

# Postsecondary Education and Financial Literacy: Trends, Truths and Tips



**Dan Iannicola, Jr.  
President & CEO**

***HEQCO Fear of Finance Conference***  
**Toronto, Ontario**  
**November 3, 2011**



# What We'll Cover

- ❑ 1. Trends in Financial Literacy
- ❑ 2. Truths in Financial Literacy
- ❑ 3. Tips for Postsecondary Programs
- ❑ 4. The Big Picture
- ❑ 5. Why this Matters



# Trends in Financial Literacy

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# Trend # 1: Behavioral Economics

- Social, cognitive and emotional factors influence financial decisions
- Findings can be applied in:
  - Designing programs
  - Offering defaults
  - Drafting regulations



## Trend # 2: *Edutainment*

- Video games
- Money-themed television programs
- Contests
- Specialized lotteries



# Trend # 3: Robust Program Evaluation & Research

- Some is better than none
  - Utilization Model
  - Pre vs. Post
- Behavior change is gold standard
- Control groups are key
- Using failures to achieve successes

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# Trend # 4: Workplace Financial Education

- Underutilized venue
- One of the best ways to reach adults
- Beneficial to employer as well as employees



# Trend # 5: Product-Centric Financial Education

- Just-in-time
- Appears automatically
- Timely information, not a full lesson
- Very brief - only what is necessary
- Customized





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# Truths in Financial Literacy

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# Truth # 1: Trust is Key

- Teach fact, not fear
- Goal is a skeptical, not cynical consumer



## **Truth # 2: Lessons Should be Rooted in Concepts**

- Concepts first
- Follow with vocabulary and numeric lessons
- Financial concepts are universal and timeless



# Truth # 3: Role of Parents

- What's their job?
- *Protecting* from reality vs. *preparing* for reality
- A parent should be a *coach* not a *concierge*
- When a students goes to university, the whole family goes



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# Three Lessons Learned (and Misapplied)

- 1. Student debt is ok because college/trade school pays for itself**
  - All debt is ok regardless of type, terms or amount
- 2. The future is bright**
  - I'll be rich and have no expenses
- 3. Hard work is good**
  - I can always earn my way out of over-consumption



# Know Your Audience

- Can't be judgmental
- Peer learning is best
- Discovery/surprise
- Entertain me
- Five years = forever
- Consumerism is gravity
- Government is trusted source





# Tip # 1: Think Strategically

- Brainstorm, but then focus
- Develop a plan, incorporate metrics/opportunities to adapt
- Avoid “*Why don’t we...*” campaigns
- More ideas doesn’t necessarily mean more success
- Managing is choosing



## **Tip # 2: Working with High Schools**

- When “free” is not free
- Supplement, don’t supplant
- Long term partnerships



## Tip # 3: **Belonging is Critical to Persistence/Retention in Post-Secondary Education**

- It's *not* about education
- Different ways for different students
- Carries over to program level



## Tip # 4: *Deploy Technology Don't Just Use It*

- No attendance prizes in cyberspace, the Blogosphere, the Twitterverse, or on YouTube
- Be purposeful or be gone
- & keeping up with the Joneses is not a “purpose”
- Youth ≠ Web 2.0 Expert



## Tip # 5: Brand Selectively

- Set pride aside
- Frequently your purpose should be your message, not your name
- If I don't know my problem, I can't recognize your solution



## Tip # 6: Presume Audience Indifference

- Find them where (& when) they are
- Realize your competition
- Shake your bias, and envision your own irrelevance
- Prove  $2+2=4$
- Plan your program's funeral to avoid its death



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# The Big Picture: Who is in it??

- Policy makers
- Researchers
- University staff
- High school counselors/teachers
- Program developers
- Families / Students
- *YOU!*

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**(202) 747-9490**

**dan.iannicola@FinancialLiteracyGroup.com**

**FinancialLiteracyGroup.com**