Federal Reserve Bank of Boston

Promoting Pathways to Financial Stability

A Resource Handbook on Building Financial Capabilities
of Community College Students

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Features

- Making the case for adopting a financial capability strategy
- Eight case studies on various efforts implemented at community colleges around the country
- Insights from community college students enrolled in personal finance courses
- A snapshot of financial capability efforts of New England-based community colleges

Acknowledgements

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A Message from Senior Vice President Richard Walker and Assistant Vice President and Director of the Financial Capabilities Group Sol Carbonell

We at the Federal Reserve Bank of Boston are strongly committed to promoting the financial stability of households across New England's low- to moderate-income communities. One way of achieving this goal is to work with other institutions and practitioners in a collaborative effort to build and strengthen the financial capabilities of individual residents.

Community colleges are ideal partners in this pursuit. They enroll nearly half of all undergraduates in this country, provide access for students who might not otherwise be able to pursue higher education, and serve as pathways to higher earnings. But a number of hurdles stand between community college students and the successful completion of their academic pursuits. Some of those hurdles are immediate: The need to earn money while attending school, family crises, or medical emergencies. Others are long-term challenges that require students to develop the skills, knowledge, and confidence to manage their personal finances and cope with the impact of financial disruptions.

Empowering students to make healthy financial decisions that have the potential to alleviate current financial challenges and position them for financially stable futures is a strategy likely to benefit students and the institutions that serve them. This is the goal of building financial capabilities—the capacity based on knowledge, skills, and access to manage financial resources effectively. We look forward to collaborating with community colleges in ways that lead to more financially capable student bodies, and we are excited to contribute to the exploration phase of that process with this *Handbook*. We hope you find it to be a useful and engaging resource.

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Executive Summary

Community colleges offer affordable tuition and open admissions policies that enable many underserved populations to access opportunities for upward mobility and financial stability. Yet, these predominantly low- to moderate-income (LMI) students face an array of risk factors that jeopardize their educational outcomes, most prominently financial constraints but also a tendency for poor financial decision-making. The quality of financial choices we make today can render life more or less difficult in the short-term and have financial consequences for years to come. A commitment on the part of community colleges to build the financial capabilities of their students—to help their students manage their financial lives effectively—is a strategy likely to benefit the institutions and the students they serve.

This *Handbook* provides community college personnel, potential partners, and interested supporters with possible ways to help build financial capabilities among students. It describes how the field has evolved, where and why efforts to promote financial capabilities have fallen short, and how to incorporate mechanisms to increase the effectiveness of these efforts.

Here are a few of the major themes the *Handbook* addresses.

- Dealing with short-term ("acute") financial distress is not the same as building financial capability. Although many community colleges address acute need, relatively few focus on strengthening behaviors and capabilities that are more likely to result in long-term financial stability.

- Financial challenges and emergencies are among the major disruptors of community college students' academic careers. Better financial management leading up to a disruption can mitigate the disruption's effects on a student's academic trajectory. This suggests the utility of placing greater emphasis on efforts to change students' behaviors in ways that make them more financially capable and thus more resilient to financial shocks.

- Community college students differ from four-year college students in some readily observable ways, and there are significant differences among community college students themselves. This suggests that community colleges need to tailor their financial capability efforts to the characteristics of their student populations.

- Community colleges that decide to pursue some type of financial capability intervention can improve overall knowledge of "what works" by coupling their efforts with careful measurement and evaluation of effectiveness.

- The *Handbook*'s case study section highlights the efforts of eight community colleges to bolster the financial capabilities of their students. While it's too soon to say definitively if these efforts are achieving the desired result, they show promising signs of doing so. These programs have built-in measurement and evaluation components that will aid in assessing their success over time.

- The case studies include stories relating the motivating factors that spurred the decision to commit to helping students manage their financial lives more effectively. These include a concern for student loan borrowers who received aid awards with no guidance on financial decision-making, the nationwide student loan debt crisis, a fear of sanctions related to the institutional cohort default rate, and philosophies dedicated to equitable outcomes for at-risk students. Indeed, some of these programs evolved from resource-constrained, small pilot efforts to institutionalized or otherwise scaled-up, sustainable efforts.

- Online survey results for 2013 revealed that most of the region's community colleges considered students' ability to manage their financial lives a priority, and they reported having at least one offering in place to help students achieve this goal. The majority of responding institutions indicated that the level of resources and capacity dedicated to this work was insufficient.

A financially capable student is one who uses money management techniques and savings strategies on a daily basis so that unforeseen budgetary constraints or financial emergencies do not interfere with the student's ability to complete her education and achieve a greater degree of financial stability. A financially capable student is also one who borrows and repays responsibly and who plans for the future to ensure good credit, healthy debt, and opportunities for asset accumulation. These outcomes are also beneficial to community colleges, which are accountable for student completion and for student loan repayment behavior. Addressing critical financial needs may take priority or be handled in tandem with efforts to develop a student's financial capability, depending on a student's circumstances. But practically speaking, financial capability efforts should be considered distinct from those designed to address a student's immediate financial needs.

The first section of this *Handbook* makes the case for adopting a financial capability strategy within a community college setting. The authors assess a financial capability strategy against how well it aligns with six areas: (1) the needs of community college students, (2) how it fits with community college missions and the functions they already are performing, (3) the types of outcomes that may be expected from actual efforts, (4) the availability of staff resources, (5) the capacity to implement efforts as intended, and (6) the readiness of efforts for implementation, as indicated by field expertise and the experiences of other community colleges.

To give readers an actual sense of how efforts to build financial capabilities unfold and become operational, the *Handbook* highlights eight case studies of approaches implemented by community colleges around the country. The case studies describe educational matched savings programs, financial stability centers, peer mentoring, financial coaching, online financial education, and a multi-method approach to delivering content. Each study includes basic institutional characteristics, a description of the program, details on implementation, indicators of use and effectiveness, and challenges and funding.

As the case studies reveal, some institutions' efforts to strengthen financial capabilities are embedded in a more holistic effort, whereas for others the focus is narrowly on the transfer of knowledge and skills to enable effective management of personal finances. Some use partners while others incorporate students into the delivery. In addition, although the majority of case studies feature efforts in the later stages of implementation, there are two examples of less mature efforts that are still evolving and taking shape. The case studies also give readers an insider perspective on the way efforts can look and how they evolve within community college settings.

The purpose of the case studies is neither to demonstrate effectiveness nor to make recommendations to institutions. Our intention is to share with readers stories of how institutions went from acknowledging a need to actually serving students and, in some instances, members of the community.

In the section titled "Financial Past, Present, and Future of Community College Students Enrolled in a Personal Finance Course," the *Handbook* focuses on whether students engage in a meaningfully different way with content about personal finance. Drawing on essays written by community college students enrolled in personal finance courses, the authors attempt to identify themes in the application of personal finance concepts to financial goal setting and spending habits by subgroups.

And, in the section titled "A Snapshot of Financial Capability Efforts Among New England-based Community Colleges as of August/September 2013," institutional differences in priorities, resource availability, and implementation capacity are presented, as of August–September 2013. The data were gathered in an online survey administered by the Federal Reserve Bank of Boston and disseminated with the help of the New England Board of Higher Education. (Of 43 of the region's public two-year institutions, 34 completed at least part of the survey.) This helps put efforts into context and also serves as a baseline for comparing changes in efforts across the region.

Making the Case for Building the Financial Capabilities of Community College Students

This piece is intended to help community college personnel and stakeholders determine if a financial capability strategy makes sense for their institution. In addition to providing the underlying logic for building financial capabilities, it offers insight on how to do this work effectively.

Because no single approach will be right for every community college, we offer a framework for assessing a financial capability strategy rather than recommending a specific intervention or program. This framework is traditionally used to guide the exploration of interventions according to how well they meet a set of criteria likely to be relevant to a particular decision-making process. The six criteria are need, fit, expected outcomes, readiness, capacity, and resources.[1]

Here we will make the argument for why a commitment to helping students manage their financial lives aligns with the needs of many students who attend community college, and in many cases, fits with what institutions are already doing. Student needs are not limited to financial constraints and short-term emergencies. They extend to the need to make financial decisions today that will (1) help with the management of unforeseen but inevitable expenses and (2) have positive consequences for financial stability. It's also possible that empowering students to manage their financial lives—a newer approach for many institutions that have focused solely on acute needs—could reduce time spent by institutional staff addressing students' financial crises.

We hope that by framing a financial capability strategy in this way, it will help generate dialogue among community college personnel interested in helping their students manage their financial lives. Our aim is to provide decision makers with the rationale for adopting a financial capability strategy or strengthening commitments already in place, and, ultimately, to provide information that might aid in the decision-making process required to achieve these goals.

Background

Financial challenges are just one obstacle facing community college students. Many students also carry additional risk factors including academic unpreparedness, simultaneous full-time work, single parenthood, being the first generation to go to college, or being financially independent. These factors too often interfere with their capacity to commit fully to higher education, as reflected by the low completion rates that range from 12–22% for first-time, full-time community college students.[2] Empowering students with the skills to manage financial challenges could instill confidence and increase the likelihood they will be able to effectively manage their personal finances beyond a specific challenge.

Evidence suggests that community college students make financial decisions without adequate information, guidance, and support. Often students don't know where to look for or how to access help. Lacking the guidance of informed adults, many students are unfamiliar with financial aid processes, such as how to access or complete a Free Application for Federal Student Aid (FAFSA). Some fall victim to the dangers of using high-interest credit to finance school, which could present barriers to paying for school in the short-term and could lead to crippling debt burdens in the long-term.

The demographics of community college students—many of whom are racially and ethnically from minority groups, immigrants, female, and lower-income—are associated with lower levels of financial literacy.[3] As a result, community college students may be more prone to vulnerability when it comes to making financial decisions while in school. Increasing their capacity to manage their financial lives—whether by using money management and savings strategies on a daily basis or by leveraging more flexible student loans responsibly over the course of their education—greatly improves the prospects for financial security later in their lives.

The need for improved levels of financial capabilities among students is real. Concerted efforts to promote financial competency accrue potential benefits to both students and educational institutions seeking strategies that contribute to student success by removing some of the barriers to students' ongoing investment of resources in their education. These barriers include lack of resiliency in the face of unforeseen expenses, the inability to balance competing financial demands, and a disregard for setting financial goals.

The concern for longer-term financial competency distinguishes college-based programs that help to integrate financial capabilities into daily life from approaches designed only to address in isolation, for example, a particular student's financial challenge or crisis. Integrating the tools of proactive financial management into daily life stands a real chance of ensuring that the student is better prepared for future challenges.

So, what we're advocating is an approach that doesn't replace basic financial aid or assistance but rather complements traditional efforts to address need.

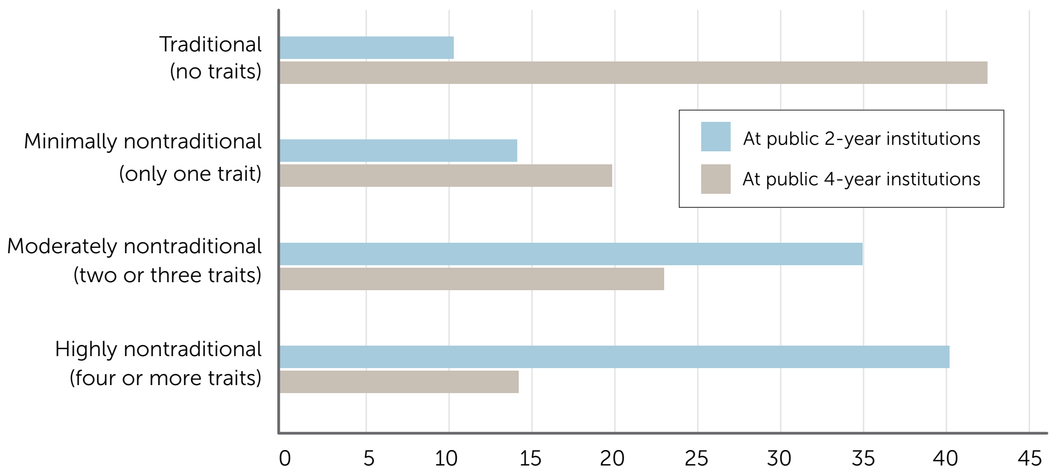
A Framework for Assessing a Financial Capability Strategy

Our goal is to clearly justify why it makes sense for community colleges to commit to helping students manage their financial lives effectively. We do this by showing how well such a strategy aligns with the needs of many students who attend community college, how it fits with what institutions are already doing in many cases, and by describing the types of outcomes that can be expected when efforts are well-informed and sufficiently evaluated. A number of field-tested options have been implemented already, so institutions just beginning to consider how to build financial capabilities among their students are not venturing into uncharted terrain, as emphasized by the eight case studies included in this *Handbook*. The unique contexts of community colleges are also considered since constraints on resources and capacity can pose real or perceived barriers to moving forward with a strategy. Here we offer language to help justify a financial capability strategy along with decision-making tools intended to help institutions navigate these issues.

Needs of Community College Students

Relative to four-year institutions, public two-year institutions serve more students who are first-generation college attendees, from disadvantaged backgrounds, single parents, non-native English speakers, pursuing GEDs, financially independent, and displaced workers. A study examining the prevalence of nontraditional characteristics (in this particular case, defined as financial independence, attending school part-time, delayed enrollment, working full-time, having dependents, being a single parent, having a GED or no high school diploma) found double the percentage of students presenting at least four of these characteristics at public two-year institutions relative to public four-year ones (see Figure 1).[4] The inverse was true for the percentage of students characterized as traditional; more than double the percentage attended four-year institutions than two-year institutions.

Figure 1
Percentage of Undergraduates With Nontraditional Characteristics



Nontraditional students are more likely to leave post-secondary education without a degree or certificate and are at greater risk of dropping out during their first year than traditional students.[5] The priority of students having multiple nontraditional characteristics tends to be work. That is, they perceive themselves to be working at a job and simultaneously enrolled in classes; they may not characterize themselves foremost as a student who needs to have a job. In fact, the most common reason students drop out of college is to focus on work.[6] However, studies have shown that the effect of work on persisting at schooling is indirect and that it operates through delayed enrollment and enrolling part-time. A factor directly related to persistence is financial independence.[7] By definition, financial independence involves financial decision making on one's own and therefore may require learning by doing; but if decisions are uninformed, or even worse, based on poor advice, the student runs the risk of encountering pitfalls such as ensnaring debt (particularly of the magnitude required to finance an education) and financial fragility.

Some institutions also describe a student population having overlapping social service needs, such as domestic violence and homelessness (see the Mesa Community College case study). Combine such factors with the more common financial constraints found even among more traditional students of four-year institutions and the barriers to completion can be overwhelming. As noted earlier, this is reflected in the low completion rates for first-time, full-time community college students that range from 12–22%, depending on the time frame used (two years or three years, respectively).[8] Enrollment decisions may be influenced by academic, emotional, familial, or relationship factors, but, inevitably, it is a financial decision. It may not be possible to address all of the circumstances complicating students' ability to complete their higher educational goals, but it is possible to address financial choices, which also play a role.[9]

To date, no research has rigorously demonstrated that community college students make ineffective financial decisions or have extremely low levels of financial capabilities. Yes, there have been attempts to assess community college students' fact-based knowledge of specific financial facts using the National Financial Capability Survey (discussed below). But there have been no rigorous attempts to assess student use of healthy financial management techniques and practices. Nevertheless, we do continue to see distressing patterns of financial behaviors and outcomes among the demographic groups served by community colleges. As stated earlier, community colleges typically enroll disproportionate numbers of low-income youth, women, legal immigrants seeking skills to expand their employment opportunities, and students from low-income, minority backgrounds. Research indicates that financial literacy levels are lowest among these demographic groups.[10]

Descriptive data from the Financial Industry Regulatory Authority (FINRA) 2012 National Financial Capability Study reveal significant distinctions between two-year and four-year students demographically and on indicators of financial need and financial behaviors.[11]

- Relative to four-year institutions, in 2012 larger portions of community college students were female, minority, supported dependents, and/or were classified as lower-income.
- Higher portions of community college students reported engaging in more risky financial behaviors, such as borrowing from payday lenders, relative to those at four-year institutions.
- A lower percentage of community college students report having student loans. This aligns with observations that community college students underutilize financial aid, for reasons thought to include a lack of basic understanding of financial planning, difficulty accessing financial aid services, distrust of government, or reluctance to take on debt.[12]

Financial literacy levels, financial fragility (defined as confidence in one's ability to come up with $2,000 if an unexpected need arose within the next month), and lack of emergency savings did not differ significantly between the two groups. That the percentages were high in both groups may seem like cause for immediate concern. But more nuanced consideration of the data may suggest the following: In an emergency, two-year community college students, who are more likely to be financially independent than four-year students, may not have access to financial resources of family members. Whereas four-year students, who are more likely to be dependents, may report a lack of financial resources but, if needed, could access familial resources.[13]

Community college students have low levels of financial knowledge across a variety of topics, as numerous reports document. Young adults (usually defined as people between the ages of 18 and 30) display low levels of knowledge about savings, investments, credit cards, and student loans. Studies of high school students and working-age young adults also reveal poor understanding of fundamental economic concepts.[14] Community college students in particular have lower level mathematics preparation, which is highly correlated with objective measures of financial knowledge.[15] In the 1990s, 44% of those who started in community colleges did not reach algebra I in high school, compared with 11% of those who entered four-year colleges.[16] Moreover, financial choices may be particularly consequential depending on where community college students are in their life course.[17]

For students, unforeseen financial events such as unexpected increases in tuition or living expenses, car repairs, or medical bills may interfere with their ability to meet their financial obligations. Researchers have argued that these "unforeseen events" are due to poor planning. Although most students come to college with an academic plan, few come with a well-defined financial plan.[18]

Table 1

Descriptive Characteristics of Participants in the FINRA 2012 National Financial Capability Study by Type of Educational Institution

	Community College (*N* =552)	Four-year Institution (*N* =972)
Demographic characteristic		
Female	53%	46%
Minority	55%	48%
Has dependent(s)	41%	31%
Household received state/federal benefits (e.g., Supplemental Security Income, Temporary Assistance for Needy Families, unemployment benefits) in the last 12 months	23%	16%
Lives with parents, family, friends, or roommates	42%	50%
Lives with spouse/partner	39%	28%
Financial indicators		
Student loans	44%	62%
Difficulty covering monthly expenses	70%	61%
No emergency savings (i.e., funds set aside to cover three months of expenses)	61%	55% (NS)
Financially fragile (inability to come up with $2,000 in a month, if the need arose)	49%	46% (NS)
Low financial literacy (score based on five-item financial literacy quiz[19])	77%	74% (NS)
Non-bank borrowing	46%	39%

NS = not a significant difference

The good news is that while young adults have measurably low levels of financial literacy, they have professed an interest in increasing their knowledge in this area. A Sallie Mae survey on credit card use among undergraduate students revealed that 84% of students said they needed more education on financial management topics.[20]

Studies also show that while community college students are less likely to utilize conventional financial aid such as federal grants and loans, they're more likely to take on risky debt than their four-year counterparts. According to a study examining the use of private loans taken out by community college students, more than half did not first exhaust options for more affordable and flexible federal aid options.[21] Among those eligible for a Federal Pell Grant (aid that does not need to be paid back), significantly more students pursued this type of aid in the 2007–2008 academic year at four-year colleges (77%) than two-year colleges (58%), despite higher eligibility levels among community college students.[22]

Students who are eligible and do apply for a Federal Pell Grant can receive no more than six maximum awards over their lifetime.[23] Currently, one group left vulnerable by the limitations placed on Pell awards are students required to complete remedial coursework before they're able to take college-level classes. Remedial courses in math and reading, for instance, cost money but do not earn college-level credits. So students in financial need who are required to take remedial classes—about a quarter of community college students in 2007–2008—are consuming a finite resource when they use Pell Grant awards to cover the costs of remedial coursework.[24]

Among community college students, those who take out student loans borrow significantly lower amounts than student borrowers at four-year institutions due to the difference in tuition costs. However, on average, the default rates are higher among community college students who borrow.[25] According to the U.S. Department of Education, the two-year default rate (defined as the percentage of students who default within two years of entering repayment) ranged from 12% in 2009 to 15% in 2011 among borrowers who attended public two-year institutions, whereas the rate ranged from 5% to 7% for the same years among borrowers who attended public four-year institutions.[26] Reasons for default could be tied to job placement and income level once borrowers enter repayment. However, it's also likely that a student's financial capabilities play a role. Knowledgeable about seeking help to avoid credit harm, a financially capable borrower might be aware of the flexible repayment options for federally backed student loans and so might take advantage of those options to protect the borrower's credit.

Why are community college students so deficient in financial capabilities? Financial socialization may be a relevant factor. Results from a longitudinal study of students at a public four-year institution have revealed three patterns of financial identity that are associated with financial behavior. Although the study was not completed among community college students the patterns may still offer insight. Researchers identified three groups including students who followed their parents' financial management style, students who engaged in more communication with their parents about finances and sought ways to enhance their knowledge and skills in managing their personal finances, and students who distanced themselves from their parents' style and were not committed to a particular financial management style.[27]

Differing degrees of "financial parenting"—the extent to which financial direction and knowledge sharing had been provided by parents or guardians—were reflected in these identities along with their associated financial capabilities. The second group of students who developed their own financial management style reported engaging in more positive financial practices than the other two groups. The students who neither modeled their parents nor developed a financial management style of their own reported engaging in the least number of positive financial behaviors. This study speaks to the critical role of financial socialization in shaping financial behaviors. The demographic characteristics discussed previously that typify many community college students may be associated with less routinized, skills-based "financial parenting" taking place during adolescence and early adulthood. Efforts by community colleges to build financial capability programs could provide the missing skills and mentoring these young people need to achieve financial competence.

Community colleges have traditionally worked to address students' financial needs, such as dealing with financial crises that immediately threaten the student's ability to stay in school. But often this work does not build financial capabilities. Key to building financial capabilities is getting students to plan for the future and connect the dots between their actions today and their financial health tomorrow.

For example, a more financially capable student…

- is aware of how her spending decisions today will affect her ability to weather an emergency, such as a car repair, tomorrow;
- is more likely to avoid over-borrowing on credit cards or student loans and thinks about the consequences of how she decides to make payments;

- is confident in her ability to seek help from trustworthy sources when needed and to avoid predatory ones;
- is aware of the importance of setting financial goals in order to achieve future financial wellness;
- and, of greatest relevance, acts accordingly.

This sort of behavior doesn't fully eliminate financial challenges from a student's life, but it does change the role they will play. While it may seem self-evident that students could benefit from strengthened capabilities to manage their financial lives, how exactly to go about doing this work and how the benefits play out in a community college context are less obvious.

Evidence for a Financial Capability Strategy and Expected Outcomes

The evidence on financial capability efforts is mixed, so we don't know yet what works.[28] However, it's likely that interventions capable of changing behavior *will* work. Part of what we're encouraging is to attempt interventions that are aimed at changing behavior. At the same time, it is necessary to carefully measure outcomes as part of program design so that we can all determine *what works*. Here we share examples of mixed findings and offer explanations and implications for efforts moving forward.

Results have been mixed for a number of reasons. First, the field of financial capabilities is new, and efforts continue to be refined and improved through the use of evaluation techniques and the application of research and theory. Second, the outcomes that are regarded as unsupportive of financial capability efforts were, in many instances, based on a different paradigm. That stream of work made use of financial education to transmit knowledge in hopes of increasing levels of financial literacy thought to be associated with positive financial behaviors. The shift to building financial capabilities and what that means in terms of program design and outcomes has been deployed for less time in the field. Findings from longitudinal studies about factors influencing positive financial behaviors, applications of theory to enhance program design, and the use of evaluation techniques to improve programs and demonstrate outcomes hold promise for the field of financial capabilities.[29]

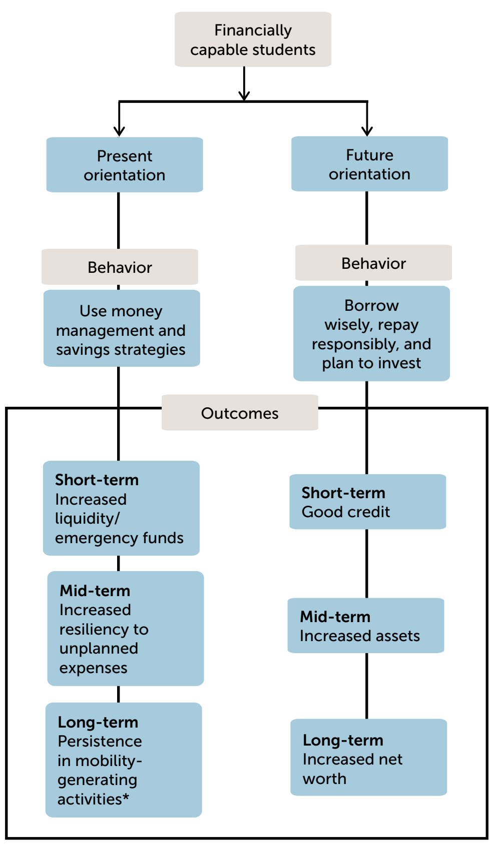
Before summarizing findings and areas of opportunity for the field of study, we ask readers to consider an underlying question: What are the expected outcomes of being a financially capable student? The question assumes that the student has already become a financially capable person regardless of how this came about. Because we are assessing a strategy rather than any single intervention, it is important to examine this fundamental question.

Underlying Logic of Financial Capabilities

Managing personal finances is necessary to participate in society independently. The level of effectiveness of managing personal finances separates a financially capable person from a less capable one. This can lead to vastly different outcomes both on a daily basis as well as into the future. Quality financial decision making on a daily basis is indicated in Figure 2 as the use of money management techniques and savings strategies. These daily habits are categorized as present-oriented in Figure 2, since there are likely to be opportunities every day to behave this way. Opportunities to spend less and save more occur daily by distinguishing between needs versus wants, sticking to a specified budget, and by saving even small amounts. This has the potential to yield a growing reserve of emergency savings, which builds resiliency to unforeseen expenses, allowing for continued persistence in activities likely to foster economic mobility.[30] For community college students struggling to make ends meet financially, the ability to weather unplanned expenses may serve as at least one protective factor against educational and even occupational disruptions. Quality decisions likely to be made on a less frequent basis but having consequences of greater magnitude appear in Figure 2 as borrowing wisely, repaying responsibly, and planning to invest. These are categorized as future-oriented because of their significance to one's future ability to accumulate assets. Responsible borrowing and repayment directly affects credit that enables asset purchases, which a financially capable person aspires to make in order to build his or her future net worth. While the outcomes shown in Figure 2 are applicable beyond community college students, especially given the increased emphasis on individual responsibility in the new post-2008 economy, they are relevant to challenges faced by both students and institutions.[31]

Benefits are likely to accrue to both students and the institutions that serve them when students are better able to manage financial challenges and the institutions can spend less time in crisis management mode. Furthermore, the more often student loan borrowers are responsible in their repayment of debt, the greater the likelihood that institutions can avoid the threat of sanctions for student loan borrowers who go into default.[32]

Figure 2
Potential Outcomes of Effectively Building Financial Capabilities Among LMI Students



*Activities such as completing coursework, being on-time and focused in the workplace, and engaging with mainstream institutions and systems (e.g., financial, educational, healthcare, etc.).

Review of the Literature

While consumer protections from predatory financial practices and access to safe financial products are important safeguards, decision making is a consumer's first line of defense. As such, there are benefits to optimizing the quality of our decisions in an ever changing financial marketplace and regulatory context. The question we now turn to is whether effective management of personal finances can be cultivated. Can it be taught and, if so, how? Research on the effectiveness of financial education has been mixed, but the reasons for this have important implications for the improvement of efforts.

Multiple studies have shown that exposure to financial education does not yield sustainable changes in financial behavior.[33] Some studies have shown that numeracy and math skills have a greater influence on financial behaviors than financial education.[34] Even measured financial literacy has been shown to have only modest effects on financial behaviors, which might suggest that efforts designed to increase financial literacy levels may be targeting the wrong factor.[35] Compelling questions raised by these studies are whether the programs were designed or implemented poorly, whether measurement of the efforts was insufficient (i.e., were they measuring the wrong things), or whether it's just not possible to change financial behaviors.[36]

Different explanations of why it is so difficult to influence financial behaviors exist. One view is contextual, with a focus on the circumstances of poverty, including education, health, living conditions, political representation, and numerous demographic and geographic variables.[37] According to this view, low-income people live in sociological, political, and economic conditions that lead to suboptimal consumer financial outcomes. Limited financial literacy is one of many contributing factors in environments where suboptimal financial behaviors are prevalent.

The second view focuses on personality traits, where, for instance, factors such as impulsiveness may be associated with inefficient information processing, and lower self-control may affect one's ability to cope with ambiguity.[38] IQ is also relevant insofar as it affects one's ability to envision the future consequences of decisions and actions.[39]

A third view focuses on institutional factors: Financial behavior can only improve to the degree that financially knowledgeable people can access financial institutions and instruments. In the financial realm, if one cannot apply knowledge, it becomes worthless. Research has shown that experience transforms knowledge into aptitude.[40] For this reason, some propose that by definition, financial capabilities include access to both the knowledge and the tools to make better financial decisions.

This is concerning for all members of society but particularly lower-income persons who are likely to be left more vulnerable by poor quality financial decisions than less constrained persons. For instance, while all segments of the population are better off making quality financial decisions rather than uninformed and potentially harmful ones, the concern for low-income segments of the population is that poor financial decision making can be particularly catastrophic when already facing financial constraints that tend to signal the absence of a protective buffer from mistakes.

