

## Chapter 2

# Program Delivery and Organizational Models in State Colleges and Universities

The state colleges and universities in the USA that offer financial education to their students do so through a myriad of ways and utilize several delivery methods. Some even use a combination of methods. Based on the data collected from the preliminary responses to the researcher's emails, phone discussions with university personnel, perusal of websites, literature review and other sources, it was determined that state colleges and universities offer financial education to their students in the following ways: "for-credit" personal finance courses, section(s) within the Freshman Seminar/First Year Experience (FYE) courses, established agreements and relationships with financial institutions, financial literacy seminars and workshops, special events and activities, online resources, peer counseling, individualized financial counseling, money management or financial education centers, classroom and group presentations, and other financial education efforts. Below I present a synopsis of the research findings on these methods.

## 2.1 Financial Education Program Delivery in State Colleges and Universities

### 2.1.1 "For-Credit" Personal Finance Courses

Increasingly some colleges and universities are finding that a for-credit course in personal finance is an effective mechanism for reaching a large number of students. In state colleges and universities, such courses are predominantly offered by colleges of business, economics or finance departments, family and consumer science departments or human science colleges and departments. As such, the courses may differ in nature and emphasis.

The personal finance courses are mainly offered as electives but some departments require that their majors take such a course. At Elizabeth City State University in North Carolina, for example, their personal financial management course taught

by the department of business and economics is an elective in the general education curriculum but many programs in the university require their majors to take it. Similarly, San Jose State University offers their “Money Matters” course as an elective in Area E of the core curriculum (San Jose State University, 2014). At East Carolina University (ECU), the personal finance course is what that institution refers to as a “free elective.” It belongs to no specific area of the core curriculum nor as a requirement in any academic program but course instructors explained that the nursing program at ECU was increasingly sending their students to the course. In contrast, some universities, for example, Ball State University in Indiana, require all students to take a personal finance course to meet graduation requirements (Ball State University, 2015).

Whether the personal finance courses are electives or required for graduation, there are reports of heightened interest by students in this subject with some state universities reporting as many as 500 students taking this elective each semester and classes being packed to capacity. ECU and the University of Central Florida, for example, report that approximately 500 students register for their personal finance elective each semester. San Jose State University offers several sections of “Money Matters” each semester with each section enrolling more than 120 students. In some cases, academic advisors and personnel from the financial aid office are instrumental in having students sign up for a personal finance course while in other cases students themselves recognize the benefits and life skills that accrue from such a course. Credit hours for personal finance courses range between one and three, but three-credit hour courses seem to be more of the norm.

Most three-credit hours personal finance courses taught by qualified faculty cover a broad gamut of topics including budgeting, paying for college, debt management, credit, risk and insurance, taxes, time value of money, money management and bank accounts, house buying and mortgages, saving, investing, and career planning. In recent times, some instructors are introducing into their courses topics like relationships and money, how to talk about money to family members, planning for life goals, how to choose credit cards and car purchasing.

Personal finance courses are known by various names in state colleges and universities. San Jose State University, for example, calls its course “Money Matters.” James Madison University calls its course “Dollars and Sense” (James Madison University, 2014). Some may call it “consumer economics,” “personal financial management,” “financial literacy,” “family money management,” or simply “personal finance.” The personal finance course may be identified by finance, economics, family and consumer sciences (FCS), resource management, or business prefixes depending on the academic unit in which it is housed.

In some instances, the initiative for including a personal finance course in the university curriculum comes from faculty or the administration, concerned about students’ lack of awareness of consumer and personal financial issues. In other instances, initiatives derived from financial aid or student services staff concerned about students’ money management habits and skills. In other cases, colleges respond to state mandates to offer financial literacy education to students.

### ***2.1.2 Section(s) within the Freshman Seminar/First Year Experience (FYE) Course***

The Freshman Seminar or First Year Experience (FYE) course on campuses covers a variety of topics pertaining to the freshman experience, but it has become a popular medium through which state colleges and universities offer some modicum of financial education. Some colleges/universities require course instructors to devote a section or two within the course syllabus to personal finance. Personal finance section(s) can include topics such as budgeting, accessing financial resources for college, debt management, saving, credit management, housing issues, and identity theft.

