Strong Palliative, But Not a Panacea: Results of an Experiment Teaching Students About Financial Literacy

By Karen Gross, Joanne Ingham, and Richard Matasar

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Although rising student debt levels are frequently studied, very little attention has been paid to the lack of student financial literacy and its negative effects. The absence of financial management skills and accompanying low credit scores can increase debt, cause inadvertent defaults, and be harmful for both students and their institutions. For these reasons, one Northeastern law school designed, instituted, and studied a pilot financial literacy education course for its law students. This paper presents a detailed description of this course, which was offered on a one-credit, pass/fail basis over a two-day (14-hour) period. The study involved focus groups and a pre- and post-test questionnaire that was conducted to test its efficacy. The article also describes adaptations made to the course following the study and makes suggestions for course replication. As the study demonstrates, teaching financial literacy to students has measurable benefits, and the prospect of implementing a similar course in a variety of graduate and undergraduate settings merits serious attention. The article also describes avenues for important additional research, including on the longitudinal benefits of financial management education.

The data on student loan debt, although well known, continue to present a stark—some might say shocking—portrait. Undergraduates in the United States who borrow for education graduate with student loan debt averaging $18,900. The debts are far greater if one looks only at private institutions (American Council on Education, 2004; Baum & O'Malley, 2003). In both public and private graduate institutions in the United States, students emerge with an average of $31,700 in additional graduate school loan debt, and these figures rise significantly for those obtaining a professional degree (Redd, 2004; Baum & O'Malley, 2003).

According to the 2003 Study of Graduate Aid Practices, Policies, and Procedures, the average student loan indebtedness (for 2002-2003) for graduates of private dental, medical and law schools was $144,000, $107,000 and $77,000, respectively. For public schools in that year, the average indebtedness for dental and medical school students was $95,000 and $54,000 for law school students. (Redd, 2004). The costs of postsecondary education are now so high that almost half of all undergraduates need to borrow to finance all or some of their education (Berkner, Wei, He, Cominole, & Siegel, 2005). This trend may eventually exclude many minorities, immigrants, first-generation college students, and others who tend to have incomes that are too low to meet college costs (Higdon, 2003; NEA, 2003; Price, 2004; Gladieux, 2004; Fitzgerald & Delaney, 2002). Forty-two percent of graduate students need loans for at least a part of their education, and 78% of professional degree candidates need to obtain some form of financial aid (Berkner, 2005). The burden of borrowing is made worse by the fact that many students do not earn enough income following graduation to repay their debts (Redd, 2004; Donhardt, 2004; Harrast, 2004; Princeton Review, 2004; Schwanhausser, 2002; King & Bannon, 2002; King & Fishberg, 2001). A debt-ridden generation is being created.

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There has been no shortage of efforts to address this situation. Books and articles on this topic abound (Bok, 2003; Boehner & McKeon, 2003; Sanoff, 2004; Kafer, 2004; Zumeta, 2003; Boushey, 2003). Various bills are regularly proposed in Congress, and state legislatures are getting into the act as well (Affordable College Education Act H.R. 826 S. 1793, 2003; St. John et al., 2004). Presidential, senatorial, and gubernatorial candidates speak of student indebtedness in their election campaigns (Selingo, 2004; Newman, 2004; Halbfinger, 2004; Cavanagh, 2004b; Ewing, 2004; Trombley, 2003).

Public and private educational institutions have considered various approaches to remedy the problem. Some institutions are even willing to pay full tuition for students whose families earn $40,000 or less (Jaschik, 2004; Kirp, 2004; Cavanagh, 2004a; Kim 2003).

Numerous studies have suggested and reported on a variety of potential remedies, such as reallocating governmental aid and instituting marketing strategies to augment revenue (Ewing, 2004; St. John & Asker, 2003; Kirp, 2003; Paulson, 2003; Immerwahr, 2002; Roots, 2000; McPherson & Schapiro, 2000; Breneman, 1994). Despite the merits of some of these suggestions, significant change does not appear to be imminent. In fact, with recent federal reductions in grant assistance, some might say the student debt situation is worsening (Burd, 2004; Field, 2004).

Within this context, in 2002, New York Law School (NYLS) set about developing an interim solution by providing its students with increased education in financial literacy. In arriving at this palliative, the school recognized several realities:

1. Many law students are not sophisticated in their level of financial literacy. This problem affects students from every demographic category. Even the most educated individuals are often not savvy in terms of personal financial management (Gross, 2005a; Block-Lieb, 2004b).

2. Students are frequently embarrassed to expose their lack of financial sophistication, and often do not use available financial aid advising services at law schools.

3. Although financial literacy education is growing in the United States, the topics addressed in a financial literacy course are rarely taught in law schools, and imperfectly taught in any other undergraduate or graduate school (Lyons, 2003).