An alternative explanation surrounding the uncertainty of "what works" in the financial capability space relates to the measurement of efforts. Many evaluation studies on the effectiveness of financial education have lacked sufficient detail about the different elements that make up the program model being delivered. It's common for studies to exclude what would be valuable detail on the instructor, the instructed, and the instructing. Such details would yield useful information to the field of study in terms of why certain efforts have been ineffective and where the greatest gains have been made.[41] Furthermore, the ways in which financial knowledge and financial behaviors are measured vary and may not always be applicable or theory-based. Measures of objective forms of financial knowledge have made a significant contribution to the field dedicated to the effective management of personal finances. Questions about compound interest, inflation, interest rates, mortgage payments, and stocks and mutual funds have enabled a consistent measure of financial knowledge that has allowed for benchmarking by national entities such as FINRA and studies examining the role of financial knowledge in behavior change.[42] There is value to assessing knowledge levels in this way, but it has led to a practice problem whereby practitioners might teach the content related to similar measures of objective or fact-based knowledge even if it's not suitable for their particular audience. For youth and low- to moderate-income audiences who might not be in a position to save regularly or might not practice budgeting that would enable them to save regularly, learning about compound interest and inflation might not help them to engage in the more basic practices that are likely to be relevant to those just starting to earn and those who may be starting to take a more active role in their finances. Consequently, efforts may be designed to cultivate unrealistic behaviors in a given audience. They may be evaluated in relation to unrealistic standards rather than the basic behaviors that are prerequisites for more sophisticated financial practices.

We do not know whether individuals who are not practicing money management and savings strategies or who may be engaging in risky financial practices, such as over-borrowing at suboptimal rates, would even benefit from learning about compound interest, inflation, and stocks and mutual funds. Is this relevant content to them? Would this address their most pressing needs? In any event, these tend to be included in definitions of a financially literate person. As a result, efforts have, in part, been assessed on the basis of related knowledge gains rather than on the basis of knowledge of practical rules-of-thumb and the ability and propensity to apply what is learned.

This is a definitional problem that has, in many instances, resulted in a mismatch of information delivered, the standards by which efforts are assessed, and the information actually needed. This is demonstrated by studies finding stronger outcomes for more practical forms of training than those emphasizing underlying principles. For instance, a rigorous study using random assignment of business owners into two types of financial training classes found that those who received a rules-of-thumb–style training that emphasized easily implemented decision-making rules managed their business' finances more effectively than those who received training on the fundamentals of business accounting.[43] There is a continued role for research and theory in the development and design of practice so that what is found to influence financial behavior continues to be incorporated into and used to refine efforts.

In response to claims that financial education is ineffective, within the last few years, the approach has changed. Initially, there was more emphasis on increasing levels of financial literacy through financial education. Financial literacy tends to be used synonymously with knowledge although there have been multiple definitions offered that bring in skills and abilities and the application of those skills and abilities to varying extents.[44] The shift to financial capabilities expands upon knowledge building to include skills building and the application of knowledge and skills through access to opportunities to apply them.

Without opportunities to apply knowledge and skills, it's unlikely that behavior change will result. The mechanisms that are most likely to give way to behavior change are receiving increased attention, and the extent to which they are directly applied to financial capability efforts should yield improved outcomes.

Scholars argue that knowledge is unlikely to lead to behavior unless one has the confidence to complete an action.[45] To fully understand the influence of different mechanisms on behavior change, it's necessary to conduct longitudinal studies. A longitudinal study of a cohort of University of Arizona students has revealed certain factors to be relevant to positive financial behaviors, defined as tracking monthly expenses, spending within a budget, paying off credit cards in full each month, saving money each month, investing for long-term financial goals, and learning about money management.[46] The study found that attitudes, efficacy (perceived ability), and control (perceived control over one's finances) were predictive of positive financial behaviors and that certain types of knowledge were more predictive of attitudes, efficacy, and control than others. Research suggests that the presence of these factors relates to socialization and financial parenting, which is useful for thinking about ways to cultivate them in individuals who have not been exposed to role models or communication about managing personal finances.[47] For instance, efforts must include opportunities to directly apply knowledge and skills gains in order to produce confidence and greater perceived control. The experience gained may serve as a feedback mechanism that simulates feedback received through socialization processes.[48]

Subjective knowledge—based on participants' beliefs of their knowledge level—was more predictive than objective knowledge—as measured by a 15-item true/false financial quiz. This is not to say that objective knowledge isn't important, since it has been shown to be associated with positive financial behaviors, as indicated by a study of college students' objective knowledge of credit that was associated with reductions in risky paying and borrowing behaviors.[49] But efforts that neither strive to build levels of subjective knowledge nor measure changes in subjective knowledge may be missing an opportunity to increase their effectiveness. Similarly, as the role of confidence and financial self-efficacy in promoting positive financial behaviors is gaining clarity, ensuring that practitioners are aware of this and have a tool for measuring it may lead to increased effectiveness of their efforts.[50]

Some noteworthy theoretical perspectives with implications for practice and interpretation of effectiveness studies include what is termed a "stages of change" approach and a socialization perspective.

The stages of change approach has been applied to behavior change models in other fields such as substance abuse treatment and criminal justice.[51] Scholars have recommended applying the stages of change approach to efforts designed to elicit behavior change surrounding the management of personal finances.[52] The benefits of a stages of change approach, which assesses participants on the basis of their readiness to change, is that it can provide practitioners with a guide to matching the appropriate level of service intensity and content to a participant's readiness level. A student who takes part in an effort to learn how to manage his personal finances more effectively but who refuses to stop eating out with friends every night of the week might require a different approach than a student who is working to save but still admits to feeling tempted to buy things she doesn't need on occasion. A socialization perspective acknowledges that we not only continue to change developmentally throughout life but also our life circumstances often change, which can affect the financial decisions we make and the type of guidance we're giving and receiving when it comes to financial practices.[53] A couple may start off with moderate financial capabilities. But after years of one partner managing the finances, in the event that the couple separates, one partner may become much less confident in managing her finances with her newfound independence than when she first entered the relationship.

Both theoretical perspectives offer a lens through which to interpret effectiveness studies (e.g., was the effort a "one-size-fits-all" approach or was readiness level considered?) and to potentially improve efforts.

Another way to achieve effectiveness of efforts is to use of tools of evaluation. These tools are intended not just for assessing effectiveness and identifying features that are working well but also to aid in continuous program improvement. These tools can help grow the field of financial capabilities and cultivate increasingly effective methods for promoting positive financial behaviors.

The need for students to be engaging in positive financial behaviors and the expected outcomes of financial capability efforts are compelling reasons to adopt a strategy or to strengthen existing efforts. But it's also useful to put this work into an institutional context since priorities, resources, and capacity vary from one institution to the next.

Fit, Resource Availability, and Capacity to Implement

Each of these three areas is specific to an institution or organizational entity. Here we're referring to the fit of a financial capability strategy with an institution along with the availability of resources and capacity to implement efforts at the institutional level. The other three criteria—needs, expected outcomes, and readiness of efforts—refer to characteristics of the audience and the efforts as opposed to those of the organizational entity.

A financial capability strategy fits with community colleges for a number of reasons beyond just need. These institutions are already serving a captive audience engaged in the learning process and, in many instances, providing nonacademic supports to these students, often in an ad hoc manner.[54] Community colleges are under increased scrutiny to produce better outcomes despite constrained resources. Therefore they are likely to benefit from strategies designed to help students mitigate at least some of the challenges interfering with their continued pursuit of higher education. The reality of constrained institutional resources may seem like a reason not to adopt a new strategy or expand efforts already in place. However, clear evidence exists from other institutions that have implemented and even scaled up efforts institutionally. If the work is considered to be a high priority, there are ways to overcome resource constraints.

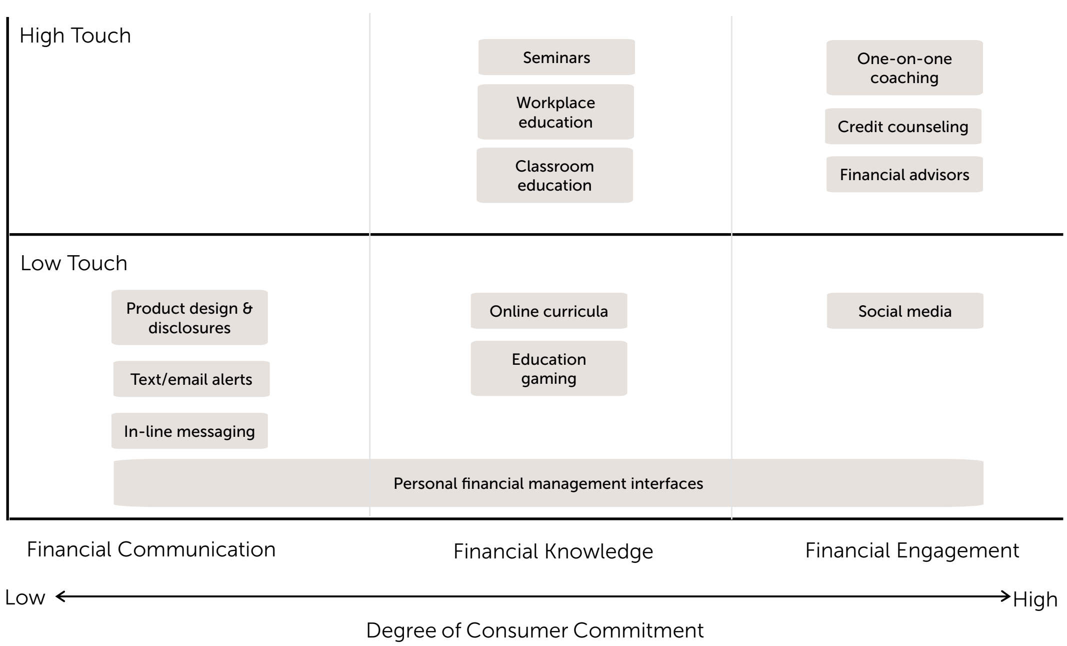
The case study section of this *Handbook* includes an example of an institution that held a particular financial stability center model as such a high priority that staff spent more than a year learning as much as they could about the model prior to securing funds required for implementation (see the SparkPoint Center at Skyline College). Another case study describes a financial aid advisor who was so concerned by the lack of guidance student loan borrowers were receiving surrounding their refund checks that she began an ad hoc peer mentoring program with just three work study students. The effort later received funding and grew to include a more robust effort consisting of six mentors at each of the college's five campuses with physical space dedicated by the college (see Valencia's Financial Learning Ambassadors Program). There are also instances of shifting from heavy reliance on grant funding to institutionalized models, enabled by demonstrating the gains achieved, as in the case of Central New Mexico's Connect program. Distinct from but related to resource availability is capacity to implement, which addresses the extent to which an institution can commit to quality implementation.

Quality implementation sounds like an obvious aim, yet it's not always simple to achieve. It's possible to deviate from the plan—to serve individuals who don't quite meet stated eligibility criteria, to deliver a smaller dosage than recommended by a model, or to share information that departs from the intended content. These could be but are not necessarily related to resource availability. There are ways to support quality implementation, such as through data tracking and careful monitoring of processes, through careful consideration of staff or partner selection and cultivation of staff through training, and by gathering feedback from individuals served, staff/partners, and other key stakeholders.

The important takeaway when considering fit, resources, and capacity at the institutional level is to be mindful of how aligned a strategy may be with each of these at the present time. But it is also essential to be mindful of where potential may exist, given that the ability to demonstrate a strong fit with mission and priorities may serve as a catalyst to find needed resources and to support quality implementation.

This brings us to the sixth criterion that is related to what an institution is going to implement. A consideration of options that exist and have been field-tested with some success is a good place to start. This is generally referred to as the readiness of options.

Figure 3
A Framework for Financial Capability Innovation



Source: Joshua Sledge, Jennifer Tescher, and Sarah Gordon, *From Financial Education to Financial Capability: Opportunities for Innovation*, Center for Financial Services Innovation (an affiliate of BankShore Corp.), 2010.

Readiness of Options

Readiness of options as applied to the exploration of a financial capability strategy refers to the range of methods for building the financial capabilities of students and the extent to which field expertise exists to support the work. Specific interventions are continually being developed, so a list of actual efforts would only be representative of a snapshot in time. But a useful framework for describing efforts places them along continuums of delivery intensity and consumer commitment, as shown in Figure 3.[55]

The effectiveness of delivery methods offered in Figure 3 is subject to the design and implementation of specific efforts. The delivery method is closely tied to resource availability, and there are likely to be tradeoffs between intensity and consumer commitment. The more intense the effort, such as one-on-one financial coaching, the greater the hypothesized impact but the lower the extent of outreach to students, given the amount of resources per student needed. In contrast, the less intense the effort, such as using text alerts to encourage savings, the greater the number of students who can be reached but with potentially less impact. Tradeoffs occur in either instance, but there is a certain utility to thinking about efforts in this way, since institutions differ and may weight options on the basis of the perceived benefits and alignment with the institution and the needs of its students.

As indicated in the case studies presented in the *Handbook*, some community colleges have put efforts in place and have achieved successful implementation, as indicated by an institutional willingness to continue, expand, or institutionalize the efforts. Implementation does not happen without field expertise, and, in many instances, partnerships with experts are a key component of the programs. The case studies describe two examples of educational, matched savings programs; two examples of Annie E. Casey Foundation Center for Working Families models; a peer-to-peer mentoring program; a multi-method financial literacy center; a financial coaching model; and an online financial education program. The efforts range in intensity of service delivery and reach of students as well as their reliance on partnerships.

Conclusion

Community colleges are under increased scrutiny to improve student outcomes despite the reality of constrained institutional budgets and challenging student needs. Building the financial capabilities of community college students is likely to benefit the institutions as well as the students served. Historically, community colleges have been responding to financial need, but, as evidenced by the high dropout rates and time spent responding to students' nonacademic needs, additional strategies are needed. A commitment to helping students manage their financial lives more effectively is likely to benefit students during their college days and beyond.

A financially capable student will be conscious of the consequences of her daily financial decision making and those with longer term consequences. She'll strive to put herself in a favorable position for the future, for instance, by ensuring that her borrowing and repayment behavior will lead her to good credit, which is required for accessing assets affordably. She'll also apply easily implemented tools, such as splitting her purchase decisions into the things she really needs versus those she wants since each dollar saved on a want could help weather the next unforeseen expense. In the event that unforeseen expenses no longer cause disruptive emergencies in her life, she'll be able to balance competing demands on her time and finances. These are essential elements for a financially stable life, especially among populations struggling to manage life's demands with fewer resources.

Moving from a historic focus on treating financial needs that may cause college disruption to empowering students to manage their financial lives more independently and effectively is new territory for many community colleges. Institutions already committed to these outcomes may be convinced of the value but uncertain about how best to proceed. As demonstrated in this assessment and illustrated by the eight case studies in the *Handbook*, there are multiple field-tested options for building financial capabilities, which means that resources exist for shared learning and informing approaches. And although "what works" has yet to be sufficiently determined, we do know that research and theory offer promising directions for financial capability work, as does the proper use of tools of evaluation. One size does not fit all. Although a widespread need exists for improved financial decision making across the LMI populations who are overrepresented in community college settings, how to go about building their financial capabilities is rooted in individual need and shaped by institutional resources and institutional capacity to do the work. Here we have attempted to provide justification for moving in this direction, to offer decision-making tools applicable to effort selection, and to share insights for achieving effectiveness in the delivery of efforts.

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Highlighting Eight Case Studies from U.S. Community Colleges

To give readers an understanding of the array of approaches already being used by community colleges to build financial capabilities among students, we looked for cases that had a financial capability component and had received some level of notable recognition. We looked for financial capability efforts that were aimed at building knowledge and skills, while also giving students opportunities to apply these. A mechanism for inducing some type of action leading to behavior change needed to be clearly identifiable. Examples of notable recognition included receiving funding awards to support growth, verifiable local press activity, staff being selected to serve in leadership roles in communities of practice, staff serving in "train-the-trainer" roles for other institutions, and the effort being cited by subject matter experts.

Our cross-section of case studies intentionally represents various implementation stages, designs, levels of resource intensity, and geographic settings.

Demonstrated effectiveness determined by rigorous evaluation methods was not a selection criterion for two reasons. First, such a requirement would have severely limited our case options. For example, some efforts under review are still working out implementation details and are focused on making program improvements. Second, some institutional contacts mentioned their future plans to work with third parties to rigorously evaluate their efforts.

In Table 1, we list the eight financial capability efforts selected for the *Handbook*. They represent a sampling of such efforts under way among community colleges in the United States.

Table 1
Case studies discussed in the *Resource Handbook*

Institution and State	Type and Name of Effort	Year Implemented
Foothill College California	Technology Solution: StudentLingo	2010
Valencia College Florida	Peer-to-Peer Mentoring: Financial Learning Ambassador Program	2010
Wake Technical Community College North Carolina	A Multi-Method Approach: SunTrust Foundation Center for Financial Education at Wake Tech	2013
Mt. Hood Community College Oregon	Matched Savings: Matched College Savings Program	2008
Mesa Community College Arizona	Matched Savings: Fast Tracking the Dream	2008
Central New Mexico Community College New Mexico	Financial Stability Center: CNM Connect	2005
Skyline College California	Financial Stability Center: SparkPoint at Skyline College	2009
Community College of Baltimore County Maryland	Financial Coaching: CCBC Cares	2013

From June through September 2013, we conducted research to identify cases that met our criteria. Using an interactive process of contacting subject matter experts, networking with our community college contacts, and conducting keyword searches online, we were able to develop a list of possible efforts to include in the *Handbook* as case studies. The subject matter experts included Individual Development Account administrators working with community colleges, asset-building experts such as the Corporation for Enterprise Development, and implementation experts knowledgeable about financial stability centers, such as MDC. From the list that we assembled, we selected efforts that seemed to be fully developed and that illustrated a range of options for delivering financial capabilities.

Case Study | 1

Technology Solution: Foothill College StudentLingo Program

City, State	**Los Altos Hills, CA**
City population estimate 2013	8,334[1]
Campus setting	Suburb: Large
Fall 2013 student enrollment	14,814
Part-time	64%
Female	50%
White	35%
Latino or Hispanic	23%
Black or African American	4%
Other	38%
Pell grants received by full-time beginning undergraduate students	17%
Federal student loans received by full-time beginning under-graduate students	5%

Source: U.S. Department of Education, Institute of Education Sciences, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), 2013–14, http://nces.ed.gov/ipeds/datacenter/

Foothill Community College is located in Los Altos Hills, California, about 40 miles south of San Francisco. Foothill College's student enrollment in 2013 was not much higher than the average student enrollment of approximately 13,000 in the state's more than 100 two-year public institutions.[2]

Summary
Concerned with a student body burdened by expenses and debt, Foothill College staff considered developing an online program to connect students to resources that could help them manage their finances. Rather than developing their own program, in 2010 the staff found a low-cost, nonresource-intensive solution in Innovative Educator's so-called StudentLingo program.[3] Through StudentLingo, Foothill College students have access to a suite of tip-filled online videos, covering topics ranging from academic preparedness and job readiness to managing stress, money, and the financial aid process. Intended to build skills and resourcefulness among students, this offering signaled a shift for Foothill College, which had historically addressed the immediate financial challenges of its students but had focused far less on financial empowerment activities.

Area of Need
Many Foothill College students are returning adults who struggle with the cost of raising a family and managing debt; they are potentially facing even more debt to pay for their education.[4] With a large number of first-generation college students who speak English as a second language, the institution serves a population that needs help navigating the system of higher education in a way that works in their favor and fits with their life circumstances.

Program Description
StudentLingo is an online teaching tool in the form of interactive videos that cover a range of topics tailored to college students both in content and approach. Foothill College offers five categories of helpful topics for students, including Academic & Career Exploration, Reading & Writing Strategies, Learning to Learn, Personal Management, and Online Learning.[5] Within each category are four to nine subtopics; videos deliver content in accessible, simple language. For instance, "Financial Literacy: Smart Money Skills for College & Beyond" presents the top 10 tips for successful money management. In a series of short videos, the same coach, Danielle Champagne, talks about each tip, sometimes with accompanying images or narrative for emphasis. These tips are presented as rules of thumb, and they aim to develop soft skills such as learning the lingo, getting organized by setting 20- to 30-minute weekly financial appointments with oneself, and making financial goals specific, measurable, achievable, realistic, and time-oriented (S.M.A.R.T.).[6]

The Foothill College StudentLingo home page at www.studentlingo.com/foothill presents two financially focused topics under the category Personal Management: (1) "Financial Literacy: Smart Money Skills for College & Beyond" and (2) "Navigating the Financial Aid Process."

Foothill students have access to 26 modules offered by Innovative Educators. They can watch the videos at their own pace whenever they want and as many times as they choose. After completing the last video within a topic, students are asked to complete an online evaluation survey, which elicits feedback on the video lessons and queries students about how they intend to use the information. While completing the evaluation questionnaire, students have the option of printing a certificate of completion. For students who were encouraged to complete the lessons by a financial aid advisor, the certificates validate that they had engaged with and completed the lesson(s). For example, an advisor might require a student to complete the financial literacy lesson before being given access to his or her financial aid awards. The hope is that the video tutoring will empower students to wisely use their financial aid award—perhaps even allocating small amounts to supplement their savings in case of a financial emergency. Another scenario may involve a student who is at risk of losing her financial aid due to poor academic performance and is seeking advice about the financial-aid process. A precondition may be completing the video workshop "Navigating the Financial Aid Process."

Exploration and Adoption

Foothill College's endeavors to address the financial struggles of many of its students were complicated by massive budgetary shortfalls across the state of California in the late 2000s. Cutbacks affected all areas of Foothill College's administration. For example, counseling services was left with only one counselor for every 800 students.

Envisioning an immediate and affordable solution, Foothill College staff brainstormed about developing their own online financial capability curriculum. But the team quickly realized that they lacked the expertise to develop content that would resonate with students. They also grasped that the need to regularly update the information and troubleshoot technical issues was beyond their means.

During a staff retreat attended by Foothill College Student Services personnel and members of various areas of the administration, existing workshops were ranked, according to how well they fit with Foothill students' needs, possible interests and the college's infrastructure. The online program developed by Innovative Educators, called StudentLingo, appeared to meet many important criteria. It aligned with Foothill College's goal of improving student understanding of the implications of their financial decisions. StudentLingo's content provided guidance on how to use and complete the Free Application for Federal Student Aid (FAFSA) and was available in both Spanish and English. Additional tutorials covered a variety of supplementary topics for college students. An added plus, the interactive videos available through StudentLingo were designed to appeal to both visual- and subject-based learners.

Foothill College administrators soon realized that in StudentLingo they had found a viable option that was likely to benefit all of the student body in more comprehensive ways. Because the incremental cost of adding a topic is minimal relative to the total cost of the program, Foothill would be able to offer its student body nonfinancial categories of content, such as Academic & Career Preparation and Learning to Learn. Depending on the number of topics purchased, the annual cost would range from $6,000 to $8,000 with unlimited usage.

StudentLingo's web-based user interface tracks student engagement with the online workshops, including their progress and how long they spend on each topic.

Inherent to the web-based learning platform, Innovative Educators updates StudentLingo content regularly and provides technical upgrades annually. That the StudentLingo service would include ongoing updating of content appealed greatly to the staff and administration at Foothill College, particularly in the aftermath of the budgetary constraints.

Implementation

The rollout of StudentLingo required minimal staff time. Foothill College's information technology staff created a navigable link to the StudentLingo online platform on the college website, and some coding was done to enable smartphone compatibility. College staff members were then coached on how to get the word out to students and to the institution at large that this resource was readily available.

Foothill College engaged in a number of promotional tactics:

- StudentLingo video workshop titles were added to a well-known student events list on the Foothill College and Career Connections resource website.
- StudentLingo workshops were highlighted in new student forums.
- StudentLingo promotional materials were placed around campus.
- StudentLingo was featured prominently on Foothill College's website.
- StudentLingo accessibility on smartphones was expedited.

As a supplement to the content offered through StudentLingo, Foothill College sends text messages to remind students to keep on track with their financial-aid planning and their financial goals.

StudentLingo is accessible to all students enrolled at Foothill College. Foothill specifically targets cohorts of students at key decision points and before routines or habits are formed. For example, the college offers StudentLingo's financial-aid video workshops during new student orientation, on financial aid "Cash for College" days, and at high school college nights, at adult student orientation sessions, at parent orientation sessions, and at new student workshops that are held throughout the year. The videos are also used in a class for first-year students that is dedicated to cultivating student success.

Before attending appointments at the Financial Aid Office, students are encouraged to watch certain StudentLingo video workshops to learn more about the basics of student loan borrowing and responsible repayment.

Utilization and Effectiveness

Foothill College administrators consider StudentLingo as being integral to supporting students in their financial decision making not only on a day-to-day basis but also when it comes to their borrowing behavior. Since putting StudentLingo in place, Foothill has observed a decrease in the number of students who leverage less flexible private loans to fund their education and an increase in the number of students who are served by the Financial Aid Office.

StudentLingo content is designed for individual student use, but Foothill College instructors access content during class time, too. During the 19-month period from August 2012 to March 2014, only 44 users viewed the two financially relevant workshops.[7] But one-quarter of these users were instructors sharing videos during class time, thus reaching more students than the data would suggest. (We note here that student engagement is greater with the nonfinancial topics available on StudentLingo.)

Foothill College needs to investigate to what extent its continual promotion of StudentLingo financial capability workshops indirectly influences students and parents alike, who are continuously being exposed to dedicated messaging about good financial decision making. Foothill Financial Aid advisers have observed that students who engage with StudentLingo are better prepared before meeting with staff. Their knowledge of financial concepts and money management strategies appears to be greater than students who have not used the material.

Success, Challenges, and Funding

There are no immediate concerns about the sustainability of StudentLingo. With the limited staff time required and the low cost of maintaining the program, it is viewed as an efficient supplement to the in-person support offered to Foothill College students. The college uses institutional dollars to cover the costs of StudentLingo, eliminating the need to seek outside funding.

Early on, one of the major challenges Foothill College faced was getting support for the program from faculty and staff, who were worried about the implications of StudentLingo for their roles within the institution. For example, staff in counseling positions thought that the videos might duplicate what they were already doing. But the passion of the Foothill staff who were leading the effort to connect students with accessible and supportive information proved contagious and helped get the less receptive staff on board. After they realized that the program actually supplemented their work, they came to appreciate having a resource that they could easily make available to students.

Looking ahead, Foothill will concentrate on ensuring that StudentLingo has long-term impacts on students, especially those who are transferring to four-year institutions and who will be faced with more consequential financial decisions. Foothill wants to empower students to develop healthy forms of borrowing and responsible repayment in the future. While StudentLingo offers a solution that is easily disseminated to students in the short term, Foothill is seeking to establish partnerships with experts in the area of college affordability so that it can supplement its offerings to students moving forward.

Endnotes

1 U.S. Census Bureau, State & County QuickFacts. Data was derived from population estimates, the American Community Survey, the Census of Population and Housing, County Business Patterns, the Economic Census, the Survey of Business Owners, the Building Permits Survey, and the Census of Governments.

2 Details for this case study were gathered during phone interviews with Denise Swett, vice president of Student Services of Foothill College, on August 23, 2013, and with Kristen Seldon of Innovative Educators on January 13, 2014. IPEDS Data Center. National Center for Education Statistics.

3 Innovative Educators (IE) is a for-profit company that provides training that focuses on issues facing students and educators (http://www.innovativeeducators.org); as of April 2014, IE has been in business for at least eight years.

4 Foothill College estimates that 60% of its students fall into this category.

5 http://www.studentlingo.com/foothill.

6 Edwin A. Locke, "Toward a Theory of Task Motivation and Incentives," *Organizational Behavior and Human Performance 2*, no. 3 (1968): 157-189.

7 Foothill College first implemented StudentLingo in 2010, but data were only available from Innovative Educators for the period August 2012 through December 2013.

Case Study | 2

Peer-To-Peer Mentoring: Valencia College Financial Learning Ambassador Program

City, State	**Orlando, FL**
City population estimate 2013	255,483[1]
Campus setting	City: Midsize
Fall 2013 student enrollment	42,180
Part-time	61%
Female	55%
White	33%
Latino or Hispanic	32%
Black or African American	17%
Other	18%
Pell grants received by full-time beginning undergraduate students	67%
Federal student loans received by full-time beginning under-graduate students	28%

Source: U.S. Department of Education, Institute of Education Sciences, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), 2013–14, http://nces.ed.gov/ipeds/datacenter/.

Valencia College (formerly Valencia Community College) is located in Central Florida and has five campuses — Winter Park (in Winter Park, FL), Osceola (in Kissimmee, FL), Lake Nona, East Orlando and West Orlando. Of the 28 two-year public institutions granting associate's degrees in the state, Valencia is the second largest, with a fall 2013 enrollment of 42,180.[2]

Summary
Concerned that many student-loan borrowers lack information and guidance surrounding financial decision making, a Valencia College financial aid coordinator experimented with ways to fill the gap through peer mentoring. In 2009, the Osceola campus coordinator worked with three work-study students to set up tables outside the financial aid office to engage with peers about their financial aid refund checks and offer tips on how to manage and save more of those financial aid disbursements each semester. Following an opportunity to apply for grant funding from USA Funds, Valencia expanded its ad hoc operation into a multicampus peer mentoring effort called the Financial Learning Ambassador Program.[3] In the 2012–13 academic year, the program delivered content to at least 5,000 Valencia College students.[4]

Area of Need
About 30 students per day sought counseling focused on finances and options for financial aid, thus highlighting the magnitude of financial illiteracy among students at the college. The Osceola campus coordinator of financial aid observed that aside from the verification process, student loans are rather easy to get, have the potential to destroy a student's credit if not managed responsibly, and come with little or no guidance. Despite Valencia's relatively low tuition rate of $99.06 per credit (approximately $1,188 per full-time semester) and the high rate of Pell Grant eligibility among the students at the college, they tended to borrow excessively, upwards of $10,500 per year in some cases. Students with poor personal financial management skills are at risk of failing to repay these loans, which can severely threaten their future financial well-being. The financial aid coordinator was motivated by a realization that students needed to be connected to resources that would help position them to make informed financial decisions.

Program Description
Valencia's Financial Learning Ambassador (FLA) Program offers peer-to-peer mentoring, workshops, and interactive events. Having three to six trained Financial Learning Ambassadors on each of Valencia's campuses, the program reaches a large cross-section of Valencia's student population. Across the campuses, two main mechanisms are used to engage students.

First, the program has made a deliberate effort to build an internal brand. The FLA mentors wear branded and highly visible lime-green-colored shirts, so they are instantly recognizable to students who tend to pass through campus quickly. Collateral materials share the same lime-green color and a consistent logo. Students can quickly identify who to speak with to receive FLA peer mentoring about personal finances and to learn about related activities.

