STRATEGIES FOR IMPROVING COMMUNITY COLLEGE STUDENT FINANCIAL HEALTH

AN EXAMINATION OF ACHIEVING THE DREAM'S FINANCIAL BEHAVIOR CHANGE PROJECT ON SIX CAMPUSES




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Achieving the Dream™

WORKING STUDENTS SUCCESS NETWORK

An Affiliate of the National Working Families Success Network

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PREFACE

Community college students, motivated to secure credentials and degrees that will help support themselves and their families, can face many obstacles to staying in and completing their educational goals. Financial challenges in particular have an impact on academic achievement. Recognizing these connections, Achieving the Dream (ATD) has been working for the last three years with 19 colleges in four states on the Working Students Success Network initiative to help students strengthen their individual and family financial health as a means of supporting their academic endeavors and leading to long-term financial stability.

As a part of that work, with generous financial support from MetLife Foundation and technical support from Community Financial Resources, Kingslow Associates and Susan Gewirtz Consulting, ATD launched a targeted initiative within the WSSN framework: the Financial Behavior Change Project. While all 19 colleges in the WSSN project worked to address financial insecurity and improve students' financial health, six of the WSSN partner colleges participated in this targeted project to pilot specific financial products and service strategies to help students improve their financial health.

While this project focused specifically on one aspect of the WSSN initiative, almost all of the participating colleges indicated that this work was central in raising the visibility of the overall WSSN work and institutionalizing its core principles. In particular, the colleges remarked how important this initiative was in getting their institutions to focus not just on delivering services, but actually changing the behavior of students and also in getting college faculty and staff focused on financial behavior outcomes. As one staff member noted, "There is a huge difference between tracking what we as a college have done for the student versus actually tracking the changes that the students themselves have made with our help."

The colleges have demonstrated that they were able to recruit financially vulnerable students and connect them with actionable financial education, coaching, and products and services to advance their financial health. They were able to implement their financial interventions in ways that built upon and integrated with existing college systems. Most importantly, they embraced this work with a sense of commitment and in a spirit of learning in order to find innovative ways to address the financial challenges their students face.

The brief summarizes overall lessons to be learned and some action takeaways culled from the colleges' implementation experiences. The conclusions are drawn from the collection of survey data, interviews with college staff and Achieving the Dream consultants, and college observations that emerged at a series of peer-learning sessions.

We hope these implementation lessons will provide important design information for colleges, funders, and organizations committed to improving the financial health of community college students and other low-income Americans.

Dr. Karen A. Stout, President and CEO
Achieving the Dream

INTRODUCTION

Over 12 million U.S. college students attend community colleges—nearly half of all students enrolled in higher education. These students are diverse and quite different from traditional four-year students. Nearly 60 percent are women, almost half are students of color, and over one-third are first generation college goers.[1] Community college students also tend to be low-income: 50 percent come from families with an annual income under $30,000.[2] As a result, nearly three of every five community college students receive some form of student aid to help pay for college.[3] In addition, a significant number have dependents of their own: nearly a third of all community college students are parents[4] and close to half of those are single parents.[5]

Given this demographic profile it is not surprising that community college students face substantial challenges in pursuing their academic goals and ultimately achieving financial stability. Many are juggling work, family, and class schedules and struggling to maintain the financial health necessary to stay in college and support their academic goals.

A recent survey of community college students by the Center for Community College Student Engagement[6] found that:

- Nearly half of all student respondents said "lack of finances is an issue that could cause them to withdraw"
- Over 60 percent said they live paycheck-to-paycheck
- Over 50 percent said they are carrying too much debt
- Nearly half said they had run out of money in the last year

A study by the Wisconsin Hope Lab[7] of 33,000 students at 70 two-year institutions in 24 states found:

- Two-thirds struggle to feed themselves
- Half report unstable living situations
- One-third are regularly hungry
- 14 percent are homeless

Community colleges are beginning to understand that the postsecondary success formula must include efforts to improve the financial health of students. The Center for Financial Services Innovation, which focuses on the financial health of Americans, and particularly those who have been underserved by traditional financial institutions, defines financial health as a state "when daily systems help individuals build resiliency and seize opportunities." Because financial health improves the likelihood of achieving educational goals, increases family stability, and influences positive mental and physical health, it has become a major priority for Achieving the Dream (ATD), a national reform network that leverages resources on targeted focus areas to close achievement gaps and accelerate success among diverse student populations. As part of ATD's Working Students Success Network (WSSN) initiative, which focused on providing integrated services to address both the educational and financial needs of community college students, ATD launched the Financial Behavior Change Project. This targeted project built on the work all WSSN colleges were doing to address financial stability of students by identifying key financial challenges community college students face and developing strategic interventions and resources to help them undertake behavioral actions to overcome those challenges.

THE WORKING STUDENTS SUCCESS NETWORK

The WSSN supports 19 community colleges in four states to create pathways and provide integrated services that prepare low-income students for jobs with family-sustaining wages. WSSN strategy was developed to help low-income people reach financial stability and move up the economic ladder by promoting an innovative framework that strategically integrates three distinct but related pillars:

1. Education and employment advancement: education, job readiness, training, and placement;
2. Income and work support: access to student financial aid, public benefits, tax credits, and free tax assistance; and
3. Financial services and asset building: financial education and coaching linked to affordable products and services to help families build self-sufficiency, stabilize their finances, and become more economically competitive.

The WSSN is a three-year project supported by the Annie E. Casey, Lumina, W.K. Kellogg, Kresge, and MetLife Foundations.

THE FINANCIAL BEHAVIOR CHANGE PROJECT

Over a two-year period, six colleges involved in the WSSN initiative received financial support and technical assistance from ATD to identify key financial challenges their students face, develop specific strategies to address those challenges, and provide feedback on lessons learned from the work to be shared with other colleges. The project supplemented the work these and the other WSSN colleges were already engaged in by focusing on specific types of interventions that would not only provide services to students, but also effect positive changes in their financial behaviors.

