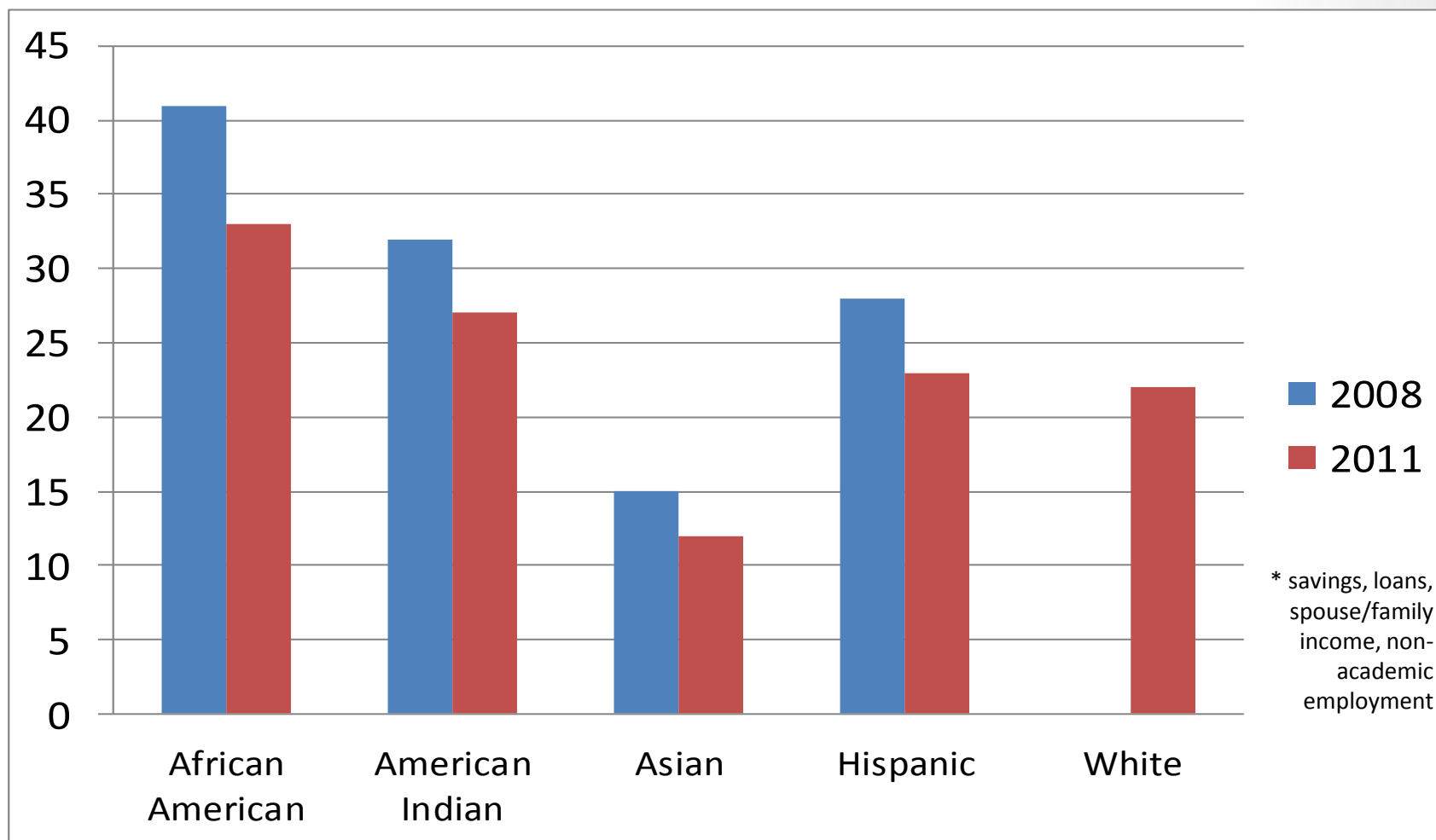
### Percentage with cumulative debt over \$70,001 by race/ethnicity



