

Financial Wellness Research: 2023 Year in Review

Speakers



Jodi Kaus
Kansas State
University



Grace Beatty
The Hotchkiss School



Sahil Annamaneni
The Hotchkiss School



Sara Ray
Baylor University



Tristia Kayser
Columbia University



Michael Gallary
The Hotchkiss School



Clement Yeboah
The University of
Southern Mississippi

Thursday, Dec 14, 2023

- 2 PM – 3 PM EST
- HEFWA Research Committee
- The Hotchkiss School
- The University of Southern Mississippi



**Higher Education
Financial Wellness**
ALLIANCE

Welcome and Agenda

- Busy year in financial wellness research
 - Student loan debt crisis
 - Chat GPT transforming education
 - Threat of government shutdown and impact on higher education
 - “New” FAFSA rollout and impacts on college students
- Jodi Kaus, Kansas State provides an update on peer mentoring research
- Grace, Sahil, and Michael from the Hotchkiss School and Clem Yeboah from the University of Southern Mississippi present CFPB financial wellness data
- Sara Ray, Baylor University, shares the Report on 2023 HEFWA Survey of Financial Wellness Programs in Higher Education



Peer Mentoring Research Update



Peer Financial Mentoring/Coaching Research

- No empirical studies existed on the experiences of financial peer mentors in higher education so we initiated a study with 7 participating institutions. Thank you to these institutions for allowing their peer money mentors to participate in the focus group study:
 - University of Wisconsin La Crosse
 - Oregon State University
 - University of California Berkeley
 - Indiana University Bloomington
 - Kansas State University
 - Baylor University
 - University of Missouri
- Original questions meant to inform practice included:
 - How do financial wellness peer mentors become mentors?
 - How do peer mentors view their work, both the struggles and successes?



Peer Financial Mentoring/Coaching - Qual Questions

- How did you hear about the opportunity about being a peer financial counselor?
- What does mentoring mean to you?
- What are the qualities of a good peer financial counselor?
- How have you encompassed these traits as a peer financial counselor?
- How has being a peer financial counselor to others changed you?
- What are your current challenges as a peer financial counselor right now?
- What first interested you in being a peer financial counselor?
 - Was compensation a factor in your decision to be a peer financial counselor?
- What training or experiences prepared you to be a peer financial counselor?
- When did you begin working as a peer financial counselor?
- Have you participated in ongoing development as part of the peer financial counseling process?
- If anything, what would you change about your experience as a peer financial counselor to improve the peer financial counseling process?
- How has your work as a peer financial counselor influenced your school's community?
- Would you recommend participating as a peer financial counselor to your classmates?
- Will you continue working with financial literacy efforts after completing your studies?
 - In what career or job will you be working?
- Has being a peer financial counselor influenced your academic or intended career path?
 - If yes, what major/career did you switch from then to?



Peer Financial Mentoring/Coaching - Themes

- Students became peer money mentors with careers in mind.
- Students could clearly connect peer money mentoring to what they are doing professionally
- Peer money mentoring helped get them the job.
- Students believe empathy and communication skills are critical to develop and employ while mentoring their peers.
- Students feel relatability is important to teaching financial literacy and destigmatizing financial conversations.



Implications for Future Research, Policy, and Practice

- Future research
 - How do peer mentor programs start?
 - How are peer mentors recruited and trained?
 - What are student outcomes?
- Future policy
 - Financial aid has entrance/exit counseling, signing MPN, etc. = what about financial wellness?
 - How do institutions promote financial wellness programming?
 - Many high schools have civic requirements = what about colleges?
- Future practice
 - How can young financial wellness programs learn from existing programs
 - Can HEFWA serve as a facilitator for 'train the trainer' type initiatives?
 - What can peer mentors themselves contribute?



Exploring the CFPB Survey Data



Consumer Financial
Protection Bureau



Who is the CFPB and what data do they have?

- CFPB: Consumer Financial Protection Bureau
- NFWBS = National Financial Well-Being Survey
- Website = <https://www.consumerfinance.gov/>
- Brief explanation of CFPB dataset
 - The CFPB NFWBS dataset is a thorough and vital resource that presents an in-depth insight into the people of America consumers financial well-being.



The Study

Table 1 Descriptive Statistics by Gender

Gender	Frequency	Percent	Valid Percent	Cumulative percent
1	3,352	52.4	52.4	52.4
2	3,042	47.6	47.6	100.0
Total	6,934	100.0	100.0	

Note. Standard Deviation = .499

- **RQ1:** How do participation levels vary between male and female, and what is the percentage disparity between male and female participants?
- **RQ2:** How do participation levels vary among White, Black, Hispanic, and Other race, and what is the percentage disparity among them?

