

Using Data to Inform Financial Literacy Efforts and CCCCO Financial Literacy Goals for 2019-2020

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In This Session

- ▶ Quantitative Data: National
 - OSU/CCCSE/Trellis
- ▶ Qualitative Data: Benchmarking Effort
- ▶ Looking at the Best
 - The Four Best Community Colleges
- ▶ Memory Lane: Our 2014-2015 Fin Lit Effort
 - Casting a too-wide net
- ▶ The Present: Our 2019-2020 Fin Lit Objectives
 - Tightening Our Focus



Quantitative Data: National

OSU/CCCSE/Trellis

Ohio State Survey of Student
Financial Wellness

National in Scope

California CC Participation in
2018

Key Takeaways

National

California

Ohio State University: Background

- The Study on Collegiate Financial Wellness (SCFW) builds on a decade and a half of ongoing research at Ohio State
 - Spending Habits Survey (2000, 2001, 2003)
 - Student Financial Wellness Survey (2005, 2006, 2007, 2008, 2009)
 - ▶ Study on Collegiate Financial Wellness (2014 at 51 campuses nationwide)



Survey Administration

- Administered via online survey to random samples of undergraduates during February 2017
- Students consent to survey
- Survey took 10-20 minutes, on average



Response Rate

- Recruited 271,191 students; 28,539 responded for a 10.5% response rate
- Response rates ranged from 3.4% to 34.2%
- ▶ California community colleges' overall response rate was 6.8%
 - ▶ 5,141 CA community college students took the survey

Participating California Community Colleges

Canada College

Redwoods

Glendale CC

Orange Coast CC

San Joaquin Delta CC

Cerritos College

East LA CC

Golden West

Pierce College

Mission CC

Cerro Coso College

Fullerton CC

Laney College

San Diego CC District

Sierra CC

In general, California cc student responses closely mirrored national cc student responses.

Key Content Areas

- Financial Management
- Financial Support
- Financial Socialization
- Credit Cards
- Student Loans
- Debt
- Finance-Related Stress
- Academic Plans
- Financial Knowledge
- Demographics



Key Findings



Student Loans and Paying for School



Credit Cards



Financial Knowledge



Financial Behaviors and Stress



Financial Self-Efficacy and the Future

Credit cards

59%

- Have at least one credit card

44%

- Pay their full credit card balance monthly

4.9%

- Have a credit card balance of \$3,000 or more each month

19%

- Paid for at least a little bit of their college expenses with a credit card

Key Findings



Student Loans and Paying for School



Credit Cards



Financial Knowledge



Financial Behaviors and Stress



Financial Self-Efficacy and the Future

Financial Knowledge Measure

Score from 0-6 on correct answers on questions, such as:

General knowledge:

Imagine that the interest rate on your savings account is 1% per year and inflation is 2%. After one year, would you be able to buy more than today, exactly the same, or less than today with the money in the account?

- ▶ More: 12.2 Exactly the same: 12.4 Less: 42.1 DK: 33.2
- ▶ Total More/=Same/DK: 57.6

You have \$100 in a savings account. Interest is 2%. After 5 years, how much would you have in the account if you left it all there?

- ▶ More than \$102 Exactly \$102 Less than \$102 DK: 23.3
- ▶ Total Same/Less/DK: 34.9



Financial Knowledge Measure

Score from 0-6 on correct answers on questions, such as:

General Knowledge

You borrow \$5000 for college expenses. You can choose to repay over 10, 20 or 30 years. Which will cost the least amount of money over the length of the repayment period?

- ▶ 10 years: 65.7 20 years: 4.1 30 years: 9.8 DK: 20.4
- ▶ Total wrong answer and DK: 34.3

Maxing out credit cards will negatively impact your credit score even if you make minimum monthly payments:

- ▶ True: 65 False: 14.5 DK: 20.6
- ▶ Total False/DK: 35%

Financial Knowledge Measure

Score from 0-6 on correct answers on questions, such as:

You borrow \$5000 for college expenses. You can choose to repay over 10, 20 or 30 years. Which will cost the least amount of money over the length of the repayment period?

