In a time of rising student debt for American graduates, there is a nationwide consensus that students should be educated on financial matters. Paradoxically, however, no such consensus exists as to how or where that education should come about. “There’s been a real crisis of responsibility on this issue,” says Emily Hester, Assistant to the Vice President for Student Life and Enrollment at Louisiana State University (LSU). “Is financial education the responsibility of the parents at home, the school system, or the colleges? Finances are such a personal issue,” she adds, “that there is a tendency to perceive financial education as a sort of intrusion. Higher education has been leery of tackling it.” In a climate of uncertainty, LSU has stepped boldly to the forefront, taking a proactive approach toward helping its students handle their finances.

Leading from the Front

In 2009, the university cut the ribbon on its Cale P. & Katherine Smith Student Financial Management Center (SFMC). Its mission: to help students create and maintain financially responsible behaviors by providing resources and educational opportunities. The center provides financial-literacy education in a variety of ways: one-on-one counseling appointments that help students navigate everything from money management to salary negotiation; workshops in conjunction with student organizations; presentations at orientation sessions; on-campus games and activities; a student ambassador program to spread the word about financial literacy; and social media outreach on Facebook and Twitter, including online prizes and giveaways. “We try to make our activities fun and engaging, so that students
think of finances as something they can learn about, rather than be intimidated by,” says Raylea Barrow, a graduate assistant at the SFMC.

Online education is another linchpin of LSU’s financial education efforts. The University is in the fourth year of a partnership with EverFi to make its Transit Financial Wellness Program an integral part of their students’ first-year experience. In contrast to some other schools, LSU freshmen complete the program in the spring semester, once they’ve had time to digest the orientation information and have had an initial experience of managing finances on their own.

“We were looking for another way to get our message out to all students,” says Hester. “EverFi’s program gives us the opportunity to connect with all of our first-year students and, eventually, every single student at the university.” Feedback from students regarding EverFi’s Transit program has also been positive. “They learn things they wouldn’t have thought of previously, whether it’s how to manage loans or how to handle credit,” says Barrow. “To have all that in one program that only takes an hour or so to complete is different and interesting to them. Plus, they find the interface very easy to use.”

Building Strong Institutional Support

The Student Financial Management Center occupies a prime spot in LSU’s new Olinde Career Center, just to the right of the front desk. That location is no accident. The SFMC is strongly supported by university administration including President F. King Alexander, who has made the affordability of higher education a central priority, and Vice President for Student Life & Enrollment Kurt Keppler, who has been a first-hand observer to students struggling with finances over the last two decades.

The financial-literacy initiative is also supported by the offices of Student Life & Enrollment, Undergraduate Admissions & Student Aid, and by University alumni, one of which donated money to name the center, for whom the existence of the Center is a point of pride. “I think most people are shocked to learn that we have something like this,” notes Hester. “We’re the “baby service” on campus. Students expect to come and find a career center, a residential life office, but a service like this has only become an option in the field over the last ten years.” The timing was especially felicitous, as the Center’s foundation coincided with the economic downturn of 2008-2009, a circumstance that underscored the need for financial wellness among the student population.

Making Conversations Happen

While many institutions focus solely on GPA, finances also significantly affect student retention rates, costing colleges and universities millions of dollars a year in lost revenue. As the SFMC website points out, one-third of the LSU student population has listed finances as a source of stress. And no one understands this disconnect better than Emily Hester, who also works with retention efforts at the university.

“College students understand that finances are something they need to learn…someday,” she notes. “They also assume they’re going to learn it through life experience, rather than being able to learn on the front end and avoid the school of hard knocks.”

Although the state of Louisiana offers a generous scholarship program for in-state students with minimum ACT scores and GPAs of 2.5 or above, other costs such as fees, books, and living expenses remain. And for out-of-state students, there are further challenges. “Students often figure out a way to piecemeal it together for the first year, with savings and one-time scholarships, but they don’t plan how to come back for the second year,” Hester says. “That is a conversation that needs to happen.” Through an integral, multi-faceted financial-education program combining online education with one-on-one visits and campus outreach, LSU is making sure those important financial planning conversations happen—right when they need to.

Transit Financial Wellness is provided at no-cost to LSU by Regions Bank.