Providing Financial Literacy Education to Students:
An Exploration of Financial Literacy Programs at Large Public Institutions

By

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ABSTRACT

As students' loan debt increases with tuition costs, on average, students are graduating with higher rates of loan debt. Studies have illustrated that students leave higher education institutions ill prepared to manage their finances and with little understanding about the long-term implications of student loan repayment. Low levels of student financial literacy are further complicated by an estimated $1.2 trillion in outstanding student loan debt. Colleges and universities want their students' to be successful; thus, many higher education institutions have responded by implementing financial literacy programs. To date, little is known about the number and types of financial literacy programs available across the United States. This study seeks to understand how universities are educating their students about financial literacy. This study was conducted in two phases. During the first exploratory phase, a survey was sent to large public institutions that are members of the Coalition of State University Aid Administrators to determine which institutions have a financial literacy program. In the second follow-up phase, the institutions that had a financial literacy programs answered a survey detailing the inception, depth, funding, and extent of the programs. This descriptive data determined that financial literacy programs vary in size, scope, funding, staffing, and stage of development. Results indicated that most institutions have programs that were implemented after 2010. This study allows the important first step in broader understanding by reviewing financial literacy program development at the institutional level, which was previously absent from the existing literature.

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CHAPTER 1: Introduction

Current research indicates that financial literacy levels are low among college age students and that many of those same students assume unsecured federal student loans with little advance knowledge about basic consumer finance (Avard, Edgar, Davies & Lea 1995; Donald, & Walker, 2005; Kamenetz, 2005; Lusardi, Mitchell, & Curto, 2010; Mandell, 2008; Remond, 2010; Roberts & Jones 2001; US Department of Education, 2013). Congress, the U.S. Department of Education, and higher education institutions have become concerned about the rising levels of debt, lack of financial literacy, and the future impact debt will have on students. As part of that concern, a number of institutions have implemented financial literacy programs, however there is little information about which institutions have financial literacy programs, the content of programs, or their administrative structure. The purpose of this study is to collect descriptive information on financial literacy programs at large public institutions.

For most students attending institutions of higher education, financing higher education has become synonymous with student loans and student debt (Dillon & Carey, 2009; Kamenetz, 2005). According to the U.S Department of Education, over 41 million Americans currently owe on student loans for an estimated $1.2 trillion in outstanding student loan debt (US Department of Education, 2015). The increased reliance on student debt has amplified the total dollar amount of loans processed in the higher education industry, which increased 511% between 1999 and 2011 (Indiviglio, 2011). Unlike markets for credit cards, mortgages, or other private student loans, students who fill out the Free Application for Federal Student Aid (FAFSA) are guaranteed a student loan. The FAFSA is a means to provide access and affordability in higher

education by providing access to federal student aid. However, while promoting access to higher education, the FAFSA provides access at the cost of student loan debt.

Concerns about student loan debt, student commercial debt, and the ability of students to repay debt after graduation have resulted in an increased focus on the financial literacy of student loan borrowers at the collegiate level. After high periods of loan default in the late 1980s, the US Department of Education took the approach that basic financial literacy would help prevent student loan default (Gladieux, 1995). The federal default prevention initiative called for preventative action in the form of entrance and exit loan counseling. Since implementation of these measures, student loan default rates have lowered, but without studies that show the impact of financial literacy programs. There is a void in the literature regarding the impact of these initiatives on reducing student loan default or changes in behavior related to assuming student loan debt (Gladieux, 1995). While this study does not focus on the impact of these initiatives, they are important in understanding the origination of current financial literacy programs and financial literacy policies.

Collectively, early preventative efforts form the foundation of many financial literacy programs. Financial literacy is the ability to read, analyze, manage, and communicate financial decisions for the future (Christman, 2000). The ultimate goal of financial literacy programs is to provide students with the knowledge and skills to form patterns of behavior that will have a positive impact on their future (Golden, 2007). While higher education institutions play a role in teaching financial literacy, the degree and scope of financial literacy programs varies among institutions. Programs run a continuum from a single lecture or program to semester long courses, which provide budgeting knowledge and tools, to a more complex “life after college” repayment module that is designed to assist young adults with the complexities and

responsibilities of accepting high levels of student loans (Brown, 2009; Gross et al., 2005; Hira, 2010). The National Endowment for Financial Education is one of many organizations that work with universities to set up financial awareness programs that build upon the fundamental literacy concepts and works to set students up for post-graduation financial success. However, the curricula of the different literacy programs are diverse, making it important to examine the institutions that have implemented literacy programs to look for common patterns or approaches as well as best practices (Kamenetz, 2005).

Financial aid professionals nationwide are making efforts to educate their students on matters of financial literacy that focus not only on student loans but also on credit cards and general personal finance (College Board, 2013). Institutional administrators and the United States Department of Education have a positive view of these programs as a means to increase the amount of financial information available to students (NASFAA, 2013; US Department of Education, 2009). While there is a movement toward implementing and enhancing financial literacy programs, current literature lacks a review and comparison of programs at institutions of higher education.

Current literature focuses on individual pre- and post-test results achieved to assess independently developed financial literacy programs at various institutions, not on the development and spread of financial literacy programs across institutions. Two themes are fairly common across these programs (Hira, 2010). First, university administrators believe financial literacy provides students vital foundational knowledge for lifelong financial responsibility and thus college-level institutions should provide opportunities to gain this knowledge (Christman, 2000; US Department of Education, 2014). Second, the pressure to implement financial literacy programs comes from not only administrators, but also students, legislators, parents, and other

public stakeholders (Field, 2008). To fully understand financial literacy, it is important to examine the extent of program content and the driving forces across institutions that promote financial literacy programs.

Purpose of the Study

The purpose of this study is to collect descriptive information on financial literacy programs at large public institutions. In the present study, a survey was sent out to the membership of The Coalition of State University Aid Administrators (COSUAA), a 133-member non-profit organization whose institutional membership consists of public four-year universities with enrollments of 10,000 or more students. In 2014, COSUAA institutions enrolled more than 3.7 million students (COSUAA, 2015; NCES, 2014). A two stage survey methodology collected information about the breadth and scope of financial literacy programs at COSUAA institutions. The initial survey was distributed to the financial aid directors to determine the existence and reporting lines of financial literacy programs. A second, more in-depth survey was distributed to institutions that indicated they had a financial literacy program. This study sought to answer six questions:

1. Which Coalition of State University Aid Administrator institutions have financial literacy programs, and what are the structural reporting lines for these programs?
2. What are the historical, budget and structural characteristics of these financial literacy programs?
3. What are the stated goals and purposes of financial literacy programs at COSUAA institutions?
4. What services are offered by these financial literacy programs and how is content delivered?

5. Have the content and delivery systems of these programs been assessed? If so, what methods were used to determine effectiveness?
6. What practices are utilized by these financial literacy programs?

Examining these research questions enhances existing literature regarding financial literacy programs at large public institutions. While current literature defines financial literacy in general, it does not detail how that definition is employed on a college campus. The first research goal of this research is to identify which large public institutions within COSUAA have a financial literacy program. Beyond that goal, it is also important to understand where those literacy programs are housed and how the reporting lines at the institutions are structured.

Examining the purpose and intent of literacy programs contributes to the literature and can foster the development of financial literacy programs at other institutions. For institutions that have financial literacy programs, it is important to understand when the program originated, where the funding allocations come from, and how the program is administratively structured. These programs did not develop overnight; thus, it is important to understand the influences on the services offered, the curriculum, and program content. Third, there is a gap in the literature on the goals and purposes of financial literacy programs. Detailing the intent and purposes of these financial literacy programs tells a story about their growth and development. Fourth, institutions with large student populations need to make sure that both students and administrators understand the services that are offered and how content is delivered. As noted above, many institutions seek to provide financial literacy content to students, but how that is done varies greatly across campuses. Listing the current types of programs offered at institutions will assist financial aid administrators in reviewing what peer institutions are developing as content for their student population. Fifth, as with any type of curriculum, it is important to

assess content and delivery to ensure that desired results are achieved. While this study does not assess program results, it does review institutional practices to determine if assessment is conducted. Finally, after reviewing financial literacy programs, this study seeks to identify common practices that other institutions could use to either establish or enhance their financial literacy program.

Background of the Study

Students leaving higher education institutions seem ill prepared to manage their finances, which are often complicated by student loan debt (Baum & O'Malley, 2003; Fernandes et al., 2014; Gross et al., 2005; Mandell, 2006; Thaden & Rookey, 2004). Students find themselves dependent upon student loans and other forms of personal debt to access and afford higher education, then are left with the long-term implications of incurring student loan debt (Dillon & Carey, 2009). Student loan and private debt contribute to a lack of understanding about financial literacy by introducing loans with different terms, interest rates, and repayment options. Financial education and counseling can impact student borrowing and help prepare students for an easier post college transition (Collins & O'Rourke, 2010).

As background for the study, student loans guaranteed by the federal government have become a staple of American higher education, making up 49% of the undergraduate aid packages (College Board, 2014). Some observers interpret the student loan trend as the shifting of college costs from the taxpayer to the student-consumer subsidized by the taxpayer (Field, 2006; Johnstone, 2000). Among public bachelor's degree recipients, borrowing grew more rapidly from 2005-06 to 2010-11 than it had in the previous five years. Debt per borrower grew at an average annual rate of 2.1% greater than the rate of inflation and the average debt per graduate grew at an average annual rate of 2.7%, for a total average student loan debt of $27,300

for the 2012-13 school year (College Board, 2014). As the debt totals for students pursuing federal student loans has increased, it puts the government in a tricky position of guaranteeing student loans knowing that 13.7% of students default on their loans within three years of leaving school (US Department of Education, 2014). Much of the institutional and lawmaker concern over student borrowing is that upon graduation many students experience heavy debt burdens and may consequently default on their student loans (Dynarski, 2014; Kamenetz, 2005).

Unlike private debt, federal student loans are accessible by anyone, provided students meet simple eligibility requirements. Student loans are likely the first set of loans college-age students receive, and students taking out loans have an obligation to repay their loans upon completion of their educational pursuits (Dillon & Carey, 2009). To qualify for a federal student loan, a student must complete the Free Application for Federal Student Aid (FASFA) and be an eligible citizen, enrolled at least half-time, and possess a high school diploma or equivalent (US Department of Education, 2015). First time student loan borrowers are at an increased risk for financial struggles (Thaden & Rookey, 2004). Student loan servicers understand that first time borrowers are at risk for defaulting or struggling with their student loans. These servicers devote a great amount of their resources to assisting students and institutions enhance their financial literacy programs (Sallie Mae Corporation, 2009; Texas Guaranty Student Loan Corporation, 2000, 2008). Loan servicers invest in financial literacy programs with the expectation that increased education will lead to a reduction of student loan default rates (Sallie Mae Corporation, 2009). Students entering college ill prepared to understand or handle their financial obligations taking out easily assessable loans shows the need for financial literacy programs.

In the fiscal year 2015 federal budget, $8.508 billion dollars were allocated to cover defaulted federal student loans, creating concern for lawmakers and higher education institutions

(GAO, 2015). A number of studies and the media focus on student loan default as a measure of the ability of students to repay loans (Akers & Chingos, 2014). While student loan default is costly, it often fails to focus on student understanding of financing higher education, general financial literacy, or the decision to secure a loan. As high default rates create emphasis on holding institutions accountable, they often overlook what institutions are doing to promote financial literacy on their campuses. Default prevention requirements are not always the same thing as conducting a financial literacy program that causes changes in behavior (Lusardi & Tufano, 2009). Default prevention programs tend to focus on ensuring students repay borrowed loans, instead of changing attitudes, behaviors, or beliefs about financial obligations.

At a simplistic level, the basic federal student loan entrance and exit financial counseling requirements are designed to educate student borrowers about their rights and responsibilities, but not promote financial literacy (US Department of Education, 2014). Educating students regarding their obligations to repay a student loan does not give them the knowledge or skills to follow through with that repayment. Nor does conveying knowledge of rights and responsibilities assist students with the decision to secure a loan or influence the amount of that loan. Federal minimum requirements do not focus on ensuring a student's future ability to repay or the effects such debt might have on his career and lifetime earnings.

Student loans are unique in financial lending because higher education acquisition has the potential to affect students' lifestyle for many years to come (Dillon & Carey, 2009). Two studies on public service careers found that student loan burdens can influence college graduates' career choices and might deter them from entering public-service careers such as social work or teaching (Gladieux, 2003; Swarthout, 2006). A 2006 study found that 23% of public four-year college students have too much debt to manage with a teacher salary, while 37% could not

manage their debt with a social worker salary (Swarthout, 2006). Between 2007 and 2010, the average student loan balance for households with student debt had climbed by nearly 15%, even as other types of household debt had declined (Pew Research Center, 2014). These examples show why many institutions have implemented enhanced financial literacy programs, but the issue is that currently there is a void in the literature about which institutions have literacy programs or the extent of those financial literacy programs.

In 2003, under Title V of the Fair and Accurate Credit Transactions Act, the Financial Literacy and Education Commission was established to provide additional literacy program development. In addition, in 2008, the President's Advisory Council on Financial Literacy was created. As a result, President Obama released a statement on April 2, 2010 declaring April as "National Financial Literacy Month." These two actions showed a commitment at the Federal level for financial literacy programs. Financial literacy programs that go beyond the basic borrower rights and responsibilities can build upon these individual characteristics in a way that can assist students in gaining a better understanding of finance issues and the impact of student loans on their future life. Current literature does not fully address the stated goals and purposes of financial literacy programs. There is also a gap related to the historical and structural characteristics of program development. Building upon this information gap, this dissertation examines both the extent and development of financial literacy programs at large public universities.

Importance of the Study

Regardless of student population, institution type, or location, all institutions are expected to provide the same minimum financial counseling related to federal students loans, currently the largest amount of privately held debt in the United States (US Department of Education, 2014).

While the US Department of Education (ED) encourages institutions to provide financial literacy and default management programs, it makes no specific requirements that institutions do so beyond the simple entrance and exit counseling (US Department of Education, 2014). In an attempt to set their students up for future success, many institutions go beyond simple entrance and exit counseling. However, existing literature does not provide detail on the extent of those programs or their stated goals or purposes. Furthermore, existing literature on financial literacy programs focuses on pre- and post-tests associated with financial literacy programs, not the content and delivery of financial literacy programs (Fernandes et al., 2014). Conducting research of this type expands the current literature and can provide institutions and the Department of Education with the ability to craft and further improve financial literacy programs. In addition to sharing effective tools and techniques, schools may also be able to review funding models and structures that can aid in implementation.

This project fills in gaps in our current research knowledge by examining the development of financial literacy programs at large public institutions. The financial aid field is currently limited in research knowledge about financial literacy programs because previous studies have been conducted at the individual institutional level; hence, investigations are needed to fill the information gap by assessing the type and scope of financial literacy programs at an array of institutions. This research project is useful because it will be of direct benefit to financial aid administrators interested in starting a financial literacy program or assess an existing one. Furthermore, this is a practical approach to examining and enhancing current interest in financial literacy by establishing benchmarks for other institutions to use as they establish a new financial literacy program.

In the next chapter, literature on efforts to enhance financial literacy programs at higher education institutions will be examined. The first section examines college access and affordability through the federal student loan program as background to the growing amount of student loan debt in the United States. The purpose of this information is to provide an overview of the history of the federal student loan program and the historical impact of student loan debt on government policies and higher education institutions. The second section examines the role of financial literacy programs implemented at higher education institutions. While there are few studies that cover college student financial literacy, significant information will be presented on student debt level which has been used to describe financial illiteracy. Third, a definition of financial literacy is established to provide a framework for understanding its role on college campuses.

Chapter 3 describes the methods used in this paper to collect and analyze survey information. The methods focus on a two-stage survey sent to COSUAA member institutions. The initial survey was designed to screen institutions to identify the presence of a financial literacy program. A second, more in-depth survey was then distributed to institutions that indicated they had a financial literacy program. Through the use of the surveys, descriptive statistics were collected to detail key components of financial literacy programs at COSUAA institutions. The methods were designed to identify the existence, origin, and funding structure as well as administrator beliefs about financial literacy programs.

