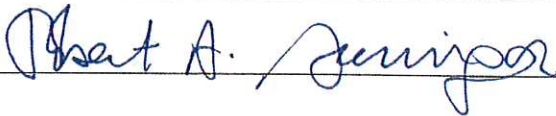


FORM A:

Montana College Access Challenge Grant

Financial Literacy Program

Institution: <p style="text-align: center;">The University of Montana</p>	
Project Director: John McCormick	Telephone: (406) 243-2532
FAX Number: (406) 243-4929	E-mail: John.McCormick@mso.umt.edu
Campus Mailing Address: Business Services The University of Montana 32 Campus Drive #2304 Missoula, MT 59812-2304	
Business Office Contact, Name & Title: John McCormick, Associate Director of Business Services	
Email: John.McCormick@mso.umt.edu	Telephone: (406) 243-2532
Certification by authorizing official:	
Name: Robert Duringer	Title: Vice President of Administration & Finance
Signature: 	

Project Abstract

The Financial Literacy (FinLit) team at The University of Montana (UM) is currently comprised of nine members who are passionate about student success. The team contributes to student success by providing tools that empower students to make sound financial decisions. Trust and ongoing personal relationships with students fuels this passion.

On top of the traditional challenges that college students have always faced, the current generation is confronted with an alarming reality. Nationally, student loan debt now exceeds credit card and auto loan debt. Though earnings potential and education remain highly correlated, many students are either unable to remain in school or are graduating with an increasingly onerous debt burden. Higher education has a responsibility to its students to combat these trends by actively promoting financial literacy. Financial literacy can be defined as knowledge that enables an individual to make responsible and informed financial decisions. Since 63% of Montana students borrow to fund their education, UM is resolved to help provide a solution to the students it serves. The goal is to provide tools to all students, while specifically targeting under-represented and at-risk student populations.

FinLit was conceived in Business Services at UM but has been supported by departments around campus and welcomes collaboration and feedback from all who share an interest in student success. Business Services is a natural fit for this effort because they assist a wide population of students, including those who have encountered financial hardship. Verizon Grant recipients and second-chance participants are a few examples of students who rely on Business Services for help getting back on track. Website resources have been successfully developed, data has been collected and analyzed, and many students have benefited but much more needs to be done.

Going forward, the mission is to enhance existing materials, develop new ones, and to reach a larger audience to ensure the message is heard by all. Plans for one-on-one and group workshops will track students throughout their time at the university. Before and after surveys will provide statistical data to measure students' needs and provide feedback to the FinLit team so that content can be refined and improved. The expected outcome will be reduced loan debt, fewer loan defaults, and increased retention and graduation rates.

Another primary goal of the UM financial literacy effort is to target students who are preparing for post-secondary education by developing a high school outreach program that would be available to every high school in the state of Montana. There are plans to create an interactive financial literacy curriculum that will include exercises and workshops. This initiative will prepare students and help them plan early so they can avoid traps and mistakes later.

Project Narrative

Demonstrated Need:

At the start of every term, The University of Montana Business Services department encounters students who enroll but don't have the means to cover the cost of attendance. Before and during college, many students contend with financial challenges and often lack fundamental knowledge regarding budgeting, borrowing and spending. Below are two real examples of how financial literacy can help students at The University of Montana.

An incoming freshman, registered as a full-time student with tuition and room-and-board expenses, approached me with concerns about paying for the first term. She had accepted all grants, scholarships, and loans offered through Financial Aid, yet still had a significant balance due. With six older siblings in college, she could not rely on assistance from her parents. Despite the financial challenges, she understood the value of a college education and the investment it represented. She needed help to create a path so her attention could shift from the stress of affording school to one where she could primarily focus on her studies. First, we separated critical expenses from discretionary wants to determine a realistic cost-of-living estimate for the entire semester. We then created a budget, offsetting those expenses with her Financial Aid awards and income from a part-time job. This provided a clearer view of how she could adjust spending or income. It was a simple step, but one that made her feel empowered and in control of her finances.-Business Services Financial Counselor

First-year graduate student Lily Vigeland is debt-free, thanks to her careful financing of her education. She said she hasn't found another grad student in the same situation. Vigeland attributes her ability to be debt-free to her parents. As an in-state student, she wasn't required to live in the dorms her freshman year. Instead, she said, she paid rent to her parents. On top of that, Vigeland had scholarships, grants and a job.