To begin the project, representatives from the six colleges worked with financial and behavioral science experts to identify students' specific financial challenges and potential solutions. As described in the Project Findings section of this report, the colleges also surveyed students to identify the challenges they faced and gather baseline information to measure progress over time.[8] From this process emerged three primary financial challenges:

1. **Cash flow and income volatility. Juggling multiple income streams alongside irregular and often unexpected expenses makes money management an overwhelming task particularly for those who are also trying to focus on academics and support families.** The students surveyed were cobbling together multiple income sources to stay afloat. Sixty-two percent of participating students had a job outside of school, 60 percent received financial aid — which was typically disbursed in one lump sum payment at the beginning of a semester — and many students received public assistance such as the Supplemental Nutrition Assistance Program (SNAP).
2. **Lack of a financial cushion. Without a savings cushion, many community college students are one financial emergency away from dropping out and staying out of college.** Forty-one percent of the students surveyed did not have a savings account and of those nearly half had balances of $100 or less. When students were asked if they believed they could locate funds if faced with an unexpected financial emergency, 62 percent said they would not would be able to come up with $500.
3. **Inability to access and build credit. Community college students often rely on credit products to manage cash flows, fill short-term funding gaps, and pursue long-term opportunities. However, many students have thin or damaged credit reports, forcing them to rely on high-cost and sometimes predatory loans.** Forty-six percent of students surveyed did not have a credit card. Two-thirds did not know their credit score and of those who did know their scores, 45 percent had poor credit scores of 620 or below.

The project designed behavior change strategies to address each challenge.

Financial Challenge	Behavior change interventions integrated with financial education
Cash flow and income volatility	• Create a budget • Track expenses • Use credit products appropriately
Lack of a financial cushion	• Open savings products • Provide incentives to establish regular savings habits • Establish savings pre-commitments for lump-sum income such as financial aid disbursements and tax refunds
Inability to access and build credit	• Obtain and review credit reports and scores • Correct credit reports • Renegotiate debt with creditors

The assumptions of the project were that:

- Colleges would pursue strategies that employed administrative changes and work to introduce financial products and services in order to reach more students, using modest college financial and staff resources;
- The strategies would complement WSSN's focus on financial services and asset building that includes financial coaching (a staff intensive service); and
- Colleges would embed their interventions into existing college success strategies and college systems to scale and sustain the products' reach and success.

Based on these assumptions, the six colleges identified the following financial challenges and strategies. *(For a more detailed overview of each campus's efforts see the campus profiles in Appendix A.)*

Colleges incorporated a variety of behavior interventions into their financial literacy and education programming depending on the challenge they sought to address and taking into account three guiding questions.

- If successfully implemented, could the college scale and sustain the approach?
- Will the intervention lead to student financial behavior change?
- Will the intervention be integrated into the community college's existing systems and resources?

Because research has shown that financial literacy on its own does not lead to improvements in financial health, the project required that these colleges also offer actionable activities to promote behavior changes in students.

Participating College	Financial Challenge	Product Strategy
1. Cañada College 2. East Los Angeles College 3. North Arkansas College	Cash flow and income volatility/ Lack of a financial cushion/ Inability to access and build credit	Strengthen financial literacy efforts with behavior change interventions
4. Northern Virginia Community College	Lack of a financial cushion	Provide emergency grants/ loans with vehicle for building a financial cushion
5. Walla Walla Community College	Lack of a financial cushion	Allocate automatic partial financial aid to students' savings
6. Skyline College	Inability to access and build credit	Offer students a range of credit building tools

PROJECT SCOPE AND FINDINGS

To monitor the progress of the Financial Behavior Change Project, ATD and the participating colleges utilized three different means of information sharing and assessment:

- Participating in three separate convenings during the grant to share information and provide in-person progress updates;
- Sharing written updates on progress; and,
- Surveying students at the beginning and end of the project to assess their behaviors and confidence in their ability to address their financial situations.

Community Financial Resources (CFR), which assists community-based organizations in connecting low-income individuals with financial products and services designed to encourage beneficial money management behaviors, was a partner with ATD on this project. It collected survey data from four of the colleges: Cañada College (CA), East Los Angeles College (CA), Northern Virginia Community College (VA) and Skyline College (CA). Kingslow Associates provided analysis. Survey data were collected from students from April 1, 2016 through June 30, 2017. North Arkansas College, another WSSN participant, administered surveys to students participating in its program. However, as this was independent of CFR's survey, the data are not counted in the results. Walla Walla Community College withdrew from the project after the financial product they were attempting to implement faced technological difficulties — though there were still lessons to be learned from their efforts.

While the survey data are limited *(See Appendix B on survey methodology)*, the data still provide important insights into the impact of these efforts and suggest strategies that can have a positive impact on student financial behavior.

The three colleges that created interventions housed within financial education and literacy programs — Cañada College, East Los Angeles College, and North Arkansas College — were also the ones that reached the most students.

The other two colleges (NOVA and Skyline), implemented projects that were more focused on the use of a single product or administrative change.

SAVING FOR THE UNEXPECTED

Mario met with a financial coach when he signed up for the Cañada Cash program. The coach encouraged him to open a free bank account to replace one costing Mario $5 per month, set up automatic savings to put aside $25 every month, and use a spending tracker to identify ways to cut back on spending and save more. Within a month Mario was on track to decrease his spending; his food expenses dropped because of his new regular use of the food pantry, and he is building savings. Currently working part-time at a local restaurant, Mario will work with the Career Center staff to identify paid internships in his field of study. Mario will continue to save money to protect him against unexpected financial situations that might affect his ability to finish his education.

ADDRESSING A SHORT-TERM NEED WHILE PRESERVING LONGER-TERM STABILITY

"I am facing a huge obstacle that will prevent me from attending my fall classes. My vehicle broke down this past month and I am urgently trying to get it repaired so I can continue to attend classes." This student had a child at home and a pregnant wife. With his hours reduced at work, his wife no longer working, and unreliable transportation, continued attendance at Northern Virginia Community College became difficult. With the disbursement of a $500 emergency grant and one-on-one financial coaching, this student was able to get his car repaired, complete each of his Fall classes, meet his family responsibilities, and set personal financial goals to increase savings for future emergencies.

They reached fewer students but helped students achieve important financial outcomes. Skyline, for example, with its use of a secured credit card, helped students obtain a credit score for the first time or increase their existing score. According to data provided by Skyline staff, on average, the 50 percent of participants entering the program with no credit score achieved a score of 676, which is considered a good FICO rating. According to the FICO calculator, an average score of 676 would allow a Skyline student to save $2,587-$2,805 on a $10,000 car loan payment,[10] and only 8 percent of students with those scores would be likely to become seriously delinquent in the future.[11] The average increase in credit scores for students with preexisting scores was 46 points. NOVA's Student Emergency Grant program helped students remain housed, pay utility bills, and pay for car repairs to prevent disruptions in school attendance and work obligations.