Chapter 4 analyzes the information collected from COSUAA institutions regarding financial literacy programs. Using summary tables, data collected were divided into two sections to answer the six research questions. The first section outlines the analysis from the initial survey stage, specifically the identification of institutions that have financial literacy

programs. The second section summarizes the descriptive analysis for the second survey stage and answers each of the research questions through the use of the data. This information not Only contributes to the field of higher education finance, but also provides a model to assist administrators in meeting federal initiatives at promoting financial literacy.

The final chapter is a discussion of the results of the analysis put into context for future policy considerations. Financial literacy is a hot topic in higher education, and the survey results suggest that it has grown over the past five years and may continue to grow as institutions become more concerned about financial wellness and students continue to amass large amounts of student loan debt.

CHAPTER 2: Literature Review

Introduction

In general, college students have low financial literacy levels, which directly affects post college financial success (Avard, Edgar, Davies & Lea 1995; Donald, & Walker, 2005; Lusardi, Mitchell, & Curto, 2010; Mandell, 2008; Roberts & Jones 2001). At the same time, students continue to demonstrate a willingness to assume high levels of student loan debt to finance higher education expenses (Carey & Dillon, 2011). The Institute for College Access and Success (2013) reported that 71% of 2012 graduates had education loan debt. With such a high percentage of students assuming student loans, this population could benefit from financial literacy programs.

According to the Project on Student Debt (2014) college graduates in 2013 had an average student loan debt of $28,400, a 2% increase over the graduating class of 2012. Due to the increase in student loan debt, higher education institution administrators are concerned that students are graduating without a solid understanding of basic financial principles. Institutions across the country are revisiting how they provide financial literacy information to students (Seda, 2013). While institutions have previously been reactive to student loan default rates, student loan debt levels, and overall student financial wellbeing, institutions are now taking a proactive approach of implementing programs to increase students' financial literacy knowledge (Avard et al. 2005). Much of this movement is based upon literature that has focused not only on students accepting debt, but also on the consequences when students fail to make payments on their student loans (St. John, 2001). The need for improved financial literacy programs is demonstrated in growing rates of student loan default, bankruptcy, high consumer debt levels, and low savings rates (Fox et al., 2005).

In order to understand the extent of student loan debt and the student financial literacy gap, this chapter will review three areas in the history of student financial debt and literacy. First, a presentation of the history of the federal student loan program provides the foundation needed to understand the development and origination of student loan debt. Currently student loan debt has grown to become the largest single source of debt in the United States (Project on Student Debt, 2014). Second, the importance of financial literacy is reviewed to establish the need for financial literacy programs at higher education institutions. Third, the definition of financial literacy is established to provide a common framework to establish the details of this study. By examining the history, importance of financial literacy, and the definition of financial literacy, it is possible to understand the background for this study. Financial literacy emerges as an important topic at higher education institutions and thus places an importance on identifying institutions that offer financial literacy programs and expanding the existing literature by exploring the extent of program offerings.

History of Federal Student Loan Programs

The federal student loan program provides the historical background for the origination of financial literacy programs. Understanding the beginning, growth, and need for federal student loans provides a foundation for how to best serve students with financial literacy programs. Federal student loans are often associated with the $1.2 trillion in outstanding student loan debt (Project on Student Debt, 2014). Concerns over the growth and amount of this privately held debt and the impact on post-college student success are often identified as the precursor to financial literacy programs (Leclerc, 2012; Kamenetz, 2006). The federal financial aid program most administrators and students know today can be traced to the Higher Education Act (HEA) of 1965. The HEA was the first focused effort to provide college-level access to

economically disadvantaged students (Pub. L. No. 89-329, 1965). Funds were provided directly to students through each eligible higher education institution to increase college affordability and access. This federal policy illustrated a federal shift in the student-access philosophy, since the HEA represented the first time the federal government established a commitment to provide college access to lower-income students (Gladieux, 1995). This section will illustrate how, from the origins of the 1965 HEA, and through subsequent reauthorizations, the federal government broadened access to federal student loans expanding the number of students graduating with debt.

The Higher Education Act of 1965

The Higher Education Act of 1965 essentially launched a relationship between educational institutions and the U.S. Department of Education (Gladieux, 1995). The HEA established a new loan program, called the Guaranteed Student Loan (GSL) Program, and provided loan funds to assist financially needy students to attend higher education institutions (GPO, 1999). The GSL program relied on capital provided by private lenders that was then guaranteed by the federal government. Individual schools used various types of need analysis methodology to determine students' financial need qualifications for those early student loans. Under the GSL program, students from families with an adjusted income of less than $15,000 were allowed to borrow an amount of financial aid for their education, which was determined by the aforementioned needs analysis (studentloans.gov, 2014). The amount of aid could not exceed the total cost of education, less any other sources of aid (Wennerdahl, Boyd, & American Council on Education, 1993). During periods of enrollment, loan repayment was deferred with the federal government paying interest to the lender.

Reauthorizations of the HEA. In 1972, legislators reauthorized the original HEA, and enacted new legislation in the Higher Education Reauthorization Act (HREA), which broadened funding aid to students (GPO, 1999). During the debate leading up to the reauthorization, the higher education community urged Congress to enact a formula-based, enrollment-driven federal aid program targeted toward institutions (Gladieux, 1995). A formula based approach would have taken federal funds and provided it directly to institutions, as opposed to student based aid. Congresses' policy illustrated the view that student aid provided directly to students was a method of providing broader college access, thus allowing market forces to enhance the cost and quality of higher education. HEA reauthorization has also revised the criteria for student loan eligibility.

The early revisions focused on providing funding assistance to the lowest income students, but there were concerns middle-class families were being priced out of higher education (Hodgkinson, 1981). In 1978, Congress passed the Middle Income Assistance Act (MISSA) to assist middle income families with the higher education costs (H.R. 12274, 1978; GAO, 2011). As a result, from 1978 to 1981, the financial need component of the GSL program was removed, allowing all students to have access to subsidized loans. With restrictions lifted, loan volume and subsidization costs quadrupled over three years (Hodgkinson, 1981). In subsequent reauthorizations, student loan limits and student loan amounts have been increased at a pace that falls short of inflation (GAO, 2011). These actions created dramatic growth in the total amount and total volume of loans processed.

In the 2009-2010 academic years, the William D. Ford Direct Loan program (Direct Loans), had an estimated 14.8 million student borrowers utilizing subsidized and unsubsidized loans borrowing an estimated $95.6 billion (NASFAA, 2014). The Direct Loan program is the

second largest source of federal financial aid for student borrowers (NASFAA, 2013). The federal government supplies the loan capital to participating institutions in the Direct Loan program (Wolanin & Institute for Higher Education Policy, 2003).

According to Siefert and Worden (2004), in 1967, only $244 million in federal loans were disbursed to college students. During the 2013-2014 school year, higher education institutions disbursed a total of $112 billion in federal student loans (US Department of Education, 2014). Much of this student loan growth is attributed to the expansion of post-secondary education, as well as, an increasing cost of education (Leclerc, 2012). Students often face debt beyond student loan debt, as more students utilize credit cards to finance their education and living expenses (Sallie Mae, 2014). This combination of debt has led many to consider the most recent generation as a generation of debt (Kamenetz, 2006).

The Repayment Crisis. The ease of access to student loans created a student debt repayment crisis. An unpublished study obtained by *The Chronicle of Higher Education* (2010) reported that since 1995 one in every five federal loans that entered repayment status had gone into default. Student borrowers who default on student loans either temporarily or permanently impair their personal and professional lives significantly until their loan default is cleared. The emphasis on a financial aid system dependent upon loans has led to a debt crisis that not only impacts the ability of a student to repay student loans, but may also impact career choices and life decisions (King & Bannon, 2002). This puts institutions in a position where they are not only responsible for educating students in their career choice, but many offer financial literacy as a component of the educational process (Mandell, 2006; Mandell & Klein, 2009).

Managing Personal Debt. Student loan and consumer loan debt is a major source in the growth of financial literacy programs on college campuses and this study seeks to build upon

that by examining the size and scope of financial literacy programs at large public institutions. Credit counselors and loan industry professionals recommend that a manageable monthly student loan repayment should not exceed 8% of a person's monthly gross income (Baum & Schwartz, 2006; USA Funds, 2013). Baum and Schwartz (2006) reviewed a number of methods to calculate the exact amount of debt a student should incur compared to income levels and found that individual priorities and education were more important than total loan debt. King and Bannon (2002) found that when using this suggested model, 39% of all student borrowers would graduate with unmanageable student loan debt. Such a large number of students entering the post-graduation marketplace with unmanageable debt, suggests that some type of educational intervention. This places additional emphasis on providing financial literacy education to students to help them post-graduation.

The availability of student loans fueled the increase in student loan borrowing and is important in understanding the growth and development of financial literacy programs. According to Harnisch (2010) financial literacy education helps individuals plan for their future and contribute to a sustainable lifestyle during post-graduation working years and help mitigate the impact of student loan debt on later life choices. Financial literacy programs seek to offer training that provides structure and defines lifetime success through financial literacy education (Braunstein & Welch, 2002). While financial literacy is designed to improve student outcomes, there is little information to support the effectiveness of such programs, outside of pre and post-test results (Fernandes et al., 2014). As ill-informed students face a complex market, institutions have responded with financial literacy offerings to minimize the impact of debt on life choices (Harnisch, 2010).

Defining Financial Literacy

Huston (2010) found in a review of 71 studies on financial literacy, that 72% of the studies failed to define financial literacy. Huston also found that many studies used financial knowledge and financial literacy interchangeably. The definition of financial literacy is important in establishing a common starting point for this study, which covers the ability to read, analyze, manage, and comprehend the impact of financial decisions on the future. Remund (2010) provided a conceptual definition of financial literacy that focused on key financial concepts that allow an individual to manage personal finances though short-term and long-range planning. Mason and Wilson (2000) defined financial literacy as "an individual's ability to obtain, understand and evaluate the relevant information necessary to make decisions with an awareness of the likely financial consequence" (p 31). Financial literacy also includes financial capability, defined by Johnson and Sherraden (2007) as the incorporation of skills, behavior, and knowledge that encompass five basic areas that include keeping track, planning, choosing products, making ends meet and staying informed. Mason and Wilson (2000) made it clear that being financially literate does not guarantee that a person will make sound financial decisions. Once people are aware of the consequences of their financial decisions and choices, they are financially literate even if the consequences are negative. The purpose of this study is to examine financial literacy programs, understanding financial literacy as a concept is vital to answering the research questions.

One important concept to differentiate is the difference between financial education and financial literacy, which Huston (2010) describes as the consumer and psychological perspectives. Huston stresses that these two concepts have very different meanings, but both need to be taken into consideration when assessing financial education programs. According to

Huston (2010), financial education is aimed at improving the level of knowledge a person has about personal financial management, and financial literacy is the capacity to apply that knowledge to life. When reviewing and determining the type and extent of a literacy program on a college campus it is important to include this as a descriptive goal of the program. Both financial education and financial literacy must take into account an individual's unique set of circumstances (Vitt, 2009; Vitt et al., 2000). Most college students are in a position where they are making personal financial decisions for the first time, which means that they will usually suffer the repercussions of poor financial choices for the first time (Xiao et al., 2004). Successful financial education programs must consider the stage and point of life that makes up their target audience. What is missing in the current literature is how large public institutions are connecting with their audiences to account for their student demographic.

College Students' Financial Literacy Levels. Students entering and leaving college have less than a desired amount of financial literacy, which serves as the reason many institutions are developing or expanding financial literacy programs. Unfortunately, studies have also concluded that financial literacy rates among college students are very low (Davies & Lea, 1995; Roberts & Jones, 2001). Findings from several studies indicate that the financial literacy of college students is a chief determinant of whether students successfully manage credit lines and avoid debt insolvency (Dale & Bevill, 2007; Hoffman, McKenzie, & Paris, 2008; Lyons, 2004). For college students who may be new to being in debt, entering the loan repayment phase can be stressful. In one study of Texas A&M University students, Avard (2005) found that only 34.8% correctly answered questions related to financial issues. In another study conducted by the University of Arizona Institute, the freshman 2007 class averaged 59% on questions related to money management, credit, and savings (Shim, Serido, & Ziao, 2009). In 2008, a survey

distributed by the Coalition for Personal Financial Literacy found college students scored an average of 62.2% on financial literacy (Jump$tart, 2014). The absence of financial literacy among college students directly impacts post college financial success (Braunstein & Welch, 2002; Dale & Bevill, 2007; Jump$tart, 2014). While there is existing literature that shows there is a lack of understanding of financial literacy among college students, there is not detailed information about which colleges and universities have financial literacy programs.

State Requirements for Financial Literacy. Nationally, the National Council for Economic Education (NCEE) has led change for financial literacy education (Council for Economic Education, 2012). In 2009, NCEE began a major initiative called the Survey of the States, which was a report that detailed the economic, personal finance and entrepreneurial education that is being provided in schools within all 50 states and the District of Columbia (Council for Economic Education, 2012). This report provided policymakers and educators a concise and up-to-date view of the educational standards and options that are being offered state-by-state. The number of states that now require students to take an economics course as a high school graduation requirement increased from 17 in 2007 to 21 in 2009. Significant movement has been seen in the area of personal finance, where the number of states that now require students to take a personal finance course or include personal finance within economics curriculum has grown from 7 in 2007 to 13 in 2009 (Council for Economic Education, 2012). Thirty-four states now require that personal finance content standards be implemented, up from 28 in 2007. This information provides policymakers and educators with a view of what their fellow states are doing to educate their students in these subjects. While NCEE reviewed content related to secondary course offerings, their survey was incomplete at best when it came to requirements placed by the state upon college students. The literature is void of information

related to mandates on institutions to offer financial literacy programs, which this study hopes to fill.

Impact of Financial Literacy Programs. The body of work on financial literacy suggests that training of students and young adults yield benefits (Boyce & Danes, 1998; Braunstein & Welch, 2002; Hira, 2010; Lusardi et al., 2010; Serido and Shimm, 2014). Much of the existing literature focuses on pre- and post-test results. Avard (2005) recommends that universities should require financial knowledge as a component of their general education requirement. Hira (2010) found that learning strategies, interventions and delivery methods can lead to an increase in knowledge and actually change student behavior. Boyce and Danes (1998) found that nearly 30 percent of students altered their spending and savings practices after participating in a financial literacy training program. They also found that 47% of students believed they were more knowledgeable as a result of the training (Boyce & Danes, 1998). In the longitudinal study of the 2007 Arizona freshman cohort, Serido and Shimm (2014), found that through financial literacy, students increased their literacy score to 71%. These results indicate that training programs provide a means for enhancing financial literacy in a campus setting.

Importance of Financial Literacy

While student loans provide the background for the student loan debt crisis, it is also important to understand why financial literacy is important in a campus setting. Students graduate from college with student loan debt, credit card debt, and a lack of general financial knowledge which impacts career decisions (Long & Riley, 2007). Students with large amounts of debt face long struggles that impact their finances each month. Compounding this issue is private debt; students only further compound their finance situation with credit card debt. As

students go deeper into debt to pay for college, they often reach a point where they leave higher education because of their financial situation (Sallie Mae, 2014). Finally, student loan debt or ability to pay are associated with persistence and retention. Examining these three issues is important to understand the pressure on students, as well as higher education administrators to take corrective action.

