



MHEC 7th Annual Policy Summit
Ready or Not Here They Come
Ensuring the College Success of All Students

Summary of Financial Planning and Literacy: Session Two
November 14-15, 2011, Iowa City, Iowa

Gabriel Serna, Indiana University Bloomington
Brad Weiner, Midwestern Higher Education Compact

This session, moderated by Marc Hendel, a senior research analyst at Iowa Student Loan, asked the session panelists to discuss long-term, successful strategies for financial literacy. Rod Reed, president of the Iowa Jump\$tart Coalition, began by explaining that one of the primary goals of his organization is to increase the financial literacy of Iowans. His organization hosts two events annually, a “Money Smart” week in April and a financial literacy conference in July. Jump\$start has a clearinghouse that has free- or reduced-price financial literacy informational materials suitable for every level of education, including self-directed materials and those suitable for teaching financial literacy.

Jessica Schultz from the Iowa College Access Network (ICAN) highlighted her organization’s communication with families about preparing for college. ICAN offers two programs aimed at juniors in high school, including one titled “Credit & Money Management.” The goal of this program is for high school students to consider different scenarios about the appropriate use of credit and paying for college. The second program, “Life Store,” essentially asks students to create a budget that maintains a positive balance by the end of the exercise. This allows them to understand how budgeting plays a central role in choosing whether or not to take on large amounts of debt. By streamlining the “Life Store” idea, presenters are able to make a 45-minute presentation, which fits within the typical high school class period.

Nancy Ankeny from the Iowa College Student Aid Commission focused on a program that offers an interactive financial literacy program which uses (EverFi) and many other new technologies. This program is free and available to all Iowa high school students. The target audience is eleventh and twelfth graders. Its intended use is for in-class delivery, which can be used to fulfill a 21st Century class requirement. There are ten learning modules, each module taking between 35-45 minutes to complete. The program is free of charge to high schools. Soon a self-guided financial literacy program for college students will be offered from a vendor called Buttonwood.

Marc Hendel described how Iowa Student Loan noticed that Iowa student loan debt continues to be among highest in the country. In response, Iowa Student Loan created a task force to develop ways to increase borrowers’ financial literacy and teach the appropriate uses of student loan debt. One initiative called the Student Loan Game Plan includes an online module that helps students understand student loan debt by explaining the ramifications of various financial decisions. The

goal of the program is to engage students in learning about future starting salaries and proper use of debt. Every applicant for a supplemental private loan from Iowa Student Loan must complete this module, which asks the applicants how much they intend to borrow over time.

During the discussion, a participant suggested incorporating a class on financial literacy as a requirement. As the participants and panelists discussed this point, other participants pointed out that financial literacy was already interspersed throughout the required curriculum. Additionally, few states require a financial literacy class. A suggestion was made that financial literacy discussions start early and involve the family. This brought up a spirited discussion about how the culture surrounding debt has changed and credit usage is more ambiguous. Because of this, students might be so disconnected from the actual value of money that its responsible use is difficult.