Some FYE instructors may recruit other faculty members, financial aid staff and counselors, personnel from local financial institutions, advisors, peer mentors, peer counselors, or student support staff to facilitate section(s) on personal finance within the FYE seminar. Instructors also may use other resources to deliver the personal finance sections. For example, Lamar University in Texas used six 10–15 min videos developed by the Southeast Texas CPA Society to deliver personal finance topics in their FYE classes (E. Venta, personal communication, June 5, 2013). The topics included credit cards and debt, bank accounts, loans, and budgets. Purchase College in New York uses the allotted class time to introduce freshmen to the modules within CashCourse® which is an online financial education course developed by the National Endowment for Financial Education (NEFE) specifically for college students.

Providing financial education through FYE seminars usually does not allow the time for in-depth treatment of personal financial topics, but it brings awareness to some personal financial issues that college students will encounter and in some cases satisfy mandates for personal financial education.

### ***2.1.3 Established Agreements/Relationships with Financial Institutions***

Some state colleges and universities have established agreements or other arrangements with financial institutions to provide financial education on campus. The financial institution may or may not have a presence on the campus but invariably has a presence in the community. In some cases, the financial institution maintains and staffs a financial literacy or a financial education center within the university. The University of North Alabama (UNA), for example, has an agreement with the Listerhill Credit Union. Under this agreement, Listerhill will have a banking presence on campus and will fund and maintain a Center for Financial Literacy for UNA students (H. Brown, personal communication, May 29, 2013).

In some instances, the role of the financial institution is to conduct financial literacy workshops/seminars on campus or personnel from the financial institution may be invited to present money management topics to students. The University of West Alabama, for example, has invited community financial institutions to present on topics including saving, credit management, and investments. In other instances, a

financial institution may provide a grant for the university to start a financial education program. The Columbus State University, for example, received a grant from Higher One, a financial services company, to start a financial education program on campus (N. DeVries, personal communication, May 22, 2013).

Financial institutions also support financial education efforts on campus in other indirect ways. Western Oregon University recently launched a financial literacy initiative with the assistance of Maps Credit Union. The Credit Union through the Maps Community Foundation provided \$50,000 to finance scholarships for peer mentors. In turn, the university was committed to adding financial literacy to its mentoring program curriculum. Maps Credit Union was also scheduled to provide “train the trainer” workshops for the peer mentors (Maps Credit Union, 2014). Some universities have shied away from involving financial institutions in their financial education programs because of the concern that such institutions may not present unbiased information to students or may use the forum to advertise their own financial products.

#### ***2.1.4 Financial Literacy Seminars/Workshops/Sessions***

When state colleges or universities have Student Money Management Centers or well-defined financial education programs, financial literacy workshops, and seminars are hosted under the umbrella of the program. When there is no established financial education program at the university, the primary host for financial literacy workshops is the financial aid department or another student services department. In some instances, colleges of business or other academic departments also host financial literacy workshops and seminars. These workshops may be aimed at students, but some may be held for the faculty/staff. Sometimes, academic departments use workshops as a means to advertise a broader personal finance course or program. Workshop speakers can be faculty/staff from the university or sometimes speakers are from community financial institutions and other financial institutions.

ENACTUS<sup>1</sup> (formerly SIFE) groups at state colleges and universities may also host financial literacy workshops for students. These are mainly student-led and may be initiated by the ENACTUS students, or they may be invited by other university sections to present workshops. At the University of North Georgia (UNG), for example, the ENACTUS group initiates workshops and invites the general student population. UNG’s ENACTUS has hosted workshops on budgeting, investing skills, capital market issues, identity theft, managing bank accounts, wise credit use, loan management, and taxes. At the University of North Carolina at Pembroke, ENACTUS students conduct financial literacy sessions to freshmen during the financial section of their freshmen seminar (S. Blue, personal communication, May 3, 2013).

