

Financial Literacy & Brand Awareness

a case study of Indiana University Graduate Students

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Views expressed are my own and do not necessarily reflect the views of Indiana University, TIAA, ICI or its members.

Goals:

- engage graduate students in financial education to improve benefit-uptake after graduation
- see whether voluntary offerings were enough, if not, unclear what should be done:
 - *mandates for this education in graduate school?*
 - *evidence “remedial” financial education is not valued...*

Research Design over time:

- First year – tested the materials,
- Second year – engaged all graduate students across Indiana System,
- Third year – targeted those graduating in the coming year.

General findings:

- Low interest in education (higher interest among those with higher financial literacy scores).
- Those closer to graduation attenuate interest further as they focus on getting a job.

financial literacy & education

Literacy:

We asked 12 questions – taken from the literature on what questions work best

- three interest rate/returns questions (one basic, one harder, one net of inflation)
- two math questions (focusing on percentages)
- an insurance purchase question (when best value)
- some other product questions covering:
 - homes (mortgage terms; typical down payments)
 - investments (bond prices; merits of equities diversification)
 - Defined Contribution Plans (character of benefits in retirement)

Education:

We redesigned a [TIAA early-career seminar](#) to address concerns of graduate students:

- seminars – provided food,
- webinars – tracked respondents and answered financial question posed by participants,
- one-on-one – offered privacy and direct discussion with a [TIAA counselor](#).

thoughts & remarks

Many things that relate to strong quiz scores also relate to interest in financial education

- However converting that interest into attendance is much more difficult
- Timing is an important part of the puzzle

We saw this in the next year as well – when we targeted students about to graduate

Between the fall and spring:

- reported interest in planning over the medium term held firm
- reported interest in planning for retirement fell

Generally graduate students:

- do not go to school to learn how to manage their finances efficiently
- they go to learn skills to help them advance their careers

Consistent with contemporaneous findings re: *salience, urgency, just-n-time, do the math*

final thoughts

One hundred and fifty years ago:

- no one could easily take a photo,
- no one could speak to another person by phone,
- no one could travel across the country by air, by train or by car...

→ *The very next year Leland Stanford's golden spike connected our country by rail.*

We have not been researching and developing financial education for very long.

We can learn how to help people better manage their finances, and that can improve their lives.

Please feel free to offer comments and questions, now or in the days that follow.

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