To Their Credit: Information Desired by College Students Seeking Peer Financial Mentoring

Taylor, Z., Kayser, T., Kaus, J., Ray, S., & Villa, M.

University of Southern Mississippi, Columbia University (NY), Kansas State University, Baylor University, Texas A&M University

Abstract

As an emerging field in higher education, institutions have adopted financial mentoring programs to help college students understand their finances (Goetz et al., 2011). However, little guidance exists to help these programs anticipate student needs and facilitate student-friendly programming (Taylor, 2022). As a result, this study engaged with 54 collegiate peer financial mentors across seven institutions of higher education to explore what financial topics college students struggle with and request mentoring for. This study employs a phenomenological qualitative approach using focus group data collection techniques (Saldaña & Omasta, 2022). We purposively sampled participants from institutions of higher education with peer financial mentoring programs over a three-year span (2020-2023) through research team connections with the Higher Education Financial Wellness Alliance. Participants attended virtual focus groups with colleagues from their institution, resulting in 22 focus groups held with 54 peer financial mentors across seven institutions of higher education. Three core themes emerged from the data related to financial topics that college students seek financial mentoring for: 1.) Understanding credit cards and how to build credit, 2.) Budgeting and investing, and 3.) Student loan management and repayment. However, peer financial mentors often expressed concerns about providing peers with financial information, especially about investing and student loan repayment, as peer financial mentors were cautioned by supervisors to avoid discussing investment options and student loan forgiveness. Although financial mentoring programs are emerging on college campuses, this research provides institutions and their financial mentoring programs with a foundation on which to understand what college students request when they seek peer financial mentoring. This study also sheds light on how program managers can anticipate student needs, help mentors navigate difficult topics, and train peer financial mentors to provide accurate, relevant financial information to college students.

Introduction and Research Questions

Beyond coursework toward a degree, institutions of higher education have delivered many auxiliary educational services to college students, including optional financial education, personal finance workshops (Goetz et al., 2011), and professional financial counseling (Britt et al., 2015). However, in recent years, institutions have developed specific programming and outreach to help college students develop a sense of financial wellness beyond coursework and one-time-only learning sessions (Higher Education Financial Wellness Alliance, 2023). The development of financial education programming has emerged partially due to two phenomena: a wealth of research that suggests college students could benefit from an understanding of personal finance (Britt et al., 2015; Cude et al., 2006) and national discussions of student loan debt and college students' ability to manage their money and successfully pay off their student loans (Lee & Mueller, 2014; Zhang & Fan, 2022).

Of this programming, many institutions of higher education have adopted peer financial education models, a form of financial wellness programming that works to train college students to serve as peer financial educators for their peers, resulting in college students mentoring each other and learning more about money and their finances through this reciprocal relationship (Taylor, 2022). Although research into the efficacy and effectiveness of peer mentoring in higher education is robust (Black & Taylor, 2018), little is known about how peer financial education programs operate on college campuses, and more specifically, what information college students seek when participating in peer financial education programs. As a result, this study engaged with 54 peer financial educators from seven institutions of higher education across the United States to answer the following research questions:

RQ1. From the perspective of peer financial educators, what financial issues are college students most frequently seeking assistance for?

RQ2. When providing financial education, which financial issues present the greatest challenges for peer financial educators?

Literature Review

Prior studies have outlined the many elements of financial education programs in United States higher education contexts (Taylor, 2022). As a result, the purpose of this literature review will be to specifically review the scant literature on peer financial education within institutions of higher education and how these programs address college student financial education needs.

Peer mentoring models, sometimes referred to as peer financial coaching or peer financial education programs (Durband & Britt, 2012) are often created to provide college students with relatable financial education delivered by highly trained and qualified peers (Taylor, 2022). Many institutions of higher education engage with peer financial education models due to their comparably lower costs than models requiring the hiring of full-time credentialed staff (Collier, 2015). Moreover, institutions may prefer peer financial education models because of the relationship building between students and their peers, possibly increasing a student's sense of belonging on campus and their likelihood of retention and graduation (Collier, 2015).

Peer financial education programs may differ depending on the institution type where it is housed. Goetz et al. (2011) outlined one four-year institution's peer money mentoring model, explaining that the program had two main components: client-based financial planning and outreach-based financial planning. Particularly relevant to this study, Goetz et al. (2011) found that the program was much more geared toward financial topics such as debt management, investing, and filing taxes, rather than simpler, more rudimentary topics such as learning how to bank with financial institutions, budgeting, and saving. This finding suggests that perhaps college students may not be accessing basic financial knowledge and instead may glean knowledge from peer financial programs that only assist in specific situations, such as repaying debt and filing taxes. Moreover, Goetz et al. (2011) did not report any participation rates, student satisfaction indicators, or success metrics, only outlining the main structure of the program and future development strategies.