Some workshop organizers complained that the seminars/workshops are very poorly attended. Grand Valley State University, for example, held financial literacy workshops for students every other Thursday during spring 2013 but considered

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<sup>1</sup>ENACTUS is an international organization that connects student, academic, and business leaders through entrepreneurial-based projects that empower people to transform opportunities into real, sustainable progress for themselves and their communities ([www.enactus.org](http://www.enactus.org)).

discontinuing such workshops because of poor attendance. Portland State University also reported poor attendance at their financial literacy sessions (J. Ofsink, personal communication, June 5, 2013). A few universities, however, reported acceptable attendance levels due to a variety of advertising methods and attendance incentives. Sam Houston State University in Texas reported good attendance at their workshops.

### ***2.1.5 Special Events/Activities***

Some state colleges and universities arrange special financial literacy events within the context of financial literacy month or financial literacy week while some events are not tied to a specific month or week. Events are arranged or organized by the student services unit, the financial aid office or even a Student Money Management Center when such a center exists. Events include financial games, interactive activities, fashion shows, and cooking demonstrations, to name a few. Events may have catchy name like “Budget Boot Camp” used by a few universities; “Check your Credit Day” and “Healthy Meals on a Dime” used by Sam Houston State University; “Get Your Frugal On: Thrift Shop Contest and Fashion show” and “Price is Right Game Night” hosted by the University of Wisconsin La Crosse. Some events may involve just handing out financial literacy literature.

Financial literacy events may involve expertise from many parts of the campus, the community, and wider afield. For example, the Student Money Management Center at Sam Houston State University collaborates with a nearby hospital and presents a “Healthy meals on a dime” event annually. Some special events may include speakers on issues like couponing and regifting. The California State University Northridge (CSUN) financial literacy coordinator in the Financial Aid and Enrollment department organizes the CSUNopoly Matador Dollar Day financial literacy event for which he seeks input from several other units of the university. To encourage participation in games and interactive activities, some universities offer scholarships or other small prizes to winners. Some institutions attract students by offering lunch or snacks.

### ***2.1.6 Online Resources***

By far the most popular method used by state colleges and universities to offer financial education is through online resources. Some institutions offer an array of such resources. In some cases, online delivery may be the only format for personal financial education while in other cases online resources are used together with other methods. Online resources often are hosted on websites/webpages designed to provide personal financial information. Websites built specifically for this purpose are very likely to have unique and catchy names, for example, “It Make\$ Cents” at the University of Wisconsin La Crosse, “Rowdy Cents” at the University of Texas San Antonio and “MoneySmart Lakers” at the Grand Valley State University. Other universities may provide online personal finance resources through links from their student services webpages.

Popular personal finance online resources hosted by state universities and colleges include budgeting worksheets, informational pieces about financial literacy, interactive games, financial tips, financial news, debt calculators, price calculators, prepackaged videos, and prepackaged online courses. Some topics shared online as informational pieces include: **managing money** (explanations about income and expenses, needs vs wants, savings, eliminating small unwarranted expenses, developing a spending plan, freebies on campus, budgeting, and others); **buying appropriate insurance** (some offer explanations about auto insurance, renters insurance, health insurance, and the link between insurance and credit scores); **managing credit and loans** (reading the credit score, credit card usage, the uses of credit reports, the impact of credit, the importance of maintaining a good credit score, managing student loans, loan consolidation, repaying loans, types of student loans, default risk, and a glossary of loan terms).

Some state colleges and universities also offer students online video resources. Videos may cover a variety of issues including building a budget, reading credit reports, setting financial goals, investing, wise spending, and loan repayments. Some state colleges and universities create their own personal finance videos to share with students. For example, the Sam Houston State University Student Money Management Center uses students and peer counselors to present online webinars. These are essentially 1 to 3 min informational videos about spending, credit, and other financial management topics.

Some institutions utilize prepackaged online videos. Minnesota State University at Mankato, for example, presents prepackaged videos by “Financial Aid TV” on their financial literacy webpages. Presented in a question and answer format, these videos address issues of financial aid, student loans, identity theft, money basics, insurance, teacher grants, and several other financial issues (Minnesota State University Mankato, 2015).

