

Chapter 5

Obtaining Financial Education Program Support

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Introduction

Finding support for a financial education program can be challenging in light of current events in the university environment. Yet, several trends point to the need for supporting financial education initiatives in higher education. Many state legislatures are pressuring higher education to improve graduation rates (Cook and Pullaro 2010). Several states (in the case of public institutions) are demanding greater accountability with regard to student matriculation rates. Studies have shown that financial issues are one of the top reasons for dropping out of college (Johnson et al. 2009) and first-generation college students may struggle with financial issues as well as lack of a parental mentor (Noel-Levitz 2011; Terenzini et al. 1996).

A financial education program is an obvious mechanism for decreasing or preventing the financial stress of students and should be seen by higher education administration as a worthwhile use of university monies. Financial education program staff members need to be visible and active in communication with university administration to secure current and future funding. Individual and business donors are also likely to be interested in the success of a program at their alma mater or local university and support your goals as long as they understand your purpose.

Defining Your Purpose

This section identifies and discusses a variety of topics associated with the basics of envisioning and implementing a financial support program, including issues such as program recognition by higher education administration for both on- and off-campus

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benefits. If you are reading this, you have recognized the need for student financial education outside the classroom environment in your institution. Your purpose will vary by your intent in the operation of the financial education program. Whether it is financial or in-kind, this chapter will provide you with ideas to obtain support for your program. Key questions to ask and answer are (a) What is your immediate or potential capacity to carry out the program's purpose? (b) How can you align what you need in terms of financial education program support with the strategic goals of your university?

Recognize that the potential for a successful entity is exciting and this will likely be reflected by others in your college or university, especially if the purpose(s) directly benefits operational issues. Your institution's administrators may see the need for a financial education program to supplement or support an existing student services or academic unit. For example, your program may provide assistance to the financial aid office or scholarship office in working with enrolled students regarding their use of funds for educational expenses; or you may be asked to supervise a program as part your faculty appointment. Another scenario is that a student government administrator could show support for a program that directly benefits students through allocating student government funds and/or student fees.

It is wise to consider the benefits that a financial education program could bring to your college or university when developing your purpose and specific goals for your unit. It is also important to match those goals to your unit's capabilities to insure that they can deliver the services without excessive additional workload. It is highly doubtful that in times of static (or declining) budgets, a student services unit, department, or academic program will be given additional full-time equivalents (FTE) specifically for the purpose of financial education program operation. University faculty members, especially those trying to attain tenure, need to consider the congruity of purpose and goals of the academic unit with those tenure criteria used by their institution (e.g., teaching, research, service). It is possible to conduct research related to student financial issues as well as develop research or service-related grant proposals related to a financial education program. Grants and publications are usually a path to tenure. If you are affiliated with an academic unit, consider training students as program personnel. Not only is this a valuable opportunity to have students help their fellow students, the use of volunteers will also help control program costs.

We suggest the use of an advisory council that meets periodically to provide guidance or support for your program in key areas such as fund-raising, obtaining space, and developing or promoting your program. Ideally, advisory council members are stakeholders selected from administrative, student services, and academic units. Possible members could be administrators, faculty, staff, students, and alumni or friends of the university.

Determining the Need for a Financial Education Program

Perhaps you have already determined the need for your financial education program. According to a program director surveyed for this book (Durband and Britt 2011), "You need to [obtain] a personal 'face' for financial literacy on your campus

along with knowing national research findings.” Maybe you have read reports or studies that provide support for this need. You may also wish to consider personal observations, anecdotal evidence, or student trends in your institution or state (e.g., student loan usage, student loan default rates, emergency loan requests). Are there institutional reports of student studies available? If you have not yet familiarized yourself with the literature, Chap. 10 provides a summary of research findings and presents research opportunities for financial education programs. If you have a research appointment, consider conducting a study to identify outcomes such as student needs, risk factors, and behaviors. Interviews, focus groups, and surveys are methods of potential data collection. Reflect on the possibilities that exist for data collection: new student orientation, classes, events in the dorms, student organization meetings, and other campus locations. Are there existing surveys of students to which you can add items of interest? If you do not have a research appointment, can you collaborate with another unit or a faculty member to help you collect data? You will want to obtain institutional approval for any research conducted directly with human subjects due to federal regulations (Department of Health and Human Services [DHHS] 2004).