Interpretation of Results

- Out of the 6, 934 total participation levels, 3,352 constituting 52.4% were male and 3,042 constituting 47.6% were female (see Table 1). Percentage disparity 4.8.

Table 2 Descriptive Statistics by Race

Race	Frequency	Percent	Valid Percent	Cumulative percent
1	4,498	70.3	70.3	70.3
2	685	10.7	10.7	81.1
3	336	5.3	5.3	86.3
4	875	13.7	13.7	100.0
Total	6,394	100.0	100.0	

Note. Standard Deviation = 1.077; 1 = White (Non-Hispanic); 2 = Black (Non-Hispanic); 3 - Other (Non-Hispanic); 4 = Hispanic

- 4,498 constituting 70.3% of the total participation levels were White, 685 constituting 10.7% were Black, 875 constituting 13.75% were Hispanic, and 336 constituting 5.3% were other race (see Table 2).



Financial Optimism

Table 3 ANOVA – SWB_1 I am satisfied with my life

Cases	Sum of Squares	df	Mean Square	F	P
PPETHM	92.042	3	30.681	13.700	<.001
Residuals	14309.733	6390			

Note. Type III Sum of Squares;

- **RQ3:** Are there statistically significant differences in levels of financial satisfaction among adults of different racial backgrounds?
- **RQ4.** Are there statistically significant differences in levels of financial optimism about future among adults of different racial backgrounds?

Interpretation of Results

The overall fit of the model has been tested with *F*-statistics, which is statistically significant, $F(3, 64) = 13.70, p = 0.001$ (see Table 3)

Table 4 Descriptive – SWB_1 I am satisfied with my life

PPETHM	N	Mean	SD	SE	Coefficient of Variation
1	4,498	5.405	1.418	0.021	0.262
2	685	5.117	1.733	0.066	0.339
3	336	5.012	1.652	0.090	0.330
4	875	5.407	1.623	0.055	0.300

Note. SWB_1 = I am satisfied with my life; PPETHM = Race/Ethnicity; 1 = White (Non-Hispanic); 2 = Black (Non-Hispanic); 3 - Other (Non-Hispanic); 4 = Hispanic

- 4,498 of the of the White (Non-Hispanic) were optimistic about their future, 685 of the Black (Non-Hispanic) were optimistic about their future, 336 of Other (Non-Hispanic) were optimistic about their future, and 875 of the Hispanic were optimistic about their future (see Table 4).



Financial Knowledge

FK1CORRECT: What is your score for Financial Knowledge 1 scale, in terms of the number of questions answered correctly?

PPETHM:

1. White(Non-Hispanic)
2. Black(Non-Hispanic)
3. Other (Non-Hispanic)
4. Hispanic

PPGENDER:

1. Male
2. Female

N = Sample Responses

Graphs shows: Variance in Mean

Questions Cover:

- I. Compound Interest
- II. Inflation and Savings Return
- III. Volatility on Investments

Question Example: “Can you explain the concept of inflation and its effects on savings returns with clarity?”



Financial Knowledge

ANOVA - FK1correct ▼

Cases	Sum of Squares	df	Mean Square	F	p
PPGENDER	8.183	1	8.183	69.946	< .001
Residuals	747.802	6392	0.117		

Note. Type III Sum of Squares

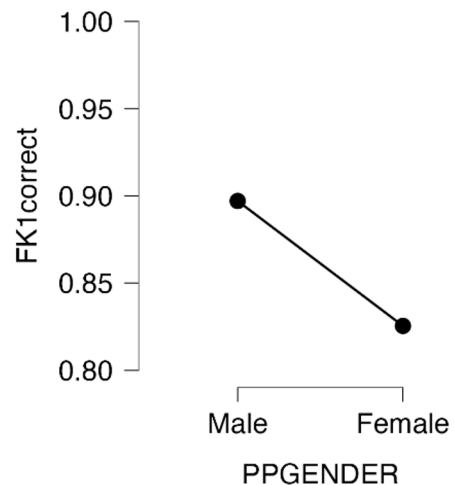
Descriptives

Descriptives - FK1correct

PPGENDER	N	Mean	SD	SE	Coefficient of variation
Female	3042	0.825	0.380	0.007	0.460
Male	3352	0.897	0.304	0.005	0.339

