



COLLEGE
ADMINISTRATOR FINANCIAL LITERACY
SURVEY ANALYSIS

2014

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Kate previously served as the Vice President of Financial Education at Inceptia and the Associate Director of The Ohio State University Student Wellness Center, where she founded Scarlet & Gray Financial, a peer-to-peer financial education program.

Her expert advice for college students was featured in Durband and Britt's, *Student Financial Literacy* and the 9th edition of Gardner, Jewler and Barefoot's, *Your College Experience: Strategies for Success*.

Kate holds a master's degree in communications from The Ohio State University and a bachelor's degree in finance from the Fisher College of Business.

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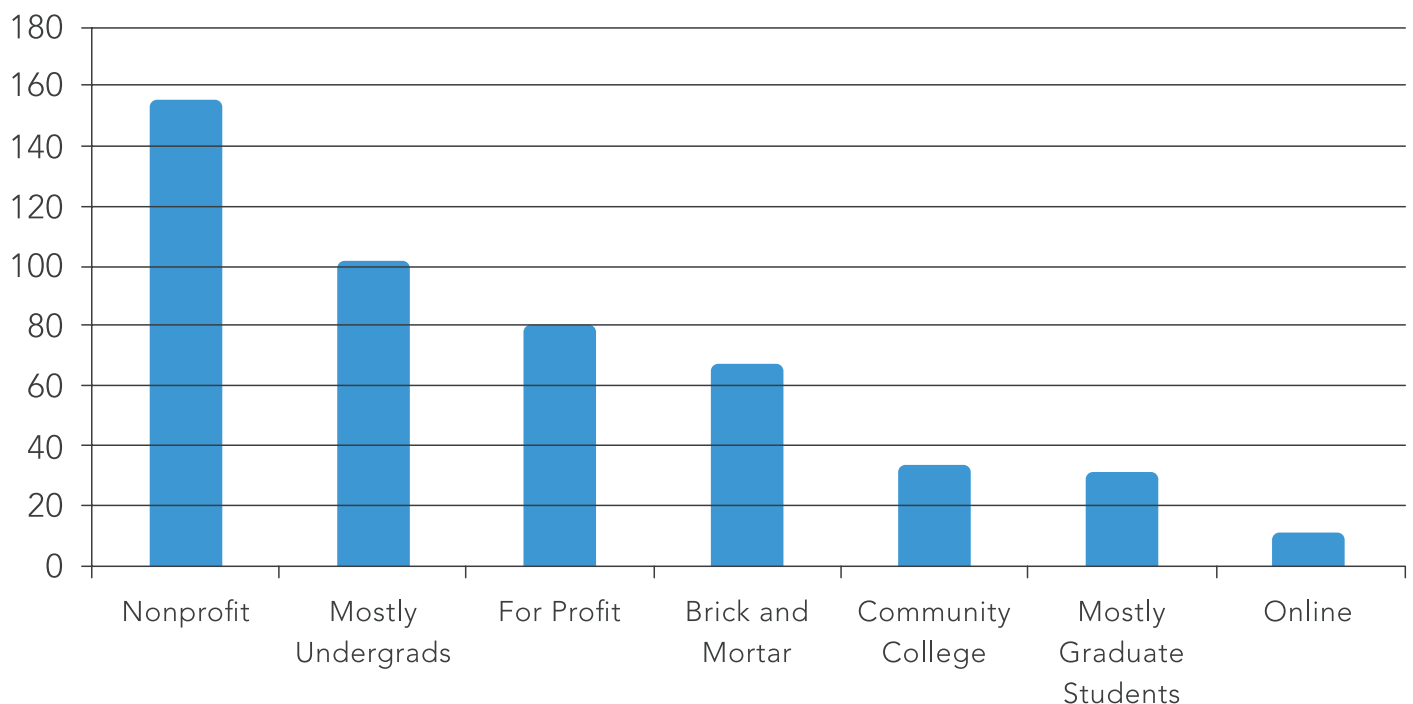
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INTRODUCTION

As the field of college financial literacy grows, more and more successful programs are being developed at institutions around the country, each as unique as its school's mascot and fight song. iGrad is fortunate to partner with a vast array of institutions and each takes a slightly different approach to communicating sound financial education to its student body. As a committed partner in improving the financial health of today's college students, [iGrad consistently works to identify and explain the components and methods that comprise successful financial literacy efforts](#). For this reason, iGrad recently conducted a survey of college administrators to investigate the current state of financial literacy initiatives in higher education.

