

A person in a light blue shirt is holding a tablet computer. The tablet screen displays several financial charts, including a donut chart at the top left, a pie chart below it, and a line graph on the right side. The background is slightly blurred, showing more charts and documents on a desk.

USING FINANCIAL EDUCATION TO EMPOWER STUDENTS FACING DANGEROUS FINANCIAL DECISIONS

FINANCIAL LITERACY AND EDUCATION COMMISSION
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TGTM



Life altering decisions are being made
with minimal understanding at a time of maximum distraction.

BACKGROUND ON STUDENT LOAN COUNSELING

- Mandated at beginning and end of college
 - Timing issues
- While a school responsibility, most steer students to U.S. Department of Education's online tool
 - Free, scalable and provides an audit trail
- How well does it work?

TG SERIES OF REPORTS ON LOAN COUNSELING

- Legislative history
- Review of research literature
- Observations of borrowers using online tool
- Schools with promising practices
- Policy focused report

TOP FINDINGS ABOUT BORROWERS' EXPERIENCE

- Rigid statute requires too many topics in too short of a time
 - About 20 topics covered in 30 minutes
 - Well intentioned, gradual accumulation of topics actually undermines goal of counseling
- Loan counseling is text-heavy and lacks customization
- U.S. Department of Education is making positive change

HOW CAN SCHOOLS IMPROVE STUDENTS' EXPERIENCE OF THE ONLINE TOOL?

- Prepare students for the online tool so they can:
 - Understand the purpose
 - Navigate easily
 - Get most out of budget tools
- Reframe the income driven repayment option
- Advise based on your expertise

SCHOOLS GOING ABOVE AND BEYOND MINIMUM LEGAL REQUIREMENTS

- Cross train both within team and across departments
- Take holistic approach to student's finances
 - Homegrown and third party programs
 - Integrate into college experience classes
- Target efforts
 - Those most in need of counseling
 - Pilot test methods of teaching and reaching

MORE PROMISING PRACTICES EMPLOYED BY COLLEGES

- Market financial education
 - Many points of contact, attention grabbers and convenient location
- Provide in-person counseling
 - Large groups, small groups and individual
- Use peer-to-peer model for advising
 - Helps student and the near-peer
- Let the data show you the way

Financially vulnerable college students can be reached through concerted efforts highlighted in a series of studies conducted by TG in consultation with NASFAA.

QUESTIONS?

Loan counseling reports:

<http://www.tgslc.org/research/counseling.cfm>

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