Many universities that present some form of personal financial education utilize pre-built online courses with course modules as a mechanism for financial education for students. Among the target population for this study, the most popular choice for such a resource is CashCourse. CashCourse is provided by the NEFE free of cost to colleges (NEFE, 2014).

### ***2.1.7 Peer Counseling and Peer Mentoring***

Universities are utilizing the peer counseling and peer mentoring systems to have students teach each other personal finances. At the UNG, for example, students in the ENACTUS program (formerly SIFE) are trained as peer counselors, and they then conduct workshops about budgeting, credit use, loan management, investing skills, and other topics.

At some colleges and universities, peer financial counselors may be employed, do service learning or internships with the money management or financial education center. At the Sam Houston State University, for example, peer counselors are certified financial counselors who work with the SMMC. They conduct workshops and do

individualized financial counseling with students. The Richard Stockton College of New Jersey trains and uses peer counselors at their financial education center to conduct workshops and provide handouts and other financial literature to other students. At some universities, peer mentors also present financial topics in some FYE classes.

### ***2.1.8 Individualized Financial Counseling***

Some universities offer students individualized financial counseling sessions. It is more usual to find this method in the more developed financial education programs, where there are staff and/or peer counselors dedicated to this purpose. Many personal financial counselors at colleges and universities are trained and certified. For example, all financial counselors including the peer financial counselors in the Student Money Management Center at Sam Houston State University hold the Certified Personal Finance Counselors (CFPC) certification offered by Fincert.org. The Indiana University system uses Inceptia training to certify their financial counselors. In some cases, a staff member may be assigned to do individual financial counseling but may not have received personal financial counseling certification.

### ***2.1.9 Money Management or Financial Education Centers***

Some state colleges and universities have financial literacy/money management/financial education centers on campus. University of North Georgia, University of North Texas and Sam Houston State University, for example, have Student Money Management Centers. The Stockton College of New Jersey houses the Stockton Center for Economic and Financial Literacy. These centers often have dedicated staff and space on campus. Some centers may even have dual purposes. The Stockton Center, for example, located in the School of Education trains K-12 teachers to teach financial education as well as provides financial education to the broader student population (D. Figart, personal communication, May 24, 2013). The Sam Houston SMMC does not train teachers but provides financial education to the student population.

### ***2.1.10 Classroom and Group Presentations***

Requests for classroom and group presentations on financial education topics often are initiated by faculty, Greek organizations, resident assistants, athletic departments, and other groups on campus. Speakers at these presentations may derive from within the campus community and especially from among persons responsible for broader financial education on campus. Budgeting, money management basics, and identity theft are the primary topics presented in the classroom and group settings on campuses.

### **2.1.11 Other Efforts**

Over time universities and college committed to providing financial education to students have engaged in other creative efforts. Some universities may identify specific groups and work with them in different ways to raise financial awareness and financial literacy. The Sam Houston State University SMMC, for example, works in a concentrated effort with the university's TRIO program<sup>2</sup> through grant funding. Portland State University sends out a "Financial Report Card" to all students living in on-campus housing. This provides tailored messages for students, showing them how they have spent; it helps them plan ahead and points them to resources on campus.

## **2.2 Typology of Financial Education Programs: Organizational Models**

Emerging from this research, I posit a four-fold typology of financial education programs based on the organizational structure and functioning of programs at state colleges and universities. Utilizing an organizational approach puts the focus not only on financial education delivery methods but also on the nature, structure, and functioning of programs. This approach makes allowance for the role of leadership or program champions within these models, the funding sources and support for financial education programs, and their strategic location within the broader institutional framework of the colleges and universities. This organizational approach also caters to the cafeteria approach to financial education program design and delivery that is emerging within state college and university systems.