Types of Support

Both on- and off-campus sources should be considered for program support. In addition to your institution, consider individuals (e.g., alumni and friends of the university); businesses; public grantmaking charities; private, corporate, and community foundations; governmental agencies; and membership associations as potential funding resources for your program. Funding may be in the form of a grant, contract, matching gift, sponsored program, sponsored research project, local or state line item, gift, or donation. Chapter 2 provides a summary of the types of support received by financial education programs surveyed for this book.

Companies can benefit from either donating services or equipment to your program or could provide those at a reduced cost. Aside from any tax benefits they may be entitled to as a result of a donation, this gift can result in increased visibility for that organization. In instances such as these, however, it is important to fully consider the implications or perceptions that these donations may create. It may not be in your organization’s best interests to be perceived as promoting any one company or organization through your outreach. It is important to remain cognizant of any potential conflicts or misperceptions that may arise through these relationships.

Regarding the development of grant proposals, many colleges and universities have staff members who specialize in this area and could assist you in writing. These staff may be found in units such as research services, student affairs, development, or institutional advancement. Proposal writing for research funding is frequently an expectation for faculty tenure and promotion so you may also consider collaborating with other faculty members to write a grant proposal for research or outreach related to your program. “The presence of a well-known researcher’s name

on a proposal can be very helpful because reviewers have confidence in known quantities and often confer that same confidence on collaborators” (Locke et al. 2007, p. 160). In addition, a multitude of resources exists on how to develop grant proposals. Consider contacting your university librarian for references and funding databases. Another great place to start is the Foundation Center website and its network of funding information centers located in educational institutions, community foundations, and public libraries nationwide (Foundation Center n.d.). From the website or one of their information centers, you will be able to determine the guidelines and availability of institutional, local, regional, or national funding sources.

General line-items for a program operating budget include personnel salaries (e.g., 9- or 12-month appointments), fringe benefits, equipment, physical space costs, utilities, travel, telecommunications, printing, advertising, and office supplies. If you are employing students, you will also need to factor in undergraduate hourly wages, graduate student assistantships or stipends, graduate tuition and fees, and fringe benefits.

Physical space is an important asset to secure for your financial education program. The location of a program is a matter that should be thoughtfully considered. If you desire higher visibility, use of space (if available) will attract students to visit the building for your services. Sometimes clinical space appropriate for academic programs such as psychology or marriage and family therapy can be shared. Multifunctional office space could be used by several student services that schedule individual appointments with students. Examples include career services, student legal services, and the student counseling center. Presentations or workshops can be hosted in classrooms, seminar rooms, a computer lab, a private dining room, a common area or lounge of a residence hall, the library, or rooms in the student union. Furniture may often be appropriated from surplus property warehouses on university campuses. In some cases, businesses can make donations (e.g., computers, printers, software) to a financial education program knowing that access to equipment will assist in educating students using up-to-date technology. If you have an interior design program in your university, their students or faculty can be enlisted for the design of your program office. Students in an art or design program can be excellent sources to consult about elements such as furniture, lighting, color, accessories, and artwork; they may even provide some of their own designs for you to display.

An important area that may be overlooked is marketing and promotional materials. (For an in-depth discussion of marketing strategies, see Chap. 7). A consideration for creating materials is to have a technical and professional editor take on your program as a project. Web design may also be provided through a technical and professional editing class. Some senior level and graduate classes will have students write grant proposals for community organizations as assignments. Student editors can review printed materials such as a grant proposal, brochure, or website. An additional idea is to work with a marketing class for assistance in developing a marketing plan for your program.

If your unit has the ability and the faculty or staff commitment to deliver services to the community surrounding your university, the political and financial benefits

from external supporters can be substantial. Support from local government or a local business or nonprofit organization in the form of financial help and possible use of centralized space to deliver services could be negotiated. Both public and private nonprofit organizations actively seek volunteers to assist citizens with financial issues that can include such matters as paying utility bills to avoid cessation of services. Community organizations can also provide opportunities for collaboration, as financial services and counseling are a perpetual concern for many underserved groups without access to paid services.

Institutional Support

The following sections address how institutional sources can support your financial education program. Institutional supporters could range from university administration to faculty and staff to students. The development of a vision that enhances institutional success and builds upon your existing academic or student services goals can earn support from administrators who see a direct benefit to units under their purview. One of the program directors surveyed for this book conveyed that an important factor in your success will be identifying and securing an advocate among your university's senior administrators. This person "will become an invaluable ally to secure the necessary funding to initiate financial literacy programming." At one university in the southwest, the Vice President for Student Affairs had student housing and dining as one of his responsibilities. Each semester he received a list with a significant number of names of students that he was going to be forced to dismiss from the university due to nonpayment of housing and dining fees. At the same time, faculty in the personal financial planning program wanted to develop a clinic/outreach model to help students, faculty, and staff with financial issues ranging from debt management to retirement planning. The administrator eventually gave startup funds to the financial planning program to develop a unit that directly benefited his office by lowering the number of students who fell into nonpayment status. Meanwhile, the faculty were able to conduct research, give students hands-on experience, and build political support for the growth of the financial education program.

