



Reducing Student Loan Debt – How Indiana University Uses Online Courses to Help Students Get Smart About Money



\$44M Reduction
in Student Loan Borrowing



14K Students Educated
via Online Courses

Many studies have indicated the connection between student loans, financial pressure, and student retention and success. For many young adults today, the stresses of being financially independent for the first time are exacerbated as they set out to balance tuition payments and manage student loans. Yet all too many institutions provide little or no practical financial education for a generation of students desperately in need of it.

Indiana University (IU) understood that the financial education challenge isn't simply personal. It impacts issues like student success and retention at the institution – and broader cultural measures of economic development.

For IU, it was clear that financial education was a critical foundation of overall career success as well as mental and emotional health. For real change, it was essential to educate students on financial wellness. So the team at Indiana University hatched a bold plan to do just that.

Working with EverFi to provide online financial wellness courses to their students, in conjunction with new approaches to financial aid business practices, peer education, and other online resources, the IU team has seen a \$44 million student loan reduction since 2012 – a drop of 16%.

Building the Case for Financial Wellness

“Our administration came to us and put together a taskforce on student loan debt,” says Phil Schuman, Director of Financial Literacy. **“Our focus was to tackle student debt from every angle.”** The taskforce included faculty and staff from across the university’s eight campuses, with a charter to develop comprehensive programming and practices to educate students on debt optimization, with a goal on debt reduction.

Indiana University quickly realized the need for structure around this issue and created the Office of Financial Literacy. One of the office’s first and most critical tasks was to spearhead the development of a financial education program that would reach all student populations at the university through varied delivery mechanisms – in person, online, for credit, free, peer-to-peer, workshops, etc. They also changed financial aid processes, re-examined cost of attendance, and developed a student debt letter that clearly explains accumulated debt and estimated monthly payments associated with that debt.

“From the beginning, we knew we had great resources on campus,” says Morgan McMillan, Assistant Director of Financial Literacy. **“We needed an online component to connect**

changing student attitudes and behaviors around their finances. Just as important, EverFi’s online learning platform was quick and easy to implement, helping to get effective resources in front of students as quickly as possible. Moreover, the online program was designed to drive interactivity through an attractive and intuitive user experience.

“The course was thoughtful and well put together,” says McMillan. Ease of use was essential for the program – if more students used the platform, it would serve as a gateway to deeper learning on financial literacy, fostering greater interest and further engagement. The IU team hoped to build the foundation for financial skills and knowledge that would serve students throughout their lives.

Real-World Results – Reducing Student Loan Borrowing

Today, students complete their online financial literacy course through a system called *Transit – Financial Literacy*. Every year, between 12 and 14 thousand students from Indiana University complete the program.

The results go beyond course completion. Since 2012, student loan borrowing at Indiana University is down \$44 million – a

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with students at a population level, prior to arriving on campus.” Indiana University needed a student-centric online learning platform that would not only help them make money-conscious decisions in college, but also enter the workforce as well-rounded, financially literate individuals.

The school developed a sophisticated online portal as part of its IU MoneySmarts program – and partnered with EverFi as part of that program.

Considering Data and Ease of Use

“In addition to providing personal finance education to our students, we wanted to gather student information to guide the continued development of our programming,” says Schuman. EverFi’s advanced data and analytics allow the institution to track students’ engagement with the program, and identify areas of improvement – all with the ultimate goal of

drop of 16%. Students better understand the choices they face, and they’re making smarter financial decisions as a result.

As Indiana University financial wellness programs continue to evolve and make an impact, the team hopes it will serve as a best practices model – and change both students’ and administrators’ attitudes about financial literacy across higher education. They’re off to a fantastic start, with accolades from publications like *The Chronicle of Higher Education*, *Bloomberg Businessweek*, and *Yahoo! Finance*.

“We’re excited to be considered one of the leaders in the field,” says Schuman, **“and we want to do what we can to help move this field forward as it continues to grow in higher education – and move financial education into the future.”**