Secondly, while the content and delivery methods may differ on the basis of student or cohort need, one consistency in the approach of FLA mentors is a strong emphasis on tailored outreach. These include setting up tables for monthly peer-to-peer events to initiate discussions about spending and saving habits, delivering presentations on personal finance during scheduled class time, or organizing themed events. The FLA mentors are trained not only in content but also in proactive and timely engagement techniques. Examples of unique outreach tactics include the following:

- Creating haunted houses filled with identity thieves and victims at Halloween in October
- Centering activities in November around "Thanksgiving on a Budget"
- Organizing fashion shows, such as "Project Runway to Savings," that promote tips for affordable clothes shopping
- Devising contract agreements that commit students to save from \$10 to \$20 each month in a FLA–provided piggy bank in exchange for a chance to win a gift card awarded to the student who saves the most by the time of Financial Literacy Week
- Intercepting students who are picking up their caps and gowns on graduation day to discuss student loan repayment and debt management
- Each month Valencia students encounter different points of engagement with the FLA Program. At a minimum within a given month, FLA mentors host one "Skill-shop," a workshop designed to offer tips on credit, budgeting, and money management. On a less frequent basis, the program may bring in guest speakers who share personal accounts, such as an author and mother who shared details from letters she had written to her daughter about her own financial experiences including accruing student loan debt.

Exploration and Adoption Phases

In 2009, the then director of financial aid at Valencia College had been engaged in conversations with USA Funds about a financial literacy initiative and suitable options for meeting the needs of Valencia students. In the meantime, concerned by the staggering growth of student loan debt nationwide and over-borrowing trends among students, Valencia's coordinator of financial aid began experimenting with peer-to-peer financial mentoring carried out by three work-study students.

The student workers set up a table outside the financial aid office to intercept students exiting the office after receiving disbursements of financial aid. At the time, a comment such as: "Hey, how are you going to use your financial aid refund check?" initiated the dialogue. Starting out as an ad hoc operation, the experiment served as a point of leverage when Valencia's financial aid director approached USA Funds about supporting a more robust financial capabilities initiative. USA Funds later provided grant funding of \$25,000 for an expanded peer-to-peer financial literacy initiative. Valencia had the beginnings of a model that would eventually be extended to all the college's five campuses.

In addition to leveraging USA Funds, staff members leading the effort collaborated with the college's student development department, which was in a position to allocate funds to student programs such as the FLA Program.

Implementation Phase

The early experiment, when work-study students began to offer peer mentoring, shared some aspects with the later, more robust FLA initiative. The financial aid coordinator, who led the effort, thought that peer mentoring was an ideal way to employ work-study students. Dual benefits would accrue by means of strengthening the financial capabilities of both the work-study students and their peers. The FLA Program recruited and trained ambassadors from the pool of Valencia's work-study students across the five campuses. Concerns about a negative stigma being associated with the label "work-study" prompted the staff members who were designing the program to refer to the peer mentors as "ambassadors."

The qualifications required to be part of the FLA Program include a desire and the motivation to become a trained peer mentor. The student development department considers the applicant pool for Valencia's Student Leader Program to be a source of students for the FLA Program. To engage in active outreach requires an understanding of pertinent material and a level of comfort in public speaking. FLA talks are based on USA Funds training resources and are delivered during scheduled class time. FLA mentors receive content training through USA Funds' Life Skills training program, a 13-module online program, as well as from their peers in the FLA Program. This approach has been successful in developing student competency in peer mentorship and public speaking even among those students who initially seemed to be reserved and quiet.

Although a portion of the grant money received from USA Funds was intended to support operations and training and to bring in guest speakers, the majority ended up being used to support an intentional branding campaign. With six FLA mentors at each of the five campuses and with active, ongoing outreach serving as a key component of the program, a readily identifiable look and feel for the program were considered necessary. The goal was to establish immediate recognition while also building expectations of the FLA Program in the wider institutional community as a means of reinforcing the FLA mentors as a symbol of financial capability. On campus, many Valencia students know what it means when they see peers wearing lime-green shirts.

At Valencia College's five campuses, financial aid staff serve as co-advisors to the FLAs on their respective campuses. The financial aid coordinator on the Osceola campus (who played a leadership role in the initial program design and implementation) has advocated consistency across the five campuses. Each campus has access to a manual to help support consistent implementation. Detailed notebooks contain descriptions of workshops, events, and Skillshops and marketing materials in the form of flyers created by FLAs to promote monthly events for almost every month of the year. Operational procedures are thoroughly documented in the notebooks in an effort to foster compliance with the guidelines established by the USA Funds grant across the campuses.

Utilization and Effectiveness

During the 2012–2013 academic year, FLAs engaged with more than 5,000 students[5] at various levels of delivery intensity. Tableside meet-and-greet events and one-on-one mentoring represent the highest degree of touch. Whereas public campaigns, such as promoting the dangers of uninformed financial decision making through offerings such as the thematic haunted house at Halloween, represent the lowest degree of touch.

Valencia College's leadership hopes the program generates positive financial behaviors and informed financial decision making among students. But at this stage, the lone measure used as an indicator of program progress is the number of students exposed to FLA Program offerings. Level of utilization and outcome tracking is a function of resource capacity to collect and analyze data. Currently, the FLA program does not have the capacity to develop and systematically execute a measurement plan needed to track behavioral changes and other outcome measures of interest.

One aggregate measure that FLA Program leaders monitor is the institution's cohort default rate (CDR), which is an indicator of the percentage of a cohort of student loan borrowers who have defaulted within a set time period. The magnitude of an institution's CDR has implications for its ability to offer federal forms of financial aid.[6] It is interesting to note that Valencia's CDR decreased from 18.8% in 2009 to 17.4% and 2010,[7] although many factors may have influenced Valencia's CDR rate. At a student-level, the FLA Program leaders would like to determine the extent to which exposure to and engagement with the program may be contributing to a reduced college CDR.

Sustainability, Funding, and Challenges

Support from USA Funds was critical for growing the ad hoc tableside meet-and-greet effort by the initial three work-study students into a multicampus, fully staffed robust effort. The 2013–2014 academic year is the last year USA Funds will be supporting the program. Valencia's grants department is looking into establishing connections with a local retail bank to assess its interest in funding the effort and providing hands-on training about financial capabilities.

While the college hopes to expand and institutionalize the FLA program, current budget shortfalls need to be overcome. Some degree of institutional support and buy-in has been indicated by providing workspace and capital resources for the FLA Program and by a commitment to using work-study resources to maintain the program. At one point, the program had been run from the financial aid coordinator's office on the Osceola campus.

Advocates and champions within the institution are making the case for a financial literacy department, seeing it as the responsibility of the institution to arm students with knowledge about managing personal finances, especially if they're borrowing money to fund their education at Valencia. One staff member is working on building a collaborative system across campuses to develop a shared vision among institutional staff. FLA Program staff members recognize that the extent to which they're able to measure knowledge and behavioral gains and to follow up with students once they've left Valencia to assess long-term changes will help improve and generate support for the program.

For institutions considering a peer mentoring model as part of a financial capability effort, Valencia College recommends finding a complementary home for the program, such as the student development department. Housing the program in Valencia's financial aid office had been a good fit substantively but not operationally. This was largely due to the incompatibility of the high-volume transactional nature of financial aid operations at the college and the constant activity required by the event planning and coordination efforts of the FLA Program. A partnership between financial aid and student development offers a more reasonable model for the delivery of this type of program.

Endnotes

1 U.S. Census Bureau, State & County QuickFacts. Data was derived from population estimates, the American Community Survey, the Census of Population and Housing, County Business Patterns, the Economic Census, the Survey of Business Owners, the Building Permits Survey, and the Census of Governments.

2 Details for this case study were gathered from a phone interview with Ilia Cordero, manager of Financial Aid Services and coordinator of the Financial Learning Ambassador Program on August 22, 2013. U.S. Department of Education, Institute of Education Sciences, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), http://nces.ed.gov/ipeds/datacenter/.

3 USA Funds was established as a nonprofit corporation in 1960 in Indianapolis by a group of local business leaders concerned about rising college costs. Since 2000, USA Funds has focused on the development of products and services that help colleges and universities promote student success, while awarding nearly $150 million in grants and scholarship support to help low-income and other students under-represented in higher education enroll in and complete postsecondary programs. Source: http://www.usafunds.org/Pages/About.aspx.

4 "Valencia's Financial Aid Default Decreases," http://thegrove.valenciacollege.edu/valencias-financial-aid-default-decreases/.

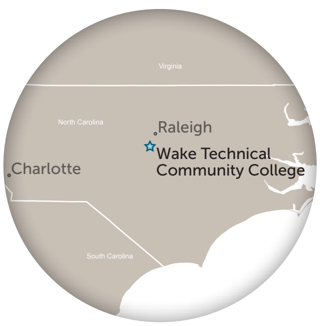
5 Ibid.

6 Shannon M. Looney, Cohort Default Rates in Context (Washington, DC: Institute for Higher Education Policy, 2011).

7 "Valencia's Financial Aid Default Decreases," http://thegrove.valenciacollege.edu/valencias-financial-aid-default-decreases/.

Case Study | 3

A Multimethod Approach: Wake Technical Community College SunTrust Foundation Center For Financial Education At Wake Technical Community College



City, State	**Raleigh, NC**
City population estimate 2013	431,746[1]
Campus Setting	Suburb: Large
Fall 2013 Student Enrollment	19,160
Part-time	69%
Female	55%
White	52%
Latino or Hispanic	8%
Black or African American	23%
Other	17%
Age (25 and older)	47%
Pell grants received by full-time beginning undergraduate students	42%
Federal student loans received by full-time beginning under-graduate students	31%

Source: U.S. Department of Education, Institute of Education Sciences, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), 2013–14, http://nces.ed.gov/ipeds/datacenter/.

Wake Technical Community College (Wake Tech) is located in Raleigh, North Carolina. Of the 58 community colleges in the state, Wake Tech is one of the largest, with a fall 2013 enrollment of 19,160.[2]

Summary

Concerned by the national trend of increasing student loan debt levels and the incidence of default rates among student loan borrowers locally, the president of Wake Tech put out a call to action to increase the financial literacy levels of students and the Wake Tech community. Partnerships were forged with a supportive financial institution and an expert in building financial capabilities. This led to the creation of a multimethod financial literacy initiative tailored to the needs and learning styles of currently enrolled Wake Tech students, General Education Degree (GED) and Adult Basic Education (ABE) learners, prospective students and their parents, Wake Tech employees, and Wake County citizens. Named the SunTrust Foundation Center for Financial Education at Wake Technical Community College, the initiative launched in January 2013 and since then has served hundreds of participants.

Area of Need

The crippling student loan debt that is a national trend and student loan defaults by Wake Tech students motivated a close examination of the needs of Wake Tech students and community members in the area of personal finance. Learning about what students and community members know and don't know through structured focus groups and interviews was a way to craft tailored responses intended to help them be stewards of their education and financial decision making more broadly.

Program Description

The SunTrust Foundation Center for Financial Education at Wake Tech Community College offers in-person workshops and online videos, works with Wake Tech faculty to integrate financial education content into their lesson plans, and embeds content into campus events and social networks (in-person as well as through virtual media). The center's workshops are delivered by an expert in the field of financial capabilities from the National Financial Educators Council (NFEC).[3]

Center staff choose content and delivery methods to match the needs of different audiences. Following the launch in early 2013, from January to April, the center delivered 15 events through a variety of methods including workshops, open houses, and professional development training sessions for faculty and staff. The content is tailored to each group. Techniques for budgeting and credit card and student loan management were offered to students, whereas retirement planning and investing were offered to faculty and staff. A focus on student-loan borrowing and responsible repayment was included in an open house for prospective students and their parents.

In addition to in-person standalone events, an NFEC instructor works with faculty to incorporate meaningfully into courses content related to effective management of personal finances. For example, in an economics course, the focus might be on the long-term implications of investing, whereas in a cosmetology class, borrowing and navigating the business loan process would be more helpful to students aspiring to own salons. An array of NFEC online videos are also available on demand, covering money management, savings strategies, responsible borrowing, and planning for future financial goals.

The SunTrust Foundation Center for Financial Education at Wake Tech Community College is more of a conceptual center than a physical center, as content delivery occurs wherever targeted groups gather—whether in classrooms or in service facility space, as in the case of GED/ABE students. This allows for the flexibility to tailor content and delivery methods to the five key groups: Wake Tech students, GED/ABE learners, prospective students and parents, faculty and staff, and Wake County residents.

Exploration and Adoption Phases

The national trend in rising student loan debt was a motivating factor for conceptualizing the center. The risk of delinquent repayment or default is high among Wake Tech dropouts, a trend prevalent among public two-year institutions. The college president attributed these trends in part to low levels of financial literacy and insufficient knowledge of how to navigate financial systems and institutions. To fill the knowledge gaps, the president invited student services and the Wake Tech Foundation—the fundraising arm of the institution—to think about developing a financial literacy initiative at Wake Tech.

Student services staff and members of the Foundation came together to brainstorm possible solutions for a financial literacy initiative that would be multifaceted and broad enough for students and the public. At the time, Wake Tech did not have any course offerings that covered management of personal finances, nor did it have a faculty or staff member with the time or experience necessary to teach personal finance. Funding was needed to obtain the expertise to shape financial capability content and delivery.

Wake Tech staff reached out to the philanthropic division of a local financial institution, the SunTrust Foundation, to assess interest in supporting a financial literacy initiative.[4] Willingness to fund the effort was itself important, but Wake Tech was also looking for a funding partner that would champion and help shape the approach to building financial capabilities within the Wake Tech community. The SunTrust Foundation embraced the opportunity to contribute to Wake Tech's financial capability strategy and to associate its institutional brand with the effort.

While Wake Tech administrators were assessing options for funding partners, the staff began to look for content expertise. Flexibility in tailoring content and delivery suitable for diverse audiences was key, since Wake Tech staff envisioned expanding the scope of the initiative to include the wider Wake County community. Wake Tech selected the NFEC as its partner.

At the planning stage, a cross-sectional committee was appointed, consisting of loan specialists, financial aid specialists, Wake Tech faculty and staff, and community members. This group collaborated in making the program a reality.

Implementation Phase

The SunTrust Foundation Center for Financial Education launched its efforts in January 2013 by offering a series of workshops to GED and ABE students in the ABE Center over a five-week period. The workshops were offered one day per week at two different times (2:30 p.m. and 7 p.m.). They were delivered by an NFEC instructor who shared videos and led students in hands-on activities in the areas of budgeting, financial planning, building credit, eliminating debt, beginning to invest, and the repayment of student loans. A proactive goal of the coursework was to get participants to build an action plan for improving their own financial situations in sustainable ways.

Initially targeting GED and ABE students was an effective way for the center staff to work out implementation issues, such as where to deliver the first series of workshops and to assess how well the NFEC instructor resonated with students. The generally older GED/ABE students who tended to be juggling more expenses were considered a priority for exposure to the workshop content. The following phase included a series of professional development workshops for Wake Tech faculty and staff.

During the planning phase, a survey was administered to faculty and staff, which revealed the findings:

- 52% reported a moderate to low understanding of "personal finance topics (budgeting, credit, savings, debt, etc.),"
- 83% reported a moderate to low understanding of "retirement planning topics (investments, estate planning, etc.)," and
- 94% believed that courses dedicated to money management would benefit them.

Center staff soon grasped the need for an enhanced financial capabilities approach that was systemic in nature, not just isolated to at-risk students. Building confidence among faculty and staff would empower them to engage in discussions with students and to refer students to the Center's resources. The targeted professional development workshop on retirement planning and investing covered investment preparation, risk management, inflation, and other areas of personal finance.

The center has also presented a series of workshops and events geared to a wider audience, a sampling of which follows:

- open houses for prospective students and their parents on financial aid and managing personal finances, co-led by a Wake Tech financial aid specialist and an NFEC instructor,
- project-based crash courses for students on a single topic, such as "Building Your Credit Rating," and
- targeted discussions of financial tools led by Wake Tech financial groups, such as the Economics Club.

Leveraging opportunities for tailoring content is a cornerstone of the center's efforts. As deemed appropriate, a handful of Wake Tech courses have been infused with financially relevant topics.

Customized delivery methods are being used to reach different audiences. For GED and ABE students, the in-person workshops were believed to be an effective means of content delivery that provided the level of program intensity these students need to work through material. For students who are accustomed to consuming information through online sources, an online learning interface provides 24/7 access to videos and interactive activities.

Ultimately, the justification for advocating that financial literacy content be incorporated into events and existing club activities, as well as into for-credit courses is to maximize the chances of reaching Wake Tech students who are characterized as "C.C.C." or "Car Campus Car." With their time constraints in mind, an enhanced version of the infused approach is in the planning stages. It will aim to include opportunities for directly applying what is being learned in class. A possible example: Assisting cosmetology students to apply for small business loans or to leverage a matched savings account to help them reach their goal.

When recruitment and marketing are needed to attract participants, the center has relied on these types of tactics:

- referrals from Student Services and the financial aid counselors,
- word of mouth through student clubs that have engaged with the center,
- social media postings on Twitter and Facebook,
- campus-wide promotion of events on the Wake Tech website or through marketing materials distributed to departments,
- a "Spring Fling" event that gave students a chance to spend time in a money-booth full of cash and prizes, and
- a financial scavenger hunt for the chance to win an iPod or tablet computer.

Utilization and Effectiveness

The variety of ways the center delivers content to its audiences makes it difficult to estimate how many people have engaged with the center's events and offerings. The workshops have reached more GED/ABE students than any other audience. At least 200 students participated in fall 2013. The typical open house may attract 500 prospective students and parents, but it's likely that only a portion of them interact with the financial aid and education instructors, given the informal, voluntary structure that may attract some guests for just a part of the session.

In the case of a structured workshop series, the center works with the NFEC instructor to administer pre- and post-workshop test surveys to assess changes in financial knowledge among workshop participants. For instance, among GED/ABE students attending workshops in January 2013, a pre-workshop test consisting of 20 items about financial basics showed that only 37 of 79 participants (47%) passed the exam. By the end of the series of classes, post-workshop tests revealed that 72 participants (91%) passed the tests.[5] Qualitative feedback indicated that students felt much more confident about money topics and thought the information would benefit them in the future.

Another method for capturing qualitative insights into students' grasp of the material is through student testimonials. One student shared her story about acquiring skills and knowledge that she had put into practice. Her story was accessible as an online video for other students to watch. Gathering more testimonials will serve a dual purpose by helping to publicize the center's resources while also providing center staff with insight about opportunities for program modifications.

Sustainability, Funding, and Challenges

Wake Tech believes the center is successful due to having cultivated champions across the campus. Partnerships within the institution have created opportunities for bringing tailored content into a variety of departmental offerings and events targeting students and parents, as well as faculty and staff. External partnerships with the SunTrust Foundation and NFEC have been essential to planning, program design, and implementation.

SunTrust Foundation has provided grant funding in the amount of $35,000 to cover setup costs associated with the center's website, video content, and the NFEC instructor. Moving forward, the majority of funding needed to keep the center operational will be used to cover the costs of the NFEC instructor. Wake Tech continues to seek funding from the SunTrust Foundation and other potential supporters.

Wake Tech administration is confident that the center will continue to serve students and grow. However, recruitment of workshop participants is an ongoing task. Targeting GED/ABE students has been an effective outreach strategy, and infusing financial content into course lessons has helped reach students who might otherwise have been difficult to reach. Wake Tech is also considering using the following tactics:

- having financial education ambassadors promote the college's financial literacy initiatives,
- sponsoring peer-to-peer conversations about the relevancy of financial literacy to their lives, and
- working with NFEC to train students to spread the word about the center's programs and the potential benefits to participants.

The ultimate goal is to integrate the building of financial capabilities into Wake Tech's educational frameworks so that this competency becomes part of the culture. A community-wide cultural shift toward responsibly managing personal finances is a promising trend for the future.

Endnotes

[1] U.S. Census Bureau: State and County QuickFacts. Data derived from Population Estimates, American Community Survey, Census of Population and Housing, County Business Patterns, Economic Census, Survey of Business Owners, Building Permits, Census of Governments.

[2] Details for this case study were gathered from phone interviews with John Saparilas, associate vice president, Enrollment Services, Wake Technical Community College on July 31, 2013 and January 24, 2014. U.S. Department of Education, Institute of Education Sciences, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), http://nces.ed.gov/ipeds/datacenter/.

[3] The National Financial Educators Council is an independent, for-profit financial literacy resource provider that uses an open source, social enterprise business model, http://www.financialeducatorscouncil.org/Financial-literacy-council/.

[4] SunTrust is a financial institution headquartered in Atlanta, GA, with a philanthropic arm called the SunTrust Foundation. SunTrust Foundation's mission is to provide monetary support to nonprofit organizations and institutions engaged in activities promoting education, health and human services, culture and art, and civic and community involvement that contributes to the social and economic development of the communities SunTrust serves. SunTrust Foundation Center for Financial Education at Wake Technical Community College *Inaugural Year Financial Literacy Initiative Report*, March 6, 2013.

[5] SunTrust Foundation Center for Financial Education at Wake Technical Community College, *Inaugural Year Financial Literacy Initiative Report*, March 6, 2013, p. 5.

Case Study | 4

Educational Matched Savings: Mt. Hood Community College Matched College Savings Program

City, State	**Gresham, OR**
City population estimate 2013	109,397[1]
Campus setting	Suburb: Large
Fall 2013 student enrollment	9,393
Part-time	55%
Female	53%
White	63%
Latino or Hispanic	10%
Black or African American	5%
Other	22%
Age (25 or older)	46%
Pell grants received by full-time beginning undergraduate students	70%
Federal student loans received by full-time beginning under-graduate students	60%

Source: U.S. Department of Education, Institute of Education Sciences, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), 2013–14, http://nces.ed.gov/ipeds/datacenter/.

Mt. Hood Community College (MHCC) is located in Gresham, Oregon, just east of Portland. Of the 17 community colleges in the state, MHCC is the fourth largest, with a fall 2013 enrollment of 9,393.[2]

Summary
The decision made in 2008 to offer an educational matched savings program to current and prospective students of MHCC has reached hundreds of students and provided a number of staff and faculty with tools designed to build the financial capabilities of students and to help fine-tune services dedicated to their success. As MHCC's Matched College Savings Program has matured, the number of students served has grown from 40 to nearly 400.

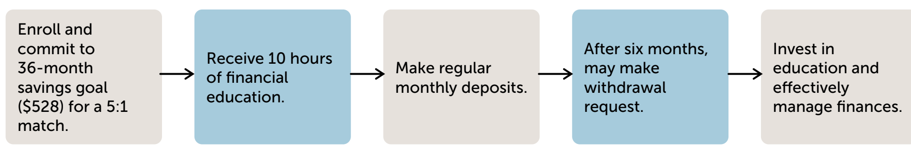
Area of Need
At MHCC, there is a recognized gap between the number of students who need financial aid to pay for their education and the number who actually make use of financial aid. Many MHCC students face barriers to using financial aid, which not only affect their lives in the short term but may lead to different forms of financial debt over the long term. Some students assume they are ineligible for aid due to insufficient documentation to verify need. Others have exceeded the maximum timeframe limit for federal financial aid.[3] Still others don't know how the Free Application for Federal Student Aid (FAFSA) works or how to navigate federal financial aid and student loan options. A lack of resources among students, particularly those with dependents, can pose barriers to staying in school. Combined with the threats posed by different types of long-term debt, MHCC recognized a need to support students in making healthy decisions in the near term as well as in the future.

Program Description
In partnership with Community and Shelter Assistance Corporation of Oregon (CASA of Oregon), MHCC offers students who are currently enrolled in high school or college a Matched College Savings Program aimed at supporting their education-related savings goals.[4]

To participate in the Matched College Savings Program, students must have some earned income or, in the case of college-bound high school students, must have access to earned income through their parents or guardians. Additional eligibility criteria include in-state residence, a household income of less than 200% of the poverty level, and a maximum net worth of $20,000 (excluding one vehicle and one home).[5] The program offers an incentive to save, earning students $5 in matching funds for every $1 they save. Program participants commit to an annual savings goal of approximately $300 to $500 and agree to save for anywhere between six and 36 months. The agreement requires them to make monthly deposits into a custodial savings account set up by CASA of Oregon. By the end of their savings period or by the time the students reach their maximum savings goal (whichever comes first), students can earn nearly $8,000 over and above their own savings, provided they've met all the requirements of the program, including the completion of 10 hours of financial education and six hours of career-readiness training. Lessons on money management and savings strategies are intended to help students navigate consumer choices and plan for unforeseen events. After meeting the financial education requirement, being enrolled for at least six months, and reaching at least half of their savings goal, students may request the use of their savings plus the matching dollars for education-related expenses, such as tuition, fees, and books. CASA of Oregon reviews requests and, if they are approved, cuts checks directly to the respective MHCC office or institution of transfer.

The program includes mechanisms to incentivize saving and encourage investment in the student participants' education. In order to make monthly deposits required to remain in the program, participants must apply what they learn in financial education workshops by saving more and spending less. (See Figure 1.)

Figure 1
Matched College Savings Program Student Flowchart



Exploration and Adoption Phase

Before MHCC began offering the Matched College Savings Program in 2008, efforts were in place to address the specific needs of students from disadvantaged backgrounds. These included support services offered to current MHCC students and underserved youth who were transitioning from high school to community college, as well as MHCC students who were single parents, displaced homemakers, and women who speak English as a second language. Despite MHCC's efforts, the lack of resources among students, particularly those with families of their own, continues to make staying in school challenging.

Prior to learning about the Matched College Savings Program, many staff members working with students recognized a need for "something" to help build students' capabilities to effectively manage their financial lives. Staff had little knowledge of viable options, however, so when CASA of Oregon approached MHCC in 2007 to discuss the idea of an educational matched savings program, the idea sparked significant interest. The vice president of student services and the director of financial aid were both intrigued but unsure what implementation would entail or how program delivery would look.

It became evident that MHCC would need partnerships to get a matched savings program off the ground. Roles would have to be defined, and student needs would have to be assessed more systematically. For instance, what was the typical shortfall that students were facing? One feature of the program is that matching dollars are restricted to education-related expenses, but staff members were aware that both planned and unplanned living expenses affect students' ability to stay in school. MHCC staff was unsure if those constraints and expenses would also limit students' ability to make the required savings deposits. CASA of Oregon's field experience, as well as its research on matched savings programs, provided evidence that lower-income groups do save despite these obstacles.[6]

After experimenting with a formula to identify which students were most likely to succeed, the team concluded that an educational matched savings program was a good fit for MHCC. Since many of its students would qualify for what MHCC thought would be perceived as an appealing opportunity, MHCC did not anticipate challenges with recruitment. Feeling confident in its ability to fill program slots, MHCC signaled its commitment to move forward by working with CASA of Oregon to draft a memorandum of understanding that outlined the program objectives and partner responsibilities.

CASA of Oregon would be responsible for managing and administering the matched savings accounts and for supporting program operations, including fund raising, building relationships with banks, managing matched custodial accounts, and providing technical assistance to MHCC. MHCC would be responsible for outreach and student recruitment and the provision of financial education. MHCC would also need to engage in some degree of case management, such as tracking progress, overseeing the financial education component, and alerting students to late savings account deposits.

Implementation Phase

In 2008, in partnership with CASA of Oregon, MHCC began offering the Matched College Savings Program to participants of MHCC's Transiciones Program — a career planning and college preparation program for Latina single parents and displaced homemakers, who are studying English as a second language — and shortly after that to participants of the Transitions Program and TRIO Student Support Services (SSS) Program.[7] Subsequently, the Matched College Savings Program was expanded to participants of MHCC's TRIO College First Project, which identifies youths from lower-income families who have the potential to complete high school and enroll in higher education.

The institutional team was comprised of MHCC Student Services staff and the Bilingual and Culturally Diverse Student Retention Coordinator, who also coordinates aspects of the Transiciones, Transitions and TRIO programs in cooperation with the Office of Financial Aid. With 30 slots open in the first year, the program was advertised to 160 students who were thought to be eligible and potentially successful candidates. Unexpectedly, although the students attended information sessions and asked questions, many seemed to view the program as "too good to be true." They didn't see how they could be expected to save money regularly when emergencies and family situations came up. This concern reaffirmed the importance of the financial education component of the program, which was designed to impart money-management and savings strategies. Eventually, students from Transiciones enrolled in the program. Once a targeting strategy took shape, filling the slots was effortless.

Today, MHCC's Matched College Savings Program is housed in the same vicinity as the TRIO programs, Transitions, Transiciones, and the Oregon Leadership Institute – a program developed by the Oregon Council for Hispanic Advancement intended for Latino high school students. Students usually learn about the Matched College Savings Program after joining one of these programs or becoming involved in MHCC's Associated Student Government or the Student Outreach and Recruitment Team, and many are eligible for the initiative. This recruitment strategy has freed up MHCC staff to focus their energies on supporting students and finding creative ways to deliver the financial education component.

When the program started, MHCC did not have faculty members who specialized in personal financial literacy, and MHCC courses were not well-suited to helping students fulfill that requirement. Consequently, the staff worked with CASA of Oregon to develop a curriculum, and they eventually used an online platform developed by banks called "Hands-on Banking." The online course includes a user-friendly tracking-and-reporting function to measure progress, completion, and knowledge change.

At the same time, different MHCC staff members were consulting resources to build their own capacity for teaching personal finance. One staff member consulted the free online tool kit offered by the National Endowment for Financial Education (NEFE) to learn how to engage students in in-person financial education classes, customize the content, and incorporate such interactive exercises as "gamified" budgeting tools.[8] Other interactive methods included homework assignments requiring students to pull their credit reports and build budgets. Staff members also attended training sessions on the effective development and delivery of financial education.

The timing of the in-person classes has been an area of experimentation for MHCC. The number of hours of financial education in a matched savings program may vary from one program to the next, but research has demonstrated that participants' average monthly net deposits increase per hour of financial education they receive, up to 12 hours over the span of a 24-month program.[9] This is also the amount of financial education recommended by CASA of Oregon. Delivering in-person instruction has taken multiple forms, ranging from eight-hour workshops on Saturdays to less condensed, multi-session workshops given over several weeks. The online lesson content is still used, but it is reserved for independent study as a supplement to in-person classroom time.