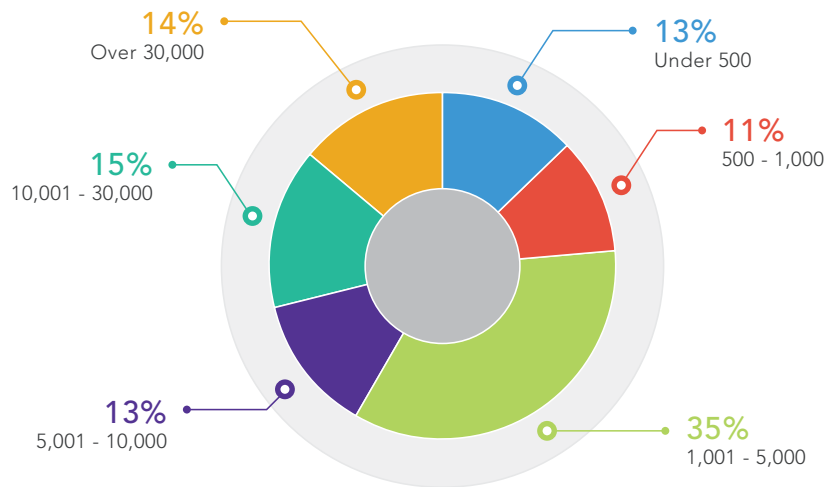
METHODS AND RESPONDENTS

iGrad conducted an online survey of college administrators to investigate the effectiveness of financial literacy efforts and to identify valuable components of successful financial literacy initiatives. Nearly 300 administrators (n=297) from a wide variety of institutions responded. A snapshot at the institutions they represent is shown in the two charts below.