Source: Survey of Earned Doctorates, Summary Reports, 2008 (Table 24), 2011 (Table 40)

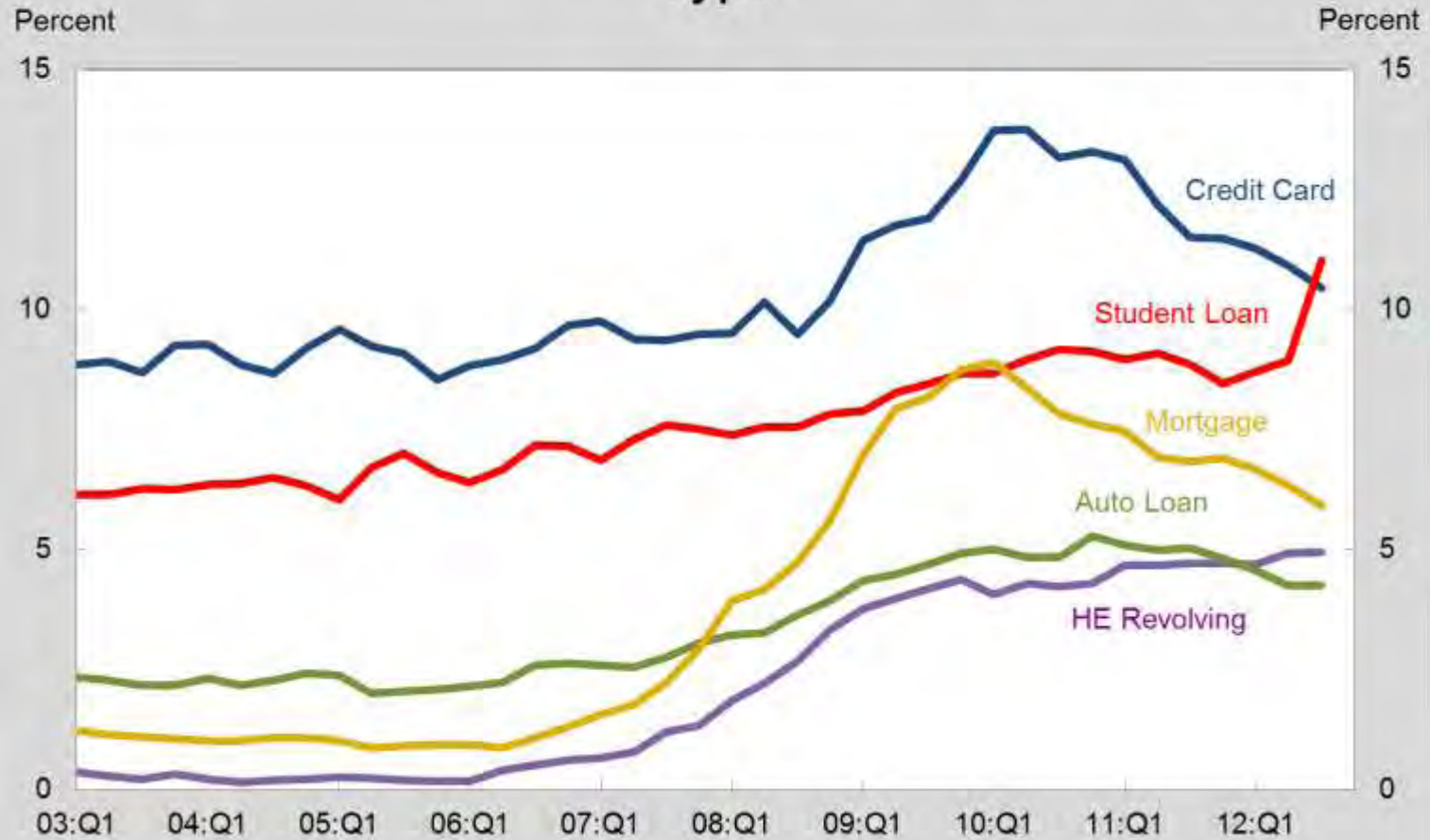


## Percent of doctoral recipients reporting “own resources” as primary source of support



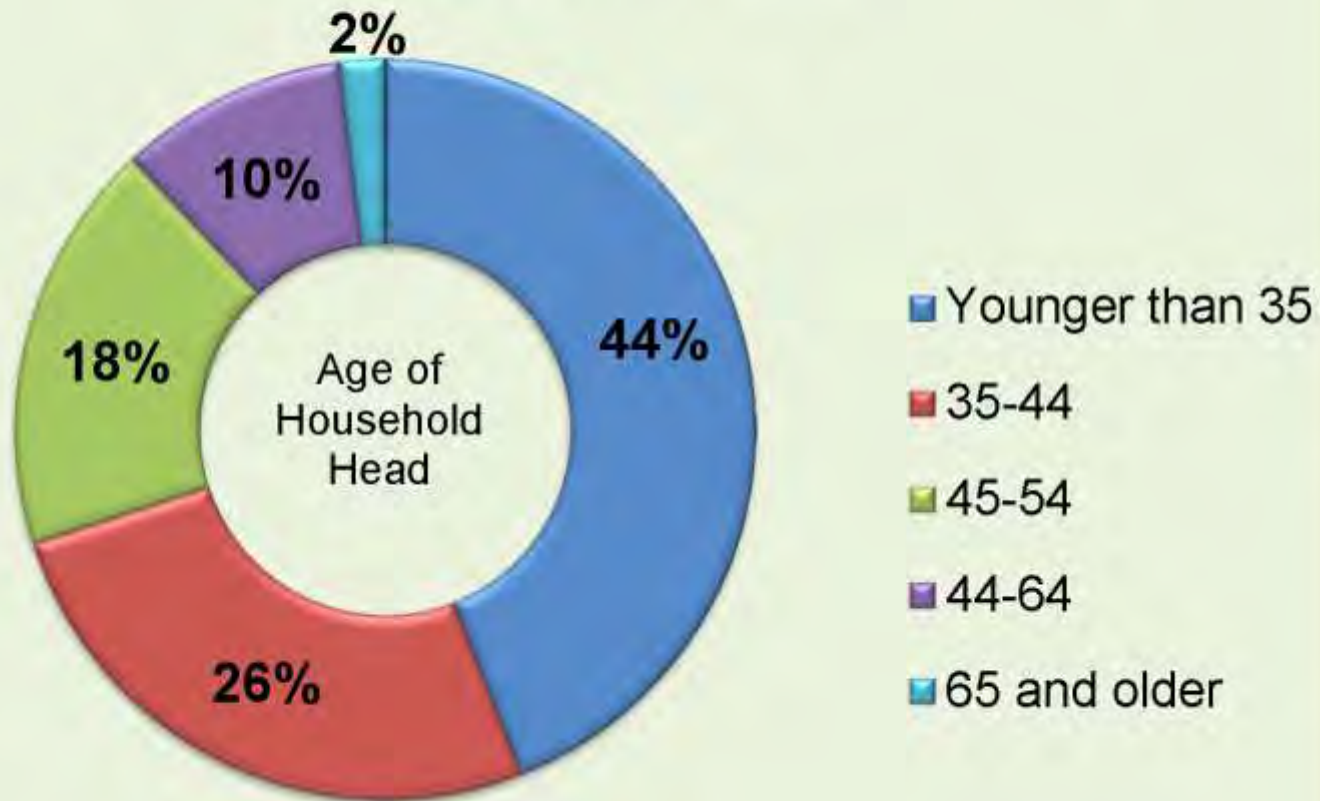
Source: Survey of Earned Doctorates, Summary Report, 2008 (Table 22); 2011 (Table 35)