Similarly, Britt et al. (2015) also reported on the efficacy of a peer financial counseling program and found that financial stress had positive effects on financial knowledge but mixed effects on actual financial behaviors, yet this study did not delve into what specific topics caused this financial stress. Relatedly, Choi et al. (2016) reported on how college students referred themselves to student (peer) financial counseling at a single four-year institution. The researchers found that younger students and women were more likely to engage with student financial counseling services, with financial stress somewhat mitigated by the counseling efforts. From here, researchers have hinted at the notion that peer financial education models may cause or help alleviate a fundamentally different type of stress among college students—stress beyond academics—that may prove difficult for both the mentor and mentee to navigate.

Akin to Britt et al.'s (2015) and Choi et al.'s (2016) work, Taylor et al.'s (2021a, 2021b) studies on peer money mentoring only provided cursory benefits of peer mentoring for mentors and did not address mentee benefits, nor did the study address the types of topics that peer financial educators are asked to help with. As a result, this study fills a unique and timely gap in the literature regarding which financial education topics college students most frequently seek help for and if peer financial educators experience any difficulties navigating these potentially uncomfortable, stress-inducing topics.

Methods

To understand how peer financial educators perceived the financial education needs of their college student peers, this study engaged with qualitative focus group methods to understand peer financial educators' experiences working in a peer financial education program. The following sections will detail how the research team identified and recruited participants, collected and analyzed data, and mitigated limitations.

IRB Approval and Recruiting Participants

This study was approved by Indiana University's Institutional Review Board. All relevant documents related to this approval can be provided upon request from the authors.

All members of the research team are organizational members of HEFWA, the Higher Education Financial Wellness Alliance. HEFWA "was created as a result of the success of the annual Higher Education Financial Wellness Summit (originally known as the National Summit on Collegiate Financial Wellness), which was first held in 2014," and is "a network of professionals dedicated to bringing together post-secondary organizations to inform national conversations that impact the financial wellness field, public policy and educational support services" (HEFWA, 2023, paras. 1-2). Beginning in early 2020, it was through this network that the research team engaged with HEFWA members who were also Directors or Assistant Directors of financial wellness programs within institutions of higher education in the United States. As a result of this convenient, purposive, and snowball sampling method, the research team was able to connect with seven financial wellness programs that employed peer financial education models from April 2020 through February 2023. From these connections, the research team interviewed 54 peer financial educators—the demographics of these peer financial educators can be found in Table 1 below:

Table 1.
Display matrix of participants (N=54)

Institution	**Class Standing**	**Race**	**Gender**	**First Gen**	**Average Months Employed**
Baylor University (n=4)	Sophomore (n=2) Junior (n=1) Senior (n=1)	White (n=2) Native American (n=1) Hispanic (n=1)	Woman (n=3) Man (n=1)	0 (0%)	7.5 months
Indiana University (n=2)	Senior (n=2)	Asian (n=2)	Woman (n=2)	1 (50%)	2.75 months
Kansas State University (n=10)	Sophomore (n=3) Junior (n=3) Senior (n=4)	White (n=9) Black (n=1)	Woman (n=4) Man (n=5) Non-binary (n=1)	2 (20%)	14.2 months
University of Missouri (n=9)	Sophomore (n=2) Junior (n=5) Senior (n=2)	White (n=6) Black (n=1) Asian (n=2)	Woman (n=4) Man (n=5)	3 (33%)	10.2 months
UC-Berkeley (n=6)	Sophomore (n=1) Junior (n=2) Senior (n=3)	Asian (n=3) White (n=2) Hispanic (n=1)	Woman (n=2) Man (n=4)	2 (33%)	13 months
UW-La Crosse (n=15)	Sophomore (n=2) Junior (n=3) Senior (n=10)	White (n=11) Mixed (n=3) Hispanic (n=1)	Woman (n=5) Man (n=10)	5 (33%)	18.8 months
University of Oregon (n=8)	Junior (n=2) Senior (n=6)	Black (n=2) White (n=4) Asian (n=2)	Woman (n=5) Man (n=3)	5 (62.5%)	12 months
Total (n=54), Listed in Descending Number	Senior (n=28) Junior (n=16) Sophomore (n=10)	White (n=34) Asian (n=9) Black (n=4) Hispanic (n=3) Mixed (n=3) Native American (n=1)	Man (n=28) Woman (n=25) Non-binary (n=1)	18 (33%)	13.1 months

Students who volunteered to be part of the study then received email follow-ups to sign up for an hour-long focus group session on Zoom. Interviews were first auto-transcribed by Zoom and, later, updated by the research team to ensure accuracy. The research team stored data in password-protected files. Students were given pseudonyms and had identifying information masked.

