

University Financial Wellness Programs

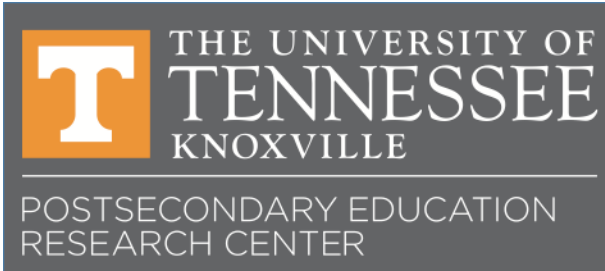
Benchmarking Report for Implementing a
Financial Wellness Program

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POSTSECONDARY EDUCATION
RESEARCH CENTER



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The Postsecondary Education Research Center (PERC) is based in the Department of Educational Leadership and Policy Studies in the College of Education, Health & Human Sciences at the University of Tennessee, Knoxville. The mission of the Postsecondary Education Research Center (PERC) is to identify, conduct, and coordinate research on initiatives and ideas designed to enhance higher education at the institution, state, and national levels to enhance policy and practice.

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Executive Summary

On behalf of the University of Tennessee (UT), Knoxville, Postsecondary Education Research Center (PERC) supported a study to examine the feasibility of implementing a financial wellness program at UT. The report was initially requested by staff at the Center for Health Education & Wellness (CHEW). CHEW Graduate Assistant Mary-Kate Hovanic reviewed financial wellness programs at 39 peer and aspirational institutions. This report includes the benchmarking analysis and includes recommendations for implementing financial wellness education at UT

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Overview

For many students, college is associated with new challenges and transitions, often leading to stress and anxiety (Wang & Xiao, 2009). Many students enter college and become responsible for handling their personal finances but possess little understanding of how to manage their money (Choi, Gudmunson, Griesodorn, & Hong, 2016). Research shows that 58% of college students do not use a budget, and nearly two-thirds (64.7%) believe their spending habits are problematic and inconsistent with their values (Britt et al., 2012; Palmer, Bliss, Goetz, & Moorman, 2010). These financial stressors contribute to the mental health crisis on campus (Archuelta, Dale, & Spann, 2013; Britt et al., 2012). College students need support and guidance to help them take control of their finances and live healthier lives (Britt et al., 2012).

At an individual level, financial anxiety has been reported as the second highest stressor of college students behind academics (Choi et al., 2016). This financial stress can lead to lower academic performance because students who face financial hardships often must work more hours at jobs and have less time and energy to devote to their academic pursuits (Goetz, Cude, Nielsen, Swarn, & Mimura, 2011). At the institutional level, financial stress is linked to student retention and persistence. A major reason students leave before they finish their degree is related to individual financial needs or hardships (Britt et al., 2012; Choi et al., 2016). Even if students persist through college, they may face difficulty obtaining a job after graduation because of poor monetary management; employers frequently check applicants' credit scores and look for candidates who have knowledge of personal finance (Goetz et al., 2011).

Institutions are often tasked with maintaining or improving high retention and graduation rates, and UT is no exception. With financial wellness emerging as a key component of student wellness (which in turn, impacts academic success) and student retention, it is critical that institutions provide opportunities for students to receive financial wellness education. To encourage and support students in maintaining good financial wellness, institutions should partner with their students and teach them how to maintain their financial health. Educational programs could address student concerns by including information on budgeting, savings, credit card management, and cash flow

management (Choi et al., 2016). Educational workshops coupled with online resources and individual financial counseling would have the greatest impact on student financial literacy (Goetz et al., 2011). Financial wellness education promotes better overall health and could have a lifelong positive impact on students receiving financial aid (Wang & Xiao, 2009). Financial counseling has been shown to reduce financial related stress immediately and helped students to maintain a healthier level of stress up to two months after (Choi et al., 2016; Britt et al., 2012). This report provides the results of a benchmarking study to consider the key components of a financial wellness education.

Methods

In December 2017, Center for Health Education & Wellness (CHEW) staff reviewed websites from 39 institutions including the U.S. News Rankings for the Top 25 Public Research Institutions, UT's comparable and aspirational institutions, and institutions with well-known, comprehensive financial wellness programs. Each institution was evaluated based on the following criteria:

1. Student Population;
2. Financial wellness addressed,
3. Term used to describe efforts (financial wellness or financial literacy);
4. Office housing the program;
5. Who staffed the program,
6. Collaborators on campus;
7. Program topics; and
8. Scope and delivery of the program.

