



Student Financial Literacy Team Charter

Senior Leader Contact: Paula Gill

Timeline: September 1 – November 30, 2016

Facilitators: John Gonas, Associate Professor of Finance; Andy Miller, Chair and Professor, Mathematics and Computer Science Department

Janelle Briscoe, Director for Community Accountability, SA
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Carrie Northington, Assistant Director of Financial Aid, SFS
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Student

As we seek to develop students who will “engage and transform the world with disciplined intelligence, compassion, courage, and faith,” we need to equip them with the essential tools that will allow them to achieve that goal. Our students will start non-profit organizations, they will build new businesses, they will support and sustain churches and church communities, and they will live lives of meaning and purpose. To succeed, our students need to be financially literate. For many, the journey to a college degree begins with seeking student loans which, for the majority of those students, is the first venture into a new set of financial conversations. Following graduation, there will be major purchases (cars, homes, businesses, etc.) and major responsibilities (managing payroll, supporting community endeavors, creating opportunities) that all rely on basic financial literacy. For much of the history of higher education, such conversations have either taken place only in the financial aid office, or in traditional business courses.

Project Objectives:

- Research and document current financial literacy offerings in administrative and academic areas.
- Identify the essential elements of effective student financial literacy education.
- Outline an approach to developing the whole person and helping our students succeed by transforming the financial literacy conversation and integrating financial literacy education as part of the Belmont experience.
- Provide a recommendation to Senior Leadership that includes steps required over the next six months to provide financial literacy education to all Belmont students.

Student Financial Literacy Notes: June Summit and August Board Meetings

Student Financial Literacy (JUNE)

TABLE 13

- Students making smart financial decisions that they will carry forward their entire lives
- Also goes for students in the lower/middle class who suffer with financial need.

TABLE 16

What do students need to know about finances?

- Personal Finance: what does life cost?
 - Earning potential: specific to their area of study and how that relates to student debt that they are assuming
 - Continuous education on more practical impacts of each cumulative loan taken—monthly payment as it relates to potential salary
- Understanding about loans: not just free money, payback seems so far away

How do you integrate student financial literacy in academic and administrative areas?

- Personal focus and reach: the impact of group information sessions are less than ideal
- Ask students what they know and what they don't know—no one student financial services
- How do we deliver? Multiple ways: online, groups, personal
- More “required convocations” with recent grads or required “personal finance class” as part of capstone?
 - To talk about impact of student loans, needs to be part of First Year Seminar
- 5/3 Bank relationship: provide some seminars/info sessions
- Integrate recent graduates and peers into education of “financial counseling”

TABLE 14

What do students need to know about finances?

- Budgeting and money management
- Retirement investing
- Taxes: how do they work? What do they do? How can I clear (sp?) it?
- Difference between grants/scholarships/loans
- Being well-informed before signing something
- Future planning—how much will your career pay when you graduate?
- Credit history/credit cards
- Loans and vocabulary
- Mortgages and housing
- %s
- Different segments of society
- Debt
- Emergency funds
- Opportunity cost
- Time value of money
- Wesley's sermon: “gain all you can, save all you can, give all you can”

How do we integrate student financial literacy in academic and administrative areas?

- Convocations separated and targeted to certain classification (1st year/soph/etc) or program (e.g. nursing and loan forgiveness)
- Require certain financial literacy convocations?
- Create new financial literacy convo category?
- Integrate financial literacy education into FYS or senior gen ed seminars?
- Include financial literacy ideas in quantitative reasoning courses

- Theme of Stewardship
- Have financial services or other offices visit academic departments to educate them about issues students have and resources for them
- Have certain financial counselors on campus become Certified Financial Planners
- Notify students throughout their time at Belmont about what they owe
- Build community college pathways/connections to Belmont for students who can't afford four years at Belmont (will require lots of good advising!)
- A simulation/game early in students' time to help illustrate these ideas
- Mention earnings potential for programs at Preview Days/admission events
- "The Game of Life" –Elgin Community College

Student Financial Literacy (BOARD)

Financial literacy-would it be a benefit to send all Resident Hall Leaders to Dave Ramsey? This would give a number of leaders tools to speak in small groups and directly with individuals. They could also be "train the trainers" where we could pyramid these sound financial principles to the students. (If interested, I could speak with Dave Ramsey about a special rate, and would entertain paying for this).

Financial understanding of student debt-is there a scale that we could put in the literature to show the "cost" of \$ x loan monthly once graduated?

Financial understanding comes with experience-Could we consider giving more of the student organizations funds to spend? For the past 8 years the \$ 50,000 per year for student funds has remained static. With the growth in students, we could encourage more organizations (therefore more leadership opportunities) if we increase that. Perhaps \$ 100,000?

- Begin education in high school or before
- Instill respect for debt
- Build in online financial responsibility seminar prior to matriculation
- Emphasize financial health along with other health and wellness
- Provide experience in money management by giving student organizations more leeway in how to manage their funds
- Need instruction in debt management and financial planning—focus on senior capstone classes
- Education on how personal credit histories are built
- Make big money debts more real
 - Break down to monthly payments
- Main questions
 - Content?
 - Delivery mechanism?