
The Indiana University Approach to Improve Student Financial Literacy

Phil Schuman, Director of Financial Literacy

COHEAO Mid-Year Conference

July 27, 2015



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Who We Are

Office of Financial Literacy

- Administrative body behind some of the changes to FA business practices and required component
- Provides Financial Education for all 7 campus, 114,000 students at IU
- Collaborates with liaisons/teams from all IU campuses to implement effective programming

IU MoneySmarts

- Dynamic tool to make financial education more accessible for students
- Established to assist students in making informed financial decisions before, during, and after college
- Brand established to make program identifiable and approachable
- Adopts a holistic approach to promote overall student wellness



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Indiana University Office of Financial Literacy

2012

- Student Debt Task Force
- Establishment of Office
- Launch of IU MoneySmarts Website

2013

- Required Financial Literacy piece implemented
- IU MoneySmarts Team created
- Establishment of campus teams

2014

- Partnership with School of Public Health
- Borrowing reduction of 12.4% between 2013 - 2014

2015

- Expansion of MoneySmarts Team across campuses and wellness issues
- Added professional development component for peer team, student population, faculty, staff



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Challenges

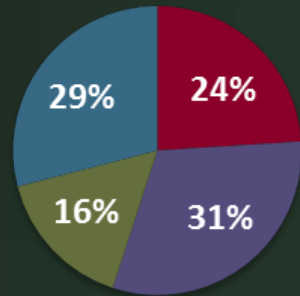
- Student debt is rising
- Students are not aware of their borrowing levels or even the fact that they are borrowing
- Financial education is not exciting
- Difficult to provide meaningful interventions
- How do we know what students want and what they will consume?
- How can we help students understand the importance of engaging now?



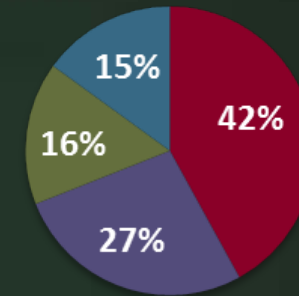
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Willingness to Participate

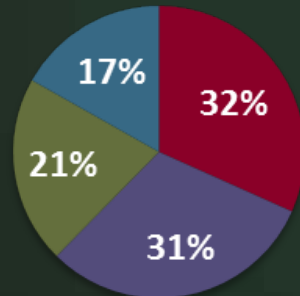
Interactive Website



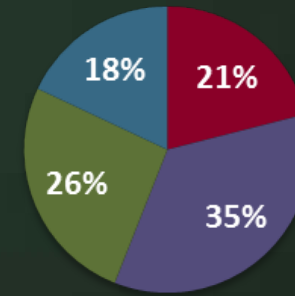
Course for 1 Credit-Hour



Peer Educator



Topical Workshops



- Not at All Likely
- Somewhat Likely
- Likely
- Very Likely



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Business Practices

- IU opted to review the way our technology could help communicate loan borrowing information
- Debt Letter
 - E-mailed to students every year
 - Make borrowing more transparent to students
 - Reactive and proactive
 - Goal is to increase efficiency in borrowing
 - Exploring debt letter for transfer students

Imma Hoosier
1234 Indiana Way
Bloomington, IN, 47405

Dear Imma Hoosier:

This letter is a personalized summary of your estimated student loan indebtedness. Please use the information below, along with the academic and financial planning resources on page two, to help minimize future borrowing while you complete your degree at Indiana University.

Your Total Estimated Education Loan Debt: \$ 11,753

*See the "Important Information" section on page 2 of this letter regarding loan estimates.

Interest Rates

Student loan interest rates vary based on the type of loan and when the loan was borrowed. For the purpose of this letter we are using an estimated interest rate at 6.80%.

Estimated Monthly Payment – All Loans

Total Education Loans: \$ 11,753
Standard Repayment Term: 10 years
Assumed Interest Rate: 6.80%

Monthly Payment: \$ 135

Cumulative Payments: \$ 16,230
Projected Interest Paid: \$ 4,477

Federal Stafford Loans

The Federal Stafford Loan program is available to students who file a Free Application for Federal Student Aid (FAFSA). The amount offered is based on students' grade level and financial need. The total you have borrowed from this program, including both subsidized and unsubsidized loans, is \$ 11,753.

