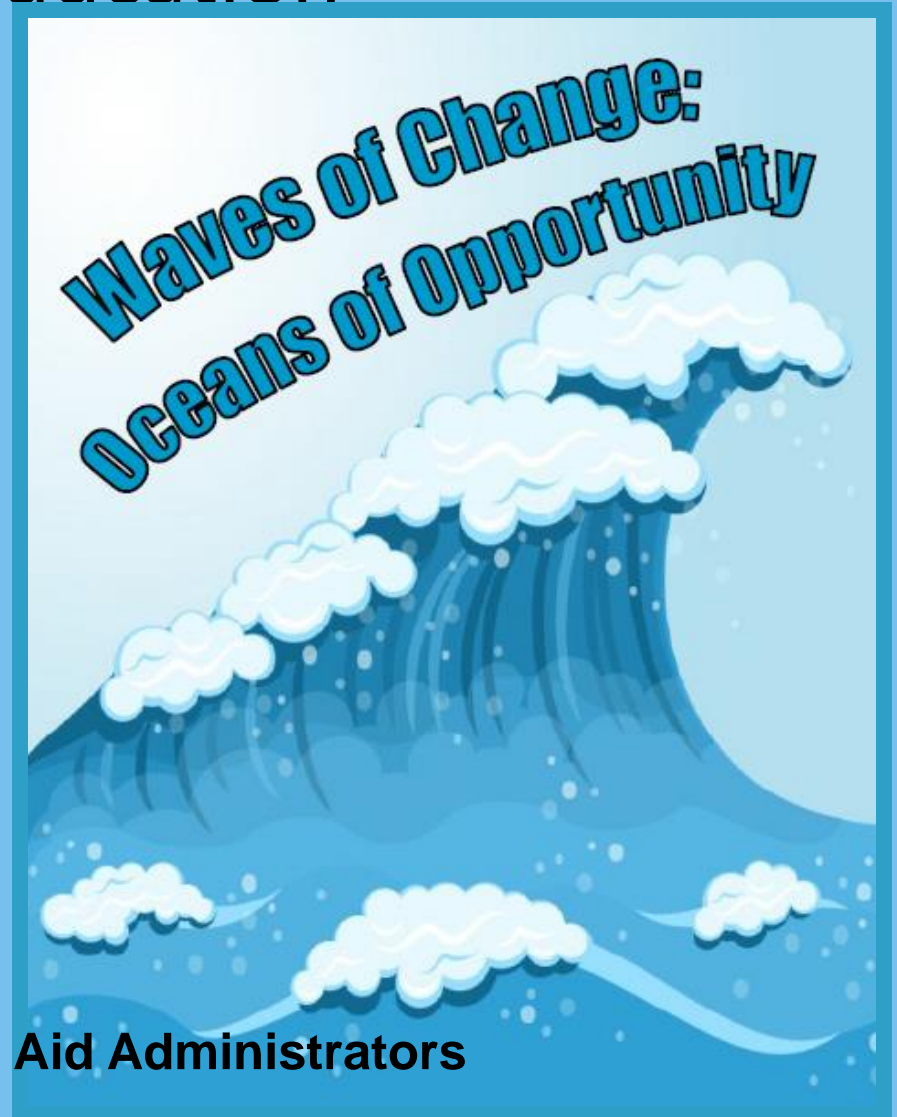


Opening Doors to Opportunity through Financial Education

Tracy Drechsler
Salt/American Student
Assistance



**Ohio Association of Student Financial Aid Administrators
Spring Conference 2017**

Agenda:

Why Financial Literacy?

Financial Knowledge and Skills

What Job Seekers Need to Know & Delivery Opportunities

So What, Now What?

3 Action Items

Objectives:

- Cite personal finance knowledge and skills that job seekers can benefit from.
- Identify opportunities to integrate knowledge delivery to students.
- Use action steps to start- or refine- financial education efforts.

Q: What are some financial skills/knowledge you had- or wish you had- during your first job?

Q: How did that knowledge/skills help you?
How did the (lack of) knowledge/skills hurt you?

Why Financial Literacy?

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A larger, social issue

Q: If you take out a \$1000 loan that has a 20% rate, how much will you owe a year in interest?

A: \$200

“According to the National Capability Study by FINRA, nearly two thirds of Americans can't calculate interest payments correctly”

- FINRA, National Capability Study

For Millennials, Less Money to Spend

“**Lower employment levels** and **smaller incomes** have left Millennials with less money to spend than previous generations”

- Goldman Sachs, Millennials “Coming of Age

Across the Board, The Need Exists

According to the annual “**Stress in America**” survey, “**money**” is the top source of stress for the nation, noted by **71% of respondents**.

- American Psychology Association, 2014 survey

Financial Knowledge & Skills for Job Seekers

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Insert Text

Because “Just in Time” Financial Education Works



What We Mean By “Just in Time”

The basic idea with “just in time” financial education is to provide **relevant information and knowledge**, about a particular financial decision (e.g. salary negotiation) at the point of, or very close to, the time a consumer will **make their decision**, with the hope that individuals use this knowledge to make the **most informed financial decision**.

Spending Plan

#1

The Spending Plan



Why It Matters?

The first job seldom pays enough, so understanding how to balance income with expenditures, and the concept of “trade offs”, can be extremely valuable.