Survey results provided important insights into how students' financial behaviors changed as well as their perceptions of their own financial health and ability to manage their finances.

Financial Behavior Changes:

Respondents were asked to identify whether or not they were engaging in a variety of behaviors signifying they were taking charge of their financial lives. In almost every case, by the time of the second survey, the students reported increased positive behaviors.

Budgeting

The survey defined budgeting as keeping track of earnings, expenditures, and savings. The proportion of students reporting that they never budget decreased by 47 percent, while the number who reported budgeting weekly or every two weeks increased by roughly one-third.

TABLE 1: HOW OFTEN BUDGETS MONEY (Q24)

	First Survey		Follow-Up Survey		
	Response Percent	Response Count	Response Percent	Response Count	Change
Never, but I should	32%	**64**	18%	**35**	-47%
Weekly	27%	**53**	36%	**70**	32%
Every two weeks	14%	**27**	18%	**36**	33%
Monthly	26%	**51**	25%	**49**	-4%
I do not need to budget my money	2%	**5**	4%	**7**	40%
Total		**200**		**197**	
Skipped question		2		5	

Percentages may have rounding errors.

Checking and savings accounts

Students reported their use of checking and savings accounts increased modestly by the end of the program, increasing by 14 percent in each case.

Credit cards and prepaid debit cards

The number of students who reported having a credit card increased modestly, from 54 percent of those reporting in the first survey to 60 percent by the final survey. The survey distinguished prepaid debit cards from check cards, debit cards, and ATM cards tied to bank accounts. The percentage of students who reported having a debit card remained steady at 13 percent between the first and final surveys.

Credit scores

Only 34 percent of students reported having checked their credit score within the three months prior to the first survey. This figure increased to 40 percent by the final survey.

Fees and charges for financial products and services

While a fairly low number of students reported having to pay fees for various financial products or services, the number decreased in every category by the final survey.

Overall, the surveys suggest the project had a positive impact on student financial behavior and led students to be more confident in their ability to manage their financial life.

Confidence in Financial Management Skills and Satisfaction with Financial Situation:

Student confidence in their ability to manage their finances increased significantly over the course of the project. The survey asked students to express agreement or disagreement with the following statement: "I have the skills and knowledge to manage my finances well." Students who expressed confidence in their skills and knowledge to manage their finances rose 48 percent, from 122 students in the initial survey to 180 in the final survey. Notably, the number of students reporting that they "strongly agree" with that statement increased by 145 percent.

TABLE 2: FEES PAID IN 3 MONTHS PRIOR TO SURVEY

	First Survey	Follow-Up Survey	Change
Fee to cash a check (Q18)	23	19	-17%
Fee to a bank or credit union (Q19)	61	54	-11%
Late payment fee on bills (Q20)	54	45	-17%
Taken out a payday loan (Q121)	12	8	-33%

TABLE 3: CONFIDENCE IN FINANCIAL MANAGEMENT SKILLS (Q5)

	First Survey		Follow-Up Survey		
	Response Percent	Response Count	Response Percent	Response Count	Change
Strongly Agree	11%	**22**	27%	**54**	145%
Agree	51%	**100**	62%	**126**	26%
Disagree	26%	**51**	5%	**10**	-80%
Strongly Disagree	6%	**11**	3%	**6**	-45%
I do not manage my own finances	7%	**14**	3%	**6**	-57%
Total		**198**		**202**	
Skipped question		4			

Percentages may have rounding errors.

TABLE 4: CONFIDENCE IN ABILITY TO RAISE FUNDS IN ONE MONTH (Q23)					
	First Survey		Follow-Up Survey		
	Response Percent	Response Count	Response Percent	Response Count	Change
$0	28%	**56**	24%	**47**	-16%
$500	41%	**82**	37%	**75**	-9%
$1,000	13%	**25**	17%	**34**	36%
$2,000	6%	**12**	8%	**16**	33%
More than $2,000	12%	**23**	14%	**28**	22%
Total		**198**		**200**	
Skipped question		4		2	

Percentages may have rounding errors.

TABLE 5: SATISFACTION WITH FINANCIAL SITUATION (Q6)					
	First Survey		Follow-Up Survey		
	Response Percent	Response Count	Response Percent	Response Count	Change
Strongly Agree	5%	**9**	12%	**24**	167%
Agree	14%	**28**	24%	**48**	71%
Neutral	33%	**65**	32%	**65**	0%
Disagree	31%	**62**	24%	**48**	-23%
Strongly Disagree	18%	**35**	8%	**17**	-51%

Looking more specifically at the students' confidence in their ability to navigate emergency financial situations—which can too often derail the pursuit of a college degree—respondents expressed varying levels of confidence. While the number of respondents who did not think they could come up with the funds necessary to handle an emergency decreased by 16 percent between the two surveys, 25 percent of the respondents still felt that they could not come up with any funds to handle such an emergency. At the same time, more students expressed confidence in their ability to raise greater/more funds, with a 36 percent increase in respondents saying they could find $1,000, a 33 percent increase for $2,000 and a 22 percent increase for even higher sums.

Overall students reported significantly greater satisfaction with their financial situation at the end of the project. The survey asked students how much they agreed with the following statement: "I am satisfied with my present financial situation." The number of students expressing satisfaction increased from 37 at the start of the program to 72 by the final survey with a significantly higher proportion expressing strong agreement. The number of students who responded neutrally remained the same.

Importantly, the project provided the opportunity for colleges to experiment with different strategic interventions that resulted in a variety of lessons learned that will inform their efforts going forward. This will also provide guidance to other colleges interested in helping students change their financial behaviors in ways that will make them more likely to persist and complete their college program.

LESSONS LEARNED

Based on the work to design, implement, and document the Financial Behavior Change Project, ATD has uncovered important lessons and operational takeaways for replicating and scaling these strategies, services, and products improving the financial health of our students. The lessons learned fall into three categories: implementing the project, engaging students, and institutionalizing the new approaches across the college.

Project Implementation

1. **Changing students' financial behaviors requires strategic, intentional institutional planning and organizational change.** Attending to students' financial health—beyond facilitating receipt of financial aid, is a new concern for community colleges. Setting up emergency loan programs or financial incentives for students who achieve agreed upon behavior goals can require both additional staff time (or new staff) and additional financial investments from colleges. Here are some of the strategic approaches the six colleges took to help students move onto more financially stable ground.