Most of the other grad students she's spoken to have a less than desirable situation, she said. The students she's talked to see debt more as an unavoidable burden.

"I haven't met anyone who doesn't have debt coming out," Vigeland said.

Though financially better off, Vigeland said she empathizes with students in debt.

If one grad student can make it through scot-free, then what's up with everybody else? Vigeland said she thinks the problem comes down to financial literacy. Her background taught her to be very aware of her finances, but many others heading into college may not be so used to financial independence. -Autumn 2012 Kaimin article

The table below shows the 2 year retention rate and the 6 year graduation rate for The University of Montana, including at-risk student populations. It also provides average ACT scores for academic comparison.

First Time Full-Time Degree Seeking Students (Sample from 2005)	Average ACT Scores	Retention Rate After 2 years	Graduation Rate After 6 years
All Bachelor Degree-Seeking	22.9	60.60%	47.80%
Neither PELL nor Subsidized Loan Recipients		67.70%	54.50%
American Indian	20.8	44.40%	22.20%
Low Income		53.10%	40.20%
PELL Recipients		50.50%	35.70%
Subsidized Loan Recipients		51.20%	42.80%
TRIO-Disabled	21.4	62.20%	34.40%
TRIO-Low Income	23.4	51.30%	19.70%

The University of Montana’s two year base retention rate for the total population is over 60%, with a six year graduation rate of almost 48%. Students who receive no PELL grants or subsidized loans (indicating less need for financial aid), have slightly better rates- almost 68% two year retention and over 54% six year graduation rates. The at-risk groups’ numbers as a whole are much lower in both the retention and graduation rates. An examination of the test scores suggests there are not significant academic differences.

First generation students and their families have an enormous amount of information to digest. Paying for an education is a significant part of the larger and oftentimes overwhelming process that includes admission, enrollment, selecting classes, and more. Not providing them with financial literacy information adds a barrier that may prevent them from pursuing their goals of attending college and obtaining a degree. Due to the ever increasing net cost of attendance, families and students need a roadmap now more than ever before.

Furthermore, accepting the full amount of loans made available is a short term solution, but in the long term, this choice can be costly and burdensome when the student graduates and has to service the debt. At a time when a graduate should look forward to leveraging a degree into a career, many will be encumbered by choices made years earlier.

According to the latest Montana University System affordability report, UM-Missoula students’ net price of attendance for Fiscal Year (FY) 2011 was \$9,872. This means that students will need to use a combination of savings, family contributions and income to cover the difference of the cost of attendance, less the amount of financial aid received. That is a 26% increase from the FY2003, putting more pressure on students and their families. Costs are increasing rapidly while financial aid regulations are changing, making financial problems more likely to

interfere with graduating. According to USA Funds, the number one reason students leave an institution is due to financial stress. This increasing financial pressure requires students and their families to be much more proactive and creative in their overall plan to address the cost of attendance. Currently, many incoming students do not arrive with those skills or even understand the need to develop them. The overwhelming number of UM students are academically prepared to succeed, yet they are not equipped with adequate financial skills.

In order to meet current and future objectives, UM's FinLit team proposes the following initiatives:

1. Provide financial literacy tools and exercises to all incoming students prior to the start of term
2. Develop curriculum and provide workshops for students in targeted areas
 - a. Four Bear – four year student track
 - b. Native Americans
 - c. Veterans
 - d. First generation
 - e. Low income
 - f. Students identified by Undergraduate Advising and other campus departments who work closely with students
3. Make the workshop and curriculum available to high school instructors
4. Market financial literacy resources to all UM students

Plan of Action:

- 1. *Provide financial literacy tools and exercises to all incoming students prior to start of term***