A complete list of all 39 institutions and institutional data appears in Appendix A. After reviewing each institution, seven of the most comprehensive programs from both peer and aspirant institutions were further outlined and explored. These findings appear in Appendix B.

Program Findings

After a thorough review and exploration of financial wellness at 39 institutions and exploring seven comprehensive financial wellness programs, CHEW was able to identify best practices for financial wellness education. The benchmarking results coupled with a literature review allowed CHEW to create a plan to address financial wellness. The following proposal outlines a multifaceted approach to providing financial wellness education that would best serve the UT community.

Proposed Financial Wellness Portfolio

Financial wellness is emerging as a key dimension of wellness as studies have established a link between financial security and happiness and overall well-being (Gutter & Copur, 2011). Negative financial behaviors have both short- and long-term effects on psychological health, sense of well-being, and other aspects of an individual's life (Brown & Applegate, 2012). CHEW proposes a plan to increase students' knowledge of financial literacy and improve financial wellness through the introduction of programs, toolkits, and online resources for students.

Many of UT's peer and aspirant institutions use the combined efforts of peer educators, workshops on financial topics, and online resources to educate students on financial wellness. CHEW would be an ideal fit to implement a financial wellness curriculum as the office already possesses the resources, with its VOLS 2 VOLS Peer Health Education Program and staff well versed in developing and executing health promotion initiatives.

Financial Wellness Programs

(Delivered by CHEW staff or peer health educators)

First Year Studies Program	Upperclassman Program
<p>Financial Literacy</p> <ul style="list-style-type: none"> Defining key personal finance terms. <p>Savings</p> <ul style="list-style-type: none"> The importance of saving while in college How to save for specific goals Emergency funds <p>Debt Repayment</p> <ul style="list-style-type: none"> Strategies for paying down debt Debt Avalanche vs. Debt Snowball method <p>Lifestyle and Budgeting</p> <ul style="list-style-type: none"> How to live within your means, budget, and still enjoy college <p>On/Off Campus Resources</p>	<p>Managing Expectations</p> <ul style="list-style-type: none"> The relationship between personal finances and economic status Developing realistic expectations for economic status <p>Credit</p> <ul style="list-style-type: none"> Defining credit scores How to use credit effectively <p>Loans</p> <ul style="list-style-type: none"> Understanding loans and strategies to pay loans off <p>Large Expenses</p> <ul style="list-style-type: none"> The importance of saving and emergency funds Preparing and planning for big purchases <p>Navigating Finances with a Partner</p> <p>On/Off Campus Resources</p>

Financial Wellness Toolkits

(Delivered by the individual requesting the toolkit)

Budget Toolkit	Savings Toolkit
<p>Budgeting Using the 50/30/20 Rule</p> <ul style="list-style-type: none"> Defining the 50/30/20 rule and how to apply it <p>Budget and Lifestyle</p> <ul style="list-style-type: none"> How to balance budgeting with the desired lifestyle Defining lifestyle inflation <p>Types of Budgets</p> <ul style="list-style-type: none"> Describing several budgeting strategies 	<p>Financial Goal Setting</p> <ul style="list-style-type: none"> Understanding what personal goals might require saving for <p>Emergency Funds</p> <ul style="list-style-type: none"> Defining emergency fund Strategies for establishing and building an emergency fund <p>Budgeting and Investing Basics</p> <p>On/Off Campus Resources</p>

Financial Wellness Online at UT

wellness.utk.edu

Definition of financial wellness

Links to request a program or request a toolkit

How to identify your expenses and sources of income

Provide information on understanding your finances

- Budgeting
- Managing debt
- Student loans and credit cards
- Campus Resources
- Off-campus and online resources
- Financial literacy glossary

