



Crafting a More Effective
Financial Literacy Program



Introduction

Americans today are facing a myriad of economic challenges, from interest rates to job insecurity to inflation. This situation is exacerbated by the fact that there's an alarming lack of financial literacy among the population at large.

Financial and higher education institutions have traditionally been proactive in providing this essential financial education to their Consumers. These efforts not only help improve financial literacy in the fundamental sense, but can also help change behavior – driving positive, real-world outcomes for those who participate. Moreover, these outcomes help drive the overall health of the institution and the communities they serve.

However, running a successful financial literacy program is no small task.

The financial landscape is growing ever more complex. With changing tax laws and new federal and state regulations, alongside unyielding technological advancements in data security, digital currencies, mobile accessibility, and privacy concerns, the economic environment is dramatically different from just a few short years ago.

Educational efforts are further complicated by societal and demographic changes. The ways in which we work, play, and interact are in a constant state of flux, and differ widely as you move from metropolitan to more rural areas. Meanwhile, Millennial and Gen Z audiences bring their own unique attitudes and expectations to the table, which can place significant new demands on those who design and run such programs to make them more “current.”

To address these issues, financial literacy trainers are seeking to move beyond in-person, PowerPoint-driven lectures and into agile educational programs that successfully blend proven instructional principles with new content, new techniques, and new technologies.

If you're looking to improve your financial literacy program, here are the top 5 areas you should consider.



1

Focus on the Audience

First and foremost, we can no longer expect financial literacy programs based on generic curricula to meet the varied needs of our many and varied audiences. Furthermore, as a result of our increasingly digitized lifestyles, most people generally lose concentration after as little as eight seconds. To break through, your educational content must be targeted, concise, and compelling.

Towards that end, multiple learning tracks that are focused on specific audiences and their particular learning objectives will be more effective and engaging than traditional one-size-fits-all programs. These can be organized around a variety of factors.

The first grouping will likely be demographic, basing your content on the target audience's age, economic circumstances, and life experiences. For instance, students who are managing loans vs. seniors who are managing retirement portfolios will each have very different expectations for a financial literacy program.

You can also organize and present selected content based on audience knowledge and expertise.

There will be Consumers, regardless of age or background, who need a foundational program focused on the basics of financial wellness. Likewise, there will be more experienced Consumers who are seeking advanced techniques to further improve their financial situation.

So, the first step in creating a more effective financial literacy program is to create different options organized around these different audience-based principles.

Just as important is how you name and then promote these various packages. Be straightforward, clear, and descriptive. This will help audiences self-select the appropriate content, leading to better results and more satisfied Consumers.



2

Balance

Theory & Application

We know there are critical concepts that underlie any sound financial literacy program – the long-term power of compounding interest, understanding when and how to leverage debt, the meaning behind a credit score, the inverse relationship between principal and interest in an amortization table, and so on.

However, these higher-level concepts must be tied to real-world applications, real-world objectives, and real-world examples to make them relatable. Otherwise, they will remain purely theoretical in the minds of your audience, with no clear link as to how to put them into practice.

For instance, if you are discussing the shifting weights between principal and interest in an amortization table, tie this concept to a student loan or mortgage payment (depending on the demographics of your audience). Then, to help bring the concept to life, you can show how this ratio changes over time, how it is impacted by different repayment plans, and how much of your Consumer's money is going to one versus the other.

Also, don't hesitate to include challenging topics. People are participating in a financial literacy program because

they are craving knowledge. While it is nice to talk about a growing retirement nest egg, the reality is that many of those seeking financial wellness have encountered (especially in light of recent events) some serious economic challenges and obstacles.

Case in point, and top of mind for many Consumers today: the issue of debt. And more specifically, the issue of missed payments that may hurt a credit score.

Members need to know the difference between loan defaults, delinquencies, deferments, and forbearance, as these are all components of debt management and overall financial wellness. And while often uncomfortable, for many members, these are the most important and pressing financial literacy issues to be addressed.

3

Personalize Your (Digital) Content

Another great way to improve outcomes for your members is to tie different areas of your financial wellness program to specific Consumer objectives.

Managing a budget, applying for a mortgage, car, or other loan, paying down a student loan or credit card debt, saving for a trip or other significant purchase – these are all real-world examples that can be integrated directly into the appropriate sections of your training program.

As part of your course, you can demonstrate these scenarios and outcomes for the entire class. Or you can set aside some one-on-one working time or break-out sessions, where individuals and small teams can go through these exercises personally and privately.

In the past, these types of personal exercises involved printed workbooks and paper hand-outs. While these tools may still have their place, depending upon your audience, today's era of interactive digital tools and calculators are widely accessible and can be used in both online programs and local seminars.