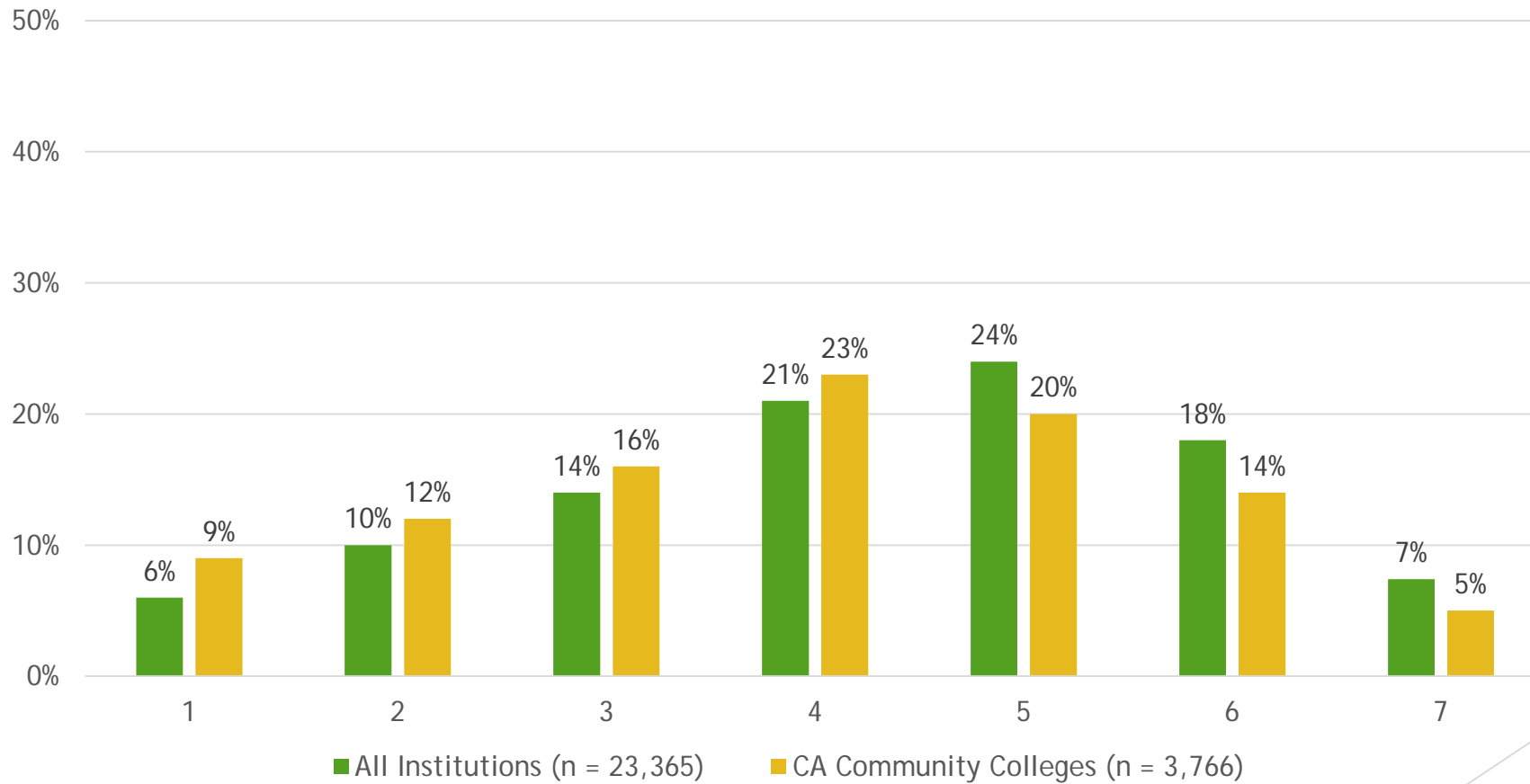
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Maxing out credit cards will negatively impact your credit score even if you make minimum monthly payments:

- ▶ True: 65 False: 14.5 DK: 20.6
- ▶ Total False/DK: 35%

Financial Knowledge

% Financial Knowledge Questions Answered Correctly



Estimated self-knowledge frequently at variance with 'facts on the ground'

- ▶ I am confident I can manage my finances 81.9%
- ▶ I feel stressed about my personal finances in general: 72.7%
- ▶ My parents told me what I needed to know about money management: 58%

Who's to Say?

Student self-reports at beginning, middle and end of survey:

- ▶ I can make good financial decisions: 85%
- ▶ I can control my finances: 73% (lower!)
- ▶ I'm confident I can plan for my financial future: 67% (lower!)
- ▶ I can get information I need about finances: 63% (lower!)
- ▶ Faced with a financial challenge, I have a hard time figuring out the solution: 44.2 (lower!)

The reality may take awhile to emerge....

Financial Education Experiences: Before and After Enrollment

Before Enrollment:

No one-time fin lit workshop: 82.7

No recurring fin lit course: 87.9

After enrollment:

No one time fin lit workshop: 83.8

No recurring fin lit course: 87.6

Before/after enrollment: Nearly the same...which is partly what our initiative seeks to change.

Key Findings



Student Loans and Paying for School



Credit Cards



Financial Knowledge



Financial Behaviors and Stress



Financial Self-Efficacy and the Future

Financial Need: Can you come up with \$400 in the event of financial emergency during the school year:

- ▶ Very unlikely/unlikely: 56.8%

Actual reported behavior in the last 12 months:

- ▶ I've made impulse purchases: 45%
- ▶ I never/rarely track spending: 39%
- ▶ I overdrew my bank account: 20%
- ▶ I made late payments on bills: 23.4

Financial Fragility

Financial Stress

7 out of 10 respondents
reported **feeling stressed**
about their personal finances
in general

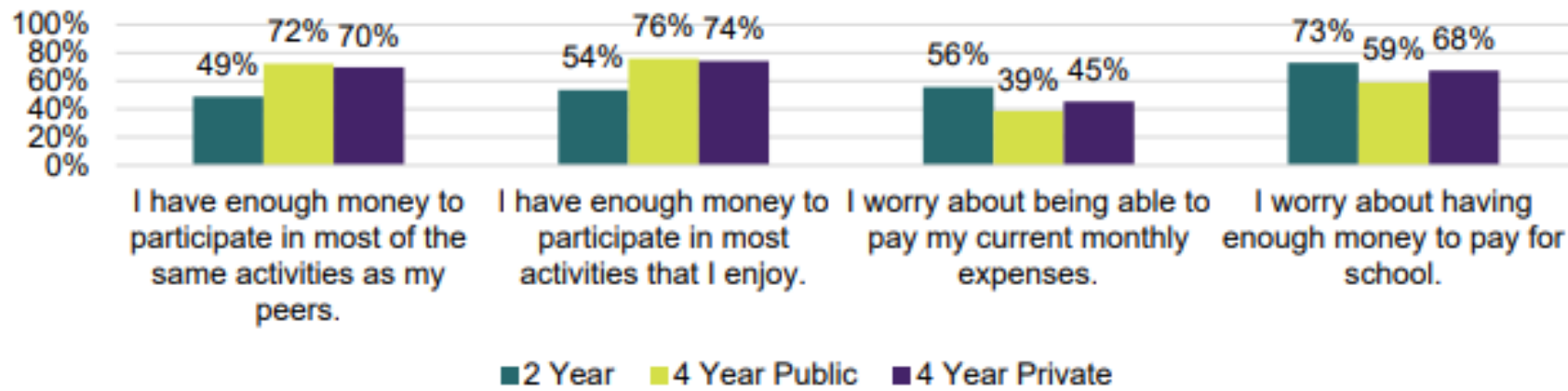


Stress

- ▶ Feel stress about finances in general: 72%
- ▶ Worry about being able to pay monthly expenses: 56%
- ▶ Worry about having enough money to pay for school: 73%
- ▶ When I think about my financial situation, I'm not optimistic about my future: 37%
- ▶ After graduation I will not be able to support myself: 35%
- ▶ I work 1-30 hours a week: 62%
- ▶ Have experienced financial difficulties while enrolled in current institution: 70%