   - **Expand the meaning of financial aid.** East Los Angeles College (ELAC) made significant organizational changes to provide financial wellness programs as a key service to students. To mitigate staff time constraints, ELAC hired a coordinator to oversee the implementation of the program. This enabled the college to ramp up quickly and continuously adapt based on early experiences. In addition, ELAC significantly reorganized its student services. What was once a traditional financial aid office became the Financial Wellness Center, which not only provides traditional services such as financial aid disbursement, but also financial coaching and workshops on financial wellness targeted at certain behaviors and strategies. It leads the effort to expand financial wellness awareness across campus as well as externally with partners who serve students that may attend ELAC.

   - **Make financial literacy relevant.** North Arkansas College (NorthArk) focused on incorporating financial literacy actions into its College Success Skills course. It redesigned its curriculum to align different lessons throughout the semester with the financial challenges that students face. Early on, for instance, as students were receiving student aid disbursements, they were learning budgeting and gaining tools to track their spending and ensure they were planning for the whole semester. NorthArk also allocated time to educate and train faculty to integrate financial education into their classes.

   - **Streamline forms to simplify access to help.** Northern Virginia Community College (NOVA), an extremely large institution with six separate campuses and two education centers, faced its first challenge in creating an easy access point to information about the emergency grant program for all its students. The college coordinated offices to create a single, college-wide, online form students could use to apply for grants. This also ensured NOVA's Financial Aid and Informational Technology departments had the infrastructure and staff capacity to provide seamless delivery of emergency grants.

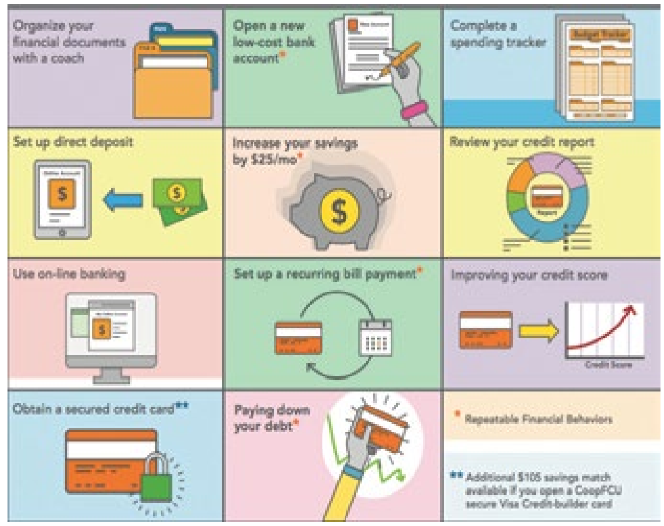
   - **Meet students where they are.** Although they expected a variety of student populations to participate in the financial intervention, the colleges found that the programs typically engaged a higher proportion of younger and full-time students than made up their general college population.[12] Upon reflection they saw most classes, workshops, or sessions were offered during the day and some required students to access services through supplementary financial education meetings. They speculated that the younger, full-time students were more likely to be able to attend workshops during the day and had time in their schedules for additional meetings, unlike many part-time or older students who juggle already with fuller schedules but may have a more significant need for these types of services. As a result, the colleges developed plans to expand into their evening and online classes in order to scale and reach additional students.

2. **Plan for ongoing marketing and student outreach no matter how incrementally you introduce organizational change.** While the participating colleges worked to institutionalize the financial products and services through careful organizational planning, the ability to reach and serve students at a larger scale takes time and ongoing outreach.

- **Deliver efficient, personalized service to generate good buzz.** While community college students may face a common set of financial challenges, ultimately solving problems happens on an individual level. ELAC noted that the main challenge has been understanding the diverse needs of each student and attempting to meet those needs in a prompt, effective, and efficient manner. This requires time, the capacity to track and follow up with students and ensure quality interactions that result in successful behavior change. However, as ELAC staff notes, these efforts reinforced one of the most successful channels for expanding the program: word-of-mouth. Students who received coaching and guidance through the financial wellness program now bring other students to the Center for coaching and assistance.

- **Design simple, compelling printed materials.** Cañada College found that not all students saw themselves as the target market for services, noting that one of the most common student responses to the Cañada Cash program has been, "You mean I am eligible?" To increase outreach, Cañada created simple and inviting marketing documents that highlighted the ease of participating in the Cañada Cash program.

- **Experiment with incentives.** Skyline College tested two different approaches for their secured credit card program with one group of students getting the card up front followed by financial coaching and financial literacy work while another group received coaching and education first with the credit card held as an incentive for completing that work. Skyline staff indicated the latter strategy was more successful in helping students build their credit scores and change behaviors over the long-term, whereas some students in the first group never completed the educational component once they obtained the credit card.



3. **Financial education can be daunting. Be sure your products and services are clear to students and that faculty and staff know how to provide support.** Although products can help students manage financial challenges, integrated financial coaching is vital to building financially healthy behaviors.[13] 14Colleges also found that students needed considerable technical support, education, and coaching to use new financial products in the most effective ways. Staff needed training to understand financial product functionality and become comfortable assisting students with various products.

- **Link service to student action.** ELAC staff noted that the financial behavior change work has been critical to the success of the overall WSSN work on campus because it moved the college beyond passively providing services to proactively focusing on behavior changes. To ensure that financial coaching was more than just a meeting with a staff member, ELAC instituted signed "performance agreements" as a way to encourage and support behavior change. These agreements created accountability and a sense of co-partnership between coach and student.

- **Link coaching to money dispursals.** Northern Virginia Community College made financial coaching a requirement before funds were disbursed through their Emergency Grant Fund. Often this resulted in finding alternative solutions by connecting students to other community resources such as housing assistance.

- **Link credit to savings.** Walla Walla Community College was not able to implement its plan, but the lesson learned is still extremely valuable. Walla Walla planned to implement a new financial tool that would provide incentives for students to move some of their financial aid disbursement into a savings account as a way to encourage budgeting, more effective use of financial aid, and increased savings. However, the tool ended up being more complicated than anticipated. Staff and faculty needed more training and time than was planned and ultimately the product was confusing and off-putting to students. When designing a financial intervention, colleges should pilot the program with staff first and ensure all staff are trained on how to use the tool/program.