Other Education Loans

In addition to your Federal Stafford loans, the estimated total of your education loans includes the amounts below which are based on your borrowing history at Indiana University:

Federal Perkins Loans: \$ 0

Private Loans Certified at IU: \$ 0

Other Loans Certified at IU: \$ 0
(Graduate PLUS and Federal Health Profession Loans)



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Business Practices

- IU opted to review the way our technology could help communicate loan borrowing information
- Other initiatives
 - Summer tuition discount
 - Flat Fee at IUB
 - Finish in Four
 - Changed default acceptance status to in IU system
 - Reviewed cost of attendance
 - Provide campus-relevant numbers
 - Developing payment plan options



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IU MoneySmarts Programming

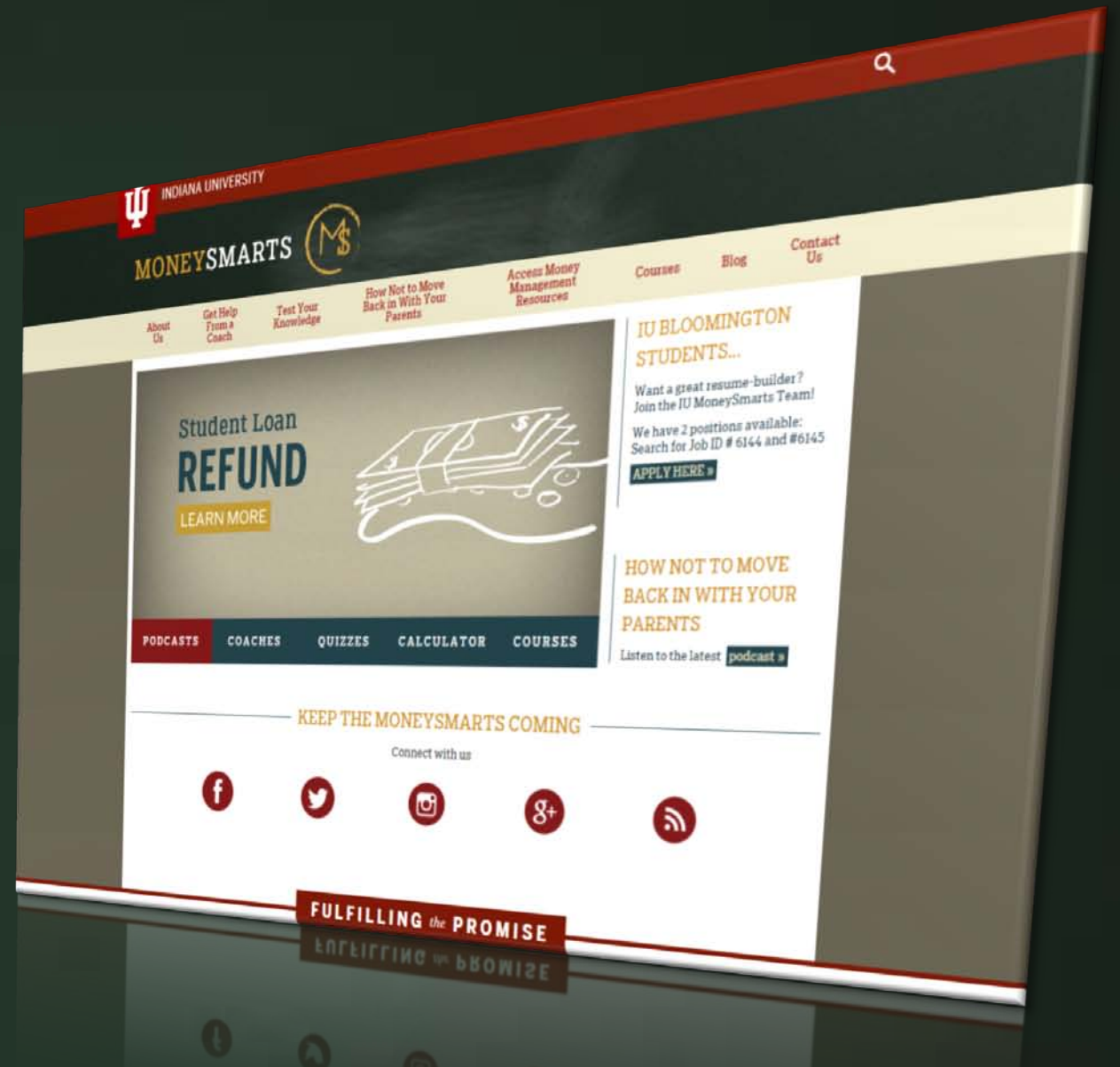
- MoneySmarts website
- “*How Not to Move Back in With Your Parents*” Podcast
- Required Online Financial Module for First-Year Students
- IU MoneySmarts Team Peer Education
- For-Credit Courses



