

FINANCIAL LITERACY

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Liberty University

VASFAA 2015 Annual Conference

Tuesday, May 5, 2015

2:15pm-3:15pm



TODAY'S AGENDA

- Introductions
- Why Do We Care?
- CDR Figures
- Repayment Options
- Financial Literacy Defined, Background, etc.
- Where Do I Begin?
- FNLT Products
- Liberty University's FNLT Plan



A LITTLE BIT ABOUT US!

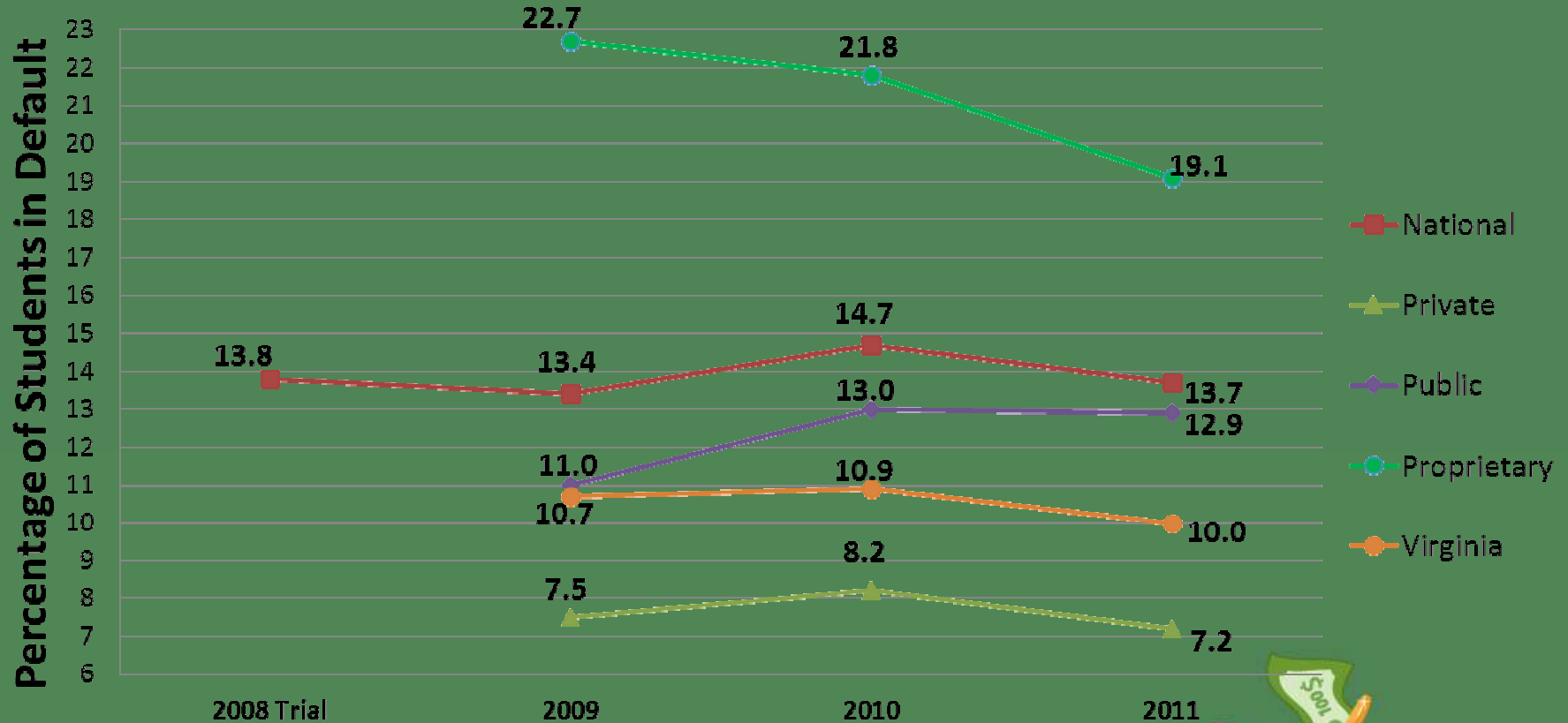


WHY DO WE CARE ABOUT FINANCIAL LITERACY?

- Lower the National Debt-student loan debt has far-surpassed credit card debt and is over \$1.3 trillion
- Financial Literacy is one of the most talked about topics in NASFAA News and other educational articles that come out daily and is a “hot topic”
- Lower a school’s CDR-these are on the rise
- Creating fiscally-responsible citizens of the United States



Federal 3-Year Cohort Default Rates



HOW DOES A STUDENT REPAY?