Financial Literacy: consumer behavior and consumer attitudes. Current literature contains information related to the current models of financial education programs and provides a foundation for determining how institutions are implementing literacy programs. When it comes to college student financial literacy, there are dominant perspectives on the development of consumer financial education programs (Hira, 2010). Many of these perspectives come from the field of personal financial management and were developed by financial planning practitioners. The two dominant perspectives are based on 1) consumer behavior and 2) consumer attitudes (Hira, 2010). The initial focus of financial planning practitioners is to disseminate information on management of personal finance. The first dominant perspective focuses on the desire to change consumer behavior or actions, that is, how students utilize their money. The goal of behavior change is to increase the understanding of the basic concepts regarding money and assets (Hira, 2010). Changing behavior through education is different than changing attitudes toward financial literacy. Changing consumer attitudes is altering beliefs about money and the function of financial resources (Hira, 2010). These concepts are important to consider when exploring the scope and extent of financial literacy programs at large public institutions as the concept of being informed about money or changing beliefs and behaviors about money is what is missing in the literature. While there is information about two pedagogical perspectives about how to teach financial literacy, the literature is missing the

strategy and outreach efforts that large public institutions are using to enhance student knowledge.

Debt Impact on Career Decisions. There are conflicting studies on the impact of income, repayment and career choice in relation to student loan debt. Monks (2000) surveyed seniors at highly selective private colleges and universities to examine trends in debt, degree aspirations, and the relationship between debt and career choice. Monks found little effect of loan burden on later professional plans, as debt level and high GPA did not directly impact applications to professional programs. However, Minicozzi (2005) reviewed 1987 NPSAS data to identify trends in post-graduation employment and explored whether college graduates with debt gravitated toward higher paying professions. Minicozzi (2005) found that men with higher levels of debt are more likely to enter higher paying jobs post-graduation, although the effects of higher salaries even out over time because they have lower rates of salary growth. Another study by Rothstein and Rouse (2007) found that graduates with debt are more likely to seek out higher paying jobs while exploring their career options. Rothstein and Rouse (2007) compared students with high debt to students who attended selective universities that implemented no-loan policies. They found that students attending no-loan institutions chose to enter lower-paying public service positions after graduation. After graduation students are expected to move into a job market to allow them to begin repaying their accumulated debts. Since 2008 the economy has been unstable and is slowly recovering from a recession, which increases the risk for default (Harnisch, 2010; Oreopoulos, Wachter, & Heisz, 2006).

Higher education institutions are not only concerned with graduation rates, they are also interested in the long term success of their students. Financial literacy programs that set students up for post-graduation success working with college students is important (Kamentz, 2006).

Students who accumulate student loans potentially face a life-long struggle of personal financial management when they do not understand the future consequences of borrowing thousands of dollars to finance college education. If a student completes a bachelor's degree with $26,600 in student loans, his or her expected payment will be $261 each month (US Department of Education, 2013). The National Association of Colleges and Employers estimates that the average starting salary of a 2013 college graduate is $44,928 (NACEWEB, 2013). This is approximately 7% of the average college graduate's monthly income, suggesting that this is actually a manageable level of debt (US Department of Education, 2013). Furthermore, credit counselors recommend that total debt payments (e.g., student loans, housing costs, credit card, or car payment) should not exceed 36% of the gross income (Draut & Silva, 2004). While the student loan portion of debt is manageable, following the work of Draut and Silva, a college graduate would only have a remaining 29% of gross income to allocate to other debt, putting them at risk for financial hardship or delaying major life decisions such as home purchase, marriage, or children (2004).

Credit Card Debt. Beyond student loan debt, many students enrolled in higher education are engaging in other risky financial behaviors (Kamentz, 2006). As noted above, financial literacy is the ability to read, analyze, manage, and communicate financial decisions for the future (Christman, 2000). Financial literacy is a concept that focuses on the ability to manage and communicate the impact of financial decisions on not only student loan debt. In fact, a survey of 1,891 undergraduate students at the University of Georgia and Louisiana State University revealed that college students unlikely to have a budget, balance their checkbook or have a savings plan (Cude et al., 2006). The study also found that students without a strong financial literacy background were also likely to have credit card debt. The increase in credit

card use by college students has generated extensive research that suggests credit card debt puts students at greater risk of financial problems after graduation. A Sallie Mae (2014) study noted that 77% of undergraduates had at least one credit card, while also finding that many students had insufficient skills to effectively manage credit or credit cards, within the definition provided by Christman (2000).

College age students are burgeoning adults and thus experience financial freedom for the first time. Credit card companies engage in direct marketing programs to target the college student market in order to increase their outreach efforts (Sallie Mae, 2014). Those students who receive federal financial aid loans are the same students who are more likely to have additional credit card debt (Lyons, 2004; Pinto & Mansfield, 2006). The main concern for practitioners and institutions is that students are accumulating larger amounts of debt beyond just student loan debt. Lyons (2004) reports that students with financial aid are more likely to have at least $1000 in credit card debt. Data collected by Sallie Mae (2009) showed that the average amount of debt carried by undergraduate students increased 46% over 2004 to an average of $3,173 per student. More alarming is the Draut and Silva (2004) report that students from lower socioeconomic status (SES) families are more likely to develop higher overall credit card balances.

Sallie Mae (2014) found that only 15% of students had no record of credit card ownership. In reviewing the individual spending habits of students, Joireman, Kees, and Sprott, (2010) found a general lack of understanding of the consequences of debt accumulation among students. Between 2007 and 2010, the National Endowment for Financial Education (2010) reported a 26% rise in the use of one credit card to pay for another implying a great portion of credit card debt is unmanageable. Sallie Mae (2014) also found that the average student credit card holder held four cards, each with a balance between $3,000 and $7,000. Combining that

with an average student loan debt of $26,000 per student, puts students at risk financially post-graduation (US Department of Education, 2013). Some colleges have even taken the step to limit or prohibit credit card solicitation on college campuses due to the inherent consequences of additional student debt (Johnson, 2005).

The combination of credit card debt and student loan debt creates a situation where students are ill informed and saddled with debt during their college education, impacting post-graduation success. As noted, the current literature on financial literacy is comprised of individual student loan level data. Pinto and Mansfield (2006) surveyed 2,203 undergraduate students at eight different public and private four-year colleges to determine if students identified as financially at-risk were more likely to have increased levels of student loans. They also analyzed how students prioritized their debt payments. Pinto and Mansfield (2006) found a significant positive correlation between student loan debt and credit card debt. They also found that credit card debt was also positively correlated with expected loan debt at graduation. Credit card debt escalation is a sign that students are not only struggling with federal student loan debt, but that they also struggle with other types of consumer loan debt. These findings suggest that a comprehensive financial literacy program is needed for students, however the current literature does not yield information about what institutions are doing to combat this area of concern.

Impact of Financial Literacy on Retention and Persistence. Barriers to persistence are often related to financial stressors, which are exacerbated during difficult financial times (Goldrick-Rab et al., 2009; Gross et al., 2007). Beyond the overall success of their students, institutions also have more immediate concerns related to debt burden, as the number one reason students cite for leaving a higher education institution is financial difficulties (Herzog, 2005). There is growing evidence that financial factors play a key role in the retention and persistence

of undergraduates in both 2- and 4-year institutions (Alon, 2005; Dowd & Coury, 2006; Fike & Fike, 2008; Goldrick-Rab et al., 2009; Goldrick-Rab & Kelchen, 2012; Herzog, 2005; Singell and Stater, 2006).

Institutions are heavily invested in investigating and promoting retention rates, but financial costs play an important role. Students and parents are sensitive to increases in price and aid, which can often conflict with institutional assumptions and policies (Fitzgerald & Delaney, 2002). More specifically, students and their families are confused by the types of aid and the requirements for applying for it (Dowd, 2006; Dowd & Coury, 2006). They are also fearful of the significant amount of borrowing required for higher education (Dowd, 2006), particularly if the families had no previous participation in higher education. Compounding the problem, students of lower socioeconomic status have less access to financial aid information than more affluent students (Fitzgerald & Delaney, 2002). This lack of information is seen as a lack of financial information ties closely to retention and persistence efforts on campuses.

As the costs of college continue to escalate and reliance on loans steadily increases, there is a need to address the effects of financial stress on retention and student success post-graduation. While advancing an integrated model that included financial and sociological factors, St. John et al. (2000) argued that the use of economic models to evaluate enrollment and persistence at colleges and universities serving large proportions of low-income students was necessary. Students and their parents' expectations of costs and resources are not the same before the student attends their first year as during the first year, leading to persistence issues. St. John, et al. (2000) suggest a more complex model of student behavior considering how direct and indirect effects financial issues and students' perceived ability to pay may impact departure. Becker, (1993), tells us a student attends a college or university with the expectation that the

benefits will exceed the costs, where also a student will drop out when the opposite is true, the costs exceeding said benefits (Becker, 1993; Tinto, 1993). Carey and Dillon (2011) voiced concern over the negative effects of financial stress on the retention of low income students as financial recourses become limited. Higher education institutions need to adapt their practices to set a changing and diverse student population up for success (Nora & Crisp, 2009; Siedman, 2005; Tinto, 2006). Persistence and retention is about working with students to ensure that the benefits of higher education do not exceed the cost or experience an inflated cost through financing with student loans.

Families that lack financial planning are put into a place where they must either cash fund higher education or take out student loans. Dowd and Coury (2006) found loans were negatively associated with persistence when loans were measured as a dichotomous and as a continuous variable. Institutions continually evaluate strategies to enhance and promote retention and persistence to appropriately address the needs of all students, specifically low-income students, as resources become limited and financial stress increases. These strategies form the basis or components of financial literacy programs, yet there is a lack of literature on how institutions are addressing financial planning on campus. This study seeks to examine which institutions employ financial literacy programs and how those programs have grown in recent years.

Conclusion

As noted above, current research indicates that financial literacy levels are low among college age students (Avard, Edgar, Davies & Lea 1995; Donald, & Walker, 2005; Lusardi, Mitchell, & Curto, 2010; Mandell, 2008; Roberts & Jones 2001). College students graduate with excessive levels of student loan debt and face longer loan repayment periods and the potential for life long difficulty with debt management (Carey & Dillon, 2011; Chopra, 2013; Project on

Student Debt, 2014). College students also demonstrate risky financial behavior with the accumulation of unmanageable student loan debt and credit card debt (Kamentz, 2006; Sallie Mae, 2014). Low financial literacy levels and high amounts of student loan debt foster an environment that can make post college financial wellbeing difficult. Financial literacy is more important than ever for the current generation of college students as evidence suggests that the U.S. economy has created changes in tuitions costs, financial aid resources, and student debt levels (Huston, 2010; Remund, 2010). As college students graduate with higher levels of student debt and face longer repayment periods, sporadic efforts have been made to enhance financial literacy (Carey and Dillon, 2011). As inadequate financial literacy, rising tuition and national financial difficulties continue, a clearer profile of the financial literacy programs at large public institutions needs to be completed. The intersection of inadequate financial literacy, rapidly rising tuition costs, and diminishing financial aid resources has the potential to create substantial financial stress for college students (Goldrick-Rab et al., 2009; Gross et al., 2007). A greater understanding of the role large public institutions play in increasing financial literacy levels will address a missing area in the field.

CHAPTER 3: METHODOLOGY

This section provides a summary of the procedures and method used in this study. This descriptive study collected information through a two-stage survey on financial literacy programs at large public institutions. In the first phase, a screening survey was sent to the Directors of Financial Aid at Coalition of State University Aid Administrators (COSUAA) member institutions. The initial survey was designed to identify the existence and reporting line of financial literacy programs at COSUAA institutions. The second, more in-depth survey was then distributed to institutions that indicated they had a financial literacy program. In this second stage, descriptive data were collected to detail financial literacy programs at COSUAA institutions with regards to their existence, origin, and funding structure as well as administrator beliefs about the usefulness of financial literacy programs. The information was collected using a Qualtrics survey instrument. SPSS software was used to analyze the data collected. This section will outline the data sources, participant selection, variables, and the methods used for data analysis.

This study answers these six questions:

1. Which Coalition of State University Aid Administrator institutions have financial literacy programs, and what are the structural reporting lines for literacy programs?
2. What are the historical, budget and structural characteristics of these financial literacy programs?
3. What are the stated goals and purposes of financial literacy programs at COSUAA institutions?

4. What services are offered by these financial literacy programs and how is content delivered?
5. Have the content and delivery systems of these programs been assessed? If so, what methods were used to determine effectiveness?
6. What practices are utilized by these financial literacy programs?

Sample

This research focused on the members the Coalition of State University Aid Administrators (COSUAA), a 133 member non-profit organization whose institutional membership consists of public four-year universities with enrollments of 10,000 or more students. In 2014, COSUAA institutions enrolled more than 3.7 million students (COSUAA, 2015). The institutions are geographically distributed across the United States, are very representative of large public institutions, and operate under a variety of state controls. According to IPEDS, there are 283 public institutions that would qualify for membership to COSUAA (2015). Membership in the organization is fee based, voluntary and comprised of institutions that serve as both research and comprehensive universities. The survey was sent to the Directors of Financial Aid at each of these institutions.

Survey Instrument

Two survey instruments were designed and administered in sequence to collect information on financial literacy programs at COSUAA institutions. Careful research went into the survey instrument design and a copy of the surveys can be found in Appendix A and Appendix B. One of the major goals was to identify institutions that possessed a financial literacy program. The intent of the initial survey, sent to the Director of Financial Aid, was to determine which institutions in COSUAA had financial literacy programs. The brief survey

asked five questions to quickly identify if the institution possessed a financial literacy program, the contact information for the individual, and the director's impression of the effectiveness of the program. Each survey collected the each institution's Office of Postsecondary Education Identification Number (OPEID), which is used to identify institutions for federal aid purposes and was used to obtain student loan default rates for this study.

The second survey provided a more in-depth analysis of the financial literacy program. It was designed to be more detailed than screening survey by asking content oriented questions that could be answered by the institutional expert on financial literacy. The second survey instrument was divided into five main content areas that focused on the financial literacy program from an historical, structural, and budgetary standpoint. It also closely examined the stated goals, purposes, and services offered through the program and content delivery to students. The survey also sought to identify common practices of institutions. These topics form separate sections of the survey instrument and used a combination of open ended questions, descriptive questions, and Likert scales to evaluate the responses of candidates. A copy of the survey instrument can be found in Appendix A. The questions on the survey are directly related to the research questions for this study.

Procedures

Before the survey was administered, a proposal for this study was presented and approved by dissertation committee members. The application for this study was also submitted and approved by the Institutional Review Board at the University of Kansas. Information related to this approval is provided in Appendix C.

As noted in the literature review, there is not an existing dataset that examines the existence or extent of financial literacy programs at large postsecondary institutions. In trying to determine the size and scope of literacy programs, it was necessary to conduct an original descriptive research project. Financial Aid Directors at COSUAA institutions were the target group for the survey distribution. An initial step of the survey process required accessing the most current membership of COSUAA through their website www.cosuaa.org. The Director of Financial Aid's name, institution, and e-mail address was collected for each member institution. This information was compiled into an Excel worksheet that was then loaded into Qualtrics as a member panel. Qualtrics uses member panels as a way to give each survey a unique member identification and allow the researcher to follow up on the status of each individual survey.

After the panel was created, a letter of introduction was drafted regarding the purpose of the survey and this introduction was used in the e-mail distribution, available in Appendix D and E. The cover letter stressed to each participant that participation was voluntary and that individuals were free to omit answers to any particular question and withdraw from participation at any stage. In an effort to elicit a high response rate, each e-mail was customized with the recipient's first name, an explanation of the survey goals, and a unique survey link. A total of 133 surveys were distributed on November 4th, 2014. Each participant was informed they would have one month to submit a response. Four e-mails did not reach their intended target due to an incorrect e-mail address. After noticing this issue, through a quick search for the recipient's name, the correct e-mail address was found. The e-mail addresses in the panel were updated and the survey was resent to those individuals.

Qualtrics has the ability to track the completion status of surveys, which was used to determine when a follow-up reminder needed to be sent to participants. On November 14th, a

reminder e-mail was sent to those individuals who failed to act upon the initial e-mail request. Once again, this was a very personalized e-mail to the point of contact and this led to a renewed response rate. The survey was officially closed on January 30th, 2015. At that time 133 requests had been sent, 125 surveys started, and 109 were fully completed, for a response rate of 82%.