- **Help students navigate a new credit card.** Skyline College found that one-on-one coaching was critical to helping students navigate their secured credit card program. While the college sought to scale their program and reach more students through workshops and small group sessions, they learned that students required significant individual help to succeed. Skyline staff note that when choosing financial products, particularly those that involve partnering with a financial institution that must comply with federal regulations, it is important to find products that are easy to navigate by students with little financial background.

Colleges must ensure that all financial products selected are of high quality, meet students' needs, and conform to Federal regulations. Not all financial products are designed for community college students and, as WSSN colleges demonstrated, it is imperative that community colleges choose quality products based on their students' needs. Achieving the Dream recently released a brief, *Financial Health and Community College Students: Choosing and Using Quality Products and Services* that guides practitioners and administrators on quality standards when choosing products. The Financial Behavior Change Project also shared resources to help colleges make informed decisions about sponsoring financial products on their campuses. The Center for Financial Social Innovation's Compass Principles can be a helpful tool for identifying high-quality financial products and services that can help students build long-term and lasting financial health.

Student Engagement

1. Understand your students' unique needs and time demands when tailoring the program.

Colleges should base program focus, content, and services on areas they know will connect with their unique student population and fit within the heavy demands imposed on students' time. Understanding their students' needs was an important step to take for colleges seeking to match their services to different students.

- **Organize a service to speak to a common concern.** Cañada College understood that, although all of their students were not concerned with credit or debit, all were worried about the lack of emergency savings. Consequently, Cañada initially focused on creating a savings pathway that would target the entire student body. Also, based upon feedback from students, Cañada soon recognized that they could make the program more engaging by prioritizing short-term behavior changes—four months to complete a set of behaviors—over multi-year commitments. Furthermore, recognizing the complexity of students' lives coupled with the need to recruit and keep students engaged, colleges sought ways to make it easy and convenient to participate. Cañada, through Cañada Cash! enabled students to choose among a list of individualized financial behavior pathways that fit their priorities and time demands.

- **Ease student access to coaching.** North Arkansas, recognizing that students were not signing up for individual financial coaching sessions as part of its financial education curriculum, began offering these sessions during class time by coordinating with faculty responsible for NorthArk's College Success

Skills, 1st Year Experience Course. NorthArk staff also found that students were more receptive to financial education when lessons were distributed throughout the course curriculum rather than covered in a single unit about financial education.

2. **Build trust first to overcome common stigmas about discussing money, then talk about changing financial behaviors.** The element of trust underlies all significant learning, binding together faculty and students in an educational relationship. When students do not trust their school administrators or professors, they are often unwilling to submit themselves to new learning. They keep their concerns private, and they avoid risk.[15] The participating colleges faced trust obstacles with their students, as it is often difficult for students to discuss money, especially when their families consider the topic taboo. Talking about financial challenges with college staff can bring up feelings of vulnerability and embarrassment, and community college students are more likely to engage and stay connected with programs when they feel that staff appreciate their challenges and are non-judgmental.

   - **Ensure privacy.** East Los Angeles College staff addressed trust issues in several ways. Recognizing that students were hesitant to use tools that tracked their finances by pulling information directly from financial institutions, ELAC opted for a spending tracker tool that allowed students to input their spending themselves. This not only helped to build trust but also put students in direct control of tracking their spending. In addition, ELAC created a private space within the Financial Wellness Center for financial coaching so that students would feel safe when talking about their financial situation.

   - **Explain good debt and bad debt.** Skyline College, which was working with students to build sound credit through their secured credit card program, understood that students may be wary of credit cards given past experiences with predatory lenders and concerns about accumulating debt. Building trust through one-on-one relationships between financial coaches and students was a critical step for students to accept this program as part of a broader effort to build their financial health. Skyline was also careful in marketing the secure credit card to ensure that the message was about credit building to help students in the long term.

> “Some students are ashamed of the habits that caused them to lose money. Trust is a huge issue when it comes to finances. I encourage them to learn from what they did or did not do, accept the importance of setting goals, and figure out step by step what needs to be done to reach their goals.”
>
> **Alouette Cervantes-Salazar,** *Financial Wellness Program Coordinator, ELAC*

3. **Providing opportunities for peer-to-peer interactions around financial health issues improves student engagement.** Community college students are more likely to be influenced by the messages and experiences of their fellow students than the exhortations of college staff to improve their financial behaviors. However, given the complexity of student lives, there often is no time to build a sense of belonging on campus or connections with each other. Consequently, participating colleges tested ways to use group workshops and coaching to foster a sense of connectedness.

   - **Older students can make good mentors.** East Los Angeles College provided peer-to-peer mentoring through a series of group workshops. Their older students mentored younger students on budget management while simultaneously improving their leadership and communication skills. They also engaged their student ambassadors in the school’s new financial literacy to help promote the workshops. Student workers who had already benefited from the information themselves were able to discuss the workshops with other students, refer them to the program, and encourage their attendance. These strategies facilitate supportive relationships for students who are often facing many challenges.

College Institutionalization and Sustainability

Because the project design assumed that the interventions would be integrated within colleges' student success strategies, institutional lessons are critically important. The project leaders on the campuses reflected on the challenges and successes in integrating the work in their colleges as well as what it would take to scale it up and to sustain it over time.

1. **Embed the financial strategies into existing systems.** In order to achieve scale and sustainability, the colleges pursued various methods to integrate program components into the institution.

   - **Address college-wide skepticism about credit.** Skyline College layered the introduction of a secured credit card into their existing SparkPoint Center that already offered financial coaching and credit counseling. According to Chad Thompson, Interim Director of SparkPoint and Career Services at Skyline College, "SparkPoint was able to rely on the campus' trust in the program to facilitate referrals. They relied on that trust to convince faculty, staff, and students that the secured credit card was safe, secure and beneficial."

   - **Create system-wide solutions when appropriate.** Northern Virginia Community College hosted focus groups with the Financial Aid Department, Student Success Services, and individual campus grant programs to explore a system-wide response to students' lack of a financial cushion. Using these cross-departmental partnerships, NOVA incrementally built a system-wide/multi-campus emergency grant program.