Financial Stress

Indicators of Financial Stress (% Agree/Strongly Agree)



- ▶ Cannot rely on family members for financial advice: 40%
- ▶ Family uncomfortable talking about money to me: 31%
- ▶ Parents could not tell me what I needed to know: 42%
- ▶ Parents are not sound financial role models: 42%

Family Support

School Completion

- Reduce class load to work more: 46%
- Financial concerns led me to neglect academic work: 47%
- Financial concerns led me to reduce class load: 46%
- Financial concerns: considered taking a break from school: 51%
- Financial concerns: considered dropping out: 40%

Center for Community College Student Engagement Background

- ▶ Center for Community College Student Engagement/ UT Austin
- ▶ National Surveys: 6.5 million cc students since 2002
- ▶ 2017 Survey: *Making Ends Meet: The Role of Community Colleges in Student Financial Health:*
 - ▶ National in Scope
 - ▶ California CC Participation: 17 California Community Colleges

American River College

Clovis Community College

College of the Desert

Contra Costa College

Cosumnes River College

Cuesta College

Golden West College

Irvine Valley College

Los Medanos College

Orange Coast College

Reedley College

Sacramento City College

Saddleback College

San Bernardino College

Ventura College

Woodland Community College

Yuba College

2017 Making Ends Meet / California Cohort: Key Takeaways

- ▶ Respondents identified themselves as Fulltime vs PT
 - ▶ PT (34.17%) FT (65.83%)
- ▶ Students participating in developmental vs non-developmental classes
 - ▶ Developmental classes (48.05) No developmental classes (51.95)
- ▶ First Generation Students (Y/N)
 - ▶ First Gen (34.51%) Not First Gen (65.49%)
- ▶ Do you have children who live with you?
 - ▶ Male (yes 8.57%) Female (yes 16.84%)
 - ▶ 25.41 respondents lived with children, 2/3 with female respondents

2017 Making Ends Meet / California Cohort: Key Takeaways

- ▶ Respondents currently working for pay:

- ▶ Not working 26.15%
- ▶ 1-5 Hrs. 6.72%
- ▶ 6-10 7.38%
- ▶ 11-20 14.5%
- ▶ 21-30 19.27%
- ▶ 30+ 25.96%

2017 Making Ends Meet / California Cohort: Key Takeaways

Majority Working But Living Paycheck to Paycheck

- ▶ Not satisfied with present financial situation
 - ▶ 35.33
- ▶ Always living paycheck to paycheck (No children)
 - ▶ 65.31
- ▶ Always living paycheck to paycheck (Children)
 - ▶ 74.57

2017 Making Ends Meet / California Cohort: Key Takeaways, con't

Everyone worried about debt burden

- ▶ Too much student loan debt! (but no other debt)
 - ▶ 43.56
- ▶ Too much debt! (but no student loan debt)
 - ▶ 56.66

2017 Making Ends Meet / California Cohort: Key Takeaways, con't

- ▶ Always pay my bills on time (I'm not responsible for own bills)

- ▶ 84.64

And

- ▶ Not keeping up with bills and credit card payments (I'm responsible)

- ▶ 55.79

2017 Making Ends Meet / California Cohort: Key Takeaways, con't

- ▶ How often I budget (determining money made/spent/saved)
 - ▶ **Never but should 14.52**
 - ▶ Weekly 45.93
 - ▶ Every two weeks 21.59
 - ▶ Monthly 17.96
- ▶ Budgeting for future: Most important time frame for me
 - ▶ **The next week 19.47**
 - ▶ **Next couple of weeks 31**
 - ▶ Next few months 29.41
 - ▶ Next year or longer 20.1