After one month, information collected through the initial survey was used to determine the target audience for the second survey. Seventy-seven Financial Aid Directors who responded to the initial survey indicated they had a financial literacy program. Question six on the first survey asked respondents to provide the contact information for the individual identified as being most responsible for the administration of the financial literacy program. This information was used to construct the second survey panel in Qualtrics. In a number of instances, the contact information in question 6 was omitted. In these instances, the secondary survey was sent to the individual targeted with the initial survey. On December 12th, the survey was distributed to seventy-four recipients. Five of those e-mails bounced back and using www.google.com, I was able to correct the e-mail addresses and distribute the survey. Three individuals completed the initial survey, after the second survey had been distributed. These individuals were added to the Qualtrics panel and a unique survey link was sent to them. Of the seventy-seven institutions that indicated they had a financial literacy program, 54 completed the second stage survey for a response rate of 70%.

The second survey closed on January 30, 2015. The survey responses are stored on a secure Qualtrics server. The data were downloaded from Qualtrics into SPSS for data analysis. As part of that analysis, each institution's Department of Education operating ID number, (OPEID) was confirmed and added to the file. After the confirming the OPEID, a variable for the institution's three-year student loan default rate for the 2011 cohort was added. This

information was collected from the US Department of Education's website: https://www.nslds.ed.gov/nslds_SA/defaultmanagement/search_cohort_3yr2011CY.cfm.

Participant Data Analysis

Data were collected through Qualtrics software, then downloaded into SPSS Statistics, Version 22. The data analysis was conducted in two phases based upon the survey stage. As part of the two-stage survey process, stage one had a primary design to identify institutions and contacts to inquire about the size and scope of institutions that had financial literacy programs. Stage two was then dependent upon responses from the first survey.

Stage One. In stage one, a total of 126 surveys that were recorded in Qualtrics. From those, 17 respondents provided incomplete responses. The missing data resulted in the complete recorded responses at n=109 for a response rate of 82%. The stage one survey provided three key areas of data: 1) opinions about financial literacy, 2) other programs deemed exemplary, and 3) whether their own institution has a financial literacy program. First, the stage one survey asked three self-report Likert questions about financial literacy programs. These data were analyzed using descriptive statistics to investigate the broad understanding of financial literacy for the stage one respondents. Furthermore, in stage one, respondents were asked an open-ended question to list up to three programs they believe to have exemplary qualities. These open-ended responses were coded to ensure that the named institutions were counted and summarized correctly. With an open-ended question, it was necessary to limit the responses for the paper. A natural break was found with institutions that were mentioned three or more times. Using Excel, the responses were cleaned to make a standard response for the institutions listed and the counts were summarized in a frequency distribution. This information can be found in chapter 4. Finally, stage one provided data about the responding institutions' financial literacy programs

and, thus, identified the appropriate recipients to participate in the second stage. From stage one participants (*n*=109), 77 institutions indicated they offered financial literacy programs beyond standard entrance and exit counseling. A second stage survey was then sent to the person identified as responsible for the financial literacy program.

Stage 2. Using the contact information provided in stage one, the second stage survey was sent through Qualtrics to the 77 institutions identified with financial literacy programs. At the close of the survey, 54 institutions responded. Each response was reviewed to ensure that it was consistent with the format of the survey instruments' intended goals. As with the first survey stage, each institution's OPEID was confirmed and the three-year student loan default rate was added using the US Department of Education's default rate website. This information was used to not only identify the institution, but also to collect student loan default information from each institution.

After clearly identifying the institution, one key part of the research question was to identify the primary location of the financial literacy operation. Financial Literacy Program Coordinators were asked to identify the primary office responsible for program administration. Responses that were similar in nature, such as the cashier's office or the bursar's office were combined under the office of financial services. Due to the nature of the responses, it was necessary to make some judgment calls on how to combine similar offices. After completing that assessment, the responses were then sorted by percentage based on the office responsible for program administration.

Two survey questions in the secondary survey required additional efforts to calculate a response. Survey recipients were asked to provide a percentage of their budget that was allocated for financial literacy, administration, and content delivery. A frequency distribution for

these responses did not seem to be the best way to present the information in the results section. In order to capture the distribution of responses across institutions, it was necessary to calculate a weighted percentage for the responses obtained. Survey recipients were asked to provide a percentage of origin for their funding sources across a variety of institutional units. The response for each of these questions was calculated to identify an overall weighted percentage of budget funding origin. It was necessary to perform this calculation due to the variety and differences in funding allocations for financial literacy components. A second question was asked to obtain the percentage of content delivery method at institutions. A similar procedure was utilized to weigh the percentage of content delivery across institutions.

The survey questions used a 3-point Likert scale and respondents were asked to indicate program emphasis using categories of major, moderate, minor, or not included. These responses were coded on a scale of zero for not included to a three for major emphasis. The responses to each question were scored and then used to calculate a response mean. These data points were then put into a graph to allow for a visual representation of financial literacy topics at institutions.

Content analysis was conducted on the question related to program goals. Data on program goals were collected from each institution from either text response or from the website link for the institution. Through content analysis, it was possible to identify key themes across institutions and provide selected quotes from those institutions. These themes are identified in chapter 4.

Limitations

The information collected through the survey instruments did not allow for any advanced statistical methods. The survey was descriptive. It was designed to collect information about the financial literacy programs. The information collected did not yield any variables that could be used in a predictive manner at other institutions. The information collected does yield information on key financial literacy variables that can be utilized in future research to conduct enhanced statistical models. The information contained in the survey required honest answers from all respondents. That information is what is portrayed in the results.

Summary

The purpose of this chapter was to present the research methods used to analyze the descriptive statistical information collected on financial literacy programs. Data collection began with an initial screening survey sent to 133 COSUAA institutions, which garnered 109 responses. Of those responses, 77 institutions with financial literacy programs were targeted with a second more detailed survey. The methods used in this study were designed to collect and analyze information to further enhance the field of financial literacy research within higher education. The next chapter presents the results from these descriptive statistics and analysis.

CHAPTER 4: Results

The purpose of this study is to explore financial literacy programs at large public universities. Prior literature on financial literacy trends in higher education highlight several key areas that need to be further explored and addressed. A survey research design was developed to collect descriptive statistics from public institution financial aid administrators to determine the extent and scope of financial literacy programs at large public institutions by analyzing financial literacy program characteristics. A summary of the descriptive analysis is presented below.

The data collected are in summary tables and are presented in two sections, which follow the two stage survey process. The first section outlines the analysis from the initial survey stage, which was designed as a screening survey to identify institutions with financial literacy programs. The second section uses data collected from the second survey, which was designed as a more in-depth study for institutions with financial literacy programs. Data collected from each respondent was analyzed and used to answer each of the research questions posed.

Stage 1 Results—Background Information

A survey was sent to the Financial Aid Directors at all 133 current members of the Coalition of State University Aid Administrators (COSUAA). Of the 109 responses, 77 (70.6%) indicated their institution offered some form of financial literacy program; while 32 (29.3%) did not offer any form of financial literacy program (see Table 1).

TABLE 1: Existence of Financial Literacy Program

	Frequency	Percentage %
Offers a Financial Literacy program	77	70.6
Does not offer financial literacy program	32	28.4
Total	109	100

The survey also asked respondents to rate the quality of their financial literacy programs. Seventy-nine institutions (including two institutions that did not have a financial literacy program), elected to rate their financial literacy programs. Of these respondents, 9% of respondents believed their financial literacy program was excellent, 21.5 % rated it as very good, 36.7 % rated it as good, 30.4 % rated it as fair, and 2.5 % said the state of their program was poor, which can be seen in Table 2 below. Reviewing the cumulative percentage as a collapsed category, 67.1% of financial aid directors rated their financial literacy to be good or better at serving their student body. Roughly one-third found it to be fair or poor (see Table 2).

TABLE 2: Director Rating of Quality of Current Financial Literacy Program

	Frequency	Percentage %
Excellent	7	8.9
Very Good	17	21.5
Good	29	36.7
Fair	24	30.4
Poor	2	2.5
Total	79	100

Respondents were asked if they believed that financial literacy should be mandatory for all students. A large percentage, 43%, of respondents strongly agreed that financial literacy should be mandatory for all students and an additional 38.7% of respondents agreed that

financial literacy should be mandatory as represented in Table 3 below. If those responses are combined into one category, 82.1% of those surveyed agree or strongly agree that financial literacy programs should be mandatory for all students. Neutral responses made up 10.4% of respondents, where they neither agreed nor disagreed with the statement and .9% of responses (n=1) strongly disagreed (see Table 3).

TABLE 3: Financial Literacy Education Should be Mandatory for all Students

	Frequency	**Percentage %**
Strongly Agree	46	43.4
Agree	41	38.7
Neither Agree nor Disagree	11	10.4
Disagree	0	0
Strongly Disagree	1	0.9
Total	106	100

While all institutions in this study offer financial aid, due to the role that federal student loan default plays in federal student aid policy, respondents were asked if higher education institutions that offer federal student loans should offer some type of a financial literacy program. Survey responses revealed that 49.5% of participants strongly agreed that institutions that offer loans should have financial literacy programs, with an additional 43.9% who agreed (Table 4). The cumulative percentage of collapsing those two responses shows that 93.5% of those surveyed believed that higher education institutions should offer financial literacy. Another 5.6% of respondents neither agreed nor disagreed and .9% strongly disagreed (See Table 4).

TABLE 4: Institutions Offering Federal Loans Should Offer a Literacy Program

	Frequency	Percentage %
Strongly Agree	53	49.5
Agree	47	43.9
Neither Agree nor Disagree	6	5.6
Disagree	1	.9
Strongly Disagree	0	0
Total	107	100

Participants were asked to list up to three institutions they believed offered "the best" financial literacy programs. A total of 130 responses were entered. Information on successful programs was included to serve as an example for institutions developing their financial literacy programs. Thirty-three institutions had a frequency of 1 in the table, while the most popular response was Ohio State University (24). Based on this survey, 18.5 percent of open entry responses indicated that Ohio State University was perceived to have a quality financial literacy program. This was followed by Texas Tech (10), Kansas State University (8), Indiana University (7), and the University of North Texas (6). A visual representation of institutions mentioned three or more times can be seen below in Table 5.

TABLE 5: Open Entry Top Financial Literacy Programs.

Institution	Count	Institution	Count
Ohio State University	24	University of Michigan	4
Texas Tech University	10	Brigham Young University	3
Kansas State University	8	Iowa State University	3
Indiana University	7	University of Nebraska-Lincoln	3
University of North Texas	6	University of Northern Iowa	3
University of Kansas	4		

Variables That Describe Financial Literacy Programs at Large Public Institutions.

Research question 1: Which Coalition of State University Aid Administrator institutions have financial literacy programs, and what are the structural reporting lines for literacy programs?

One goal of this study was to identify the development and extent of financial literacy programs at large public institutions. The following analysis is specifically designed to answer the research questions posed in this dissertation. Descriptive statistics are used that identify institutions that have financial literacy programs as well as provide program specific information. The information in this section specifically focuses on describing the institutions that have literacy programs and their structural reporting lines.

Location. The first research question also sought to determine the reporting structure, specifically the organizational location of financial literacy programs, as program location varies across institutions. Thirty-nine percent indicated that the financial aid office was the office responsible for the financial literacy program (Table 6). Additionally, two institutions indicated that financial aid was responsible for their literacy program, but that it was co-supported by another campus organization. Four institutions reported individual academic units as the primary area responsible for administration of the financial literacy program, which were consolidated under Academic Unit in Table 6. Three institutions reported that the financial literacy program was not directly part of their campus organization and was instead administered by an organization external to campus.

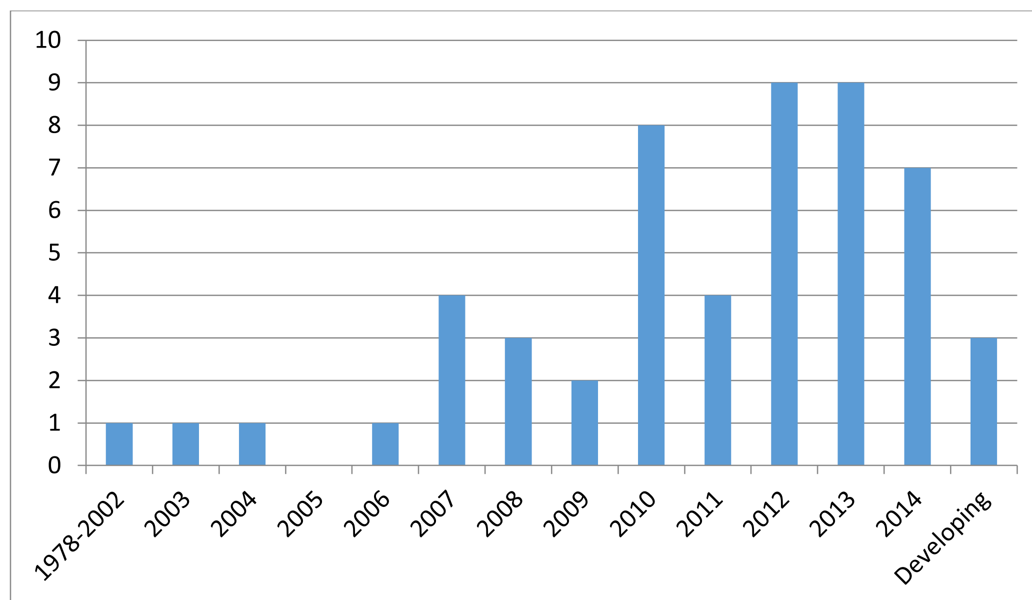
Table 6: Unit Responsible for Coordinating Financial Literacy Program

Office	Frequency	Percent
Financial Aid	21	39%
Student Affairs	8	15%
Financial Services	5	9%
Academic Unit	4	7%
External to Institution	3	6%
Financial Aid with External Support	3	6%
Enrollment Management	2	4%
Extension	2	4%
Joint Committee	2	4%
Career Services	1	2%
Outreach	1	2%
Stand Alone	1	2%
TBD	1	2%
TOTAL	54	100%

Research question #2: What are financial literacy programs historical, budget, and structural characteristics?

Program Origination Date. Respondents were asked to indicate when their financial literacy program began on their campus. While 54 financial literacy program administrators responded to the survey, only one administrator failed to provide a program start date. The earliest financial literacy program began in 1978 while 70% of the institutions surveyed developed their programs after 2010. Three institutions reported they were still developing own financial literacy program, which is represented by three institutions labeled as “Developing” in Figure 1.

Figure 1: Year Institutions Implemented Financial Literacy Programs



Mandated Requirements. As noted in the literature review, a number of states have enacted laws requiring financial literacy education, but at the high school level (Council for Economic Education, 2014). Respondents were asked if the reason they offered a financial literacy program was because there was an external requirement on the institution to provide that level of education. As noted in Table 7 below, nearly 12% of institutions reported such a requirement, which means that most of the survey participants voluntarily offer financial literacy programs to their students.

Table 7: Financial Literacy Requirement

	Frequency	Percent
Required	6	12%
Not Required	45	88%
Total	51	100%

Budgets. The administrative budget is an important component of financial literacy programs. Respondents were asked to indicate the amount of their financial literacy budget, and

50 participants responded. The most common frequency of response, 40%, was related to an unspecified amount or they reported using existing resources to support their financial literacy program (Table 8). Thirty percent of responses indicated a budget of $50,000 or less. Two programs indicated they spent over $400,000 with the highest program spending $424,000 on their financial literacy program. Two institutions reported they were in the process of developing their budgets, and their responses were combined with those in the unknown category.

