Enhancing Student Financial Education: A Technical Workshop

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

Daniel Denecke, Associate Vice President, Programs and Best Practices, CGS
Jeff Allum, Director, Research and Policy Analysis, CGS
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

University has highest student debt a D.C. Universities

By Lisa Lens

Cover Story Expo

November 15, 2011

YOUR INTERNSHIP

Why it’s not technically indentured servitude

Top Ramen

Getting your Pokemon cards

Walmart

Drink your debt away! & a Lecture with Chatzard

Why didn’t you get any scholarships?

Compound Interest

Why an early death may be right for you

FIVE-Figure STUDENT LOAN DEBT

MOVE BACK HOME?...KIDS

TODAY ARE SO LAZY

AND RESPONSIBLE!

YOUR MOTHER AND I

STARTED OUT WITH

NOTHING...

STUDENT LOAN DEBT

2011

2000

1990

A Generation Hobbled by the Soaring Cost of College

ADA, Ohio — Kelsey Griffith graduates on Sunday from Ohio

Forbes

Student Loan Debt: $1 Trillion and Counting

Whatever happened to the American dream of going to college leading a

life of middle class living? College is supposed to be about getting

a great start, but it’s a financial noose 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 loans.

The crisis has the full attention of the

Obama administration...
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.

Sources:
American Student Assistance website www.asa.org/policy/resources/stats/default.aspx
Percentage of U.S. Households with Outstanding Student Debt

Source: Pew Center tabulations of Survey of Consumer Finances data
Average Amount of Outstanding Student Debt among Households with Student Debt

Source: Pew Center tabulations of Survey of Consumer Finances data
Percentage of Graduate Students who Borrow to Finance Their Education

- Law (LLB or JD): 89%
- Professional Degree: 86%
- Doctoral Degree: 46%
- Master's Degree: 55%
- Total: 56%

Source: NPSAS 2007/2008 data as seen on FinAid.org
Cumulative Graduate Education Debt by Degree Level

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

Average Amount of Education-related Debt of Doctorate Recipients by Race/Ethnicity, 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
    o Some who were directly exposed
    o Some who may have been exposed
    o Some who were not exposed (Self-identified)

• CGS will transfer the survey to your SurveyMonkey account

• Institutions will implement the survey and return data to CGS

• Fall 2013 and Fall 2014
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.
• 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