> "Before I started Financial Coaching, I never would have had a conversation with a student about finances. It terrified me because I knew I was not one to give financial advice. However, after learning the coaching principles, I'm now comfortable working with students in regards to their finances. It's the best feeling when you see them come back and report that they have paid down their credit card, been able to save money, or are not paying late fees. The joy in their eyes and the obvious relief they have is irreplaceable."
>
> **North Arkansas Student Success Course Instructor**

2. **Keep faculty in the loop.** Colleges are successfully engaging faculty in support of the financial interventions. On a daily basis, faculty have the most contact with students and can be first to observe the impact of financial stress on attendance and grades.

   - **Raising red flags.** NOVA's emergency grant program relies on faculty to identify and refer students who are in need of emergency financial assistance. NOVA's staff produced flyers and incorporated information about the program in campus "Welcome Back" sessions for the fall semester.

   - **Coaching comes naturally.** More than any other college, North Arkansas engaged faculty who were delivering services to students. Student Success instructors were trained in financial coaching techniques and worked directly with students in that new role.

3. **The majority of participating colleges have already begun implementing plans for expansion of the financial behavior change work.** Because the colleges found this work to be very successful in engaging students and moving them into a broader set of services to address their financial well-being and ultimately their success in college, the majority of participating schools have already identified strategies to expand the program to reach a larger percentage of students and to encourage behavior change in additional areas.

   - **Finding gateways to other services.** Northern Virginia Community College sees their emergency grant program as a critical gateway for students to connect with the larger WSSN initiative on campus. NOVA is now working to connect students who apply for grants to other services including financial coaching, benefits screening, and access to other public services and employment support. In addition, NOVA is now seeking additional funding for its emergency grants program.

   - **Expanding successful models.** Cañada College is now working to expand the model employed in the Cañada Cash program to other areas, including career services and transfer assistance.

CONCLUSION

At a time when many low-income students face economic instability, the colleges in this project are working to expand support. We know that many factors—family obligations, the need for income, and unexpected financial challenges—can hinder or thwart community college students' capacity to successfully earn credentials and degrees.

The Financial Behavior Change Project within Achieving the Dream's Working Students Success Network engaged six colleges in four states to test different ways to support students in improving their financial health. By addressing three core challenges students face, colleges designed and implemented financial products and behavior change strategies that assists students in improving their financial health. Colleges worked to design processes that can be scaled and sustained over time. Although this Project is still evolving on campuses, colleges are learning much about how to implement products and services, engaging often-reluctant students, and institutionalizing the work.

Overall, the Financial Behavior Change Project, while limited in scope, provides valuable insights into how colleges can focus not just on providing services but also on delivering outcomes that reflect the positive steps taken by students to strengthen their financial health. It illustrates that financial interventions designed with the student in mind can increase students' confidence in their ability to manage finances, their use of checking and savings accounts, the frequency in which they budget, and their level of satisfaction with their financial situation. Colleges that are seeking ways to improve their students' financial health can use the lessons when replicating or designing interventions, looking for new ways to engage students, or institutionalizing the new approach and service across the college.

APPENDIX A: COLLEGE PROFILES

Cañada College

Product Category:

Improve financial literacy efforts by incorporating behavior change principles.

Challenge Addressed:

Cañada College, located in San Mateo County, is in the third most expensive county in California, making it difficult for low and moderate-income students to go to college and support themselves at the same time. Due to financial challenges such as lack of or insufficient income, rising housing costs, and food insecurities, many students take longer to graduate or drop out of school. Many students find it challenging to save for emergencies and fall prey to predatory financial products that in turn only lead to deeper financial burden and stress.

Proposed Solution:

SparkPoint at Cañada College has launched Cañada Cash! Students earn cash incentives to practice specific beneficial money management behaviors that will build their financial knowledge and capability. By educating students on how to be savvy banking consumers, connecting them to appropriate banking products and services, assisting them to adopt behaviors that optimize transactional banking, and increasing their savings and improving their credit, Cañada Cash! students are more likely to weather financial ups and downs, succeed in college and complete their educational goals.

Cañada College San Mateo, California	
College Facts	• 6,100 students • One campus • Area median Household Income: $94K
Student Profile	• 41% are over age 24 • 65% are Latino • 19% are Asian or Pacific Islander • 65% are employed • 30% have children • 62% receive financial aid

Product Design:

After signing up for Cañada Cash!, students attend a group orientation/enrollment session that requires a commitment to a "behavioral pathway- which might include activities such as completing a Spending Tracker, increasing savings to at least $25 in a month, improving their credit score, using more appropriate banking products, or reducing debt. Students are supported in achieving their behavior goals through group financial coaching sessions and peer support. Students who successfully pursue beneficial money management behaviors may receive up to four financial incentives of $25 along their pathway (for the first 100 enrollees). Additionally, a subset of students who require additional assistance meet individually with a financial coach.

COLLEGE PROFILES

East Los Angeles College

Product Category:

Improve financial literacy efforts by incorporating behavior change principles.

Challenge Addressed:

Students lack both the knowledge related to making good financial decisions and the habits that lead to long-term financial stability. A particular area of weakness for them was establishing and managing a budget to promote awareness of spending habits.

East Los Angeles College Monterey Park, California	
College Facts	• 27,000 credit students • One main campus with satellite • Area median Household income: $48k
Student Profile	• 49% are over age 24 • 79% are Latino • 9% are Asian or Pacific Islander • 53% are employed • 33% have children • 45% receive financial aid

Proposed Solution:

The product promotes behavior change by encouraging students to take, review and analyze their current financial situation as they participate in ELAC's financial literacy campaign. The program incentivizes students to create a budget, build savings, and manage spending and debt. Behavior change is tracked to determine whether students are building financial capacity through this multi-segmented financial program.

Product Design:

Participating students attend a series of three mandatory financial education workshops following the initial orientation workshop. Monthly financial education workshops are also available to all ELAC students. Topics at the mandatory workshops include defining personal budgets, managing budgets and spending, and developing savings. Workshops ask students to commit to financial goals and introduce them to a spending tracker application. The workshops encourage specific financial capability behaviors including use of the Spending Tracker, increases in savings and reductions in debt. Students that demonstrate beneficial money management behaviors are awarded points for prize drawings that are held quarterly.

COLLEGE PROFILES

North Arkansas Community College

Product Category:

Improve financial literacy efforts by incorporating behavior change principles.

Challenge Addressed:

Oftentimes, when their financial aid disbursement runs out, students struggle with daily expenses as well as unexpected situations.

These struggles can transfer college courses to the back burner, resulting in failing grades or dropped classes.

