

Improving Student Financial Capability and Civic Participation

1. Overview

Massachusetts College of Liberal Arts (MCLA) is a Bachelor’s-degree-granting institution and is the Commonwealth’s sole designated public liberal arts college. MCLA offers a strong core education in a small, personalized learning environment. MCLA students also achieve strong preparation in STEM fields, computer science, business and entrepreneurship, K-12 education, communications, community health, and arts management, as well as in fields such as history, English, and interdisciplinary studies.

At 47%, MCLA enrolls the highest percentage of low-income, Pell-eligible students among the 13 public four-year higher education institutions in Massachusetts. MCLA also enrolls the highest percentage of Pell-eligible students among its 25 public liberal arts college (COPLAC) peers. MCLA enrolls high percentages of first-generation college students and students from underrepresented minority groups. A high percentage of MCLA students (25-27%) are from families with an expected family contribution (EFC) of zero.

MCLA is the recipient of a U.S. Department of Education Title III Strengthening Institutions from 2016. MCLA’s Title III project aims to increase student persistence and to close achievement gaps between Pell- and non-Pell students, and between majority-population students and underrepresented minority students.

The specific objectives of MCLA’s Title III project are as follows:

MCLA Title III Objectives		
Description of objective	Baseline	Objective
Increase overall 1 st -2 nd year student persistence	77%	82%
Increase overall 2 nd -3 rd year student persistence	61%	70%
Increase overall 3 rd -4 th year student persistence	55%	65%

MCLA Title III Objectives		
Description of objective	Baseline	Objective
Increase 6-year graduation rate	35%	40%
Close graduation rate gaps between Pell & non-Pell students	up to 10%	on par w/ instit. average
Close persistence gaps between minority underrepresented students and majority students	up to 9%	on par w/ instit. average
Decrease percentage of students graduating with credit overages	25%	10%

To achieve these objectives, MCLA’s Title III project aims to strengthen the College’s capacity in four main areas: (1) enhanced advising; (2) improved academic support; (3) expanded opportunities for undergraduate research (particularly in STEM fields); and (4) increased fee-based revenue to ensure fiscal stability (as covered under 34 CFR § 607.10(1)(i), 607.10(3)(ii), (iii), 607.10(4), 607.10(6)(i), (ii), 607.10(8)).

MCLA requests Title III supplemental funding under the Secretary’s Final Priority 4. We request support for activities to promote skills-development to prepare students to be informed, thoughtful, and productive individuals and citizens. Our activities are designed (i) to support activities to better develop students’ personal financial literacy, knowledge of higher education financing and repayment, and skills aimed at building personal financial understanding and responsibility (Priority (4)(d); and (ii) to foster knowledge of the common rights and responsibilities of American citizenship and civic participation (Priority (4)(a)).

2. Need for Supplemental Activities

2A. Increase in Federal Student Loan Default Rates

MCLA strives to provide an affordable, high-quality college education that is accessible to students from all socio-economic backgrounds. Upwards of 87% of MCLA students receive federal financial aid. The average amount of student debt is \$24,659, which is \$14,741 lower than the national average of \$39,400. However, MCLA is concerned about increases in student

debt burdens relative to students' incomes. We want to help ensure that students do not assume more student loan debt than they can reasonably manage.

The three-year federal student loan default rate for MCLA has increased by 3.2% in recent years.

Three-Year Federal Student Loan Default Rates		
Fall 2012 cohort	Fall 2013 cohort	Fall 2014 cohort
4.6%	6.7%	7.8%
Source: U.S. Dept. of Education, Student Aid Default Rate database, accessed May 10, 2018.		

While these default rates compare favorably with the national 3-year federal student loan default rate of 11.3%, the College recognizes the need to ensure that MCLA graduates are fulfilling their financial obligations and are staying current in the payment of their student loans.

2B. Financial Difficulty is a Major Factor in Student Withdrawal

MCLA student exit survey data indicates that financial difficulty is a major reason why students fail to persist. Over a five-year period, financial difficulty or affordability was cited as a factor in student withdrawal in 16% of cases (n=783 surveys). Financial difficulty or affordability was among the top three reasons cited by students as a reason to leave the College.

The majority of students who left MCLA and transferred to another higher education institution were not on track to earn a Bachelor's degree in four years as of fall 2017.

Completion Rates for Transfer-Out Students		
Cohort	% completed degree	% not completed degree
Fall 2012	29.7%	70.3%
Fall 2013	15.9%	84.0%
Source: MCLA Institutional Research Office, from National Student Clearinghouse database.		

Students may not fully understand how transferring-out or stopping-out impedes their timely progression to degree completion. They may also not understand how increasing time to degree can be more costly in the long run. The College aims to help students understand how to better

utilize their financial resources and to understand how timely completion of a four-year degree is ultimately a cost-effective choice.