4. To the extent that financial management topics are addressed in undergraduate or graduate education, they usually are not taught as part of the regular academic program for credit. (Obviously, students enrolled in family economics programs, for example, do receive course credit for such courses).

5. A course on financial management must address significant public policy issues such as consumer protection law as well as the rapid growth of predatory lending that is targeted at the most vulnerable in our society, including students (Wiener, Block-Lieb, Gross, & Baron-Donovan, 2005b; Gross, 2005b; Gross, 2005c; Block-Lieb, Baron-Donovan, Wiener, & Gross, 2004b; Williams, 2004; Peterson, 2004; National Consumer Law Center, 2002).

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6. Financial literacy education can change students' knowledge, attitudes, and behaviors with respect to money and finance, facilitating their handling of these issues during school and following graduation (Block-Lieb, Baron-Donovan, Wiener, & Gross, 2004a; Wiener, Block-Lieb, Gross, & Baron-Donovan, 2005a).

7. As evidenced by comments made during pre-course focus groups and informal conversations, NYLS students appeared interested in learning more about consumer finance.

We had several programmatic goals:

- To help students deal with their own student loan and credit card indebtedness by increasing their knowledge of basic consumer finance;
- To help students use what they learn about consumer finance to make more thoughtful financial choices in the future;
- To ensure that when the students become lawyers, they can effectively assist others with debt problems, which are likely to occur for anyone representing individuals;
- To alert law students to the deeper policy issues underlying the consumer financial markets so that they can both understand their vulnerability and that of their prospective clients, and work to improve the system to alleviate its present defects and biases; and
- To assess the course results empirically so that the data can be used by other institutions that wish to consider similar approaches.

We addressed these goals by developing a financial advocacy course. This two-day intensive course was offered for credit on a pass/fail basis. It was taught by an NYLS faculty member with the assistance of other guest speakers from within and outside the NYLS community. Success was measured by comparing pre- and post-test results, conducting a post-course focus group, and requesting comments by e-mail.

This article describes the course, presents the results of our study, and offers recommendations for others considering similar initiatives within their own educational institution.

Course Structure, Testing, Enrollment, and Content

Course Structure

Before developing and teaching the pilot Financial Advocacy course in October 2002, NYLS administrators conducted focus groups with students to determine the best possible approaches. We structured the course as a one-credit, pass/fail class. The course was offered as a 14-hour, two-day (Friday/Saturday) intensive experience, and taught primarily by Karen Gross, a NYLS full-time tenured law school faculty member who specializes in bankruptcy and consumer finance. Professor Gross was assisted by other members of the NYLS faculty and administration, including a financial aid administrator. In addition, several outside speakers participated in the pilot, including the director of consumer affairs and financial products for the New York State Banking Department, and a privacy expert. The course was offered in addition to the exit and entrance counseling required by law for federal student loan borrowers.

A great deal of consideration went into the design, format, and content of the course. The decision to award academic credit for this course was intended to reflect the importance of the material—for both the students themselves and for their prospective clients. It also demonstrated the value that NYLS placed on the materials taught, and the administration's overall concern about the sizable debt carried by students. However, given many students' concerns about courses involving numbers (the proverbial arithmophobia [fear of numbers] that arises in disciplines that seemingly involve words only) as well as courses that appear to fall outside the traditional academic mainstream, a decision was made to offer the course on a pass/fail basis. Further, if a student failed, that student could retake the examination at least twice in order to demonstrate proficiency. The goal was to get students to learn the materials, even if it took them added time to do so.

Because we recognized that money and finance are immensely personal, value-laden topics that are difficult to teach (Gross, 2005b; Gross, 2005c; Block-Lieb et al., 2004a ; Gross, 2003; Block-Lieb, Gross, & Wiener, 2002), we adopted an intensive two-day format rather than spreading the materials over several weeks or a month. Food was also offered at various junctures. The intense format created a sense of a shared, collaborative academic endeavor.

Testing

To assess knowledge gains, we required students to take pre- and post-tests. The post-test also served as the final examination. We used a 48-question exam composed of 20 multiple-choice questions and 28 true/false questions. To ensure test reliability and validity, initially we tested the exam on non-enrolled students and selected faculty—from within and without NYLS—with expertise in the tested subjects. We made changes to the initial version to eradicate ambiguities. The passing grade established before conducting the test was 36 out of 48 questions answered correctly.

Each student who enrolled in the class took a pre-test as well as a post-test. In addition to measuring improvement in scores, the pre-test also alerted the students to the information they did not know, which encouraged greater listening and participation when previously unknown material was presented during the class. Although the pre-test was the same test as the post-test, not all students were aware that the post-test would be identical.