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ENROLLMENT

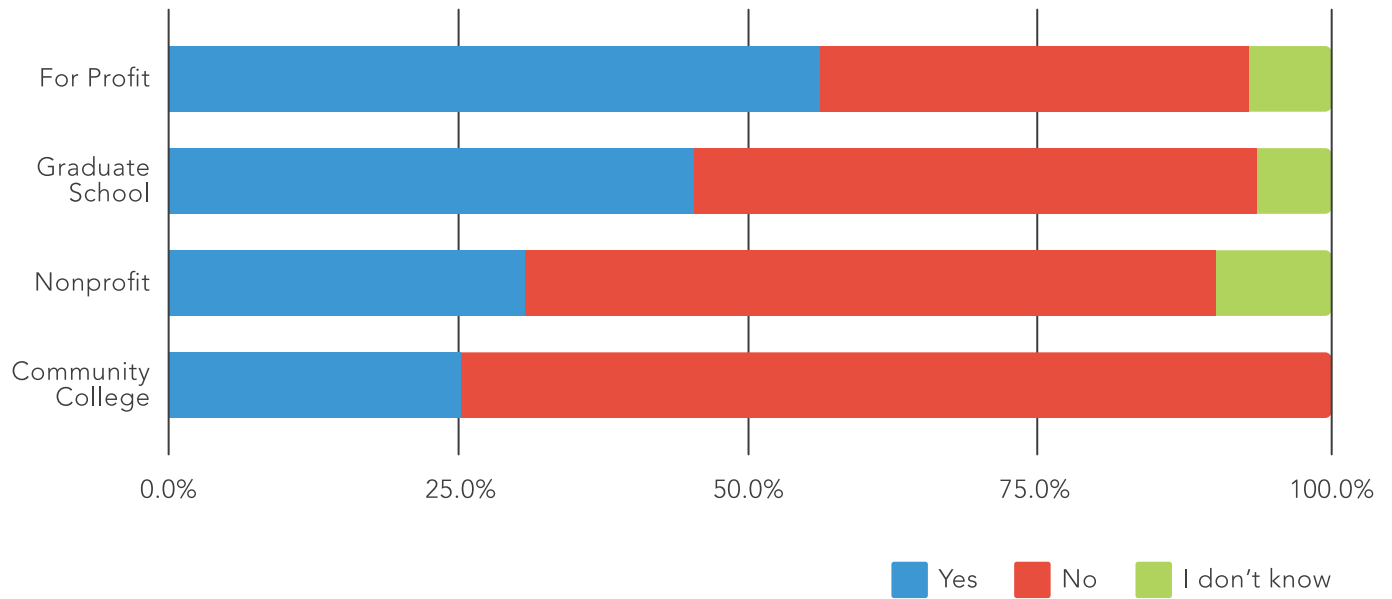


*Totals may not equal 100% due to rounding.

DIFFERENCES IN INSTITUTION TYPES

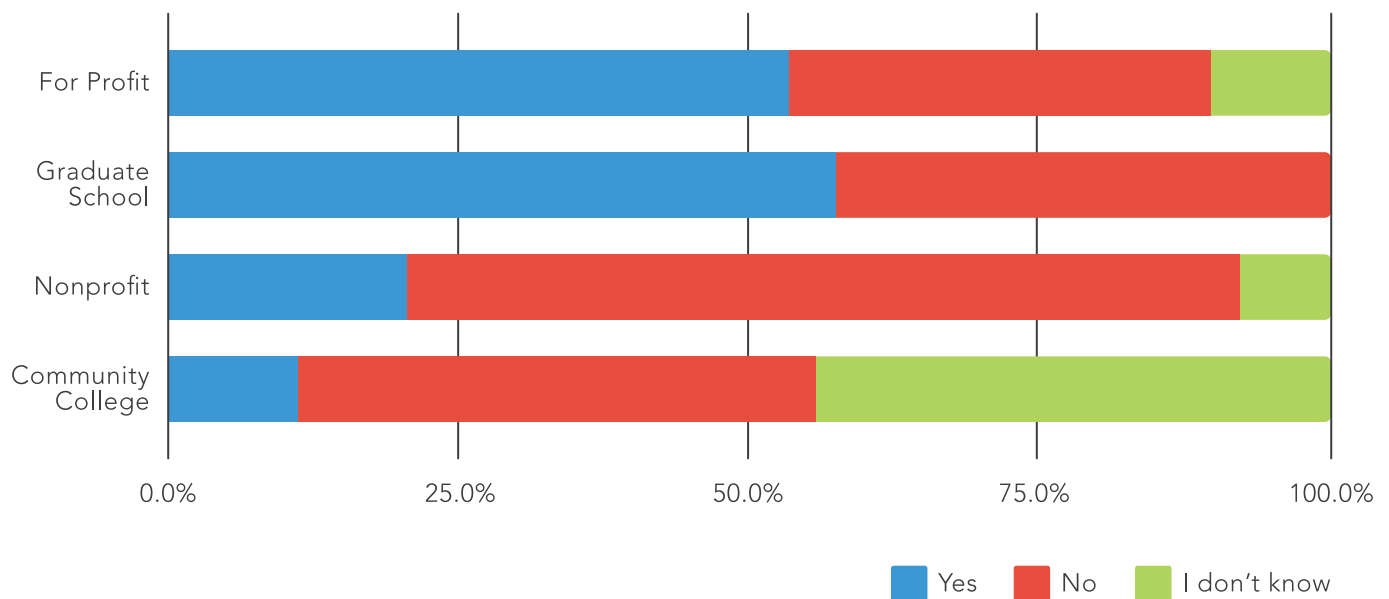
The financial literacy efforts at the different types of institutions varied greatly. Respondents were asked if they had a financial literacy program in place, and if so, was the financial literacy curriculum mandatory for all students. The results from these questions are below, broken down by institution type.

