



FINANCIAL LITERACY FOR THE COLLEGE STUDENT Program Guide

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The program guide is intended as a rough outline for the topic and can be adapted as you see fit to meet the needs of your program, students/clients, or situation. The guide also includes copy-permissible activities as a supplement to instruction. **Please note that color handouts are copyright protected and duplication in any form is strictly prohibited.** See our website www.dreamcatchercurriculum.com for additional info, updates and new curriculum topics.

➡ **BEFORE YOU BEGIN:** This workshop requires minimal prep, however, it is strongly recommended that you read and review the program guide along with the handout before meeting with students.

FINANCIAL LITERACY OBJECTIVE & INCLUDED TOPICS:

To familiarize college students with basic financial literacy terminology and concepts, including tips on how to be financially savvy during college and throughout adult life; *Earning Money While in College, Money Management, Saving Money, Investments, Building Credit, Budgeting Strategies, Financial Planning, Fraud Protection*

BEFORE THE WORKSHOP/SESSION:

This workshop is designed for any level of college student and serves as an introduction to financial literacy concepts that are necessary for responsible money management during college and throughout adult life. The knowledge gained during the session should set your students/clients on the path to better, more informed money management decisions, providing a broad overview of financial matters. To supplement the workshop, you might consider inviting guest speakers from area banks or financial planning organizations to discuss the subject matter in more depth.

DreamCatcher Extra: See the *Resources* tab on the DreamCatcher website (www.dreamcatchercurriculum.com) for a blank template of a budget sheet. Feel free to make copies for each participant before the workshop.

STEP ONE TIME: 5-10 MINUTES

Introduce the topic of financial literacy by asking your group of students/clients: *When thinking of your life beyond college, what are some things you'd like to do that will cost money? What about later in your adult life, what "big-ticket" items will require a substantial amount of money?* Allow time for responses, then ask: *How will you get enough money to buy the things you want in life? How many of you will have student loan payments that will be part of your monthly budget? How many of you currently use a monthly budget?*

To further introduce the topic, you could provide a few facts related to money. Note that the financial repercussions of the COVID pandemic are not reflected in these studies, but could negatively impact the financial security of many Americans going forward. (Sources: *Report on the Economic Well-Being of U.S. Households*, U.S. Federal Reserve, 2019; *Northwest Mutual Planning & Progress Study*, 2018)

- 17% of American adults are not able to pay their current month's bills
- 27% of American adults would need to borrow or sell something to pay for an unexpected expense of \$400
- 25% of American adults have no retirement savings or pension
- 1/4 of adults in this country have skipped necessary medical care in the last year because they could not afford the cost
- Only 36% of non-retired adults think their retirement savings is on track
- \$42,000 = the average debt of 25-34 year-olds (most of which comes from credit cards, not student loans)

Follow up by asking *Why do you think Americans struggle with financial matters in general?* Transition with this statement: *Now that you have greater insight into how average Americans fare with financial responsibility, it's time to find out how YOU can be financially literate during and after college.* Distribute the *Financial Literacy for the College Student* handout.

FINANCIAL LITERACY FOR THE COLLEGE STUDENT Program Guide



STEP TWO TIME: 20 MINUTES (OR AS TIME PERMITS)

Move through the handout as a group, briefly covering the content as time permits for your session. Pause as needed to cover critical items that could use further discussion or explanation. When covering budgeting, you might suggest: *Before you start a budget, get a baseline of your spending habits by tracking everything you buy for a month or two. This will take some dedication, but it will be helpful in setting up your budget for anticipated expenses.*

DreamCatcher Extra: Also available on the *Resources* tab on the DreamCatcher website is an auto-calculating electronic version of a budget sheet. Encourage participants to visit the website to save the budget document for personal use.

STEP THREE TIME: 10-15 MINUTES (OR AS TIME PERMITS)

For a brain-friendly activity that reinforces the financial concepts addressed throughout the handout, challenge participants to a Do's and Don'ts assessment. Photocopy the *Financial Literacy for College Students* activity sheet (see the included copy permissible sheet with this guide) and distribute individual copies for the personalized activity. Read aloud the list of financial literacy statements one at a time, having participants determine if they believe the statement to be a **Do** (Bank on It) or a **Don't** (Go Bust). Once the correct answer is determined for each statement, provide instruction to either put a **checkmark** (Do) or an **X** (Don't). If time permits, participants can jot down some of the financial tips below on the back of the sheet. Writing down new concepts pencil-to-paper helps seal new learning into long-term memory.