At the time of the pre-test, students were asked for selected demographic data. Confidentiality and anonymity were promised, permission to study the course and release test results was also obtained from all enrolled students, and an Institutional Review Board waiver was obtained.

Enrollment

Eighty-eight students enrolled in the October 2002 pilot class. Although first-year law students usually do not take classes with upper-level law students, this course was open to all levels of students. In particular, NYLS invited first-year students in the honors program to enroll—because it was felt that they could carry the additional course credit—and all upper level students in both the day and evening divisions. Part of the rationale for this choice was to determine whether the course was equally successful with students of all levels or whether previous legal education affected outcome. This was particularly important in terms of assessing the possibility of replicating the course in settings other than law schools. Since the course was offered in the early fall, many first-year students were more similar to senior undergraduate students than to law students.

A good cross-section of the student body participated in the course. Of the 85 students who completed the post-test, 81% were from the day division. This was not surprising because most students in the evening division work on Fridays, the first day the course was offered. In terms of gender, 60% (51) of the enrolled students were women and 40% (34) were men, reflecting a somewhat higher distribution of women students than in the overall student body, which is nearly 50-50. The mean age of the enrolled students was 27.7, with a range between 21 and 61 years of age. Eighteen percent were first-year students, 29% were second-year students, 43% were third-year students, and 10% were fourth-year students (most of the latter were part-time evening students).

We also gathered information about any upper-level finance-related courses in which the students were then or had previously been enrolled (i.e., corporations, secured transactions, commercial transactions, real estate, sales and payment systems, and bankruptcy) to see if there was a correlation between course pass rates and course selection. Approximately one-third of the students were enrolled in or had completed at least one of these courses; one-third were enrolled in or had completed two or more of the courses; and one-third had not enrolled in any of the courses.

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Course Content

We crafted the course content to teach students the basic information they need to function in our credit-based economy. Most of the materials taught were law-based (as is most of the current literature relating to money management), although some attention was paid to the psychodynamic properties of money, such as what and who influences and motivates spending and saving choices. Accounting and finance terminology were also discussed. Students received an extensive packet of materials at the start of the course, including relevant legal provisions, sample documents, and a detailed hour-by- hour syllabus. The most recent course syllabus can be found at *www.debtoreducation.org.*

During the course, the following subjects were covered:

- Credit reports and credit scorings—how to obtain and repair both
- Credit math—interest calculations, Rule of 72, amortization
- Credit, debit, and stored value cards—distinctions among them, common provisions, consequences when lost or stolen
- Common consumer scams—rent-to-own, pay-day loans, free gifts
- Common consumer finance terminology—everything from acceleration to default to repossession
- Basic accounting—constructing balance sheets, cash flow statements, income statements
- Spending and saving plans—goal setting, periodic fixed and variable expenses, nationwide spending guidelines
- Home mortgages and predatory practices—including eligibility and home equity loans
- Student loan repayment and basic debt collection strategies —consolidation, deferment, cease and desist letters.

In addition to lectures, there were in-class activities and small-group breakout sessions to increase student involvement and active participation. To contextualize learning, many examples used in the course were drawn from real life, including sample documents and case-studies of scams. Students had opportunities to ask questions throughout the course. As with any survey course, breadth was emphasized over depth; however we also offered resources for further information.

Results and Follow-up

Course Results

Of the 88 students enrolled in the course, 82 completed the pre-test. The remaining six did not complete the test due to factors unrelated to the course, such as late arrival. Pre-test scores ranged from 23 to 40, with 36 as a passing score. Only 15 students passed—82% of the students who took the pre-test failed. There was nothing significant to report about the demographics of the group who either passed or failed the pre-test.

In contrast, the post-test scores ranged from a low of 36 to a high of 47, with 100% (85) of all enrolled students passing after the first test. (Some students who did not take the pre-test took the post-test, and three enrolled students did not take the post-test for unknown reasons.) Based on an informal questioning of students following the pre-test, it became obvious that many guessed when answering questions, so the initial scores might well have been even lower had students only answered those questions for which they were sure of the answers. This is not to suggest that there was no guessing on the post-test;

Table 1
Results of Paired-Sample *t*-tests for Financial Advocacy Course for NYLS Students