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Appendix A

Review of Institutions

Peer Category	University	Term(s) Used	Department Housing Program	Staffing Number	Campus Collaborations	Topics Covered
Aspirational	Michigan State University	Wellness	Student Health Center			Money Management
Aspirational Top 25	Purdue University	Well-Being	Division of Financial Aid		Center for Career Opportunities, Alumni Office, Human Resources	Investments, Credits, Loans, Personal Finances
Aspirational Top 25	University of Florida	Literacy	Office for Student Financial Affairs	6		What is financial literacy? Why it is important? Identity Theft Prevention, Loans
Aspirational Top 25	University of Georgia	Counseling	Financial Planning, Housing and Consumer Economics (Academic Department)		Office of Student Financial Aid	Budgeting, Credit, Loans, Savings, Investments
Aspirational Top 25	University of Minnesota	Wellness	One Stop Student Services		Financial Aid	Banking Basics, Budgeting and Spending, Credit Identity Theft, Loans
Aspirational Top 25	University of Wisconsin, Madison	Wellness	Financial Aid		Partnered with SALT, a nonprofit	Money Management Advice, Budgeting, Loans, Scholarships, Credit, Banking, Access to Jobs/Internships
Comparable	Auburn University	Wellness	Health Promotion and Wellness Services			Financial Wellness Definition
Comparable	Iowa State University	Literacy	Student Loan Education Office			Budgeting, Spending, Credit, Loans, Debt, Basic Personal Finance
Comparable	Louisiana State University	Literacy	Student Financial Management Center	1		Credit, Debt, Money Management, Identity Theft, Savings, Salary Negotiations
Comparable	North Carolina State University	Wellness	Dollars and Sense at NC State		Counseling Center, Feed the Pack (Food Pantry), Office of Scholarships and Financial Aid	Money Management, Budgeting, Loans, Scholarships
Comparable	University of Alabama	Literacy	Student Account Services			Money Management, Budgeting, Loans, Scholarships
Comparable	University of Kentucky	Wellness	Student Financial Wellness Center			Goals, Budgeting, Savings, Loans, Grad School

Comparable	University of Missouri	Literacy	Office for Financial Success	Student Volunteers	Personal Financial Planning Department	Loans, Budgeting, Savings, Goals, Credit, Investing, Debt, Tax Planning, Employee Benefits, Insurance, Retirement
Comparable	University of Nebraska	Literacy	Student Money Management Center	2		Budgeting, Goals, Credit, Organization, Saving, Debt, Investing, Loans, Employee Benefits, Major Purchases, Information for Parents Online
Comparable	University of South Carolina	Literacy	Student Success Center			Budgeting, Credit, Bills, Loans, Identity Theft, Financing College, Salary Negotiations, Financing Study Abroad, Buying a Car, Getting a Job
Comparable	Virginia Tech	Wellness	Hokie Wellness		Human Resources, Division of Student Affairs	Budgeting, Retirement Planning, Homeownership, Credit, Cash Management
Comparable Top 25	Clemson University	Literacy	Financial Aid			Loans, Credit, Debt Management, Budgeting, Saving
Top 25	College of William and Mary	Wellness & Literacy	Financial Aid			Debt, Budgeting, Credit
Top 25	Georgia Institute of Technology	Wellness	Human Resources			Loans, Estate Planning, LGBTQIA Financial Planning, Banking
Top 25	The Ohio State University	Wellness	Wellness Center	1 FT 40 Peer Educators		Personal Finance, Financing Your Education, Planning for Your Future
Top 25	Pennsylvania State University	Wellness & Literacy	Financial Literacy Center	6		Budgeting, Student Loans, Managing, Debt, Saving, Investing
Top 25	Rutgers	Literacy	Office of Financial Aid			Buying a Car, Moving Out, Budgeting
Top 25	Texas A&M University	Wellness	Human Resources and Organizational Effectiveness			Managing Debt, Traditional vs. Roth Contributions, Retire Right
Top 25	UC Berkeley	Wellness	Financial Aid	1		Budgeting, Managing Debt, Savings, Credit, Identity Theft
Top 25	UC Davis	Wellness	Student Health & Counseling Services			Managing Spending, Financial Aid