The organizational models that emerged from this research are:

1. The academic model
2. The full-fledged money management center model
3. The seed program or aspirational model
4. The branch or interspersed model

### **2.2.1 The Academic Model**

In the academic model, financial education emerges from and is sustained by an academic unit within the university with the main delivery method being a "for-credit" course in personal finance. The course reaches a significant number of

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<sup>2</sup>The Federal TRIO Programs (TRIO) are designed to help individuals from low-income backgrounds, first-generation college students, and individuals with disabilities to progress from middle school to postbaccalaureate programs. It also includes a training program for directors and staff of TRIO projects (US Department of Education, 2014).

students throughout the university either through its placement in the core curriculum or through its attractiveness to students as a general elective. This course provides students with a working knowledge of the basic principles, concepts, and analytical tools of personal finance and helps them better manage their personal financial health both while in college and beyond. In the academic model, students are held accountable. There are course assignments, readings, and other such requirements. The core concepts of the course are honed into very clear, concise, relevant, and easy to understand messages for the students.

The success of the academic model lies, not merely in offering an academic course in personal finance, but also in the leadership and energy of the program entrepreneurs, the marketing of the program to students, and the institutionalization of the program in a manner that garners support for its sustenance within the broader university system.

The ECU's financial education program best epitomizes what this book calls "The Academic Model." The financial education program shares many of the characteristics of other successful programs—impassioned program champions, unwavering support of the university's administration, an impactful message and a willingness to tailor and deliver that message in a dynamic manner, suitable to the needs of the student population.

### ***2.2.2 The Full-Fledged Money Management Center***

A full-fledged money management center stands on its own; breaks away from the grips of any institutional department or unit from which it may have emerged; has a fierce and fearless program champion with administrative clout and/or connectivity within the university; has full-time, high-energy staff dedicated only to the Center's mission and its work; has a dedicated space in the university; has secured funding for its operations; seeks personal financial certification training for its staff and counselors; and connects with other units in outreach efforts. It offers financial education to students through a potpourri of events and activities aimed at reaching a significant number of students.

This book presents in Chap. 4 two case studies that typify this organizational model. They are the Sam Houston State University Student Money Management Center and the University of Wisconsin La Crosse's Money Management Center which has exhibited signs of moving toward this organizational model after starting a pilot program in 2011. Not all money management centers advertised by universities and colleges fit into what this book calls a "full-fledged money management center."

The full-fledged money management center organizes and engages in a wide gamut of activities that are attractive to students. The SHSU Student Money Management Center, for example, engages in classroom presentations and student group presentations; works with resident advisors to further financial education in the resident halls; organizes signature events such as a "financial literacy week of activities," workshops and seminars; organizes financial literacy games and competitions;

hosts collaborative events with academic and other university departments; is involved in other financial education initiatives; does one-on-one financial counseling and has a dedicated website with financial tools, financial games, tips, articles, and other such material. In a similar way, the UW La Crosse Money Management Center organizes several activities on campus including “Budget Boot Camp,” sessions with the UW-L 100 general education courses, peer counseling/mentoring, workshops, a money talk series, interactive games, and a number of special events.

Like the academic model, the full-fledged money management center reaches a significant number of students through its activities. Its activities can be fun, relevant, and entertaining. Unlike the academic model, however, the contact with individual students through workshops and other activities may be just once, a few times, or very sporadic. Students may take away less total knowledge from the one-off activities than from a course with a logical progression, detailed requirements, meeting twice or thrice a week, and with content delivered by trained academics. However, the centers are so active that they capture attention and generate interest in personal finances. They have physical space, accessible staff, and a visible and continuously available institutional manifestation that transcends the classroom presence of semester course offerings.

### ***2.2.3 The Seed Program or Aspirational Model***

The seed program or aspirational typology is used in this book to describe programs, for which the “seed” of financial education has been planted, but there is limited enthusiasm and/or resources to develop, sustain, or grow the program. The seed program is often a symbol of need or aspiration, or it may be in response to a state or university system mandate to provide financial education. Seed programs may even germinate from an administrator or an influential person’s belief that a financial education program is a good idea for the institution. That administrator may himself/herself have a passion for financial education but is unable to devote the time or energy to the development of the program. The idea is planted and passed on to someone else in the institution to operationalize, develop, and nurture, often, without the requisite support or funding. The program may even be further passed on to another more junior staff member to develop.