	Pre-test		Post-test			
	M	***SD***	***M***	***SD***	***df***	***t***
All	31.88	3.76	41.7	2.36	81	24.16*
Gender						
Female	31.68	3.87	41.82	2.29	49	18.84*
Male	32.19	3.63	41.66	2.50	31	15.06*
Division						
Day	31.48	3.74	41.58	2.32	63	21.79*
Evening	34.29	3.00	42.64	2.44	13	9.70*
Other Finance Courses						
0	32.15	3.71	42.46	2.21	25	13.42*
1	31.12	3.93	41.31	1.85	24	12.83*
2	32.44	3.91	41.06	2.51	17	11.71*
3	33.43	3.15	42.57	3.69	6	11.03*
Year in Law School						
1	31.93	3.47	43.07	1.64	13	12.54*
2	31.91	3.76	41.74	1.79	22	13.83*
3	31.64	4.07	40.91	2.73	32	12.51*
4	33.75	2.96	43.13	1.81	7	15.74*
Age Group						
21-23	32.25	3.26	42.75	1.61	15	13.85*
24-25	32.17	3.76	41.52	2.84	22	10.66*
26-29	30.56	3.54	41.06	2.07	17	12.66*
31-61	33.00	4.41	41.94	2.46	17	9.97*

*$p < .001$

however student interviews suggested that even when they guessed, they did so with a fuller understanding of the material.

We examined the test results to determine if the gains from pre-test to post-test differed significantly for the subgroups within the financial literacy class. For purposes of comparing pre- and post-test results, we used data from the 82 students who completed both tests. Results of paired-samples *t*-tests are reported in Table 1.

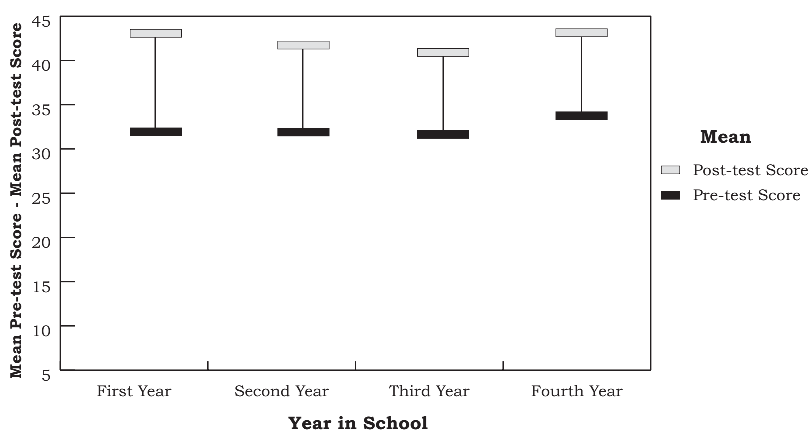
Mean pre-test/post-test differences for the class, gender, division, age, courses completed, and year in school categories were all positive and significant ($p < .001$). After completing the Financial Advocacy course, all enrolled students, on average, answered 10 more questions correctly regardless of gender, division, age, prior courses completed, or year in school. Therefore, no single subgroup explains the significant gains.

We examined the results in greater detail using a Repeated Measures Analysis of Variance to test for significance within subject effects. The results revealed significant findings for the test ($df = 1$, $f = 241.67$, $p < .001$), test and division ($df = 1$, $f = 7.61$, $p < .01$) and test by division and gender ($df = 1$, $f = 4.64$, $p < .04$).

We determined that there were relatively even and significant gains among all law students, regardless of their year of academic study. As the High/Low Graph (Graph 1) demonstrates, the course was equally successful among first-, second-, third-, and fourth-year students—which means that preexisting legal knowledge is not a prerequisite to successful course passage.

Moreover, years in law school had not made the course superfluous, as pre-test deficiencies cut across all law students.

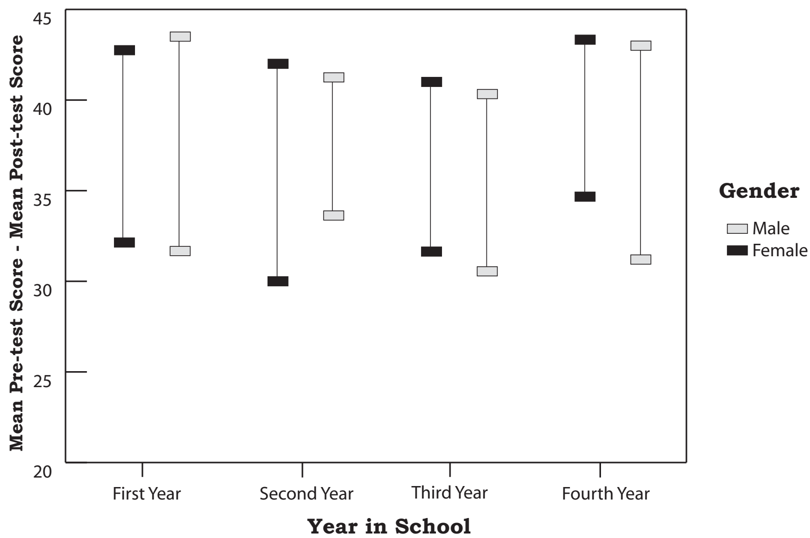
Graph 1
High/Low Graph: Mean Financial Advocacy Course Pre-test and Post-test Scores for NYLS Students, by Year in School



However, as Graph 1 illustrates, the greatest score gains occurred among first-year students, which is not surprising given that they were drawn from NYLS honor students and they had had both less legal training and less life experience than upper-level students.

