



# National Default Prevention Day 2002

**Default Prevention: You Are The Key!**

**August 1, 2002**



**FSA**  
FEDERAL  
STUDENT AID

*We Help Put America Through School*



# ***Providing Financial Education and Assistance to Students***

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# ***Why Do Students' Financial Skills Matter?***

- Credit card usage is high
- Spending habits last a lifetime
- Current financial literacy is low
- Financial problems affect performance

(Iowa State University Extension, PM 1856, 2000)



## ***Recent Trends***

- Increase in bankruptcy filings of young adults 18 – 25
- Increasing prevalence of ‘alternative financial sector’
- Larger percentage of credit counseling clientele



# ***What Can We Do To Assist Students?***

- Education and counseling to individual students you work with
- Education and policy to change the ‘culture’ of credit misuse and financial illiteracy



# ***Education***

- What do young adults need to know about financial literacy?
  - Developing a budget/spending plan
  - Understanding the long term effects of debt
  - Credit history and credit reports
  - Credit management



# ***What Can You Do To Make It Happen?***

- Create a Campus Coalition for Financial Literacy

Student government groups, financial aid, academic departments, Cooperative Extension, student services, library, academic advisors, counseling centers



# ***What Can You Do To Make It Happen?***

- Sponsor workshops or information fairs on financial literacy.
- Develop educational exhibits and displays on financial literacy topics – display in your office and across campus.



## ***What Can You Do To Make It Happen?***

- Provide training in financial literacy to those who assist students – resident hall advisors and assistants, academic advisors, student services staff.
- Recommend students enroll in a personal finance class.



## ***What Can You Do To Make It Happen?***

- Provide budgeting information to students along with their financial aid.
- Provide students with cumulative monthly payment information on student loans.
- Make financial literacy information available in your office.
- Refer to counseling when needed.



## ***Who Could Work With You?***

- Department or program on campus that teaches personal finance (consumer and family economics, financial planning, finance, family and consumer sciences).
- Cooperative Extension Service – county or state office.



# ***Who Could Work With You?***

- Student Services
- Freshman Orientation Office
- Wellness Center
- Student Financial Counseling Centers



## **Contact Us**

We appreciate your feedback and comments. We can be reached:

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