Do You Have an Interactive Financial Literacy Program in Place?



Note: Respondents could select multiple school types on this response since the school categories are not mutually exclusive.

Is Your Financial Literacy Program Mandatory?



Note: Respondents could select multiple school types on this response since the school categories are not mutually exclusive.

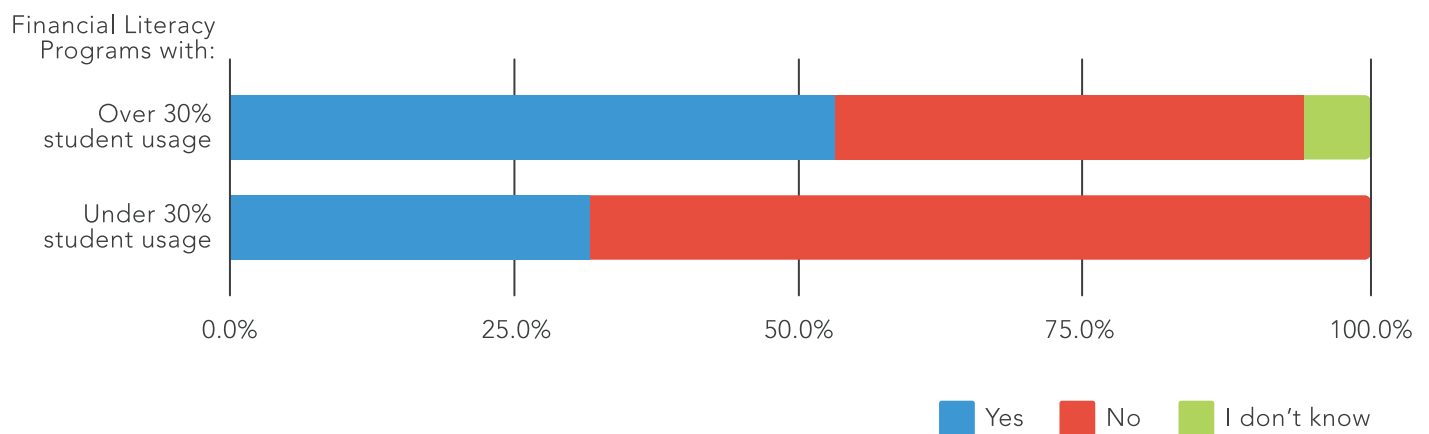
Interestingly, for profit schools appear to be taking a more proactive role in supporting their students' financial health as administrators who were able to respond to this question were significantly more likely than their nonprofit counterparts to report having a financial literacy program in place (61 percent vs. 34 percent, respectively). Community colleges appear to be the least likely to have a financial literacy program, as only 25% of respondents in this category reported having an interactive financial literacy program at their institution.

Graduate schools appear to be the most likely to mandate their financial literacy education, as 57.1% of respondents reported having a mandatory financial literacy program for all students. Community colleges were the least likely to mandate this initiative, as only 11.1% reported having a mandatory program.

THE IMPORTANCE OF FORMING A FINANCIAL LITERACY TASK FORCE

Whether the approach is exclusively online to accommodate a more tech-savvy student, offered face-to-face through a strategy like peer-to-peer education, or provided through a hybrid system that combines various delivery methods, one component that many institutions with a highly supported and sustainable financial literacy program have in common is a financial literacy task force.

Do You Have a Financial Literacy Task Force in Place?



This survey showed that the institutions that achieved a student usage rate of over 30% were much more likely to have a financial literacy task force in place than institutions with a lower usage rate, 52.9% and 31.3%, respectively. This difference may highlight the powerful impact a group of passionate educators can have when focused on a common goal.

iGrad posits that several other factors may be contributing to this discrepancy, including the difficulty of promoting the program and/or gaining higher level support when the initiative stems from only one department.