Not all of the students who start the program complete it. Some students opt out after realizing the commitment needed or after finding it hard to save regularly. Others withdraw after losing a job, relocating out of state, or making a life choice such as joining the military or leaving school to pursue a full-time job. Students who don't complete the program are free to withdraw their savings, but they must forgo the matching funds. MHCC addresses student concerns and offers support by providing access to a Matched College Savings Program specialist. This gives students an outlet to discuss their financial difficulties. If students encounter a serious problem, they may request a leave of absence and re-enroll later.

Currently, two program staff members are partially funded through MHCC. Nine additional staff members are involved in the program as part of their institutional roles.

Utilization and Effectiveness

The number of students served by the Matched College Savings Program more than doubled from Year 1 to Year 2, with CASA of Oregon helping MHCC set up 80 accounts in the second year. Starting small was necessary, but over the previous five years, students have leveraged more than $300,000 in educational resources through the program. The operation of the program continues to demand high levels of energy and dedication, and today MHCC counts on being able to offer 100 slots per year.

An interesting fact: Although only 9% of enrolled students at MHCC are Hispanic, 80% of the participants from the combined Transiciones and Transitions programs are Hispanic. Moreover, 40% of TRIO-SSS students in the Matched College Savings Plan are Hispanic. As such, content and instruction are offered in both Spanish and English.

Establishing meaningful relationships and trust among staff and students has resulted in a particularly good fit between the Latina participants of Transiciones and the Matched College Savings Program. The program seems to resonate with these participants who are earning an income or seeking job placements. Many of them see the value in developing savings habits, so they are eager for guidance. The MHCC team believes that the Matched College Savings Program has helped strengthen what the Transitions and Transiciones programs have historically offered, and currently more than 300 MHCC students are enrolled. Building on trusting relationships with students, TRIO SSS staff have also refined effective outreach strategies, bringing in 20 accounts annually, with the TRIO College First Project gaining momentum, too. To date, approximately 85% of program participants are served at the college level and 15% at the pre-college level. Overall, MHCC has found the matched savings program to be a strong fit with its other programs, eliminating the need to work so hard to identify students who meet the eligibility criteria.

According to the coordinator from the Bilingual and Culturally Diverse Student Retention Office, the Matched College Savings Plan serves as a strategy to help retain students. As the program provides students with options for financing their education, freeing up other needed resources, it also appears to strengthen their commitment to their education. Consider that between fall 2010 and fall 2011, retention rates for first-time students at MHCC as a whole were 55% for full-time students and 36% for part-time students.[10] But between fall 2010 and fall 2011, retention rates for students enrolled in the Matched College Savings Program ranged from 80% among students recruited through the TRIO College First Project to 85% among students recruited through TRIO-SSS.[11] Without random assignment, it's unclear how much of the difference in retention is attributable to participation in the Matched College Savings Plan, but these outcomes are being perceived as meaningful to track as a way for MHCC to monitor trends over time and opportunities for program improvements.

Success, Challenges, and Funding

Both CASA of Oregon and the MHCC team have played critical roles in the growth of the Matched College Savings Program by establishing the partnerships and institutional infrastructure needed to make the program operational. Furthermore, MHCC's strategic approach to recruitment has ensured sufficient levels of uptake to warrant the collective effort required to ramp up the program and increase demand for additional slots.

One lesson that has become clear to MHCC is that there is no magic formula for predicting program success. Pre-implementation efforts to identify students who might be more successful in the program have often not been predictive. Instead of trying to predict success, MHCC has learned that the most effective strategy is to match the program to where the need is clear. The combination of high levels of student need and high levels of student trust in the TRIO, Transitions, and Transiciones programs underlies the recruitment successes that continue today. But even with an effective outreach strategy in place, MHCC staff members have found that it is easy for students to be confused about the mechanics of the program. It is essential to spend time ensuring that the students truly understand what participation entails and what is expected of them in order to receive the potential benefits of the program.

A team of champions and partners shared a vision for student success. MHCC Student Services, TRIO, the Culturally Diverse Student Retention Office, the Office of Financial Aid, and CASA of Oregon all played critical roles in ramping up the program, helping it through early implementation, and ensuring that it continues to run smoothly. Such a commitment is especially important during intensive enrollment periods, which can stretch the capacity of staff, making a well-developed plan crucial. A method MHCC used to supplement its capacity was by forming partnerships with financial literacy professionals in the community and engaging them to lead forums or speak at student events. At this point, the Matched College Savings Program would need additional staff in order to expand its capacity to serve more students.

A common challenge for matched savings programs is finding sources of local dollars to match the federal matching funds. MHCC is fortunate to benefit from Oregon's statewide program that offers generous tax credits to individuals who contribute to the matched savings program fund. This initiative helps to fund similar matched savings programs in a network of more than 12 educational institutions across the state. In addition, MHCC's program receives funding through the Oregon Alliance of Independent Colleges and Universities. MHCC and CASA of Oregon anticipate continued support for and growth of the program.

Endnotes

1 U.S. Census Bureau, State & County QuickFacts. Data was derived from population estimates, the American Community Survey, the Census of Population and Housing, County Business Patterns, the Economic Census, the Survey of Business Owners, the Building Permits Survey, and the Census of Governments.

2 Details for this case study were gathered from informal phone interviews with Cassie Russell of CASA of Oregon on March 18, 2013, and Elizabeth Perry, Eric Juenemann, and Susan Godoy of MHCC on June 5, 2013, and from U.S. Department of Education, Institute of Education Sciences, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), http://nces.ed.gov/ipeds/datacenter/.

3 Federal regulations require each college to establish a maximum time frame of aid eligibility. This limit is based on the number of credits students need in order to complete the certificate or degree they have declared. Once students have attempted the maximum number of credits for their declared certificate or degree, they become ineligible for financial aid but may appeal for an extension. See Mt. Hood Community College, https://www.mhcc.edu/FinancialAid.aspx?id=1177.

4 Community and Shelter Assistance Corporation of Oregon (CASA of Oregon) is a 501(c)(3) established in 1988, originally in response to the housing needs of farmworkers and their families. CASA of Oregon is a community development financial institution and the administrator of the Valley Individual Development Account program — the largest matched savings program in Oregon.

5 The asset limit for matched savings programs leveraging federal funds through the U.S. Department of Health and Human Services Assets for Independence (AFI) program is $10,000. More recent participants of MHCC's Matched College Savings Program may be funded by Oregon's statewide IDA funds rather than by the AFI funds, so their allowable assets may exceed those set by AFI guidelines.

6 Jeanne M. Hogarth and Chris E. Anguelov, "Can the Poor Save?" *Journal of Financial Counseling and Planning* 14, no. 1, 2003. See also Margaret Clancy, Michal Grinstein-Weiss, and Mark Schreiner, *Financial Education and Savings Outcomes in Individual Development Account*, working paper 01-2 (St. Louis, MO: Washington University in St. Louis, George Warren Brown School of Social Work, Center for Social Development, 2001).

7 The Transitions Program is a career planning and college preparation program for single parents, displaced homemakers, or women who speak English as a second language. The program helps these students develop a career goal, get to know the college and all its resources, make friends, and develop time management and study skills. Students also learn how to apply for scholarships and to develop life-long career development skills. TRIO-SSS identifies and serves students from disadvantaged backgrounds. The goal of TRIO-SSS is to increase the college retention and graduation rates of its participants and facilitate the process of transition from one level of higher education to the next. It is designed to provide academic and ancillary support to low-income students, first generation college students, and students with disabilities.

8 Gamification includes the use of game mechanics (e.g., action points, goals, risk and reward) to engage users in nongame content (e.g., building budgets).

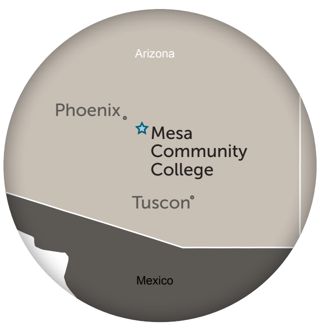
9 Clancy et al., *Financial Education and Savings Outcomes* (2001).

10 U.S. Department of Education, Institute of Education Sciences, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS).

11 Mt. Hood Community College, *Promoting College Access & Retention through Educational Individual Development Accounts (IDAs)* (presentation, Student Success & Retention Conference, Gresham, Oregon, 2012).

Case Study | 5

Educational Matched Savings Program: Mesa Community College Fast Tracking The Dream Program



City, State	**Mesa City, AZ**
City population estimate 2013	457,587 [1]
Campus setting	City: Large
Fall 2013 student enrollment	23,678
Part-time	68%
Female	51%
White	52%
Latino or Hispanic	22%
Black or African American	7%
Other	19%
Age (25 and older)	40%
Pell grants received by full-time beginning undergraduate students	51%
Federal student loans received by full-time beginning under-graduate students	25%

Source: U.S. Department of Education, Institute of Education Sciences, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), 2013–14, http://nces.ed.gov/ipeds/datacenter/.

Mesa Community College (MCC) is located in Mesa City, Arizona, just east of Phoenix. Of the community colleges in the state, MCC is the largest with a fall 2013 enrollment of 23,678.[2]

Summary

Vision and opportunity merged in Mesa, Arizona, when in 2006 a funder worked with leadership from Mesa Community College and a local social services agency to leverage untapped resources for educational matched savings programming. As an institution serving many at-risk students, in 2008 MCC worked closely with a social services provider to help implement the program called "Fast Tracking the Dream." Serving 60 students in the first year, by 2012, Fast Tracking the Dream had served close to 400 students. The program won an innovation award to fund the replication of the model across the Maricopa Community College District.

Area of Need

A large percentage of MCC students and prospective students have overlapping health, wellness, and financial needs. Funding their education while trying to address competing financial demands is one of many challenges. Some are caught in the cycle of poverty, whereas others are enduring homelessness, dealing with domestic violence, or managing a mental health issue. Many prospective MCC students are in need of not just financial but also comprehensive support. The financial challenges that accompany attending school are real, but they are made much more difficult when there are overlapping issues.

Program Description

In partnership with a local social services agency called A New Leaf, Mesa Community College began offering an educational matched savings program to eligible students beginning in 2008.[3] Named Fast Tracking the Dream, the program offers MCC students an opportunity to earn $3 in matching dollars for every $1 they save, up to a maximum of $1,000 over a two-year period. Matching funds are raised through the federal Assets for Independence (AFI) program and local sources such as foundations, financial institutions, colleges, and individual donors. The students make regular monthly deposits into personal savings accounts set up by A New Leaf. With the 3-to-1 match, students can earn up to $3,000 over and above their personal savings, which they can use for education-related expenses, including tuition, fees, books, supplies, and electronics. The program has evolved to also offer a tiered approach for students who have smaller financial needs. Instead of saving a maximum of $1,000, for instance, some students who enroll in Fast Tracking the Dream commit to a lower savings goal of $500 or $750, which is still matched at a rate of 3 to 1.

To participate in the program, students must take a free financial literacy workshop offered by A New Leaf either online or at its facility in downtown Mesa. It requires three hours of in-person instruction or five hours of online instruction. The instructors for the in-person workshop are from a local credit union that is housed in the same building as A New Leaf. With a focus on basic money management and savings strategies, the workshop is designed to build the capacity of students to make sound spending and savings decisions.

Students may request withdrawals from their savings plus the matching dollars after they've reached half of their savings goal and fulfilled the workshop requirement. Withdrawal requests are reviewed by A New Leaf, and, if they are approved, they are processed accordingly. Checks are sent by A New Leaf to the appropriate institutional office (for example, to the Office of Financial Aid for tuition and fees payments or to the bookstore for books and computers).

In order to enroll in the Fast Tracking the Dream program, students must have a personal income of less than 200% of the poverty level and a net worth below $10,000.[4] Students must also be earning income. While Fast Tracking the Dream is open to all students who meet the eligibility criteria, its location in the Center for Community & Civic Engagement, which operates the AmeriCorps program, attracts many AmeriCorps members, who are eligible to earn education awards in exchange for service to their local communities.[5]

Depending on the term of service completed, students enrolled in MCC's AmeriCorps program receive stipends in exchange for their service as well as education awards that can be applied to qualified school loans or current tuition costs. In 2013, MCC's average annual tuition was $2,280, and the maximum annual AmeriCorps Education Award was $1,458.[6] AmeriCorps members who participate in Fast Tracking the Dream may deposit money from their stipends into their savings accounts.

Fast Tracking the Dream participants are required to deposit a minimum of $25 consecutively for six months to stay enrolled in the program, and active AmeriCorps members must deposit a minimum of $10 consecutively for six months. Whenever missing monthly deposits extends beyond six months, a case manager from A New Leaf is assigned to assess the situation and then attempts to help the student get back on track. By making the minimum six months of deposits, students can remain enrolled in the program as long as they continue to meet the requirements (for example, completing the financial literacy workshop, staying enrolled at MCC, and making deposits or working with a case manager if they are unable to do so).

Exploration and Adoption Phase

In March 2006, the United Way of Mesa was involved in helping A New Leaf assume operational control of a community action network called MesaCAN. In the process, it was observed that MesaCAN was entitled to, but not using, federal grant funding of approximately $1 million for matched savings programs. The United Way of Mesa understood the need to act quickly to prevent the loss of these funds and also realized that they had an opportunity to shape the use of the funding. Given the CEO's strong commitment to increasing the educational attainment of low-to-moderate income residents of Mesa, starting an educational matched savings program at MCC seemed like a viable option.

MCC wasn't actively searching for a new intervention when it was approached by A New Leaf and the United Way of Mesa. However, leaders were receptive to the idea because of the overlapping needs that existed among its students. Leaders from the United Way of Mesa, A New Leaf, and MCC convened to assess the program's potential and the shared buy-in of the group.

MCC's leadership was aware of the social services needs of its students, given their high rates of poverty, homelessness, domestic violence, and mental health issues. The CEOs of A New Leaf and the United Way of Mesa approached MCC to discuss an educational matched savings program. Because the program would be administered by a well-regarded social services agency, MCC agreed to a partnership. The next challenge MCC faced was in educating potential supporters and implementers about matched savings programs.

Building the interest of stakeholders was the easy part; they were on board from the start. But as is required for all matched savings programs, the partners needed to identify sources of local matching funds to implement the program. Representatives from the United Way of Mesa, A New Leaf, and MCC devoted significant time to presenting the idea to potential supporters, including friends, local banks, and local businesses. They described the program mechanics and assured them of the viability of the plan.

Dedicated infrastructural support for the program took the form of virtual space dedicated to the program on MCC's website, physical space on campus, and the cooperation of the Financial Aid Office to anticipate and apply tuition and fee payments processed by A New Leaf on behalf of MCC's students.

Upon signing a memorandum of understanding (MOU) and making major decisions about the program design, administrators turned their attention to getting the program operational. MCC staff would be assuming new roles with new partners and assessing student interest.

Implementation Phase

One major decision that faced MCC was where to house the Fast Tracking the Dream program. They considered the Financial Aid Office, because its staff members were keenly aware of student financial challenges and how they can impede ongoing enrollment at MCC. But with enormous caseloads, Financial Aid did not have the capacity to work with every student facing financial challenges. Moreover, MCC was concerned that housing the program in the Financial Aid Office would make Fast Tracking the Dream seem like "just another program." Ultimately, MCC decided to house the program in the Center for Community & Civic Engagement, which opportunistically placed it in close proximity with the AmeriCorps effort on campus.

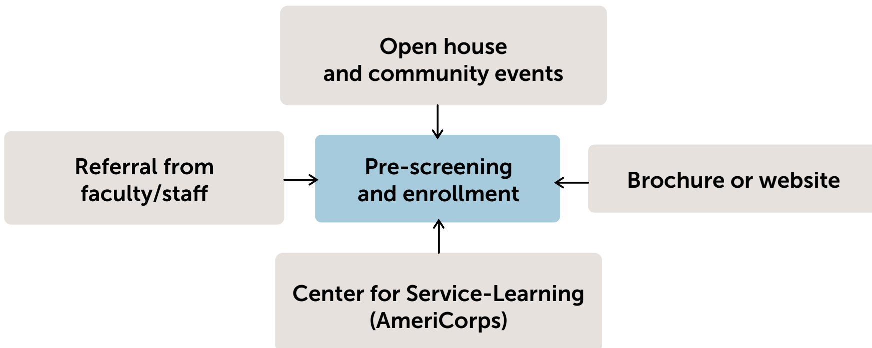
Students in the AmeriCorps program are likely candidates for Fast Tracking the Dream for several reasons:

- AmeriCorps members tend to be financially disadvantaged, and they work in local communities as a way to fund their education.
- Through stipends, AmeriCorps members earn money regularly, which would enable them to deposit monthly savings, a requirement of the Fast Tracking the Dream program.
- By leveraging A New Leaf's social services model, the AmeriCorps members would readily find opportunities to fulfill their service commitment.

MCC students would learn about the benefits of the Fast Tracking the Dream savings program, its eligibility requirements, and how to apply for the program in a variety of ways: at the Center for Community & Civic Engagement, through brochures or in advertising on the college website, through community events, at school open houses for parents and students, and through referrals by college faculty or staff. (See Figure 1.)

A New Leaf representative was onsite at MCC a few days per week to assist with recruitment, enrollment, and case management.

Figure 1
Fast Tracking the Dream Outreach and Recruitment



Students having difficulty making regular savings deposits work with a Fast Tracking the Dream liaison. The liaison is able to monitor student progress through transactional data shared by the participating financial institution, which enables the liaison to follow up with case management, whenever needed. A New Leaf considers the student's situation and prioritizes the problems that he or she is facing in order to address the most serious problems first, which may necessitate a referral to a partner agency. If a student leaves MCC, his or her enrollment in the Fast Tracking the Dream program is terminated. The student is contacted and reminded that he or she can gain access to the personal savings but must forgo the matching funds. If the student cannot be tracked down, the savings revert to a beneficiary whom the student had listed on the account.

Fast Tracking the Dream participants are case-managed by A New Leaf staff, according to requirements that MCC had outlined in the MOU. The application of the matching funds to education-related expenses is treated like a scholarship by the MCC Office of Financial Aid. Students must maintain a C average (a 2.5 GPA equivalent) to be eligible to have the funds applied. Otherwise, funds are returned to the pool of matching dollars to make it possible for other Fast Tracking the Dream participants to leverage them.

Another decision MCC and A New Leaf faced was how best to deliver the financial education piece to Fast Tracking the Dream participants. Initially, MCC administrators wanted to offer it through the institution. But students were already too time-constrained, and building the infrastructure to offer the content to participants was impossible. Instead, MCC and A New Leaf agreed to leverage A New Leaf's free financial literacy workshop that is offered in coordination with a local credit union in downtown Mesa. The workshop is also available online.

Invisible to participants of the Fast Tracking the Dream program is the back-end administration required to operate the program. As the matched savings program administrator, A New Leaf establishes a partnership with financial institution(s) to set up the custodial account for each participant's savings deposits and to hold the reserve dollars for allocating the matching funds.[7] In their own name, students make monthly savings deposits into these special accounts at the specified financial institution. This occurs regardless of whether a student already has a relationship with another bank or credit union. Neither the program participants nor MCC are involved in the selection of the financial institution(s) or even aware of the parameters of such partnerships. This illustrates the critical role of A New Leaf in facilitating the asset-building component of the program.

Utilization and Effectiveness

During the first year of implementation, 60 students were enrolled in Fast Tracking the Dream. Between August 2008 and December 2012, the program served 391 students. The program has helped students leverage savings of $261,309 with matching funds of more than $783,926 to finance their education and education-related expenses.[8] More recently, in 2012–2013, the program has paid out $133,581 in matching funds to help MCC students pay for tuition, books, and supplies. Most students (90% in 2012–2013) applied the funds to tuition and fees, followed by books and supplies. On average, 80–85% of participants graduate from the Fast Tracking the Dream program. Reasons for attrition include voluntary withdrawals as well as noncompliance with the requirements of the program.

In its role as the matched savings program administrator, A New Leaf uses applicant tracking system software to monitor participants' status and progress in the program, their savings goals, and amounts spent across educational expense categories. Data analysis enables A New Leaf to recommend possible program improvements to MCC. For instance, an unexpected pattern was observed: enrolled MCC students had been requesting amounts to be applied to their tuition that were less than the maximum savings plus matched amount of $4,000. This pattern led to the recommendation and implementation of a tiered savings approach in which participants still need to commit to a specific savings goal but may choose from lesser amounts at the time of enrollment.

In another instance, A New Leaf personnel realized that certain students had been struggling to use the on-campus computer lab in the evening to complete school assignments (due to limited bus schedules). Including computer equipment as an allowable, but verified, education-related expense allowed these students to purchase the necessary equipment that would enable them to access computing services remotely.

In addition to tracking the financial behavior of student participants, A New Leaf has access to the participants' educational outcomes, as agreed to by MCC. Such data can be included in its reporting to MCC and funders. Analysis of this educational data has demonstrated the greater persistence and higher-than-average GPAs of Fast Tracking the Dream participants relative to average levels for MCC students. This has helped justify the continuation and growth of the program.[9] The fall 2011 term-to-term retention rate for Fast Tracking the Dream participants was 94.2% compared with 63.6% for MCC overall.[10] Without demographically identical comparison groups, however, MCC cannot wholly attribute differences in retention rates to Fast Tracking the Dream. But the outcomes are useful for understanding aspects of the program that are more or less effective and for understanding how different target audiences interact with the program.

Success, Challenges, and Funding

MCC's Fast Tracking the Dream program was the recipient of the 2012–2013 Maricopa Community Colleges Innovation of the Year and Paul Pair Award. The award consists of a five-year grant of $500,000, of which up to $100,000 per year can be used for matching funds and to support the replication of Fast Tracking the Dream across the Maricopa Community College District, which includes 10 community colleges.

Part of the reason for the award was the demonstrated effectiveness of MCC's program. But an equal—if not greater—impetus was that longtime funder of the Fast Tracking the Dream program, Helios Education Foundation, recommended that the program be expanded throughout the Maricopa Community College District.

The United Way of Mesa has also been involved since the start and has committed to providing $60,000 to the Fast Tracking the Dream program for the next three years.

While the innovation award and continued support are certainly encouraging, there are still areas that MCC considers challenges. For instance, it sees the financial literacy workshop offered by A New Leaf as an area of opportunity and future improvement. Additionally, the case management offered by A New Leaf to MCC students who miss their scheduled savings deposits is a possible area to expand upon so that the social services needs of students who are in good standing in the Fast Tracking the Dream program are not overlooked. In both of these cases, more resources would need to be allocated to expand the services, and a greater level of student engagement would be required. They remain on the radar as possible program improvements.

Endnotes

1. U.S. Census Bureau, State & County QuickFacts. Data was derived from population estimates, the American Community Survey, the Census of Population and Housing, County Business Patterns, the Economic Census, the Survey of Business Owners, the Building Permits Survey, and the Census of Governments.

2. Details for this case study were gathered from phone interviews with Kristen Litt, Eva Felix, and Kathy DiNolfi of A New Leaf on August 16, 2013, December 16, 2013, and December 18, 2013, respectively, and with Jared A. Langkilde, director of development, Mesa Community College on December 24, 2013. U.S. Department of Education, Institute of Education Sciences, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), http://nces.ed.gov/ipeds/datacenter/.

3. A New Leaf is a nonprofit 501(c)(3) human service agency founded in 1971 to address drug problems plaguing Mesa's public schools. It has grown to provide services across a spectrum of needs to nearly 20,000 individuals annually. See http://www.turnanewleaf.org/a_new_leaf.

4. Income and asset eligibility requirements are stipulated by the U.S. Department of Health and Human Services Assets for Independence Program (AIP). AIP contributions are used to fund half of the matching dollars of MCC's Fast Tracking the Dream program. Additional details were provided by Jared A. Langkilde, director of development, Mesa Community College on December 24, 2013.

5. AmeriCorps is a national service program initiated by President Bill Clinton. AmeriCorps members help address the nation's needs in the areas of economic opportunity, education, environmental stewardship, disaster preparedness, veterans and military families, and healthy futures.

6. See http://www.mesacc.edu/its-all-at-mcc/exceptional-value and http://www.mesacc.edu/service-learning/americorps.

7. It is possible for matched savings programs to be set up at more than one financial institution where one holds custodial accounts and another reserve accounts.

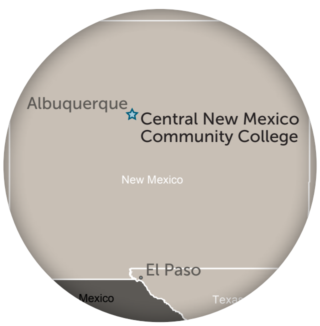
8. See http://mcli.maricopa.edu/innovate/winners.

9. Students participating in Fast Tracking the Dream are required to have a minimum 2.5 GPA to leverage matching funds. The extent to which program involvement motivates academic performance is unknown.

10. Personal communication with Mesa Community College Office of Research and Planning (February 2014).

Case Study | 6

Financial Stability Center: Central New Mexico Community College CNM Connect



City, State	**Albuquerque, NM**
City population estimate 2013	556,495[1]
Campus setting	City: Large
Fall 2013 student enrollment	28,891
Part-time	67%
Female	56%
White	32%
Latino or Hispanic	46%
Black or African American	3%
Other	19%
Age (25 and older)	47%
Pell grants received by full-time beginning undergraduate students	62%
Federal student loans received by full-time beginning undergraduate students	25%

Source: U.S. Department of Education, Institute of Education Sciences, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), 2013–14, http://nces.ed.gov/ipeds/datacenter/.

Central New Mexico Community College (CNM) is located in Albuquerque, New Mexico. Of the nine two-year public institutions in the state, CNM is by far the largest, with a fall 2013 enrollment of 28,891.[2]

Summary

With its origins in the Annie E. Casey Foundation Center for Working Families model, which calls for bundling education and employment services, work and income supports, and financial and asset-building services, Central New Mexico Community College's "CNM Connect" program has seen tremendous growth. CNM was the first community college to implement the model, and the CNM Connect program grew from, in 2005, serving 31 at-risk students out of a mobile facility equipped with half a desk to more than 10,000 students and community members in dedicated facilities across seven CNM sites by 2013.

Area of Need

More than 10 years ago, staff at CNM's School of Adult and General Education, working with prospective and current CNM students across a range of supports including GED, English as a second language (ESL), and developmental education, observed that low retention rates among these students were associated with not only poor academic performance but also financial challenges. These students presented multiple risk factors for dropping out, but staff were surprised to learn that the most commonly recurring topic was money. CNM staff sought a way to connect more students—even those who were ineligible for financial aid—to public benefits and financial coaches to mitigate the risk that financial challenges pose to students' educational investment. A related goal was to increase students' capacity to manage future challenges and plan for the future.

Program Description

In 2005, CNM piloted a Center for Working Families (CWF) model that was conceptualized and funded by the Annie E. Casey Foundation.[3] The CWF approach bundles essential economic supports in accessible locations and aims to help families build self-sufficiency, stabilize their finances, and move ahead. The core pillars of the model include (1) education and employment services, (2) work and income supports, and (3) financial and asset-building services.[4]

CNM's model, which grew out of a CWF approach, is called CNM Connect. It currently has 12 full-time coaches dedicated to helping students achieve their educational goals. The services that it provides are primarily located in centers that have been specifically designed to be inviting places

- where students want to gather,
- where staff, students and their peers interact in a friendly atmosphere,
- where students can study and work, and
- where students can enroll in and receive services and programs.

CNM Connect works with any student who needs support across one or more of the core pillars. A student may be seeking only one thing—such as assistance in putting an appeal packet together to prevent the loss of financial aid—but may end up receiving multiple services (see the "Utilization and Effectiveness" section). CNM Connect supports students with academic and life goals by connecting them with internal CNM resources as well as external community resources. Specific services include but are not limited to the following:

- free tax preparation,
- legal services for noncriminal issues,
- performance-based scholarships,
- workshops on time management and overcoming test-taking anxiety,
- one-on-one academic and financial coaching, and
- access to an Individual Development Account (IDA) administered by an external community partner called Prosperity Works.[5]

Students enter the program in various ways. In fact, CNM Connect believes: "There are no wrong doors through which students can access college." An actual physical space exists for students, but CNM Connect seeks to develop a shared philosophy among faculty and staff who are expected to work with students in ways that support their goals. The idea is that even those students who never step foot in the center can experience the CNM Connect philosophy:

- Any staff member can help promote awareness of available resources.
- Faculty members can use modes of instruction that promote greater levels of student engagement.
- Any person—faculty, staff, or peer—can provide a strong connection to a student if difficulties arise.[6]

Exploration and Adoption Phase

Prior to the creation of CNM Connect, the Center for Working Family (CWF) model had been adopted by nonprofits nationwide but to a lesser degree among educational institutions. Aligned in many ways with what community colleges were already doing in terms of career preparation, connection to career pathways, and financial supports, in recent years the model has increasingly been adopted by colleges.[7] CNM was the first community college to test it.

A confluence of events led to the piloting of the CWF model at CNM. Concerned with the low retention rates of those taking developmental education and GED courses, the college's School of Adult and General Education was seeking solutions to address the problem. At the same time, the Annie E. Casey Foundation was beginning to enter the educational sector with the CWF model. But openness to strategies and support were not shared unanimously across CNM's stakeholders.

The college president lent support to the initiative, keeping in mind how best to roll it out in a way that would help it be successful. Believing that those implementing the pilot had certain requirements—the right staff to get it off the ground, the freedom to start the program somewhat discretely, and the room to learn through trial and error—the college leadership sought to remove pressure and facilitate experimentation. At the same time, staff who were selected for the pilot were aware that CNM's data-driven president would be seeking evidence of utilization and success as a requirement for providing continued support.

Implementation Phase

Leadership selected staff from CNM's School of Adult and General Education to pilot the CWF model. This method increased the likelihood that they would have the necessary level of dedication and competence to make the model operational.

In the earliest days of implementation, the CNM staff who were working to launch the CWF services restricted the program to a narrow target audience. They used scholarships to recruit students who were enrolled in developmental courses and in the Career Technical Education programs.[8] Research indicated that those who were taking these courses were doing the least well and were deemed to be at high risk for dropping out. Students who were interested in learning more about the services offered could meet with staff in the makeshift point of contact—a portable location situated in a parking lot with half a desk and a half-time coach.