Top 25	UC Los Angeles	Wellness	UCLA Financial Wellness Program	1	Financial Aid, University Credit Union, Volunteer Income Tax Assistance, Student Legal Services, Economic Crisis Response Team, Student Loan Services	Budgeting, Credit, Apartment, Searching, Loans, Socializing on a Shoestring, Investing, Debt
Top 25	UC San Diego	Wellness & Literacy	Financial Aid			Budgeting, Planning, Stress, Credit, Loans, Identity Theft, Savings
Top 25	UC Santa Barbara	Literacy	Division of Student Affairs		Office of Financial Aid, Alumni Association	Alumni in the financial industry share their tips for financial success including, budgeting investing, and credit
Top 25	University of North Carolina, Chapel Hill	Wellness & Literacy	Dean of Students			Budgeting, Negotiating Salary, Investments, Retirement, Funding Graduate School, Credit, Homeownership, Tax Assistance, Saving
Top 25	University of Connecticut	Literacy	Office of Student Financial Aid		Career Development Center	Cost of Living, Budgeting, Student Loans
Top 25	University of Illinois, Urbana-Champaign	Wellness	Extension	2 (Co-Assignment)		Managing and Organizing Expenses, Building Credit History, Paying Down Debt, Understanding Loans
Top 25	University of Maryland, College Park	Wellness	Wellness Center		Office of Student Financial Aid, Campus Pantry, Student Crisis Fund	Financial Wellness Definition
Top 25	University of Michigan	Wellness	Human Resources		Office of Financial Aid, TIAA, Fidelity Investment, Michigan Credit Union	Budgeting, Credit, Debt, Retirement, Social Security, Investing, Savings
Top 25	University of Pittsburgh	Literacy	Office of Financial Aid			Loans, Budgeting, Learning Terms
Top 25	University of Texas, Austin	Literacy	Office of Financial Aid			Budgeting, Loans, Investing, Employee Benefits
Top 25	University of Virginia	Wellness	Student Financial Services			FAFSA
Top 25	University of Washington	Literacy	Website			What is financial literacy? Why it is

					important?
Well Known	Indiana University, Bloomington	Literacy	Office of Financial Literacy	5	Budgeting, Saving, Credit, Debt, Identity Theft, Loans, Getting a Job
Well Known	Western Carolina University	Literacy	Financial Aid	1	Budgeting, Credit, Loans, Savings

Appendix B

Financial Wellness at Peer and Aspirant Institutions

University of Georgia

- Peer educators
 - Facilitate workshops
- 7 Workshops
 - Making it on a College Budget, Staying on Good Terms: Credit & Debt Management, Staying on Top: Credit Reports, Savings & Investments, Identity Theft, and Get a Head Start: Leasing an Apartment
 - Online resources provided during workshops

University of Kentucky

- Peer coaching
 - Provide one-on-one student education, facilitate workshops, assist in developing workshops
- 3 Workshops
 - Money on My Mind: Budgeting, Goals, Savings, Loans, After College: Budgeting, Employment, Graduate School, Student Loans, and Money Habitudes: Identifying your Relationship with Money
- [Resource map](#)
 - Identifies where financial services can be found on campus
- [iGrad](#)
 - Online module that improves money management, career, and student loan knowledge & skills

University of Missouri

- Peer educators
 - Facilitate workshops
- Workshops
 - Tailored for the requester to address one or more financial wellness topic such as student loans, debt management, credit building, and saving plans
- Peer coaching
 - Provide one-on-one student education

Ohio State

- Peer coaching
 - Provide one-on-one student education
- 3 Workshops
 - Personal Finance 101: Budgeting, Banking, & Credit Cards, Financing Your Education: Cost of College & Loans, and Planning for the Future: Salary, Benefits, Budgeting, Retirement & Savings
- [Resources webpage](#)
 - Links to financial management tools, student loan resources, and career development resources
- [iGrad](#)

- Online module that improves money management, career, and student loan knowledge & skills

UC Los Angeles

- Peer educators
 - Facilitate workshops, plan events, and collaborate on initiatives
- Peer coaching
 - One-on-one student education
- 10 Workshops
 - Undergraduates on a Bruin Budget, Graduate School on a Bruin Budget, Caring About Your Credit, Apartment Hunting Made Easy, Conquering Loan Fear One Step at a Time, Graduation on a Budget, Socialize on a Shoestring, Investing Basics, Overcoming our Debt, and Want to Learn How to Buy a Car

University of Illinois--Urbana-Champaign

- Peer educators
 - Facilitate workshops
- Peer coaching
 - One-on-one student education
- 6 Workshops
 - Budgeting 101, Staying on Good Terms: Credit & Debit, Secrets of Credit Reports Unveiled, Making the Most of Job Benefits, Money Habitudes: Discover Your Money Personality, and Where Does My Money Go?
- Resources webpage
 - Links to on and off campus resources and financial management tools

University of Minnesota, Twin Cities

- Financial wellness
 - Counseling with full-time professional staff
- Workshops
 - Tailored for the requester to address one or more financial wellness topic such as budgeting, spending, banking basics, credit, loans, debt management, and identity theft
- Online Worksheets
 - Informational handouts available for downloaded on credit, banking basics, identity theft, budgeting and spending, and loan repayments

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