

10 October 2014
1500 Roadrunner Way
San Antonio, TX 78249

Professor John Frederick
University of Texas at San Antonio
Academic Affairs
San Antonio, TX 78249

Dear Dr. Frederick:

Thank you for providing me with this opportunity to research the potential impacts of having a financial literacy class at University of Texas at San Antonio (UTSA). Enclosed in this envelope is my final report, "Recommendation for a Financial Literacy Class at UTSA." In this report, I recommend that UTSA create a non-credit class for students that deal with financial literacy.

If I can provide any other information as you review this report, please don't hesitate to contact. I look forward to setting up a meeting with you at a later date to hear your thoughts.

Yours truly,

Jared Cruz-Aedo

Jared Cruz-Aedo, Department of Research

RECOMMENDATION FOR A FINANCIAL LITERACY CLASS AT UTSA
Academic Affairs
John Frederick, Provost and Vice President

Department of Research
Jared Cruz-Aedo
October 2014

TABLE OF CONTENTS

Executive Summary.....	1
Introduction.....	2
Background	
Purpose	
Scope	
Research Questions	
Report Organization	
Research and Analysis.....	4
Introduction	
Methodology	
Findings	
Conclusion and Recommendation	6
Appendices.....	7
Appendix 1: Survey Question	
Appendix 2: References	

Executive Summary

The purpose of this report is to provide an understanding to what financial literacy is and support why UTSA should get a financial literacy credit class. Every year college tuition is rising and college debt is increasing. Student understanding of how money work is proven with college debt increasing. The understanding of how the concept of money management is very low for college students especially that of freshman. UTSA provides a financial literacy program called Rowdy Cent. This recommendation report is to making Rowdy Cent into a credit class for UTSA. Providing that it's a credit class student will be able to understand what financial literacy is and how they can prevent their growing student loan debt.

Introduction

In the last five to ten years, college debt has been rising. No matter what university you attend the cost of that university is not the same price as it was years ago. The rising price of tuition is increasing because of many factors. The challenge that college students face is how do they pay for college and how much debt will they accrued. Many studies have shown that tuition will always increase every year but the question is how much will the tuition increase. Understanding what financial literacy is will improve how college students handle and pull out loans for college.

Background

Every year majority of college students are taking out college loans to pay for their education. “[Sets] of courses into financial literacy have also been added in the US, most of them targeted specifically at youth” (Akdag). The idea of graduating in four years is becoming harder because college students are having to work and not being able to take 15 hours each semester and go down to 12 hours each semester. More and more college students are taking summer classes because of the fact they don’t have time to take 15 hours each summer. By taking summer classes the average tuition is cheaper but the college students are still paying tons of money for classes that they need. Students are now considering being a full time student a job for how much commitment they have. Tuition is usually broken up into three categories: students that live at home, students that live off campus, and students that live on campus.

Purpose

Department Research goal for this project is to recommend a financial literacy class for UTSA. College is hurting parents and children financially due to the fact how now parents have to pull out parent loans and their student also has to pull out student loans. The understanding on different forms of loans will help students understand how to financially secure them from being afraid of loans. Having a class will help students manage their own money and the students will not stress on how they will get money for college because they will know how to manage their own money. Having a class for financial literacy can be a requirement for incoming freshman to take at UTSA. Having the class become a requirement it will force students to enroll in the class and that way students will get an understanding on how to manage their money. “College will be the first time [students] have been responsible for significant financial decisions that can have a long-term impact on their future” (Jagman).

Scope

This report is to help understand the goal of saving up money. Having the class mandatory students will learn the responsibility of saving money. Saving money will help a family not stress so much on how they plan to get money for college. With the research we will be able to help the long-term impact of students and their family with financial decisions. The goal of this research is to not have an automatic impact for students but a long time impact. The focus is on can the issue of growing student loan debt and lack of financial literacy among college students can be improved.

Research Questions

The focus on gathering data was to see if we could see if UTSA should provide additional financial education for college students. The surveys were not just focusing on college students but on people that have had a college education. Having a broader range of data it become easily distributed but easily skewed. Gathering data from individuals from different colleges help with the understanding on how their experience has been at their university. Each question focuses on a different aspect a college student has in their life that way the data is all scattered and not focused.