2C. Students Are Under-Utilizing Federal Work-Study Funds

The College has observed that students are not fully leveraging the financial resources at their disposal. Rates of MCLA students accessing their federal work-study awards is down 10% in the past two years. There is evidence that students are making poor financial choices, even when they have better options available. Faculty and staff report that MCLA students often choose employment in less secure off-campus jobs that entail higher transportation and other costs. The College wants to enable students to make more informed choices about on-campus vs. off-campus employment, and to use their available financial resources in smart ways.

MCLA also recognizes that many of our students arrive at college lacking financial literacy skills. A recent national survey, for example, found that only 33% of college students felt equipped to manage their finances (2017 Financial Capability Survey, EVERFI).

2D. Too Many Students are Graduating with Excess Credits

In 2015, approximately 25% of MCLA graduates were accumulating more than the 120 credits required for graduation. With its Title III project, the College has made progress on reducing the percentage of credit overages from 25% to 16% with the goal of less than 10%. Our Title III project addresses the problem of credit overages by providing students with better degree auditing tools, clearer pathways to graduation, and enhanced summer advising so that students can stay on schedule to graduate in four years. Financial literacy is also a crucial element in addressing the problem of credit overages.

Many MCLA students do not fully appreciate how credit overages impact their financial position. We propose to link financial literacy education with proactive advising, with the goal of

increasing students' understanding of how accumulating excess credits can increase their long-term indebtedness. Incorporating financial literacy into the improvements we are already making in our advising programs will support students in making more informed financial choices.

2E. Students Lack Knowledge about Responsible American Citizenship

Evidence indicates that MCLA students lack adequate knowledge concerning the common rights and responsibilities of American citizenship and the essential elements of civic participation. A representative sample group of MCLA students posted low scores on a diagnostic exam regarding key civil rights, and the fundamentals of the American government, legislative, and judicial systems. In spring 2018 students posted an average score of 68%. This average exam grade is down from 74% (in fall 2017) and 75% (in spring 2017).

There are statewide initiatives underway to promote civics education for K-12 students. The College endeavors to support these efforts by promoting greater civics education and civic engagement among MCLA students.

3. Activities Being Supplemented

3A. Enhancing Proactive Advising

MCLA recognizes the need to incorporate a focus on increasing student financial literacy into its advising programs, particularly as regards low-income students. Helping students to increase their financial knowledge and skills is critical to “improv[ing] student academic performance and better prepar[ing] students for employment, responsible citizenship, and fulfilling lives” (Final Priority 4(b)). We propose to supplement our activities around proactive advising as follows:

1. Develop a network of near-peer and peer financial wellness coaches. Students are particularly receptive to learning from students like themselves. MCLA proposes to develop a program of near-peer and peer financial wellness coaches to equip students with the knowledge

and skills they need to manage their personal finances, effectively manage debt and credit, become more financially secure and self-supporting, and to begin saving and investing in their future. We further envision a partnership with the student-led Business Club to deliver financial literacy education regarding accounting, markets, and investing.

2. Improve student financial aid education and ensure that students are wisely utilizing their financial resources. MCLA proposes to supplement its advising efforts by increasing individualized financial aid counseling to students. MCLA seeks funds to help financial staff improve and innovate strategies to ensure that a greater percentage of students are fully utilizing allocated work-study funds and other financial resources. Improved financial education would also aim to help MCLA students and families make better financial choices and reduce their reliance on federal loans, private loans, parental loans, payday lending, and credit.

3. Improve academic advisors' capacity to provide financial education. Academic advisors at MCLA report that, while they realize that many students encounter financial difficulties, they lack knowledge and training to guide financially informed advising conversations. MCLA seeks supplemental funds to develop a training program to provide faculty and staff advisors with the knowledge and skills they require to engage in financially-informed advising conversations with students and to connect students with resources to increase students' financial literacy and financial independence.

3B. Strengthening Academic Support

As a part of its Title III project, MCLA has developed a first-year experience (FYE) program to enable students to make a successful transition from high school to college. MCLA's first-year program includes (a) a credit-bearing course that fulfills a core or major requirement and incorporates learning strategies particularly critical for first-year students; and (b) a non-credit

hourly meeting facilitated by staff and peer advisors which aims to build community and empower students to overcome common first-year challenges (per Priority (4)(b)(i), (ii), (iii), (iv), (v), and (4)(c)). Currently, both the FYE course and the cognate meeting run in the fall semester only.

MCLA recognizes the need to supplement its first-year program with financial education and education relevant to being a responsible and productive citizen. Our aim is two-fold: (a) to enable first-year students to develop their financial knowledge, their economic literacy, and to improve their personal finance skills and their sense of financial responsibility; and (b) to help students prepare for future employment and responsible citizenship, to participate meaningfully in civic life, and to ultimately lead fulfilling lives. We propose the following activities:

4. Enrich the first-year experience program by incorporating financial literacy education and other skills crucial to professional and personal success. MCLA proposes to expand its first-year experience program into a full-year program. MCLA students often report that feel they lack “adulting” skills. The second semester FYE program will thus focus on preparing students with the knowledge and skills they require to become responsible and productive American citizens.