# Percent of Balance 90+ Days Delinquent by Loan Type



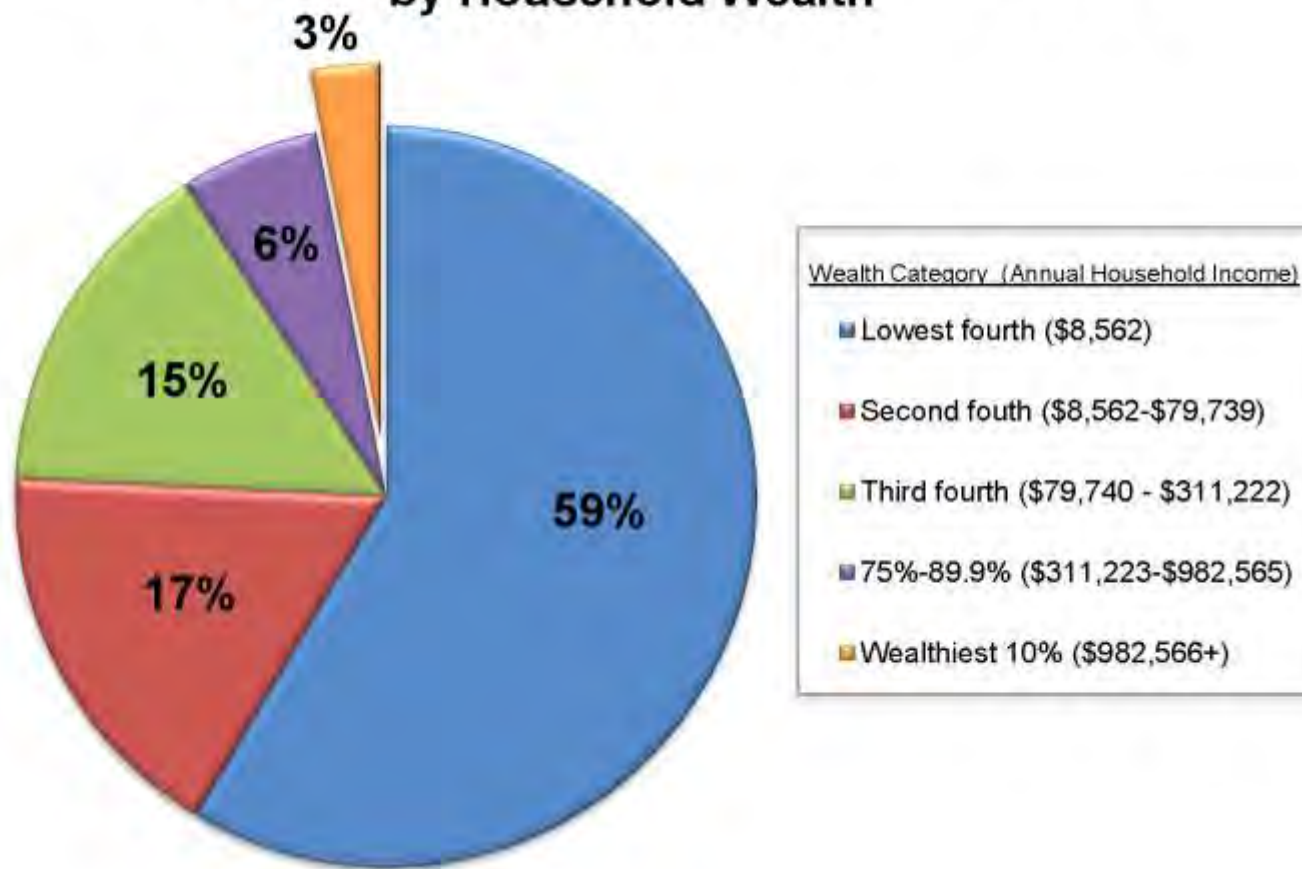
Source: FRBNY Consumer Credit Panel/Equifax

