Peer Financial Counseling to Promote Financial Literacy

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Agenda

- Introduction
- History
- Implementation
- Evaluations
- Summary
Today’s college students:

- Are bombarded with advertisements encouraging them to spend money
- Are ill-equipped to handle their finances
- Need a basic understanding of personal financial management
The Peer Financial Counseling Program

- Designed to help students understand how to manage their finances
- Uses peer financial counselors to deliver the information.
In the Peer Financial Counseling Program, college students teach other college students about financial management.

The modules cover:

- Making it on a College Budget: The Basics
- Staying on Good Terms: Credit and Debt
- Choosing to Understand: Student Loans
- Identity Theft: How to Protect Yourself
- Savings and Investments
Overview

Each module includes:

- A PowerPoint with speaker’s notes
- Handouts for the student audience
- Post-delivery evaluation forms
- Ideas for group discussions
- Internet resources
History

- Original PFC program purpose was to address student loan default rate
- Georgia Student Finance Commission and Governor’s Office of Consumer Affairs awarded grant money to UGA
  
  [Georgia Student Finance Commission](http://gsfc.org)

- Department of Housing and Consumer Economics at UGA established the Peer Financial Counseling program as open source on the Internet
  
  [Housing & Consumer Economics at Family and Consumer Sciences](http://spock.fcs.uga.edu/hace/undergraduate/pfc.html)
History

- Participation in the PFC program increased to sixteen colleges and universities across the state of Georgia.

- UNG (then Gainesville State College) successfully involved Enactus (then SIFE) students as peer presenters.
History

- The federal government ruled against funding university activities by the Georgia Student Finance Commission.
- The Governor’s Office of Consumer Affairs withdrew its financial aid from the PFC program.
- The Department of Housing and Consumer Economics
  - Stopped updating their Website as of 2013
  - Stopped collecting and reporting on evaluation results from participating institutions
  - Removed the Student Loan Module from the Website
Currently, Enactus students and advisers at UNG update the PFC program materials presented at our workshops.

Updates are supported by a UNG Center for Undergraduate Research and Creative Activities (CURCA) mini-grant received in 2014.
Methodology

- Enactus students volunteer to be peer financial counselors.
  - 1-2 counselors for classroom presentations
  - 4-6 counselors for workshop presentations

- Counselors are given the module materials to study which include student scripts

- Presentations include
  - Introduction
  - Handouts
  - Short video (optional)
  - PFC module PowerPoint presentation including student scripts
  - Student audience opportunity for questions and answers
  - Door prizes (for some workshops)
  - PFC module evaluation forms
PFC Evaluations

- PFC evaluations measure student satisfaction with presentation format and information.
- Knowledge of presentation content.
- Likelihood of engaging in good financial management practices in the future.
Supported by the CURCA mini-grant, our Enactus team of student counselors is now collating and reporting on the data we collect from the evaluation sheets. The next few slides summarize the results of our findings.
Student-Collated Knowledge-Based Evaluation Results for Credit and Debt

**Credit and Debt:** Presented twenty times to 373 participants

- The results indicate that approximately 30% of the audience missed the knowledge-based questions after the presentation which may be attributed to the volume of information presented. Module materials may need to be revised by reducing the volume of information delivered and increasing the group discussion period during the presentations.
Student Loans: Presented six times to 78 participants.

- The results indicate that 35% - 40% of the audience did not respond correctly to the knowledge-based questions, except for question three. Almost 90% of the audience responded incorrectly to question 3 which means that the student presenters should focus more heavily on this topic. Presentation materials for this workshop may also need to be revised.
Identity Theft: Presented nine times to 296 participants.

➢ Over 40% of the participants answered questions one and four incorrectly, and almost 60% of the participants answered question five incorrectly. Questions 1, 4, and 5 require more than a general understanding of the mechanics of identity theft, so the student presenters may need to add more examples when delivering these topics to the audience.
Student-Collated Knowledge-Based Evaluation Results for Budgets

**Budgets:** Presented twice to a total of 31 participants.

- Except for question two, all questions were answered correctly by all but about 10% of the audience. These favorable results suggest that the budget materials and delivery of those materials satisfactorily met desired learning outcomes. Question two might need more emphasis during delivery to help students who are unfamiliar with budget vocabulary.
Knowledge-Based Results Summary
Percentage of Questions answered correctly

- **Credit and Debt**
  - 0: 0.4%
  - 1: 10.8%
  - 2: 21.6%
  - 3: 27.6%
  - 4: 34.4%
  - 5: 0.4%

- **Identity Theft**
  - 0: 0.0%
  - 1: 0.8%
  - 2: 8.5%
  - 3: 37.1%
  - 4: 38.3%
  - 5: 15.3%

- **Student Loans**
  - 0: 0.0%
  - 1: 0.0%
  - 2: 9.0%
  - 3: 33.3%
  - 4: 52.6%
  - 5: 5.1%

- **Budgeting**
  - 0: 0.0%
  - 1: 0.0%
  - 2: 2.3%
  - 3: 36.4%
  - 4: 54.5%
  - 5: 6.8%
The results of the credit and debt impact section from the audience were very favorable. 80%-88% of the students indicated they would apply lessons learned from the presentation in the future.
The results of the student loan impact section from the audience were also favorable. Between 80% and 87% of the students indicated they would pay more attention to loan details in the future.
Student-Collated Evidence of Impact

Identity Theft

- 75%-85% of the identity theft audience surveyed indicated they would be willing to change their habits regarding safeguarding their personal information.
Only 51-64% of the budget audience surveyed indicated they would be willing to change their budgeting habits. Our UNG Enactus team plans to reevaluate the presentation to find ways to stress more strongly the importance of budgeting when planning for the future.
Importance of Financial Literacy

- College students graduate with high credit card debt – almost $3,000 in addition to student loan debt.
- The average student borrower takes on almost $30,000 of student loan debt for their undergraduate degree.
- Identity theft is one of the fastest growing crimes, and college students are five times more likely to be a victim of identity theft than the general public.
- Without a budgeting plan, it’s nearly impossible to reach the saving goals that students need to achieve their financial freedom.
The University of North Georgia's “Complete College Georgia” plan specifically sites that financial difficulties significantly influence the number of UNG students who start, but do not complete, a college degree.

(http://ung.edu/complete-college-georgia/_uploads/files/North-Georgia-CCG-Plan1.pdf)
The goal of the Peer Financial Counseling program is to prepare young adults for a lifetime of financial well-being through our PFC activities.
Conclusion

- Through the PFC program, both the student audience and the peer counselors are exposed to the tenets of financial literacy.
  - Data collected from the student audience helps gauge peer counselor effectiveness.
  - Evaluation results suggest a positive impact on the student audience.
  - Peer counselors develop presentation skills during content delivery and critical thinking skills while analyzing the results of the evaluations.
Questions