Proposed Solution:

North Arkansas College's solution consists of deliberate and actionable financial literacy directly to students within the College Success Skills course. The college promotes behavior change by providing lessons paired with required actions that deal with handling money, spending, budgeting, saving, credit building, etc. The idea is that immersing students in the educational objectives and, by requiring them to follow through on actionable items, the college sets a precedent that can easily be followed outside of class.

North Arkansas College Harrison, Arkansas	
College Facts	• 1,590 credit students • 4 campuses • Area median household income: $39k
Profile of Students Using Financial Products	• 16% are over age 24 • 83% are White • 8% are Latino • 95% receive financial aid

Product Design:

North Arkansas developed a new module within its College Success Skills curriculum to support students in keeping a personal budget, plan for unexpected hardships, build their savings and credit, etc. Students are immersed in the education objectives and set a precedent that can be followed outside of class. As part of the financial literacy component in the College Success Skills course, students create a personal budget and check their personal credit score. Fifty percent of students participate in one-on-one financial coaching. In addition, students also set up checking or savings accounts and feel more comfortable interacting with financial institutions.

COLLEGE PROFILES

Northern Virginia Community College

Product Category:

Provide emergency grants/loans along with a vehicle for building a financial cushion.

Challenge Addressed:

When an unexpected financial emergency arises, students face considerable stress and may drop out of school in the middle of a semester. Although many students receive financial aid, they still struggle to provide for themselves and their families. NOVA currently has a decentralized process with a small amount of emergency funds available for students facing financial emergencies, but students may not be aware of the funds or know how to access them.

Northern Virginia Community College Springfield, VA	
College Facts	• 76,000 students • 6 campuses across multiple counties • Area median household income: $112k
Profile of Students Using Financial Products	• 78% are over age 24 • 33% are White • 22% each — are Latino, African American, Asian or Pacific Islander • 55% are employed • 62% have children • 78% receive financial aid

Proposed Solution:

NOVA addressed this challenge by creating a centralized and well-advertised process for students to apply for emergency grants. Although emergency grants are capped at $500, research has shown that students often request smaller amounts, closer to $250. In addition to offering an easily accessible and streamlined application process across all campuses, NOVA requires that students participate in financial education and coaching to help them to avoid future financial emergencies. Students also commit to savings and/or reductions in spending. By providing timely financial and financial management supports to students facing an emergency, students are more likely to complete the current semester, attend the next semester, and avoid future financial emergencies.

Product Design:

As part of the application process, students complete an online financial education module and meet within two days with a financial coach. Students either self-identify as needing assistance or are referred by trained faculty and staff to the online emergency grant program. They then sign a contract committing to meeting with a financial coach to set savings and/or spending reduction goals and to complete follow-up surveys. Staff from the Financial Aid Office reviews the application and identifies whether the student is eligible for other institutional assistance.

COLLEGE PROFILES

Skyline College

Product Category:

Adopt credit building tools.

Challenge Addressed:

Like most Americans, Skyline College students find establishing, building and re-building good credit to be challenging. Through its experience in direct service, Skyline staff saw that many students lacked credit scores or had credit scores below 650. Additionally, Skyline determined that many of their students had never received credit education or credit coaching.

Proposed Solution:

A secured credit card enables students to establish and build credit in addition to supporting financial savings habits and positive money management skills. The product promotes behavior change through incentives to save, get, and use a secured credit card and participation in financial education workshops/coaching. The Sparkpoint at Skyline College is connecting interested students to a Secured Credit Builder Visa Card — a specialized financial product provided by Community Financial Resources (CFR) through Cooperative Center Federal Credit Union.

Product Design:

In 2015, Skyline launched the secured credit card while providing savings incentives to students participating in workshops on banking and crediting management. In 2016, the college tested the impact of two delivery mechanisms:

1. The first group of students were awarded incentives at the beginning of their program engagement, received a secured credit card, and went through a series of financial education/coaching workshops; and

2. The second group of students went through the same series of financial education/coaching workshops but received the incentives award and secured credit card upon completion.

Skyline College San Bruno, California	
College Facts	• 9,600 credit students • 1 campus • Area median household Income: $94K
Profile of Students Using Financial Products	• 66% are over age 24 • 36% are Latino • 31% are Asian or Pacific Islander • 14% are African American • 55% are employed • 62% have children • 64% receive financial aid

Students are assisted in achieving four milestones as part of the credit-building pathway:

1. Orientation/credit report review/product enrollment;

2. Online banking set-up and savings account funding verification, effective credit product usage education;

3. Building and protecting credit history education;

4. Progress review of credit history.

The study examined the student experiences and outcomes related to savings, credit history, and other indicators of financial well-being. Students who received their training first built better credit scores while not all of the students who received the cards first completed the financial education component. On average, the 50 percent of participants entering the program with no credit score achieved a score of 676, which is considered a good FICO rating. Students with preexistent scores saw an average increase of 46 points.

COLLEGE PROFILES

Walla Walla Community College

As noted in the report, Walla Walla was ultimately unable to implement this proposed reform due to technical challenges. However, this profile still provides an example of the type of work that could be considered in this area.

Walla Walla Community College Walla Walla, Washington	
College Facts	• 10,200 students • 2 campuses • Area median household income: $48k
Profile of Students Using Financial Products	• 58% are over age 24 • 63% are White • 26% are Latino • 52% are employed • 41% have children • 74% receive financial aid

Product Category:

Automatic allocation to savings from financial aid distributions.

Challenge Addressed:

Students at Walla Walla Community College (WWCC) are struggling to save money as they work their way through the school year. Distribution payments that are awarded at the beginning of the term are often spent too fast, leaving many with little funding resources near the end of the term. This lack of savings leaves students vulnerable to financial emergencies and/or incapable of meeting their basic needs, which in return reduces retention and performance in the classroom.

Proposed Solution:

By providing a savings mechanism/financial tool, offering incentives to students to set aside part of their financial aid distribution into a savings account, and providing financial literacy "savings" training that includes setting savings goals, students will be less likely to drop out due to a financial crisis and therefore more likely to successfully complete their classes. Students that set aside and sustain savings from their Pell Grant or financial aid will improve overall performance as illustrated by:

- A reduction in emergency funding requests
- Growth in student savings balance beyond initial distribution and match
- Better student persistence and completion rates

Product Design:

During the student advisory meetings that follow financial award letters, advisors describe the Safety-net Savings Program and invite students to participate. Students agree to shift $100 from their financial aid distribution to a saving product, the US Bank Focus Card provided by Community Financial Resources. Students receive a $25 incentive for shifting funds and additional incentives for maintaining the funds on their Savings Focus Card. Financial literacy workshops are provided as structural support for students participating in the program and to the college body as a whole. Over time, the product illustrates the differences in student experiences and outcomes between those who build savings as part of the financial advising process and those who do not.