## Share of Outstanding Student Loan Debt Owed by Age, 2010



Source: Pew Center tabulations of Survey of Consumer Finances data

## Share of Outstanding Student Loan Debt Owed by Household Wealth



Source: Pew Center tabulations of Survey of Consumer Finances data

# High Student Debt Threatens the Knowledge Economy

- 2011 marked the second year of declines in domestic student enrollment in graduate study (CGS, E&D, 2012)
- According to an ETS survey of college grads and juniors, 1 in 4 who had originally planned to enroll in graduate programs in 2012 decided to wait – due primarily to financial concerns
- As of July 2012, interest on graduate student loans doubled; loans are no longer subsidized



# Program Overview



# Project Summary

- Awards to 15 Institutions
- CGS will work in partnership with colleges and universities to:
  - Develop a comprehensive set of financial education and debt management resources for graduate and undergraduate students
  - Develop and deliver high-quality, innovative financial literacy programs for graduate and undergraduate students
  - Assess the impact of those programs
  - Integrate financial literacy and debt management skills into graduate professional development program
  - Document best practices in that skills integration
  - Promote the broader integration of financial literacy into higher education programs, including undergraduate programs

# What Will CGS Do?

- ✓ Convene expert planning committee
- ✓ Shape and issue Request for Proposals
- ✓ Develop a framework website (with Request for Proposals and key resources)
- ✓ Cultivate proposals
- ✓ Convene a selection committee to review proposals
- ✓ Make sub-awards to develop financial education resources tailored to the diverse needs of today's graduate students
- Develop survey two instruments
- Develop: web resources and tools
- Analyze and use original data to enhance online tools
- Convene and collaborate with awardees to identify best practices

# What Will Graduate Schools Do?

- Develop programs and resources to enhance student financial literacy and debt management skills
- Test CGS-developed tools & resources and integrate these into financial education programs
- Integrate financial education into “preparing future faculty” programs
- Identify key strategic partners on campus to engage undergraduates
- Conduct two surveys of graduate students on: financial circumstances and attitudes & behaviors
- Use data to identify needs and enhance programs

# 15 Awardees

- Arkansas State University
- Cornell University
- Eastern Illinois University
- Florida A&M University
- Iowa State University
- Kansas State University
- Loyola University Chicago
- Mississippi State University
- The Ohio State University
- University of Colorado System
- University of Illinois at Urbana-Champaign
- University of Kentucky
- University of Maryland, Baltimore County
- University of South Florida
- Winthrop University

# 19 Affiliate Partners

- American University
- Boston University
- Clemson University
- East Tennessee State University
- Emory University
- Florida State University
- Northern Arizona University
- Northern Michigan University
- Portland State University
- Purdue University
- Richard Stockton College of New Jersey
- Saint Louis University
- University of Missouri-St. Louis
- Truman State University
- University of Denver
- University of Maryland Eastern Shore
- University of Missouri-Columbia
- University of North Carolina Greensboro
- Western Michigan University

# Project Timeline

## 2013

- Launch of Pilot Online Financial Education Tool and Resources (October)
- Institutional Programs begin (Fall 2013), survey implementation

## 2013-14

- Data Collection and Analysis
- Annual Meeting sessions and PI meeting

## 2014

- Site Visits (start in 2014)
- Survey of Financial Standing implementation (Spring 2014)
- Enhancements to Online Project Website with secondary and original data (2014)
- First Narrative and Financial Reports (April 30, 2014)
- Annual Meeting and Summer Workshop sessions
- Awardees and Affiliate meetings

## 2015

- CGS Best Practice Monograph and Dashboard Tool
- Final Narrative and Financial Reports (May 29, 2015)
- Capstone Conference (Fall 2015)



# Research Activities

# Research Purposes and Strategy

- The research component of this project ...
  - is designed to enhance understanding of student needs and inform program improvement
  - is not intended to measure quality or compare institutions
- The general research strategy ...
  - CGS develops data collection instruments
  - Institutions assist with data collection
    - Institutions implement surveys
    - CGS conducts site visits
  - CGS performs analysis and reports findings
  - Institutions use findings to enhance programs and resources

