



# Iowa 4-Year Public Universities Implement Required Financial Education for Students

## INTRODUCTION

A climate of high student loan debt and tuition increases in the fall of 2015 prompted the regents of Iowa’s four-year public universities to call for required financial education for its students by the 2017-2018 academic year. An intercampus task force developed, implemented and evaluated a pilot program in spring 2017, with each university adapting the program to its own structure and strengths while retaining consistency in course content. Other university systems can learn from Iowa’s experience to successfully implement similar programs on their campuses.

## IOWA’S CALL FOR FINANCIAL LITERACY

The State of Iowa Board of Regents governs three public four-year universities.

	FALL 2018 TOTAL ENROLLMENT	FALL 2018 FRESHMAN ENROLLMENT	LOCATION
Iowa State University (ISU)	34,992	6,047	Ames
University of Iowa (UI)	31,656	4,806	Iowa City
University of Northern Iowa (UNI)	11,212	1,661	Cedar Falls

Multiple factors drove the regents to call for financial literacy for Iowa college students in 2015. First, there was growing alarm over years of negative press about Iowans’ high levels of student loan debt, as reported by The Institute for College Access and Success (TICAS) and its **Project on Student Debt**. Second, students and families at Iowa universities faced upcoming tuition increases. And third, the regents’ president saw the effects of significant debt on Iowa graduates employed by his own company. He determined that financial education is critical to addressing issues caused by uninformed or irresponsible borrowing, which can include personal relationship problems and even professional challenges that can negatively impact employers.

## PRE-IMPLEMENTATION DEVELOPMENT

The regents’ first idea was to mandate a required for-credit course for all incoming students, but faculty governance structures raised multiple concerns, including:

- Setting an undesirable precedent of top-down mandates on academic programs;
- The impact on accreditation for programs that require capped credits; and
- Potentially lengthening student’s time to degree, which all institutions must report as an indicator of academic success.

The regents tasked Iowa State University's president with developing a suitable program. Tahira Hira, Ph.D., senior policy advisor to ISU's president and a professor of personal finance and consumer economics, was appointed project leader, working in consultation with the ISU provost and the dean of the College of Human Sciences, home of ISU's Family Financial Counseling and Planning degree program.

Hira first scanned the campus environment, meeting one-on-one with 25 people to learn about their hopes, expectations, fears and anxieties. She used those insights to build a regents' committee with representatives from all three campuses, and a multidisciplinary committee on each campus.<sup>1</sup>

## THE SEARCH FOR A FINANCIAL EDUCATION PROGRAM

A core committee at Iowa State University launched a national search for a financial education program that:

- Is user-friendly, with materials appropriate for college students.
- Does not advertise to students.
- Allows the school to control program delivery as needed.
- Is provided at no cost.

The committee selected the National Endowment for Financial Education's (NEFE's) CashCourse. After meeting legal and procurement requirements, ISU acquired the CashCourse license and worked with its IT department to brand it as "Cyclone CashCourse" (ISU's mascot), secure student information, and migrate it to the learning management system (LMS)<sup>2</sup> used by students for schedules, course materials and communication with instructors and advisors.

NEFE conducted a webinar to familiarize members of the three campus committees with CashCourse. The Iowa regents' financial literacy committee reviewed the entirety of CashCourse content and, in consultation with the campus committees, selected four basic topics most relevant to first-year students:

- Budgeting and Money Management
- Credit and Debt
- Spending and Financial Decision-Making
- Financial Aid and Student Loans

A banking and car buying module replaced the Financial Aid and Student Loans module for international students, who are not eligible to use the Free Application for Federal Student Aid (FAFSA).<sup>3</sup>

## CASHCOURSE IN-DEPTH

CashCourse ([www.cashcourse.org](http://www.cashcourse.org)) is a free, online financial education resource designed specifically for college and university students. Created by NEFE with input from experts, students and universities, CashCourse equips students with information that helps them make informed decisions from orientation to graduation and beyond.

CashCourse is used by more than 200,000 students at more than 1,100 schools – including small private colleges, large public universities and both two-year and four-year programs – in all 50 states. Educational systems, including Iowa and the California Community Colleges System, use CashCourse on multiple campuses. CashCourse is unbiased, ad-free and not affiliated with any commercial interests or products. It includes educational materials and interactive tools for students that are reviewed, evaluated and updated regularly, as well as resources for teachers and administrators to market the program on campus, make assignments and track student progress.