Graph 2, however, suggests some differences in the gains based on gender, with male students, except in the second year, showing greater gains than their female counterparts.

Graph 2
High/Low Graph: Mean Financial Advocacy Course Pre-test and Post-test Scores for NYSL Students, by Year in School and Gender



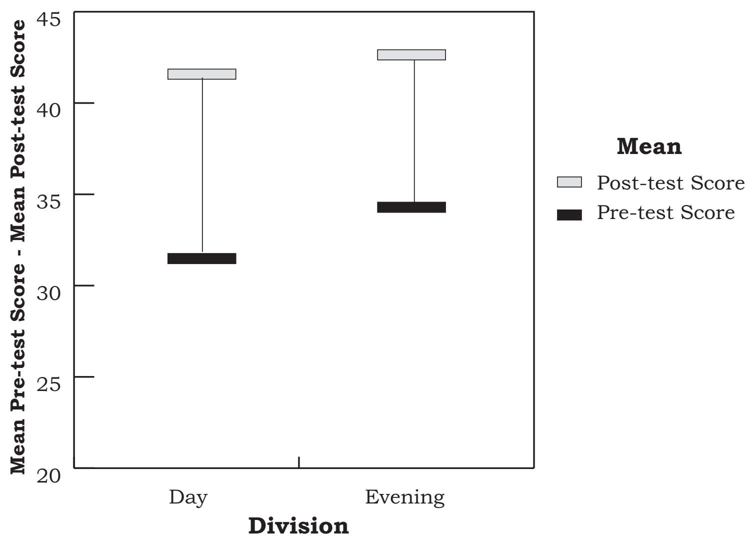
Looking at Graph 3, which measures gains based on division (day and evening), the day division students showed greater gains than did the evening division students.

Graph 4, which measures gain scores by looking at both division and gender as categories, reveals that students of both genders and in both divisions experienced gains. This is not surprising, because only 18% of students passed the pre-test.

However, gender did make a difference. Male evening division students had a higher gain score than did female evening division students, which could be explained by stronger female evening students initial test scores presented in Table 2.

Conversely, female day division students showed slightly greater gains than their male day division student counterparts. Part of the explanation for these differences may be that female day students had lower initial scores than male day division students. In fact, the day division students had lower scores than evening division students in general. This is not surprising because evening division students tend to be older than day division students, and usually have additional life experiences, which would include greater participation in the consumer credit markets.

Graph 3
High/Low Graph: Mean Financial Advocacy Course Pre-test and Post-test Scores of NYLS Students by Division (Day and Evening)



Graph 4
High/Low Graph: Mean Financial Advocacy Course Pre-test and Post-test Scores of NYLS Students, by Division and Gender

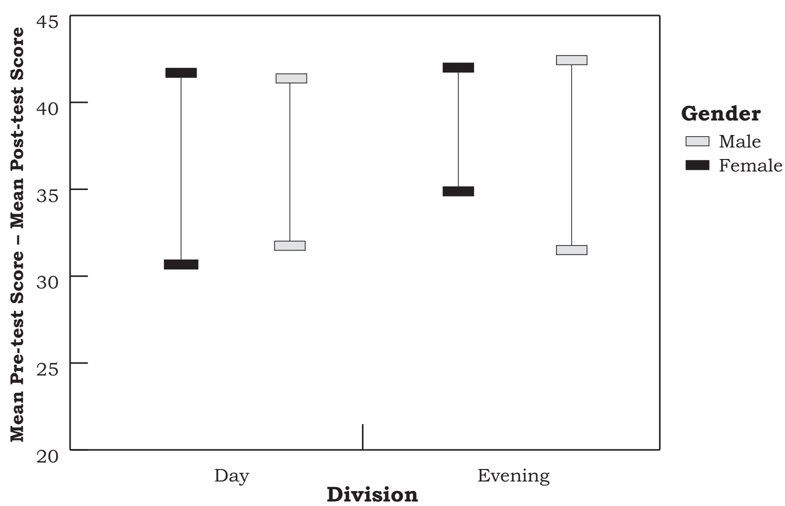


Table 2
Financial Advocacy Course Pre-test and Post-test Scores of NYLS Students, by Division and Gender: Means and Standard Deviations

