Date: August 22, 2014

To: Ron Muffick,
Office of the Commissioner of Higher Education

From: Carina Beck
Office of Financial Education
Montana State University-Bozeman


This memo represents a request to support the ongoing effort to sustain and enhance the Office of Financial Education at Montana State University-Bozeman for an additional year through the College Access Challenge Grant.

The Office of Financial Education was established on the MSU-Bozeman campus in 2012. During the first year of the program effort was extended to: 1) establish a new office; 2) train staff; and 3) identify and communicate with students who are demonstrating or have the potential of high debt levels.

During year two, the office continued its effort in: 1) providing one-on-one intensive Financial Coaching; 2) developing and sustaining a student and faculty/staff task force to assist with updating promotional materials, workshops, and other student outreach methods; 3) continuing to collaborate with key constituents on campus; and 4) establishing a permanent, centrally located space in the Strand Union Building.

In addition to practices established above, in the third year, the office will: 1) use the Transit On-Line Financial Education program to improve communication and understanding about important financial literacy topics for members of the class of 2018; 2) develop an entrance counseling program for freshman students who meet key criteria – plus further develop the exit counseling program for students who withdraw from MSU; 3) increase the number of intensive one-on-one Financial Coaching appointments; 4) leverage the StepUP – Student Employment Program funded through the Job Location Development program to provide students with employment solutions to reduce the cost of attendance; and 5) develop a Professional Skills Academy.

2013-2014 College Access Challenge Grant Outcomes
Significant outcomes from the second year of the Montana State University-Bozeman College Access Challenge Grant include but are not limited to: Capitalizing on the collaborative model between the three offices under the Allen Yarnell Center for Student Success, 1,535 students received introductory financial literacy during their Success Advising or Career Coaching

- 322 students attended intensive Financial Coaching appointments.
Developed and maintained a student task force that assisted with updating promotional materials, workshops and innovative outreach methods. During 2014-2015, the task force members will continue to promote financially sound decisions to their peers through tables on the “Mall”, “5 minute pitch” to classrooms, student organizations and Greek houses, and targeted promotional materials.

Scheduled to move into a permanent, centrally located space in the Strand Union Building. This will increase the visibility of the office, walk-in traffic and the number of students reached by the Office of Financial Education.

2,810 “Know Your Debt” letters were sent to students who met at least one of the following:
- high debt profile over $25,000
- high debt profile to potential income
- high debt profile to credits earned
- high debt profile to student loan payments

117 students made appointments with a Financial Coach after receiving the Know Your Debt letters, and as an incentive, students received $10 gas/grocery card for attending the appointment.

The Office of Financial Education hosted 12 workshops during the 2013-14 Academic Year. The average attendance for each workshop was six students, however, 22 students attendance the Bozeman on Budget Workshop.

The MSU Financial Literacy Task Force continued with key constituents across campus including the Provost’s Office, Financial Aid, Admissions, Administration and Finance, Student Accounts, Resident Life, Faculty, University Studies, etc. As a group, we discussed current delinquency rates, areas for collaboration and the importance of having an office dedicated to financial literacy.

2014-2015 College Access Challenge Grant Expectations
The following Financial Education outcomes are expected for the 2014-2015 year:
- The Transit Financial Education On-line Program will be instituted with at least 75% of incoming freshman completing the survey. Best practices will be developed to ensure 100% of incoming freshman utilize the program in AY 2015-2016.
- 790 Intensive Financial Coaching Appointments (one-on-one) with one full-time Financial Coach and one part-time Financial Coach through:
  - Responses to Know Your Debt Letters
  - Referrals from Career Coaches and Success Advisors
  - Transit Pre and Post-Test Comparisons identifying those with greatest need for financial coaching
  - StepUP - Student Employment Program participation
  - Salary Negotiation training?
  - Workshop attendance
  - Fraternity/Sorority and Classroom Visits
  - Development of an Exit and Entrance Counseling Framework
• 2,517 students will receive introductory financial literacy through Career Coaching and Success Advising appointments (2,517 based on 70% of 3,596 students who received services from Career Coaches or Success Advisors in AY 13/14).

• 281 students will schedule an appointment with a Financial Coach after receiving the *Know Your Debt* letter (280 based upon 10% of 2,810 recipients of the *Know Your Debt* letter in AY 13/14).

• Continue exit-counseling efforts for University Withdrawal students. 443 University Withdrawal students will receive debt exit counseling during their appointment (443 based upon 66% of 671 University Withdrawal appointments in AY 13/14).

• Fund share of a Graduate Research Assistant to support Transit rollout (including pre and post-test survey comparisons), and other efforts to target MSU students who demonstrate high-need for services from the Office of Financial Education.

• In collaboration with Career, Internship & Student Employment Services, the office will develop a professional skills academy for MSU students who demonstrate social and financial need. The purpose of the academy will be to teach critical skills to students to ensure an appropriate professional acumen and understanding of the workplace is developed to be competitive for student employment, internship and professions positions. Expected outcomes for students who attend the Professional Skills Academy include:
  - improved professional acumen (understanding of office deportment, work ethic, time management, dress, problem solving, verbal, written and electronic communication, team work, etc.),
  - experience preparing competitive application materials,
  - understanding of how to use networks to secure employment,
  - an understanding of the importance of salary/benefits negotiation
  - an understanding of savings, budgeting, loan repayment, investing

Our ultimate goal is to decrease the probability of students defaulting on their loans because they lack the self-awareness and capability to earn highly-desired competitive employment opportunities. This training will also ensure students are well prepared to earn internship and student employment opportunities to help off-set the cost of education. Employment is a significant determinant of ensuring a solid financial future, as McMillion\(^1\) argues, student loan borrowers who have been unemployed are 83% more likely to default on their loans than borrowers who have not experienced unemployment (as cited in Woo, 2002\(^2\)).