Recognizing the importance of providing financial literacy information to students and their families early in the process, the FinLit team will provide MUS/GetMoneySmarts cards, additional UM cards developed by FinLit team, links to the <http://www.mus.edu/prepare/> website, and activities contained in the *Dollars and Sense* workbook. To accomplish this, the team will collaborate with UM-Admissions and the UM-Financial Aid departments. The group proposes mailing packets to all admitted students that contains the above referenced information in addition to financial aid material. This will help to educate students and their families on how higher education financial planning works. The team plans to survey incoming freshmen to measure existing financial literacy aptitude. Survey results will be compared to next year's (FY14) incoming freshmen. Based on the results of the second survey, modifications may be made to achieve better results. The goal is to have these students demonstrate competency of 80% or higher.

UM's Office of Student Success uses "My Academics", which is an invitation only student web portal page customized to each incoming student and a valuable communication tool. "My Academics" provides useful information, activities, and a checklist, that must be completed before classes commence. "Completing a budget" will be added to the checklist. When students select this, they will be directed to www.getmoneysmarts.org to learn about budgeting and help them complete their own. "My Academics" has analytics that allows data to be collected and can be cross referenced to other data fields in Banner, the primary UM database. This enables the team to identify potential at-risk students early to reach them proactively.

2. Develop curriculum and provide workshops for students in targeted areas

- a. Four Bear**
- b. Native Americans**
- c. Veterans**
- d. First generation**
- e. Low income**
- f. Students identified by Undergraduate Advising**

The FinLit team will be developing a curriculum for workshops, enhancing existing material and developing new tools. Content will include core material but also have components that can be tailored to various audiences and target groups. Points of emphasis will include cost of attendance, financial planning, budgeting, free money (scholarships, grants and waivers), student loans (entrance counseling, repayment plans, forgiveness programs) and concepts like credit and savings. Understanding the meaning and importance of a credit score will be covered. The workshops will also include group activities, video vignettes, and opportunities for students to demonstrate comprehension and retention. Interaction and feedback are critical. Prizes including pens, Monte USB drives (pre-loaded with financial literacy tools), shirts and water bottles can both reward and help market the program. All of these items will have the UM financial literacy logo and web address. Activities will include developing a budget using real life UM data. The students will be provided with various budgeting scenarios and be required to make choices. At the end of the exercise the students will need to calculate the total dollar amount of any loans used and the payment obligation. The videos will be one to two minutes long and produced by students working for the Office of Student Success/Undergraduate Advising. The topics of these videos will be the same as the points that we are emphasizing in the workshops (outlined in Form B). According to Undergraduate Admissions, the video production will be completed no later than the spring term. The FinLit team will conduct a campus-wide survey of UM students, and use that as the base for understanding their level of education on financial literacy. Students who attend the workshops will be surveyed and the data will be analyzed. The goal is to have the attendees score 80% or higher on concepts and vocabulary, compared to the 54% that was scored in the spring of 2011.

The Office of Student Success, Admissions and Enrollment Services, Department of Native American Studies, Office of Veterans' Affairs, and the UM FinLit team have collectively identified the following target groups to receive financial literacy training: Four Bear students, Native Americans, veterans, first generation, and low income students. The workshops for these groups will be tailored to the needs of the group members. These workshops will occur throughout the academic year. The first round of these workshops take place in October, 2012. Once the curriculum is developed, core materials will be available for future years.

3. *Make the workshop and curriculum available to high school instructors.*

UM recognizes that financial literacy is important. It also fully understands the importance of providing this information to high school students to allow them and their families more time to plan and budget for attending an institution of higher learning. The FinLit team has been asked to deliver training to some of the local high schools. The team will use the curriculum developed for the UM workshops slightly modified to the needs of high school students. The credit cycle, for example, will be highlighted, as trends reveal that 35% of high school seniors are already using credit cards. The team will make the curriculum available to all high schools in Montana in the spring semester. The team will speak with the Montana Digital Academy and the College of Education and Human Services to determine the best method to market the material to high school teachers in Montana. The objective is achieving an approval rating of the course and materials of 85% of high school teachers who use curriculum.