WHAT IS A FINANCIAL LITERACY TASK FORCE?

Financial Literacy Task Forces can take many forms but are comprised of a cross-campus, multidisciplinary team that is focused on the common goal of improving the financial health of students. Task force members may include:

- Campus leadership (president, provost, dean, or one of their representatives)
- Financial Aid staff
- Student Affairs staff
- Alumni Affairs staff
- Career Services staff
- Faculty members (business finance, economics, psychology, etc.)
- Student leaders

BUDGET CONSTRAINTS

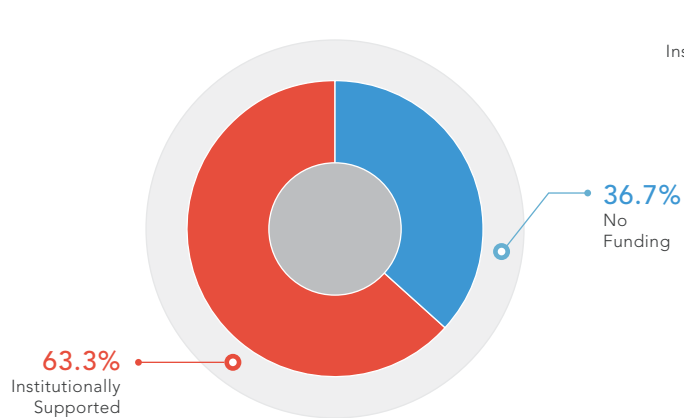
While an increasing number of institutions have worked to develop financial literacy resources for students, many respondents shared that their institution is still not doing enough to support their students' financial health. Financial educators cite budget constraints as one of the largest barriers to providing much needed financial literacy programming on campus. In fact, at many schools it is often an especially passionate staff member who is coordinating financial literacy programming on top of an already full job description and without compensation or the support budget dollars.

Respondents from institutions with a financial literacy task force and a financial literacy program in place were twice as likely to report that their program is supported by institutional funds when compared to their colleagues at institutions without such a task force.

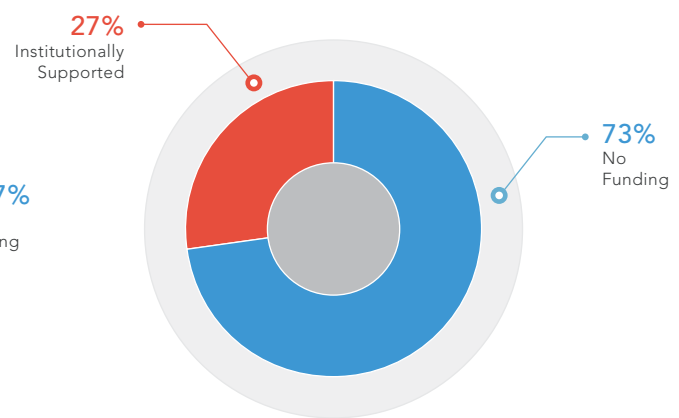
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DOES YOUR INSTITUTION FINANCIALLY SUPPORT YOUR FINANCIAL LITERACY PROGRAM?

WITH TASK FORCE



WITHOUT TASK FORCE



Garnering campus wide buy-in through a multidisciplinary task force can be instrumental in securing not only leadership support but also a budget line to augment existing programming or launch new initiatives that are critical components of long term student success.

