



LAUNCHING A FINANCIAL EDUCATION PROGRAM AT HARVARD



THE PROBLEM:

Harvard undergraduates frequently expressed anxiety over a lack of knowledge on fundamental personal finance topics; however, Harvard University did not have a centralized, coordinated offering to teach students about personal finance. Furthermore, there was no clear owner for financial wellness with initiatives fragmented across departments including Financial Aid, Student Affairs, and Career Services.

More than 70% of surveyed Harvard students self-rated their knowledge of Personal Credit, Taxes, Insurance, and Investing as either “Poor” or “Below Average”

Please rate your personal knowledge of the following personal financial management topics						
	Poor	Below Average	Average	Above Average	Excellent	Average Score
Personal Budgeting	4%	18%	40%	27%	11%	3.2
Personal Credit	29%	44%	27%	0%	0%	2.0
Credit Scoring	47%	33%	18%	2%	0%	1.8
Personal Taxes	42%	36%	22%	0%	0%	1.8
Personal Insurance	49%	38%	13%	0%	0%	1.7
Identity Theft	20%	22%	51%	4%	2%	2.4
Basic Personal Investing	36%	36%	24%	4%	0%	2.0

Survey conducted in 2012 by Harvard University Employees Credit Union Survey of registered students for Personal Financial Management Program

Students were asked to elaborate on items they would be interested in learning about during workshops:

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I hope to know how to establish my own budget because I have a tendency to overspend.

– Harvard Undergraduate

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I would most like to learn about how a student can begin investing money intelligently to save for the future.

I would also like to learn about what low income students who cannot rely on the incomes of their families can do to make their futures a bit more secure.

– Harvard Undergraduate

THE SOLUTION:

In collaboration with Harvard University and the Harvard University Employees Credit Union (HUECU), Shahar helped launch an innovative program to provide undergraduates with practical life skills around personal money management and set them up for financial success while in school and after-graduation.

Building Relationships Across The University and Surrounding Community

Shahar started by spearheading a partnership with HUECU, a not-for-profit cooperative with over \$750M in assets and 45,000 members. The credit union's mission is dedicated to serving the Harvard community, including the staff, students and alumni of Harvard University, Harvard teaching hospitals and other affiliated organizations. Shahar found passionate individuals including Gene Foley (CEO), Thomas Murphy (former SVP of Student Services), and Laura Buso (Program Coordinator) who were devoted to educating students about personal finance. Importantly, the credit union also had the infrastructure to help support a financial management program on an ongoing basis.



Shahar Ziv with Harvard University Employees Credit Union CEO **Gene Foley** (right) and former SVP of Student Services, **Tom Murphy** (middle).

The team conducted meetings with individuals across the university, including Sally Donahue (Director of Financial Aid) and John Campbell (Chairman, Economics Department) to discuss the need for a personal finance class as well as potential solutions. Professor Campbell suggested collaborating with Harvard's Office of Student Life, which was

developing a University Wintersession Program. Scheduled as the last week of Winter Recess before classes begin, Wintersession was envisioned as “a time when students may participate in programs that encourage personal reflection, intellectual curiosity, and social interaction.”¹

“

We want to ensure we are providing students with an opportunity to have a deeply transformative experience during Wintersession – intellectually, socially and personally – that will complement their Harvard College education and prepare them for a life of service and leadership.”

– Harvard Wintersession Program

Drawing from Shahar’s research on effective methods to teach personal finance and HUECU’s experience working with Harvard students, the team put together a proposal for a Personal Financial Management Offering as part of the Harvard Wintersession Program, which was accepted. By starting with a Wintersession offering, the team was able to nimbly launch an innovative pilot that didn’t require the cumbersome approvals a for-credit course would have required.

Crafting an Engaging and Educational Program:

The resulting 3-day workshop tackled key topics of personal financial management including: financial planning, credit, taxes, insurance, investing, retirement, and the psychology of money. Incorporating findings from academic research and feedback from previous educational sessions, program elements included expert guest speakers, video clips, and interactive case discussions.



¹ <http://wintersession.college.harvard.edu/>

Brigitte Madrian, the former Aetna Professor of Public Policy and Corporate Management at the Harvard Kennedy School (and now Dean of the BYU Marriott School of Business), spoke about the psychology of money and Patrick Donnelly, a Vice President and Senior Financial Planner at The Colony Group, gave students an overview of taxes and insurance. Interactive case studies provided students with an opportunity to apply concepts like creating a budget after graduating, deciphering a credit card user agreement, and allocating retirement investments when they start a job.

While three days won't turn a college student into Warren Buffet, the goal was to educate students on foundational elements — consumer credit, budgeting, taxes, insurance, and investing — as well as help them build a toolkit for practical-decision making in the future.

RESULTS:

85 Harvard undergraduates voluntarily gave up a week of their winter vacation to return to campus early for the three-day seminar the first year. Feedback from students was overwhelmingly positive with over 90 percent saying they would be extremely likely to recommend the program to a friend.

Recommend To A Friend Score

9.2

Overall Workshop Score

9.4

The program is now in its 8th year and has grown from 85 registered students per session to over 120 students each year. Feedback continues to prove that the course fills an important need in the overall undergraduate experience. In 2013, The Boston Globe profiled the Harvard program in an article about how to teach financial literacy.

The Boston Globe

Improving your financial literacy skills

With even Harvard students lacking basic knowledge, the search is on for the best way to teach money skills

TESTIMONIALS:

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This is becoming one of the most helpful parts of my college experience.

– Harvard Undergraduate

I'm so glad I enrolled! I learned a lot.

– Harvard Undergraduate

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What an essential program. I would take this again- every year in fact- while in college. Nobody talk about this crucial information, which is absolutely shocking if students hope to be responsible adults by graduation.

– Harvard Undergraduate

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It should be required for every college student! I feel much more confident to go into the real world and handle my money.

– Harvard Undergraduate

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I think every Harvard student should have access to this information on personal finance management- it's incredibly helpful as we think about post-grad life and entering the real world.

– Harvard Undergraduate



Additional Testimonials:

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Everyone can benefit from the information taught in this course, and the sooner you take it the more you will benefit before graduation.

– Harvard Undergraduate

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This program helped to shed a light on what I did not know that I did not know about personal finance. It has also helped motivate me to be much more wary about how I manage my finances.

– Harvard Undergraduate

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This course is incredibly useful in giving a broad but comprehensive and detailed overview of personal finances (and other life skills!), especially as they are relevant for graduating seniors entering their first job and living on their own.

– Harvard Undergraduate

“

This is super helpful and you will be relieved that you got to learn it now. Better now than later.

– Harvard Undergraduate

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It's engaging and extremely informative. You will feel significantly more confident walking out of the class that you can take care of your own finances after college.

– Harvard Undergraduate



CONCLUSION:

College is about getting an education, but that doesn't just mean academics. Just as schools work diligently to help students transition from high school to college life, they should consider how to help facilitate the transition from college to the working world. It behooves schools to look beyond math, science, and history to ensure that students leave with basic, yet essential personal finance skills. Harvard now has a sustainable program to ensure its students graduate with a foundational knowledge of personal finance and are set up for success after graduation.