Financial literacy tips for optional writing or discussion activity:

- | | |
|---|---|
| I will pay off my credit card in full each month before the due date. | If I cannot pay the full credit card bill, I will pay more than the minimum amount. |
| Know the due dates of all bills and pay them on time. | Late payments could affect my credit score and financial standing. |
| I should only use 25% of my total credit available. | Don't use credit cards for cash advances; cards charge big fees for cash withdrawal. |
| I need to review every single charge on my bill statement. | If something looks suspicious on my account, I'll alert the bank immediately. |
| Always read the fine print on credit card applications. | Shop around for a credit cards with low APR, fixed rates, and other benefits/rewards. |
| I won't divulge my PIN or loan my credit/debit cards to anyone. | Social security cards need to be stored in a safe place (not carried in my wallet). |
| I should memorize PINs; not carry numbers written down. | I will set an amount for savings in my budget and consider it like a fixed expense. |
| Take advantage of online banking to make automated payments. | Keep some credit cards open (even after paying off) to help improve my credit score. |

STEP FOUR TIME: 5-10 MINUTES OR TIME REMAINING

To wrap up the session with a light activity, poll participants on how familiar they feel with writing paper checks. Remind the group that check writing and cashing is still very much required for managing money (as not all bills can be paid online). Practice check writing with the included copy permissible sheet of "checks" cut to individual size. Distribute a few checks to each participant. Give a stated reason for writing the check, such as, "You owe me \$17.59 for a ticket to the basketball game." Students should write out the check (if you covered the check writing portion of the handout, challenge them not to peek at the instructions provided) then follow-up with the correct way to have written the check. Repeat check writing scenarios, as time allows. Stress the importance of knowing how to *write* (in cursive) a personal signature for many official reasons: checks, financial aid acceptance, contracts, legal forms, leases/mortgages, deeds, car titles, medical forms, etc.

OTHER DISCUSSION POINTS

Be sure to point out the free financial planning resources at the websites listed on the back of the handout. For detailed info about money management and financial matters, students could check-out www.themint.org, which is an excellent resource for college students (different from www.mint.com, which provides free budget planning). With a topic this important, it would be worth inviting *multiple* guest speakers from area banks, financial planning organizations, or campus financial aid personnel to share their expertise with students/clients. You might also recommend (or find out if your institution is enrolled in) **CashCourse**, offered free through NEFE (National Endowment for Financial Education).

FINANCIAL LITERACY FOR COLLEGE STUDENTS

DETERMINE IF THE STATEMENTS BELOW ARE SOMETHING YOU SHOULD DO (BANK ON IT) OR NOT DO (GO BUST).

PUT A CHECKMARK FOR BANK ON IT STATEMENTS AND AN "X" FOR GO BUST STATEMENTS.

BANK ON IT. GO BUST!

- Only pay the minimum payment due on your credit card each month.**
Know the penalties for missed payments on your credit card.
- Assume that a few days late on payment won't affect your credit.**
Use only 25% of the credit available to you.
- Get a cash advance from your credit card at an ATM.**
Pay your credit card bill without verifying every single charge.
- Sign up for a credit card without reading the fine print.**
Shop around for a credit card with the lowest APR.
- Allow someone else to use your debit or credit card because they'll pay you back.**
Carry your social security card with you at all times.
- Consider savings as a fixed expense in your budget.**
Write down your PIN and carry it with your credit or debit card.
- After paying off a credit card, close the account to avoid temptation.**
Any remaining money from your budget each month should be set aside for future expenses or emergencies.

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Your Name
Any Street, Anytown
Tel: (001) 555-0000

DATE _____

PAY TO THE ORDER OF _____ \$ _____

100 DOLLARS

 Security features included. Details on back.

Savings Bank
Any Street, Anytown
Tel: (001) 555-5555

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
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
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