

Student financial education center: A library/student startup for financial literacy

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Abstract

This paper, based on the author's presentation of the same name, discusses a financial literacy partnership between an academic library and a student organization at Penn State University as a startup. The Student Financial Education Center is a peer-to-peer financial education program, a new-to-libraries model for financial literacy delivery and partnership that was discovered to be more easily and effectively managed when viewed as a startup—an "organization formed to search for a repeatable and scalable business model" (Blank, 2010) that is "creating something new under conditions of extreme uncertainty" (Matthews, 2012). Through the Student Financial Education Center, Penn State University Libraries has had the opportunity to search for a repeatable, scalable model for the financial education of college students and to explore the potential new role for libraries as a partner in student-driven initiatives that support engaged scholarship, lifelong learning, and the overall well-being of students.

Keywords

- financial literacy
- financial education
- startup
- partnership

While financial literacy has always been an essential skill for college students, it has gained more attention on campuses in recent years as an essential literacy for the 21st century, and more and more academic libraries have become involved in financial education in a variety of ways, from creating resource guides to teaching credit courses. Through the Student Financial Education Center, a pioneering partnership between a library and a student organization, Penn State University Libraries is exploring a new way for academic libraries to impact the financial well-being of students: peer-to-peer financial education. In this model, finance students volunteer to serve as Peer Educators. They are trained in a curriculum that covers budgeting, student loans, and credit. After completing training and passing exams, the students are eligible to meet with other students for one-on-one financial education sessions and to deliver personal finance presentations to groups of peers. Student Financial Education Center Peer Educators offer one-on-one financial education appointments in a dedicated room in the Penn State University Libraries' Schreyer Business Library office suite. In this private space, students have the opportunity to talk about money, a notoriously difficult-to-discuss topic, with a knowledgeable and trustworthy peer.

Because this peer-to-peer financial education program involves models for partnering and for financial literacy delivery that are new to libraries, conceptualizing the Student Financial Education Center as a startup has proved to be an effective method for understanding and managing the challenges faced in the development and operation of this innovative program, which opened in January 2014. Recent literature has urged libraries to "think like a startup" (Matthews, 2012, p.1). Matthews argues that libraries can model and embrace this culture to manage change and transform into vital centers for 21st century teaching, learning, service and research. Defining startups as "organizations dedicated to creating something new under conditions of extreme uncertainty," Matthews provides a flexible and inclusive definition with room for libraries to imagine themselves and their

programs and services as startups, which he explains is a useful viewpoint at a time that is uncertain and therefore “ideal for launching new products, programs, and partnerships” (p. 4). Another often-used definition for a startup is “an organization formed to search for a repeatable and scalable business model” (Blank, 2010). This model is subject to change as the organization works to find the model that can replicate success again and again, however the organization defines success. Through the Student Financial Education Center, Penn State University Libraries and its partner can be seen to be participating in a search for a repeatable, scalable model for the financial education of college students and to explore the role of libraries as a partner for student-driven initiatives for engaged scholarship, lifelong learning, and financial well-being.

Peer-to-Peer Financial Education

A peer-to-peer model has been shown to be a viable alternative to financial education delivered by staff or faculty members. Research by Maurer and Lee showed that learning gains achieved in short-term sessions taught by peers were comparable to learning gains in semester-long courses taught by professors (2011). Explanations for the learning gains in the peer sessions may include the possibility that a relaxed and informal setting encourages more questions than the classroom environment, and that students attended peer sessions based on their own needs and by their own volitions rather than to meet academic degree requirements. Maurer and Lee also suggest that students find it easier to relate to a peer. Goetz, Durband, Hailey and Davis are in agreement about peer-to-peer financial education, noting that social learning theory supports the explanation that students learn best from those they view as relatable and comparable to themselves and their situations (2011). The peer educators also benefit from their involvement in these programs through the development of leadership abilities, subject knowledge, and influence on positive change (Goetz, Durband, Hailey & Davis, 2011). Participation as a peer educator in some scenarios may also offer other benefits such as course credit, a part-time wage, an

enhanced resume, or an opportunity for engaged scholarship.