Step-by-Step Instructions:

Locating a Loan Servicer

1) Please visit: www.nslds.ed.gov

2) Select “Financial Aid Review”

3) Select “Accept” after you have read and understood the information presented on the screen

4) Enter your Social Security Number, first two letters of last name, Date of Birth and Federal PIN Number to log-in

5) Under the Loans and the “Type of Loan” category, please click on each number in the first column to view details



REPAYMENT OPTIONS

- **Standard Repayment Plan:** 10 years, fixed
- **Graduated Repayment Plan:** 10 years, starts low then increases every 2 years
- **Extended Repayment Plan:** Up to 25 years, fixed or graduated payments
- **Income-Based Repayment Plan (IBR):** Up to 25 years, payments change as income changes
- **Pay As You Earn Repayment Plan (PAYE):** Up to 20 years, payments change as income changes
- **Income-Contingent Repayment Plan:** Up to 25 years, payments change as income changes
- **Income-Sensitive Repayment Plan:** Up to 10 years, payments change as income changes
- See <https://studentaid.ed.gov> for additional details on repayment plans



WHAT IS FINANCIAL LITERACY?

- According to [PBS.org](https://www.pbs.org), “Personal financial literacy is more than just being able to balance a checkbook, compare prices or get a job. It also includes skills like long-term vision and planning for the future, and the discipline to use those skills every day.”
- [Jump\\$tart](#) states, “Financial literacy is not an absolute state; it is a continuum of abilities that is subject to variables such as age, family, culture, and residence. Financial literacy refers to an evolving state of competency that enables each individual to respond effectively to ever-changing personal and economic circumstances.”
- According to the [National Financial Educators Council](#), “Possessing the skills and knowledge on financial matters to confidently take effective action that best fulfills an individual’s personal, family and global community goals.”



FINANCIAL LITERACY BACKGROUND

- The Consumer Financial Protection Bureau (CFPB) was tasked with financial literacy education among various other mandates in July of 2010.
- Many schools, organizations, lenders, etc. saw the importance of providing financial education to students, teens, and the community in order to develop more financially-responsible citizens.
- There are hundreds of options available for financial literacy programs and they are growing by the day.



FNLT IN THE NEWS

- Armed servicemen and women are receiving FNLT training to assist them with the many decisions they need to make regarding healthcare and retirement:

<http://www.militarytimes.com/story/military/benefits/retirement/2015/04/27/lawmakers-move-to-shore-up-troops-financial-readiness/26238171/>

- According to the survey by EverFi and Higher One, students surveyed in 2014 were more likely to take control of their finances, to have credit cards and to have more than one credit card, but not to have acquired a high-enough level of financial literacy to allow them to manage their money well.

<http://www.usnews.com/news/blogs/data-mine/2015/04/02/college-students-becoming-less-financially-responsible-study-says>



IMPLEMENTATION AND COURSE EXAMPLE



WHERE DO I BEGIN?

- **Assess the situation**
 - Number of students
 - Population
 - Survey your students!
 - Compare year-to-year
 - Data
- **Consider the time**
 - Implementation
 - Maintenance
 - Staffing Needs
 - Student Completion of Product
- **Consider the cost**
 - Purchase materials
 - Pay staff members
 - Purchase a product
 - Many free options available



HOW TO GET BUY-IN

- Financial literacy is an up-hill battle and you need to get buy-in from upper administration in order to make progress in this area
- As CDR increases, upper administration will begin to pay attention
- Make a point to provide facts and numbers to upper administration in meetings and various off-handed discussions (CDR chart from several fiscal years-nationally and institutionally)
- They want to see the “why” and “how”
- Continue to show data annually of how this product has helped students and the personal success stories



WHAT INFORMATION SHOULD WE TEACH?

- Paying for college with more than student loans
- Banking
- Savings/Checking
- Budgeting
- Debt Reduction
- Investing
- College Readiness Skills
- Interviewing/Resume Skills
- Real Estate
- Retirement



WHAT PRODUCTS ARE AVAILABLE?

- **Service Products**

- TG (Adventures in Education-AIE and Integrated Default Assistance-IDA)
- Great Lakes (Financial IQ)
- Navient (EverFi)
- ECMC (Financial Awareness Basics)
- American Student Assistance (SALT)

- **Bank Products**

- Fifth-Third Bank (Empower U and Money Management)
- Federal Reserve Bank

- **Other Products**

- Dave Ramsey (Foundations in Personal Finance: College Edition)
- ED's Financial Awareness Counseling Tool (FACT)
- EverFi (Buttonwood/Transit Financial Wellness)
- Mymoney.gov



LIBERTY UNIVERSITY'S FNLT PLAN

- Utilize the 5-chapter Foundations in Personal Finance: College Edition by Dave Ramsey (Ramsey Solutions)
- Course has been integrated into our course platform, Blackboard, to accommodate for both Resident and Online students
- Course is self-paced and takes approximately 3-4 hours to complete
- Course is comprised of videos, quizzes, pre-test, post-test, survey, discussion boards, and electronic workbook
- Prizes are given throughout the course for those that have completed to incentivize
- Over 10,000 students have enrolled in the course since implementation in 2013
- Focus on defaulted students and those that are high-risk