An early win for the program was its fit with existing CNM departments. For instance, financial aid staff were interested in and wanted to help those students who were at risk of losing their aid packages regain their good standing. But with caseloads of over 10,000 students, the staff simply lacked the resources. Staff members who deliver the CWF services have the capacity to establish relationships with students, can help them submit appeals to the Financial Aid Office, and can try to connect the students with benefits and scholarships—both performance-based and emergency-based.[9]

As the CWF model grew, it was rebranded as "CNM Connect" for several reasons. Early on, there had been no actual center, so calling it the "Center for Working Families" was misleading. In addition, it was important to the staff and the leadership that CNM take ownership of the model that had its origins in the CWF approach. Giving it a different name helped it to do this. However, it still retains the principles of the CWF approach, which calls for:

- the bundling of services across the three pillars of education and employment services, work and income supports, and financial and asset-building services;
- the use of coaches to provide one-on-one financial and academic supports; and
- the leveraging of partners to augment CNM's efforts that are deemed vital to ensuring financial stability.[10]

As the identity of CNM Connect was taking shape, so, too, were the hiring requirements. Initially, the implementation team didn't have the resources to hire more than a half-time coach. But during the next three years, there were anywhere from one to five full-time coaches. Competent staffing was essential to the program's success, not only to ensure quality delivery of the model but also to avoid the inefficiencies and interruptions that result from staff turnover. As the executive director of CNM Connect points out, it was also important to discover job candidates' attitudes about supporting disadvantaged students. Those who saw welfare recipients as undeserving or lazy would not be suitable. As CNM Connect has diversified its funding base, moving from grant-funded to institutionally funded positions, the pool and quality of job applicants has increased.

Today CNM Connect is quite different from its early days of delivering services from a portable location. There are currently 12 full-time coaches housed in purpose-built facilities across seven sites. Coaches offer students one-on-one assistance with academic and career challenges as well as with issues related to managing personal finances and learning how to build assets. In-person coaching is supplemented by a call center and online support designed to answer questions from students as well as non-students who contact CNM. A 12-week for-credit course on financial education that is offered through the business department allows CNM Connect to deliver more support to at-risk students. Staff promote the for-credit course offering to those who can benefit from the information but who may not need intense services. CNM Connect's identity as a separate institution led to the biggest changes, as shown by the shift from a narrowly defined target audience to any student and a public commitment to the philosophy of CNM Connect.

The CNM president has supported the model and the "no wrong door" philosophy both symbolically and strategically. Her goal is to instill a sense of responsibility in all employees of the college who work with students. At an annual staff convocation a few years ago, CNM distributed T-shirts reading "I am CNM Connect" to all college staff. During personnel meetings, the president regularly impresses upon the audience the importance of the principles of CNM Connect and the role that all staff play in its delivery. On a more strategic level, by allocating institutional dollars to create the infrastructure of the program and develop it, she has helped CNM Connect go from serving 31 students on one campus in 2005 to more than 3,500 across seven sites within fiscal year 2013. (See Figure 1 for cumulative figures.)

Figure 1
Evolution of CNM Connect

2005	→	2008–2010	→	2013
Pilot Phase 31 students 1 part-time coach Portable location on 1 campus		**Intermediate** 2,057 students 1-5 coaches 1 campus Contact Center development		**Institutionalization** 10,185 students 12 coaches 30 Connect staff 7 Sites

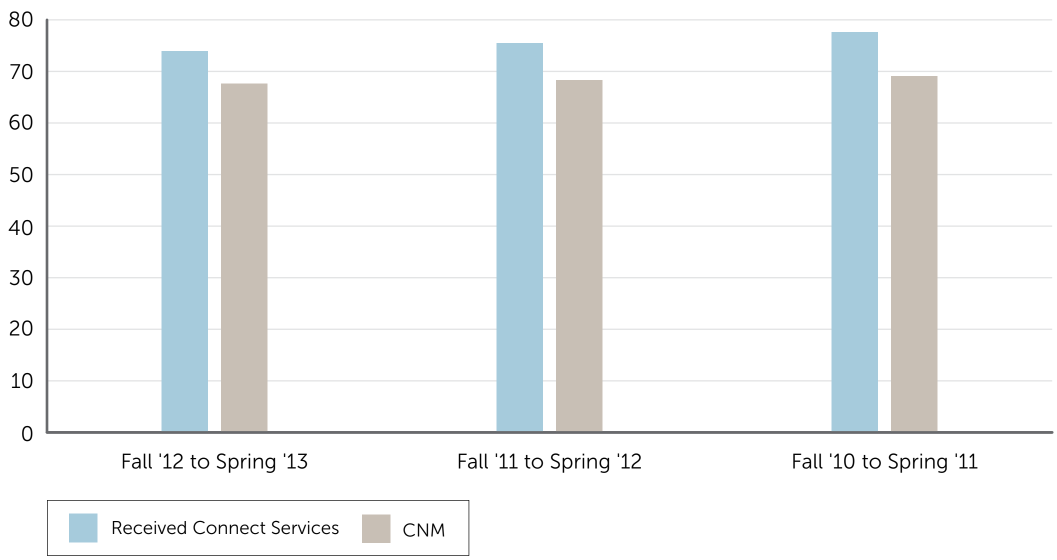
Source: Data for 2013 were provided by Ann Lyn Hall, executive director, CNM Connect Program (February 5, 2014). See also http://www.cnm.edu/student-resources/get-help/our-story.

Utilization and Effectiveness

Having implemented this evolving program for nine years, CNM is the community college with the most experience at using a Center for Working Families approach.[11] The reach of CNM Connect has been broadened through expanding its target audience from a restricted group to any student, as well as through the use of technology as an alternative means to connect. The result has been a marked increase in the number of students served.

The demographics of the students served also have changed over time, partly as a result of the change in recruitment strategy. When CNM staff used scholarships to recruit students, the program tended to attract older students who were interested in financial assistance. Younger students have proven to be more responsive to CNM Connect's broader programmatic offerings.

Figure 2
Term-to-term Student Retention by Receipt of CNM Connect Services



Source: Ann Lyn Hall, executive director, CNM Connect Program (February 5, 2014).

Of the services currently offered, the most utilized are in the areas of education and training. This is followed by income and work supports, primarily in the form of financial assistance to students, and then by financial services.[12]

The underlying principle of CNM Connect is that bundled services meet the needs of students better than a fragmented approach to service delivery. The extent to which students access multiple services varies. Of the 2,086 CNM students served in 2010, 56% received services falling under two of the three core pillars of the CWF approach, and 30% received services in all three pillars.[13] A 2009 study of CNM students who received CWF services found that those who received bundled services from more than one core pillar were four times more likely to achieve short-term-indicator outcomes (e.g., receive a scholarship or attend college in the next semester or receive financial aid) and four times more likely to achieve major economic outcomes (e.g., remain in a job more than 12 months or receive an employment certificate or earn a GED) than students who did not receive bundled services.[14]

Relative to the term-to-term retention rate at CNM as a whole, for the past three years, CNM Connect has observed a higher percentage of returning students. (See Figure 2.)

Additional indicators of CNM Connect's program performance will be derived from a national study testing the effectiveness of participation in the Suncat Savings Challenge (CNM Connect's IDA program). It will provide CNM Connect with access to such indicators of financial capabilities as savings behavior and money management among students who are interested in participating in a matched savings program. The study will include random assignment of 600 interested and eligible students into program and comparison groups.[15]

Success, Challenges, and Funding

Strong leadership at the institutional level has been critical to the success of CNM Connect, but it has also been essential to have multiple levels of leadership. While the college president has lent support in visible and strategic ways, she also handed much of the responsibility to the team that led the implementation and that now handles the ongoing operation of CNM Connect. The team that led the effort has been successful partly due to their initiative and follow-through but also because they've earned the respect of the CNM community by demonstrating a strong commitment to students' success and to the value of CNM Connect to the institution.

CNM Connect's leadership plays a role that is not always welcome in college settings—namely, challenging the status quo—but their colleagues have come to expect it from them. In effect, CNM Connect has become a model of successful collaboration. While its growth has been robust, challenges accompanying the rise from a boutique model to an institutionalized one remain.

Just as in the pilot in 2005, CNM Connect had to work out some kinks to ramp up, and it continues to do so as it has grown. In keeping with the philosophy of CNM Connect, one goal is to ensure that all employees exemplify the value of the model through their work, and methods for bringing Academic Affairs and faculty members into the model are being developed. For instance, CNM is piloting a faculty fellows program that would excuse faculty from teaching for a year so that they could take on projects in their area of expertise that support the goal of student success.

As the program has become institutionalized, CNM Connect has recognized the need to adopt the same data tracking system that is used by the college. It was difficult for the CNM community to communicate with students when the college and CNM Connect were using different information-sharing platforms.

CNM Connect has benefited from a combination of outside funding, starting with the Annie E. Casey Foundation in 2005, and institutional-level strategies to help bring the model to scale. Grant funding has been imperative to CNM Connect's growth, but many funders are more interested in funding projects rather than operations. Whenever a new approach demonstrates positive results, CNM Connect has found it necessary to seek alternative funding streams to keep it going. This was especially challenging three years ago, when CNM faced a 30% budget cut. In search of a solution, the college developed an incentivized early-retirement program that was used by at least 80 staff members. This paved the way for reallocating dollars to the growth and institutionalization of CNM Connect.

CNM Connect's leadership saw value in thinking about scalability even during the initial pilot phase. To this day, if CNM leadership does not see the value in sustaining a grant-fundable position beyond the life of a grant, more likely than not, CNM Connect would decline such an opportunity for funding. Thinking about what the model, if institutionalized, would look like through the different phases of growth has greatly influenced the current shape of CNM Connect. That said, after nine years of learning, modifications, and growth, CNM Connect's executive director regards the early efforts to find an appropriate target audience for the pilot as a valuable decision.

Endnotes

1 U.S. Census Bureau, State & County QuickFacts. Data was derived from population estimates, the American Community Survey, the Census of Population and Housing, County Business Patterns, the Economic Census, the Survey of Business Owners, the Building Permits Survey, and the Census of Governments.

2 Details for this case study were gathered from a phone interview with Ann Lyn Hall of CNM Connect on December 5, 2013. U.S. Department of Education, Institute of Education Sciences, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), 2011–12, http://nces.ed.gov/ipeds/datacenter/.

3 Established in 1948, the Annie E. Casey Foundation is a private charitable organization based in Baltimore, MD, that is dedicated to helping build better futures for children at risk of poor educational, economic, social and health outcomes in the United States.

4 Cynthia D. Liston and Robert Donnan, *Center for Working Families at Community Colleges: Clearing the Financial Barriers to Student Success* (Durham, NC: MDC, Center for Working Families, April 2012).

5 Administered by Prosperity Works, Individual Development Accounts offered through CNM Connect's Suncat Savings Challenge are matched savings accounts that leverage matching dollars through local sources and the federal Assets for Independence program. This allows students to save for home ownership, small business enterprise, or post-secondary education expenses. See http://www.cnm.edu/student-resources/get-help/suncat-savings-challenge.

6 Central New Mexico Community College, CNM Connect, "Our Story," http://www.cnm.edu/student-resources/get-help/our-story.

7 Liston and Donnan, *Center for Working Families at Community Colleges* (2012).

8 At CNM, Career Technical Education is a terminal degree program encompassing all trades, technologies, health care, business, and education.

9 "Rust Scholarships" were offered as a form of emergency gap funding, ranging from $200 to $300.

10 Dan Broun et al., *The Working Families Success Strategy. College Implementation Guide* (Durham, NC: MDC, Center for Working Families, 2013), http://wfsncollegeguide.org/wp-content/themes/workingfamiliessuccessstrategy/pdfs/MDC_WFS_all.pdf.

11 Liston and Donnan, *Center for Working Families at Community Colleges* (2012).

12 Ibid.

13 Ibid.

14 Kimberly Burnett et al., *Pathways to Success: An Interim Analysis of Services and Outcomes of Three Programs* (Baltimore, MD: Annie E. Casey Foundation, June 2009).

15 http://www.cnm.edu/student-resources/get-help/suncat-savings-challenge.

16 http://www.cnm.edu/student-resources/get-help/our-story.

Case Study | 7

Financial Stability Center: Skyline College
Sparkpoint at Skyline College

City, State	**San Bruno, CA**
City population estimate 2013	42,443[1]
Campus setting	Suburb: Large
Fall 2013 student enrollment	10,067
Part-time	74%
Female	52%
White	20%
Latino or Hispanic	29%
Black or African American	4%
Other	47%
Age (25 and older)	36%
Pell grants received by full-time beginning undergraduate students	40%
Federal student loans received by full-time beginning under-graduate students	2%

Source: U.S. Department of Education, Institute of Education Sciences, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), 2013–14, http://nces.ed.gov/ipeds/datacenter/.

Skyline College is located in San Bruno, California, just south of San Francisco. Of the 112 community colleges in the state, Skyline College is just below the median size of approximately 11,000, with a fall 2013 enrollment of 10,067. Skyline College is part of a three-college district in the county of San Mateo.[2]

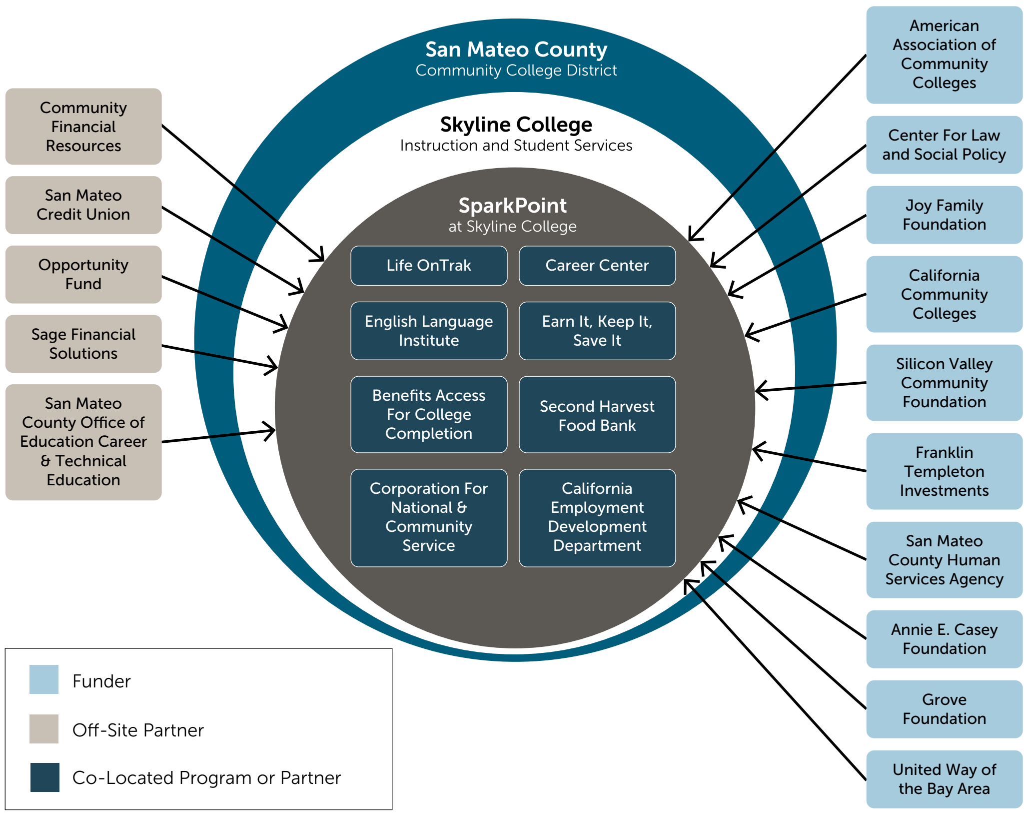
Summary
With a shared vision among faculty and staff for producing equitable outcomes across a diverse student body and a community gripped by inequality, Skyline College explored an Annie E. Casey Foundation Center for Working Families–inspired model. In anticipation of sufficient funds becoming available, Skyline College managers traveled the country visiting Center for Working Families (CWF) initiatives in order to build their knowledge and expertise around this model that would signal an entirely new approach for Skyline College. Starting with grant funding from the United Way of the Bay Area and the Bay Area Workforce Funding Collaborative, in May 2009, Skyline College began planning for a CWF–inspired United Way SparkPoint Center. It was launched as a pilot effort in November 2009, and, by fiscal year 2012–2013, it was serving 2,015 participants[3].

Area of Need
Skyline College is one of the most ethnically diverse community colleges in California. It is located in wealthy San Mateo County, where significant disparities exist in the ability of its residents to participate in the economy. San Mateo's minority residents are disproportionately overrepresented in the percentage of the population that lives below a standard of sufficiency, and they are underrepresented in the vital institutions that are required to fully participate in the community and economy.[4] Concurrent with the recent economic downturn, student need has shifted from more typical challenges, such as insufficient money to buy textbooks or cover fees, to not enough food to eat and inadequate shelter.[5]

Program Description
SparkPoint at Skyline College is an Annie E. Casey Foundation Center for Working Families–inspired model that bundles core services to populations in need of support. One of 10 United Way SparkPoint Centers in the San Francisco Bay Area, SparkPoint at Skyline College is the only one that is housed at an educational institution. Broadly speaking, the services fall under three core pillars: (1) employment and career advancement; (2) income and work; and (3) financial services and asset building. Actual services falling under the three pillars include financial coaching and asset building through an individual development account (IDA), workforce development and connection to career pathways, a food pantry, English as a second language classes, legal assistance, voluntary income tax assistance, help with screening and enrollment for public benefits, and financial aid and college affordability supports.

SparkPoint at Skyline College is both a physical location and a campus-wide network of services. The physical location is open to students enrolled at Skyline College as well as to non-enrolled students and members of the community.[6] SparkPoint offers Skyline's existing programs and services but also partners with multiple organizations to provide a continuum of services to students and members of the community in what is aimed to be a seamless fashion. (See Figure 1.)

Figure 1
SparkPoint at Skyline College Services and Partnerships



Source: William Watson, director, SparkPoint at Skyline College, http://www.skylinecollege.edu/sparkpoint/partners/.[7]

Although SparkPoint at Skyline College is open to all students and members of the community, some of the services offered require that a person meet certain eligibility criteria. For example, to participate in an IDA administered by the Opportunity Fund, a candidate must demonstrate income- and asset-limitations.

Exploration and Adoption Phase

Much of the credit for helping to establish a shared vision at Skyline College can be credited to the president of the institution, Regina Stanback Stroud. At a 2007 managers' retreat when she was vice president of instruction, she asked participants to brainstorm about how to address the fact that minority populations in San Mateo County are disproportionately affected by poverty and absent from civic life. A strategic planning session devoted to this issue served to clarify and solidify a shared vision of striving for equitable outcomes for residents and students served by Skyline College. Viewing the educational institution as being instrumental in initiating and maintaining efforts to mitigate the effects of disparities on an array of outcomes was seen as a breakthrough.

With this shared vision in place, Dr. Stanback Stroud presented a model inspired by the Annie E. Casey Foundation Center for Working Families. Her colleagues were immediately persuaded that the CWF model was exactly what they needed in order to achieve their collective vision. Not only were the three pillars of employment and career advancement, income and work, and financial services and asset-building what residents and students needed, but the emphasis on partnerships, which are required to make the model operational, represented a strong fit with Skyline College.

Surrounded by many large employers in Silicon Valley, including Genentech, YouTube, Walmart, and other Fortune 500 companies, Skyline College created the Center for Workforce Development and in the process developed a competency in cultivating partnerships for the purpose of shaping the center's offerings to meet local workforce needs. Skill in partnership-building would prove critical in the early stages of implementation of a CWF-inspired model, since it calls for connecting individuals to one or more supports in order to achieve financial stability.

When the Skyline team began thinking about implementing a CWF model, the Annie E. Casey Foundation had already selected a few colleges that it would work with to set up CWF initiatives. Skyline College was not among the initial cohort, but staff members benefited from meetings at the Annie E. Casey Foundation, site visits, and technical assistance, thereby learning as much as possible about the CWF model and how it is implemented.

In a proposal called "Strengthening Student Services," Skyline College sought funding through the Bay Area Workforce Funding Collaborative. This funding supported Skyline College in the planning process that would prove essential to later implementation. It helped Skyline forge partnerships with key players, including the California Employment Development Department, the Jewish Vocational Service, and the United Way of the Bay Area. This also enabled a group of Skyline College's managers to travel to observe community colleges that had implemented CWF models, including Des Moines Area Community College and Central New Mexico Community College. (See Resource Handbook, Case Study #6.) This time spent making invaluable connections and gathering extensive information helped prepare Skyline College for an imminent opportunity: The United Way of the Bay Area was planning to launch CWF–inspired models under the name "SparkPoint Centers" at 10 sites in the area.

The timing of Skyline College's interest in finding a way to address disparities among local residents and students coincided with a major economic downturn across the state of California and nationwide. The state's education budget was slashed. Many at Skyline College questioned whether it made sense to invest in seeking new solutions when the college, like many businesses and major institutions at the time, was facing severe budget shortages. Dr. Stanback Stroud stood firm and argued that doing nothing in these challenging times would only exacerbate already wide disparities.

As a result, the goal of ensuring equitable outcomes became pervasive in strategic planning at Skyline College. This philosophy is not necessarily shared across educational institutions, but with a view to both institutional effectiveness and social justice, Skyline College is committed to reconceptualizing how best to educate students.

Implementation Phase

Being chosen as a site for a United Way of the Bay Area SparkPoint Center provided Skyline College with seed funding as well as access to a consistent network of experts and colleagues to help inform its implementation. Skyline participated in a regional community of practice led by the Bay Area Workforce Funding Collaborative and the Annie E. Casey Foundation's Centers for Working Families Community College Learning Network (now called the Working Families Success Network). Skyline's access to expertise and the readiness of the model greatly facilitated implementation planning, since the college was able to envision the content and the delivery of the programs and services.

Typically in the pilot phase of an initiative, offerings may be limited to a target group, but SparkPoint at Skyline College was open to everyone from the start. Certain programs and services have eligibility criteria that must be met, such as the matched savings program that is offered through the Opportunity Fund, but for offerings without eligibility rules, students and residents alike could visit the center as soon as it opened. The launch of the SparkPoint Center was promoted broadly on Skyline College's website, in newsletters, through advertising by partners, and in general press releases to the community.

While the model is multifaceted and the service offerings are many, the intended outcomes of the SparkPoint Center are focused and succinct. For students and residents served by the center, the goal is to help them do the following:

1. achieve a self-sufficient outcome,
2. repair and build credit (i.e., achieve scores greater than 650),
3. build a safety net of savings ranging from three to six months of income, and
4. reduce debt-to-income ratio to below 40% of monthly earnings.[8]

Depending on where a participant starts out, certain outcomes are more relevant than others, but in all cases, one constant in the model is its bundled-services approach, which has been shown to result in stronger outcomes than when one service alone is used.[9]

Crucial decisions that Skyline College had to make included where to house the SparkPoint Center and how to staff it. Also, since partnerships are critical components of CWF–inspired models, Skyline needed to apply its competency in partnership building. Both the Center for Workforce Development and Student Services (home of the Financial Aid Office) were approached as possible locations for the center. They seemed like obvious candidates, since both of these divisions are committed to helping students in ways beyond the academic, much like the SparkPoint Center would be. The Financial Aid Office was concerned about the resources needed to launch a new initiative, so the college decided to house SparkPoint at Skyline College in the Center for Workforce Development, under the direction of Dr. William Watson. This turned out to be a good fit, since the Center for Workforce Development was eager to get SparkPoint off the ground. Later, a new vice president of Student Services was hired, Dr. Joi Lin Blake, and SparkPoint at Skyline College was relocated to Student Services with great success. Dr. Watson moved with SparkPoint to Student Services to continue building the services and resources needed to fully implement the model.

The move to Student Services has been important for a number of reasons. According to feedback from visitors to the SparkPoint Center at Skyline College, there is no longer a stigma associated with receiving financial aid, and this now extends to the services provided at the center. At the community college level, students who leverage financial aid, including Pell Grants, neither stand out nor perceive themselves as different from their peers who don't (see the "Utilization and Effectiveness" section). Moreover, it makes logical sense to students and community members who are seeking help with their personal finances that SparkPoint's financial coaches are located in Student Services.

The staff at SparkPoint includes employees of Skyline College as well as partners outside the college. The center director is a Skyline College academic manager and a member of the Student Services leadership team. There are also two financial coaches who are paid employees of Skyline College.

The coaches were selected based on two main criteria: their level of education and professional experience, and their shared vision for social justice and equitable outcomes, which underpins SparkPoint's work. The coaching positions have different job descriptions but similar tasks. The financial aid technician, who must have a bachelor of science degree or the equivalent, is responsible for financial coaching, and the counselor must have a master's degree and be able to teach a course related to student success along with a self-sufficiency course that is transferable to a California State University. Having both types of coaches at the center means that there is coverage for both students and nonstudent community members. While some visitors to the center are seeking a coach who can also provide academic counseling, others are there to use the food pantry or to get help preparing their taxes.

Additional roles at the SparkPoint Center at Skyline College are filled by outside partners who spend varying amounts of time on campus. The work of onsite partners and, to some extent, offsite partners is grant-funded or self-funded, and their commitment and contributions to SparkPoint are cultivated by Skyline College's leadership team.

Skyline College uses a systematic process to forge partnerships. It invites potential partners to engage in an assessment process designed to help inform progress, priorities and goals, and work plans. Partners also engage in integration planning to determine the extent and sequence of services and to develop strategies for moving forward. With its experience working with partners to ensure the alignment of the institution's offerings with the needs of the local workforce, Skyline has grown partnership development into a core competency.[10]

There are various levels of partnership, ranging from the least intense "courtesy acquaintance" to the most intense "functionally integrated partner," with shared power and budgeting authority. This sorting process helps establish both parties' shared expectations vis-à-vis operations and accountability. The level of partnership also determines the type of agreement needed, which could be a memorandum of understanding, a contract, or a subagreement.[11]

Utilization and Effectiveness

With so many moving parts involving Skyline College staff and partners and the use of services by both students and community members, SparkPoint at Skyline College required a monitoring system with robust tracking and reporting capacity. The center uses commercially available, Web-based case management software that aids in connecting efforts to demonstrable outcomes. Implementation of the software was a major undertaking that required significant programming on the front end to enable meaningful data tracking and reporting, but within a few years, SparkPoint staff has grown to rely on it.

As a supplement to the programmatic data tracked in the ETO database, SparkPoint staff also engage students in focus groups to get a sense of their perceptions of and experiences with SparkPoint services. Findings from the focus groups demonstrate that the SparkPoint

Center has been successful in removing stigma associated with leveraging its services. Coupling the center with financial aid services has been an effective strategy to this end.

The utilization of SparkPoint Center at Skyline College services has grown steadily between its implementation in 2010, when 1,250 students and community members were served, and fiscal year 2012–2013, when this number grew to 2,015.[12] While the served population includes primarily Skyline College students, at least 600 of those served are non-enrolled residents of the community. Another portion of the total number served includes non-enrolled Skyline College students who have at least generated a student identification number by applying for admission or financial aid. These include students who have dropped out, completed their courses, or are in between enrollments due to financial or other life circumstances.

Skyline College has observed higher term-to-term persistence rates among students who have leveraged up to three SparkPoint services. In 2012, the fall-to-spring retention rate was 94% for SparkPoint students compared with 56% for Skyline College students in general. While a controlled study has not been undertaken, SparkPoint is working on a research proposal to conduct a rigorous study of users of SparkPoint services in order to compare them with similar nonusers by means of propensity score matching techniques.[13] A demographically similar group of nonusers will serve as a control group for comparison purposes. By identifying Skyline College students who possess similar characteristics to SparkPoint users, such as the same number of credits and the same type of classes, the institution will have more confidence in the findings.

Success, Challenges, and Funding

SparkPoint at Skyline College can mirror a CWF–inspired model only up to a certain extent, since the ideal implementation would include service integration across all partners with common budgeting authority. This cannot fully happen at Skyline College because of the way the institution is structured, with oversight from the San Mateo County Community College District (SMCCCD), which is a political subdivision of the state of California. The United Way of the Bay Area contracts with SMCCCD, which disburses the funds.

Sizable funding for SparkPoint at Skyline College was provided by the Bay Area Workforce Funding Collaborative, which invested $600,000 between 2009 and 2012. Additional funding came from a variety of sources, including the United Way of the Bay Area, the Grove Foundation, the California Community College Chancellor's Office, the San Mateo County Human Services Agency, and the Annie E. Casey Foundation.[14] Skyline College is planning to institutionalize the center by leveraging funding called Fund 1, the primary operational budget of the college.

Through Fund 1, Skyline College intends to supply key SparkPoint positions by using increasing amounts of institutional dollars, with 25% covered in the first year of the institutionalization plan; 50% in the second year; 75% in the third year, and 100% in the fourth year. This will decrease the reliance on external funds and may help retain strong talent as the center is further integrated within established college processes.

Endnotes

[1] U.S. Census Bureau, State & County QuickFacts. Data was derived from population estimates, the American Community Survey, the Census of Population and Housing, County Business Patterns, the Economic Census, the Survey of Business Owners, the Building Permits Survey, and the Census of Governments.

[2] Details for this case study were gathered during an informal phone interview with William Watson, Ed.D., who is director of SparkPoint at Skyline College, January 28, 2014. U.S. Department of Education, Institute of Education Sciences, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), 2011–12, http://nces.ed.gov/ipeds/datacenter/.

[3] William Watson and Joi Lin Blake, "SparkPoint at Skyline College. Mitigating Economic Disparity: Financial Self-Sufficiency and College Completion," presented at the Community College League of California Annual Convention, Burlingame, CA (November 2013), http://www.skylinecollege.edu/sparkpoint/about/documents/CCLCPresentation.pdf.

[4] The district uses a Self-Sufficiency Standard that calculates the annual cost to meet monthly expenses at the county level based on household composition. See Struggling to Make Ends Meet in the Bay Area. Financial Self-Sufficiency Report 2009 (San Francisco, CA: United Way of the Bay Area, 2009), http://www.unitedwaysca.org/images/stories/make_ends_meet_report.pdf.

[5] Regina Stanback-Stroud, History of SparkPoint at Skyline College (undated), http://www.skylinecollege.edu/sparkpoint/about/documents/HistoryofSparkPointatSkylineCollegeRSSSprkptWebsite_revised.pdf.

[6] Non-enrolled students are those who went through the enrollment process but never earned credits or stopped taking for-credit courses.

[7] William Watson (http://www.skylinecollege.edu/sparkpoint/partners/).