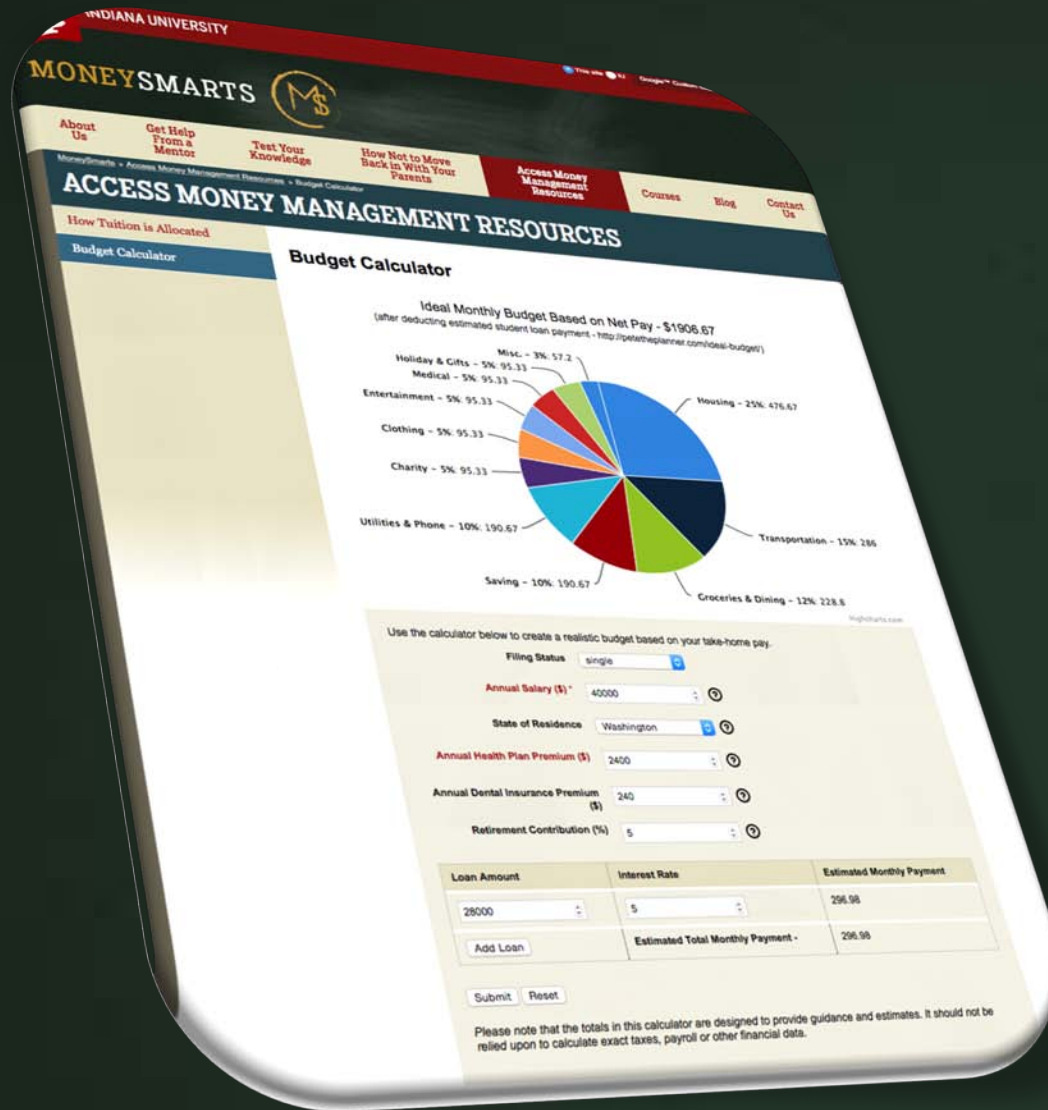
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MoneySmarts.iu.edu