Report Organization

The next section presents our research and analysis followed by our conclusions and recommendation.

Research and Analysis

Introduction

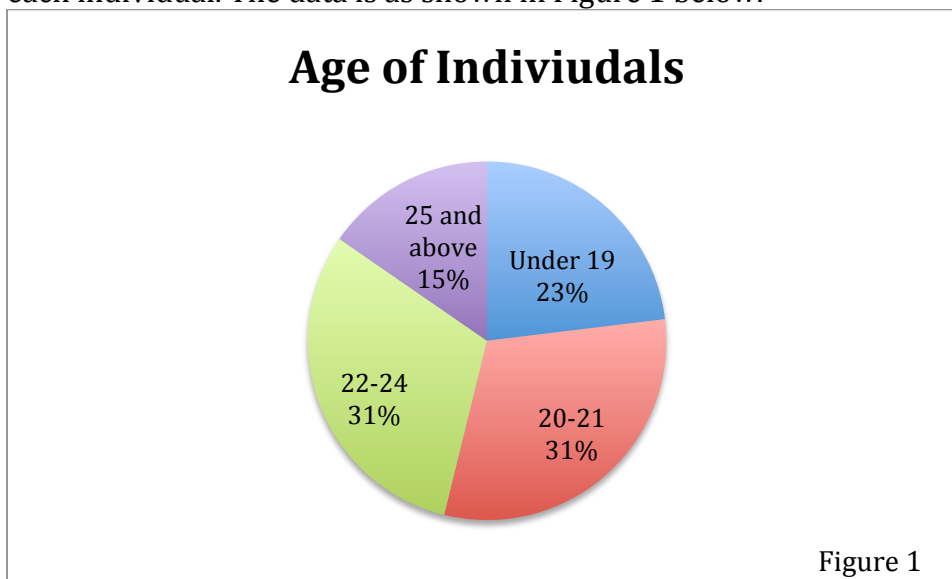
Having an understanding on the data gathered can bring this department to a better recommendation to having a financial literacy class at UTSA. Having the supporting detail research from academic research shows support on why UTSA should provide a course for students in financial literacy. In 2012 the average cost for a student that lives on campus was \$ 22,799 now the average cost for a student that lives on campus is \$24,101.

Methodology

The goal of the research is to provide many aspects on financial literacy related questions. The surveys of the research were distributed online at surveymonkey.com. Over 25 people answered the survey online. The data had to be narrowed down to just 25 individuals. The observations happened in Microsoft Excel by providing pie charts and bar graphs.

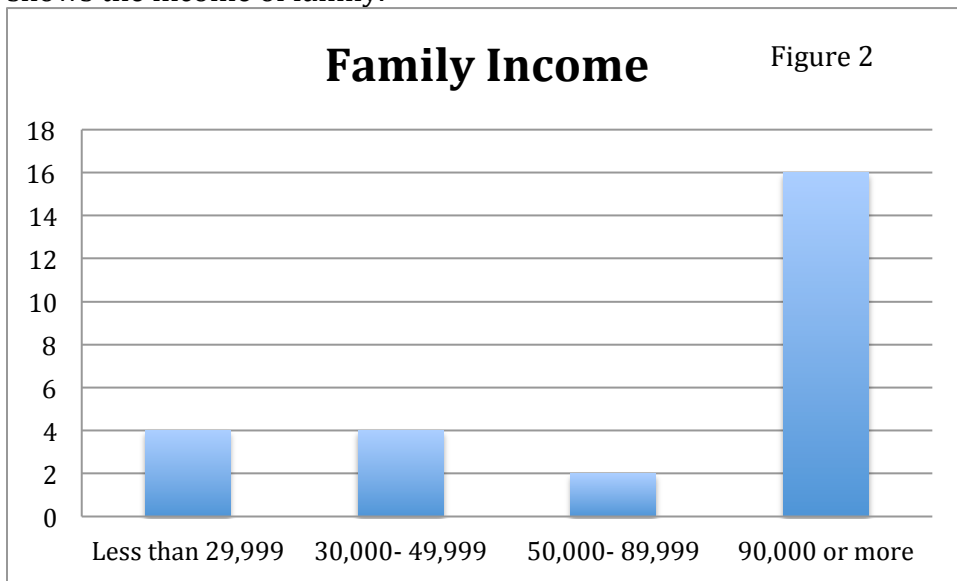
Findings

In the findings we based it off of 26 individuals that way the data would not be skewed as much as if we used 25 individuals. The first data we gathered from people were the ages of each individual. The data is as shown in Figure 1 below.



