WHAT IS SFE?

Student Financial Empowerment is a series of engagements with students, families, and educators that collectively support a student’s ability and confidence to make financially informed decisions toward attaining financial well-being as an adult, regardless of career or educational journey.
SFE ALIGNS WITH FSA’S STRATEGIC PLAN

ELEMENTS OF THE STRATEGIC PLAN

• Goal One: Empower a High-Performing Organization
• Goal Two: Provide World-Class Customer Experience to the Students, Parents, and Borrowers We Serve
• Goal Three: Increase Partner Engagement and Oversight Effectiveness
• Goal Four: Strengthen Data Protection and Cybersecurity Safeguards
• Goal Five: Enhance the Management and Transparency of the Portfolio

FSA CHIEF OPERATING OFFICER – MARK BROWN
SFE – WHAT IS THE PROBLEM?

- The problem is complicated.
- The profile of the current student is changing.
- Many students are 1st generation and even if they aren’t their parents may not understand the current student loan environment.
- Students may be parents themselves.
- There are countless resources available to students and parents – yet students still lack an understanding of how to finance their educational pathway.

“Financial capability is critical to the success and achievement of Americans.”

Transforming the Financial Lives of a Generation of Young Americans, Consumer Financial Protection Bureau (2013)
POSSIBLE SOLUTIONS

- **Well-Being**: Middle to Senior Adult, on-going
- **Competency**: Young Adult & Post School
- **Student Financial Empowerment**: Teen Years & Emerging Adult
- **Capability**: Early Childhood to Middle School
- **Exploration & Self-discovery**: Early Childhood to Middle School
SFE IS PART OF A 21ST CENTURY FSA

FSA NEXT GEN PROJECT
Part of the overall strategy to move FSA into the 21st century

CUSTOMER FOCUS
Developing a state-of-the-art experience for FSA's customers

STUDENT FINANCIAL EMPOWERMENT
SFE is part of that experience
FSA LAUNCHES SFE INITIATIVE

VIRTUAL SUMMIT

- FSA successfully launched the SFE initiative with the inaugural SFE Virtual Summit.
- The Summit brought students, parents, state agencies, organizations, and representatives from commercial actors together to share ideas about SFE.
- Summit presenters included
  - Secretary of Education Betsy DeVos
  - FSA Chief Operating Officer Mark Brown
  - Cajon Valley Union School District
  - Next Gen Personal Finance
  - The Higher Education Financial Wellness Alliance
  - FSA Staff
- All attendees participated in one of several breakout sessions designed to get feedback from individuals and entities involved in SFE activities.
- Valuable feedback from the Summit was obtained.
SFE SUMMIT INFORMATION

- The sessions recordings are available at fsatraining.ed.gov
- Future SFE events
THE SFE INITIATIVE

The SFE initiative will equip students with knowledge and tools to support their ability to make financially informed decisions toward attaining financial well-being regardless of career or educational journey.

• Begin in 9th grade to support students on their journey whether to college, work, or a combination.
• Support a holistic approach for postsecondary preparedness regardless of pathway or entryway.
• Acknowledge off-ramps and promote ways for students to re-calibrate their course and evaluate consequences.
• Support customization for individual student journeys.
THE SFE INITIATIVE

- Encourage industry stakeholders and influencers to adopt Student Financial Empowerment standards when creating their own localized solutions, and to collaborate with FSA to improve and invest in best practices related to Student Financial Empowerment.
- Proactive outreach with a focus toward helping individuals from underserved communities.
- Deploy multi-generation strategy by intentionally and simultaneously working together with the student and the adults in their lives.
- Ensure that relevant information and tools are made available to non-traditional students.
- Utilize pilot programs, research, and private-public partnerships to execute initiative.
SFE’S THREE COMPETENCIES

PREPARE

• Student prepares for postsecondary experiences
  • College
  • Career Training
  • Work
  • Military
  • Other
• FSA support
  • FSAID
  • FAFSA
  • StudentAid.gov - information about federal student aid
  • College Scorecard

SUCCEED

• Student implements informed decisions about education and/or career
• FSA support
  • FAFSA
  • StudentAid.gov - information about federal student aid with emphasis on pros and cons of borrowing
  • FSA program funds
  • Customer focused experience
  • College Scorecard

REPAY

• If a student loan borrower, individual enters repayment
• FSA Support
  • Exit counseling
  • Student loan tools on StudentAid.gov
  • State-of-the-art customer focused experience
FSA’S CURRENT TOOLS SUPPORTING SFE

**FSAID**
- Used to sign the FAFSA
- Used to sign a Federal Direct Loan electronic promissory note
- Available at StudentAid.gov

**FAFSA**
- Used to apply for all federal student aid programs
- Available at StudentAid.gov

**COLLEGE SCORECARD**
- Will assist student with information about a specific school
- Will allow a student to locate a school using certain search parameters
- Information about career fields and apprenticeships
- Available at collegescorecard.ed.gov
FSA’S CURRENT TOOLS SUPPORTING SFE