- Portal to all things IU Financial Literacy
- User-Friendly Interface and Navigation
 - Audio and visual components
 - Interactivity: quizzes
- Illustration and Animation
 - Debt Monster and Pig
- Appeal of themes, topic coverage



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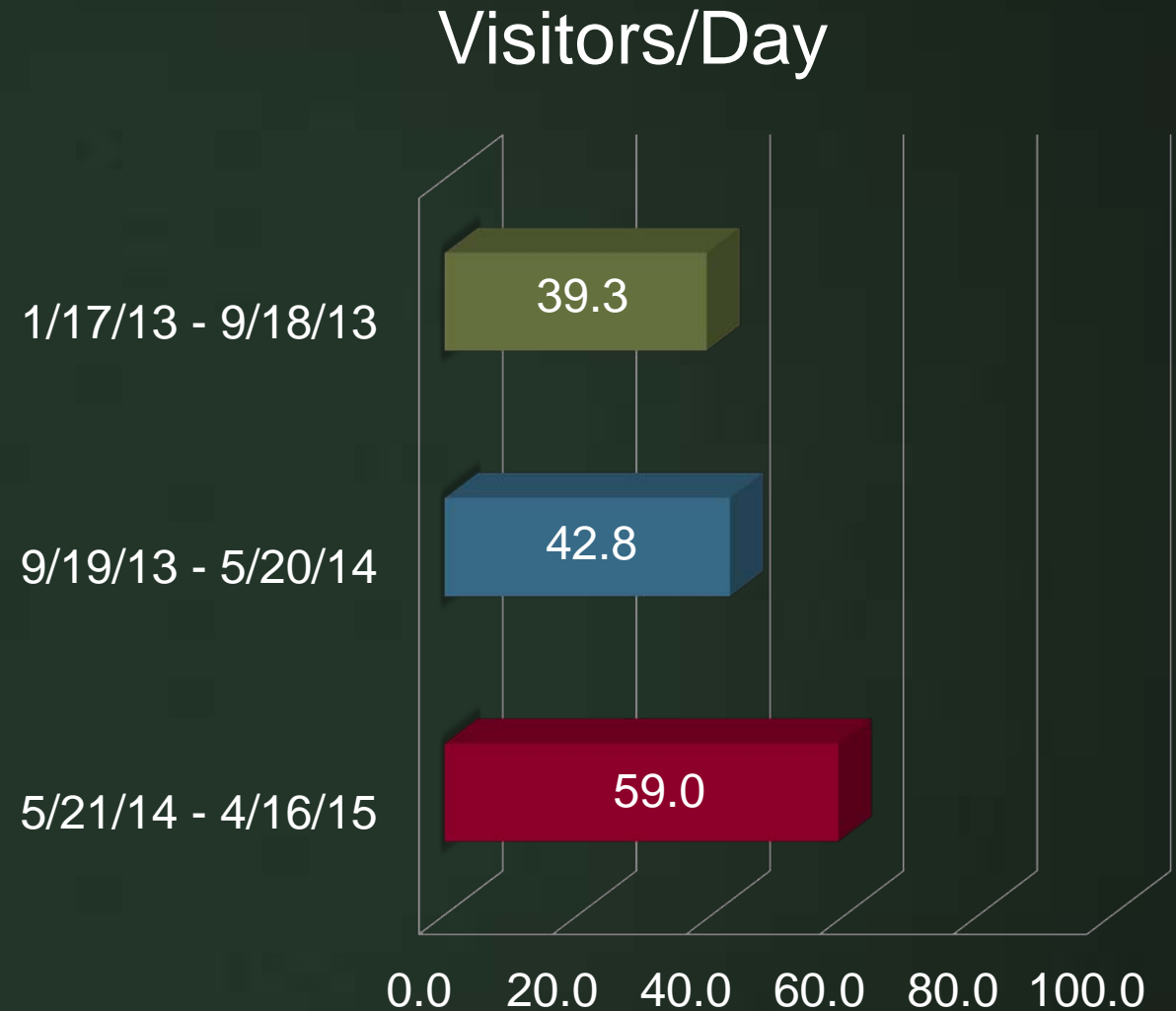
- Designed to 5-10 minute just-in-time interactions
 - Weekly Lessons
 - Quick Quizzes
 - Blogs
 - Podcasts
 - Calculators
- Reaching students with various learning styles
- When they are, where they are