Gender	Division		Pre-test Score	Post-test Score
Female	Day	Mean	30.67	41.70
		Standard Deviation	4.48	2.32
	Evening	Mean	34.88	42.00
		Standard Deviation	2.23	2.39
	Total	Mean	31.38	41.75
		Standard Deviation	4.46	2.31
Male	Day	Mean	31.75	41.38
		Standard Deviation	4.16	3.26
	Evening	Mean	31.50	42.43
		Standard Deviation	6.06	3.60
	Total	Mean	31.70	41.16
		Standard Deviation	4.48	2.65
Totals	Day	Mean	31.08	41.58
		Standard Deviation	4.36	2.32
	Evening	Mean	33.43	42.20
		Standard Deviation	4.45	2.91
	Total	Mean	31.51	41.70
		Standard Deviation	4.44	2.44

We then divided the questions asked in the pre- and post-test into eight categories. These categories reflect a substantive categorization of the materials taught; the questions were not presented in categories in the pre- and post-tests themselves. The data presented in Table 3 report the mean percentage of questions answered correctly on the pre-test and post-test as well as the mean pre-post test differences.

The data show gains in the number of correctly answered questions across all eight categories, although the level of increase was far from uniform (see Graph 5).

The greatest gain score occurred in the category "Scams/Consumer Protection." This category had the lowest number of pre-test questions answered correctly, a result that is not surprising given the absence of consumer understanding generally about creditor and market behavior.

The category "Mortgages" had the fewest correct post-test answers. Indeed, except for one other category, this category also had the lowest pre-test scores. The category with the highest initial pre-test score ("General Borrowing/Common Knowledge") had the least gain of any category but the post-test scores were not the highest, suggesting that greater learning occurred in categories where the initial information deficit was lower.

The data in Tables 3 and Graph 5 reveal that knowledge gain was not confined to any single category, but there were greater gains in some categories than others. From a pedagogical perspective, we can hypothesize that some of the differences

Table 3
Percentage of Questions Answered Correctly by Subject Area on the Pre-test and Post-test, and Pre-/Post-test Differences: Means and Standard Deviations

	Pre-test		Post-test		Pre-test/Post-test Difference	
	M	***SD***	***M***	***SD***	***M***	***SD***
Credit/Debit Cards	62.00	20.93	93.92	31.32	31.32	17.93
Interest/Saving Calculations	63.82	15.03	82.35	15.96	18.53	15.72
Budget/Spending	66.77	21.11	90.59	9.21	23.82	16.14
Balance Sheet/ Cash Flow	76.83	7.81	92.47	7.74	15.64	3.23
Credit Reporting/ Scoring	75.81	23.86	88.82	25.69	13.01	14.06
Mortgages	58.29	18.32	69.65	23.10	11.36	24.63
Scams/Consumer Protection	32.57	17.63	89.71	10.76	57.13	22.92
General Borrowing/ Common Knowledge	79.40	6.44	89.02	14.02	9.61	11.32

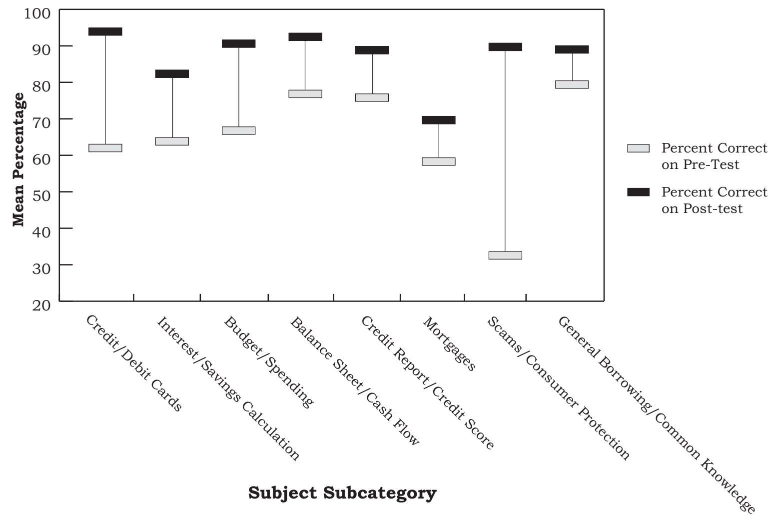
in gain might be the result of some differences in teaching effectiveness. This would not be surprising given that different instructors taught different units of the course. There could be other or cumulative explanations for these differences. In particular, some material may have been more interesting to students than others. For example, students may not be as interested in mortgages because home ownership is far down the road for them. However, they may be very interested in common scams, because they are and will continue to be targets for unscrupulous lending practices.

Another possible explanation for variations in knowledge gain is that the questions asked in the pre- and post-test may have varied in degree of difficulty and ease of guessing, thus facilitating more correct answers in one category over another. This is something that we did not assess empirically.