The financial education programs of the Grand Valley State University, University of Texas at San Antonio, and Purchase College fall into this category. In two of the cases aforementioned, GVSU and UTSA, the Financial Aid units house the programs. In the case of Purchase College, the program resides with the student service’s FYE Program.

For Purchase College, the entire student services committee agreed that the institution should implement a financial education program using CashCourse. However, one of the greatest challenges to implementation was determining who would take the responsibility. The responsibility eventually went to the then Associate Director of the FYE program. He implemented the program using what was available to him,

that is, the freshman seminar which is part of the FYE program, with assistance from the peer-mentorship program which he supervised.

At UTSA, the financial education program was turned over to the Office of Financial Aid and Enrollment Services from the Graduation Initiative Office in 2012. Within its new home, it was assigned to the financial outreach team which previously only conducted financial aid presentations for high schools in surrounding communities and answered questions about financial aid, admissions, and registration for the university. The added focus was now on the financial literacy of UTSA's current students. The evolution of the new program was immediately constrained by the available resources and staff to carry out a financial education program. The outreach unit was not expanded and the staff had their other primary responsibilities. In a situation like this, a staff often defaults to what they know and are comfortable with, that is in this case, financial aid issues. Although there is recognition that there are two components to the outreach unit, namely financial aid and financial literacy, the financial education program as currently structured evidences a heavy concentration on financial aid-related issues. Most of the online resources, the planned workshop topics and the one-on-one counseling relate mainly to financial aid. Some of the issues that these program components address include the cost of college, satisfactory academic progress, FAFSA, loan repayment/default management, responsible borrowing, delinquent borrowing, spending plans for mid-term loan recipients, loan entrance counseling, and scholarships. As important as these topics are, they do not represent a general personal finance curriculum.

The formal financial education program at Grand Valley State University is provided through facilities and staff of the Financial Aid office. The Assistant Director for the student employment office was charged with responsibility to develop and execute the financial literacy program. During my interview at this university, jokingly I was told that: "Luis (the Assistant Director) is the program." Despite his enthusiasm, however, the program is severely constrained by the lack of resources.

The key question in deciding on the nature of seed programs is what can be offered to the student population given very limited resources including trained staff and funding. Seed programs are often characterized by very limited attendance at events, outreach to very few students and/or very limited time to discuss key financial topics.

### ***2.2.4 The Branch or Interspersed Model***

This book uses the Branch or Interspersed model to describe a situation in which personal financial education emanates from several sections or units of the university. The university represents the tree and the sections from which financial education emanates are the branches. These sections may or may not be connected to, or even know of the existence of each other. California State University Northridge (CSUN) best typifies this model.

CSUN has different departments, each with its own personal financial education initiatives and programs. The Department of Family and Consumer Sciences in the College of Health and Human Development offers two family financial management courses that cover many aspects of personal finances. The Department of Finance, Financial Planning and Insurance offers two general education courses in personal finance designed for all majors across the university. In addition, this department offers a sequence of courses approved by the Certified Financial Planner Board of Standards™ to prepare students for the CFP Certification Examination and operates a Center for Financial Planning and Investment.

In addition to the programs/courses and initiatives offered by academic units, CSUN has a financial literacy program run by the Financial Aid office. There is also a “Financial Literacy Affinity Group,” affiliated with CSUN’s Institute of Community Health and Wellbeing, which is comprised of mainly faculty members with an interest in financial literacy.

In a model such as this, several champions for financial education emerge, with each developing courses and programs within his/her sphere of competence, expertise, and influence. At CSUN, the Financial Literacy Affinity Group can provide a place for some of the drivers of financial education to know each other, share resources, work on collaborative projects, and build bridges between or among various units. What is certain in this model is that a significant number of students will be exposed to personal financial topics and activities.

The utility of the four-fold typology of organizational models of financial education is that it provides analytic optics for understanding financial education programs in state colleges and universities. The case studies in chaps. 3 to 6 provide empirical grist for the typology.

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