<sup>1</sup> See Appendix A for a list of key contributors.

<sup>2</sup> Blackboard Learn

<sup>3</sup> In feedback surveys, some international students expressed interest in the financial aid module, and some domestic students wanted the car buying module. All Iowa schools let students know they could browse the CashCourse content for free at any time to access a wide variety of topics beyond the required modules.

## ISU PILOT PROGRAM

ISU's pilot program was housed at the Student Loan Education Office at the Office of Student Financial Aid and the Division of Student Affairs. It was managed by Program Coordinator Jennifer Schroeder. Undergraduate students with finance and financial planning backgrounds were hired and trained as peer mentors.

In spring 2017, ISU's senior vice president of student affairs and the student government president sent 1,000 email invitations with an embedded video from the ISU president to randomly selected students asking them to participate in the pilot. Four hundred new undergraduates responded.

Randomized drawings for \$100 awards enticed students to enroll and complete the program. Students could enter a drawing at the end of each module; upon completion of all four modules; and after completing the final program evaluation. Total cost of the pilot was \$15,015 (promotion, \$5,555; peer mentors, \$2,200; incentives, \$5,260).<sup>4</sup>

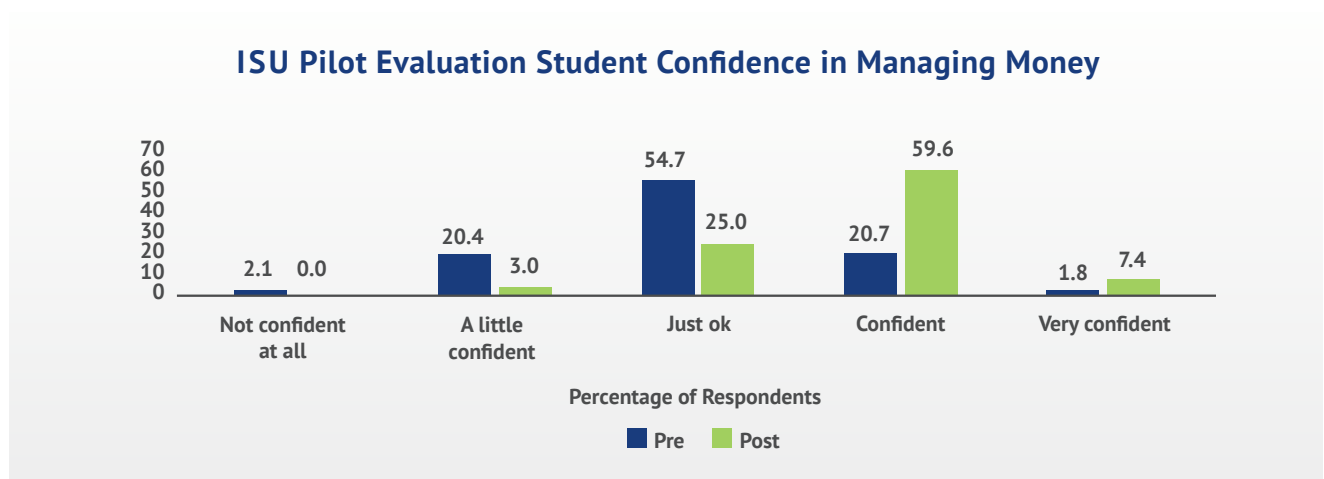
The pilot was implemented in the spring semester to avoid presumed student overload in the fall. Modules were released one per week over four weeks, and students had one week to complete each module (average completion time was 45 minutes each).

After the program, students gave feedback through focus groups and a survey. An evaluation survey was also sent to peer mentors. They were asked about the relevance of the content, gains in knowledge and confidence, the delivery of the content and the peer mentorship model.

## OUTCOMES OF THE PILOT PROGRAM

Students confirmed that all four modules in the pilot should be included in future offerings, with responses varying from 79.41 to 83.97 percent in favor of future inclusion for each module. Knowledge levels increased in all topics covered, including student loans, credit cards, the importance of emergency funds, and benefits of budgeting.