Administrative structures vary from institution to institution, but many administrators who should be interested in the collaborative possibilities are directly involved with academic affairs (e.g., Office of the President, Office of the Provost, Dean of Student Life or Student Affairs, and Graduate School). For instance, student borrowers have reported delaying decisions to enroll in graduate school because of the amount of debt accumulated during pursuit of the undergraduate degree (Jendrick and Lynch 2007; Millett 2003). Student affairs administrators may be a source of seed funding in the early stages of a program. Many student affairs units may be responsible for entities with names such as student support services, enrollment management, financial aid, and the business office/bursar. All of these units deal with negative effects from a lack of student financial literacy and the resultant

financial problems that lead to dropping out of school or taking a longer time to matriculate. Opportunities may exist for direct support from student government. If you have student volunteers providing financial education services to other students, you may be eligible to register as a student organization or club. Colleges and universities allow their registered student organizations to apply for funding for programs, specific projects, and activities. Some academic units may also provide funds available for student organizations that fall under their control.

Support (either political or financial) from your student body will usually secure visibility within the campus newspaper, which can benefit the financial education program in referrals for services and in recruiting volunteers. Coverage in the student newspaper or on the college or university radio station may also benefit the academic program (if applicable) through recruiting new majors.

A relationship may be established with your university's media relations office. Financial education program staff may be contacted as experts for interviews from local and national media personnel writing stories on personal finance content. This is an excellent means for continuous program recognition by administrators and students.

Depending on the structure of the institution and working relationships across colleges and departments, faculty and department leaders can be very supportive. For instance, a financial counseling clinic can cooperate with a tax clinic in an accounting unit and, if present, can also collaborate with a law clinic. Through this type of approach, academic unit administrators can strengthen institutional unity, and students from two or more disciplines can benefit from learning skills sets from each program. If your university is a land-grant institution ("The Land-Grant Tradition" 2008) and you have Cooperative Extension (USDA n.d.), which has a specific focus on outreach, you have the opportunity for faculty/professional interaction, research, and internship experience with another unit.

External Support

University alumni can provide another funding opportunity for a financial education program. Visit with your institution's development office to let them know of your interest in cultivating alumni and friends of the university in your fund-raising. Your university development or external relations office maintains a mailing list of current and prospective donors. Alumni events are a great place to meet prospective donors and share information about your program. You can obtain details about these events through your institution's external relations office. Of course, financial stability is a necessary component of graduates having the ability to give back to their alma mater, but research suggests financial capability is not the only reason alums choose to donate or not donate to their university. According to a study of non-donors, Wastyn (2009) found that non-donors evaluated the cost-benefit relationship of their college education. If the benefit they received exceeded the costs of attending, they were more likely to consider giving back to the university. Students

who receive the added benefit of an on-campus financial education program are likely to report a profit, if you will, from attending that particular college or university. Even non-donors reported they would likely give to a “legitimate college need that resonated with their college experience” (p. 105), especially if it were a small amount. Based on the results of Wastyn’s study, it seems probable that financial education programs could be in part funded by past users of the program. Satisfaction with university student services offices has been shown to be related to alumni giving (Jendrick and Lynch 2007).

Just as we recommend you teach your staff to prepare an elevator speech, i.e., a brief 1- to 2-minute introduction of who they are, what the financial education program does, and why they are involved with the financial education program, we recommend a similar speech be developed to present to potential supporters. Keep in mind that not all support is financial in nature. Maintain a list of the types of support that might be used in order to be prepared to talk to potential supporters at any moment.

Summary

In this chapter, we provide recommendations for on- and off-campus resources for funding and support for a financial education program. Defining the purpose and communicating it to higher education administration is a first step. Financial education program staff members need to be visible and active in communication with university administration and external sources, when applicable, to secure current and future funding. The visibility of a program both within and outside the college or university is an important part of achieving your goals and enhancing outcomes. These outcomes may lead to startup funding and sustained support from internal and external sources.

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