

White Paper



# Leveraging Our Greatest Resource: Students

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## Executive Summary

Financial Education is a growing and necessary trend on America's college campuses. Schools are turning to peer educators to increase the financial literacy of their students. It's been found that peer educator programs provide a cost-effective way to disseminate sound money management information to college students during a time when their financial success depends on it.

Unfortunately, many colleges and universities are unable to move forward with creating new programs during a time of budget constraints. Money is tight and schools are finding it difficult to maintain existing programs, let alone initiate new ones.

Balancing a new peer educator program with budgetary shortfalls is tricky but certainly not impossible. This is no time to reinvent the wheel. Do the following:

- Start with an existing program, if you have one
- Utilize free and inexpensive resources at campuses and organizations
- Establish straightforward and realistic goals
- Use student input to establish a successful and affordable program
- Track the impact of your program

Make use of the information and resources discussed in this white paper and at [Inceptia.org](http://Inceptia.org) to develop or enhance a peer education program on your campus.

## Leveraging Our Greatest Resource: Students

It becomes more apparent every day that fostering the financial capability of college students is a critical component of overall student success. Financial education is a growing trend on America's college campuses and all types of institutions—from large public four-year schools to small, private colleges and community colleges—are turning to peer educators to increase the financial capability of their students. Peer educator programs provide a cost-effective way to disseminate sound money management information to college students during a time when financial capability is more important than ever to student success.

Research in recent years has built a solid case for the need for financial education and counseling for college students (Chen & Volpe, 1998; Jump\$tart, 2008; Mandell, 2002; Manning, 2000), and many institutions are responding to this need. In fact, a recent study conducted by Inceptia found that 65 percent of the colleges and universities that responded already had a financial education initiative in place; many (43 percent) of the campuses that did not have a program had plans to start one in the next 12 months (Inceptia, 2012).

While the need for financial education on campus is clear, many colleges and universities are unable to move forward with creating new programs during a time when budget constraints are making it difficult to maintain existing programs, let alone create new ones. Low-cost solutions for serving students are more important than ever and peer education may be the key to providing cost-effective and credible financial education.

## Benefits of Peer Education on Campus

The use of peer educators on college campuses dates back to the early 1900s when students first began serving as resident assistants in campus residence halls. Since then, peer educators have been used to deliver health education, provide tutoring, assist in advising and in countless other roles around campus. In these varying positions, peer educators have been found to bring energy, excitement and freshness to a variety of important student-lifestyle topics on campus (Ender & Newton, 2001). Additionally, Social Learning Theory dictates that individuals tend to learn best from models they view as similar to themselves, so it is no surprise that dozens of universities around the country are looking to peer educators to deliver personal finance messaging.

In addition to the benefits of a cost-effective delivery method and role modeling (Social Learning Theory), there is also a positive impact on the students serving as peer educators. The chart below provides a look at the benefits of using peer educators, both for the students served (clients) and for the peer educators themselves:

Benefits for Peer Clients	Benefits for Peer Educators
Students may learn best from models they see as similar to themselves (Social Learning Theory).	Derives a heightened sense of leadership, increased knowledge of the topic and positive behavior change (Badura, Millard, Peluso & Ortman, 2000; Klein, Sondag & Drolet, 1994).
Use of peer educators may improve the likelihood of students receiving intended message (Fabiano, 1994; Sloane & Zimmer, 1993).	Provides an enhanced learning and developmental experience (Experiential Learning Theory, Kolb, 1984).
Working with individuals who may be experiencing similar challenges and can speak from experience/ relate to peer clients in a way that a professional educator could not may be beneficial.	Builds skills needed for a smooth transition to the professional world, including increased marketability (Goetz, Tombs & Hampton, 2005).

## Peer Financial Education on Your Campus

Several models for peer financial education exist, but not all techniques are appropriate for every campus. When starting a new peer financial education program, there are a number of questions to answer including, but not limited to: Where should the program be housed? What offices should be involved in creating the program? How will the training of the peer educators be conducted? Who will serve as the peer educators and how will they be recruited? How can the effectiveness of the program be evaluated? How will the program be financially supported?

The answers to these questions will help guide the development of a new program or the enhancement of an existing program. You know your campus and your budget best and what your students and colleagues will respond to and support. Use the tips on the next pages to build or enhance a peer financial education program on your campus.

## Make Financial Education a Campus-wide Initiative

Institutions with successful and sustainable peer financial education programs in place often have something else in common – a multidisciplinary success team or advisory group that supports and informs their work. A success team should be comprised of individuals from across campus who are passionate about student financial success and willing to contribute their expertise to moving your efforts forward. The chart below outlines a sample of possible success team members.

Team Member	Possible Support Role
<b>Business School Faculty Member</b>	Assist with recruiting peer educators, training peer educators or simply advertising the service in their classroom.
<b>Counseling/Mental Health Professional</b>	Refer students who are experiencing stressful financial situations; share trends related to student stress to inform service offerings.
<b>Financial Aid Professional</b>	Refer students who are experiencing stressful financial situations; share trends related to student indebtedness to inform service offerings; promote services to students they serve.
<b>Admissions and Orientation Professionals</b>	Promote your program; identify changing needs of incoming students; assist with recruiting peer educators.
<b>Student Affairs Professional</b>	Assist with recruiting peer educators; promote services to students they work with or employ; assist with programming needs.
<b>Institutional Research Professionals</b>	Assist with evaluating programs and services.
<b>Campus Legal Professionals</b>	Assist with creating consent forms to use before one-on-one education sessions.
<b>Students</b>	Share trends; assist with word of mouth promotion and recruitment; provide insight into how your program can be most effective.