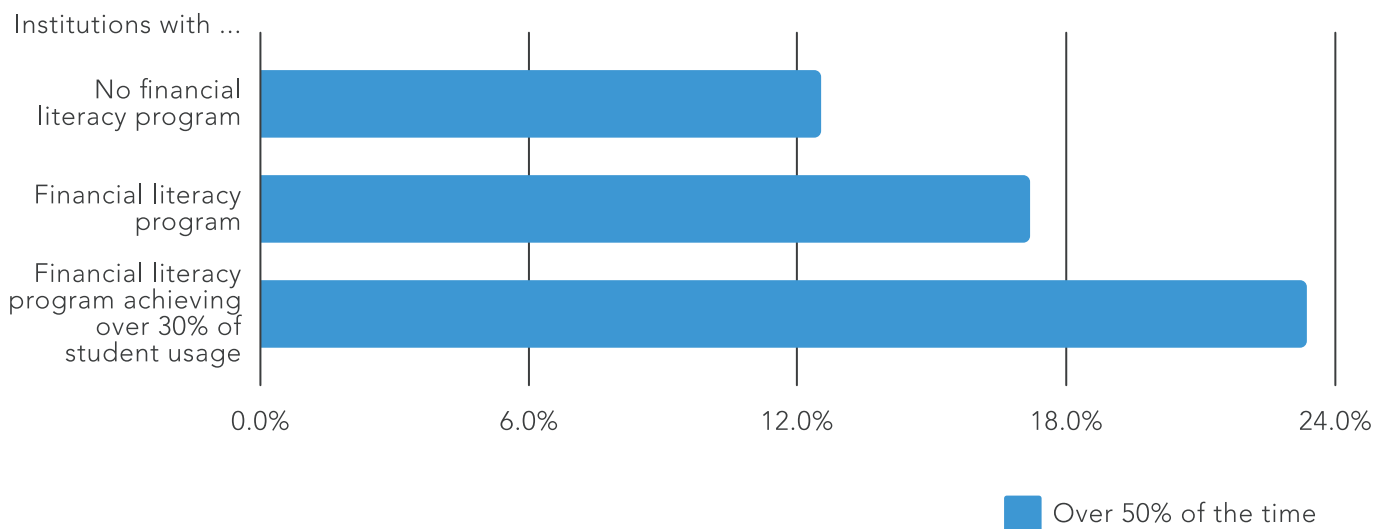
In addition to the budget constraints, administrators cited the following additional barriers to starting a financial literacy program or sustaining one that is meaningful to their students:

- “Our financial aid officers are overwhelmed.”
- “I need but do not have cross-campus buy in.”
- “Leadership does not prioritize the issue.”

THE EFFECT OF FINANCIAL LITERACY PROGRAMS ON STUDENT LOAN BORROWING

While much work needs to be done to accurately determine the impact of financial literacy on student and graduate outcomes, the data collected for this analysis hints at a correlation between the existence of financial literacy on campus and lower student borrowing.

How Often Do Students Choose to Borrow Less Financial Aid Than the Dollar Amount They Were Awarded?



iGrad found that students on campuses with a financial literacy program in place were less likely to borrow the maximum student loan amount awarded when compared with their peers at institutions without a program in place.

In fact, 17.3 percent of the institutions with a financial literacy program in place reported that their students borrowed less than the maximum amount awarded to them at least half of the time, versus 12.6 percent of institutions without a program in place. This outcome was strengthened as reported usage of the financial literacy program increased.

STUDENT PROFICIENCY

In addition to gathering information on financial education activities on campus, iGrad also explored the beliefs and knowledge held by campus administrators related to financial literacy. First, administrators were asked to rate students' knowledge of a variety of personal finance topics.

Strikingly, when separated out by whether or not an interactive financial literacy program was in place at the institution, the results pointed to higher perceived student knowledge on all topics for those that were exposed to a financial literacy program.

Reported Student Proficiency

Financial Literacy Program?	Topic Area			
	Money Management	Investing	Financial Aid	ID Theft
No	2.35	1.84	2.62	2.32
Yes	2.51	1.90	2.71	2.55

Note: Excellent = 5; Above Average = 4; Average = 3; Below Average = 2; Poor = 1

Although the chart above suggests that having a financial literacy program in place is important, having a mandated program rather than an optional intervention did not suggest higher perceived student knowledge scores (see below chart). In fact, in all areas except financial aid, scores were actually higher when programs were not mandated.