Given the potential benefits of a peer-to-peer approach for students, several universities and colleges have established peer-to-peer programs to support the development of campus financial literacy. One long-running example is the Red-to-Black program at Texas Tech University, which began in 2001 with financial planning students serving as volunteer peer educators and is now situated in the university’s Division of Undergraduate Education & Student Affairs (Texas Tech University, 2015). The program includes peer-led group presentations and one-on-one peer financial coaching sessions. Another more recently established program is the Scarlet and Grey Financial program at Ohio State University, a peer-to-peer model that is housed in the Office of Student Life’s Student Wellness Center (Ohio State University, 2015). The program centers on one-on-one peer financial coaching and group presentations to peers. Other examples of peer-to-peer financial education programs at universities include Kansas State University’s Powercat Financial Counseling (Kansas State University, 2014), and the Peer Financial Counseling Program at University of Georgia (University of Georgia, 2014).

Academic Libraries and Financial Education

While peer-to-peer models have been housed in a variety of campus units, library literature does not reveal any peer-to-peer financial literacy programs situated in academic libraries, other than the Student Financial Education Center at Penn State University Libraries. This is not because academic libraries have not embraced the peer-to-peer education model in other areas, such as peer reference and tutoring, nor because academic libraries have not been involved in campus financial literacy initiatives. Rather, library literature provides several examples of academic libraries and librarians taking active roles in financial literacy, such as identifying objective and current personal financial information resources (Livengood & Venditti, 2012), and teaching credit courses for first-year undergraduate students on financial and information literacy (Li, 2012). More examples of academic library engagement in financial education

efforts have emerged since financial literacy was identified as the presidential focus of the Association of College & Research Libraries (ACRL) division of the American Library Association (ALA) in 2013. “Libraries and Financial Literacy Education,” the presidential column series that ran in College & Research Libraries News, offers many examples. For instance, the column series highlights academic library and librarian involvement in course-related and non-course-related financial literacy instruction on scholarships and money management strategies (Roggenkamp, 2014), and collaborations with other units and programs such as a first-year experience program, a career center, and a campus financial literacy program (Jagman, Lewis, Nunn & Walter, 2014).

In 2014, a record number of academic libraries participated in Money Smart Week @ Your library, an initiative of ALA and the Federal Reserve Bank of Chicago that previously saw more involvement from other types of libraries than from college and university libraries (Dawes, 2014). Money Smart Week @ Your library encourages libraries to host at least one financial education program during a specific week in April to support development of money management skills in their communities. The increasing number of academic libraries participating in Money Smart Week @ Your library suggests a continuing trend of library involvement in the financial literacy of college students.

Creating an online guide of reliable financial resources and hosting programs were two of the ways the Penn State University Libraries first became involved in campus financial literacy activities. The momentum of these initial efforts and the financial literacy trend on campus led to the creation of MoneyCounts, a monthly financial literacy program series hosted by the Penn State University Libraries at its University Park campus in collaboration with the Commission for Adult Learners. The financial literacy coordinator of the Commission for Adult Learners develops and presents the MoneyCounts programs, often in collaboration with other experts from campus and the community. The audience of the program series primarily includes traditional undergraduate students, adult learners, and graduate students.

With an established suite of resources and workshops to help college students develop and maintain their financial well-being, Penn State University Libraries became known for its interest in financial literacy on campus and presented itself as an attractive, innovative, potential partner for other campus groups interested in the financial education. A member of the University Park Undergraduate Association, the undergraduate student government, approached Penn State University Libraries with the idea to develop the peer-to-peer financial education program, the Student Financial Education Center.

Because the program was the first of its kind at Penn State and, according to a review of the literature, a first of its kind in an academic library, Penn State University Libraries was faced with the first question that springs to mind with any new and innovative idea: why has this not been done before? The tone of this question and its answer depends on individual or institutional approaches to risk and change. Risk- or change-averse thinking leads to answers focused on the reasons not to engage in a partnership for peer-to-peer financial education, such as the lack of personal finance or financial planning expertise in the library organization. This line of thought can also lead to the conclusion that this type of program never having been attempted in libraries suggests that it best not be tried in Penn State University Libraries. Those with more of an open mind to innovation ask the question of “why has this not been done before?” in bewilderment, noting that Penn State University Libraries is a high-traffic, student-centered space where peer-to-peer models are already in use in the library’s peer tutoring programs for academics and technology. These reasons support a decision to follow through on something new and are more in line with the innovative thinking associated with startups.