Creating a multidisciplinary team that garners ownership throughout your campus is the foundation of an effective and viable peer financial education program. Your program will benefit for years to come from the insight of individuals who see financial wellness as a critical component of student success.

## Listen to Your Students

Not sure where to house your program, who to tap as counselors, or how they should be compensated? There are numerous different models to investigate around the country and a multitude of ways to address these questions. Again, the institutions that have found synergistic answers to these questions also had something else in common – they asked their students what they thought.

Too often we create well-meaning programs and services without the input of our clients: our students. But this is not the Field of Dreams; you cannot build a peer financial education program and just expect students to show up and utilize services or attend a group workshop. So what can you do to build a program that is more likely to be successful? Consider hosting student focus groups or creating a student advisory board to guide your work. Ask your students what they think. You may be surprised at what they come up with in the absence of knowledge about campus politics or budget constraints.

For example, you may learn that peer educators need not be paid as long as you can provide them with internship or independent study credit hours for their service. Or, you may discover that graduate student peer educators would be better received on your campus than undergraduate peer educators. Finally, you may unearth a new funding source by engaging students who are involved in on-campus student organizations. Undergraduate student governments are just one example of a group that often has dollars to contribute to programs and services that will benefit the entire student body.

Never underestimate the insight that can be gained through thoughtful interactions with your students.

## No Need to Reinvent the Wheel

Starting a new program can be daunting, but it doesn't need to be done in a vacuum. A number of free and inexpensive resources already exist at campuses and organizations that are working to improve the impact of peer financial education on college campuses. Check out the following sample resources to support your program:

Goal	Resource
<b>Train Peer Educators</b>	Inceptia's Personal Financial Management Certification program ( <a href="http://www.inceptiaCPFM.org">www.inceptiaCPFM.org</a> )
<b>Create a program evaluation plan</b>	Book: Student Financial Literacy: Campus-Based Program Development (May, 2012) Springer: Durband and Britt

## Evaluate Your Program

Finally, make sure you are constantly tracking the impact of the program you worked so hard to create. Gathering data about who you are serving, how they feel about the service and what they've learned will go a long way when convincing decision makers of the importance of your program, justifying new budget line items, making upgrades to your service and providing feedback to your peer educators.

If you are not comfortable with the field of assessment, consider the following steps. First, determine the goals and learning outcomes of your program. For example, you may be interested in determining the benefits gained by serving as a peer counselor, improving retention or graduation rates of a specific cohort of students or decreasing student loan indebtedness. Armed with your straightforward and realistic goals in mind, seek out partners on your campus who are able and willing to help you develop simple satisfaction surveys or counselor evaluations to use in one-on-one settings or pre- and post-assessments to use during group workshops. Leverage the campus expertise at your fingertips to continue to improve your program.

## Conclusion

Peer financial education is a growing trend for several very good reasons: it offers a peer model for learning, provides a learning experience for the educator and is cost-effective. Utilize the information and resources discussed in this white paper and the resources at [Inceptia.org](http://Inceptia.org) to develop or enhance a peer education program on your campus.

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## About Inceptia

Inceptia, a division of National Student Loan Program, was established in spring 2012 to address the changes in government funding and administration of federal student aid programs. Inceptia will help schools, students and borrowers by providing financial education to our youth, working with schools toward the goal of 100 percent repayment by borrowers and focusing on addressing schools' need for better financial aid management and financial education services. Inceptia provides tools and resources to help schools and their students—not just borrowers—become financially responsible adults. More information at [Inceptia.org](http://Inceptia.org).

## About the Author

Kate Trombitas, Inceptia's vice president of financial education previously served as the associate director of The Ohio State University Student Wellness Center, where she founded Scarlet & Gray Financial, a peer-to-peer financial education program. Her expert financial advice for college students was recently featured in the 9th edition of Gardner, Jewler, and Barefoot's *Your College Experience: Strategies for Success*.

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## The Inception Of A Movement.

For more than 25 years, as the not-for-profit loan guarantor National Student Loan Program (NSLP), we provided guidance to both schools and students. We made great strides in default aversion, compliance and financial education, working directly with students on their quest to fulfill their educational dreams and uphold their commitment to repay their student loans.

As the student loan landscape changed, we changed. We created Inceptia, a new brand and movement poised to become a school's crucial support system. Our goal is to continue providing guidance to schools and, ultimately, helping students become financially responsible adults. Through carefully planned tools, resources and practices, we can work with schools to establish new processes that focus on students' needs and deliver extensive support.

Ultimately, we want to assist schools as they help all of their students—not just borrowers—become financially responsible adults.

- Inceptia offers schools an in-depth **Financial Aptitude Analysis** to determine the financial health of students and faculty.
- For students, Inceptia then develops a customized program which includes **Online Financial Education** and **Financial Education Seminars** that help them become financially responsible adults.
- For higher education professionals, Inceptia offers a **Personal Financial Management Certification** that helps professionals effectively guide others on personal financial matters.