Most students said it was challenging to find time for peer mentor meetings, but those who did found them very valuable. Surveys also showed significant increases in students' confidence in their ability to manage money after the training. Other NEFE research shows that confidence, even more than knowledge, influences future positive financial behaviors, and thus is a key indicator of program success.<sup>5</sup>



<sup>4</sup> Funding was provided by ISU's president's office and in-kind contributions by the Student Loan Education Office; Student Financial Aid; and Student Affairs Assessment and Research; as well as staff from the president's office; IT, legal and purchasing departments; and ISU's Center for Excellence in Learning and Teaching (CELT).

<sup>5</sup> Confidence is a recurring theme in NEFE-funded research. See [www.nefe.org/research](http://www.nefe.org/research) for the Arizona Pathways to Life Success for University Students (APLUS) longitudinal study, Waves 1-4, and look for the forthcoming study by Stephen Atlas, Ph.D., University of Rhode Island, "Understanding Financial Literacy Decay to Improve Financial Behaviors of Young Adults."

Pilot participants also recommended:

- Releasing modules all at once to give students more flexibility to complete them at their own pace.
- More electronic communication and in-person availability from peer mentors.
- Renaming modules to make them more appealing to students.
- Based on student focus groups, the modules were retitled:
  - Preparing to Meet College Expenses
  - Manage Your Spending
  - Reduce Your Dependence on Credit and Debt
  - Financial Aid Options to Minimize Student Loan Debt

## FULL-SCALE IMPLEMENTATION (2017-2018 ACADEMIC YEAR)

All three campuses linked to CashCourse in their learning management systems and automatically enrolled freshmen in the training in the 2017-2018 academic year.

- **ISU's CashCourse program** launched with the improvements suggested by the pilot.
  - Student communications begin at orientation and include a personal email from the ISU president. Although there are no formal consequences for failing to complete it, all communications state the program is required.
  - ISU also offers the program in three one-hour workshops using peer educators.
  - Students who complete the program, meet with a peer mentor or attend a workshop qualify for drawings of \$100 gift cards.
  - Incentive costs in 2017-2018 were covered by a \$500 grant awarded through the CashCourse Incentive Program.
  - First-year program cost was \$43,900, primarily for peer educators, which was covered by the Office of Student Financial Aid and the university president's office.
  - Ongoing annual cost is budgeted at \$10,000, covered entirely by the Office of Student Financial Aid.
- **UI houses CashCourse in its University College**, which is responsible for orientation, retention and the career center, among other activities. The program leader is Andrew Beckett, Ph.D., associate dean of University College, who reports to the associate provost of undergraduate education/dean of University College.
  - CashCourse was added to the existing online 2-credit (pass/fail) course required for incoming students (Success@Iowa).
  - Students must complete half the CashCourse content before arriving on campus and the balance during the fall semester. They are allowed to retake the course if they fail.
  - Although UI did not include a peer mentoring model, it did add a module on financial assistance resources on campus, which includes financial literacy specialists.
  - Adding CashCourse to Success@Iowa required staff time, but did not incur financial costs.
  - The program will require minimal staff responsibilities going forward.
- **UNI houses CashCourse in the Office of Financial Aid and Scholarships**, under the responsibility of Timothy Bakula, director of financial aid.
  - Students complete "Panther CashCourse" online or a "Live Like a Student" in-person workshop to satisfy their financial literacy requirement.
  - Communications about the requirement occur during orientation, the freshman "Cornerstone" class, and first-year programming classes in several colleges and departments.
  - There are no formal consequences for failing to complete the program. Students have the entire academic year, but are encouraged to complete within the fall semester.