- FNLT101 - 1
- Announcements
- Course Content
- Grades/Tools
- Discussion Board
- Faculty Information
- Liberty Webmail
- Services/Support
- COURSE MANAGEMENT
- Control Panel
- Content Collection
- Course Tools
- Evaluation
- Grade Center
- Users and Groups
- Customization
- Packages and Utilities
- Help

Course Content



Welcome



FNLT 101
Foundations in Personal Finance: College Edition

"Money is 80% behavior, 20% head knowledge. It's what you do, not what you know."
- Dave Ramsey



Syllabus and Assignment Instructions

- Course Syllabus
- Course Schedule
- Workbook: Foundations in Personal Finance 5-Chapter Student Guide
- Pre-test
- Optional Materials and Videos
- FAQs



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Discussion Board

Forums are made up of individual discussion threads that can be organized around a particular subject. Create Forums to organize discussions. [More Help](#)

Create Forum Search

Forum	Description	Total Posts	Unread Posts	Total Participants
<input type="checkbox"/> Yikes! It's That Time Again!	The holiday season is upon us. Have you budgeted for expenses specific to this time of year? Have you spent every day since last Christmas preparing for Christmas this year? Do you have advice for the rest of us? Please use this Discussion Board forum to share your ideas!	13	13	13
<input type="checkbox"/> Yvonne and Student Loan Debt Case Study	Our case study student, Yvonne, needs your advice! Please answer any or all of the questions below. Yvonne will be graduating in December with a degree in elementary education. Thanks to her hard work, she already has a third-grade teaching job lined up after she graduates. It will be the first time in her life that she will make more than minimum wage. Because she wasn't able to make enough money while in college, she took out student loans to help pay for her education. She has \$15,000 in student loan debt and \$3000 in credit card debt. Yvonne must start paying back the student loans once she is out of school, and she is already making payments to her credit card debt. <ol style="list-style-type: none">1. What is the first thing Yvonne should pay back after she graduates? Why?2. Should Yvonne save up money for an emergency fund first or start paying off her debts first? Why?3. Now that she will make more than minimum wage, create a game plan for Yvonne's money. <hr/> So, what does Dave think about Yvonne and her student loan debt? <ol style="list-style-type: none">1. Yvonne should pay the smallest debt first and attack it with a vengeance while paying minimum payments on the student loan. This will give her the momentum to pay down the student loan after the credit cards are paid off and become debt-free sooner!2. She needs to save up her \$1,000 emergency fund, \$500 if she makes less than \$20,000, before she starts paying off her debt. Saving	28	28	18

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Announcements

Technical issues

Posted on: Monday, April 27, 2015 10:28:37 AM EDT

Recently we have been receiving some emails from students regarding issues watching some of the videos within the course. The university's IT department has made us aware of some problems currently being experienced with Silverlight and Java applications while using Chrome or Firefox. If you are experiencing any similar issues, we recommend trying Internet Explorer and verifying that you have the most current version of Silverlight installed. Also, you can view the following link for some further help: https://www.liberty.edu/index.cfm?PID=572&Announce_ID=27746&CFID=387911253&CFTOKEN=80486023.

If these suggestions do not solve the problem, please contact Liberty University's HelpDesk for more in-depth assistance. They can be reached by calling 866-447-2859. You can also contact them by email, submitting a request ticket, or via live chat during certain hours. Please visit <https://liberty.service-now.com/ess/> to explore these options.

Posted by: Seth Tate
Posted to: FNLT1415-1

Giveaway Winners!

Posted on: Friday, April 24, 2015 8:38:18 AM EDT

Congratulations to the winners of this week's prize drawing, Diann Adams who received one of Dave Ramsey's new *Act Your Wage* board games and Chelano Jackson who received a copy of Dave's bestselling book, *The Total Money Makeover*. Keep your eyes open for your chance to win in future giveaways, and be sure to complete the course to be eligible to win.

Posted by: Seth Tate
Posted to: FNLT1415-1

Financial Literacy Month Giveaway

Posted on: Wednesday, April 8, 2015 11:18:26 AM EDT

April is officially Financial Literacy Month, and we've got a great giveaway for our next prize drawing. One lucky winner will receive Dave Ramsey's exciting new board game, *Act Your Wage!* It's a great way to practice the concepts and ideas you have learned here in the class without the high stakes.

Posted by: Seth Tate
Posted to: FNLT1415-1

PRE-TEST RESULTS



DISCUSSION

- What products are you using? Are there multiple being used or just one?
- What issues are you dealing with at your school in regards to financial literacy?
- What is working well in regards to financial literacy? What is not?
- What student populations are you selecting? Is it all-encompassing or a certain group?
- What are your students saying about financial literacy?



QUESTIONS?

Email us at dgmccclanahan@liberty.edu or
aareich@liberty.edu