Table 8: Budget Resources by Funding Allocation

Amount Spent on Financial Literacy in Dollars	**Count**	**Percentage**
No Specific Budget	12	24%
Existing Resources	8	16%
1-9,999	6	12%
10,000-49,999	9	18%
50,000-199,999	7	14%
200,000+	4	8%
Unknown	4	8%
Total	50	100%

Funding source. In order to identify where campus funding came from, financial literacy program administrators were asked to enter a percentage of revenue received from key funding areas either on or off campus. Respondents were asked to indicate the percentage of their budget that came from each source, which are listed in Table 9. The weighted average (x) is equal to the sum of the product of the weight (w_i) times the data number (x_i) divided by the sum of the weights. Using this formula, the weighted percentage of the budget obtained through

each funding source was calculated. The most common source of financial literacy program funding was the financial aid office, with a weighted percentage of 36.03% (see Table 9).

Table 9: Budget Resources by Funding Source

Funding Source	Weighted Percentage
Financial Aid Office	36.03
Other	14.76
Grant Funding	7.33
Student Fees	6.41
Business Office	5.15
Academic Department	4.91
Student Affairs	3.24
Admissions	1.85

Funding stability. Forty-nine institutions indicated changes in their funding levels over the past five years. Thirty-one percent of institutions reported an increase in financial literacy funding. The range of increase varied from a 5% increase to a 200% increase across the institutions. During that same time, 65% reported that financial literacy funding remained the same. At a time when higher education institutions are facing budget shortcomings, only 4% of schools reported a decrease in financial literacy funding (see Table 10)

Table 10: Change in Funding Over 5 years

	Frequency	Percent
Increased Funding	15	31%
Funding Remained the Same	32	65%
Decrease in Funding	2	4%
Total	49	100%

Staffing. Respondents were asked about the staffing of their financial literacy programs. Of the 54 responses, 42 participants indicated they had at least one Full Time Equivalent (FTE)

staff member responsible for delivery of financial literacy program content. Institutions were also asked to list their use of part-time employees, graduate students, and student hourly workers. One institution indicated they had a full time position that had a .5 FTE responsible for financial literacy programming, which was included in the one or fewer category in Table 11 below. This same method for variable consolidation was used for part-time, graduate students, and student hourly positions.

Table 11: Staffing Resources

Staffing	Full Time FTE	Part-time	Graduate Student	Student Hourly
One or fewer	28	21	23	14
2	8	2	5	0
3	5	1	0	0
Four or more	5	0	1	2

Research question #3: What are the stated goals and purposes of financial literacy programs at COSUAA institutions?

Published goals. An important part of this research project was to determine if financial literacy programs had published goals. Fifty-two institutions responded when asked if their institution had published goals associated with their financial literacy program. Twenty-one schools, 40% of respondents, said they had published goals and thirty-one institutions (60%) reported they did not have published goals associated with their financial literacy program, as reported in Table 12 below. Collecting information on published goals proved to be a very unique and challenging aspect of this research project. The presentation of institutions' goals was varied with little overlap. Program goals range from "bringing awareness to financial aid topics" to "improving course syllabi" to "decreasing student loan default rates." In Appendix A, the institutional goals for each response are included or a link to their published goals is

provided. Analyzing these goals was done through the use of identifying key themes though a qualitative approach using content analysis to define common response themes. This section will summarize many of the key program goals and organize them through identifying key themes.

Table 12: Published Goals

Published Goals	Frequency	Percent
Yes	21	40%
No	31	60%
Total	52	100%

Student outcomes. A common identified program goal was to focus on the student and student related outcomes. The emphasis of these programs is to promote practical life skills that will not only help the student while they are in school, but also after graduation and throughout student loan repayment. These goals focus on teaching students to be aware of financial literacy topics and the importance of making wise financial decisions. Institutions focus on this goal by encouraging students to practice responsible financial behaviors through strategies focused on reducing discretionary spending. For example, the University of Iowa takes this goal one step further by having a goal to "decrease the number of students applying for private educational loans through enhanced loan counseling" with a goal of a 5% reduction per year. The University of North Carolina set a goal to work with students to ensure their financial aid refunds lasted the entire semester.

Institutions accomplish these goals through one-on-one appointments, classroom-setting education, interactive online material, events and workshops, which are all designed to assist students in financial decision-making. An example that represents many of the institutions is Temple University, which described their process as a way to "provide educational opportunities

for university students, parents, prospects, and alumni to understand financial wellness-related issues."

Beyond changing individual behaviors, over half of the goals focused on student loan debt and student loan default aversion. Institutions encourage students to practice responsible financial behaviors and graduate with a lower debt level by developing strategies to reduce their discretionary spending and improving borrowing decisions. These goals often focus on a reduction of the institutions federal student loan cohort default rate, decreasing dependence on private student loans, or encouraging students to return unneeded student loan refunds. As an example, the University of Alaska-Anchorage and the University of California-Santa Barbara set program goals to see a decrease in default rates or average amounts of student loan debt. As a common example, Florida Atlantic University seeks "to offer students resources to manage their debt and prevent them from entering default."

One goal associated with many programs is to promote awareness of personal finance issues. This is a change in philosophy from the goals presented above, as it focuses on the overall theme of improved financial well-being as part of the curriculum. Institutions such as Rutgers have set their goals to assist students in gaining a greater understanding of financial literacy and promote financial responsibility. The University of Michigan-Ann Arbor took their goal one step further and wants students to "make healthy personal financial choices" and see "how those choices fit into the larger picture of their life." While Michigan is an example of an overarching goal, many institutions chose to focus on a basic goal of simply learning basic cash management skills, understanding credit scores, or achieve tasks as complex as asset allocation and calculating risk versus return when planning for investments. As part of this education, many institutions focused specifically on student loan debt, credit card debt, budgeting and

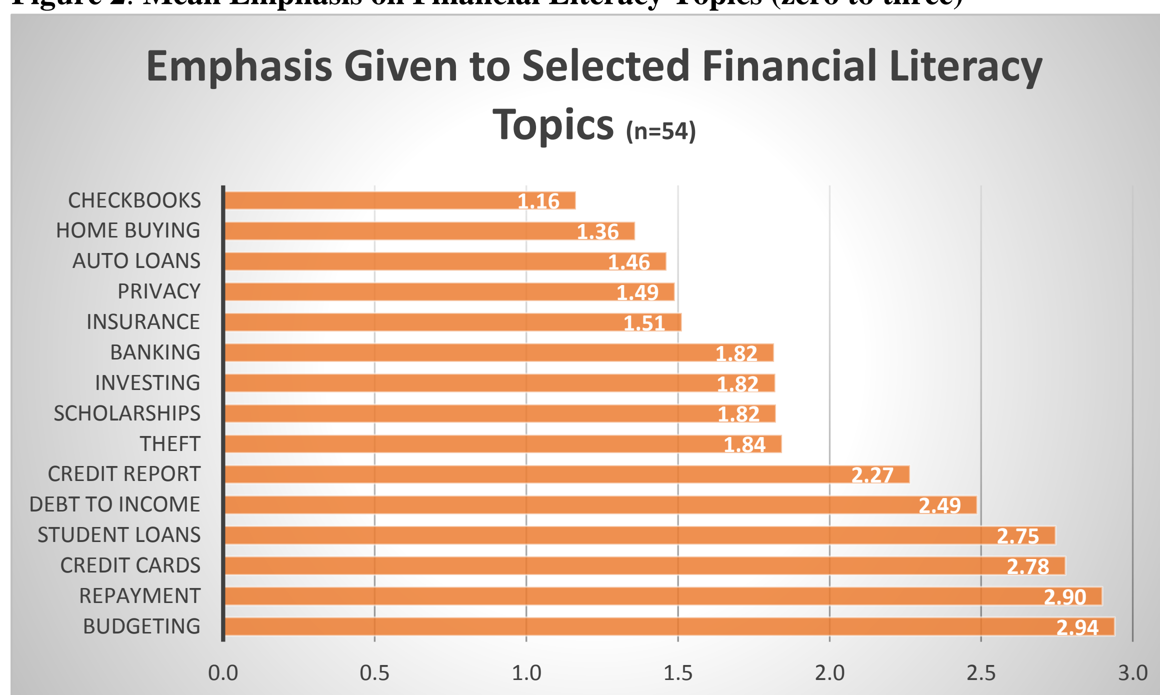
planning for retirement. Eastern Illinois University established a goal "to encourage students to practice responsible financial behaviors and graduate with a lower debt level by developing strategies to reduce discretionary spending." A common theme of these goals relates to the lack of financial aid knowledge described in the literature review, as many students enter college with less than the optimal level of general personal finance knowledge (Mandell, 2008; Seda, 2013).

Program Emphasis

Respondents were asked to indicate the level of emphasis of their program on a variety of content related topics. Respondents were asked to rate the level of emphasis in their program using Major, Moderate, Minor, or Not Included as options. The responses were coded on a scale of zero for not included, to three for major emphasis. Using the 54 responses, a mean emphasis value was calculated and presented in Figure 2, arranged from area of least emphasis to greatest emphasis.

As noted in the figure below, six areas of emphasis had a mean emphasis of 2.0 or greater. Credit reports (2.27) and auto loans (2.49) secured a mean or a moderate program emphasis. Student loans (2.75), credit cards (2.78), repayment (2.9) and budgeting (2.94) were found to be the greatest areas of emphasis in financial literacy programs. These findings are consistent with the existing literature on financial literacy that also focused on the need for budgeting, information about credit card debt, and the impact student loans have on post-graduation financial wellbeing (Huston, 2010; Kamentz, 2006; Long & Riley, 2007; Pinto & Mansfield, 2006; Council for Economic Education, 2012).

Figure 2: Mean Emphasis on Financial Literacy Topics (zero to three)



Research Question 4: What services are offered by financial literacy programs and how is content delivered?

Survey respondents were asked to indicate how they communicate with students to let them know about their financial literacy program. Institutions were allowed to choose multiple responses as part of the notification method. The most common method of reaching out to students was through the use of campus websites, closely followed by direct e-mail to students.

Table 13: Notification Method for Program

Type of Contact	Percentage of Response	Number of Responses
Websites	79.6%	43
E-mail	74.1%	40
Information Fairs	30.0%	30
Phone Calls	11.1%	6
Direct Mail	7.4%	4
Campus Requirement	7.4%	4
Enrollment Management Software	3.7%	2

Content delivery. Once students are made aware of campus offerings, the next important aspect is to determine how institutions deliver content to students. Each institution was asked to indicate the percentage of content delivery for each method. As part of the survey, each institution was asked to indicate the delivery method used. A weighted average was calculated to be equal to the delivery method average (x), which is equal to the sum of the product of the weight (w_i) times the data number (x_i) divided by the sum of the weights. Using this formula, the weighted percentage of the delivery method was calculated and is available in Table 14. Although it is labor and staff intensive, 36.75% of public institutions content was delivered through face to face interaction (Avard, 2005; Vitt, 2009).

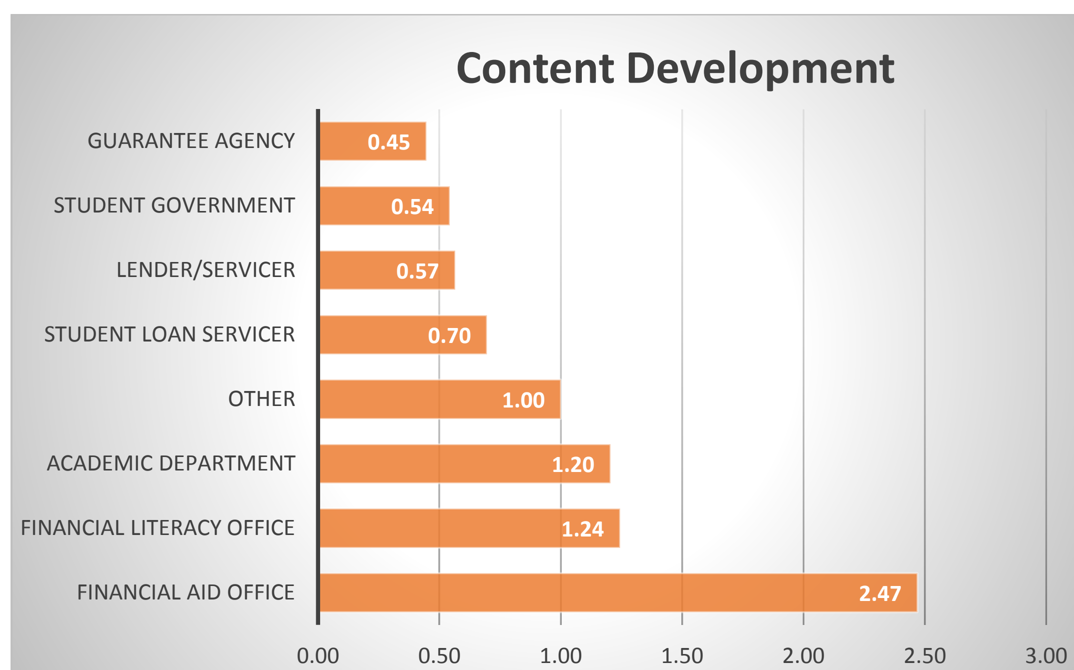
Table 14: Weighted Delivery Method

	Weighted Percentage
Face to Face	36.75
Website Disclosures	13.625
Online Tutorials	13.157
Individual Appointments	12.802
Campus Course	6.808
Informational Handouts	4.05

Another goal of this research project was to identity the entity responsible for content development. The responses were coded on a scale of zero for not included to three for major emphasis. Using the responses, a mean emphasis value was calculated by scoring the responses along a Likert scale where no emphasis is equal to zero and a major influence is equal to three. The mean was calculated by scoring the responses and calculating the weighted average that is

represented in Figure 3 below. The largest contributor to financial literacy programs was the financial aid office. Figure 3 below also suggests that agencies external to the institution have a significantly lesser role in policy development.

Figure 3: Content Development (zero to three)



Research question #5: Have the content and delivery systems been assessed? If so, what methods are used to determine effectiveness?

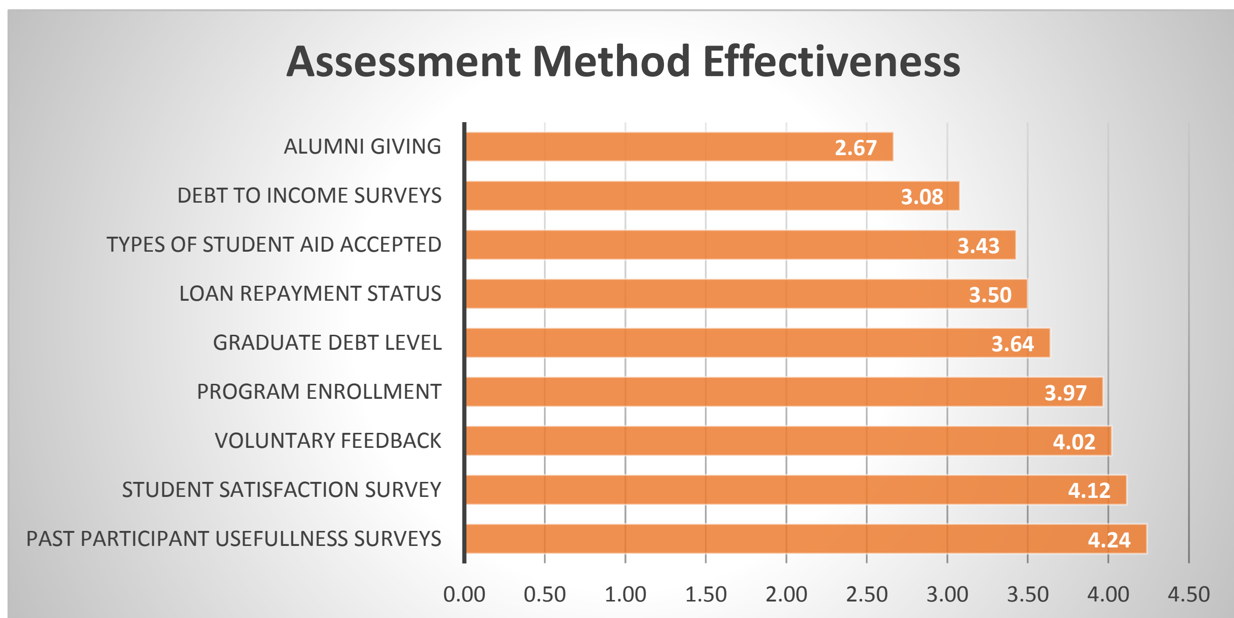
Respondents were asked if they regularly assess their financial literacy programs. Of those responses, 76% of programs that offer financial literacy programs say they regularly assess programs. Iowa State and Oregon State both mention setting benchmarks based on what can be determined as average loan debt or student loan default rates as a way to assess goals and to measure the progress of those seeking to attain those goals.