ANNUAL STUDENT LOAN ACKNOWLEDGMENT

• Reinforces the requirement to repay student loans
• Informs the borrower about current debt and potential total student loan debt
• Helps the borrower understand how borrowing will affect his or her financial future
• Available at StudentAid.gov

STUDENTAID.GOV

• Multiple websites integrated into comprehensive site StudentAid.gov
• One stop shopping for federal student aid programs
• Loan counseling
• PLUS loan information and application
• Loan repayment options
• Available at StudentAid.gov

LOAN SIMULATOR

• Our newest tool for understanding and managing student loan debt
• Available at StudentAid.gov
Let's get started.
We will guide you through a series of questions based on your selection below.

LOAN SIMULATOR

I Want to Find the Best Repayment Strategy

We will recommend a repayment plan based on your needs and goals and help you explore options like making extra payments or consolidating your loans.

Log In and Start
Or Start From Scratch

I'm Struggling With My Payments

Decide whether you want to temporarily stop payments or lower your monthly payment instead.

Log In and Start
Or Start From Scratch

I Want to Simulate Borrowing More Money

Find out what happens when you borrow more money to pay for educational expenses, returning to school, or finishing your studies later than expected.

Coming Soon
Or Start From Scratch

- See how you can lower your payment.
- See how you can pay off your loans faster.
- Decide whether to consolidate.

- Consider a new repayment plan instead of suspending payments.
- Find out about the impacts of suspending payments.
- Learn how to avoid loan default.

- Explore impacts when you borrow more.
- Find out about federal loan limits.
- See how choice of school affects how much you may need to borrow.
SFE IS HAPPENING NOW

WORLD OF WORK

• WoW is a solution developed by the Cajon Valley Union School District in El Cajon, CA near San Diego.
  • 18,000 students.
  • School district serves a socioeconomic population with nearly two-thirds of families living in or near poverty.

• Cajon Valley created the World of Work initiative with the collaboration of administrators, teachers, researchers, professional learning specialists and digital designers.

• A solution intended to bring career development into the classroom, the World of Work initiative seeks to equip teachers to provide students exposure to the world of work through a systemic, ecosystem wide model of hands on experiences and exposure to jobs.
SFE IS HAPPENING NOW

WORLD OF WORK

• The WoW framework is composed of four levels: Exposure, Stimulate, Meet a Pro and Practice.
  • Each year, a student experiences all four levels with a career that is within their own RIASEC (Realistic, Investigative, Artistic, Social, Enterprising and Conventional) themes.
  • These categories within the RIASEC framework are a huge component of the WoW approach to career exploration because it allows students to make the connection between their strengths and interests and the careers aligned with their personality type.

• WoW has a comprehensive K-12 curriculum solution aimed at early exposure for children and their parents to both self and career exploration in the ever-changing landscape of the global economy.

• WoW curriculum incorporates the FSA ID, FAFSA, College Scorecard, and other FSA tools in the classroom to demystify the financial aid process.
DEPARTMENT OF EDUCATION’S SFE EFFORTS WITH OTHER AGENCIES

THE FINANCIAL LITERACY AND EDUCATION COMMISSION (FLEC)

- FLEC was established by Congress in 2003.
- FLEC is made up of 23 Federal Government Agencies including ED.
- FLEC has several working groups and ED is active on the Postsecondary Education Working Group.
  - Active in financial empowerment and literacy issues affecting postsecondary students
- FLEC conducts research and issues reports.
SUBMITTING YOUR IDEAS

STUDENTFINANCIALEMPOWERMENT@ED.GOV

• Place “SFE idea” in subject line.

• Provide a description of the activity you are doing or envisioning, including:
  • Benefits to students, particularly 9th to 12th grade students, if applicable.
  • How your idea supports various educational paths being pursued by students in order to achieve career objectives.
  • Outcomes from existing activities and expected outcomes from proposed activities.
  • Participants in your activity.
NEXT STEPS FOR YOUR IDEA

AFTER YOU SUBMIT YOUR IDEA, FSA MAY:

- Contact you to gather more information about your idea.
- Call you to discuss your idea in more detail.
- Discuss ways FSA may partner with you in furthering your idea.
- Recognize your activity as a positive contribution to SFE.
SFE SUPPORTS FSA’S MISSION

KEEPING THE PROMISE: FUNDING AMERICA’S FUTURE ONE STUDENT AT A TIME.

• Student Financial Empowerment is a series of engagements with students, families, and educators that collectively support a student’s ability and confidence to make financially informed decisions toward attaining financial well-being as an adult, regardless of career or educational journey.

• FSA wants to work with you to empower America’s students!
WE WELCOME YOUR QUESTIONS AND IDEAS

SEND QUESTIONS ABOUT THIS PRESENTATION OR SUBMIT SFE IDEAS TO:
STUDENTFINANCIALEMPOWERMENT@ED.GOV