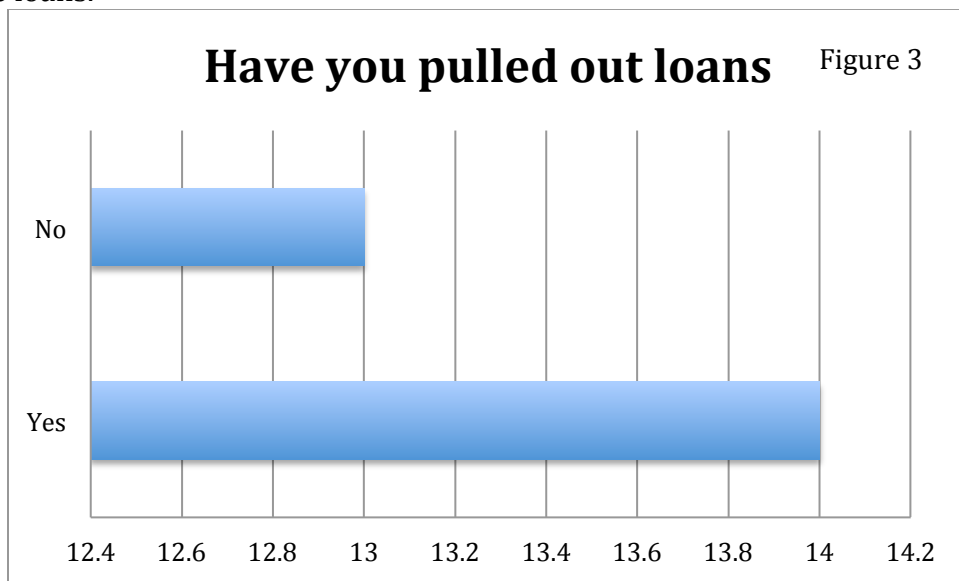
Having the data evenly distributed between ages 20-24 shows that the age of college students. So college students participated in the survey more than that of graduated individuals. Having the age of the participants we can see that college students support the future showing of data.

Having the age of individuals we then show support of the data by having the question what is the family income. Having the family income it shows that if you have a high income and pull out loans then that family is struggling with financial literacy. Figure 2 shows the income of family.



Majority of the 26 participants have an income of 90,000 or more.

To end of the survey responses we asked the question if people have pulled out college loans.



Shown in the above Figure 3 we see that 14 of the 26 participants have pulled out college loans. Some of the 14 of individuals will be from the income of 90,000 or more. Having individuals in 90,000 or above proves that financial literacy is in need for college students. The following is the conclusion and recommendation the department of research has provided.

Conclusion and Recommendation

Based on the survey results and literature review, financial literacy is in need for college students.

A recommendation is that UTSA creates a class having the class instructed by financial aid office. Financial aid office provided the program of Rowdy Cent now the program will become into a class at UTSA. Incoming freshman will be required to take the class at the university.

Appendices

Appendix 1: Survey Question

Appendix 2: References

Appendix 1: Survey Question

1. What is your age?
2. Have you taken out loans for college?
3. Are you work study eligible?
4. Would you want Rowdy Cent to be a class that UTSA offers?
5. Are you currently...?
6. What is/was your major?
7. What is your family income?

Appendix 2: References

- Akdag, Hakan. "Does The Social Studies Responsible For Financial Literacy?." *International Journal Of Academic Research* 5.5 (2013): 401-406. *Academic Search Complete*. Web. 6 Oct. 2014.
- Jagman, Heather, et al. "Financial Literacy Across The Curriculum (And Beyond)." *College & Research Libraries News* 75.5 (2014): 254-257. *Academic Search Complete*. Web. 6 Oct. 2014.