Spending Plan Opportunities

- Integrate financial literacy topics into senior seminar.
 - Relevant topics (e.g. understanding that [first] paycheck)
- Share personal stories about successes and failures post college.
 - What motivated you to create your first spending plan?
- “Break Down the Paycheck”
 - Practical, hands on lesson.
 - Provide job seekers with a “fake” paycheck and ask them to create a budget.

Example

The screenshot shows the Kent State University Bursar's Office website. The header includes the university logo, the text "Bursar's Office", and a search icon. A navigation menu lists: About Us, Payment Due Dates, Payment Options, Refunds, Tuition and Fees, Forms & Resources, and Cashiering. A left sidebar contains a menu with the following items: ABOUT US, PAYMENT DUE DATES, PAYMENT OPTIONS, REFUNDS, TUITION AND FEES, FORMS & RESOURCES, and CASHIERING. The main content area is titled "FINANCIAL WELLNESS WORKSHOPS" and features a table with two columns. The left column contains the workshop title "Planning Where Your Money Should go, Instead of Where It Went" and the text "Facilitated by Bursar's Office Representative". The right column contains a description: "By the end of this workshop, students will understand the importance of budgeting their money. More specifically they will:" followed by a bulleted list of four outcomes.

Planning Where Your Money Should go, Instead of Where It Went <i>Facilitated by Bursar's Office Representative</i>	By the end of this workshop, students will understand the importance of budgeting their money. More specifically they will: <ul style="list-style-type: none">■ Have a better perception of money management■ Describe the difference between needs and wants■ Identify ways to create and stay on budget■ Be provided with tool to help them create their own budgets
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Kent State University

Planning Where Your Money Should Go, Instead of Where it Went.

Source: <https://www.kent.edu/bursar/financial-wellness-workshops>

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Credit – Employers are Taking a Peek

#2

Credit Basics



Why It Matters?

47% of employers check potential employees' credit reports as part of the hiring process

- Society for Human Resource Management, 2012 survey

Credit Opportunities

- “Run the Report”
 - Show job seekers how to access their credit by visiting annualcreditreport.com
- Seek out HR Professional to talk about this practice.
 - Could be someone at your institution.
 - Don’t forget to tap alumni network.
- Gamification
 - www.goodcreditgame.com (one example)

Retirement Investing

#3

Retirement Investing



Why It Matters?

1 in 4 employees missed out on receiving the full company match by not saving enough—leaving an **average of \$1,336** on the table each year, or an **estimated \$24B** altogether.

- Investment Advisory Firm, Financial Engines

Retirement Investing Opportunities

- Mock Investing Game
 - Provide “seed money” (fake) to job seekers and have them invest.
 - Analyze potential returns.
- Bring in the Professionals!
 - Again, think about your alumni network (ample opportunities to tap these individuals)

Negotiate Now, Earn More in the Future

#4

Salary Negotiations



Why It Matters?

A recent survey from NerdWallet and LookSharp found that a mere **38%** of survey respondents negotiated their salary...

..While employers overwhelmingly (**~75%**) said they had room to negotiate and **increase salaries 5 to 10%!**

Negotiating Opportunities

- Create mock salary negotiation scenarios for students.
 - Provide takeaway with “top 5” to know
- Provide content (email, social, etc.) that educates students on salary negotiation process.
 - Salt video, [“How to Negotiate the Salary You Deserve”](#)

Get Creative



The screenshot shows the Ohio University College of Business website. The header includes the Ohio University logo (1803) and the College of Business name. Navigation links for 'ABOUT', 'ACADEMICS', and 'RESOURCES' are visible. The main content area features a breadcrumb trail: 'ABOUT > EVENTS > SUIT UP SERIES: SALARY NEGOTIATION WORKSHOP'. A sidebar on the left lists various events, with 'Ohio University Alumni Night of Networking' selected. The main content area displays the 'Salary Negotiation Workshop' details: 'Tuesday, February 28 2017 06:00pm | Walter 235'. The description states: 'Join the Office of Career Management and Jen Murphy to learn the art of salary negotiation.' The date and time are repeated: 'Tuesday, February 28 2017 6:00pm - 8:00pm | Walter 235'. The description continues: 'Join the Office of Career Management and Jen Murphy, Assistant Dean of Career Management and Student Success, to learn the art of salary negotiation.' A note says: 'This is the Office of Career Management's most requested workshop, so register early to secure your spot!' Another note states: 'Business casual attire is required for this event. Pizza will be provided.' A link is provided: '[Register for the event here.](#)'

Ohio University- “Suit Up” Series *Salary Negotiation Workshop*

Source: <https://business.ohio.edu/about/events/suit-up-series-salary-negotiation-workshop/>

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What else?

What financial education efforts for job seekers are already underway?

So What, Now What?

3 Immediate Actions

1. Meet Job Seekers Where They Are

Ask: “What are their primary financial concerns as they transition from FT/PT student to FT employee?”

2. Identify Partners on Campus/Programs to Incorporate Lessons

No need to reinvent the wheel. What information are you already providing and how do financial lessons “fit in”?

3. Start NOW (Don't Wait Until Senior Week)!

Senior Week is typically the Right information at the Wrong time.

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Thank you!