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Website Visitors

- Number of visitors to the site has increased since initial launch
- Indication that marketing is reaching students
- Indication that content is beginning to resonate more with students
- 41,551 visitors to site since launch

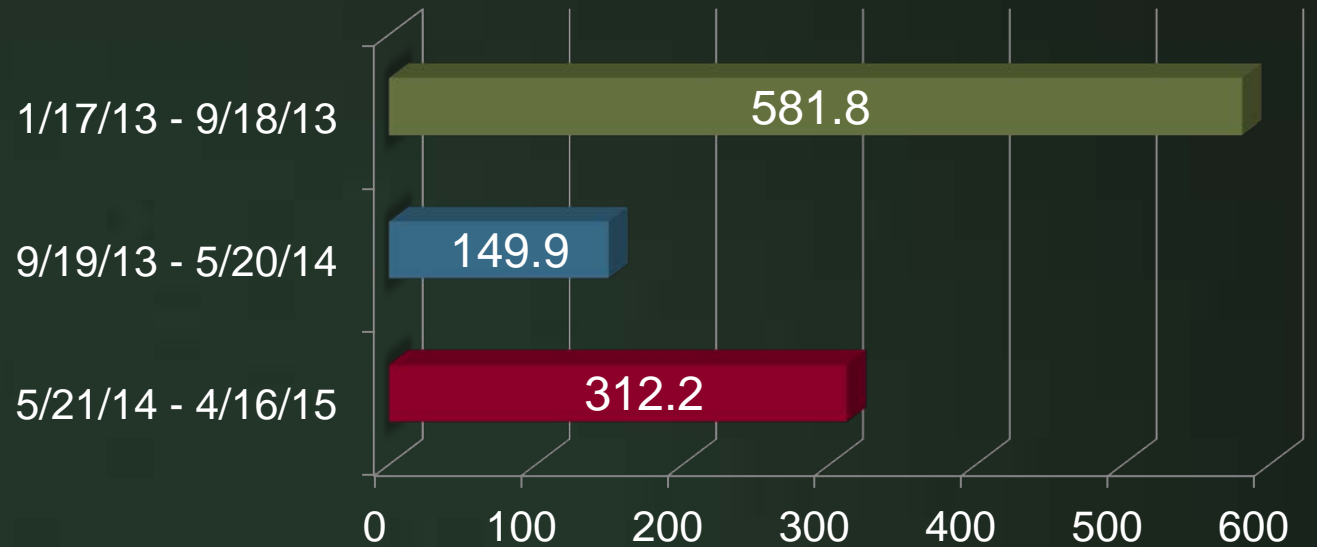


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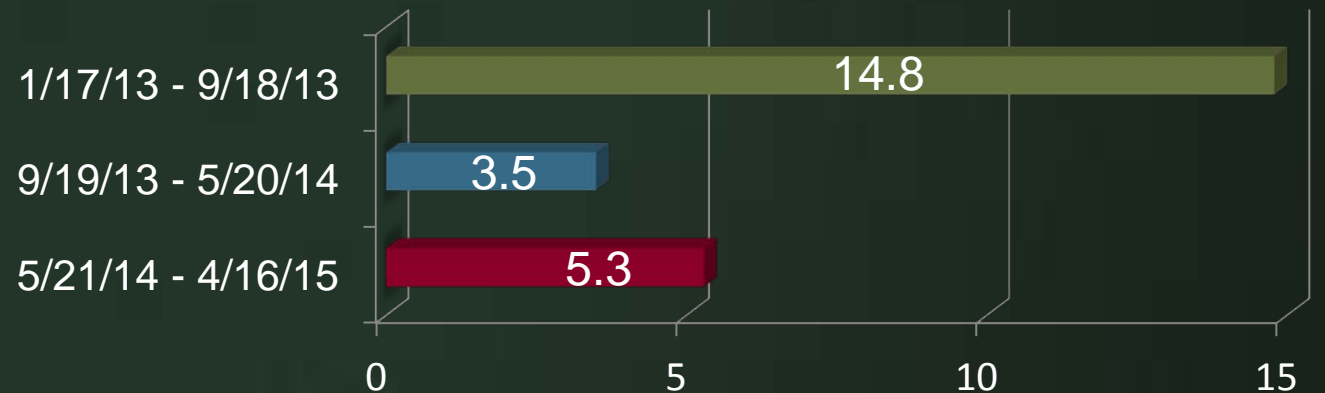
Page Views