2017 Making Ends Meet / California Cohort: Key Takeaways, con't

- ▶ Confident that I could come up with this amount of money in next month if I needed it

▶ None	20.11
▶ \$500	38.4
▶ \$1000	17.36
▶ \$2000	6.14
▶ More than \$2000	17.98

- ▶ Stayed enrolled to receive FA

▶ Strongly Agree	7.32
▶ Agree	16.56
▶ Disagree	36.71
▶ Strongly Disagree	39.41

- ▶ Budgeting
- ▶ Credit
- ▶ Investments
- ▶ Insurance

How many of these survey results were immediately related to:

- ▶ **Budgeting**
- ▶ **Credit**
- ▶ Investments
- ▶ Insurance

Just keep this in mind as we continue....

How many of these survey results were immediately related to:

Trellis (Formerly Texas GA) Survey of Student Financial Wellness Background

- ▶ National Survey Instrument
- ▶ 'Near-neighbor' of the OSU Financial Wellness Survey
- ▶ Annual Administration
- ▶ Administration: produces school specific data
- ▶ Available at no cost to California community colleges
 - ▶ Could be used to measure progress of institutional financial literacy efforts over time
- ▶ Next Administration in September 2019
- ▶ Examples of Trellis Financial Wellness survey results in 'CC benchmarking section' to follow

Qualitative Data: CCCCO Benchmarking Effort Fall 2018

- ▶ Looked at both four-year and two-year schools
- ▶ Best Four-Year schools:
 - 2-5 FT Financial Literacy Staff
 - Career Mentors...identified in first year, trained: provide one-to-one services; workshops; in-class presentation; 5-35 mentors
 - Focus: smart borrowing; managing SL debt; making \$\$ last until end of term; financial transition from school to work. (note: not 'budgeting and credit')
 - Most helpful: Use 'existing infrastructure' to deliver financial literacy messages...go to where 'targeted students' will be.
 - Constantly expanding 'reach'
 - Most do offer but do not emphasize workshops (poor participation)
 - Most efforts directed toward taking financial literacy to students...classrooms, one on one etc.

Conclusion: Marginal relevance to CC environment

Qualitative Data: CCCCO Benchmarking Effort Fall 2018

- ▶ 4 Best Two year schools:
 - All had outside support, at least one FT staff, multiple campuses
- ▶ 'Social Service' model: NW Tech in WI, Houston CC TX (Both like Skyline)
 - Strong Relationship with local social service agency (United way, county gov't)
 - Financial Literacy delivered as part of broader suite of services: food, housing, medical care etc.
 - Had at least one person trained in financial literacy to provide some workshops, one-on-one
 - Some outreach presentations
 - Primary focus: identify need, addressed in one-on-one services

Student Success Model: Austin Community College (Austin, TX) & Palo Alto Community College (San Antonio, TX)

Both schools:

- Little success in delivering financial literacy 'for its own sake'
- Instead, offered financial literacy as a 'tool' to increase institutional student success and retention efforts
- Clever strategy: worked with 'student success' programs to
 - gain institutional support, and,
 - successful access to targeted students
- Utilized existing student success 'infrastructure' to deliver majority of financial literacy services to students, e.g., first-year, first-time students in 'students success programs' or FYE classes
- Locally administered surveys identified core needs of enrolled CC students: budgeting and credit...very different from 4 year student financial literacy needs but ideal for cc students.