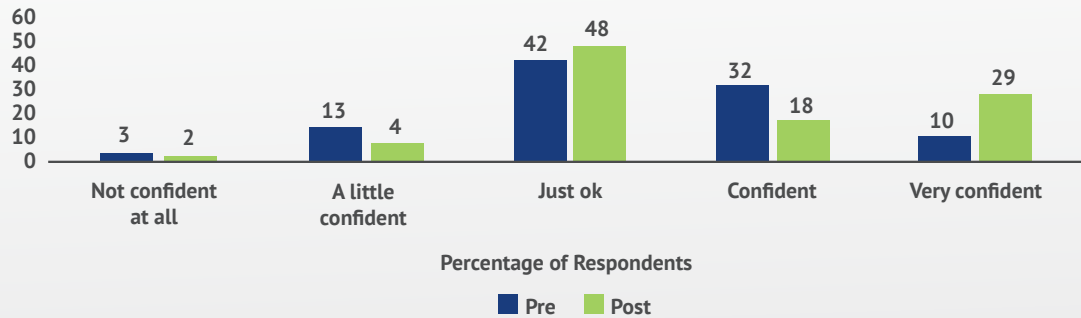
- A preexisting incentive program for the in-person workshops includes free t-shirts and random drawings for a \$500 scholarship. There are no incentives for the online program.
- UNI implemented Panther CashCourse with existing staff – one full-time staff member and two graduate assistants (\$5,120 per GA, per semester) – who oversee the financial literacy requirement on an ongoing basis.

## RESULTS

Schools are free to track outcomes independently, selecting evaluation questions from the pilot and adding new measures as desired. All schools consistently track changes in student confidence before and after the program. Although the Iowa initiative originally focused on student debt, it is too soon as of this writing to determine long-term results on debt loads as a result of increased financial education efforts.<sup>6</sup>

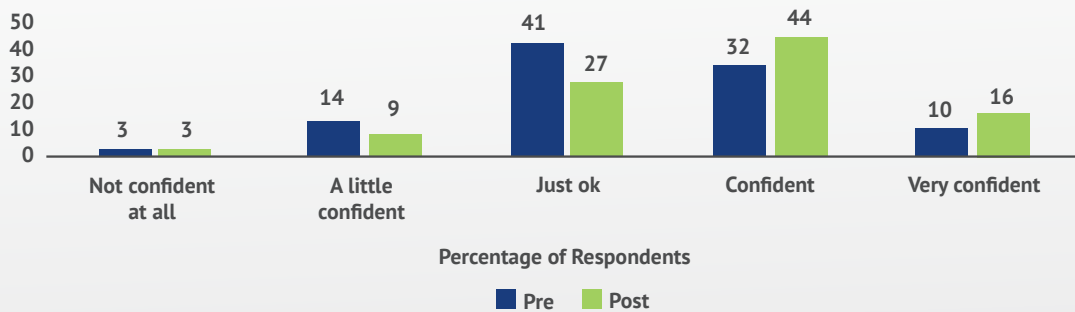
- **ISU:** Participation rose from 42 percent in 2017-18 to 65 percent in 2018-19. Students in the first full program who said they were “very confident” in managing their money increased from 10 percent to 29 percent after the program.

### ISU Spring 2018 Cohort Evaluation Student Confidence in Managing Money



- **UI:** Completion of the Success@Iowa course remains steady at approximately 98 percent. Students in the first full program who said they were “confident” or “very confident” increased from 42 percent to 60 percent after the program.

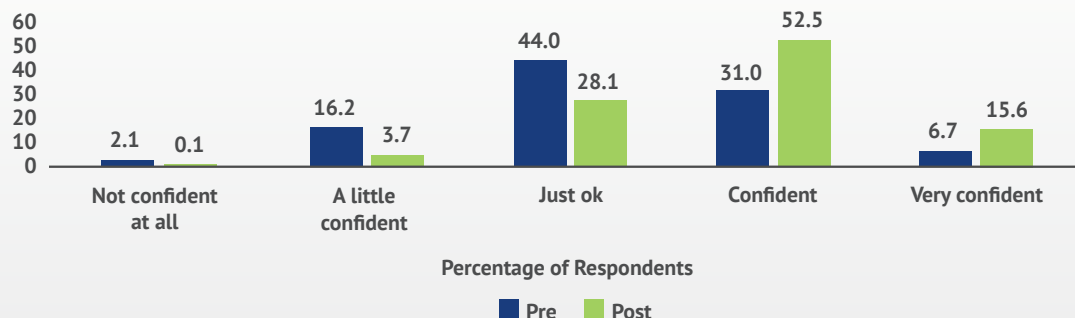
### UI Fall 2017 Cohort Evaluation Student Confidence in Managing Money



<sup>6</sup> In addition to knowledge and confidence assessments, ISU currently is tracking grade point average (GPA), time to graduation and indebtedness for 10 students from each cohort (five who had a positive response and five who had a negative response to the program). When enough cohort data is available, these assessments will tie CashCourse exposure to real-world outcomes.