4. *Market the financial literacy tools and information to all UM students.*

In April of 2011, the FinLit team conducted a survey with UM students to determine their existing knowledge and help the team create content. One revealing response was that only 9.5% of UM students surveyed had visited the UM financial literacy website. Additionally, the newly elected student senate officials had a meeting with the executive officers and asked The University of Montana if a financial literacy program existed. These two examples demonstrate the need to market the program more effectively. The team responded by providing a larger presence at campus events, however more needs to be done. The team would like to enlist students to create print advertisements targeted towards students so there is peer engagement. The team would like to run a series of ads in the UM student newspaper, *the Kaimin*. Additionally the team would purchase advertising in the Bear Facts (UM themed) daily planner. Fliers will be developed and delivered to students' dorm addresses to market services. Merchandise with UM's FinLit logo and URL will be provided to students who correctly answer workshop questions. This same merchandise will be used during the orientation programs for students at the start of each semester and at the annual Welcome Feast held on campus at the start of each year. The FinLit team has partnered with UM Athletics to distribute shirts at sporting events. These shirts have a Griz logo on the front

and the FinLit logo on the back. Several members of the team have met with students and local vendors to determine what items will attract the attention of students. The following items were identified: shirts, pens, Monte USB drives and water bottles. With the new program of sending information to new incoming students, that will eventually enable the marketing program to move from a blitz to maintenance. UM is not at that point yet.

Budget Narrative

Budget

The budget has five main components: videos, marketing materials, communication, curriculum development, and presentation equipment. The videos will be created and produced by students. Each video will emphasize a point that will be used in the workshops, incorporated into high school curriculum, and be available on the UM FinLit website. The Office of Student Success and Undergraduate Advising have a program that enlists students to produce videos for various departments on campus. To ensure that the financial literacy videos are completed by the spring semester, we will need to incentivize the students. The FinLit team will pay the student video production teams up to \$5,000 per video. The plan is to have 5 video vignettes produced for a total of \$25,000. To increase the awareness, the FinLit team will use both print media and financial literacy merchandise to inform students of the program and how to access the information. The university will run advertisements on two separate days in *the Kaimin* informing students of the importance of financial literacy and where to obtain that information. The total cost of these advertisements will be \$550.00. An advertisement will appear in the campus bookstore publication, *Bear Facts*, and this will include the logo and promote the FinLit website as well. The cost of this advertisement will be \$725.00. In order to raise the awareness about the importance of financial literacy the FinLit team will need merchandise with the UM financial literacy logo and contact information. Members of the FinLit team will use merchandise items that have been recommended by both students and local vendors including: shirts, water bottles, "Monte" flash drives, and pens. The FinLit team has received quotes and will use the lowest cost local vendor. The shirts have the Griz logo on the front and a FinLit logo on the back. The USB drives have financial literacy tools preloaded on them. The pens have the logo and URL. The total cost for the marketing merchandise will be \$24,390.00. UM recognizes the need to operate on a tight budget, however, the products must be of adequate quality and value. Additionally, the team needs to have business cards with the UM FinLit logo and contact information to give not only to incoming students, but also to students who attend workshops, counseling sessions, and other events. The cost for the cards is \$1,355.00. In order to deliver financial literacy information to incoming students and their families, postage, envelopes and labels will be required. The FinLit team will include the following items to be included in the packets to be mailed to the incoming students: MUS/GetMoneySmarts cards, additional UM cards

developed by FinLit team, links to the <http://www.mus.edu/prepare/> website, and activities and information contained in the *Dollars and Sense* workbook.