Table 15: Program Assessment

	Frequency	Percent
Assess	39	76%
Do Not Assess	12	24%
Total	51	100%

Of those who assess their literacy programs, respondents were asked about the type of assessment they utilized and how they would rate the overall effectiveness of assessment programs. Of the assessment methods utilized, student satisfaction surveys (86%) and voluntary feedback (88%) were the most popular assessment methods. The responses were coded on a scale of zero for do not use to a five for very effective. Using the responses, a mean emphasis value was calculated and presented in Figure 4, arranged from area of least effective to very effective. Missing from these assessment techniques was a measurement comparing outcomes of financial literacy program participants and program non-participants.

Figure 4: Assessment Effectiveness (zero to 5)



As part of assessment, financial literacy program coordinators were asked to determine if they were meeting their goals as part of their stated program goals. Of those who responded, 63% agreed or strongly agreed that through assessment of their program, they were meeting program goals. Respondents tended to agree that using their assessment techniques, their financial literacy program was meeting its intended goals.

Table 16: Program Meeting Program Goals

	Frequency	Percent
Strongly Agree	3	6%
Agree	27	56%
Neither Agree or Disagree	15	31%
Disagree	3	6%
Total	48	100%

Research question #6: What practices are utilized by financial literacy programs?

Using the information contained in the survey, it is possible to identify a number of common or recommended practices in financial literacy programs. Using the open ended responses, it was possible to divide practices into a few key concepts: student participation, office staffing, office location, funding, assessment, and curriculum. Each of these concepts form the backbone of a financial literacy program and are considered by many institutions to be a key component of success. Each of these topics is discussed in greater detail below.

Participation. Many institutions responded that they consider student participation in financial literacy programs a measure of success. As noted above, six institutions or 12% of the respondents require student participation in financial literacy programs. As part of an open ended question, many institution respondents that do not require participation suggested that one

best practice would be to require student participation. One common concern collected through an open ended question from participants was identifying ways to increase student participation or engagement with the financial literacy program (see Table 17). Regardless of the quality of the program, if students do not participate, it is difficult to consider a program successful. In the table below, only three institutions rated student participation in financial literacy programs as excellent.

Table 17: Student Participation Rating

	Frequency	Percent
Excellent	3	6%
Very Good	7	14%
Good	14	29%
Fair	20	41%
Poor	5	10%
Total	49	100%

Points of Contact. Student engagement and participation can also be timed to engage students at different points in their academic career. An open ended question in the survey provided some suggestions on how to improve financial literacy programs' focus on incorporating financial literacy opportunities at different points in a student's academic career. This is a holistic approach that focuses on different opportunities from the application process all the way through graduation. Staff at Kansas State, for example, suggested that institutions should be required to offer an online tutorial on basic banking, budgeting, credit and financing your degree as part of the admissions process before students get on campus and are overwhelmed by all of their financial options and decisions. Kansas State and the University of Missouri- St. Louis also suggested that training should encompass all areas of campus and have academic advisors trained on the effects of course changes, grades and degree completion on satisfactory academic progress and financial aid eligibility. A respondent from the University of

Illinois suggested that there should be various contact points to students throughout their career, as students face different obstacles at different points in college. Another point of best practice suggested through an open ended question was that near the completion of a degree, institutions should strongly encourage students to participate in additional loan exit counseling that goes beyond the federal requirements, often focusing on repayment amounts and repayment options. The University of Alaska-Anchorage went so far as to suggest that in order to receive a diploma that students with debt complete either in-person or online tutorials on financial literacy.

Staffing. When given the opportunity to provide an open ended response, institutions listed staffing as one of the most important parts of financial literacy program development. Although staffing levels were covered in Table 11, ten of the 40 open ended responses listed staffing levels as a program concern. Most of the open-ended responses expressed concerns related to utilizing and having sufficient staff to be dedicated to financial literacy. Twenty-three institutions had at least one full-time individual responsible for the financial literacy program, but many institutions said they found that their staff responsible for financial literacy programs had additional administrative responsibilities that extended beyond financial literacy.

As a practice a response from the University of Central Missouri suggested that institutions considering implementing financial literacy programs should start with at least one full time staff member who only had responsibility for financial literacy program administration. The University of California- San Diego responded that anyone considering implementing a financial literacy program should dedicate at least a 50% appointment to coordinate the program. One additional way to increase the capability of financial literacy offices was to use peer counselors and graduate students; this option was a common practice across institutions. Incorporating this organizational model under the direction of a full time staff member was seen

as a way to cut costs and increase marketing and outreach efforts. In fact, the University of Iowa respondent stated they plan on redesigning their program to include peer mentors, "as it seems this is a common theme among successful programs." One institution experienced financial cuts that caused a thirty-four percent reduction in their staffing. They found that the reduction created an enormous stress on their program and impacted their ability to conduct in-person workshops and one-on-one counseling sessions.

Location. Open ended responses also suggested that the office location is an important consideration in reaching students. Many institutions expressed the opinion that the financial literacy program is often buried within a department or an academic unit, making it difficult for students to locate. Some institutions noted that location impacted the marketability and efforts to get students into the office for the sole purpose of exposing them to financial literacy concepts. The respondent from the Indiana University stated that their office was isolated from students and hurt their ability to get noticed by the student population. The lack of a central location also impacted message delivery, as some institutions noted that it made it difficult to coordinate aspects of financial literacy. Institutions with a dedicated office often put it in a prominent student-friendly location such as a student union indicating that the student traffic in those areas made it easier to market to more students on campus. While there wasn't a consensus on the exact reporting location or responsibility lines, it was strongly suggested that the literacy program be housed with a direct connection to financial aid or as part of student affairs. The respondent from the University of Texas – Austin took this concept one step further by stating they hoped that all of their financial aid counselors could also become Accredited Financial Counselors.

Funding. Funding is a key component of any financial literacy program. As a best practice, many institutions recommend a single source dedicated campus funding mechanism, most specifically as part of a campus fee. Many financial literacy programs were funded out of existing staff, facilities and administration resources, which limited the size and scope of campus operations. Institutions suggested that by having a dedicated funding source, staffing levels and program offerings could be increased to target additional students throughout large campuses. A respondent from Purdue summed this up simply by stating "We have no buy in from the top, hence no funding." In addition, set source funding also allows the opportunity to host visible monthly events and speakers. A respondent from the University of Central Missouri suggested they would like to see dedicated funding so that one staff member could coordinate and conduct presentations. The response from staff at Purdue stated "as much as I enjoy my interactions with students and doing the presentations, having a dedicated office/staff for the program would be ideal." This comment suggests that funding for a dedicated individual to coordinate outreach efforts would have greater impact. A University of Missouri respondent indicated that funding should be part of dedicated campus fees to ensure program stability. Institutions with limited budgets also faced issues with funding for advertisement on campus. Students were most often notified by e-mail communications. Administrators indicated that additional outreach efforts may yield higher participation results.

Assessment. Assessing programs is also considered a financial literacy best practice. The majority of institutions responded that they regularly review their programs to make improvements. The Ohio State University is one institution that assesses participants to ensure an effective and efficient delivery mechanism. Part of the feedback from the assessments is that the curriculum needs to be fluid and responsive to the students. The response from staff at the

University of Wisconsin-Milwaukee suggested that assessment is necessary to redesign and refined the course each term, making it flexible and available to students. Assessment is also important in gauging student buy-in. Staff from the University of Iowa suggest redesigning curriculum to include peer mentors for a common approach, a method they found when researching quality programs.

Curriculum. A large number of respondents found that an established and detailed financial literacy curriculum is important for program success. In establishing a financial literacy program, respondents suggested that it is important to incorporate literacy content into the overall campus curriculum. The suggestion is that institutions start talking about financial literacy as part of the recruitment process and continue through school until graduation. This comprehensive approach is recommended to bring all of the major ideas and concepts together during a student's career. A response from staff at the University of North Carolina-Chapel Hill suggested that they are doing all they can to automate curriculum content to allow students to access the information at their own pace or as part of an online requirement. Automating the curriculum allows for greater outreach and access for students and ensures the consistency of content delivery. No matter how it is delivered, the curriculum also needs to be engaging. A number of financial literacy experts stated they wished they could tailor their curriculum to make it more engaging and exciting for students. Other literacy experts expressed the sense that curriculum is less than interesting for many students and they need to have the time and resources to promote full engagement and interest from their student population. The respondent from Grand Valley State summed up this point very clearly by stating "The students don't seem to understand how important [financial literacy] is, so they don't think they need to take the time for this now."

Summary of Results

This chapter focused on results from the data analysis. The descriptive analysis provided insight into financial literacy programs at COSUAA institutions, highlighting that financial literacy programs exist and are increasing efforts to reach students, while experiencing a persistent lack of funding. The information identified institutions and the percentage of institutions that have financial literacy programs, which has increased over the past 10 years. Financial literacy programs are located in various offices across institutions, but that the most common location for a financial literacy program is in the financial aid office. Financial literacy content and program structure varies from shared services with the financial aid office to large centrally located financial literacy programs with comprehensive content delivery. One challenge in presenting results was establishing clear best practices from institutions, as respondents often had differing opinions on commonly suggested financial literacy practices. One common theme across all responses and the results is that students entering and graduating from college have a lack of financial literacy that institutions are trying to address this lack of knowledge with the resources they have, but that additional funding and staff would dramatically enhance the ability to reach students. In the next chapter I will provide a discussion of the aforementioned results and their implications for policy decisions and future research.

CHAPTER 5: Discussion

The previous chapters have provided an introduction, literature review, methods, and findings related to financial literacy—in the form of background or context that seek to expand the field's knowledge of financial literacy programs in higher education. This research extended the individualized scope of financial literacy studies that look at one institution at a time by soliciting input from a broad array of large geographically distributed public institutions, i.e., the Coalition of State University Aid Administrators (COSUAA). An overview of literature on the issue demonstrated information gaps and set the stage for the present study. That same literature suggested that a gap exists related to the long-term benefits on students post-college. Survey results filled the gap by presenting some original ideas on how financial literacy can be made more accessible to students. Most of all, the survey provided a better understanding of the current state of financial literacy programs, funding, content, and delivery information at large public research universities. There exists a need for more creative presentations that can impress students with the importance of being financially responsible from their college days onward. This chapter provides an interpretation of the results outlined in chapter four and provides additional discussion of the data analysis as it relates to the research questions. In addition, this chapter outlines limitations of the study, implications for future research, and how the results of the study may influence financial literacy policy at large public institutions. Finally, this chapter provides concluding remarks and a final summary of the study.

Summary of Research

Prior literature suggests that financial literacy programs are growing at institutions across the country (Seda, 2013). The primary purpose of this research project was to focus on financial literacy programs at large public institutions and determine the extent of their program offerings.

With student loan debt exceeding one trillion dollars, there are concerns that student loan debt is the next loan bubble to burst (Federal Student Aid, 2014; Gross et al., 2009). This study found that financial literacy programs are becoming more common, with 40 programs developed during or after 2010. This study found that institutions are developing literacy programs to help students make well informed decisions regarding financial decisions that may impact them for a lifetime, without formally assessing the lasting impact on students. Since 2010, over one half of the institutions in the survey have developed or are developing a financial literacy program, but state they lack the staffing and support needed to meet program goals. Previous research suggested that much of this growth was a result of state imposed requirements (Council for Economic Education, 2012); however, this study found that this is not the case. Institutions surveyed seem to be developing programs without an externally imposed requirement and appear to be implementing programs they feel are in the best interest of their students.

Financial literacy programs are in a wide range of development stages, which are impacted by funding levels, staffing sizes, and visibility on campus. They exhibit differing levels of campus commitment via funding levels. Furthermore, the most common method of financial literacy program delivery is individual (advisee intervention) or one-on-one contact. Previous literature lacked information about the extent or development of financial literacy programs at large public institutions, this study expands that literature. The results suggest that large comprehensive financial literacy programs are not predominant practices at this time, but there exists the potential for development nationwide.

Key Findings

The following section will identify significant findings as they relate to the administration of financial literacy programs at large public institutions. Key concepts identified relate to the

extent of financial literacy programs, location of campus responsibility, content, and common practices. The central findings below are of use to both researchers and practitioners as they work to understand the development and extent of financial literacy programs at large public institutions.

Financial Literacy Programs: Extent at COSUAA institutions. The results of this study indicate that 70% of institutions surveyed (77 institutions) have a financial literacy program on their campus. More importantly, the growth of literacy programs appears to be a recent trend. The results found that since 2010, 70% of institutions responding to the survey indicate that they have recently implemented or are currently implementing a financial literacy program. This growth is supported by the literature review, which confirmed that financial literacy is becoming an important component of services offered by higher education institutions (Lusardi et al., 2010). As an additional sign of recent growth, ten respondents indicated that their program began in 2014 or is currently under development. It is a key finding that there is recent growth and development of financial literacy programs at large public institutions and that many institutions have recently developed or are currently developing a financial literacy program.

Financial Literacy Programs: Mandatory requirement for all students. The data analysis suggests that financial aid directors believe financial literacy should be mandatory for all students. In fact, 82% of financial aid directors believe that financial literacy should be mandatory for all students. Furthermore, 93% of directors agreed that if an institution offers financial aid, they should offer financial literacy programs. This reasoning is consistent with Avard (2005) who concluded that universities should require students to participate in financial literacy programs. However, this study also found that institutions do not require students to participate in a financial literacy program, which is in contrast to the existing literature that

student participation is a major concern and institutions have struggled in many instances to have the students who are in need of financial literacy participate (Chen & Volpe, 1998; Johnson & Sherraden, 2007; Lusardi et al., 2010; Norvilitis et al., 2006).

Despite literature that suggests students who participate in financial literacy programs are not the students that often need financial literacy, few institutions have taken the step of requiring financial literacy programs for all of their students. Making participation mandatory would increase participation and the total number of students served (Huston, 2010; Lusardi et al., 2010). Coordinating a mandatory program and tying it to key access points, such as registration, similar to alcohol, drug, or Title IX awareness programs would increase participation and achieve the desired goals of many program administrators (Xiao et al., 2004). A mandatory program for all students would also comply with federal aid disbursement rules that would prohibit an enhanced financial literacy program for student loan borrowers.

Implementation of such a program would most likely require additional institutional financial resources and staff, but may also provide enhanced benefits to students in need. An area for future research needs to focus on why institutions are not making financial literacy mandatory, especially if the majority of Financial Aid professionals believe that it should be. Respondents and previous literature imply that adding a financial literacy requirement would have a positive impact on student financial literacy education, it would also add an additional hurdle that students would need to navigate in an increasingly complex higher education environment. Future studies should address why institutions fail to make financial literacy programs mandatory despite recommendations from respondents and prior literature.

Financial Literacy Programs: Campus Location and Responsibility. Another gap in the literature focused on the campus unit that was responsible for financial literacy education

(Carey and Dillon, 2011). While the literature review suggests the importance and need for financial literacy on campus, information about who on campus is responsible for administering this financial literacy program is limited. This study's findings suggest there are a number of campus administrative offices that are responsible for administering a financial literacy program from student affairs, to academic units, to financial aid offices. Careful analysis of the data collected found that 39% of literacy programs are administered by the financial aid office. Furthermore, the financial aid office also assumed much of the financial responsibility for operating programs, with 36% of funding attributed to that office. While this isn't an indication that the financial aid office should be the primary office responsible for financial literacy program administration, it does single it out as the most common campus office to administer a program.