Student Success Model: Austin Community College (TX) & Palo Alto Community College (San Antonio, TX), con't

- Schools utilized different 'delivery' strategies
 - PACC: Working in collaboration with enrollment services, delivered multiple in-class presentations on budgeting and credit.
 - ❑ Setting: FYE classes / first year first time students. Utilized trained FT enrollment services staff and peer mentors.
 - ❑ Offered but de-emphasized workshops: low participation.
 - ACC: Delivered single one-hour presentation on budgeting and credit to students enrolled in mandatory FYE class, and followed-up with 'pushed text' strategy to same students throughout first term. One or two texts per week on budgeting and credit. High proportion of students elected to participate in voluntary texting program. Occasional 1x1 follow-up. Few workshops: poorly attended.
 - ❑ **External program evaluation: 13% year-over-year increase in retention for students who participated in 'pushed-text' effort. Pushed-text effort promoted 'student engagement' for first year-first time students.**
 - ❑ **8000 students participated in 'push-texting' over 3 years**

Why ACC/PACC focused efforts on budgeting and credit:

- ▶ In 2015 and 2016 ACC and PACC both conducted internal surveys, with both students and staff, that suggested that both credit and budgeting were the most immediately/important financial literacy topics to their respective students.
- ▶ In 2018 both institutions administered the Trellis student financial wellness survey to their students, shining a more intense light on their students' true needs.
- ▶ The next several slides summarize what these two Trellis surveys found. If you look back at both the OSU 2018 Financial Wellness survey and UT/CCCSE 'Making Ends Meet' survey you will see that most community college survey participants respond in a similar manner.
- ▶ The results of the Trellis surveys on each campus reinforced the belief that CC students indeed had 'issues' with **budgeting and credit**.

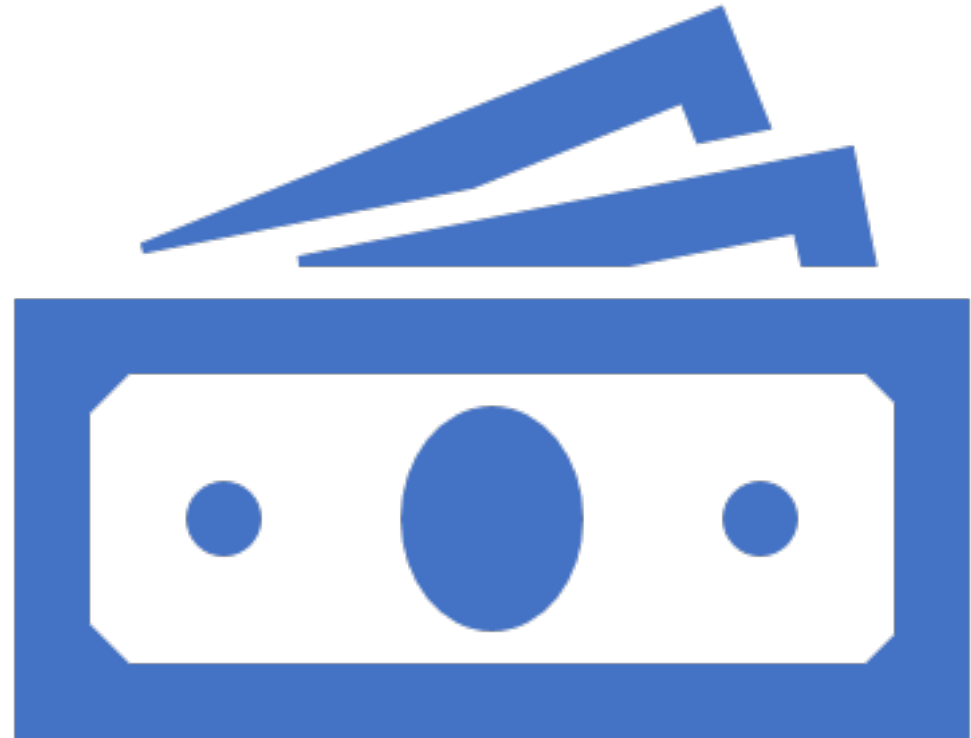


Comparison of Trellis 'Wellness' Survey Results at ACC and PACC

- ▶ Students worry about not having enough money to pay for school
PACC / 61% ACC / 61%
- ▶ Students who have run out of money 3 or more times in the past year
PACC / 55% ACC / 50%
- ▶ Signs of housing insecurity
PACC / 33% ACC / 49%
- ▶ Important to them to support family while enrolled
PACC / 58% ACC / 49%
- ▶ More SL debt than they expected to have at this point
PACC / 47% ACC / 54%

