

AN EVALUATION OF FINANCIAL LITERACY AND AWARENESS OF \$AFE AT MONTANA STATE

December 5, 2005



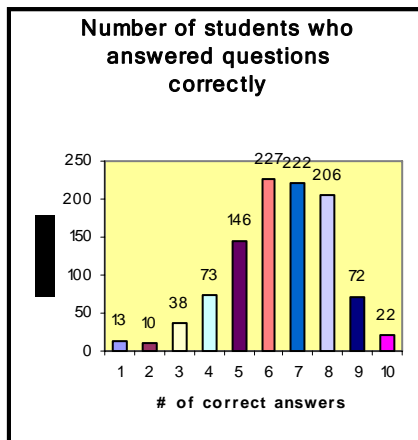
RESULTS AND CONCLUSIONS

After a thorough analysis of the collected data, we would like to report the following:

- High school seniors completing the Jump\$tart survey scored an average of 52.3% correct answers.
- MSU college students completing this survey scored an average of 63.7% correct answers.
- 655 MSU students answered six to

eight questions correctly.

- Out of the 1,035 students, 340 are aware of \$AFE, with eight students utilizing the



services.

- Of the 340 students, males scored statistically higher than females.
- Students indicate parents and life experience as primary sources of knowledge.
- The majority of students reported that their finances caused them stress sometime during the semester.

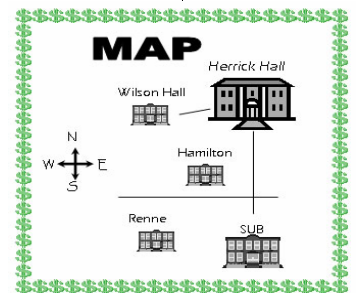
PURPOSE

The purpose of this evaluation is twofold. We are interested in determining the level of knowledge regarding financial literacy among MSU students.

Secondly, we want to determine if MSU students are aware of \$AFE and if they are using the service.

These goals and objectives were

of interest to \$AFE's project manager. Our stakeholder worked closely with us to develop survey questions that would pertain to these goals.



Seven states, up from four in 2002, made personal finance a requirement for high school graduation in 2004. Nine states require testing in personal finance.

The National Council on Economic Education, NCEE
2004 Survey of the States

EMPIRICAL DATA

Our sample is a quantitative, stratified random sample by college at MSU. 50% of the student body was chosen from each college and combined to create the total sample size. This resulted in 6,239 students who would receive our survey through email. Out of these students, 1,035 participated in our survey, giving us a response rate of 16.5%.

The survey was emailed three times, using SurveyMonkey and a listserv created by the Information Technology Center (ITC) on campus. The dates and

number of responses at the end of those time frames are as follows:

- November 3: 466 responses
- November 9: 846 responses
- November 16: 1,035 total responses

After all the responses were received, the results from were downloaded into SPSS and coded. This entailed recoding for those participants who skipped questions. If students skipped a question (1-10 on (the financial questions), those responses were recoded as

wrong answers. If students skipped a question (11-22 demographics and \$AFE questions), those responses were recoded to the mode of the particular question. Only after the recoding process, could frequencies be run and statistics considered.



LIMITATIONS

Perhaps one of the biggest limitations was time. If there had been more time to disseminate the survey, maybe we would have received more responses. These additional responses could add insight, as well as greater generalizations.

Another limitation was the new university email system. We wanted to create an

aesthetically appealing survey notice with pictures and logos. Unfortunately, this new system wouldn't allow for such. It took the expertise of an ITC staff member to create the desired email for the first mailing. Unfortunately, this made the data file so large, most filters deleted it as Spam. The second and third surveys did not include graphics and the response rate

improved .

The university system also blocked access to SurveyMonkey for students using university computers.

A large percentage of graduate students may have influenced our results. Because of their status, it can be assumed that these students will have greater financial knowledge

CRITIQUES AND IMPROVEMENTS

One pertinent critique is that of the survey tool. Our financial questions were adopted from a money quiz from the Jump\$tart organization. It has been argued that perhaps this quiz is not a valid measure of financial literacy. The author of the quiz notes that there is little

improvement in the results when financial education programs are implemented. Is this the right tool to assess financial literacy? Maybe not.

All but one of our survey questions were quantitative. Adding qualitative questions could provide greater insight for

\$AFE and possibly to our evaluation.

By researching other sources, perhaps a more sound and valid survey tool could be developed.

RECOMMENDATIONS

After completing the evaluation, we feel that there are several recommendations that \$AFE may find helpful.

First, we feel the program should contact orientation leaders. Incoming freshman will be exposed to \$AFE and its available services. This way, new students will be aware of the service earlier

in their collegiate careers. We also recommend sending informational brochures to prospective students and/or parents to inform them as well.

We feel that all publications regarding \$AFE should include the location along with a map indicating where Herrick Hall is located. Many students are not

familiar with this building.

Perhaps operating in the evening would allow students more time to visit the office.

We also feel that \$AFE should work on differentiating itself from the Student Assistance Foundation (SAF).

CONTACT INFORMATION

If you have any questions regarding \$AFE or this evaluation, please feel free to contact \$AFE in the following ways:

- Telephone: (406) 994-7223
- Fax: (406) 994-2013
- Mailing address: 210 Herrick Hall, Bozeman, MT, 59717
- Email: safe@montana.edu

You may also contact the evaluators through the following email addresses:

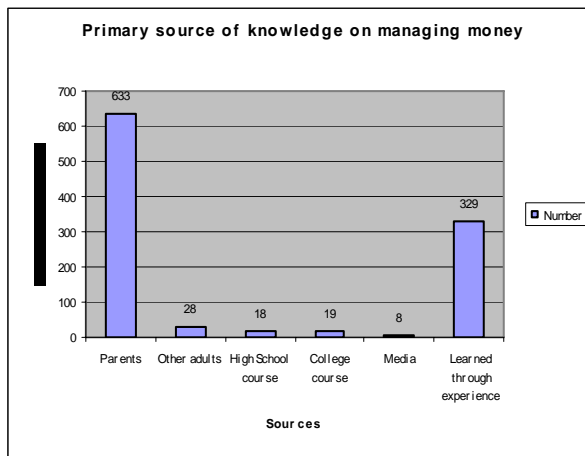
- Elizabeth Curry: fowler37@yahoo.com

- Renée Goyette: reneekarjala@netzero.com
- Artyce Lizotte: lizotte@montana.edu

87% of college students rely on their parents for financial guidance. 98% of college students say they have learned about money management through their own experiences with money.

Capital One, Capital one's annual back-to-school survey reveals family falling short as key source for students' Financial Know-how, July, 29, 2003.

This graph represents our data.



STUDENT ADVOCATES FOR FINANCIAL EDUCATION

\$AFE is a **FREE** financial counseling service to students who are seeking help managing money. Our Student Peer Counselors are family and consumer science graduates who have completed training in financial

counseling. \$AFE's services include:

- One-on-one assistance with money management, spending plans, credit card management, and life in and after college information;
- A resource library of

consumer and financial publications;

- Presentations for student groups.

45% of college students are in credit card debt, with the average debt over \$3,000

Credit Card minimum Payment Warning Act, May 21, 2004

Information obtained from: www.safe.montana.edu/