- In Iteration 1, focus was on multiple page tests
- Iterations 2 & 3 switched focus to single-page lessons, causing page views to drop
- Increase in average page views from Iteration 2 to 3 shows growth in program
- Students not just clicking on one page and leaving
 - Indication of engagement

Pageviews/Day



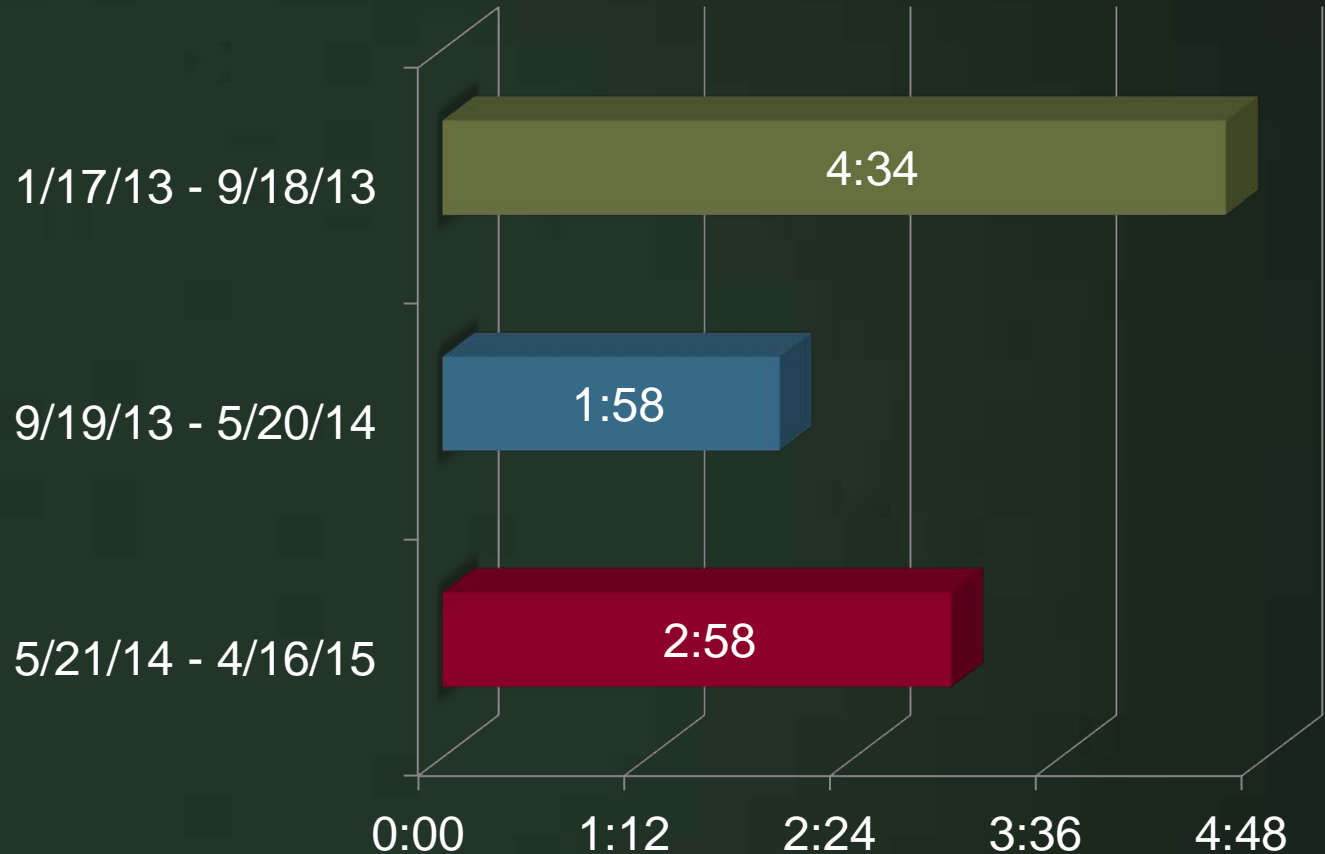
Pages/Session



Average Visit Duration

- Iteration 1's focus on tests drove average visit duration up
- Switch to single-page lessons drove duration visit down
- Trending shows that students are spending more time on site as number of lessons increase
- 2:58 is enough time to explore site and read a lesson or 2