• After students participate in the Professional Skills Academy, they will be able to leverage services from StepUp – the Student Employment Program.

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\(^1\) McMillion, Robin. 2004. *Student Loan Default Literature Review*. TG Research and Analytical Services

and other efforts offered through Career, Internship & Student Employment Services.

- Host financial literacy workshops during the Fall and Spring semester on loans, credit, loan repayment and budgeting tips.
- Continue to develop and sustain the Student Task Force through targeted campaign efforts, such as “The Face of Financial Literacy.”
- Continue to meet with the MSU Financial Education Taskforce and with key constituents around campus, including Financial Aid, Student Accounts, Admissions, Academic Affairs, Administration and Finance, Faculty, Residence Life, University Studies, and ASMSU.
- Develop a program to provide one-on-one or group entrance and exit counseling appointments for freshman students who are at-risk for accruing high debt and/or who might find difficulty repaying their student loans. Students will be identified through: 1) Transit pre-post test comparisons; 2) the Know Your Debt letter generation process; 3) high-dollar loan acceptance for incoming freshman; and 4) expected family contribution. The office will pilot the entrance and exit counseling with 20% of the freshman students who meet the program criteria during the fall semester 2014. From that effort we will develop best practices to provide counseling to an additional 40% of qualifying freshman students spring semester 2015.
- Update the current Office of Financial Education website graphics and ease of navigation.
- Provide debt management, loan repayment options, salary negotiation, and money management skills during the Fall and Spring Graduation Fair 2014-2015.
- Host a Financial Literacy Luncheon to launch Financial Literacy Month with academic advisors, faculty and staff members across campus.
- Introduce financial literacy and the Office of Financial Education to students who attend MSU 101. Students who have a GPA below 2.0 are invited to attend an intensive learning strategy workshop hosted by the Office of Student Success (last year 121 students attended MSU 101 in AY 13/14).
- Provide financial literacy training to all full-time and part-time staff of the Allen Yarnell Center for Student Success twice a semester.

The Office of Financial Education will expect to impact 10,000 students through summer orientation, Transit On-line Financial Education Program, intensive Financial Coaching appointments, Professional Skills Academy introduction to financial literacy in Career Coaching or Success Advising appointments, workshops, “5 minute pitch” presentations, university withdraw students, the student task force campaign and the “Know Your Debt” letters.

Funding
OCHE has made tremendous commitment to providing financial literacy across the state of Montana and to the Office of Financial Education at MSU-Bozeman. To
further the development of the program and our efforts we are requesting $79,982 to match MSU’s commitment, plus $35,018 to continue to innovate future “best-practices” for a total request of $115,000, broken down as follows:

**Proposed OCHE Budget**

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>15% Share of Career Coaches’ Salary</td>
<td>$10,530</td>
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<tr>
<td>15% Share of Success Advisors’ Salary</td>
<td>$6,000</td>
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<tr>
<td>Full-time Financial Coach’s Salary</td>
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<td>Full-time Financial Coach’s Benefits (with benefits)</td>
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<td>Part-time Financial Coach’s Salary</td>
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<td>Student Salary</td>
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<td>33% Graduate Research Assistance’s Salary</td>
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<td>Professional Skills Academy Program Manager’s Salary</td>
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<td>Professional Skills Academy Start Up</td>
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<td>Financial Literacy Month</td>
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<td>Travel</td>
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<tr>
<td>Mailings</td>
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<td>Student Engagements</td>
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<tr>
<td>Staff Trainings</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$115,000</strong></td>
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**Proposed MSU Budget as a match to OCHE**

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<th>Item</th>
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<tr>
<td>Office of Financial Education Program Manager</td>
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<tr>
<td>15% Share of Career Coaches Salary</td>
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<td>15% Share of Success Advisors Salary</td>
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<td>Printing</td>
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<td>Operations (office supplies, telephone, ITC, etc. for the new office)</td>
<td>$4,000</td>
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<td><strong>Total</strong></td>
<td><strong>$79,982</strong></td>
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**MSU In-kind Contribution**

In addition to MSU’s match, co-locating efforts provide over $26,000 of “in-kind” support on an annual basis. Examples include but are not limited to:

- Share of administrative/support staff            | $15,000  |
- Share of CatTracks                                | $ 8,000  |
- Share of software license (InDesign, Toad, etc.) | $ 1,000  |
- Share of computers/Ipads for Advisors/Coaches/Students | $ 2,500 |

**Long Term Impact**

With the support and commitment from OCHE, the Office of Financial Education will continue to make powerful impacts on MSU students through intensive one-on-one Financial Coaching, richer Success Advising
and Career Coaching appointments and partnerships with Financial Aid, Residence Life, University Studies, Parent Family Association, Fraternity and Sorority Life, Admissions/Orientation, etc. We will continue to work closely with OCHE to further enhance educational materials and the “best practices” financial literacy model for the state of Montana.

cc: President Waded Cruzado
    Chris Kearns, Vice President, Student Success
    Terry Leist, Vice President, Administration & Finance
    Kayla Fields, Program Manager, Office of Financial Education