[8] Watson and Blake, "SparkPoint at Skyline College. Mitigating Economic Disparity" (2013).

[9] Kimberly Burnett et al., Pathways to Success: An Interim Analysis of Services and Outcomes of Three Programs (Baltimore, MD: Annie E. Casey Foundation, June 2009).

[10] William Watson, "Community Colleges Building Partnerships with Community Based Organizations: Benefits Access for College Completion," presented at the Benefits Access for College Completion meeting, Miami, FL (January 2012), http://www.skylinecollege.edu/sparkpoint/about/documents/CommunityCollegePartnershipsBACCConveningMiami-January2012.pdf.

[11] Ibid.

[12] Watson and Blake, "SparkPoint at Skyline College. Mitigating Economic Disparity" (2013). Cynthia D. Liston and Robert Donnan, Center for Working Families at Community Colleges: Clearing the Financial Barriers to Student Success (Durham, NC: MDC, Center for Working Families, April 2012).

[13] Propensity score matching is a statistical matching technique used to compare groups that are statistically similar in characteristics thought to be associated with outcomes of a given treatment or intervention. It removes the bias that arises because of the apparent difference in outcome associated with two groups. Propensity scores are useful when trying to draw causal conclusions from observational studies where the "treatment" (i.e. the "independent variable" or alleged cause) was not randomly assigned." Source: Penn State Methodology Center, http://methodology.psu.edu/eresources/ask/fa07.

[14] Liston and Donnan, Center for Working Families at Community Colleges (2012).

Case Study | 8

Financial Coaching: Community College Of Baltimore County CCBC Cares

City, State	**Baltimore, MD**
City population estimate 2013	622,104[1]
Campus setting	Suburb: Large
Fall 2013 student enrollment	23,981
Part-time	67%
Female	60%
White	45%
Latino or Hispanic	4%
Black or African American	38%
Other	13%
Age (25 and older)	42%
Pell grants received by full-time beginning undergraduate students	59%
Federal student loans received by full-time beginning under-graduate students	22%

Source: U.S. Department of Education, Institute of Education Sciences, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), 2013–14, http://nces.ed.gov/ipeds/datacenter/.

The Community College of Baltimore County (CCBC) is located in Baltimore, Maryland. Of the 16 public two-year institutions in the state, CCBC is the second largest, with a fall 2013 enrollment of 23,981.[2]

Summary

The Community College of Baltimore County (CCBC) began a program to increase financial awareness and empowerment of students after it realized the direct relationship between race, socio-economic status, and academic achievement and witnessed an increase in impoverished students enrolling in the college. Efforts started with a simple strategy of handing out piggy banks to first-year students in an orientation course. This light touch program had broad reach, resulted in actual savings of more than $70,000 from spring 2011 to fall 2013, and highlighted the potential for building financial capabilities among the CCBC student body. But administrators acknowledged the need to offer financial coaching to students who were experiencing an acute financial crisis. The aim would be to move students beyond their current crisis into a position to better manage their personal finances moving forward. With this in mind, a more intense, but narrowly focused program, was implemented in 2013, named CCBC Cares (Community and Academic Resources for Educational Success).[2]

Area of Need

The majority of students enrolled in courses at the Community College of Baltimore County (CCBC) live at or below the poverty line. These students face social and economic challenges of budget shortfalls, housing insecurity, and food insecurity. Many of these challenges affect students' educational experiences at CCBC and interfere with their ability to focus on the demands of school. Historically, CCBC made efforts to address acute financial challenges but the institution was concerned about the lack of tools available to help students become competent in navigating financial systems and routinely making healthy financial decisions.

Program Description

CCBC Cares is a financial coaching program modeled after the coaching piece of the Annie E. Casey Foundation Center for Working Families Community College Learning Network initiative (now referred to as the Working Families Success Network). CCBC Cares offers financial coaching tailored to the level of student need in achieving an articulated financial goal. (In this *Handbook*, see the case studies of how this approach has been implemented in the Central New Mexico Community College CNM Connect program and the SparkPoint Center at Skyline College in northern California.)

CCBC Cares is designed to help students work toward financial goals by using a three-tiered approach based on the level of service needed. The first tier is resource-focused and might include connecting students to needed resources such as scholarships. The second tier involves light touch financial counseling. The third tier offers more time-intensive structural support, referred to as scaffolding. Students who receive scaffolding coaching might spend an hour or more with the coach during each visit, whereas students seeking guidance on scholarship options spend much less time with a coach. Some students may come in seeking guidance on resources but find they need to leverage more intensive tiers of service. A student who would qualify for scaffolding coaching might have many inter-related financial goals, such as developing a personal budget, devising a savings plan, and charting a path to home ownership.

The coaches take each student's financial circumstances into consideration when thinking about the steps required for a student to reach his or her financial goals. Helping the students break their goals into specific, measurable, achievable, realistic, and time-bound (S.M.A.R.T.) steps is integral to the approach.[3]

Exploration and Adoption Phase

CCBC had experimented with efforts to improve the financial knowledge and skills of its students before implementing CCBC Cares. Concerned about the prevalence of student need for emergency assistance to deal with unforeseen expenses, in 2011, CCBC's initial response was to pilot a program called "Money Matters @ CCBC," which consisted of a series of financial literacy–focused lesson plans that were embedded into the first-year orientation course. The goal was to engage students in discussions of the financial dimensions and consequences of their decision making. It also sought to reinforce the importance of savings and to encourage savings behavior by providing each student with an actual piggy bank. While the program was light touch, it grew to reach more than 17,000 students and provided a means for students to accumulate emergency savings. To help students facing financial crises, CCBC also offered emergency assistance funds with CCBC Foundation dollars.

Students are able to apply for emergency assistance, which, if approved, is disbursed directly to creditors, such as utility companies. On the part of the student, the program entails very little contact with the creditor, since payments are delivered electronically to third parties. As important as the program is in addressing financial crises, it's not designed to help students make good financial decisions moving forward. To help fill this gap, college administrators sought to provide students with the tools that could reduce their vulnerability to such financial crises and, more importantly for the long term, help them achieve their financial goals. This marked a shift from a student-deficit approach (intervening on behalf of the student to deal with a financial crisis) to an asset-based approach.

When administrators learned about the Annie E. Casey Foundation Center for Working Families model, they believed they found a useful tool. While they never intended to implement the full CWF model at CCBC, components of it and types of expertise applied to previous implementations in community college settings seemed relevant and promising. CCBC was most interested in the financial coaching piece of the CWF model and explored the possibilities of bringing that piece to the institution.

Characterized as a holistic model that bundles services across three pillars of support — education and employment, work and income, and financial and asset-building — the full-fledged CWF model was not perceived by administrators as fitting well with CCBC's structure because it crossed both student services and instructional departments. Unanswerable questions were where to house a complete CWF model in CCBC's institutional structure and how to generate the universal buy-in required for such a holistic approach. In the end, administrators decided to focus on ways in which CCBC could intensively deliver the financial coaching piece of the CWF approach. CCBC applied for grant funding to offer financial coaching to at-risk students, who were identified as students requesting emergency assistance.

Implementation Phase

Grant funding pursued by CCBC required that staff members hired to work as financial coaches attend financial coaching training. CCBC elected to use training offered through

Central New Mexico Community College's CNM Connect program, not realizing the challenge of getting future coaches to participate in the five-day training. To address this challenge, the coordinator of developmental education, who serves as the Money Matters @ CCBC program manager and leads the effort at CCBC, provided a modified version of the training she received through Central New Mexico Connect that was customized to CCBC's needs. This included a special focus on the philosophy that students should be perceived as resourceful rather than broken. The coordinator worked with the funding partner, MDC, to both ensure that the competency-based financial coaching training complied with its guidelines and to provide MDC with an opportunity to weigh in on suggested revisions to the training model.

CCBC Cares' financial coaches are required to have a college education as well as an empathetic philosophy toward people with limited resources. The educational requirements are in place to screen for staff who possess strong soft skills and are capable of being articulate and empathetic toward students in need of coaching. Good communications skills are critical for dealing with people in difficult situations and for demonstrating cultural sensitivity since the meaning of money can vary by group. For instance, the coordinator led a session with the coaches-in-training on the topic of conspicuous consumption and why a student might have an iPhone but no textbooks. The goal is to encourage coaching from a realistic standpoint, free of judgment, rather than from the angle of what people should or should not do.

The initial plan for staffing CCBC Cares was to have three trained coaches, two paid and one volunteer, to cover each campus. While two of the coaches who received the training were deemed good fits, even after the training, a volunteer from Americorps did not have the educational background, expertise, and job experience to work with participants in the way CCBC Cares required. Instead she was put to use promoting CCBC Cares across the three campuses and generating traffic to the CCBC Cares locations within the college's Student Success Centers. In retrospect, this modification filled an unanticipated need for marketing.

CCBC Cares planned to target those students who had requested emergency assistance with opportunities for financial coaching. The targeting strategy proposed in the grant application described the intention to move emergency funds from the control of the CCBC Foundation, which had no contact with students, to the financial aid department. This would also enable CCBC Cares to monitor student requests for emergency assistance and ensure follow up to try to connect students to financial coaching. While this strategy made sense as a way to act on a teachable moment, students requesting emergency assistance were often nonresponsive to outreach by CCBC Cares' financial coaches. As such, the need for active promotion of CCBC Cares emerged and was, in part, addressed through the modified role of the Americorps volunteer who had been redirected into promotional efforts.

CCBC Cares operates primarily from the Student Success Centers (CCBC's tutoring centers), where the program manager is located, although there is not a designated physical space used solely for the purpose of financial coaching. Finding an established home for the program has been challenging, because the institution continues to grapple with where the program organizationally belongs. Some staff consider the program to be a student services function. However, others interpret the disruptive nature of students' financial challenges as impacting the classroom first, which suggests that financial coaching is an instruction-based intervention. Yet others believe that an integrative model operating across different departments might be a more ideal setup. Since its inception, CCBC Cares has resided under the auspices of the instructional area, but where the program will remain is an ongoing discussion.

A combination of efforts by the Americorps volunteer and other staff members of CCBC Cares were used to drive traffic into the program. Outreach efforts have included the following:

- flyers distributed across campuses,
- student surveys conducted to assess interest and experience with applying for scholarship money, and
- events organized by the Office of Student Life, such as "Get Involved Fairs" that offer students the opportunity to win raffle prizes if they compel their peers to work on financial goals with CCBC Cares financial coaches.

CCBC Cares employs an intake process for all students who meet with a financial coach for any one of the three tiers of service. Data collected include student name, ID number, tier(s) of service, establishment of S.M.A.R.T. goals, appointment date(s), and frequency of visits.

Utilization and Effectiveness

Capacity limitations are always a concern with regard to the scaling up of a program. At this point, CCBC Cares has reported serving 185 students to date. This has included a mix of students who received different tiers of service. With more staffing, it is conceivable that the program could serve additional students and be able to demonstrate higher retention and completion outcomes, as Central New Mexico Community College's CNM Connect has reported.[4]

CCBC Cares has responded to implementation challenges by modifying the program, as needed. For example, the challenge of getting part-time coaches to participate in a five-day out-of-state training was addressed by modifying the training and delivering it themselves. The challenge of utilizing a volunteer who did not have the requisite skills to do coaching was addressed by using her in a different but needed function, marketing. In short, CCBC responded to the challenges by modifying roles and changing the delivery method and philosophical approach to the training.

Success, Challenges, and Funding

For CCBC Cares to continue growing, it will need to be institutionalized. The combined grant funding that helped launch CCBC Cares requires a lot of staff time to manage and is not a sustainable funding strategy. The coordinator leading CCBC Cares believes that data collection and the ability to demonstrate program effectiveness are critical to generating widespread buy-in for an institutionalized plan. As her role is currently structured, she fulfills an institutional role in developmental education and leads CCBC Cares, a dual role that results in her capacity being limited.

Another challenge related to planning an institutionalization strategy is determining where to house CCBC Cares permanently. Coaching sometimes crosses into social service delivery mechanisms. For example, a financial coach might need to help a food-insecure student access the Supplemental Nutritional Assistance Program (formerly known as food stamps) as a form of income support to overcome the economic barrier of being unable to afford food.

CCBC is unsure at this time whether the program will grow to include the full Center for Working Families model. Faced with fiscal constraints, the institution would be challenged to dedicate physical and human resources necessary for a large, comprehensive program on multiple campuses. On the other hand, CCBC sees the value in that strategy in order to retain its current, financially at-risk population. Without having a specific plan for expansion, CCBC anticipates that the "next steps" vision will be dedicated to finding ways to make financial coaching more scalable so that more students can take advantage of the program.

Endnotes

1 U.S. Census Bureau, State & County QuickFacts. Data was derived from population estimates, the American Community Survey, the Census of Population and Housing, County Business Patterns, the Economic Census, the Survey of Business Owners, the Building Permits Survey, and the Census of Governments.

2 Details for this case study were gathered during an informal phone interview with Sonya Caesar, coordinator of developmental education and *Money Matters @ CCBC* program manager, on February 10, 2014. U.S. Department of Education, Institute of Education Sciences, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), 2011–12, http://nces.ed.gov/ipeds/datacenter/.

3 Edwin A. Locke, "Toward a Theory of Task Motivation and Incentives," *Organizational Behavior and Human Performance 2*, no. 3 (1968): 157-189.

4 Determining how outcomes differ among students leveraging CNM Connect is not based upon comparable treatment and control groups. But, to date, student outcomes are progressing in the right direction to justify the use of more rigorous evaluation techniques to attribute the impacts of the program with confidence.

Financial Past, Present, and Future of Community College Students Enrolled in a Personal Finance Course

While this *Handbook* recommends that community colleges move beyond addressing acute financial challenges to empowering students to better manage their financial lives, we do not know precisely how to help students be successful in this regard. Understanding the factors that influence financial decision making is a promising area of future research, since such factors could have implications for program improvements and selection. For instance, certain approaches to enhancing financial capabilities might be better suited to particular needs and to different degrees of student readiness. Determining when each approach would be most effective is essential. That is, we need to learn more about the circumstances that are most conducive to applying specific approaches.

With this in mind, we took the opportunity to conduct a study of student essays, in the hope that we could glean some insight into how students apply concepts taught in courses on personal finance. (Lacking a way to assess each essayist's knowledge of personal finance concepts, we note here that they seemingly applied financial concepts to actual or intended financial decisions with varying degrees of success.) Using qualitative techniques to detect differences among students and the possible emergence of meaningful patterns in their ability to apply lesson content, we uncovered patterns by the duration of financial disadvantage students described and by gender. We suggest that differences among students in these dimensions may signal opportunities for tailoring approaches to instilling financial capability.

Approximately half of the student essayists described acute family experiences with financial loss that subsequently affected the family's living situation. The other half described experiencing financial deprivation throughout their upbringing. From their essays, we noted that men and women had different present orientations to spending money, reporting different triggers for impulsive spending. On the basis of duration of financial scarcity and gender, we compared how the students applied personal finance concepts. An apparent pattern emerged from the analysis. Those students who had shorter-term experiences of financial scarcity seemed to apply concepts more correctly than students who recollected long-term deprivation. This led us to develop the following hypothesis: a student's ability to apply financial concepts is related to his or her duration of financial scarcity.

Owing to the limitations of using an essay assignment as a data source, we offer this analysis as one that helps to generate a possible hypothesis. Because very few theories have been posited about the relationship between student background factors and the ability to apply financial concepts, we believe this analysis at least provides an initial theoretical step to inform future analyses. More research is needed to determine the robustness of this conclusion. If this hypothesis were to be validated, the findings could have implications for practice by permitting a more nuanced understanding of why "one size fits all" approaches tend to yield weak outcomes.

Background

Financial capability efforts can be delivered in many ways and can also range in level of intensity. At a minimum, efforts intended to build financial capabilities are those that include mechanisms to build skills and apply what's learned. That can occur through access to an opportunity to set and make progress toward a financial goal or by building in opportunities to exercise knowledge and skills as they relate to timely financial decisions. Delivery may be higher or lower touch. Approaches may include matching content to personal circumstances, basing the intervention on assessment of readiness, or working with individuals to help them move through different levels of financial progress.[1]

Relevance of student financial background

Student financial backgrounds might be especially relevant to efforts designed to build financial capabilities. Community colleges, in particular, not only attract diverse student populations in terms of race, ethnicity, and nativity status; there is also heterogeneity regarding financial backgrounds and levels of scarcity. Many community college students are low-income, yet the specifics of their economic scarcity may differ. First, and most obviously, some low-income students are less poor than others. Other students may differ in the duration of scarcity. For example, some students' scarcity may stem from parental scarcity. That kind of intergenerational scarcity may have important impacts on students' experiences and understanding of financial behavior. For other students, limited income may be a more recent or temporary phenomenon whether due to changes in parental circumstances or due to becoming a college student. Students who have encountered shorter durations of scarcity may approach financial matters differently from students whose parents also faced long-term scarcity. Whether the student has encountered shorter durations of scarcity or endured intergenerational scarcity may factor into their financial behavior. Moreover, the duration and depth of scarcity may have important implications for building the financial capabilities of community college students. Additionally, students inevitably differ in terms of family financial socialization and familial values, attitudes, and behaviors that relate to a student's financial viability and well-being. Given that awareness factors including attitudes, perceived control of finances, and self-efficacy have been shown to influence financial behaviors, it seems reasonable to expect that the messages students have internalized about money and finances from their families are likely to influence their financial behaviors and decision-making.[2]

Furthermore, recent studies suggest that cognitive and psychological factors linked to background factors might provide some explanation for how students approach financial tasks. Some recent research has attempted to isolate the cognitive and psychological elements of financial decision making. Mani et al. have hypothesized that "in the world, the poor face more challenging demands because monetary concerns tax the cognitive system."[3] Using data from a real-world field study to suggest that poverty-related concerns, labeled as "scarcity," consume mental resources, the researchers have found that conditions of scarcity leave less cognitive capacity for other tasks. That is, people placed under conditions of scarcity appear to be less financially capable.

Most studies on financial decision making are focused on the cognitive load caused by temporary financial concerns. The long-term impact of cognitive load caused by scarcity is considered an open question. Thus, while the above research deals with the consequences of poverty for immediate financial decision making, these findings are not directly relevant to the many ongoing and long-term kinds of financial decision making engaged in by people for whom scarcity is both an immediate and ongoing concern. Financially capable people are able to make short-term financial assessments, such as whether eggs are cheaper if bought individually or by the dozen, along with longer-term ones, such as how to save for a down payment for a home under conditions of chronic budget shortages. In other words, financial capabilities involve maximizing immediate deliberations but also engaging in effective long-term planning.

Additionally, family financial socialization might provide some explanation about how a low-income student develops financial capabilities. Danes has defined financial socialization as "the process of acquiring and developing values, attitudes, standards, norms, knowledge, and behaviors that contribute to the financial viability and individual well-being."[4] For community college students, the messages that family members communicate about money, the modeling they perform around money management, and the attitudes they express regarding thrift, spending, and other financial decisions may have some relationship with financial capabilities. Understanding more about family financial socialization, and how and why it occurs differentially, might aid in the understanding of individual differences in financial decision making and behavior.

Consequently, while the above literature has explored the relationship between financial scarcity and immediate decision making, an understanding about the relationship between financial scarcity and long-term financial planning is less developed.

The literature on financial planning as a form of goal setting is extensive. But an area that has not been heavily explored is the extent to which experiences with and durations of scarcity may be relevant to the goal-setting process. This work is premised on the idea that conscious goals affect action. Across many settings, studies have confirmed that more attainable goals are specific, measurable, achievable, realistic, and time-bound (i.e., S.M.A.R.T. objectives).[5] However, whether individual background factors, such as financial scarcity, influence the process of setting financial goals has not been explored.

Below we explore community college students' experiences with scarcity and family financial socialization and how these relate to their abilities to apply financial concepts. The above studies suggest poverty influences cognitive-psychological processes linked to financial behavior. An interesting question is whether chronic conditions of poverty or scarcity alter a person's psychological and cognitive conditions in ways that have implications for the delivery of financial capability efforts. Similarly, students' family financial socialization might also be linked to their ability to apply financial concepts. Using data coming from student autobiographical essays which described their social and economic backgrounds, we offer a hypothesis and some preliminary insights into the possible interplay of these factors.

Methods

We conducted a study of essays written by a sample of community college students enrolled in financial education courses. These courses, one on personal finance and the other an introductory financial literacy course, covered similar material. Both courses were designed to help students develop skills to maximize more immediate financial decisions and to introduce the principles of long-term personal financial planning. Course topics relevant to short-term financial deliberations included determining needs versus wants as well as banking and budgeting. The courses also addressed methods for long-term planning, including the intelligent use of consumer credit, goal setting, and retirement planning.

The venue for the courses was a community college located in the metropolitan area of a city on the East Coast of the United States. The class instructor assigned students to participate in an essay competition describing their own financial past, present, and future. The competition designers asked participants to reflect on their lives and financial situations in the past and present and to engage in an analysis of past mistakes or good decisions. Drawing on their analyses, they were then asked to write about their financial experiences and to propose strategies aimed at improving their financial situation, including five steps to achieve it. Students were also asked to describe their vision of a "successful self in three years."

The designers of the competition also provided the students with supplemental materials to help them frame their money stories. The supplemental materials primed students to connect to the financial component of their lives. The top three winners received gift cards. It was not possible to verify whether these stories reflect accurate portrayals of the students' pasts, since the instructions and competitive nature of the assignment could have motivated students to exaggerate details of life events. However, the instructions stressed that the essay was to be a biography not a work of fiction. Moreover, the essay was framed as an opportunity for the students to demonstrate what they had learned from the past. The competition was not framed in a way to suggest that those with certain kinds of backgrounds or stories would be at an advantage in the competition, but rather that students could show that they had learned from their past experiences.

The research team obtained basic demographic information and permission from students to review their essays for this study. Only a subset of the student essayists from the courses gave us permission to read their essays. The consenting essayists ranged in age from 18–24. The students had received about eight weeks of financial education, and the instructor had covered topics such as debt management, savings and checking accounts, and budgeting. The essayists were all enrolled in day classes. Considering that such courses are voluntary, the students who had enrolled in the financial education courses likely differed in some ways from students who chose not to take such courses.

Recognizing that this small sample was not representative of community college students, in general, we focused on how students in the sample differed, on the basis of duration of scarcity as well as gender.

Measures

Grounding our approach upon the essayists' stories, we developed three primary measures in the qualitative analysis. The first is duration of scarcity, the second and third included how concepts covered in class had been applied to social spending and goal setting. Classification of the duration of scarcity was developed after a close reading of student descriptions of their financial pasts. Some students described short-term scarcity, whereas others described ongoing scarcity. The assessment of how concepts had been applied to goal setting was based on the frequency and extent to which essayists described goals that appeared to be specific, measureable, achievable, realistic, and time-bound. How the concepts had been applied to social spending was determined by the students' descriptions of how the "needs versus wants" framework had influenced their current financial deliberations.

We used a commercially available software platform, paired with an external rater, to analyze the essays for the unstructured data used in our analysis. The external rater read and analyzed the data for themes and developed a summary content analysis. Separately, researchers input the essays into the software and added demographic characteristics including age, gender, and duration of scarcity[6]. We then engaged in a close reading of the essays and coded the essays for themes. Any parts of the data that related to a code topic were coded with the appropriate label. Code themes originated using both an a *priori* and a grounded approach. A *priori* themes were drawn from the content areas students were instructed to cover in their essays as well as themes covered in the coursework. New grounded codes emerged from the data set as researchers reviewed the data. When three or more students made reference to a particular topic or process, we considered that to be the threshold for creating an additional grounded theme. After coding the essays for themes, researchers further analyzed the data by comparing essayists who reported experiencing financial loss or sustained deprivation. We then organized the data by cross tabulating the most common themes by duration of scarcity and by gender. Researchers compared these results to the independent summary content analysis and further refined the analysis until the two analyses agreed.

Findings

Some of the themes found in the student essays illuminate the potential relevance of duration of scarcity and gender to student financial capability—to the extent that this is discernible from the content of the essays. Essentially, we were exploring whether the application of financial concepts to real life reveals a pattern presumed to arise from either scarcity or gender. We begin by examining differences in experience with scarcity, duration of scarcity, and type of scarcity. Then, according to scarcity and gender, respectively, we examined possible patterns of how concepts were applied to spending behavior and goal setting.

Scarcity

When describing their financial pasts, the essayists differed most strikingly in their depictions of the trajectory of family finances.

Duration of Scarcity

We began to refer to an emergent theme arising in one group of students as "riches to rags." Frequently, these students related stories of how their once stable families had suffered a reversal of fortune that pushed the family down the socio-economic spectrum. For example, one student recalled, "I was a young fortunate child. I lived in a big house, I had everything I wanted. My mother had a job as well as my father." However, after a series of unfortunate events, the essayist wrote about how the family lost their house. She recalled, "We had no place to live and my parents had lost their jobs. … Who would have thought my family who was fortunate, had anything we wanted was going to end up with food stamps and living in a shelter. We lived in a shelter for a year and still today we are receiving food stamps." Another student whose family immigrated to this country shared that "My parents used to have a successful and famous restaurant in the town where we lived. We used to have a well-off life. My brother and I could ask for anything we wanted on our birthdays or Christmas. We really enjoyed our lives back then. … When I was in fourth grade, the business started going down and my parents could not hold it anymore. They decided to sell the restaurant and moved to the city to restart everything."

In contrast to some students' riches-to-rags stories, other students told equally prevalent "rags to rags" stories. They recounted being born into poor families with childhoods governed by their parents' limited financial means. One student wrote: "I grew up in a basic poverty apartment building in the late 1990s. ... A lot of the money was spent to survive with the basic necessities like heat and oil." He recalled a memory of a time his mother "couldn't afford to pay the heating bill so we all had to sleep with blankets on the floor in the kitchen to prevent us from freezing at night. She received support but not enough to get by." Another student detailed how his mother "never held a job down for very long and lived on the monthly food stamps and disability she collected from government assistance. I can remember days being hungry, having nothing in the fridge to eat and having no choice but to get by until the first of the month." Summing it up succinctly, a student essayist wrote: "I was raised on government assistance until the age of twelve or so. There was never enough money to go around. Money was a stranger… ." Financial pasts anchored in long-term financial scarcity emerged as a prevalent theme among the rags-to-rags essayists.

Not surprisingly, for the rags-to-rags students, the difficulties of their familial circumstances extended beyond the financial. Student lives differed starkly in regard to family status. While riches-to-rags students rarely referred to growing up with a single parent, rags-to-rags students often detailed personal difficulties associated with living in a household with only one parent, usually the mother. As one essayist summarized: "Growing up in [an east coast city] with my mother… I had to deal with a lot." Often for the student, single parenthood was linked in the same sentence to financial struggle. "Growing up in a household of four where my mother was a single mom … I used to see her struggling to pay the bills." In their essays, many of the students directly related long-term financial scarcity to the social conditions associated with a single-parent household.

Scarcity and Trauma

Perhaps because the structure of the essay subtly prompted students to do so, their stories often included instances of trauma. The riches-to-rags students' trauma often was related to the loss of fortune. Trauma as framed by these students—parental job loss, business failures—was the predominant aspect of the riches-to-rags stories. By contrast, the rags-to-rags students' traumas often related to dissolution or dysfunction in the nuclear family. As one such student described the trauma of her early years: "Then it hit me. My parents separated when I was in the first year of middle school." Another student recalled, "My dear mother had become a widow. Seeing my mother ... still working every day to support her five children alone." The stories of trauma also illustrated the kinds of scarcities students faced: "My father is a crack addict and is always in and out of prison. For most of life, my mother and I had to put up with my father's antics because of his drug habit, she believed that I needed to have a father in my life and didn't want to deprive me of that." The rags-to-rags essayists, though prompted to write about their financial pasts, tied their financial pasts to family trauma.

Family Financial Socialization

Students seemed to differ in terms of family financial socialization as well. Students of all kinds attributed their perceptions of financial matters not only to course material but also to role modeling by family members. Many riches-to-rags students recounted observing parental behaviors towards both work and money. One young woman explained, "Undoubtedly, money for my parents was a 'tool' which gave me a chance to become an independent, literate person who has a chance to be successful. I appreciate it so much and it motivates me to do my best in studying and doing my business." Another student observed, "As long as I can remember my parents have worked extremely hard to provide a better lifestyle for their kids." A third recalled a specific habit modeled by the parent: bargaining. As this student detailed, he intended to "bargain for everything I buy, a strategy that my mother is an expert on and one that used to make me embarrassed, but one with substantial monetary benefits."

Rags-to-rags students, too, listed familial role models. One student learned from her parents that "making money is hard. I grew a deeper respect for my parents, and how hard they worked." Sometimes these students identified family role models outside of the immediate family. "My father's mother (or Nana as I call her) was the financial guru. She always watched the stock market and taught me about saving and investing from an early age." Overall, the student essayists wrote about family role models.

However, rags-to-rags students also recalled experiences of what might be called "anti-role models." One male student noted that he had learned "from the past mistakes of my father such as mounting horrible credit, I need to continue to educate myself on being financially literate. His ignorance resulted in him having to go through a grueling process to get a loan for his new house. I plan to understand how credit works and the best ways to manage it." Another student recalled: "I remember watching my father literally throw bills in the trash. To this day I still can see visions of him walking over to the trash, ripping unopened envelopes in half, and discarding them without a second thought." These stories amplify that for some students, their families were sources of both positive and negative role modeling.

Parental Entrepreneurism

In the student essays, the theme of entrepreneurial parents distinguished the riches-to-rags students from the rags-to-rags ones, suggesting different financial socialization trajectories. For example, one student wrote about how his "father owns a business that buys, renovates, and sells houses." For some students, parental entrepreneurship provided early exposure to financial matters. As one immigrant student wrote: "Since [I was] little, I started to deal with money. My mother had a pizzeria in Brazil and I would go there and help to give the change to customers." Another student explained his role in his entrepreneurial family: "As we grew up older, my brother and I got involved more in the family business." Other riches-to-rags students detailed how they continued to be involved in their families' businesses while attending school. One student explained how she works for her father's business, which had only recently become successful: "I thank god every minute for allowing us to be part of such an amazing company."

Numerous stories about family businesses among the essays may reflect the fact that entrepreneurial socialization had led the students to enroll in the college's personal finance course, which resulted in their inclusion in this study. But there's no way to be certain in this case.