In deciding whether or not to move forward with the Student Financial Education Center, Penn State University Libraries used a measured combination of both risk-averse and forward-thinking views to come to the conclusion to move forward. While the start up of any new endeavor is accompanied by risk, the Student Financial Education Center was worth pursuing because of the reasons above, as well as the opportunity to serve as an incubator for the ideas of

innovatively minded students and student groups. The program presented an opportunity to determine if a peer-to-peer financial education program was a viable, repeatable, and scalable model for financial education in libraries and to explore the value of forming close partnerships with students and student groups.

Developing the Core Program

In the process of developing the Student Financial Education Center, the partners working on the program created some plans, policies, and protocols that were revealed to be impractical and unneeded after the grand opening of the Center. This suggests that the partners were not fully embracing startup thinking, at least not “lean startup” thinking at the onset of program development. A primary principle of a lean startup is the focus on developing a minimum viable product to test on the target market and to learn from in order to move forward (Ries, 2011). The partners of the Student Financial Education Center spent time developing aspects of the program beyond the minimum that were later determined to be unnecessary. However, despite the unessential pieces that were later discarded or altered to meet changing conditions, the development phase included the creation of core elements that have remained stable and vital to the Student Financial Education Center thus far. These elements were created by modeling or making adjustments to other peer-to-peer financial education programs.

Penn State University Libraries and the University Park Undergraduate Association looked closely at the model set forth by the Red-to-Black program at Texas Tech University. Reviewing the Red-to-Black program’s website and consulting with the program’s directors, as well as studying other student financial literacy program literature, provided essential help in determining the needed legal documentation and student information intake forms. The documentation examples offered by the Red-to-Black program served as templates for the Student Financial Education Center’s forms, which were approved by the Risk Management Office at Penn State University. Literature on peer-to-peer financial education programs also provided help in evaluating

the needed space and staffing for this type of service (Durband & Britt, 2012). With this guidance, the Student Financial Education Center determined that to get started it needed at least a small, private office space and a well-trained staff of student volunteers under the supervision of faculty and staff advisors.

Existing literature on peer-to-peer financial education programs offered direction on what topics should be the focus of Student Financial Education Center Peer Educator training and service. Grable, Law, and Kaus reference a survey of campus financial education programs that showed that the most frequently requested topics for individual financial counseling included cash management/budgeting, student loan repayment, establishing and maintaining credit, and reviewing credit reports (2012). A significant difference between a peer-to-peer financial education program in non-library setting and one in a library is the potential to make use of in-house subject expertise that would be available in an academic unit related to personal finance, or in student services, bursar or other units that may include financial aid activities. As an operation within a library, the Student Financial Education Center needed to develop a new way to access the expertise needed to train the students in these topics. Penn State University Libraries and the University Park Undergraduate Association looked to local experts for assistance in developing the training curriculum, finding ready partners in a professor of consumer issues and the financial literacy coordinator responsible for the aforementioned MoneyCounts program series. The two became advisors to the program, and worked to develop and teach the Student Financial Education Center Peer Educator curriculum, focusing on the core competencies of budgeting, student loans, and credit matters, which match up well with the top individual financial counseling topics noted by Grable, Law and Kaus. The initial group of Peer Educators completed a twelve-hour training on budgeting, student loans, and credit matters over a period of two days, and passed an exam to show their proficiency in these topics. While the training format has changed to fit current needs, the core areas of financial knowledge covered in the training and in the Student Financial Education Center’s service offering have remained the same.