We propose to address several topics and skills in a year-long FYE program: time management, professional career skills, interpersonal communication, fostering positive relationships, personal financial capacity, problem-solving, self-regulation, and increasing resiliency, perseverance, and earned success (per Priority (4)(b)(i), (ii), (iii), (iv), (v), (c), (d)).

5. Promote civic participation and engagement. Among the most important privileges of American citizenship is the freedom to actively participate in civic life and to contribute in positive ways to our communities. The College wants to help all MCLA students develop a

lively understanding of their civic rights and responsibilities. We further want to encourage MCLA students to give back to their communities in both large and small ways.

We propose to enhance the College's Title III initiative around academic support by strengthening co-curricular programs that encourage MCLA students to be active citizens, and to give back through volunteer work and community service. We propose directing some Title III supplemental funds towards the College's Center for Service and Citizenship (CSC). Title III supplemental funds will allow the College to increase the reach of the CSC to more actively involve low-income and minority underrepresented students in civic engagement projects.

4. Other Priorities Addressed by Proposal

In addition to the Priorities addressed above, MCLA's proposal supports the following:

Priority 1 – MCLA provides an affordable educational option for many families and individuals who would otherwise be unable to pursue a high-quality, highly individualized education. Our proposed activities will provide enhanced advising and academic support to students and families who choose MCLA.

Priority 2 – Innovative strategies to increase financial literacy are a distinctive feature of MCLA's proposal. Our proposed activities promise to improve student outcomes, as measured by retention and graduation rates. Our proposed activities will increase value to students and taxpayers by helping students to make better use of federal work-study, reducing reliance on student loans, and by motivating students towards more timely degree completion.

Priority 3 – The proposed enhanced first-year experience program builds on MCLA's current efforts to increase internship and career-preparatory opportunities for students. Our career development office will be directly involved in the expanded FYE program.

Priority 9 – MCLA’s proposed activities promise to increase economic opportunity for students. Learning better financial literacy skills and how to effectively leverage financial resources is critical for our students’ long-term financial security, particularly for low-income students. Helping our students better understand their rights and responsibilities as American citizens is crucial to their future lives as civic actors.

5. Evaluation Plan

Through the proposed activities, the College aims to supplement its capacities to provide effective advising to students and to empower students with robust academic support.

The College will evaluate the success of activities funded with supplemental funds as follows:

Evaluation Plan – Quantitative Measures			
What assessed	Responsible staff/office	Frequency	Objective
(1) Decrease in 3-year student loan default rates	Title III core team; Financial Aid; Institutional Research office	Yearly	-Decrease of 3% or more -Benchmarked: U.S. Dept. of Education database
(2) Decrease in financial/affordability as a major factor in student withdrawal	Center for Student Success and Engagement; Title III core team	3+ times/year	-Frequency of affordability as a factor in student exit surveys -From analysis of student withdrawal and exit survey data
(3) Reduction in students graduating with unnecessary excess credits	Institutional Research	Yearly	-Decrease to 10% or fewer students graduating with excess credits - from a baseline of 16%
(4) Increase in qualified students accessing work-study resources	Financial Aid office; Title III core team	2+ times/year	-Increase of 5-10% over current utilization rates
(5) Increase in students attaining a 4-year degree in 6 years or less	Institutional Research; Title III core team	Yearly	-Increase of 5% to 40% - from a baseline of 35%

Evaluation Plan – Qualitative Measures			
What assessed	Responsible staff/office	Frequency	How measured/Source
(6) Increase in student knowledge and skills regarding personal finance	Title III core team	3+ times/year	-Measured by pre- and post-testing in expanded FYE -Benchmarked: national data

(7) Increase in professional skills	Title III core team	2+ times/year	-Student surveys and focus groups -Career development assessments
(8) Increase in civic engagement and civic participation	Center for Service and Citizenship	2+ times/year	-Analysis of testing data on civics education (sample testing) - Pre- and post-activity surveys

6. Budget

Costs proposed for supplemental grant activities are reasonable, allowable, and allocable. The proposed activities will require Title III supplemental funds to be implemented effectively.

Supplemental Funds Budget		
Budget item	Activity supported	Total amount requested
Financial wellness coordinator	Develop a network of near-peer and peer financial wellness coaches	\$32,000 salary + benefits (.3627) = \$43,606/year
Peer financial wellness coaches	Develop a network of near-peer and peer financial wellness coaches	6 students @ \$2,500 = \$15,000/year
Part-time staff to assist with innovative financial education and literacy programming	Improve student financial aid education and ensure that students are wisely utilizing their financial resources.	\$2,000/summer-fall
First-year experience financial literacy programming	Enrich the first-year experience program by incorporating financial literacy education and other skills crucial to professional and personal success	\$17,953/year
Training for faculty and staff advisors	Improve academic advisors' capacity to provide financial education	\$12,090/year
Civic engagement coordinator	Promote civic participation and engagement.	\$38,050 + benefits (.3627) = \$51,851/year
Support for LEAD Academy – leadership and civic engagement program	Promote civic participation and engagement.	\$7,500/year
TOTAL		\$150,000