Collectively, these themes constitute a portrayal of rags-to-rags students living at more enduring levels of financial scarcity relative to their riches-to-rags peers. Not only have rags-to-rags students weathered more experiences with financial scarcity, the memories often prompted essayists to recall other stressful conditions operating in their young lives. As one essayist wrote: "My childhood was not the type one looks back at with a sense of nostalgia; the joy of childhood and happy family times is a foreign concept to me." Whereas the scarcity of the riches-to-rags students appeared to be of shorter duration, rags-to-rags students seemed to have faced long-term scarcity.

Role of Gender in Applying Personal Finance Concepts

Gender distinctions arose in relation to applying the needs-versus-wants framework to help current spending.

Needs versus Wants

In contrast to recollections conveying different financial pasts, students' descriptions of their present situations reflected considerable similarity. Most students held jobs and described regrettable—but not devastating—instances of poor money management: splurging on fast food, chasing the latest fashion trend and suffering consequences like overdraft fees or lost savings opportunities.

Essayists seemed to find the financial education concept of needs versus wants to be particularly applicable to their current situations. Consistent with their status as young students with busy social lives and limited budgets, many essayists shared patterns of overspending, which they often related to socializing. They also described how dividing purchases into needs versus wants influenced their decision making, with the sexes differing on how they overspent.

Men tend to tell stories of overspending on food and entertainment for friends. Women tend to tell stories of overspending on consumer goods. Women described their social lives as being anchored around shopping as a social event. Here's a pertinent student comment: "Even now, whenever I go shopping with friends, and see the perfect sweater, I would stop and ask myself if I really needed another sweater." Another female student explained: "Now-a-days, whenever I'm tight on money, I just refuse to go to malls and instead suggest something else like an activity. I haven't been to a mall in months." In contrast, a male student wrote that the class has taught him to avoid "spending overly generous amounts of money going out with my friends." Another male student explained that differentiating between needs and wants has helped him "carefully manage spending on entertainment and never spend what I don't have." These community college students found the needs-versus-wants framework particularly applicable, especially in the immediate aftermath of a financial skills class.

Role of Scarcity in Applying Personal Finance Concepts

When envisioning their futures, the essayists wrote extensively about their intentions to behave as financially capable individuals and described frequent attempts to apply financial concepts. Most students—regardless of their financial backgrounds—made references to setting aside money for savings, and, in particular, emergency savings, establishing credit-worthiness, and assessing financial needs versus wants. But, in this realm, differences prevailed among the students on the basis of having experienced scarcity.

The riches-to-rags students made many more references to financial concepts and with slightly more credibility. For example, the riches-to-rags students often tempered their hopeful declarations. As one student wrote, "Although quixotic thoughts of the comfort of wealth frequently flood my mind, I intend to have a realistic future with reachable goals." Clearly, students learned the importance of avoiding long-term debt, but the riches-to-rags students allowed for the possibility that goals are not always achieved. Another student wrote: "I will hopefully have no loans to pay." This contrasted with a rags-to-rags student who wrote: "Everything relies on getting a degree without debt. Once I have that, I can do whatever I want." The rags-to-rags student, then, seemed to overestimate the implications of avoiding debt and that doing so would create limitless freedom.

Riches-to-rags students had more modest short- and long-term goals. One student wrote that in three years she would be: "Hopefully close to getting a car loan so that I can be able to transport myself to school and work." In the long term, another student matter-of-factly stated: "To be honest, I'm not dreaming about having a luxury car or a prestigious house." This vision stood in contrast to rags-to-rags students who had slightly more grandiose plans. One student planned to find a career (though he did not indicate specifically what field or type) with "benefits and an established retirement policy" and where a "salary in this particular field would be hefty." He also imagined he would own two or three cars. Riches-to-rags students more often used qualifiers in their language, such as "I believe I will be able to," or "So if my dreams come true."

On the other hand, the rags-to-rags students expressed a less complicated vision—sometimes admittedly—of the realization of their future plans. One student touted the straightforwardness of her financial plans: "My plan for a better financial situation is simple." Another student wrote: "You could say that my life is all planned out and I am just waiting for the plan to be in place." It was apparent that these rags-to-rags students did not convey an awareness that financial planning is a process that requires revision.

In addition to making plans for a more financially stable future, nearly all of the essayists wrote about their desire to further their education beyond community college. In fact, this intention was the most common theme for the students' future goals. Students appeared to link enhanced financial capability to a mobility-generating goal. Again, students differed in the specificity of the goal. Riches-to-rags students seemed to offer more details regarding their future education plans. As one young woman wrote: "In three years, I envision myself at a four-year university studying Communication Sciences and Disorders and pursuant to getting a Master's degree in Speech Pathology." Another young woman wrote: "I'm going to school to get a degree in nursing." Another student wrote of specific and ambitious plans: "I also wish to invest in education so if my dream comes true, I will attend Stanford University in the future." In general, rags-to-rags students wrote about plans to pursue further education, but they were in general less thoroughly described. One student wrote:, "I plan on going to Regional University because I heard that the business major there is good and I live close to the school, which is going to be convenient for me." The students' ideas were admittedly based on ease of access and word-of-mouth rather than on more analytic criteria. Another rags-to-rags student wrote: "In 3 years I hope to be approaching my final years of college, pursuing a degree in a field that I can see myself having a career." These plans, too, are vague and imply incomplete planning. In general, however, across gender and across background status, students wrote of aspirations not just to complete their Associate's degree at the community college but to obtain Bachelor's degrees and advanced degrees.

Conclusion

This exploratory analysis of students' essays illustrates how a group of financial education students fulfilled an assignment to describe their personal past and present, as well as future plans in relation to financial concepts. Their personal experience was the filter that colored their essays, which varied systematically, on the basis of student background. Despite some present similarities among low-income community college students, their pasts differed—both in terms of duration of scarcity and also in other background factors, such as family financial socialization. While all students engaged in goal setting by virtue of the money story assignment and perhaps by virtue of having been enrolled in the classes, the fact that one group appears to be more specific in their goals, may be due to different experiences of scarcity and family socialization. Gender distinctions arose in relation to applying the needs-versus-wants framework to help curb overspending, but it seemed far less relevant than scarcity to financial planning and goal setting.

This analysis suggests the possibility that certain students who have had enduring experiences of scarcity may need greater support to translate their financial knowledge into behavior. Whether this results from a lack of exposure to positive financial socialization is a question for further research. However, it does align with the finding that students from backgrounds where family financial socialization occurred, despite possible encounters with financial loss or constraints, were more able to apply financial knowledge and articulate more realistic goals. This tendency extended beyond the coursework content, as evidenced by students of longer-term scarcity setting less specific goals for themselves in the realm of education, too. Of course, as they relate to our study, educational goals were statements of intention, not indicators of behavior.

Our final analysis suggests that conditions of scarcity and familial financial socialization impact how readily students can apply financial concepts. If observed elsewhere beyond this limited study, it may have implications for how students are initially assessed and how instructors approach goal setting. This could empower instructors as they think about how to best support students. For instance, students with longer-term imprinting of scarcity may need to become more deeply engaged in the actual process of goal setting rather than focusing just on an end goal. Or such students may need higher touch services, like coaching, or extra homework assignments focused on realistic goal setting and how to apply concepts, more generally.

We emphasize here the need to understand more fully what kind of student might benefit from a financial capability effort at the college level. It is possible that those community college students who have experienced less scarcity and received more mainstream financial socialization may not require financial capability training at all. They may already possess the skills necessary for effectively managing financial aspects of their life. But for students from backgrounds of long-term scarcity who have not benefited from a lifetime of normative family financial socialization, ways to effectively enhance their financial capabilities are being developed and refined by practitioners in the field. Approaches based on knowledge transmission in the classroom alone have been ineffective.

The small sample of essays studied here limits the conclusions we can draw. It is not possible to determine which background factor—duration of scarcity or family financial socialization—was more influential in these students' ability to apply financial concepts. Moreover, we can't generalize that the patterns identified among these students will also be found in a larger, more representative sample of community college students. Additional research is needed to test the hypothesis generated through our analysis.

To recap, we propose a hypothesis that could be tested through additional research. That is, financial capability depends not only on family financial socialization but also on duration of scarcity. Furthermore, any experience of scarcity as well as longer duration of scarcity differentially influence family financial socialization. Differing levels of family socialization may be related to a tendency among those experiencing scarcity to focus on their immediate needs, rather than on future concerns. Fundamentally, ongoing conditions of financial scarcity may consume so much attention that financial socialization is compromised; this, too, is a topic of interest for future research.

Future research might explore whether the effects of financial education on behaviors are moderated by levels of scarcity or family financial socialization. Longitudinal studies could be undertaken to determine outcomes of the different types of goal setting and to elucidate possible patterns on the basis of perception of scarcity. Future work might reveal that there is a relationship between perception of scarcity and goal setting.

Given the disparities reflected in the student essays—including factors such as duration of financial distress, higher risk factors and lower exposure to financial socialization—it is somewhat surprising that their display of financial knowledge wasn't more disparate. Possibly, the students were equally motivated. Internal motivation is necessary, but it is not sufficient to build financial capabilities. The essays that we studied suggest the possibility that students come to the classroom with vastly different financial capabilities, and lacking appropriate intervention, will likely exit the classroom in a similar fashion.

Endnotes

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6 (N27)

A Snapshot of Financial Capability Efforts Among New England-based Community Colleges as of August/September 2013

Introduction

Community colleges are undergoing a paradigm shift in accountability. They are directly accountable for making higher education accessible to underserved populations, and their burgeoning enrollments reflect the overall success of community colleges in this regard. But over the past decade, state and federal funding sources have increasingly demanded results beyond enrollment numbers.[1] Serving more students with fewer resources due to budgetary restraints, community colleges have opened the door to strategies aimed at developing other measureable benefits to students. Building student financial capability offers a unique opportunity.

Not all accountability measures are inherently linked to financial capability among students. Even the most financially capable students could be academically unprepared and therefore drop out for reasons that effective money management wouldn't change. Other measures, such as an institution's cohort default rate (CDR), can have serious implications for an institution's ability to offer forms of federal financial aid. It would be plausible to directly link such rates to student financial capability, since a financially capable student would be expected to seek alternatives to delinquency and default if faced with challenges to making loan payments on time.[2]

On some level, there is a financial angle at play for many community college students, since low tuition is the most common reason for selecting a public two-year institution. However, community colleges' historic narrow focus on addressing students' urgent financial needs has been insufficient, judging by the low completion rates and low transfer rates of students.[3] A newer strategy is to address need while simultaneously building capabilities to empower students to manage finances and overcome obstacles encountered along their pathway through higher education. Such empowerment would also allow the student to manage the consequences of future financial decisions, whether related to financial goals or debt management. This is not to suggest an either/or scenario. In the face of serious financial need, whether acute or chronic, the more appropriate intervention is most likely the one designed to address the need. It is worthwhile to note, however, that a financial capability framework offers a way to empower even those who may experience sustained financial challenges with skills and tools having the potential to foster mobility rather than stopping at sufficiency. But lower-order needs must be addressed first.

The adoption of new strategies by community colleges, including details on strategy types, has not been studied in a systematic way. Some national surveys have attempted to capture community colleges' efforts to support students in ways other than academically oriented supports. But none have inquired about efforts focused on building financial capabilities.[4]

Here we offer a snapshot of a single region of the United States, thereby offering a glimpse into the adoption of financial capability efforts by a subset of the nation's community colleges.

To better understand the current financial capability efforts under way throughout New England's community colleges, the Federal Reserve Bank of Boston (Boston Fed) designed and administered an online survey. Intended for 43 public two-year institutions across the region, it was conducted during August and September 2013. The survey was framed as an attempt to learn about efforts to address financial challenges and build financial capabilities among students attending the region's community colleges. The goal was to learn about current efforts in place as well as factors likely to influence those efforts.

At a descriptive level only, this analysis placed the institutions' mix of financial capability efforts in the context of their institutional priorities, resource availability, and perceptions of student need as of summer and fall 2013. Taking stock of where institutions lay on the continuums of strength of fit, in terms of priorities and values, and resource availability was considered to be a useful exercise for identifying areas of opportunity.

Summary of Findings

Almost all survey respondents appeared to support the concept of building financial capabilities at the post-secondary level and most respondents indicated that their respective institutions see it as a priority. Yet there was a pattern of insufficient resources allocated to do this work within the responding institutions. Among respondents indicating that their institution sees building financial capabilities among students as a priority, there was an almost even split between those with high resource availability (13) and those with low resource availability (12). An additional seven respondents indicated both a perceived low priority and low resource availability. No respondents indicated a low priority combined with a high resource availability to do the work, suggesting that seeing the work as important was a bare minimum for the adoption of a financial capability strategy.

We expected that institutions would offer programs and services to address the financial needs and challenges of students. For the survey, we formulated questions to clearly distinguish efforts to address financial challenges from those efforts intended to build financial capabilities. Quantifying this second set of activities was the purpose of the survey. The mean number of efforts to address financial challenges was significantly higher than the number of efforts to build financial capabilities (4.1 and 2.4, respectively). Two institutions reportedly offered no options for financial capabilities, and four institutions offered as many as six options for addressing financial challenges.

The combination of high-priority, acute financial student needs and the existence of ongoing programs for addressing student financial need may signal that there is an opportunity for those institutions to consider prospects for initiating a financial capability strategy.

Descriptive Findings from the Survey

Additional highlights from the survey of New England community colleges include the following:

Characteristics of Responding Institutions and Respondents (*N*=34):

- At least one institution from each of the six New England states responded to the survey.
- There is more representation of institutions in Massachusetts and more populated geographic settings among responding institutions.
- More than 40% of responding institutions served mid-size student populations between 2,500 and 7,500, with the remainder split evenly above and below this amount.
- On average, responding institutions (*N*=26) estimated that more than half of their students were Pell Grant-eligible (*M*=62, *SD*=15.9).

- Almost two-thirds of respondents have been working at their institution for more than 10 years.
- More respondents reported being knowledgeable about efforts to address financial challenges than efforts to build financial capabilities.

Institutional Priorities, Values, and Student Needs:

- Seventy-six percent of respondents (*N*=34) reported that building financial capabilities is a priority at their institution.[5]
- Despite the fact that a large majority of respondents perceived the building of financial capabilities as an institutional priority, just 38% of respondents (*N*=34) reported specific staff positions dedicated to building financial capabilities.
- All but two respondents felt that financial capabilities should be built at the post-secondary level.
- Nearly all respondents who answered questions on student needs (*N*=29) indicated that "lack of family financial support" and "lack of emergency funds" were important or extremely important reasons that cause students to struggle.

Inventory and Assessment of Efforts in Place:

- All respondents indicated offering two or more programs or services to address financial challenges.
- Twenty-nine out of 31 respondents (94%) who answered a question about current financial capability efforts indicated offering one or more options to students.
- Eighty-four percent of responding institutions indicated offering financial education classes or workshops.
- Twenty-four out of 28 respondents (86%) felt that neither the mix nor capacity of programs and services were sufficient for meeting student needs.

Perceived Barriers to Building Financial Capabilities:

- The majority of respondents considered funding and staff time to be barriers to building financial capabilities.
- Ability to engage partners was seen as a barrier by the fewest number of respondents. This could indicate a perception that partner engagement is simple or that partner engagement hasn't received much consideration.

Background

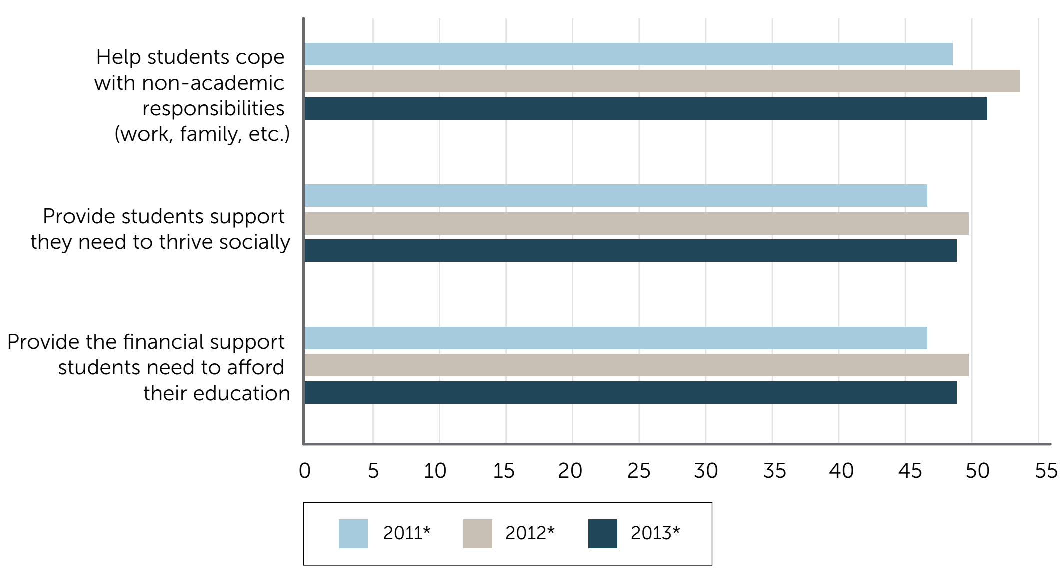
Community colleges have expanded rapidly over the last decade, enrolling 1.6 million students, but they lack adequate funding per student to meet the demands of the expansion.[6] Within this context, there has been both an increased recognition of the role community colleges play in fostering economic mobility and an increased demand for better outcomes from these historically accessible public two-year institutions. While community colleges have delivered on access and equity by opening the doors of higher education to many underserved populations who might not otherwise be able to afford college or meet the academic requirements for admission, they have not been as effective at producing high rates of persistence, degree/certificate completion, successful transfer to four-year institutions, and job placement.[7]

These outcomes must be put into perspective, however, since community colleges serve a much higher proportion of nontraditional students, those who are less academically prepared for college, and lower-income, first-generation students than their four-year counterparts. They are serving students with many acute social and financial needs that can be difficult to overcome in isolation even without low levels of college readiness.[8] The possibility that community colleges could help increase the nation's competitiveness and produce more equitable outcomes is generating a movement by researchers, policy makers, government agencies, and consultants who are interested in increasing the effectiveness of community colleges.

Community colleges are increasingly part of pilot projects to try out strategies that might represent new ways of supporting students, and they are the subjects of research on ways to redesign the community college system for increased effectiveness.[9] There is energy and movement to increase the capacity of these institutions to meet the needs and improve the success of their student bodies. On the institutional side, many community colleges are already devoting time to meeting student needs outside the scope of academic supports, whether systematically or not, which might also be indicative of an openness to working with students in new ways. According to a national survey of community college faculty, more than 45% of respondents reported that much time was spent at their institutions

Figure 1

Percent of Community College Faculty Survey of Student Engagement (CCFSSE) Respondents, Who Indicated That Their Institution Spends "Quite a bit" or "Very much" Time on the Following Tasks:



Source: Center for Community College Student Engagement, The Community College Faculty Survey of Student Engagement 2013, The University of Texas at Austin.
*Note: N's ranged by question and year. In 2011, the N ranged from 12,525 to 12,548; in 2012, the N ranged from 10,089 to 10,106; and in 2013, the N ranged from 12,604 to 12,652.

supporting students in ways other than academically from 2011 to 2013 (see Figure 1).[10] If institutional staff members find this type of support necessary, even if it's not part of their role description or department function, tools to respond intentionally may be welcome.

From the Community College Faculty Survey of Student Engagement (CCFSSE), it's not possible to tease out how respondents' institutions helped students cope with nonacademic responsibilities or to thrive socially. Nor did the survey ask whether time spent was intentional or reactionary, but in either case it's clear that time is being spent on activities that may or may not be institutionalized functions.

The CCFSSE asked about the provision of financial support but not about building financial capabilities of students. The absence of data on efforts to build financial capabilities of community college students motivated this research.

The survey conducted by the Boston Fed was an attempt to understand the extent to which community colleges in New England are intentionally working to build the financial capabilities of students. While only a single region of the country was surveyed, it marks a first attempt to systematically capture details on financial capability efforts at community colleges.

Methodology

An online survey was sent to 43 community colleges in New England. The survey was developed by staff from the Boston Fed based on a review of the literature and insights from subject matter experts. The Boston Fed worked with the New England Board of Higher Education to disseminate the survey to institutions across the region. (See the Appendix for more details on the Data Collection and Survey Development and Administration.)

Measures

The term "financial capabilities" was defined in the survey as "the capacity, based on knowledge, skills, and access to manage personal finances more effectively."[11] Although efforts to address financial challenges were not defined explicitly in the survey, the convention used throughout most of the survey was to separate questions by type of effort and, in most instances, to repeat the question accordingly (e.g., rate your knowledge of efforts to address financial challenges followed by rate your knowledge of efforts to address financial capabilities). The intention was to make respondents aware that questions about efforts to build financial capabilities were not asking about efforts to address financial challenges. The survey did not categorize specific offerings (e.g., financial education, financial coaching, and emergency funds) by effort type. This categorization was done during the analysis of the data.

The programs and services coded as financial capability efforts included the following:

- financial education classes or workshops,
- financial coaching or counseling,
- pipeline of services from high school to job,
- budget plan requirement to access financial aid,
- financial stability center model, and
- matched savings programs.

The programs coded as efforts to address financial challenges included the following:

- Free Application for Federal Student Aid (FAFSA) completion assistance,
- emergency funds,
- needs-based scholarships,
- assistance accessing public benefits,
- financial assistance such as childcare, and tax filing assistance.

The coding was based on whether the program or service could be offered without intending to build skills and knowledge in the hope of promoting positive behavior change. Although it's possible to incorporate FAFSA completion into a financial education workshop, it's also possible to deliver FAFSA assistance with the single intention of helping students gain access to aid.

Additional measures created from variables in the dataset include the total number of financial capability efforts, the total number of efforts to address financial challenges, and a measure of fit and resource availability. The first two variables were created by totaling the number of efforts that respondents indicated offering from each category. The number of each type of effort was totaled for each institution, generating "total number of financial capability efforts" and "total number of efforts to address financial challenges."

The measure of fit and resource availability was created using two variables inquiring about institutional priorities, which were the following: "Efforts to build financial capabilities of students are considered a priority within my institution" and "Aside from financial aid, there are specific staff members/roles focused on building financial capabilities of students." Respondents who agreed or strongly agreed with the first question on whether efforts are a priority were coded as "strong fit," and those who disagreed or strongly disagreed were coded as "weak fit." Respondents who agreed or strongly agreed with the second question on staffing and roles were coded as "available resources," and those who disagreed or strongly disagreed were coded as "no resources."

Analysis

Through the joint efforts of the Boston Fed and the New England Board of Higher Education to disseminate and promote the survey, 79% of surveyed institutions (34 of 43) completed at least part of the online survey; 65% completed the entire survey. The level of participation across the region was stronger than expected, but a stronger response rate wouldn't affect the options for analysis since the most we could hope for was 43 cases. We're limited to descriptive analysis but consider the findings useful for the purposes of developing a baseline for the region and engaging institutions in discussions surrounding a financial capability strategy.

The areas covered in the analysis included the following:

- characteristics of responding institutions and respondents;
- institutional priorities, values, and student needs;
- inventory and assessment of efforts in place; and
- perceived barriers to building financial capabilities.

Next we will discuss each of these areas.

1. Characteristics of Responding Institutions and Respondents
With the exception of Connecticut, the responsiveness of the institutions in each state ranged from 86–100%. In Connecticut, more than half of the community colleges responded to the survey (7 out of 12).

Out of 26 schools that responded to a question about the financial aid eligibility of their student population, 81% (21) estimated that at least 50% of their students are eligible for Pell Grants. Out of 19 respondents that estimated the percentage of their students who are low- to moderate-income (LMI), 84% (16) reported that at least 50% of their students are LMI.

Figure 2
Responsiveness of Institutions by State

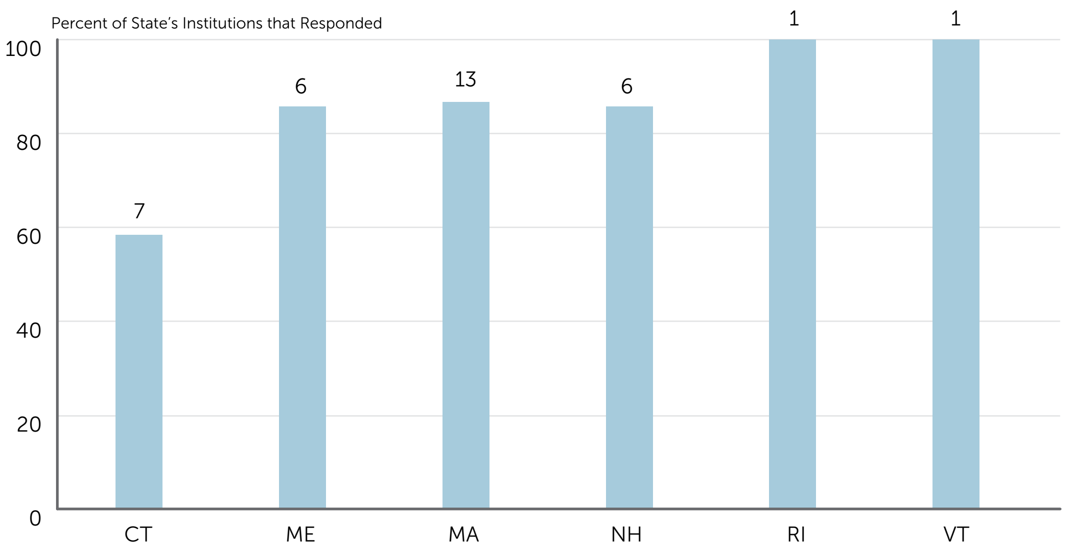
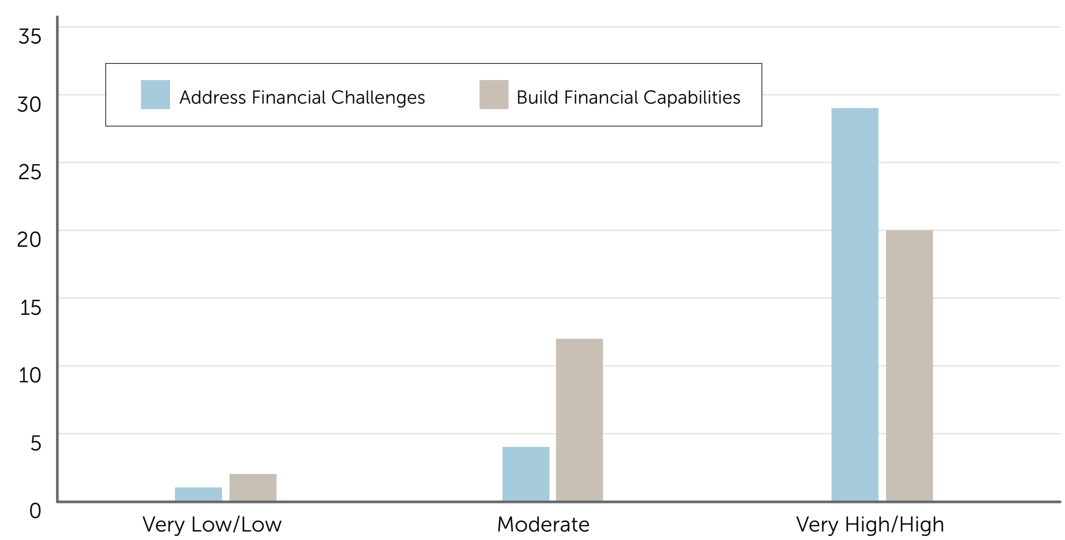


Figure 3
Respondent's Self-reported Knowledge Level of Programs and Services by Type



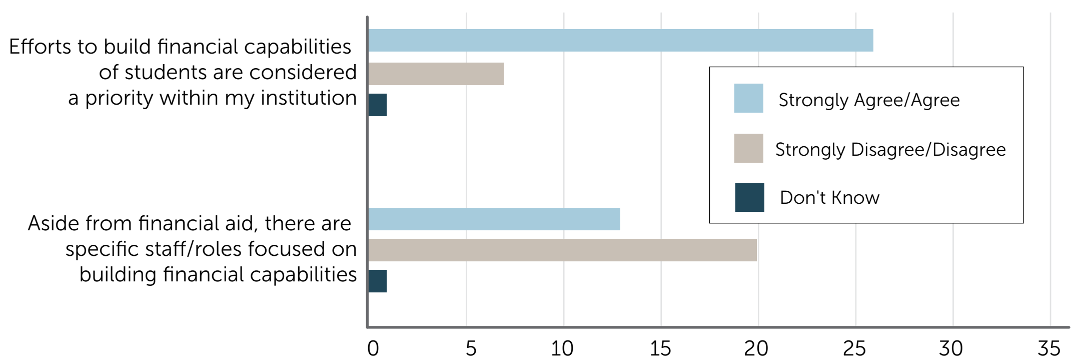
The largest portion of responding institutions were mid-size in terms of the student populations enrolled in fall 2012. The remainder was split evenly with 29% enrolling less than 2,500 and 27% enrolling more than 7,500 students in 2012.[12]

Most respondents indicated working at the community college for more than 10 years and had high levels of self-reported knowledge of efforts to address financial challenges. Fewer reported high levels of knowledge of efforts to address financial capabilities.

2. Institutional Priorities, Values, and Student Needs

Of the 34 community colleges that responded to the question about priorities, 26 institutions agreed or strongly agreed that building financial capabilities was a priority at their institution. Half of this group (13) indicated they had dedicated staff/roles to building financial capabilities of students. We did not ask if partners were used to specifically help strengthen financial capabilities, which could explain the discrepancy; however we do know that 19 respondents indicated that their institution engages in partnerships with external stakeholders to enhance their overall program/service mix intended to address financial challenges and build financial capabilities. We also do not know how long financial capabilities have been considered an institutional priority. Asking this question may have provided a more useful lens for interpretation of the results.