Comparison of Trellis 'Wellness' Survey Results at ACC and PACC

- ▶ Low food security due to finances (missed meals, etc.)
PACC / 36% ACC / 34%
- ▶ NOT confident that they can pay off debt acquired in school
PACC / 70% ACC / 64%
- ▶ Paying for college from current employment
PACC / 50% ACC / 65%
- ▶ Find current total debt amount overwhelming
PACC / 31% ACC / 42%



Comparison of Trellis 'Wellness' survey results at ACC and PACC

- ✓ Using credit cards to pay for school
PACC / 31% ACC / 38%
- ✓ Would have trouble getting \$500 in cash or credit to meet unexpected need in next month
PACC / 63% ACC / 56%
- ✓ Students would use financial counseling services if offered by school
PACC / 71% ACC / 66%

Two-year school benchmarking: Takeaways

- ▶ The most successful schools had outside support.
- ▶ Schools could usefully adopt 'social service' model where external partner exists...and financial literacy...will help more cc students remain in school and complete programs. **Most California CC's will not have this kind of external 'partner' available.**
- ▶ Offered financial literacy as a tool to support 'student success, retention, and program completion', community colleges could focus on delivery of useful financial literacy content (e.g., budgeting and credit) to targeted populations. Schools 'deliver' topical financial literacy to students enrolled in student success programs where access is permitted by 'owners'. **Most California CC's will have access to robust, state supported student success 'delivery channels'.**

- ▶ Most community college students could benefit from 'credit and budgeting' based financial literacy efforts
- ▶ Least effective method of delivering useful financial literacy education to community college students is in a widely advertised 'workshop setting', although some schools continue to offer a few workshops as part of a total delivery strategy
- ▶ Most expedient method of delivering financial literacy to community college students is to utilize 'existing infrastructure', e.g., student success programs
- ▶ School experience suggests that electronic mediums are effective, inexpensive and efficient ways to engage with community college students. Texting is most effective, email will do if texting is not a viable option.
 - ▶ Side benefit: increased engagement of first year students = increased retention

Two-year school benchmarking: Takeaways

Observations on benchmarking and 'data' results as they apply to the California CC system:

- ▶ Based upon available California community college-specific OSU financial wellness survey results and the CCCSE 'Making Ends Meet' survey results, many California community college students could benefit from **budget and credit** focused financial literacy education
- ▶ Most California cc's will not have access to an external 'social service' partner
- ▶ Most California cc's will not have FT trained financial literacy staff
- ▶ Most California cc's will not have the time or resources to 'locally develop' useful financial literacy materials.
- ▶ Most California cc's will not have outside financial support **although the CCCCCO could provide 'program' support.**
- ▶ Most California cc's will have a variety of student success 'settings' in which useful financial literacy education could be delivered. These 'settings' are a valuable resource.

Based upon the findings and observations of quantitative and qualitative surveys, the CCCCO has developed a hybrid financial literacy approach for 2019-2020 which:

- ▶ Addresses the general financial literacy needs of California community college students
- ▶ Leverages generally available resources within California community colleges to deliver useful financial literacy education to first year/first time students.
- ▶ Will incidentally serve as a tool to support aggressive institutional efforts to increase student success, increasing the likelihood that institutions may embrace this strategy.

