
MEMORANDUM

TO: DR. KIM JOHNSON, DEAN, TEXAS TECH COLLEGE OF BUSINESS

CC: DR. LORI HUGHES, PROFESSOR OF ENGLISH

FROM: SHANNON JENKINS, TEXAS TECH STUDENT

SUBJECT: PROPOSAL FOR STUDY OF NEW PERSONAL FINANCE CLASS AT TEXAS TECH UNIVERSITY

DATE: 2/11/2019

SUMMARY

This proposal recommends that I be authorized to carry out further research on the implementation of a mandatory personal finance class for students at Texas Tech University. I would then write a report and recommendation whether this suggestion should be applied and how it would be put into action.

Basic personal finance is an area that is usually not covered in one's college education. High schools as well are not covering the basic principles of personal finance either. Major causes of financial hardship for a young adult is being uneducated on the extensive do's and don'ts of personal finance, being 18 years of age (considered an adult from a bank's standpoint), and being away from home and on their own for the first time.

Current statistics indicate that the average student graduates with at least \$5,000 worth of debt and many of those have poor credit. In addition a University of Indiana administrator stated, "We lose more students to debt than to academic failure."

Having students take this one semester course, I feel, would be extremely beneficial. This course would consist of several different areas. These areas would include: checking and savings, investing, credit and loans, and budgeting. All four of these areas are vital to proper financial welfare.

I would like to carry out an experiment that studies the outcome of students who have a better knowledge of personal finance than others. I am a financial educator for Red to Black, a free financial counseling service for students at Texas Tech University. I am willing to survey these students on their financial knowledge before and after counseling or having received a presentation from myself or other educators. I will also survey students on their general financial well being to check to see if this class is necessary. I will have my research complete by May 16, 2019.

INTRODUCTION

Knowledge on basic personal finance is a vital part of success in life. Personal finance classes are not offered to students in college and students that are not business majors do not receive general information on the basics of personal finance. It is a proven statistic that the average debt of a student is \$5000 or more (Kapke). Debt slows down students! Effects of debt include anxiety, worry, and panic. Students also have to devote more time to work to pay off debt and this results in lower grades.

The purpose of this proposal is to study the effects of having a personal finance class introduced to incoming freshmen. Having this class be mandatory would be an absolute must if this were proven to be needed.

Because I am a financial educator for Red to Black I understand the financial positions of students here at Tech. I have personal experience from counseling and presentations. It is not a myth that students are heavily in debt. It is the truth that most are having problems with basic personal finance. Some may just be confused on how to properly run their checking account. However, many are so far into debt that a basic personal finance class could have unquestionably helped these students. Preventing this mishap for future students is one the purposes of this class.

You may inquire why a personal finance class is necessary given Texas Tech's commitment to the Red to Black program. While it is true that many students utilize the Red to Black service, with over 8,000 students on our campus, only a small percentage of students benefit. A credit course in which students can enroll and employ a rigorous curriculum in at least 16 weeks, I believe would benefit even more students. In addition, graduate students who are pursuing a degree in personal finance may wish to serve as a Teaching Assistant for the course, thereby bolstering their own experience and learning. It has the potential to serve multiple students in a variety of ways.

I have obtained information specifically from the Federal Reserve Board (www.federalreserve.gov). Their site includes statistics on consumer spending and debt. A fact from their site, for example, states that consumer credit is up by 7% this year. This means that consumers are spending 7% more with credit. An important aspect of this proposed class is to educate students on what is a necessary purchase with credit and what is not.

The purpose of this proposal is to request resources to research whether a personal finance class should be created and made mandatory for students. Alternative options would include an optional personal finance class or not implementing this class at all.

In the following sections, I will outline the proposal procedure for my research, my qualifications to do the research, and the budget needed to ensure an effective evaluation of my possibility.

PROPOSED PROGRAM

I will perform the following tasks to determine the need for a mandatory personal finance class at Texas Tech University.