- **UNI:** Completion of the financial literacy requirement decreased slightly from 82 percent in 2017-18 to 78 percent in 2018-19. Of those, students who opted for “Panther CashCourse” (online) versus “Live Like a Student” (in-person), declined slightly from 79 percent in 2017-2018 to 74 percent in 2018-2019. Students in the first full program who said they were “confident” or “very confident” increased from 38 percent to 68 percent after the program.

### UNI 2017-18 Cohort Evaluation Student Confidence in Managing Money



### OUTCOMES OF THE PILOT PROGRAM

- The Iowa regents’ imperative to include financial education was reinforced by each of the university presidents. This recognized authority was used to initiate and keep departments on task and on schedule.
- Collaboration with, and inclusion of, relevant stakeholders from each campus ensured shared communication, goals and cooperation.
- Naming a leader for the entire initiative and a leader/architect on each campus designated one point of responsibility for running the project and coordinated the work of individuals and departments.
- Regardless of how the training was delivered, all the schools embedded the program in their learning management system (LMS) and automatically enrolled eligible students, using the LMS to remind students to begin and complete the training.

### CHALLENGES, ADAPTATIONS, AND LESSONS LEARNED

- **What you call your program matters.** The pilot task force found it helpful to label these efforts “financial literacy training” to signal that it was not a new course. Even at schools with existing personal finance departments or courses, proposing a for-credit course raised significant concerns, including impact on degree requirements; program accreditation; faculty availability; classroom availability; budget for faculty and staff; students paying for required credits; and administrative mandates overriding faculty governance.
- **Use existing resources.** In terms of efficient use of faculty, staff, infrastructure and budget, embedding CashCourse/financial education into an existing program (e.g., new student orientation, first-year success) can be easier than creating a new stand-alone class or experience.
- **Automatic enrollment and required participation work.** Student compliance is highest when courses are required and enforced with registration holds. Ninety-eight percent of students complete UI’s required 2-credit (pass/fail) Success@Iowa course – those who do not complete likely are having trouble in other areas as well. In the first year of the CashCourse program, UI put a hold on spring

registration for students who did not complete the course. But the next year, this was discontinued when UI found that embedding the content and requiring completion of CashCourse in order to pass Success@Iowa made most students comply without the threat of a registration hold. Registration holds are controversial on most campuses as they are barriers to persistence. Their preferred use is for more critical noncompliance (e.g., students who don't pay tuition and fees).

- **Experiment with program timing.** Different theories about program timing led to offering CashCourse in the fall at all Iowa schools. After the spring 2017 pilot, ISU offered the first full program in spring 2018 on the theory that freshmen were already overloaded in the fall. UI and UNI offered their first programs in fall 2017. Students at ISU said they wished they'd had CashCourse sooner in their freshman year, so ISU moved the second cohort to fall 2018 and will offer the program in the fall semester going forward. At UI, staff noted freshmen are making significant financial decisions (such as signing leases for sophomore year apartments) in the fall semester of freshman year, making CashCourse important and relevant at that time.
- **Choose the pace of instruction.** Schools have experimented with the pace of releasing CashCourse content to students and with the amount of time students have to complete it. UNI allows completion within the academic year. UI began by releasing the content at the beginning of the semester with completion due within two weeks, but based on student focus groups, now releases about half of the content in July, which is due before school starts, and half in the third week of the semester, which is due in the sixth week of the semester.
- **There's no one-size-fits-all for every student.** The personal finance fundamentals chosen for Iowa students from CashCourse targeted traditional incoming freshmen (direct from high school). Transfer students (nontraditional, older students) have varying levels of financial capability. UI requires transfer students to take Success@Iowa, where they automatically receive CashCourse content. ISU required transfer students to take CashCourse in the first year, but dropped the requirement, as some transfer students had already taken CashCourse at another Iowa university. ISU transfer students are made aware of CashCourse and have access to it, should they wish to complete it. Although some incoming freshmen reported taking financial literacy courses in high school, they still had to fulfill their university CashCourse requirement.
- **Success requires continuous evaluation and feedback.** Year to year, schools must continuously ask students for feedback about the relevance and usefulness of content to keep up to date. However, when UI asked students to report on the most and least useful CashCourse articles, it found the same articles on both lists. The same information and modules were deemed both useful and not useful. These variances, which may stem from students' existing personal finance experience rather than from defects in CashCourse content, are not easily addressed because student cohorts will continue to be heterogeneous in their needs and understanding of personal finance topics. The only way to know what types of content students need is to ask them.

