
Inceptia Releases Results of 2012 Financial Education Survey

A national survey of colleges and universities shows that while they strive to place more emphasis on financial education for students, institutions lack much-needed funding and resources to provide it.

In a survey of nearly 200 U.S. educational institutions conducted by industry expert Inceptia, more than 60 percent of schools currently offering financial education reported that their programs are less than comprehensive and in need of more support.

Nearly half of the institutions with financial education programs on campus receive no funding to support their activities; 31 percent operate with an annual budget of \$5,000 or less.

“While schools are doing the best they can, more financial education in multiple forms is needed to reverse the skyrocketing rise of student loan debt,” said Kate Trombitas, vice president of financial education at Inceptia. According to the Federal Reserve Bank of New York, the outstanding student loan balance is about \$870 billion.

Survey Highlights

Participants in the Inceptia 2012 Financial Education Survey responded to an invitation to complete an online survey regarding the type of financial education programming being conducted on their campus. Respondents included colleges, universities and vocational/technical institutions nationwide. Highlights include:

Prevalence of financial education

- Despite the pervasiveness of difficult budget situations throughout the higher education industry, institutions are investing in

infrastructure and training to support the delivery of sound financial education to students.

- Inceptia's research discovered that 65 percent of survey respondents currently have a financial education program of some type on their campus. Additionally, of those who indicated that their school does not currently offer a program, 43 percent believe that their institution will definitely or probably start a financial education program within the next 12 months.

Funding sources

- Slightly under half (47 percent) of the institutions that currently have financial education programs in place report that they receive no funding to support their activities. Educators on these campuses often dedicate hours of their own time to increasing student financial capability.
- Of the schools that report some source or combination of funding sources to support their financial education activities, a full 31 percent are operating their programs with a budget of \$5,000 or less. Often these institutions choose to employ online financial education, group education or more passive forms of education delivery where they can reach more students with fewer dollars.

Partnership for success

- The data collected in the Inceptia survey paints a clear picture of campus-wide collaboration as a key to overall program success. Partnerships may be as involved as dedicating staff time to the delivery of financial education, providing space for one-on-one financial counseling to occur or offering funding for online financial education; or they may include help with

external activities, including assisting with the promotion of programming, helping to recruit student peer educators or providing student referrals to services.

- The financial aid office is the most often cited (75 percent) source of involvement with financial education activities. However, 13 other offices and organizations were named as key partners by the nearly 200 respondents.

Education delivery methods

- Three methods of delivery for financial education messaging on campus were explored. The first two involved non-academically supported programs and services, in both passive and active forms of delivery. The third involved academically supported programs and services, such as a for-credit personal finance course.
- Of schools with financial education programs in place, 79 percent report that they employ at least one type of non-academically supported passive method to deliver financial education messaging. A passive delivery method is anything that does not include in-person education, such as a stand-alone personal finance website. Passive delivery methods are designed to provide general answers to basic money management questions, are often more cost-effective than active delivery methods and allow the schools to achieve a large reach with minimal or no budget dollars.

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Inceptia's online program

"In a time when need is great but dollars are scarce, it's important to be able to turn to trusted resources in the industry to enhance the good work already being done," Trombitas said. "At Inceptia, we believe all students should be given tools and resources to become financially responsible graduates."

Inceptia has developed comprehensive financial education tools grounded in the core competencies set forth by the U.S. Department of the Treasury Financial Literacy and Education Commission.

For more information on Inceptia's online financial education program, self-paced personal financial certification for faculty and staff, and in-person financial education seminars, visit www.inceptia.org/success/financial-education/.

About Inceptia

Inceptia is dedicated to providing much-needed support to help schools effectively fulfill their new roles and responsibilities. Through comprehensive data analysis, financial education, default prevention and financial aid management, we are confident we can help all students, not just borrowers, become financially responsible adults. We are here to make it possible for more schools to launch brilliant futures. More information at Inceptia.org.