Task 1: Locate other universities who have a personal finance class for students (mandatory or not) and study their statistical information if available. I would also like to study the structure of the class and the costs of the class.

This task is important because if I can provide a snapshot of competing universities who offer a personal finance class for students and study it, I can show the need for the same class at our university. I also want to get a sense of how the class can be structured in order to better understand how to structure this one. This will essentially give me a lot of ideas for how to proceed with this particular course. I might aim for other schools in the Big 12 so that it will be a similar basis of comparison.

Task 2: Seek the opinions of the students at the presentations I give about a new personal finance class.

In order to move forward with the finance class, I need to gain feedback from the primary users themselves—students who would be taking these classes. I plan to hold two presentations on campus during which I will seek their opinions by asking several questions intended to help garner feedback. Some of the questions I'm considering are:

- 1) Have you ever considered a personal finance class? Why or why not?
- 2) What would you most like to see in a personal finance class?
- 3) What are some of your experiences with finance in general?

Task 3: Seek the opinions of finance related professors at Texas Tech about a new personal finance class.

Once I get feedback from students, I will need to seek the opinions of at least three finance professors. These are the subject matter experts, and thus will provide good insight from the administrative side of the course. They can better inform me of what goes into planning a syllabus, executing a course, etc. I anticipate their responses to be different from those of the students, and they will be able to know more fully what information to consider in establishing a course and the course preparation supporting it.

Task 4: Briefly survey or verbally ask other students in my current classes about a new personal finance class.

These would be very brief and not as comprehensive as the presentations outlined in Task 2. I would ask: 1) How comfortable are you with your knowledge of personal finance such as loans? 2) Would you voluntarily enroll in a personal finance class at Tech? Ideally I would like to acquire at least 50 responses to this survey. The survey will be created using SurveyMonkey.

Task 5: Research the feasibility of contracting new professionals to teach this course.

I would find the costs of starting a new program, for example. I need to know what kind of professional credentials one would need to have in order to teach this course. Also, I need to

discover what the credentialing process is like in order to make the decision of how to proceed.

Task 6: Write a completion report detailing my findings and recommendations.

I will draft a final completion report that presents my findings and describes an analysis of the feasibility of this project overall. I will also include my research source information.

QUALIFICATIONS AND EXPERIENCE

I believe I have the skills and experience to conduct this research. I work effectively and efficiently. I am a Family Financial Planning major at Texas Tech University and have coursework in finance that includes financial counseling. I have taken a several accounting courses, an introduction to financial planning, technology is financial planning, and financial counseling. I am also an educator for Red to Black. Red to Black is a free counseling service on campus that provides help to students who might have financial troubles or those who may want to have financial planning. I give presentations often and my lectures on credit often spark students' interests. I have vast amounts of access to students with financial hardships. Red to Black is also linked with the Texas Tech Federal Credit Union. I can obtain information through this entity also.

BUDGET

Table 1 is an itemized budget for the proposed research detailing how much time is expected and the total cost accrued over the course of this research.

Table 1. Itemized Monetary & Time Budget

Description of Research	Hours	Total Cost
Study of other personal finance classes	10	\$0
Ask students at R2B presentations	1	\$0
Seek opinion of current finance professors	5	\$0
Survey of Tech students	5	\$5 for paper
Study of feasibility of implementing program	10	\$0
Completion of report	5	\$0

APENDICES

References:

Kapke, Nick (1999, September 30). How much do you owe? *The Indiana Digital Student*, p. 1.

Schedule of Research:

Table 2, below, is a tentative schedule of my research for the proposal of a personal finance class.

Table 2. Schedule of Research

Description of Research	Hours	Date
Study of other personal finance classes	10	10/25 to 11/5
Ask students at R2B presentations	1	10/31 to 11/10
Seek opinion of current finance professors	5	Throughout research
Survey of Tech students	5	11/1
Study of feasibility of implementing program	10	11/15
Completion of report & oral presentation	5	11/25