This phenomenon may suggest that a compelling intervention point remains more important than whether or not the intervention is compulsory.

Another possible explanation is that the lower perceived student proficiencies were the cause of mandating the financial literacy program in the first place.

Reported Student Proficiency

Mandatory Program?	Topic Area			
	Money Management	Investing	Financial Aid	ID Theft
No	2.54	2.07	2.74	2.67
Yes	2.51	1.74	2.89	2.42

Note: Excellent = 5; Above Average = 4; Average = 3; Below Average = 2; Poor = 1

Administrators at institutions with and without task forces both ranked student knowledge levels at their highest for the topic of financial aid. Qualitative responses that accompanied these rankings suggest that some administrators may make assumptions about what their students know about financial aid. For example, one respondent referred to deferment and forbearance as, “things students should know as common knowledge.” Conversely, another recent iGrad survey focused solely on student respondents tells a different story. Students in this survey report low levels of knowledge and high levels of anxiety related to financial aid. The difference in beliefs held by administrators and their students should be explored further as campuses seek to better support students’ financial health as it may be creating a barrier to providing appropriate educational opportunities.

An additional analysis found that administrators who believe that financial literacy should be mandatory, regardless of the existence of a financial literacy task force, were more likely to give their students a lower overall rating than those who didn’t believe it should be mandatory or were willing to let students test out of a financial literacy component.

Administrators were also asked to rank their own knowledge on the same topics using the identical scale. The chart below summarizes their responses.

Administrator Self-Rating

Task Force?	Self Rating			
	Money Management	Investing	Financial Aid	ID Theft
No	3.99	3.24	4.56	3.83
Yes	4.04	3.30	4.54	4.03

Note: Excellent = 5; Above Average = 4; Average = 3; Below Average = 2; Poor = 1

The overall average administrator self score in all topic areas is 3.3. Administrators at institutions with a financial literacy task force rate their own knowledge higher in all categories except financial aid when compared to their colleagues at institution without a task force. There was no significant difference between groups for the topic of financial aid. Since the schools with a financial literacy task force were also more likely to have an interactive financial literacy program in place, these knowledge scores may reflect administrator's participation in said activities and subsequent knowledge gain in various topic areas. The scores may also reflect participation in a financial literacy task force and thus a greater feeling of ownership of financial literacy efforts on campus.

CONCLUSION

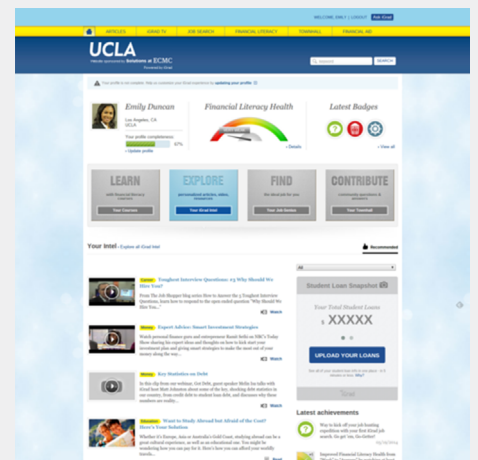
While these survey results suggest that a financial literacy task force is a key component to creating and sustaining a financial literacy program on campus, much work remains to be done as we collaborate to better the financial lives of our students and graduates.

ABOUT iGrad

iGrad is privileged to partner with more than 600 schools nationwide to provide a financial literacy platform which connects more than 1.2 million students, as well as alumni and staff. iGrad is the only organization to offer a customizable, adaptive learning financial education platform with optional video-based student loan entrance and exit counseling. iGrad’s recent accolades include:

- 2013 Outstanding Consumer Information Award, *Association for Financial Counseling and Planning Education (AFCPE)*
- Best Product of 2012 & 2013, *University Business Magazine*
- 2013 Education Program of the Year, *The Institute for Financial Literacy*

Customized Interactive Financial Literacy Platform



Financial Literacy “Flipped Classroom” Curriculum

