

2017 SPECIAL REPORT

# Making Ends MEET



**The Role of Community Colleges  
in Student Financial Health**



**Colleges in Action:  
Profiles from the Report**

# Arkansas Improves TANF Recipients' Earning Power

The **state of Arkansas** developed its Career Pathways Initiative (CPI) to help low-income Arkansans increase their earning capacity by attaining credentials at community colleges. CPI appropriates Temporary Assistance to Needy Families (TANF) funds for higher education and career training. Since CPI was launched in 2006, more than 30,000 participants have enrolled in the program.

CPI participants receive approximately \$1,500 per year of funding to attend one of Arkansas' 25 community and technical colleges. As students they also receive direct case management support so they can access all services through one advisor rather than seeking out services separately. They receive tutoring; financial aid counseling; and support for books, childcare, and gas.

Participants must be custodial parents who qualify for TANF and earn 250% or less than the federal poverty limit. The average age of participants is 31, they are mostly female (89%), and more than 60% are single parents. More than 80% receive food stamps or Medicaid upon enrollment. They are referred to the program through word of mouth and through Arkansas Department of Workforce Services case managers.

A 2015 analysis of the program found that 52% of all students who entered the CPI program between 2006 and 2013 earned a certificate or degree, compared to 24% of non-CPI students enrolled in Arkansas community colleges. Researchers also discovered that in 2011, "within 12 months after leaving college, CPI participants earned \$3,100 more per year than a matched pool of TANF participants from their same locality."<sup>12</sup>

# NOVA Integrates Financial Literacy Into Its Curriculum

**Northern Virginia Community College (NOVA) (VA)** works to improve students' academic performance by helping them become more financially stable. The college provides students with a financial literacy curriculum integrated into its student development course (SDV), in-person and online resources, emergency cash assistance, and loan default prevention programs.

## **Maximizing Financial Literacy**

The financial literacy component of the SDV addresses money management, credit, and borrowing, and the college takes steps to ensure that most of its students take this course. It is required for all students seeking an associate degree or many of the college's certificates. Moreover, first-time students between the ages of 17 and 24 who have not taken the course before completing their first 15 credits receive a hold on their accounts so they cannot register for additional courses until they meet with an advisor. SDV courses that are taught online or in a hybrid format use EverFi's web-based product, Transit – Financial Wellness, which includes a series of financial health educational modules. In 2015–16, 7,828 NOVA students participated in Transit, 7,000 (89%) of whom completed the program. Students' knowledge of financial health issues is assessed before and after completing Transit. NOVA students showed increases in knowledge across multiple financial health categories, including credit scores and loan repayment, with the average score increasing by 19 points (on a 100-point scale) after completing the program.

To supplement the SDV curriculum, the college hosts a financial literacy blog and a CashContest to encourage students to learn about financial literacy. Randomly selected students who successfully complete the CashContest modules are entered into drawings to win \$100 grants and bookstore gift cards. NOVA also offers free tax preparation workshops and other workshops focusing on money management and paying for college. The college also established a partnership with the Arlington County Cooperative Extension to provide free financial coaching services for students and staff.

## **Timely Program Completion and Minimizing Debt**

In addition to helping students learn to manage their finances, NOVA is working to keep students from incurring unnecessary college costs. In fall 2016, the college began using an automated system to identify financial aid applicants who register for courses not applicable to their program of study. Courses that are not needed for a student's program of study might increase the student's debt load and hinder completion. The automated system also identifies when students who have applied for financial aid register for courses that are ineligible for financial aid. The system sends students a message that encourages them to meet with an academic advisor. Students are informed to make other payment arrangements if they choose to remain enrolled in ineligible courses. Moreover, the college provides Student Emergency Grants to students experiencing an enrollment-threatening financial emergency.

## **Preventing Loan Defaults**

NOVA also has several efforts focused on ensuring successful repayment of student loans. The college provides students with a loan planning form, and it offers professional development to staff so they can counsel students with high loan debt. Automated calls are also placed to borrowers entering repayment to encourage them to contact their loan servicer if they have any questions. NOVA's financial aid director may deny loans on a case-by-case basis after transcripts are reviewed if it appears the student will be unable to complete the program of study before aid eligibility is exhausted.

In July 2015, NOVA partnered with a nonprofit organization (Inceptia) to help students avoid defaulting on loans. This partnership is having a positive impact on returning delinquent student borrowers to good standing. From July 2015 through July 2016, Inceptia helped 3,385 borrowers get all their delinquent loans back into good standing. Overall, less than 1% of NOVA's total student population defaults on federal student loans.

# Amarillo College Puts a Premium on Financial Literacy

**Amarillo College (TX)** established its Student Money Management Center (SMMC) in FY13–14 to provide students and their families with financial literacy training and support. The SMMC, affiliated with the college's Career Services Office, aims to help students understand key personal finance concepts, increase retention in college, and promote career readiness. Services include financial literacy training (online and in-person), financial counseling, financial wellness checkups, and seminars related to financial planning for college.

The college created the SMMC in part because rising tuition costs have led to a greater need for financial assistance. SMMC advisors encourage students to budget, open bank accounts, align the amount of money they borrow with their chosen career field to decrease student debt levels, set financial goals, gain confidence as money

managers, and prevent loan default. The college created the SMMC with funding from TG.

SMMC programs include workshops such as *The Biggest Gainer Contest!* Initially geared toward women in STEM fields but since scaled to the entire college, the workshop focuses on different topics related to money management. *Let's Get uFit*, available to all students, addresses the fundamentals of financial literacy as it relates to career readiness. Program seminars include speakers from the financial field who discuss loans, bank accounts, credit management, and budgeting for living expenses. The college, along with area banks and credit unions, provides incentives for participants to complete the programs, including gift certificates, scholarships, and cash prizes. The college estimates that more than 1,000 students per year—approximately 10% of the college's student population—benefit from SMMC's services.

# Skyline Fosters Financial Self-Sufficiency

In 2010, **Skyline College (CA)** collaborated with United Way Bay Area (UWBA) and other community partners to launch a SparkPoint Center on its campus, which joined the growing network of SparkPoint Centers in the San Francisco Bay Area Region. Although all SparkPoint Centers are based on the Annie E. Casey Foundation's integrated service delivery model, this would be the first SparkPoint Center located on a college campus. SparkPoint at Skyline College serves Skyline College students, as well as other members of the community, by providing financial capability and other support services to individuals and families as they endeavor to reach their financial, educational, and life goals.

SparkPoint has three areas of focus: education/workforce, which supports those seeking vocational skills or a college degree; financial services, which

helps participants navigate banks and become more financially literate; and benefits access services, which provides social benefits, including an on-campus food pantry, financial aid information, and leads on affordable housing. SparkPoint at Skyline College also offers scholarships, a free legal clinic, tax preparation, matched savings programs, credit-building programs, and financial education workshops.

The program supports its clients as they work toward specific goals in four major financial outcome areas including increased income, increased savings, improved credit scores, and decreased debt. In addition, SparkPoint at Skyline College has been intentional and successful in increasing student success by increasing rates of retention, persistence, and completion.



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