APPENDIX B: SURVEY METHODOLOGY

The Financial Products Initiative (FPI) survey data was collected by Community Financial Resources (CFR) from four colleges participating in the Working Students Success Network (WSSN): Cañada College (CA), East Los Angeles College (CA), Northern Virginia Community College (VA) and Skyline College (CA).[1] Survey data was collected from students from April 1, 2016 through June 30, 2017. North Arkansas College, another WSSN participant, administered surveys to students participating in its program, but this was independent of CFR's survey. Selected demographic information about North Arkansas College's students is included in this report, but these students are not reflected in the totals for the colleges that participated in CFR's survey.

The final dataset provided to Kingslow Associates by CFR included 998 individual surveys collected from April 2016 through June 2017. However, 518 surveys, or 52 percent, were single submissions that lacked either a baseline or follow-up survey needed to measure change. These surveys were eliminated. This left a preliminary pool of 480 surveys representing 226 students who submitted two or more surveys. Table 1 shows the breakdown for participating colleges.

TABLE 1: NUMBER OF SURVEYS SUBMITTED, BY COLLEGE

	Number of Surveys	Percentage of all Participants in Financial Products Project	Single Surveys (Eliminated from Final Pool)	Paired Surveys (Before Final Scrubbing)
Cañada College	237	24%	144 (61%)	93
East Los Angeles College	537	54%	272 (51%)	265
Northern Virginia Community College	92	9%	37 (40%)	55
Skyline College	93	9%	28 (30%)	65
Walla Walla Community College	39	4%	37 (n/a)	2
Total	**998**	**100%**	**518 (52%)**	**480**

1 Walla Walla Community College withdrew from the Financial Products Initiative in early 2017 and is not included in this report beyond the initial tally of total surveys received.

In addition to single surveys, others were excluded from the survey pool for the following reasons:

- The first survey was taken three or more months after the student had been participating in the initiative. In other words, there was no survey taken when the student first became involved in the program ("just started"). Roughly 50 surveys representing 22 students fell in this category.
- More than one survey was submitted for the same time period (e.g. two "just started" or two "3-4 months"). If the student submitted only two surveys, they were eliminated from the pool. If more than two surveys were submitted, the duplicate was deleted and the student remained in the pool.
- More than two surveys were submitted. Only the first survey (provided it was submitted during the "just started" phase) and last survey have been included in the analysis. About 17 students submitted more than two surveys, but six were also excluded for other reasons. Because the number of students falling into this category is so low, it does not warrant analyzing this group separately.
- A student submitted two or more surveys but one was logged as part of the comparison/control group and another as part of the treatment group.

These factors reduced the overall survey pool to 404 surveys (40 percent of the 998 surveys submitted), representing 202 students who submitted two or more surveys. This is the data set used for findings in this report. The following table shows a breakdown by college.

TABLE 2: NUMBER OF SURVEYS ANALYZED, BY COLLEGE

	Number of Students	Percentage of all Participants in Financial Products Project	Number of Paired Surveys	Percent of all Surveys Collected[2]
Cañada College	41	20%	82	35%
East Los Angeles College	123	61%	246	46%
Northern Virginia Community College	26	13%	52	57%
Skyline College	12	6%	24	26%
Total	**202**	**100%**	**404**	**40%**
North Arkansas College[3]	138	n/a	n/a	n/a

2 The denominator is the number of surveys in Table 1.

3 North Arkansas College was not a part of the original survey. The college conducted its own analysis and provided information to ATD for inclusion in this study. The total reflects every student who took a survey, regardless of whether or not they not took both a baseline and follow-up survey.

ENDNOTES

1 2016 Fact Sheet. American Association of Community Colleges. http://www.aacc.nche.edu/AboutCC/Documents/AACCFactSheetsR2.pdf

2 *Community College FAQs.* Community College Research Center: Columbia University. http://ccrc.tc.columbia.edu/Community-College-FAQs.html

3 2016 Fact Sheet. American Association of Community Colleges. http://www.aacc.nche.edu/AboutCC/Documents/AACCFactSheetsR2.pdf

4 *Fact Sheet: 4.8 Million College Students are Raising Children.* 2014. Institute for Women's Policy Research: https://iwpr.org/wp-content/uploads/wpallimport/files/iwpr-export/publications/C424_Student%20Parents_final.pdf.

5 2016 Fact Sheet. American Association of Community Colleges. http://www.aacc.nche.edu/AboutCC/Documents/AACCFactSheetsR2.pdf

6 http://www.ccsse.org/docs/Making_Ends_Meet.pdf

7 http://wihopelab.com/publications/hungry-and-homeless-in-college-report.pdf

8 Kingslow Associates, November 2016.

9 Walla Walla, facing technical challenges in shifting financial aid funds from its BankMobile Cards to student saving accounts, decided to discontinue the project in December 2016.

10 MyFico.com. Loan Savings Calculator (2017)

11 Experian.com (2017)

12 At an October 20, 2016 peer learning session, colleges commented that project baseline data showed students to be younger and more full-time than their college profile as a whole. College fact sheets supported their observations.

13 Financial Health and Community College Students: Choosing and Using Quality Products and Services. (2017). Achieving the Dream & Center for Financial Social Innovation.

14 Financial Coaching: A Strategy to Improve Financial Well-Being. (2016). Consumer Financial Protection Bureau.

15 Brookfield, Stephen D. 1990. The Skillful Teacher. San Francisco: Jossey-Bass.

Achieving the Dream™

ABOUT ACHIEVING THE DREAM

Achieving the Dream leads a national network of more than 200 community colleges dedicated to helping their students, particularly low-income students and students of color, achieve their goals for academic success, personal growth, and economic opportunity. Achieving the Dream is working toward closing achievement gaps and accelerating student success through a change process that builds colleges' institutional capacities in seven critical areas. More than 100 coaches and advisors and 15 state policy teams are working throughout 35 states and the District of Columbia to help Achieving the Dream reach more than 4 million community college students.

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