## CONCLUSION

Iowa's commitment to providing standardized financial education to its incoming students took less than two years from regents' directive in October 2015 to fully realized freshman program in August 2017. Using a blueprint developed collaboratively by representatives from the regents and individual campuses, NEFE's online CashCourse was successfully adapted to the needs and structures of three unique schools. The experiences of Iowa's four-year public universities provide a head start to other systems interested in personal finance as part of students' core education – and/or those facing new financial education mandates. The results should encourage other higher education institutions that efforts to increase financial literacy will improve students' confidence about managing their financial lives into young adulthood.

## RESOURCES

**CashCourse program:** [www.cashcourse.org](http://www.cashcourse.org)

Managing Director, Programs, National Endowment for Financial Education: Amy Marty Conrad, [amarty@nefe.org](mailto:amarty@nefe.org)

**Primary contact, Iowa initiative:** Tahira Hira, Ph.D., senior policy advisor to the president of ISU and professor of personal finance and consumer economics, [tkhira@iastate.edu](mailto:tkhira@iastate.edu)

**Primary contact, ISU:** Jennifer Schroeder, program coordinator, student financial aid, [jschroed@iastate.edu](mailto:jschroed@iastate.edu)

**Primary contact, UI:** Andrew Beckett, Ph.D., associate dean of University College, [andrew-beckett@uiowa.edu](mailto:andrew-beckett@uiowa.edu)

**Primary contact, UNI:** Timothy Bakula, director of financial aid, [tim.bakula@uni.edu](mailto:tim.bakula@uni.edu)

## REFERENCES

**ISU public info page:** <https://www.loaneducation.iastate.edu/CycloneCashCourse/>

**UNI public info page:** <https://finaid.uni.edu/panther-cashcourse> and <https://finaid.uni.edu/manage>

**UI public info page:** <https://newstudents.uiowa.edu/success-iowa-online-course>

**“Regents charge universities to mandate financial literacy course,” The Gazette, 10/22/15:** <https://www.thegazette.com/subject/news/education/higher-education/regents-charge-universities-to-mandate-financial-literacy-course-20151022>

**“Iowa universities to debut financial literacy initiative,” The Gazette, 6/15/17:** <https://www.thegazette.com/subject/news/education/higher-education/iowa-universities-to-debut-financial-literacy-initiative-20170615>

**“Finances 101: Iowa college students now required to take ‘cash course,’” The Gazette, 8/20/18:** <https://www.thegazette.com/iowaideas/stories/higher-education/finances-101-iowa-college-students-now-required-to-take-cash-course-20170830>

## APPENDIX A: KEY CONTRIBUTORS TO IOWA COMMITTEES

One of the Iowa initiative’s biggest success factors was the inclusion of relevant stakeholders from each campus and from multiple departments and disciplines in all phases of the project. This collaboration is vital to any large-scale financial education program on a higher education campus.

Key contributors will vary at different schools and on different campuses. Iowa’s regents’ committee included:

### From UI

- Chief academic officer
- Associate provost for undergraduate education
- Dean of University College
- Associate dean of University College

### From UNI

- Interim associate provost for academic affairs
- Dean of the graduate college
- Director of financial aid

Each campus also had its own multidisciplinary committee. The ISU committee, for example, included representatives from departments and programs ranging from information technology; legal affairs;



procurement services; the registrar's office; student government; the faculty senate; finance and financial planning departments; the financial aid office; and the new student orientation program.

Key contributors to the ISU committee included:

- Provost
- Associate vice president for student affairs
- Director of student financial aid
- Program coordinator of financial education
- Special projects assistant, government relations, office of the president
- Director of assessment and research, division of student affairs



## THE NATIONAL ENDOWMENT FOR FINANCIAL EDUCATION

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