Course Follow-up

Two weeks following the post-test, students were asked whether they had taken any affirmative steps in light of what they had learned in the Financial Advocacy course. The data collection effort took several forms. First, trained NYLS personnel conducted a focus group to determine students' perceptions of the course content and format. A random sample of five students took part in the focus group. They indicated that since taking the course, they were more aware of personal finance issues. They all found the course very helpful and would recommend it to others. Most indicated that they had taken specific action

Graph 5
High/Low Graph: Mean Percentage of Questions Answered Correctly on Financial Advocacy Pre-test and Post-test, by Subject Area



steps based on what was learned in the course, including correcting their credit report, obtaining their credit score, and changing how they handled their credit cards.

After the post-focus group discussions, we sent an e-mail to all students who had completed the Financial Advocacy course, asking if they had taken, or planned to take, any specific actions based on what they had learned. Of the 85 students who completed the post-test, 25 (29%) responded. Among respondents, 16 (64%) had taken or planned to take action, including requesting a copy of their credit report (13); canceling a credit card, paying off a high-interest rate credit card, or renegotiating the interest rate on a credit card (16); and talking to others about what they had learned, encouraging them to take actions such as getting their credit report or credit score (7). Several others checked their credit score, called the Opt-Out Program number to remove themselves from lists for pre-approved credit card solicitations, took measures to protect their Social Security numbers, and purchased a shredder.

The respondent group was small compared with the number of registered students, and the follow-up period was relatively close to the conclusion of the course. As a result, it does not measure long-term actions or changes in student attitudes and behavior toward money and finance. There were also informal conversations between enrolled students and instructors involved in the Financial Advocacy course that further confirmed the value of the course.

Conclusions

The pre- and post-test data reveal that the course was successful at improving the financial literacy of enrolled NYLS students. Moreover, formal and informal feedback from students—through conversations, a post-test focus group, and an e-mail—reveals satisfaction with the course and some resulting changes in financial behavior.

Students also remarked that they felt the course material should be taught to all students, rather than just law students, perhaps at an earlier point in their education such as high school or college. The course as presently configured could easily be adapted for other student populations without significant changes. A willing, trained instructor could delete some of the technical law material while retaining the bulk of the course content. The fact that first-year law students did as well as upper level law students suggests that legal training is not a prerequisite to success in the course.

Indeed, aspects of the course are now being taught to individuals seeking to become debtor educators (e.g., bankers, community development leaders, financial planners) through an educational non-profit corporation called the Coalition for Consumer Debtor Education (www.debtoreducation.org) with which Professor Gross is involved. This reveals two important points for replication of the course in a non-legal setting: the material can be accessed by non-lawyers, and non-lawyers can be trained to teach the material.

Since the initial iteration of the course at NYLS, there has been a waiting list for enrollment in its non-pilot mode. For example, the course was taught recently (January 2005) with enrollment of 108 and a waiting list of at least 30 students. The class scheduled for August 2005 is filled, also with a waiting list. Some of this interest can be explained by the desire for a one-credit, pass/fail course. This type of compressed course is uncommon in the law school environment, wherein most classes offer two or more credits and are graded. However, the level of interest in financial education, quite uncommon in the law school context generally, suggests that the course itself is appealing to students, many of whom are aware of their current and prospective debt burdens.

Feedback received by Professor Gross since she began offering this course has been positive. Students often send follow-up e-mails asking specific questions (usually personal in nature), visit her office, or call her for more information, sometimes months or years after the course was offered. Indeed, the questions suggest that the material "sticks" in the sense that the questions grow directly out of the materials taught.

In the subsequent offerings of this course, we have only once matched the 100% pass rate of the initial offering. Usually, between one and three students fail the post-test. As with the pilot course, these students have been permitted to see their test results and the questions they answered incorrectly. They are then given a repeat test. All students have passed the second test.

Based on what we have learned since the pilot, we have made some important changes to the course. Some of these were required by changes in the law school's testing requirements, which now prohibit more than 50% of a course grade based on objective-type questions. A few of the changes include the following:

- The course is now offered on a non-pilot basis at least once a year.
- We have invited outsiders to observe the class and to take the materials, syllabus, and tests to their own institutions. Based on conversations with other law schools and their faculty, we understand that one somewhat similar course has been initiated (although pre- and post-testing was not conducted) and others are being contemplated. We are aware of a similar initiative for undergraduates at a university in the Midwest.
- There have been some changes to the course units in response to changes in the law (e.g., the extensive amendments to the Fair Credit Reporting Act and Check 21).
- The outside speaker lists have been altered based on both availability and pedagogical rationale.
- Changes have occurred in the format of some of the presentations by outside presenters. One increasingly used approach is the "interview" format, where the presenter is asked a series of questions by Professor Gross (much like a TV "60 Minutes" type of interview), based on her assessment of key substantive issues, current events that should be addressed, presenter expertise, and materials not otherwise covered in the course. Time is left at the end for the students to ask the presenters questions. This approach is used to add variety to the classroom experience, given the intensive format. It also enables a better and more directed exchange of information than was previously employed.
- Students now purchase an accompanying text and are required to read specific assignments before the class begins and on the night between the two class days. The text can also serve as a future reference guide. Previously, we used *Money Troubles* (Nolo Press). In January 2005, we began using *Surviving Debt* (National Consumer Law Center).
- Students are required to obtain both their credit report and their credit score before the first day of class. We instruct them on how to do so at the lowest cost.
- We have added some questions to the pre-/post-test over the years to reflect new course content or to better test comprehension of the covered materials. Wording of other existing questions has been changed slightly to improve clarity.

- The pre-test we now use is similar to that used in the initial course iteration. However, the post-test contains only a selected sample of the pre-test questions (students know that some of the pre-test questions will appear post-test), plus a series of short-answer questions and a brief essay question. This means that longitudinal testing will be more difficult, but the post-test now meets the NYLS testing requirements.

In light of our experience with the Financial Advocacy course, and based on other recent studies on financial literacy education (Wiener et al., 2005a; Block-Lieb et al., 2004a; Gross, 2004), we are convinced that this course has merit. Law schools regularly teach a course called Trial Advocacy, even though many students will never litigate. Likewise, Financial Advocacy has a place alongside other law school offerings because it raises legal and financial issues that are likely to arise in the context of law practice. The course also improves the way students understand basic consumer financial management. Whether that translates into long-term improvement in how they manage their finances is a valuable but unanswered question in the law school context. However, initial results here and other empirical work on financial literacy education demonstrate that courses such as this lead to longer-term retention of knowledge and positive changes in consumer attitudes and behavior with respect to money and spending (Wiener et al., 2005a; Block-Lieb et al., 2004a).

The demographic data suggest that there may be reasons to provide the course to different populations, including undergraduate students and graduate students in non-law disciplines. Perhaps, with further study, the course content and approach could be tailored to meet particular needs, such as a course designed exclusively for female students.

We also believe the course serves a signaling function. It demonstrates overtly to students that the institution and its faculty recognize the burden of indebtedness many students feel, and shows that the institution is committed to providing at least some vehicle to help students improve their financial situation.

Recommendations for Future Research

Pilot projects such as this are useful before institutions proceed with novel approaches and new course constructs. As the results of the Financial Advocacy pilot demonstrate, the course merits replication and suggests questions for future research.

As of this publication, there are no reports available describing similar programs or case studies from sites where the course is being replicated. However, studies conducted with different populations would determine whether and in what ways this course may be similarly beneficial to students in other professional programs, undergraduate institutions, and perhaps even high schools.

Further, a longitudinal study could be designed to measure knowledge retention and assess lasting behavioral and attitudinal change. Other questions for future research include an assessment of whether a series of one-hour meetings over several months might be more productive than the existing intensive, two-day format, and whether different results would occur if the course were taught by someone outside of the field of law.

No matter how beneficial, pilot projects require significant time, money, and human capital. They require a shared commitment of faculty, administration and other support staff. We were fortunate that in our institution, as reflected in this coauthored paper, there was a shared sense that this course made institutional and academic sense. We hope other institutions can and will benefit from our efforts and that a generation of indebted students will, at a minimum, have a better chance of making wiser and more knowledgeable financial choices.

Student debt will continue to grow. The complexity of the law of credit, debt collection, and consumer finance will deepen. Failing to educate students—both graduate and undergraduate—about these matters will make their futures more problematic. Moreover, law school graduates will soon be asked by others for advice, and that advice will be inadequate unless their own financial literacy increases. In short, this experiment was critical to students' education.

We recognize that this course is not a panacea. It will not lower the costs of education. It surely will not raise the level of income students receive in the jobs they obtain after graduation. It will not generate added student loan assistance. It will not democratize access to education. It will not cause educators to rethink how education is delivered. It will not change the face of predatory lending practices targeted at students or the methods of credit scoring. However, we are convinced that the course provides students with valuable skills that can improve their lives during school and following graduation. Further, the course's benefits are more than knowledge acquisition alone. We believe it can change some student behavior, although we did not test for this longitudinally here (Wiener et al., 2005a; Block-Lieb et al., 2004a).

This program can also heighten awareness among the next generation about systemic flaws in our credit markets. Therefore, although the Financial Advocacy course cannot be characterized as a cure-all, it is a powerful palliative that offers more than what initially meets the eye.

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