# Research Instrument Design

- Reviewed nearly 20 data collection instruments from
  - Federal agencies
  - National associations
  - Academic researchers
  - Associations
- This project is unique and requires new instruments
- Several drafts with research team
- Cognitive interviewing labs with graduate students

# Student Financial Perspectives Survey: Overview

- Intended to evaluate the impact of the intervention on attitudes and behaviors of graduate students (pre-post survey)
- Sample includes:
  - All students in PFF or PFF-like program in Fall 2013
  - Random sample of graduate students enrolled in Fall 2013
    - Some who were directly exposed
    - Some who may have been exposed
    - Some who were not exposed
- CGS will transfer the survey to your SurveyMonkey account
- Institutions will implement the survey and return data to CGS
- Fall 2013 and Fall 2014

Self-identified

# Student Financial Perspectives Survey: Topics

- Enrollment status
  - Level (PhD, master's, etc.), program, matriculation date, etc.
- Behaviors
  - Borrowing, spending, saving, money management
  - Use of financial education resources
- Attitudes
  - Financial wellbeing in general
  - Financing their education and student debt
  - Experience with financial education programs
- Demographic characteristics

# Survey of Student Financial Standing: Overview

- Intended to establish a baseline of financial circumstances of graduate students
- Sample includes all graduate students
- CGS will transfer the survey to your SurveyMonkey account
- Institutions will field the survey and CGS will collect and analyze the data
- Spring 2014



# Survey of Student Financial Standing: Topics

- Enrollment status
  - Level (PhD, master's, etc.), program, matriculation date, etc.
- Debt levels (federal and private)
  - Undergraduate debt
  - Graduate debt so far
  - Anticipated additional graduate debt
- Current financial circumstances
  - Sources of financial support (assistantships, loans, grants, savings, etc.)
  - Living arrangements, credit card usage
- Demographic characteristics

# Site Visits

## Overview

- Intended to “fill the gaps” about financial education
- Student focus group participants
  - Sample of master’s students (6-8 per group)
  - Sample of doctoral students (6-8 per group)
- Group interview participants
  - Any personnel who can speak to the issue of financial education for graduate students
- Institutions will host the site visit
  - Recruit participants
  - Arrange time and place
- 2014 and 2015

# Financial Education Materials

## Overview

- Intended to describe the scope and range of interventions
  - Topics
  - Types of content
  - Delivery modes
  - Strategies for marketing/recruiting
  - Techniques for assessment
  - etc.
- Share materials, websites, and other resources with CGS (voluntary, but it would be helpful)
- Ongoing

# Data Management

- Project data will be reported in ways that do not disclose the identify of institutions or participants
- CGS will collaborate with institutions to secure IRB approval
  - Data collection instruments
  - Data management and safeguarding plan
- IRB approval needs to be secured in time for Fall 2013
  - CGS needs data for the first survey by November 22, 2013

# Research FAQs

- **May our institution alter/change the questionnaires?**
  - No
- **Do we *have* to use SurveyMonkey?**
  - Yes, to ensure continuity of data collection
- **Can the survey instruments be used for undergraduates?**
  - No, they are designed for graduate students; however, you may adopt/adapt questions to build an undergraduate-specific survey if you wish
- **May we use survey data for our own purposes?**
  - Yes, for internal purposes initially. If you wish to publish the data publicly, please do so after CGS has published its data.

# Research FAQs *(continued)*

- **May we sit in on student focus groups?**
  - No, student confidentiality is essential
- **Can/should we participate in staff group interviews?**
  - Yes
- **May we have notes or transcripts resulting from site visits?**
  - No, these will be confidential

# Research Timeline

Technical workshop	July 17
CGS sends instruments to institutions for review	July 24
Feedback on instruments due to CGS	July 31
Instruments finalized, ready for IRB	Aug 14
Launch pre-survey	Fall 2013
Launch Survey of Student Financial Standing	Spring 2014
Launch post-survey	Fall 2014
Site visits	2014 to Spring 2015

# Discussion and Questions