Data Collection and Analysis

Guided by Saldaña and Omasta's (2022) qualitative framework, the research team conducted focus groups with open-ended questions to get students to describe their experiences while working as peer financial educators. Interviews were held at mutually agreeable times, beginning in April 2020, and running through February 2023. We also gathered demographic information at the end of the focus groups, asking students to provide their class standing, race, gender, first-generation college status, and number of months they have worked in the peer financial education program. The primary data analysis consisted of two rounds of coding, informed by prior literature related to peer financial education (Britt et al., 2015; Goetz et al., 2011) and Saldaña and Omasta's (2022) coding process. The research team deployed a mix of deductive and inductive approaches (Saldaña & Omasta, 2022) through the qualitative software Taguette. Our starting codes came from extant literature and our experience working in and researching financial education programs in higher education, including budgeting, credit, and financial aid-related concerns. We also coded for information that caused difficulty for peer financial educators. Consistent with Saldaña and Omasta (2022), we completed a second round of coding to assess the quality of the codes we generated and drop infrequent codes. Our codes evolved as this process entailed several iterations of review, reflection, and analysis. The addition of sub-themes helped tease out the nuances, such as the addition of child codes for larger topics (ex: child code of student loan management underneath the parent code of financial aid-related concerns).

Limitations

The primary limitation of this study was that primary data collection occurred at the height of the COVID-19 pandemic and persisted through the early months of 2023. As a result, data collected earlier in the pandemic may not be the reality of peer financial education in future years. However, this study's sample size and institutional spread are the largest and most robust qualitative study of peer financial education in higher education, possibly mitigating any limitations of this study.

Findings

Data from this study reveal three clear topics that college students most frequently request help with from peer financial educators (PFEs), as well as four distinct challenges related to those topics. The topics included *student loan management and debt repayment strategies*, *assistance with budgeting,* and *understanding how to build credit and use credit cards*.

To begin, PFEs expressed that college students often requested help understanding *student loan management and debt repayment strategies*. Several students made comments such as "paying back student loans or finding out what their student loans were was really big" and "student loans have come up because a lot of students are close to graduating." Moreover, PFEs strongly asserted that discussing student loans was essential to helping their college student peers with long-term budgeting, as PFEs continuously spoke about student loans as a fundamental component of managing one's money over a long period of time. However, two distinct challenges arose within this topic. First, PFEs often claimed that their peers would seek help with financial aid related questions, including how to manage one's aid and how to strategically accept certain aid types to minimize loan debt. However, PFEs also claimed to be trained away from giving financial advice or doing the work of financial aid offices. In many cases, PFEs claimed that their peers were not clear of the purpose of the financial education program, as these college students would often be seeking information or advice that would be better provided by a financial aid counselor at the institution. The second challenge was that many PFEs were not prepared to answer many financial aid questions, as several PFEs said that they were unclear about how to advise students with military benefits, students with disabilities, and other students with niche funding packages. Here, many PFEs were uncomfortable answering financial aid-related questions and simply were unable to answer their peers' questions from time to time.

After student loan concerns, PFEs articulated that *assistance with budgeting* was frequently requested by college students. PFEs made comments such as "I would say number one is probably budgeting" and "I think the majority of the questions I've gotten have been about budgeting." In fact, the majority of PFEs mentioned budgeting or managing money as a consistent demand from their peers. However, a challenge arose in this regard—how to advise on investing within the framework of budgeting one's money. PFEs claimed to be trained away from giving investing advice beyond explanation of basic terms (stocks, bonds, mutual funds, investment accounts). Yet, many PFEs articulated that within conversations of budgeting, investing would frequently come up and PFEs were either uncomfortable giving responses or unable to help their peers. One PFE summed it up by saying: "They'll ask me about investment advice, and we're not really qualified to be giving that to them, so I can't do that."

Finally, college students often asked for PFEs to help *understand how to build credit and use credit cards*. Many PFEs said that credit was a multifaceted discussion, as some college students had requested help understanding a credit report, whereas other students desired to learn more about credit cards and building a credit score. Moreover, several PFEs hinted at the credit card debt incurred by their peers, as one PFE said, "They asked about paying off credit cards," while another PFE said, "A lot of kids either don't have a credit card, or they're interested in building credit and don't know how." Here, many PFEs stated that college students either struggled to pay their credit card debt or were unsure how to build a strong credit score, indicating the importance of their work with college students.

Discussion & Conclusion

This study suggests that colleges across a wide variety of geographic regions struggle with the same gaps in financial knowledge: student loans and repayment, budgeting, and credit. It is particularly critical to learn that PFEs can provide information and resources to college students struggling with these topics, especially student loan management, as this topic has emerged in recent years in the national discussion of U.S. higher education (Lee & Mueller, 2014).

Additionally, although many college students are legal adults and are likely responsible for managing their own budget, this study makes it clear that college students need financial mentoring in the areas of budgeting (and investing) and building credit. Prior studies had hinted at the importance of educating college students in these areas (Goetz et al., 2011), but this study makes clear these critical areas. From here, financial education program managers must train their PFEs to provide timely, accurate student loan repayment information and advice without overstepping boundaries and providing targeted loan or investment suggestions. Moreover, these managers should consider intake and outtake forms that ask college students to document their reason for seeking peer financial education and whether the mentoring session fulfilled their needs. Institutions could also seek better mentoring relationships between departments, as PFEs repeatedly claimed that college students came to the financial education office for financial aid advice—here, financial education and aid offices need to work more closely together to provide streamlined, clear services to college students who need them.

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