The move to online learning programs has only been accelerated by our now common remote and hybrid working situations (not to mention the pervasive nature of mobile phones and social media). There's a tremendous level of comfort around digital interactions, especially among younger generations.

With a full suite of digital options, members will be able to find and engage with the content that is more important and meaningful to them, which will improve their overall learning experience, and ultimately, their financial outcomes.

Digital programs have the added advantage of being "bookmarkable" destinations on your website that Consumers can visit even after the program ends. By doing so, it can enhance your institution's brand recognition, website traffic (and the ability to cross-promote and cross-sell other vital services), and Consumer loyalty.



4

Offer Multiple Consumption Opportunities

It is widely accepted that different individuals consume and process information in different ways. This principle can also be broadly generalized demographically. For instance, a majority of Millennials and Gen Z prefer to consume their content via video, while most baby boomers still opt to print and read physical pages.

To connect with your target audience in the form they will most readily embrace, and to help ensure more positive outcomes for more Consumers, it is recommended that content be delivered through a variety of different media across a variety of different consumption channels.

While websites such as the National Credit Union Administration (NCUA) offer comprehensive and overarching programs: <https://ncua.gov/consumers>, and NACUBO's Student Success Hub:

<https://nacubostudentsuccess.org>, more

specific information is available through ConServe's Financial Literacy Resources:

<https://www.conserve-arm.com/client-resources>.

Institutions with the most successful financial wellness programs make their topics available via a range of media, including articles, webinars, videos, and gamified interactive

experiences. Then they deliver these various pieces of content via on-demand avenues, as well as through in-person training sessions and seminars.

Recognizing the challenge of being all things to all people, pilot programs with detailed reporting of participation and engagement can help identify the best media vehicles and delivery channels for your priority audiences. Don't be afraid to test, measure, and learn as you explore what will work best for your members.

You'll also want to remember that this shouldn't be a one-and-done build-out process. Adopting a long-term perspective will enable you to fill out your content and channels in manageable chunks, while establishing the goal of running a "maintain and refine" program that is being continuously enhanced and improved.



5

Present Active Varied Content

Let's face it. Traditional content-heavy slide presentations filled with rows of bullet points are obsolete, and we all know they fail to engage an audience.

Instead, strive to combine dynamic and relevant subject matter with varied and exciting modes of delivery to keep audiences participating and interested.

It starts with your educational content. This needs to be dynamic on every level. Music, graphics, imagery, and video should all be leveraged over the course of the program. Not only will these stimulate the senses and keep participants engaged, but captivating visuals have been shown to help improve reception and retention, which will help drive better outcomes.

Hands-on exercises and group activities are another way to enrich your content, which will help keep your students much more actively engaged than the traditional "death by PowerPoint" lectures.

When possible, an expert facilitator and/or subject matter expert should be brought in to run the training – someone who knows how to keep participants engaged, solicit questions, and maintain a high level of energy and positivity. Audiences will always prefer a personable, well-prepared host versus a lackluster subject matter expert who falls flat when it comes to presentation (especially when that host is prepared to elevate and address the important questions).

In addition to following up on personal questions, automated post-event campaigns with supporting materials, useful resources, and relevant communications will continue to reinforce the most important learnings from your program. These types of nurture campaigns can help ensure ongoing awareness and engagement, with the financial wellness program and with your organization.



Conclusion

Institutions that establish financial literacy programs for their Consumers – and support financial wellness efforts within their communities – establish a foundation of trust with current Consumers, prospective Consumers, and other relevant stakeholders.

But these can't be financial literacy programs just for the sake of having a financial literacy program. They have to be effective. They have to deliver real-world results. Because the financial health of your members (and ultimately, the financial health of your organization), depend on it.

To ensure the best results of your targeted financial wellness program, it is critical that you take a comprehensive approach. Even the best, most important information will fall on deaf ears if it is not relevant and valuable.

It must be organized, prepared, and presented in a way that lends itself to the appropriate target audience, and is delivered when and how they want it.

You need to take into account the many different components of financial literacy. You need to develop the content your audiences need to manage their challenges

while empowering them to achieve their goals. And you need to constantly explore and measure new ways to design and deliver this content such that your program is always getting better.

By becoming a trusted advisor throughout life's biggest financial milestones, financial and higher education institutions can position themselves as a long-term partner for their Consumers – a partner who will be there for them and their families as they work through the many goals and challenges they will encounter as they pass through the different phases and chapters of their lives.

Let's Get Started!

Call **(866) 761-0700**, email **salesinfo@conserve-arm.com**, or visit **conserve-arm.com/meet-conserve**