Average Visit Duration



“How Not to Move Back in With Your Parents”



- Weekly Podcast
- Co-hosted by Pete the Planner and IU student Alex Eaton
- Weekly 10 minute installments of relevant financial topics
- Added written component
- 50 episodes archived on website

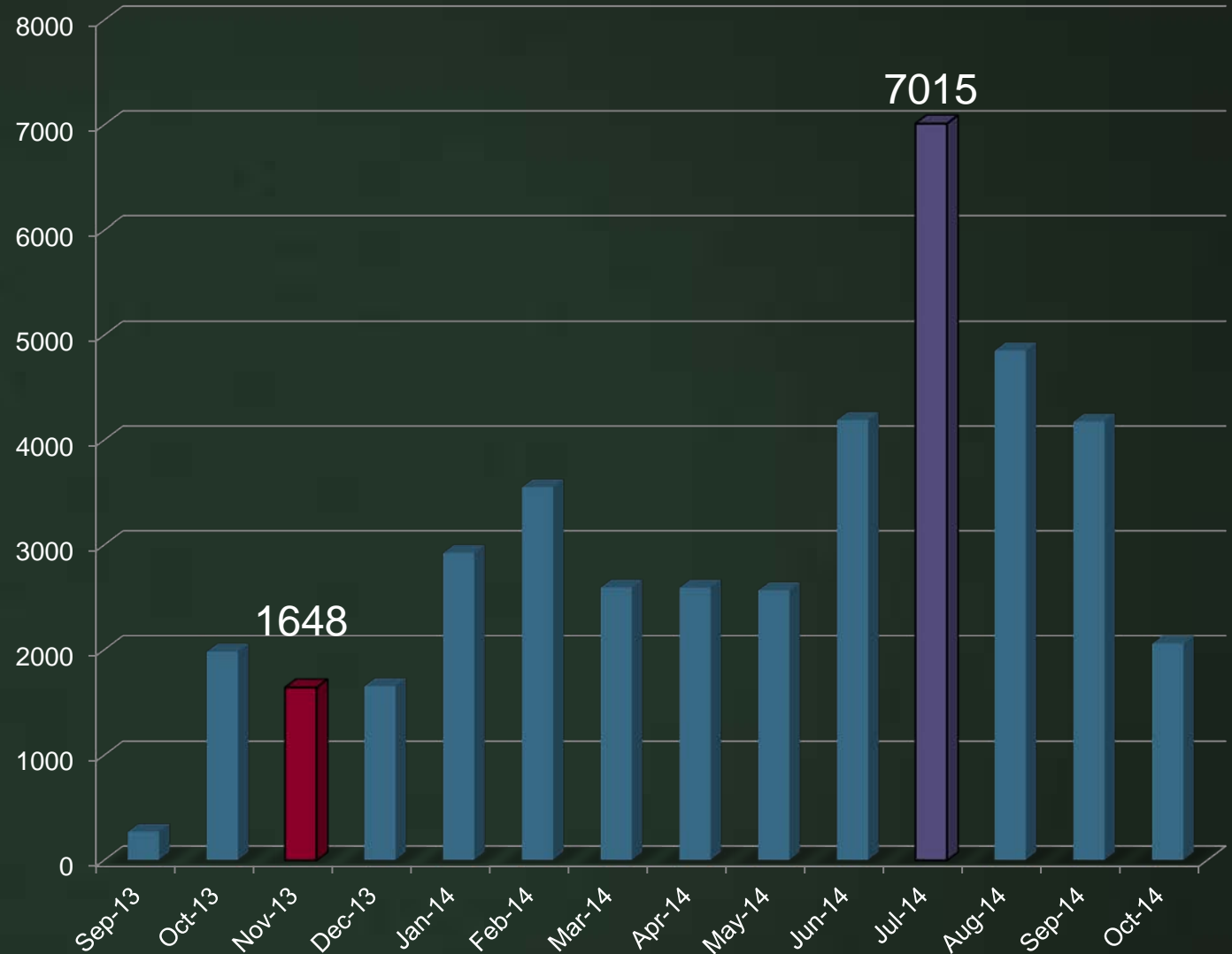


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Play Requests

Podcast Data

- Launched in September 2013
- 42,109 play requests since between 9/13 – 10/14
 - 3,008 requests/month
- Traffic highest during summer, when marketing is heaviest to first-years
- Spike in February 2014 due to contest
- Cost for IU has been \$0.14/play request