PPGENDER(Gender)	N	Mean	SD
Female	3042	0.825	0.380
Male	3352	0.897	0.304

Descriptives plots



- Evidenced by the table on the left:
 - Men greater financial knowledge than women
 - Socio-cultural factors
 - Importance of disseminating information



Financial Knowledge

ANOVA - FK1correct

Cases	Sum of Squares	df	Mean Square	F	p
PPETHM	11.122	3	3.707	31.803	< .001
Residuals	744.863	6390	0.117		

Note. Type III Sum of Squares

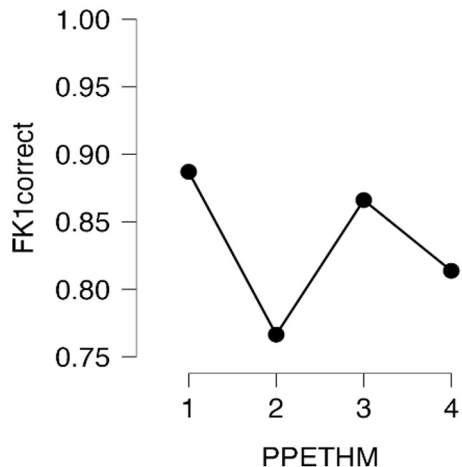
Descriptives

Descriptives - FK1correct

PPETHM	N	Mean	SD	SE	Coefficient of variation
1	4498	0.887	0.317	0.005	0.357
2	685	0.766	0.423	0.016	0.552
3	336	0.866	0.341	0.019	0.394
4	875	0.814	0.390	0.013	0.479

PPETHM(Race Variable)	N	Mean	SD
1 - White (Non-Hispanic)	4498	0.887	0.317
2 - Black (Non-Hispanic)	685	0.766	0.423
3 - Non-Hispanic	336	0.866	0.341
4 - Hispanic	875	0.814	0.390

Descriptives plots



- Evidenced by the table on the left:
 - Historical redlining practices
 - Marginalized/underserved communities
 - Perpetual cycle of financial stagnation



Financial Education and Physical Activity

A person with a higher degree of financial education is more likely to spend their money on health related services, such as:

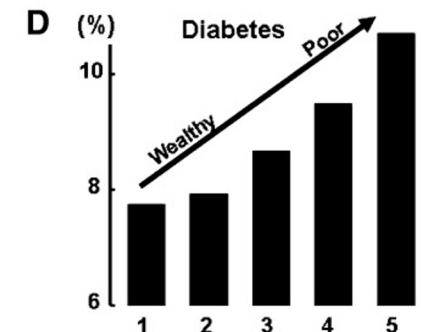
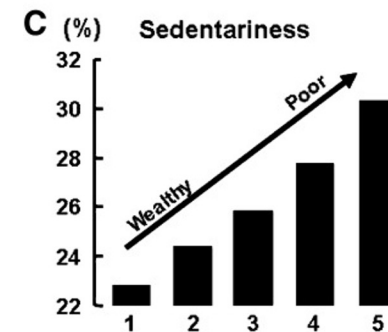
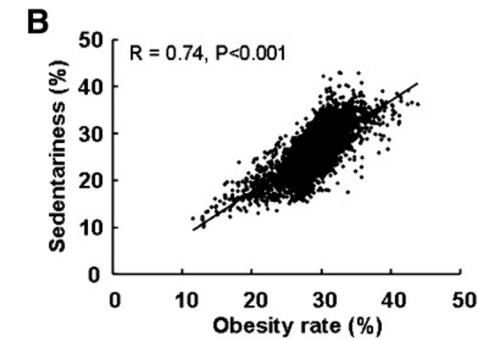
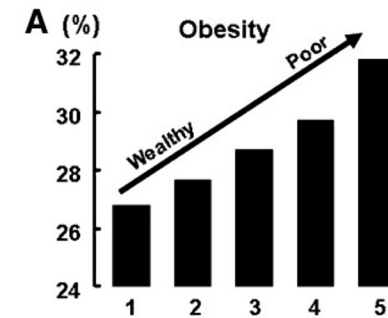
- Gym memberships
- Workout programs
- Meal plans
- Higher quality foods

In many ways, it is a domino effect... with financial education comes more responsible spending which leads to more spendable money which leads to more money spent on health services.