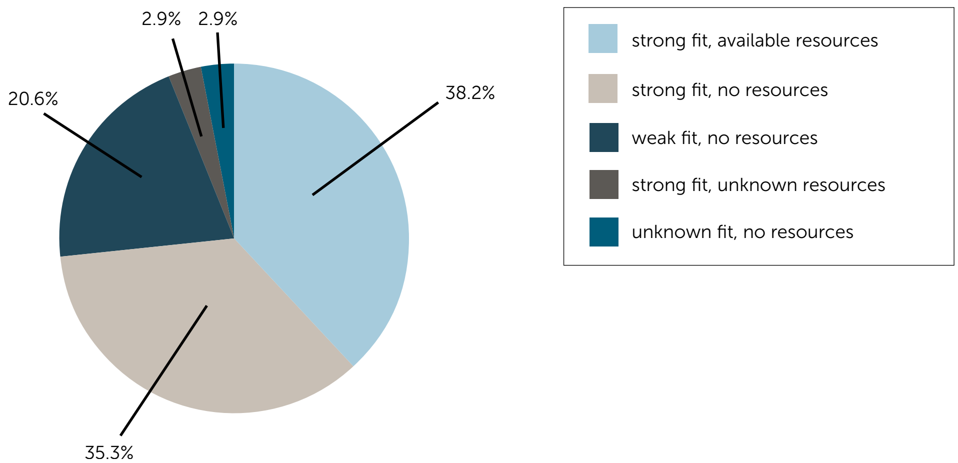
Figure 4A
Institutional Priorities



Using responses to the questions indicated in Figure 4A, we grouped respondents into categories of fit and resources as shown in Figure 4B. Consistent with Figure 4A, the majority of respondents are categorized as "strong fit," since they agreed or strongly agreed that efforts to build financial capabilities are a priority at their institution. However, when looking at how fit combines with resource availability, more than 55% report that staff resources are not dedicated to building financial capabilities. No institutions reported a weak fit combined with available resources.

When asked about the financial challenges LMI students face, the option selected by most respondents (29) was tuition and education-related expenses. But even the least commonly selected option, student loan debt, was still selected by 22 institutions. The other options included transportation, living expenses, lodging/shelter, managing personal finances, and child care/medical bills.

Figure 4B
Percentage of Institutions by Fit and Resource Availability



Respondents were asked to share their perceptions of the reasons students struggle financially (see Figure 5). The reasons selected by most respondents include "lack of family financial support" and "lack of emergency funds." There was also a shared perception by more than half of respondents that students engage in suboptimal financial decision making but also may be underutilizing financial aid and public benefits.

3. Inventory and Assessment of Efforts in Place

A comparison of Figures 6A and 6B reveals that more respondents have efforts in place to address the financial challenges of students than to build the financial capabilities of students.

Figure 5
Perceived Reasons for Students' Financial Struggles

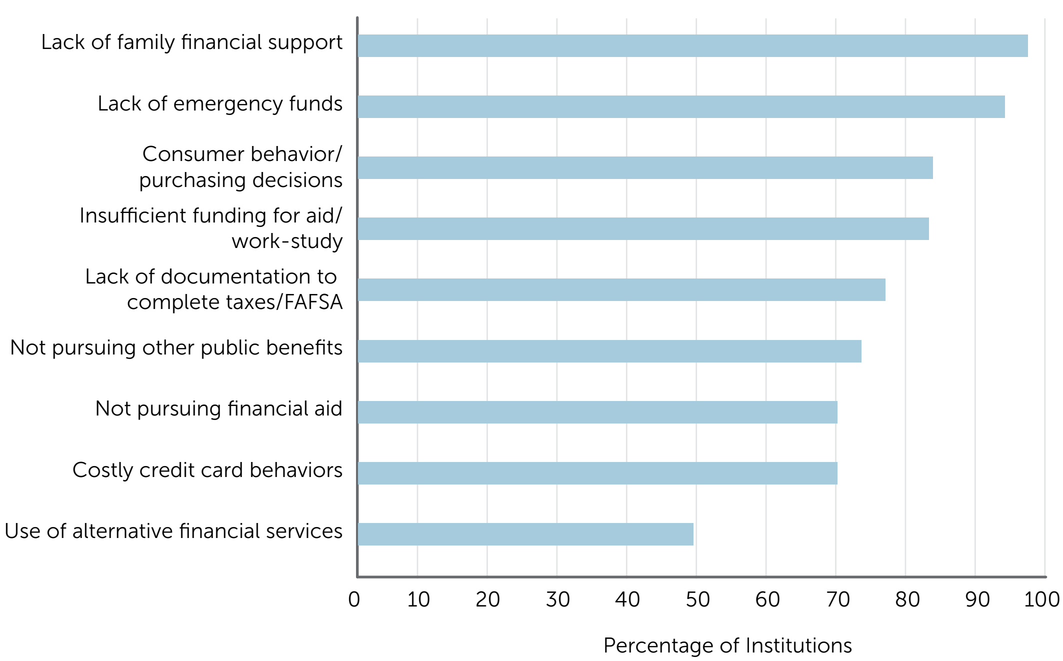


Figure 6A
Financial Capability Efforts

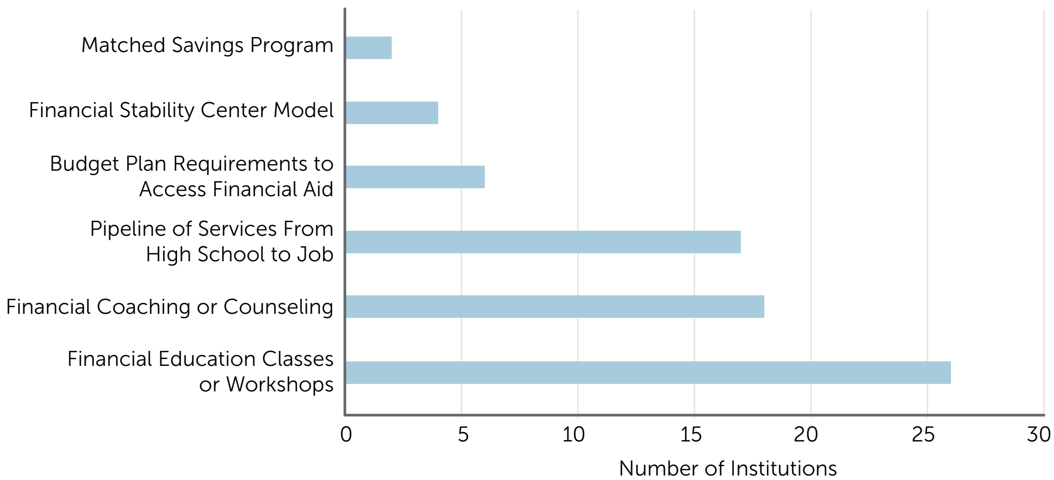


Figure 6B
Efforts to Address Financial Challenges

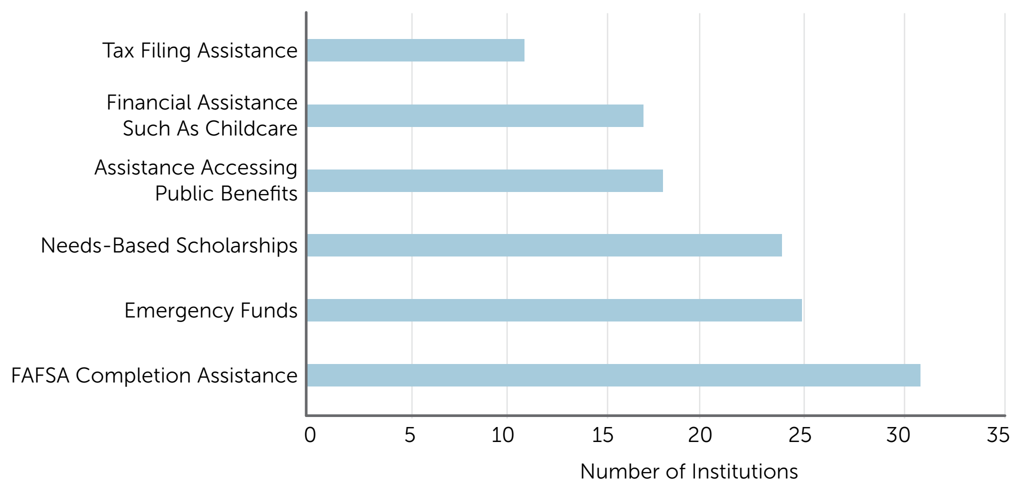
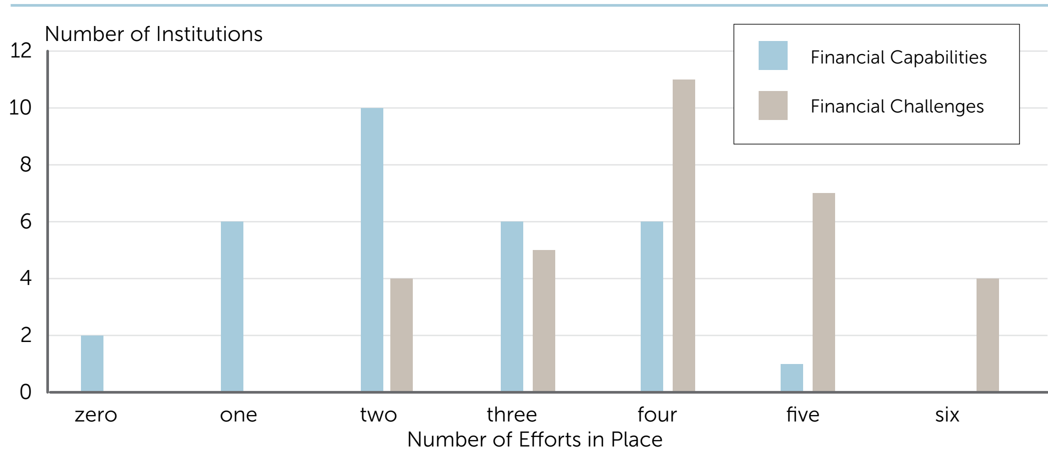


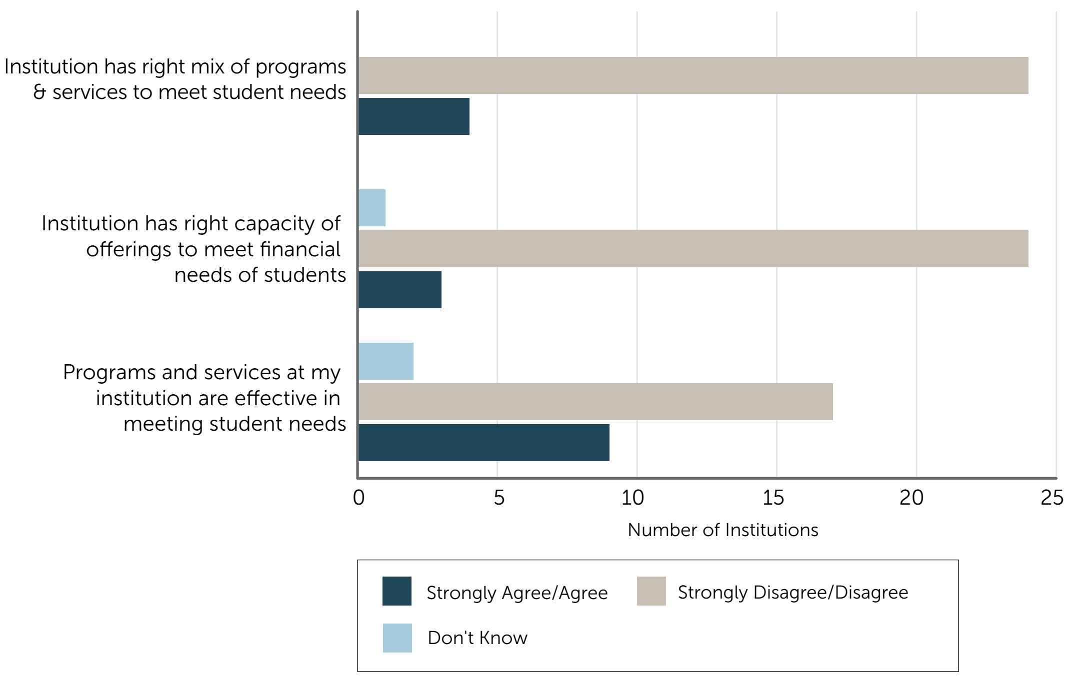
Figure 6C
Number of Total Efforts by Type



Only two institutions didn't offer any options for building financial capabilities. The most common offering was financial education classes or workshops, which according to further query, were delivered in various ways: 13 institutions offered noncredit workshops, six institutions offered classes for academic credit, and one institution offered classes or workshops for "other credit." Eight institutions indicated integrating financial capability content into other courses. The least common type of financial capability effort offered to students was a matched savings program.[13]

All respondents indicated that their institutions provide assistance completing the FAFSA. The next two most commonly reported programs to address financial challenges of students included emergency assistance funds and needs-based scholarships reported by 81% and 77% of respondents, respectively. Tax filing assistance was offered by the smallest number of respondents (11).

Figure 7
Assessment of Current Mix of Programs and Services



On average, the responding institutions (*N*=31) offered fewer efforts to build financial capabilities than efforts to address financial challenges.

Figure 6C shows a distribution of the total number of efforts offered by type across the 31 institutions that completed the question about programs and services. The bar chart shows a pattern of fewer program and service offerings to build financial capabilities among most responding institutions and multiple offerings to address financial challenges offered by the majority of institutions.

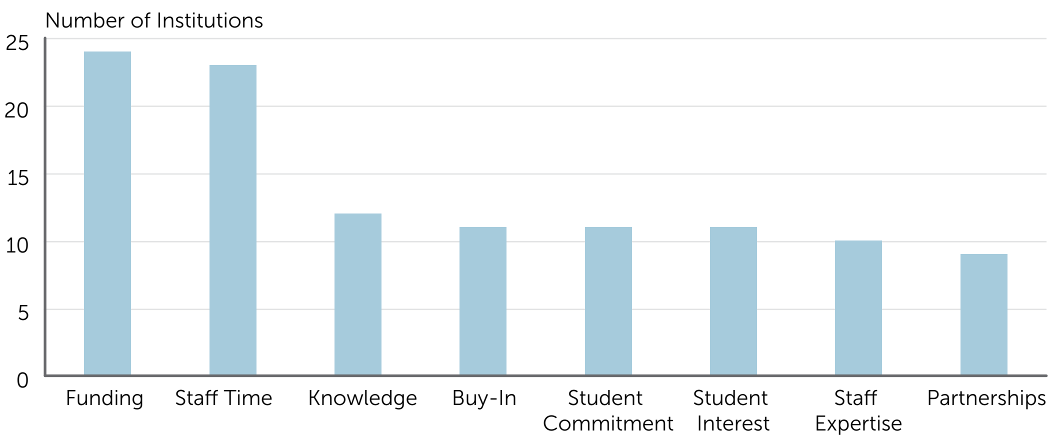
Eighty-six percent of respondents who shared perceptions of their institutions' current program and service offerings (*N*=28) indicated not having the capacity and right program/service mix to meet student needs. More than half also felt that the programs and services were not effective.

4. Perceived Barriers to Building Financial Capabilities

Respondents were asked to indicate all possible barriers to building the financial capabilities of students at their institution. As shown in Figure 8, funding and staff time were the most commonly selected barriers. Insufficient partnerships were considered a barrier by the fewest number of respondents.

Overall, the level of priority for building financial capabilities of community college students was high across most of the institutions participating in the survey conducted in August and September 2013. Yet there appeared to be a discrepancy between the prioritization and the dedicated resource/capacity mix. The offerings of programs and services to address financial challenges of students significantly outnumber those dedicated to building financial capabilities among students.

Figure 8
Perceived Barriers to Building Financial Capabilities of Students



Most institutions reported serving large portions of Pell Grant–eligible students and reported that the LMI students commonly struggle with a variety of expenses ranging from tuition to student loans. The financial independence of students, who lack familial financial support and lack emergency savings, are prevalent reasons for the financial struggles faced by students, according to survey respondents. But, in addition, factors related to spending habits and use of financial aid were commonly reported.

Limitations

While very few respondents indicated low levels of self-reported knowledge of efforts in place to address financial needs and build financial capabilities among students, the nature of what the survey was asking of respondents is likely to have captured some erroneous responses. It is difficult for any single institutional staff person to have both the breadth of view and depth of knowledge of both high-level priorities and program and service offerings on the ground. However, because the majority of respondents had been employed by their institutions for over 10 years and because they were encouraged to take their time completing the survey or to forward it to a colleague who might be better suited to complete the survey, there is reason to have confidence in the findings.

Efforts were made to clarify when we were asking about efforts that "address financial needs" versus "build financial capabilities" in the survey, but the extent to which respondents answered questions with a clear sense of what types of institutional efforts fall into each category is likely to include some degree of error.

The small number of cases prohibited the use of comparative analysis of groups or examining relationships between factors.

Conclusion

The analysis reveals that for most institutions, financial capability efforts are perceived as a fit with institutional values and priorities. Yet the number of efforts that address financial challenges and the dedication of resources to this work far exceed those dedicated to building financial capabilities.

Historically serving members from disadvantaged groups and backgrounds, community colleges have long had to address the financial needs of their students. The more affordable tuition rates are the most visible and well-known method for helping to minimize the financial challenges associated with higher education. So it comes as no surprise that there is more variation across institutions in their offerings of efforts to build capabilities rather than to address needs. The question becomes whether building financial capabilities can actually help to mitigate some of the financial challenges students face. Could the use of money management and savings strategies help a student manage an unforeseen expense in a way that protects the student from having to seek emergency assistance or make a difficult decision involving the tradeoff of continuing to invest time in school?

What the survey findings cannot reveal is why some institutions have allocated more resources and greater capacity to building financial capabilities of students than others, even while the extent to which they see this work as a priority is relatively similar. However, we do know that none of the institutions that did not prioritize building financial capabilities reported that resources were available. This is no surprise; however, it does suggest some possible opportunities for moving institutions along the continuums of fit and resource availability. It's likely that when efforts are prioritized and institutional personnel are knowledgeable about possible options for building financial capabilities of community college students, it would then make sense to find or allocate the needed resources.

Possible options for future iterations of the survey are to re-administer it to New England–based community colleges in the future to enable comparison to the baseline data collected, to make the survey instrument freely available to community colleges for internal assessments, or to administer the survey to community colleges in other regions of the country to enable regional comparison. The Boston Fed is open to all of these possibilities and will seek input from community colleges and interested stakeholders to inform which avenue to pursue for a follow-up study.

Appendix

Data Collection

The goal of the study was to survey all New England–based community colleges. A challenge related to administering the survey was in finding the right institutional staff person who would be willing to participate and was knowledgeable about the efforts in place. Various methods were used to disseminate the survey in ways that would reach the appropriate staff person and increase the response rate. First, in collaboration with the New England Board of Higher Education, the Boston Fed co-signed a letter sent via email to all of the presidents of community colleges in the region. The letter described the purpose of the online survey and requested that the presidents forward it to the appropriate staff person. Second, the Boston Fed searched the institutions' websites for contact information for staff working in student services, enrollment, financial aid, and academic affairs. This list of staff also received invitations including links to complete the online survey.

Possible perceived incentives to complete the survey were the opportunity to inform the Boston Fed's efforts surrounding its work with community colleges and to participate in task forces to be facilitated by the Boston Fed that would help interested institutions think strategically about how to incorporate a financial capability strategy institutionally.

In some cases, multiple responses were received from the same institution. Efforts were made to compare responses on the basis of self-reported knowledge of efforts to build financial capabilities at the respondent's institution and the extent of survey completion. Those responses with the highest completion and knowledge levels were retained. The descriptive analysis reported here was based on one respondent per institution.

Secondary data from the National Center for Education Statistics (NCES) were also merged into the dataset at the institutional level. The NCES data include variables across a number of domains such as geographic setting, student enrollment, and other institutional characteristics.[14]

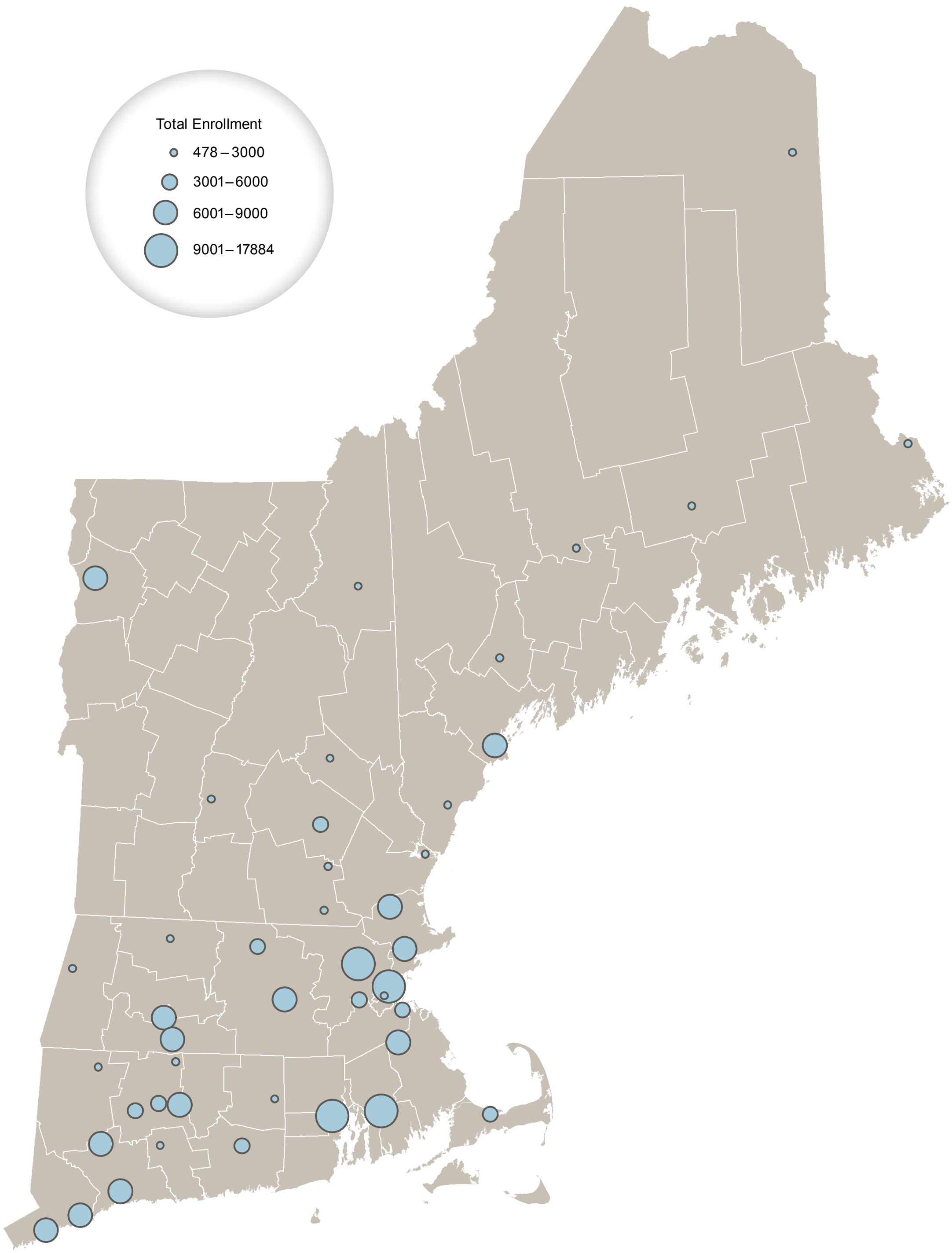
Survey Development and Administration

The survey was developed by staff from the Federal Reserve Bank of Boston and went through multiple iterations before being administered through an online survey platform. Field experts were asked to provide feedback on the survey to ensure that it would resonate with community college personnel. Internally, the survey was piloted with a group of Boston Fed Regional & Community Outreach (R&CO) staff, including members of the Financial Capabilities Group, a Senior Policy Analyst who works on R&CO's Community Outlook Survey, and an educator from R&CO's former Economic Education Unit.

The breadth of questions asked in the survey was wide-ranging, including institutional priorities, student needs, and financial capability efforts currently in place. There was one "forced response" question in the survey, meaning that respondents would need to answer the question in full before proceeding further in the survey. The forced response question asked about efforts in place to address student financial needs and build financial capabilities. Survey respondents were encouraged to take their time in completing the survey since it would be likely that they might need to start and stop to check on some answers.

A number of items on the survey allowed respondents to "check all that apply." Questions about perceived reasons for students' financial struggles and barriers to putting efforts in place to build financial capabilities of students were written in this manner. As a result, the distribution of responses does not equal 100. The purpose of allowing multiple responses was to determine how common certain perceptions were across the responding institutions.

Locations and Total Enrollment of Community Colleges in New England



Source: U.S. Department of Education, Institute of Educational Sciences, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), 2012-13, http://nces.ed.gov/ipeds/datacenter/.

Endnotes

1 American Association of Community Colleges, *Reclaiming the American Dream: Community Colleges and the Nation's Future* . (Washington, DC: American Association of Community Colleges, 21st-Century Commission on the Future of Community Colleges, April 2012).

2 Shannon M. Looney, *Cohort Default Rates in Context* (Washington, DC: Institute for Higher Education Policy, 2011).

3 American Association of Community Colleges (2012).

4 University of Texas at Austin, Center for Community College Student Engagement, *Community College Survey of Student Engagement*, 2013.

5 The definition of financial capabilities used in the survey was "the capacity based on knowledge, skills, and access to manage personal finances effectively."

6 American Association of Community Colleges (2012).

7 Ibid.

8 American Association of Community Colleges. (2012, April). Susan Choy, Nontraditional Undergraduates, NCES 2002–012, , (Washington, DC: U.S. Department of Education, National Center for Education Statistics, 2002).

9 Cynthia D. Liston and Robert Donnan, *Center for Working Families at Community Colleges: Clearing the Financial Barriers to Student Success*, (Durham, NC: MDC, Center for Working Families, April 2012). American Association of Community Colleges (2012). Priyadarshini Chaplot et al., *Principles of Redesign: Promising Approaches to Transforming Student Outcomes* (Berkeley, CA: Research Planning Group for California Community Colleges, April 2013).

10 University of Texas at Austin, Center for Community College Student Engagement, *Community College Faculty Survey of Student Engagement,* 2013. Community colleges that elect to participate in a Community College Survey of Student Engagement pay a membership fee and are then eligible to participate in the Community College Faculty Survey of Student Engagement for an additional fee.

11 President's Advisory Council on Financial Capability, *Creating Financially Capable Communities: A Resource Guide* (Washington, DC: U.S. Department of the Treasury, March 2012).

12 J.S. Department of Education, Institute of Education Sciences, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), http://nces.ed.gov/ipeds/datacenter/.

13 The survey question about matched savings did not articulate the type of matched savings and was not limited to "individual development accounts."

14 IPEDS, http://nces.ed.gov/ipeds/datacenter/.

Conclusion

Under scrutiny to deliver better student outcomes, community colleges are in need of new and better strategies to support students' journeys through higher education. The majority of students attending community colleges tend to have multiple risk factors that increase the likelihood of dropping out of school, only some of which are financial in nature. But no one doubts that a student's decision to remain in school or quit will have longstanding financial consequences.

The material presented in this *Handbook* is intended to help community college decision makers and potential partners determine if a strategy to build financial capabilities of their most vulnerable students is worth pursuing.

As the snapshot of New England community colleges revealed, some institutions already have efforts in place. Others are committed to building financial capabilities but may need assistance with the selection or implementation of efforts. We think that these colleges can benefit from assessing their circumstances on the basis of fit, need, expected outcomes, resource availability, capacity to implement, and readiness of efforts. Since institutions vary widely, each will need to tailor its own best solution. But, we hope that the methods we presented will provide decision makers with some guidance in how to determine the best strategic fit that is most likely to benefit students and the institution.

The snapshot of efforts among New England–based community colleges also highlights the necessary but not always sufficient role of prioritization in spurring institutional action. To acquire the needed resources for building financial capabilities, doing the work must first be seen as a high priority. But this does not ensure the availability of resources.

In fact, our study of the current state of financially-oriented programs at New England community colleges showed that offerings to address student financial challenges are much more prevalent than those designed to build longer-term financial capabilities. Institutional efforts to bolster student financial capabilities—although less well established—are, we feel, synergistic to the goal of improving student outcomes, including lessening the need for help with acute financial needs.

The real-life case studies we have presented reveal how institutions progressed, in some instances, from failing to prioritize the building of financial capabilities to growing prioritization and even institutionalization of efforts. In most cases, the ramp-up phase was (and occasionally continues to be) difficult; many unknowns are encountered. Yet advocates and champions within the institutions continue working in new and sometimes uncomfortable ways to get the efforts off the ground and, at some institutions, to become a part of scaled up efforts. One size clearly does not fit all. Without the option to implement at various levels of resource intensity, it is likely that efforts at some institutions would not have materialized.

Certain case studies also revealed patterns arising around issues of stigma and philosophy that have implications for how efforts are implemented. For instance, personnel at Valencia College in Florida and Skyline College in California related how reducing the stigma associated with financial capability efforts involved changing the titles given to peer mentors and to housing services under financial aid, respectively. Multiple case studies provided evidence of attempts to shift the culture among students as well as the philosophy embraced across institutions.

At the various community colleges profiled, efforts are at different stages of implementation. Some programs are being improved, while others are being taken to scale. As efforts at institutions reach stable levels of implementation and produce positive outcomes, their readiness for more rigorous evaluation methods increases. To the extent that institutions use these evaluation methods and are able to confidently attribute positive outcomes to their financial capability efforts, the more of an impact their work will have on their peers, the surrounding community, and the field of financial capabilities.

The main purpose of this *Handbook* is to inform institutional decision making related to efforts to build student financial capabilities. But it was imperative for us to better understand the most important actors in the equation—the students who attend community colleges. So, we took a close look at a small convenient sample of students and explored their backgrounds and financial decision making processes. We gained insight into how these students process course material on personal finance, and we hypothesized that their processing may be associated with their backgrounds and individual experiences with money during their upbringing. Practitioners who are mindful of these sensitivities might be well positioned to tailor their approaches and increase their program's effectiveness.

We hope this *Handbook* succeeds in shifting the priorities of community colleges by providing readers with the language and rationale that will help justify a financial capability strategy to key stakeholders. Helping community college students take a well-informed and active role in their financial lives to realize benefits today and well into the future is the aim. May this *Handbook* lead to exploration and action that will further this critical endeavor.

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