The FinLit team chose not to include a full time employee through the grant. Since the grant may not be funded long-term, the team will need to dedicate hours for the development of the workshop curriculum. The team will need a maximum of 160 hours to develop presentation quality curriculum to be delivered to students in the targeted groups. Additionally, this curriculum will need to be tailored to fit the needs of targeted groups. The cost per hour is \$18.80 (wages of \$12.59/hr and benefits of \$6.21/hr) for a total cost of \$3,008.00 ($\18.80×160). Students who attend financial literacy workshops sponsored by the UM FinLit team will receive an activity book. Students will complete one of the activities during the workshop. The students can complete the other activities contained in the workbook in their home or dorm. UM Printing and Graphics estimates that the cost for producing these workbooks would not exceed \$3,150.00. Three people facilitate each presentation. iPads are used to allow the presenters to easily move around the room and deliver the information. This method is very effective to keep the students' attention. The iPads are wirelessly connected to the projector and will be used as a survey tool. A minimum of 10 workshops will be delivered to the Four Bear students; there will be times that two workshops will be taking place concurrently. The six iPads and two projectors will cost \$4,800.00.

In June, 2012, three team members attended a Family Economics & Financial Education (FEFE) hosted conference and brought back valuable ideas. In order to deliver effective workshops and presentations, remaining current on related topics is critical for the instructors. Based on the cost for the June conference, UM is requesting to spend a maximum of \$8,000.00 for continuing education.

Administrative Capacity

The FinLit team at The University of Montana is comprised of 9 members who have been a team since its inception three years ago. The combined number of years working with students is over 70. When additional resources are needed for various financial literacy projects, other employees within Business Services are recruited to help. The core team has developed the program from nothing to where it is today. They have made strides in developing relevant tools and information for The University of Montana. This team is committed to having the best financial literacy program in the state. The largest drain on resources for initiatives contained in this RFP is the production of the video vignettes. Since this will be completed by students from both the Office of Student Success and the School of Journalism, it will not affect the core team's ability to provide the workshops and counseling.

FORM B: Goals and Initiatives

Goal 1: The Financial Literacy Program's goal is to increase the knowledge of financial literacy and spread awareness among the student population.

A. Objectives	B. Activities and Services	C. Proposed Outcomes
1. To provide financial literacy tools and exercises to all incoming students prior to classes starting.	Develop materials and exercises contained within <i>Dollars and Sense</i> to all admitted students and their families. Use Hobson's applicant tracking software to improve program communications and deliver budgeting materials developed at UM. Completing a budget will be added to the incoming students' electronic checklist.	75% of incoming students complete their budget, track results within Hobson's.
2. To incorporate the use of technology to spread awareness of financial literacy to all UM-Missoula students.	Produce USB drives preloaded with financial literacy tools such as budgeting worksheets, and other helpful links to hand out to incoming students. Develop 5 video shorts related to components of Financial Literacy: 1. What is financial literacy 2. Borrow responsibly 3. Budgeting/ cost of attendance 4. Credit/ debt 5. Return to Title IV	Survey students regarding the tools that were provided to them prior to entering The University of Montana.
3. To market the financial literacy tools, information, and help to all UM students.	Provide promotional materials to students such as workbooks, pens, postcards, fliers, and shirts. Create print advertisements targeted towards students such as in the Bear Facts daily planner, and the Kaimin newspaper.	Compare results of a pre and post assessment of students from the beginning of the school year to the end. Goal of 75% of participating students aware of UM's Financial Literacy Program.

Goal 2: The Financial Literacy Program will target students who are preparing for post-secondary education and provide financial literacy advising.

A. Objectives	B. Activities and Services	C. Proposed Outcomes
<p>1. To develop a high school financial literacy curriculum and make it available to high school instructors.</p>	<p>Create lesson plans to be used by high school teachers to deliver the important message of financial literacy. The lessons will incorporate information from MUS/prepare website, video vignettes, exercises, and activities. Students would be provided the <i>Dollars and Sense</i> information to take home and discuss with their parents.</p>	<p>To ensure that every high school in the state of Montana, including those in rural school districts, has equal access to financial literacy curricular content.</p> <p>Direct evaluation from high school teachers. Goal of 85% approval rating of the course and materials.</p>

Goal 3: The Financial Literacy program will target specific groups of students and provide educational tools and knowledge to increase financial literacy awareness.