Poverty and Obesity

In a study conducted by James A. Levine of the National Library of Medicine, a stunning correlation between poverty and obesity was found. He found that individuals living in poverty are more prone to obesity and diabetes while also having higher percentages of sedentariness (sitting/not moving)



Knowledge of Financial Organizations

CONSPROTECT2:

How familiar are you with any agencies or organizations that can help you resolve problems with financial services you are using?

1. Not at all familiar 2. Somewhat familiar 3. Very familiar

1. Male 2. Female

1. White(Non-Hispanic) 2. Black(Non-Hispanic) 3. Other(Non-Hispanic) 4. Hispanic

Other(Non-Hispanic) 4. Hispanic

ANOVA - CONSPROTECT2 ▼

Cases	Sum of Squares	df	Mean Square	F	p
PPGENDER	1.664	1	1.664	3.747	0.053
Residuals	2838.773	6392	0.444		

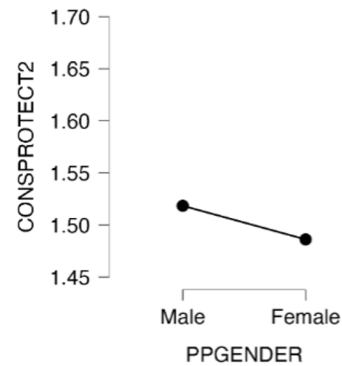
Note. Type III Sum of Squares

Descriptives

Descriptives - CONSPROTECT2

PPGENDER	N	Mean	SD	SE	Coefficient of variation
Female	3042	1.486	0.668	0.012	0.450
Male	3352	1.518	0.665	0.011	0.438

Descriptives plots



ANOVA - CONSPROTECT2

Cases	Sum of Squares	df	Mean Square	F	p
PPETHM	36.716	3	12.239	27.893	< .001
Residuals	2803.721	6390	0.439		

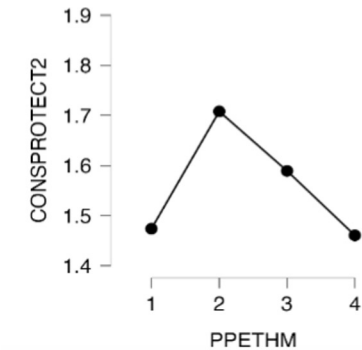
Note. Type III Sum of Squares

Descriptives

Descriptives - CONSPROTECT2

PPETHM	N	Mean	SD	SE	Coefficient of variation
1	4498	1.474	0.646	0.010	0.439
2	685	1.708	0.737	0.028	0.432
3	336	1.589	0.690	0.038	0.434
4	875	1.461	0.671	0.023	0.459

Descriptives plots



Experiences with Financial Organizations

ANOVA - CONSPROTECT1

Cases	Sum of Squares	df	Mean Square	F	p
PPGENDER	11.430	1	11.430	16.625	< .001
Residuals	4394.325	6392	0.687		

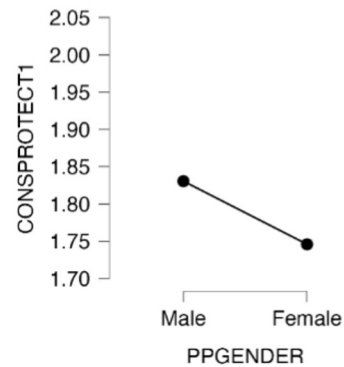
Note. Type III Sum of Squares

Descriptives

Descriptives - CONSPROTECT1

PPGENDER	N	Mean	SD	SE	Coefficient of variation
Female	3042	1.746	0.819	0.015	0.469
Male	3352	1.831	0.838	0.014	0.458

Descriptives plots



ANOVA - CONSPROTECT1

Cases	Sum of Squares	df	Mean Square	F	p
PPETHM	9.692	3	3.231	4.696	0.003
Residuals	4396.063	6390	0.688		

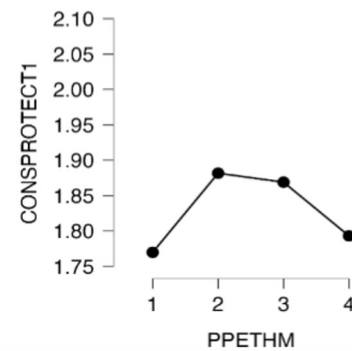
Note. Type III Sum of Squares

Descriptives

Descriptives - CONSPROTECT1

PPETHM	N	Mean	SD	SE	Coefficient of variation
1	4498	1.770	0.801	0.012	0.453
2	685	1.882	0.911	0.035	0.484
3	336	1.869	0.836	0.046	0.447
4	875	1.793	0.901	0.030	0.502

Descriptives plots



CONSPROTECT1:

How often have you had experiences with financial services where you did not feel respected or where you felt mistreated?