Financial literacy being closely associated with the financial aid office is not surprising, as the percentage of students on financial aid and the amount of student loan debt continues to grow. This finding is very much in line with an Institute of College Access and Success (2014) study stating that 69% of students graduating from public and non-profit colleges in 2013 had student loan debt. It seems reasonable that if 69% of students are assuming student loan debt through a financial aid office, the same office bears some responsibility for coordinating financial literacy initiatives. A distant second on the list of responsible offices was Student Affairs, which was responsible for administration of 15% of institutions. The remaining programs were found scattered throughout various departments, standalone programs, or in academic departments at institutions. While the majority of literacy programs are in the financial aid office, other programs were found within a variety of campus units. From student perspectives, the variety of locations on campuses means that students often don't know where to

go for assistance with financial literacy should they transfer between institutions. It is important for students to not only have access to financial literacy programs, but they also need to be able to easily locate financial literacy programs or content on their campus.

Financial Literacy Programs: Funding Levels. A number of public higher education institutions are experiencing reduced state appropriations (Center on Budget and Policy Priorities, 2014). As budgets are reduced, institutions often must select funding priorities regarding operations, staffing, and programs. One surprise finding is that, despite tight budget times, funding levels have actually either held steady (31%) or increased (65%) for financial literacy programs. It appears from the results that institutions have placed an emphasis on maintaining financial literacy funding despite tight budgets. This would suggest that financial literacy is not only an educational priority on campus, but more importantly a funding priority.

While funding may have remained level with the amount budgeted for financial literacy, the survey responses show a wide range of allocations and need for additional funding. According to the survey responses, institutions stress a lack funding and staffing to provide the services and support they believe their students need. Of the programs surveyed, 12 institutions indicated they had no specific budget allocation, while four institutions devoted more than $200,000 per year to their financial literacy program. This range of funding indicates that the development and extent of financial literacy programs is still a work in progress. One of the best practices or suggestions from respondents is that institutions considering financial literacy programs need to secure their own funding source and use that to have dedicated financial literacy staff. A few respondents suggested that institutions develop their own funding mechanism by seeking a campus fee for financial literacy programs. In particular, according to the survey results, the University of Missouri and Southern Illinois University-Edwardsville have

attempted to secure funding through campus fees as a steady revenue source for their financial literacy program. From the survey results, institutions are continuing to fund financial literacy programs, but there is still an effort on campuses to secure or increase funding to help meet the needs of students. Without additional funding, institutions reported a struggle to find the time, staff, and resources to provide financial literacy content to students.

Financial Literacy Content: Published Goals. Setting goals and standards is part of any program development. However, only 40% of respondents indicated their institution had published financial literacy program goals to follow. This was a bit unexpected in that publishing goals often allows students, administrators, and other interested parties to understand the focus or intent of a program. Moving forward, it would be nice to see additional institutions publish or provide the goals of their program to inform not only those internally, but also those external to the organization. Assessment becomes difficult without definitive goals to provide a foundation for program assessment. Websites with infographics, brochures for handing out during orientation, and posters with financial literacy program goals clearly outlined are all educational tools that could and should be developed so everyone can share the vision and work toward the established goals.

For those institutions that did provide published goals, Appendix A provides an insight into the scope and extent of their financial literacy programs. As noted in Chapter 4, the goals vary widely across institutions and can be divided into content-related goals and measurement-related goals. This difference between these two goal-related concepts is important as assessment is discussed below. As a finding, it is important to understand that transparent published goals are important in devising assessment plans related to student outcomes for financial literacy programs.

Published goals: responsible actions. One concept found in many program goals is that institutions seek to promote responsible actions of students when it comes to financial matters. As noted above, this is a key concept very much in line with Huston (2010) and Remund (2010) suggesting that financial knowledge needs to focus on both the short-term and long-range planning of students. Building financial literacy as a goal incorporates the ability to keep track, plan, choose, make ends meet, and stay informed of information related to making a healthy financial decision (Johnson and Sherraden, 2007). The use of published goals, promoting responsible actions is a best practice exhibited by many financial literacy programs.

Published goals: practical life skills. For those financial literacy programs that established identified program goals, one main focus was on the student and student-related outcomes that emphasized practical life skills. Practical life skills such as budgeting, checkbook skills, and smart use of credit cards offered to some degree by Kansas State, Illinois, and California State University-Northridge help students make decisions that make them aware of their choices and the impact it will have on other aspects of their life. This type of program goal is very consistent with research on the long term growth potential of financial literacy programs, that not only help the student while they are in school, but also after graduation and throughout student loan repayment (Braunstein and Welch, 2002; Mason and Wilson, 2000).

Published goals: measurable program goals. Some institutions provided specific program goals defined as measureable program goals. As an example, the University of Iowa seeks to “decrease the number of students applying for private educational loans through enhanced loan counseling,” with a goal of a 5% reduction per year. From an administrative standpoint, this goal is quantitative in nature and can be tracked and measured across financial aid award years. Encouraging students to have less reliance on student loans is found in many of

the published program goals. This is also very much in line with existing research that student loan debt and student loan burden are increasingly becoming a focus of higher education institutions (Baum & Schwartz, 2006; King and Bannon, 2002; USA Funds, 2013). As a best practice, institutions that establish measureable goals will find it easier to quantify the results of their financial literacy program in relation to established program goals.

Financial Literacy Content: Delivery. Through analysis of the survey results, the most common method of financial literacy program delivery was face-to-face contact. The focus of this research was on large enrollment public institutions, places where large student populations of 10,000 or more could limit the ability of a financial literacy curriculum from reaching all enrolled students. One of the assumptions going into the research focused on how large institutions could deliver a financial literacy curriculum to every student involved. Simply put, with large enrollments, prior literature suggested that large public institutions would use a different method of instruction to reach larger numbers of students by utilizing the most cost effective method (Huston, 2010). Furthermore, delivering one-on-one content is often the most expensive method of delivery because of the staffing required to successfully implement such a program (Mason and Wilson, 2000; Remund, 2010).

Prior to this study it would have been an assumption of the researcher that large public institutions would have utilized online or electronic methods to conduct financial literacy programs. The survey results suggest that is not the case and that institutions are working with students using a high contact and more expensive method. This could also be a reason why institutions have not widely mandated financial literacy, as requiring one-on-one counseling for all students would be logistically challenging. It also shows that with resources to work on

developing financial literacy curriculum, there may be additional methods of content delivery that institutions could explore.

Financial Literacy Content: Development. One question related to this research project was to identify the origination of content for financial literacy programs. The suggested content discussed in the literature review is rather extensive and would be a major undertaking for any institution seeking to start a financial literacy program. As part of the survey, respondents were asked to identify the primary office responsible for content development. By and large, the financial aid office was the office primarily responsible for content development. A number of respondents noted that their institutions had partnered with an external agency to provide financial literacy education. The state of Illinois has a central office that centralizes content development for the three University of Illinois campuses. This office is responsible for all financial literacy content development and course curriculum origination. There is a growing for-profit financial literacy curriculum community that partners with institutions to deliver financial literacy programs. While a few institutions in this study indicated they had entered such a partnership, the majority of institutions continue to develop their own financial literacy content internally.

As noted above, financial literacy programs have limited funding and limited staff members to conduct financial literacy programs. While getting in front of students goes a long way in getting a message out, it must be the correct message that resonates with students and affects behavior. As financial aid offices develop their own programs, it stretches the already limited resources of financial literacy offices. One way to maximize this time and resource would be to implement an existing program from either an outside agency or state organization. However, this study found that very few programs actually employ this model. While it wasn't

specifically stated that the cost of such programs would be prohibitive, it is assumed that contracting with a third-party to develop content would be an added cost to an already limited resource pool. This would be an area for future research on how institutions develop program content and the resources associated with such content development.

Financial Literacy Content: Assessment. A key research question regarding financial literacy has to do with the assessment of financial literacy programs. The survey found that 39 institutions or 76% of those who responded indicated they assess their financial literacy program. This finding is consistent with existing literature, as program improvement and success is often listed as a result of a healthy assessment program (Huston, 2010). The most common method of assessment was a student satisfaction survey, which was used by 86% of those surveyed. These surveys ask student participants to provide direct feedback regarding the literacy program on a few key metrics. This is consistent with existing literature of program assessments and surveys, which are mostly targeted at pre- and post-test results to determine the impact financial literacy had on student behaviors (Avard, 2005; Boyce and Danes, 1998; Braunstein & Welch, 2002).

Voluntary feedback from program participants was also a prominent assessment method utilized by 88% of the respondents. One issue with voluntary assessment is that it doesn't help program administrators evaluate established program goals. Voluntary feedback provides information as program participants see fit, which may often leave unanswered questions when it comes to the viability or effectiveness of program components. As with many assessment methods, the best way is to target assessment of a program and estimate that program's influence toward achieving established program goals. This can be done through targeted surveys or other program specific measurable outcomes such as reduced default rates, lower average student loan debt, or lower consumer debt upon graduation.

As an overarching program related issue, program assessment can be utilized to ensure a program is meeting the intended goals. One issue, as noted above, is that many institutions do not have specific published program goals. While this may not directly impact the program, it complicates the assessment process. Instead of focusing on program intents, the survey found that many programs are focusing on the aesthetics of the program, meaning focusing on availability, style of the course, and information contained. Huston (2010) suggested that financial literacy programs focus on the impact of curriculum and content that drive long-term student behavior change, as opposed to program aesthetics. This investigation brings to light the importance of institutions considering implementing a financial literacy program to develop transparent and clearly established goals, which can be measured to assess the overall effectiveness of the program. A timeline or Gantt chart showing the progression of student literacy development and strategies to combat overspending would be helpful to both students and those developing and administering the program—whether they do it through classes, online, at special meetings or during office hours as students seek counseling on debt management and how to achieve financial stability.

In a review of assessment techniques regarding financial literacy programs, there is an emphasis on assessing financial education over financial literacy. As Huston (2010) noted, financial education is aimed at improving the level of knowledge, while financial literacy is the capacity to apply that knowledge to life. The current assessment conducted by institutions focuses on determining financial knowledge, as there is a lack of longitudinal assessment to determine if the financial literacy program content alters student behavior later in life. This is an area in need of future study, as this study did not identify institutions that conduct long-term impact studies on students.

Assessment provides a unique area of study for long term outcomes related to financial literacy programs. There is a gap in the literature associated with participation of in-college financial literacy programs and post-college outcomes. Future assessment needs to provide additional longitudinal studies related to the direct impact of financial literacy programs on post-college financial decisions. The existing literature on financial literacy programs focus on the benefits and importance to students, but other than pre and post program surveys, there is a gap on the long term benefits to students. Without including this information in a future financial literacy studies, there are gaps that need to be explored to justify financial literacy programs.

Implications for Financial Literacy Practitioners

The opportunity to survey large public institutions provided insight into the diversity and growth of financial literacy programs. Through the use of an open ended question, survey recipients were asked to share their opinions on what would improve a financial literacy program. Using that information in combination with the literature review and survey results, it is possible to identify key program characteristics that can be considered suitable practices. These practices are discussed in greater detail below.

Participation. One identified practice focused on ensuring student engagement and participation in financial literacy programs. Respondents focused heavily on getting students to participate and it was suggested by many financial aid directors that having an institution set a financial literacy requirement for students is very important to program health. As discussed above, many respondents recommended that financial literacy programs be required, but most do not require such training. Setting standards or requirements at the institutional level for program participation can help to ensure access to students to enhance engagement.

Varied Points of contact. An identified practice is to incorporate financial literacy program components at different points of a student's academic career. Huston (2010) found that financial literacy programs have a direct impact on students when comparing pre- and post-program results. However, he also found that the lasting effects of financial literacy education diminished as students were tracked longitudinally. Analysis from survey results found that Kansas State and the University of Illinois engage students at multiple points of contact through their career under the idea that students face different obstacles at different points in their college career. These two institutions practice an approach that seeks to minimize the diminishing returns that (Huston, 2010) found by increasing the length of contact. Utilizing different points of contact is very important as students reach the point of graduation, which allows the opportunity to discuss student loan debt, repayment amounts, and repayment options, solving many of the concerns expressed by Joireman, Kees, & Sprott, (2010).

Funding. Funding is a vital part of any financial literacy program. A key recommendation from those surveyed is that institutions need to secure a dedicated source of funding. Many respondents indicated that they used existing resources, applied for grants, or shared resources with other parts of campus. The one recommendation that resonated from survey results was that programs desired a single source dedicated campus funding mechanism to support financial literacy. The most common way institutions sought to secure funding was to solicit a campus fee that was dedicated for the sole use of promoting financial literacy. Students already have a long list of fees associated with attending higher education institutions and adding another fee for students to enhance their financial literacy almost seems counterintuitive.

Institutions that were unable to secure a dedicated source of financial literacy funds commented that they had to use existing resources or existing staff to meet financial literacy

program goals. As a common response from those surveyed, a fair number of financial literacy programs were funded out of existing funding resources and existing staff. Respondents noted the use of existing resources inhibited or delayed program growth. As an example, programs with limited budgets noted they lacked funding to advertise on campus, directly impacting their exposure on campus. They noted that students were most often notified by e-mail communications, but additional outreach efforts may yield higher participation results with the use of an additional advertising budget.

Staffing. Staffing is a very important resource when establishing successful financial literacy programs. Many respondents provided comments that for institutions considering implementing a financial literacy program, their first action should be to plan to start with at least one full time staff member who only has responsibility for financial literacy program administration. While one staff member isn't sufficient for such a big undertaking, it does create the foundation to develop a program with a target audience in mind. For those that cannot secure the funding for a full time staff member, a number of institutions use peer counselors and graduate students to reduce the costs associated with a financial literacy program. The key take away from staffing is that there needs to be dedicated and trained individuals available to develop content, conduct workshops, and engage with students that have a need for enhanced financial literacy training.

Assessment. Information collected related to assessment was focused upon long-term or program designed assessment techniques. Often program evaluation needs to be focused on what you can do on a short-term basis to make sure you are guiding your program in the right direction. Missing from the survey results was information on outside consultants, who can often be hired to help enhance or develop a financial literacy program. Evaluation is often an external

process because those closest to the program cannot be as objective as someone trained in evaluation. It would be wise for developing programs to reach out to their campus and determine if there is an assessment resource center that could help review and evaluate a financial literacy program. Making short-term gains can enhance a program so students can yield benefits faster than scheduling assessments 3-5 years in the future as a measure of development and progress.

Limitations and Future Studies

The goal of this study was to detail financial literacy programs, attributes, and how large public institutions reach large numbers of students. As with any research project, there existed a few limitations that should be taken into consideration when reviewing the results and planning future studies.

First, this study was sent to all members that were large public institutions that held fee-based memberships in COSUAA. Using the organizational membership as a guide, I was able to identify the director of financial aid as the primary and initial contact for the survey. The response rate for this method was very high for a survey research project, but due to the scope of the population, there were a large number of institutions that were not surveyed. According to IPEDS, there are 283 public four year institutions that have enrollment of 10,000 or more. COSUAA institutions accounted for 47% of eligible institutions. Beyond COSUAA institutions, there were an additional 77 not-for-profit and 21 private for-profit institutions with an enrollment of 10,000 or more (IPEDS, 2014). It would provide a more solid research base to follow-up with institutions that are not COSUAA members and see if the information remains consistent over a period of 5-10 years. One way to do that would be to conduct the initial screening survey to identify if a financial literacy program existed; then record when it began, along with staffing and funding information. I believe that bit of information would continue to further the field.

Secondly, this research was targeted at the institutional program level. In order to complete the picture of financial literacy, it would be beneficial to collect information from students who participate in financial literacy programs. This could be done in two different ways. One would be a survey of students from institutions that have responded to this survey. As a best practice, the individual conducting the survey would need to include students from institutions that have mandatory and non-mandatory programs. The other method of collecting information would be to collect information directly from program assessments of students. This would be a method of identifying students and securing the research data from those participating institutions. It would be beneficial to enhance the survey to determine what students want in a financial literacy program directly from students. It is also vital to track student related outcomes over both the short and long-term. If the true goal of a financial literacy program is to improve student behavior during college and post-college, institutions need to assess student outcomes. Having program goals to reduce borrowing or set up students for post-graduation success mean little if the program doesn't actually achieve those goals. I believe this information would help further the research field of financial literacy.