A. Objectives	B. Activities and Services	C. Proposed Outcomes
<p>1. To develop curriculum and provide workshops for students in targeted areas:</p> <ul style="list-style-type: none"> a. Four Bear b. Native Americans c. Veterans d. First generation e. Low income f. Students identified by Undergraduate Advising Center 	<p>Develop additional curriculum and lesson plans to be used in financial literacy workshops for student groups that have been identified as high risk.</p>	<p>Statistically, low and moderate income, and non-traditional students incur higher levels of debt. Comparing results of a pre and post assessment of students in the targeted groups will move toward a goal of 80% competency level.</p>

FORM C: Budget

Salaries and Wages	Detail	Expenditure
160 hours	To build curriculum, assemble packets, stuff mailings	\$2,014.40

Employee Benefits	Detail	Expenditure
Benefit cost associated with wages	To build curriculum, assemble packets, stuff mailings	\$993.60

Materials and Supplies	Detail	Expenditure
750 FinLit shirts	Outreach and marketing	\$4,790.00
3000 Monte USB drives	Outreach and marketing: preloaded with financial literacy tools and given out to students during workshops	\$14,750.00
10,000 Pens	Marketing	\$3,600.00
500 Water bottles	Marketing	\$1,250.00
10,000 Business cards	Contact info for one-on-one counseling and included in the mailings to admitted freshmen.	\$1,355.00
4000 Postcards w/ delivery	Outreach and marketing: communicate to campus that FinLit is available. Will send to all admitted students this year (Spring/Autumn), and then upkeep by sending to all admitted freshmen and transfer students in years to come.	Postcards-\$500.00 Addressing & Handling- \$352.00 Postage-\$720.00 Total-\$1,572.00
Postage and delivery for 6000 Financial planning packets	Financial planning packets that include GetMoneySmarts cards, FinLit cards, content from Dollars and Sense workbooks mailed to all admitted incoming freshmen and targeted populations.	\$6,000.00
Envelopes and labels	Mailings for the 6000 Financial planning packets to all admitted incoming freshmen and targeted populations.	Envelopes-\$1,200.00 Labels-250.00 Total- \$1,450.00
Educational videos	Outreach and marketing: partnership with Media Arts student interns to develop 5 peer to peer videos containing content on core concepts	(\$5,000.00 per video) \$25,000.00
Curriculum materials	Printing 500 interactive learning activity books for workshops.	\$3,150.00

Equipment	Detail	Expenditure
6 Tablets (iPads)	Presentations, workshops, and surveys	\$3,600.00
2 Portable projectors	Presentations, workshops, and surveys	\$1,200.00

Other	Detail	Expenditure
Advertisements	Two half page ads in the Kaimin (UM newspaper) and a full page ad in Bear Facts (UM planner)	Bear Facts \$725.00 Kaimin \$550.00 Total- \$1,275.00
Training	Financial literacy continuing education	\$8,000.00

TOTAL COST		\$80,000.00
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Form D: Statement of Assurances

COLLEGE ACCESS CHALLENGE GRANT PROGRAM

(Authorized under Title VII: Part E of Higher Education Act of 1965, as amended)

THE APPLICANT HEREBY ASSURES THE COORDINATING COMMISSION FOR POSTSECONDARY EDUCATION:

- A. Administration of the activities and services for which this entity seeks assistance under this grant will be by or under the supervision of the applicant.
- B. The project will comply with all applicable Montana state laws.
- C. The applicant will keep project records, including receipts for expenditures, and afford access to these records at any time. The Office of the Commissioner of Higher Education, Office of Student Financial Services (SFS) may find it necessary to assure the correctness and verify the reports.
- D. I assure compliance with federal statutes and regulations governing the College Access Challenge Grant Program, Title VII Part E of the Higher Education Act of 1965, as amended, and the Department of Education General Administrative Regulations (EDGAR) (specifically 34 CFR, Parts 74, 76, 77, 79, and 80).
- E. I agree to comply with section 511 of the U.S. Department of Education Appropriations Act requiring grant recipients to acknowledge the amount and percentage of Federal and nongovernmental funding for projects when making any type of public announcement about awards.

1 Oct 12

Date

Robert A. Durringer

Signature of Vice President of Administration and Finance

Robert Durringer

Vice President of Administration and Finance

The University of Montana

Institution