1. Never 2. Rarely 3. Sometimes 4. Often

1. Male 2. Female

1. White(Non-Hispanic) 2. Black(Non-Hispanic) 3. Other(Non-Hispanic) 4. Hispanic



The Solution: A Scaffolding Approach

A scaffolding approach utilizes a bottom-up framework that first addresses fundamental content, terminology, and common apparatuses and then transitions into reasoning based framework which can be applied to the real world through hands on experiences.

- **Gradual development:** basic skills → advanced skills
- **Increased confidence:** slowly master new skills over time, gain confidence over time
- **Cultural adaptability:** used to fit the financial needs of the population
- **Information retention:** a gradual approach will help people retain valuable information over time
- **Behavioral changes:** an approach spread out over time, rather than a one-time educational approach, will teach discipline and the value of ongoing skill development
- **Individual success:** a step-by-step approach helps individuals find success, as it is impossible to reach the next step without succeeding in the current step.

The end result of a scaffolding approach is a fully confident and financially knowledgeable population, ready to meet each of their unique socio economic responsibilities..



HEFWA Survey of Financial Wellness Programs



HEFWA Survey of Financial Wellness Programs

- Surveying conducted summer and fall of 2023
 - Interactive completion options via webinar and during Summit
 - Link to complete survey available through HEFWA website
- 55 programs at U.S. colleges and universities provided complete responses
 - Up from 2022 - 48 respondents
 - Still down from 2020 - 157 respondents

Type of institution:

<u>Institution Type</u>	<u># of Respondents</u>	<u>% of Overall</u>
Two-year public	8	14.5%
Four-year public	33	60.0%
Four-year private	14	25.5%
All	55	100%



HEFWA Survey of Financial Wellness Programs

Who Delivers Programs & Services?

- Average # of full-time staff = 1.47 (compared to 1.85 in 2022)
- Average # of part-time professional staff = 0.58 (compared to 0.08 in 2022)
- % of institutions that employ student workers = 49% (compared to 52% in 2022)

“V

<u>Institution type</u>	<u>Employee Type</u>			
	<u>Full-time employees</u>	<u>Student employees</u>	<u>Community partners</u>	<u>Other</u>
Two-year public (n=8)	88%	38%	50%	13%
Four-year public (n=33)	76%	52%	39%	36%
Four-year private (n=14)	79%	36%	0%	43%
All (n=55)	78%	45%	31%	35%

Programming?”



HEFWA Survey of Financial Wellness Programs

Programs & Resources by Institution Type

Programs and Resources	Institution Type			
	Two-year public (n=8)	Four-year public (n=33)	Four-year private (n=14)	All (N=55)
Virtual workshops	63%	88%	64%	78%
Online modules	63%	73%	86%	75%
In-person workshops	75%	67%	86%	73%
Website with tools and resources	63%	73%	64%	69%
FAFSA completion assistance	63%	67%	50%	62%
Financial coaching with staff	50%	64%	57%	60%
Emergency aid	75%	55%	50%	56%
Printed resource materials	50%	61%	21%	49%
Financial coaching with a peer	50%	55%	36%	49%
Food pantries	63%	52%	36%	49%
Hybrid workshops	25%	55%	36%	45%
For-credit personal finance course	13%	33%	21%	27%

**New for 2023:
We asked about Hybrid
Programming!**



HEFWA Survey of Financial Wellness Programs

Key Findings

- Full-time staffing down and part-time staffing up compared to 2022
- Hybrid programming is becoming widespread
- Topics provided in workshops are varied - but there is a growing emphasis on long-term planning
- No statistically significant relationship between institutional enrollment and staffing or student program interaction

Looking Forward to 2024

- Monthly Briefs to help further digest research findings
- 2024 administration of the Survey with increased number of respondents



DISCUSSION AND CONCLUSION

- Peer mentoring research, CFPB research, HEFWA survey
- **Common threads:**
 - Accessibility and access to information: Who has access to what and how?
 - Support of financial education
 - Some groups minoritized by financial systems: How can higher education help?
 - Differentiated impacts based on individual identity: Financial experiences are not uniform and cannot be generalized
 - The role of peers, family, and other stakeholders in individuals' development of financial wellness: How do individuals develop financial wellness?



Access the Full
HEFWA Survey Report Here:



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