

Using Data to Build a Case for Financial Literacy Education: Morgan State University

When Tiffany Beth McMillan at Morgan State University had the opportunity to apply for a grant that would allow her to implement a campus-wide financial literacy program, she was ready.

McMillan had been stashing away bits and pieces of data — readily available from campus sources — to create a compelling story about how Morgan State students could benefit from financial literacy education. Having this data at her fingertips helped tremendously when it came time to apply for the grant — especially since she had only five days to complete the application.

What did she use to make her case? And, where did she access the information?

McMillan recently answered these questions and more during a presentation at the 2011 Symposium on Financial Literacy and Student Success at Minority Serving Institutions. USA Funds® and the Institute for Higher Education Policy sponsored the symposium.

Why gather data?

- ♦ To understand your students and their families.
- ♦ To compare your institution's information with national data and trends.
- ♦ To determine the variables that affect your institution's retention and graduation rates.
- ♦ To set a baseline for programs and initiatives.
- ♦ To establish measurable goals and objectives for your financial literacy program.

Where to look for information?

- ♦ Free Application for Federal Student Aid.
- ♦ Bursar's office.
- ♦ Freshman orientation, seminar classes and placement tests.
- ♦ Survey data, such as National Survey of Student Engagement, career development office, senior exit survey.

"The more data you have, the better. And it's crucial to connect the findings to retention and graduation rates," says McMillan, director of the Office of Student Retention at Morgan State University in Baltimore. "When you drill down into the data you find out how powerful it can be to understand your students."

What she found

McMillan says some of the data was surprising.

From the FAFSA:

- ♦ She learned that the median adjusted gross income for families of students at Morgan State was just \$36,710, compared with \$70,545 in Maryland and \$52,029 nationwide. McMillan didn't expect the income difference to be so great, she says, because so many students have laptops and cell phones with the latest technology. "You can't make any assumptions. You need hard data," she says.

- ♦ She also found that more than 50 percent of students enrolled in the fall 2009 semester were recipients of Pell Grants. And the first-to-second year retention rate for these students was 4 percent lower than for students who did not receive Pell Grants.
- ♦ She also looked at data from 2004 and was able to determine that after six years, 28.6 percent of the Pell Grant recipients had graduated compared with 36.2 percent of students who had not received Pell Grants.

From information available through the Bursar's office:

- ♦ McMillan learned that of the 914 students who dropped out during the spring 2011 semester because they failed to make financial arrangements to pay, 100 students owed \$1,000 or less and 384 (42 percent) owed less than \$3,000. "It was shocking how little money they owed," she says. The college started a new campaign, the \$5 scholarship fund, to help students with this type of financial need avoid dropping out.

From freshman programs, such as orientation, seminar class or the College Board's ACCUPLACER placement testing:

- ♦ McMillan was surprised to find out the number of students who were first-generation college students. Morgan State has a strong legacy program with parents and grandparents recommending the university to the next generation. Yet, 30 percent of freshmen said their parents had a high school degree or equivalent or less, and 55 percent of freshman students said their parents did not have a college degree.
- ♦ She also learned that only 67 percent of freshmen owned a laptop computer.

From survey data, such as the UCLA freshmen survey administered by the Higher Education Research Institute at UCLA:

- ♦ She learned that a majority of Morgan State students came from single-parent homes compared with the national average: In the fall 2008 semester, 57 percent of Morgan State students came from single-parent homes, compared with 22 percent nationally.

"When we looked at all of the data, we asked ourselves, 'How can we not develop a financial education program?'" McMillan says.

Results

Morgan State received a Campus Compact/VISTA grant, which will pay for an Americorps volunteer to have three years to coordinate and implement a financial literacy program for Morgan State students, their families and the community.

The project will begin in earnest in late summer 2011, when the Americorps volunteer begins work at Morgan State. McMillan says the program likely will include curriculum and lessons from a variety of existing financial literacy programs, including USA Funds Life Skills. USA Funds Life Skills is a Web-based financial literacy program designed to help students learn to manage their money and time wisely while in school and after graduation.

The data McMillan has gathered will be crucial in setting measurement goals and objectives for the campus-wide financial literacy program. McMillan hopes to be able to show improved retention and graduation rates for students that participate in the program. She also plans to evaluate the change in financial literacy knowledge, attitudes and behaviors of participants.

Lessons learned

Don't wait for the opportunity and then get the data.

McMillan stresses that even if you don't have the resources for a financial literacy program and it doesn't seem likely you could get the approval to implement a program, that's the exact time to collect the data. "You never know when you'll have the opportunity to apply for a grant or there will be a change in leadership at your school."

Start small, if that's all you can do.

"Even if you only can reach 20 students, that's better than nothing," McMillan says. And, she notes, obtain the data on the impact the financial literacy program has on the 20 students so when you have the opportunity to expand to 200 or 2,000, you have data to show the results.

Keep trying.

Morgan State has been offering financial literacy programs and education to students in a piecemeal fashion for years. But it wasn't until President Obama selected the school as a pilot location to test a financial literacy program for students in Historically Black Colleges and Universities that the push for a campus-wide program took off.

About Morgan State

Morgan State University, based in Baltimore, Md., was founded in 1867 and is one of the nation's Historically Black Colleges and Universities. About 7,800 students attend the university, which offers degrees in engineering, education and urban studies, business, natural sciences, liberal arts, architecture, social work and more. About 6,500 students are undergraduates, and 96 percent use some sort of financial aid including scholarships, loans and grants.

About USA Funds Life Skills

USA Funds Life Skills is a Web-based financial literacy and student success program designed to help students learn to manage their money and time wisely while in school and after graduation. The content is organized into easy-to-use life lessons that can be customized for a specific audience. Topics include managing credit card debt, living on a budget, and managing school and personal life. USA Funds Life Skills incorporates post-lesson quizzes to help measure knowledge of key personal finance concepts. Visit the USA Funds website at www.usafunds.org or contact your USA Funds representative for more information about USA Funds Life Skills.