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“How Not to Move Back in With Your Parents”



Student Mailbag Episode

- Top Episodes Since September 2013
 - Money Mistakes Your Parents Taught You
 - The Social Cost of College
 - The 5 Biggest Money Mistakes Students Make in College
 - Working While in School
 - Student Loans and the Refund Check
- Top Episodes, October 2014
 - The Cost of Changing Majors
 - The Finances of Studying Abroad
 - The Basics of Investing
 - Money Mistakes Your Parents Taught You
 - Student Mailbag #1: Building Credit



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Required Financial Literacy

- All First-Year students take 60-minute program Transit
- Built into IU's Central Authentication System
 - Part of student's To-Do list
- Implementation and messaging varies by campus
- All messaging indicates required, but no actual consequences if not completed
 - Request from admissions office

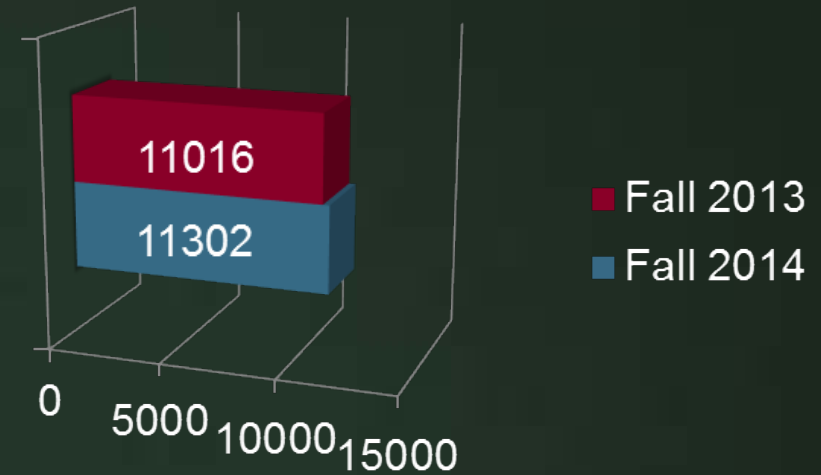


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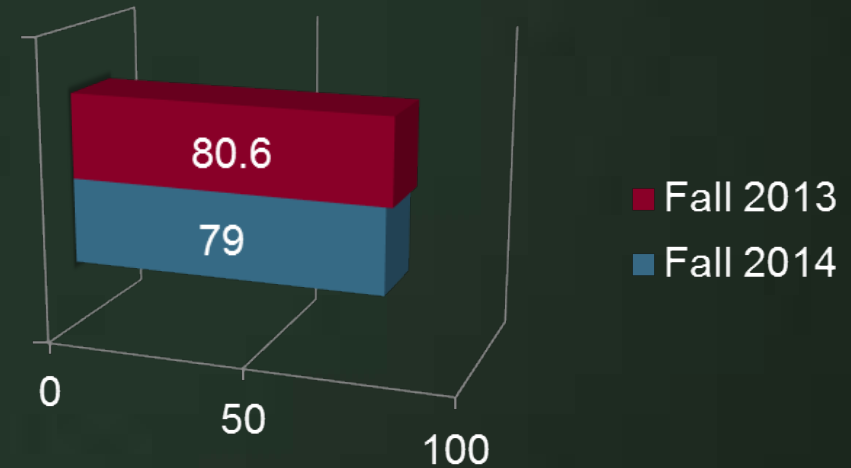
Required Financial Literacy

- Results show consistency in completions
- Evidence that lengthy online financial education can be successful
- Implementation via required before orientation more successful than during FYS
- In Fall 2013, results indicated knowledge gain of ~35%

Total Completes



Completion %



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Peer Education and Technology

- With 7 campuses, difficult to provide in-person peer education to all students given cost ramifications
- Skype and Google+ make it easier to provide peer education to all students
 - Google+ provides the opportunity for town hall formats
- Serves as a benefit to commuter students



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Lessons/Thoughts for the Future

- Simplicity sells
 - Debt Letter
 - Short, just-in-time education
- Subliminal financial education
- 3rd party platforms are nice, but there needs to be a steady stream of context and resources
 - Continual interaction with the materials throughout their college careers
- Numbers are memorable, not terminology



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Questions?



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Contact Us

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