An area that existing literature on peer-to-peer financial education did not prepare the Student Financial Education Center for was the development of a training on “Education vs. Advice.” The library setting offered an ideal environment for developing this unique adjustment to existing peer educator training models because of an understanding of the subtle challenges of providing unbiased, helpful information rather than advice that one may not be qualified to give. Librarians that deal with financial, medical, or health information may be particularly sensitive to this issue. While the legal documentation developed for the Student Financial Education Center includes a Consent and Release form signed by student participants that makes clear that the Peer Educator is not a licensed financial professional and cannot provide investment or legal advice, the Penn State University Risk Management office requested further assurance that the Peer Educators themselves understood the limitations on what service they could provide to their peers. Peer Educators needed to understand the difference between education and advice for both legal and ethical reasons. The session, which was developed and taught by a librarian, aimed to clarify the seemingly blurry line between education and advice using videos from Money Matter\$ Pro (New York Public Library), and scenarios created by the librarian. The scenarios prompted discussions direct requests for advice, continuous pressure to provide advice, and other situations the Peer Educator could encounter during their appointments with other students, and strategies to manage these challenging situations.

The core elements of the Student Financial Education Center comprise the space, student staff, key areas of financial knowledge, and specialized training in education versus advice. While all are expected to remain stable elements for the duration of the organization’s operation, the Student Financial Education Center has a mission to offer high quality service to ensure that students have access to needed information for financial stability. To fulfill this goal and find the best model for financial literacy delivery and partnership, the Student Financial Education Center may even have to make adjustments to its core

elements as it did to other aspects of its model after it began operating.

Operating like a Startup

The usefulness of viewing the Student Financial Education Center as a startup became remarkably clear after the center opened. The day-to-day challenges of operating the program needed to be handled with flexibility, rather than the plans, policies, and protocols conceived during the development phase. Problems needed to be addressed through quick assessments and adjustments for the program to continue. Matthews looked at usability, feasibility, and value as the key qualities that startup ideas need to survive (2012). While overall the Student Financial Education Center exhibited these attributes, each of these characteristics was lacking in the design of some of its elements and new ideas needed to be implemented to correct the problems.

The first issue was with the usability of the process that students and Peer Educators followed to make one-on-one appointments. While many students set appointments with Peer Educators during Financial Education Week, a week of events intended to hype up students for the grand opening of the center, very few of those students showed up for their scheduled appointments. After assessing the problem, the Student Financial Education Center and its partners determined that the flaw in the appointment process was the lack of communication between Peer Educators and students from the setting of the appointment to the appointment itself. Upon this realization, Peer Educators began sending reminder emails to students, a key change that significantly reduced the number of no-shows.

The Student Financial Education Center encountered a feasibility problem with the training program when it came time to educate new members. More students were going to be trained in the second group of Peer Educators than in the first. A twelve-hour block of training time that everyone could attend could not be found. A new, flexible, self-guided training was devised using materials from the original curriculum, as well as online video recordings of financial education lectures, mock appointments with Peer Educators, and one-on-one appointments with

Student Financial Education Center advisors. The new approach to training made it feasible to educate Peer Educators at scale. As an additional benefit, the students had the opportunity to digest and learn the information at their own pace, which may have been a reason for improved scores on the assessment portion of their training.

While the Student Financial Education Center has not yet proven its overall value, with the number of appointments with individuals making up a very small percentage of total student population, the program's value to the students that participate as Peer Educators provides ample reason to continue this startup and this search for a model of peer-to-peer financial education that best serves the larger student population. The value of the program to Peer Educators was assessed through informal individual interviews during a lull in appointment activity and waning Peer Educator interest and engagement. The students identified the reasons they decided to become Peer Educators, which included to learn, to help others learn, to develop professional skills, build a resume, and to be part of something from the beginning. Revisiting these reasons and realizing that they had the opportunity to be a part of something from the beginning was a step towards the Peer Educators themselves "thinking like a startup" that encouraged re-engagement with the program and appreciation of its value to them.

Conclusion

The Student Financial Education Center can be seen as an attempt to discover a new way for libraries and students to support campus financial literacy in partnership. This view of the peer-to-peer program as a startup allows for the Student Financial Education Center's successes and failures to be better understood and managed. In retrospect, the development phase of the Student Financial Education Center could have run smoother and more efficiently if the organization was consciously operating as a startup at that time. While there was an awareness of the risk and possibility of failure at the onset of program development, there was not a full embrace of startup thinking and culture. Once the Student Financial Education Center opened, it became clear

that this unique program needed to be treated like a startup, with a model that could be altered and adjusted to discover and meet needs. Going forward with this mindset, the Student Financial Education Center is poised to continue its search for the best way for libraries to partner and provide financial literacy opportunities for students.

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