Finally, this study only reviewed financial literacy programs at large public institutions. Students attending large four year public institutions often have different demographics than students attending community colleges or regional four year institutions. Although the information contained in this study could be guide programs at other large public institutions, it may be limited in its ability to assist in the development of financial literacy programs at other types of institutions. In order to get a complete picture of financial literacy programs, it would be nice to see a study conducted on community colleges, which would help to balance and expand the literature. Recreating a successful large public type of program may not translate

well to a small rural community college setting, thus limiting the applicability of this information.

Conclusion

This study about financial literacy programs explored the important topic of financial literacy education at large public institutions. By confirming that the number of financial literacy programs at large public institutions has increased over the previous 10 years, this student has expanded the existing literature. It also found that institutions have implemented programs in response to previous studies that suggest students entering higher education institutions are ill prepared to handle financial responsibilities and need additional education regarding financial matters. While in school, students who take out excessive debt or make poor financial decisions carry the impact of those decisions into their post-graduation, early employment years.

Funding and staffing of financial literacy programs seems to be a major concern across higher education institutions. Many of those surveyed sought additional resources to fulfill the goals of their financial literacy program. This shortfall of funding extends beyond just staffing, but also impacts content development. As institutions try to target students at risk, they need to have program content that can be targeted toward students that need financial literacy, not just students who voluntarily attend financial literacy sessions. Lack of student participation in financial literacy programs is a concern of program administrators, and many are hopeful that participation becomes mandatory on campuses. For institutions developing or enhancing financial literacy programs, it is very important for them to consider appropriate staffing resources to both reach students, but also meet students' needs with appropriately targeted content. The choices students make in college have an immediate impact, as well as a lasting

impact on future financial success, reaching those in need with appropriate resources is vital to financial wellbeing.

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Appendices

Appendix A
Initial Survey Questions

A Financial Literacy Program is designed to give students the ability to read, analyze, manage, and comprehend the impact of financial decisions on the future.

Does your institution currently offer students a financial literacy program beyond standard entrance and exit loan counseling?

- ❑ Yes (1)
- ❑ No (2)

If you have a financial literacy program, how would you rate the quality of the current financial literacy program at your institution?

- ❍ Excellent (1)
- ❍ Very Good (2)
- ❍ Good (3)
- ❍ Fair (4)
- ❍ Poor (5)

Please indicate the extent to which you personally agree or disagree with the following statements:

	Strongly Agree (1)	Agree (2)	Neither Agree nor Disagree (3)	Disagree (4)	Strongly Disagree (5)
Financial literacy education should be mandatory for all students (1)	❍	❍	❍	❍	❍
Higher education institutions that offer federal student loans should offer some form of financial literacy program. (2)	❍	❍	❍	❍	❍

Based on your experience and observations, please list up to three institutions that you believe have stellar financial literacy programs?

Institution 1 (1)
Institution 2 (2)
Institution 3 (3)

If you have a financial literacy program, who at your institution is most responsible for coordinating it?

Name (1)
Office (2)
Email (3)

What is your Federal School Code (OPE ID)?

Appendix B
Second Stage Survey

A Financial Literacy Program is designed to give students the ability to read, analyze, manage, and comprehend the impact of financial decisions on the future.

In what year did you implement your current financial literacy program?

What is the official name of your financial literacy program?

How many staff are responsible for content delivery of your financial literacy program?

Full Time (1)
Part Time (2)
Graduate Student (3)
Student Hourly (4)

Through what campus unit does your financial literacy program report?

For 2013-2014 what is the total amount of annual funding (annual operating budget) your institution devotes to your financial literacy program?

What funding sources do you use to finance the financial literacy program on your campus? (Indicate percentage of funding)

______ Financial Aid Office (1)
______ Student Affairs Office (2)
______ Academic Department(s) (3)
______ Business Office (4)
______ Admissions Office (5)
______ Student Fees (6)
______ Grant Funding (7)
______ Other (8)

How has the level of funding for your financial literacy program changed in the past 5 years?

- ❍ Increased Percentage (1) ____________________
- ❍ Decreased Percentage (2) ____________________
- ❍ Remained the Same (3)

Please indicate the percentage of your budget that is attributed to these expenses (Enter percentage)
______ Travel to Programs or Workshops (1)
______ Presentations (2)
______ Food (3)
______ Brochures (4)
______ Staff Salaries (5)
______ Student Salaries (6)
______ Supplies (7)
______ Training Opportunities (8)
______ Other (9)

Do you have published goals associated with your financial literacy program?
❍ Yes (1)
❍ No (2)

Answer If Do you have published goals associated with your financial literacy program? if yes please include a link or send a copy of your goals<o:p></o:p> Yes Is Selected
Please provide a link or a copy of your published financial literacy program goals.

Answer If Do you have published goals associated with your financial literacy program? if yes please include a link or send a copy of your goals<o:p></o:p> No Is Selected
If your goals are not published, please list the goals of your financial literacy program:

To what extent are the following topics emphasized in your financial literacy program?

	Major (1)	Moderate (2)	Minor (3)	Not Included (4)
Budgeting (1)	❍	❍	❍	❍
Loan Repayment (2)	❍	❍	❍	❍
Credit Cards (3)	❍	❍	❍	❍
Credit Report (4)	❍	❍	❍	❍
Privacy (5)	❍	❍	❍	❍
ID Theft (6)	❍	❍	❍	❍
Scholarships (7)	❍	❍	❍	❍
Checkbooks (8)	❍	❍	❍	❍
Banking (9)	❍	❍	❍	❍
Student Loans (10)	❍	❍	❍	❍
Investing (11)	❍	❍	❍	❍
Debt to Income Ratio (12)	❍	❍	❍	❍
Auto Loans (13)	❍	❍	❍	❍
Insurance (14)	❍	❍	❍	❍
Home Purchase (15)	❍	❍	❍	❍
Other (16)	❍	❍	❍	❍

What role do the following offices have in contributing to content for your financial literacy program?

	Major (1)	Moderate (2)	Minor (3)	None (4)
Financial Aid Office (1)	❍	❍	❍	❍
Guarantee Agency (2)	❍	❍	❍	❍
Lender/Servicer (3)	❍	❍	❍	❍
Academic Department (4)	❍	❍	❍	❍
Student Loan Servicer (5)	❍	❍	❍	❍
Student Government (6)	❍	❍	❍	❍
Financial Literacy Office (7)	❍	❍	❍	❍
Other (8)	❍	❍	❍	❍

How are you delivering your program? Indicate the percentage of each form of delivery?
______ Face to Face Workshops (1)
______ Directing Students to Financial Aid Website Disclosures (2)
______ Distribution and Review of Informational Handouts (3)
______ Individual Appointments (4)
______ Completing Online Tutorials (5)
______ Incorporated into Campus Course (i.e. freshman orientation) (6)
______ Other (7)

Approximately what percentage of your undergraduate student population participates in your institution's financial literacy program? (Please enter percentage)

How do you inform students about your financial literacy program? (check all that apply)
- ❑ Email (1)
- ❑ Websites (2)
- ❑ Direct Mail (3)
- ❑ Campus Information Fairs (4)
- ❑ Phone Calls (5)
- ❑ Requirement of all Students (6)
- ❑ Service Indicators Through Enrollment Management Software (7)
- ❑ Other (8) ____________________

Are you required by your institution, state or a state agency to offer a financial literacy program on your campus?
- ❍ Yes (1)
- ❍ No (2)

Do you regularly assess content of your financial literacy program?
- ❍ Yes (1)
- ❍ No (2)

Which of the following methods do you use to assess your program and how effective do you believe each method is at evaluating your program?

	Very Ineffective (1)	Ineffective (2)	Neutral (3)	Effective (4)	Very Effective (5)	Do Not Use (6)
Student Satisfaction Surveys (1)	❍	❍	❍	❍	❍	❍
Loan Repayment Status of Former Students (2)	❍	❍	❍	❍	❍	❍
Number of Students Enrolling in the Program (3)	❍	❍	❍	❍	❍	❍
Past Participant Usefulness Surveys (4)	❍	❍	❍	❍	❍	❍
Average Debt Levels of Graduates (5)	❍	❍	❍	❍	❍	❍
Giving to Alumni Association (6)	❍	❍	❍	❍	❍	❍
Types of Accepted Financial Aid (7)	❍	❍	❍	❍	❍	❍
Debt to Income Surveys (8)	❍	❍	❍	❍	❍	❍
Voluntary Student Feedback (9)	❍	❍	❍	❍	❍	❍
Other (10)	❍	❍	❍	❍	❍	❍

Based on our assessment, we are accomplishing our stated program goals:
- ❍ Strongly Agree (1)
- ❍ Agree (2)
- ❍ Neither Agree nor Disagree (3)
- ❍ Disagree (4)
- ❍ Strongly Disagree (5)

Based upon your assessment, what are identified as strengths of your financial literacy program?

Based upon your assessment, what are weaknesses of your financial literacy program?

How would you rate your institution's success at getting students to participate in your financial literacy program?
- ❍ Excellent (1)
- ❍ Very Good (2)
- ❍ Good (3)
- ❍ Fair (4)
- ❍ Poor (5)

Based on your experience and observations, please list up to three institutions that you believe have stellar financial literacy programs?

Institution 1 (1)
Institution 2 (2)
Institution 3 (3)

If you had the ability to redesign your financial literacy program, what would you do differently?

What is your Federal School Code (OPE ID)?

What is your Title?

What office do you represent?

Would you like a copy of the survey results? If yes, please enter your e-mail address.
- ❍ Yes (1) ____________________
- ❍ No (2)

Appendix C
IRB Approval

APPROVAL OF PROTOCOL

November 4, 2014

Nicholas Prewett
prewettn@ku.edu

Dear Nicholas Prewett:

On 11/4/2014, the IRB reviewed the following submission:

Type of Review:	Initial Study
Title of Study:	Financial Literacy: An Analysis of Financial Literacy Programs at Large Public Institutions.
Investigator:	Nicholas Prewett
IRB ID:	STUDY00001740
Funding:	None
Grant ID:	None
Documents Reviewed:	• Information Statement.docx, • Survey #2 with added sentence, • Survey #1 with added sentence , • HSCL_Initial_Submission_Form.pdf, • Prewett Recruitment Letter 10.6.14.docx,

The IRB approved the study on 11/4/2014.

1. Notify HSCL about any new investigators not named in the original application. Note that new investigators must take the online tutorial at https://rgs.drupal.ku.edu/human_subjects_compliance_training.
2. Any injury to a subject because of the research procedure must be reported immediately.
3. When signed consent documents are required, the primary investigator must retain the signed consent documents for at least three years past completion of the research activity.

Continuing review is not required for this project, however you are required to report any significant changes to the protocol prior to altering the project.

Please note university data security and handling requirements for your project:
https://documents.ku.edu/policies/IT/DataClassificationandHandlingProceduresGuide.htm

You must use the final, watermarked version of the consent form, available under the "Documents" tab in eCompliance.

Sincerely,

Stephanie Dyson Elms, MPA
IRB Administrator, KU Lawrence Campus

Appendix D
Recruitment Letter

Recruitment Letter
Financial Literacy Programs

The research study I am conducting is intended to understand the extent of financial literacy programs on college campuses. I am collecting information to provide descriptive statistics on financial literacy programs at large public institutions. Your views will help me understand the extent of your program and information related to the size, scope and development of your program. This component of my research project is a survey and should take 3-5 minutes to complete. I have IRB consent from the University of Kansas. If you are not the person who can provide answers to my questions, please pass this survey along to the party who can provide the most accurate information.

Data Collection:

- Participation is voluntary. In addition, even if you agree to participate, you are free not to answer any particular question(s) or to withdraw from participation at any stage, even after the conclusion of the survey.
- Participation will entail answering a few questions about your financial literacy program.
- The survey has two stages and based upon your responsibilities, you may be asked to complete each portion.
- All data are confidential. Only the researcher will have access to the original data, and it will be kept in a secure location.
- This research is associated with only minimal risks. The only risk would be if we failed to protect your confidentiality, and we take that protection very seriously.
- When reporting survey information, the institution may be identified, but no individually identifiable information will be used.
- Under federal research and IRB guidelines, the data will be retained securely for 7 years before it is destroyed.

Should you have any questions about the study, please contact:

Nick Prewett
Educational Leadership and Policy Studies
University of Kansas
prewettn@ku.edu

Lisa Wolf-Wendel
Educational Leadership and Policy Studies
University of Kansas
lwolf@ku.edu

Appendix E
Information Statement

The Department of Educational Leadership and Policy Studies at the University of Kansas supports the practice of protection for human subjects participating in research. The following information is provided for you to decide whether you wish to participate in the present study. You should be aware that even if you agree to participate, you are free to withdraw at any time without penalty.

We are conducting this study to better understand financial literacy programs at large public institutions. This will entail your completion of a survey. Your participation is expected to take approximately 3-5 minutes to complete. The content of the survey should cause no more discomfort than you would experience in your everyday life. This is a two stage survey and you may be asked to complete more than one portion based upon your institutional responsibilities.

Although participation may not benefit you directly, we believe that the information obtained from this study will help us gain a better understanding of financial literacy programs. Your participation is solicited, although strictly voluntary. Your name will not be associated in any way with the research findings, but your institution may be identified. Your identifiable information will not be shared unless (a) it is required by law or university policy, or (b) you give written permission. Information collected will identify the institution, not any specific individual.

If you would like additional information concerning this study before or after it is completed, please feel free to contact us by phone or mail.

Completion of the survey indicates your willingness to take part in this study and that you are at least 18 years old. If you have any additional questions about your rights as a research participant, you may call (785) 864-7429 or write the Human Subjects Committee Lawrence Campus (HSCL), University of Kansas, 2385 Irving Hill Road, Lawrence, Kansas 66045-7563, email irb@ku.edu.

Sincerely,

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Appendix F
COSUAA Institutions with Financial Literacy Programs

Binghamton University	Southern Illinois University - Edwardsville	University of Missouri - Kansas City
Bowling Green State University	State University of New York	University of Missouri - St. Louis
Cal Poly - San Louis Obispo	Stony Brook University	University of Montana
California State University Northridge	Temple University	University of Nebraska
City University of New York	Texas A & M University	University of North Carolina
East Carolina University	University of Alaska - Anchorage	University of North Dakota
Eastern Illinois University	University of California - Berkeley	University of North Florida
Florida Atlantic University	University of California - San Diego	University of Northern Iowa
Florida International University	University of Central Florida	University of Oklahoma
Grand Valley State University	University of Central Missouri	University of Pittsburg
Illinoi State University	University of Colorado	University of Santa Barbara
Indiana State University	University of Colorado - Denver	University of South Carolina
Indiana University - Bloomington	University of Florida	University of South Florida
Indiana University - Purdue University Indianapolis	University of Florida - Gainesville	University of Texas - Austin
Iowa State University	University of Hawaii	University of Texas - San Antonio
James Madison University	University of Illinois - Chicago	University of Toledo
Kansas State University	University of Illinois - Urbana-Champaign	University of Utah
Metropolitan State University Denver	University of Iowa	University of Vermont
New Mexico State University	University of Kansas	University of Virginia
North Dakota State University	University of Louisville	University of Washington
Northern Arizona University	University of Maryland	University of Wisconsin - Eau Claire
Oregon State University	University of Michigan	University of Wisconsin - Madison
Pennsylvania State University	University of Michigan - Dearborn	Virginia Commonwealth University
Purdue University	University of Michigan - Flint	Western Illinois University
Rutgers University	University of Minnesota	Wright State University

Southern Illinois University - Carbondale	University of Missouri - Columbia	