CCCCO Financial Literacy Effort
for 2019-2020

A little history...not the first time the CCCCCO tried a system-wide solution

Remember when...2014-2015...the CCCCCO's first attempt at a system-wide financial literacy strategy included:

- ▶ create a financial education implementation team;
- ▶ written plan for implementing financial education on our campus;
- ▶ implementing CashCourse and creating strategies to encourage student engagement with CashCourse resources;
- ▶ identify campus partners who may assist, in the normal course of daily activities, in delivering financial education materials to students;
- ▶ identify a series key points in the enrollment cycle during where financial education materials could be disseminated to students;
- ▶ initiating a financial education collaboration with the college's student success team; and
- ▶ initiating a financial education collaboration with the college's default prevention team
- ▶ Financial literacy training/certification for faculty staff

Didn't succeed: Required too much from most schools to 'take flight'

2019-2020: A targeted approach

- ▶ The 2019-2020 CCCCO financial literacy effort will have the following elements:
 - ▶ The CCCCO's financial literacy efforts will support the electronic delivery (texting and/or email) of useful budgeting and credit-focused financial literacy to students enrolled in 'student success settings.' These settings could include, but are not be limited to:
 - ▶ California Promise
 - ▶ FYE programs
 - ▶ Student success classes
 - ▶ The development and implementation of SSSP education plans
 - ▶ Developmental Studies
 - ▶ The CCCCO effort will not require local financial literacy knowledge or experience on the part of school staff.
 - ▶ Local efforts only require sufficient technical support of **'engagement enhancing'** mediums (texting and/or email) to implement the suggested strategy.

CCCCO Financial Literacy Support for 2019-2020

CCCCO school support will include:

- ▶ Consultation services to assist school to identify a 'supportable' strategy of delivering financial literacy education in 'student success settings'.
- ▶ Boilerplate email content that could be used to explain the CCCCCO-supported strategy to potential campus partners.
- ▶ Consultant availability for conference calls with perspective partners explaining the CCCCCO-supported effort.
- ▶ Written examples of 'setting specific' implementation of this effort, e.g., in an FYE class, a California Promise workshop, a SSSP educational plan, and a developmental studies class.

CCCCO school support will include:

- ▶ Pre-recorded (podcast) or other presentation materials (power point) on budgeting and credit. This presentation material will be available in 20, 30 and 40 minute lengths, permitting local adjustments as necessary.
- ▶ The classroom/advising package will include (1) pre-post presentation quiz on budgeting and credit presentation content, and (2) a form students will use to 'voluntarily enroll' in the 'pushed-text/pushed-email' effort during academic term, including student's name/cellphone number and/or email address as appropriate.
- ▶ Twice-weekly budgeting and credit content to be school-delivered to participating students via text or email during the Fall term.
- ▶ Consultants will support development of feedback support mechanism, e.g., 'get in touch with campus staff if you have questions'.

CCCO Financial Literacy Support for 2019-2020

Implementation Examples

- ▶ California Promise (CP): A pre-recorded presentation would be delivered to CP students on the importance of budgeting and credit for community college students. At the conclusion of the presentation, advise CP students that, if they wish, they can 'opt in' to receiving additional financial literacy information via text (or email) during their first term of enrollment, and be given a form to enroll in these 'pushed-communications'. Consultants would provide school staff with content for pushed-communication effort.
- ▶ FYE Classes (FYE): A pre-recorded presentation would be delivered on the importance of budgeting and credit for community college students. At the conclusion, advise FYE students that they can 'opt in' to receiving additional financial literacy information via text or email during their first term of enrollment and be given a form to enroll in these 'pushed-communications'. Consultants would provide school staff with content for pushed-communication effort.
- ▶ SSSP Example: Two tasks would be embedded in the SSSP generic education plan. Talking points provided for counselors. Tasks: Watch pre-recorded presentation on importance of budgeting and credit for community college students, and, sign up for pushed-communication effort.



What's Next?

- School participation is voluntary
- This strategy will only require creation of school-level partnerships
- Core strategy will not require local financial literacy knowledge or experience
- Consultants will provide all necessary content/resources
- You will find a sign up sheet at the front of the room if you would like to schedule a call to discuss your school's participation in this effort
- We will be conducting a webinar about this effort later in the Spring

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