

A FUNDAMENTAL STUDY OF
FINANCIAL INSTITUTIONS AND BANKING
VICTORIA UNIVERSITY

JOSEPHINE WILSON

MASTERS OF BUSINESS

VICTORIA UNIVERSITY OF TECHNOLOGY

2004

VICTORIA UNIVERSITY OF TECHNOLOGY



3 0001 00808 5997



Minor thesis

**“A preliminary study of financial literacy opportunities at three
Victorian universities”.**

By Josephine Simone

**Submitted in part fulfilment for the requirements for the degree of:
Masters of Business (Finance).**

**In the Faculty of Business
Victoria University of Technology
December 2004**

CEA THESIS

332.0240071 SIM

30001008085997

Simone, Josephine

A preliminary study of
financial literacy
opportunities at three

Table of Contents:	Page
Preface: Acknowledgements	iii
Chapter 1: Introduction and rationale for the study	
Financial literacy at the forefront	1
Definition of financial literacy.....	2
Aim of this study	4
Objectives	5
Outcomes	6
Justification for this study	7
Literature review	9
Chapter 2: Methodology	
Introduction	22
Reason for multiple case study approach	25
Sample of universities chosen	27
Data collection and recording	29
Analysis	33
Validity and reliability	34
Chapter 3: Analysis of the extent and nature of undergraduate subject offerings for each university	
Introduction	38
Subjects containing broad financial literacy elements	44
Subjects containing specific financial literacy elements	45
Significant gap identified in the curriculum	47
Chapter 4: A high level review of each university's website in relation to student financial services.	
Introduction	48
Categorisation and coverage of information in relation to the university's financial services and other third party services	49

Accessibility of information in relation to the university’s financial services and other third party services	54
Website content.....	57
Use of the universities websites moving forward	58

Chapter 5: Perceptions of student financial counsellors.

Introduction	60
Role and use of financial services	60
Money management workshops.....	63
Part-time employment	66
Income support	68
Student debt	69
Budgeting	74
Saving	75
Entering the workforce	76
Website	77
Gap/shortfall in the curriculum.....	78
Changing pattern of university life	79

Chapter 6: Limitations, conclusions and recommendations for further research.

Limitations	82
Conclusions and recommendations for further research	84

Bibliography93

Appendix 1: Subjects that contain Financial Literacy Elements (based on 2003/2004 VU, UM & DU University Handbooks).....98

Appendix 2: Proforma high level website review checklist99

Appendix 3: Interview protocol103

Preface

Acknowledgements

There are a number of individuals who assisted with this project, providing the guidance and support that was necessary to enable the project to be completed.

A very special thank you goes out to the following people who assisted with making this project possible.

1. Mr Robert Sims for his ongoing support, valuable input and high level of professionalism he displayed in his role as supervisor.
2. Professor Bob Clift for his guidance in both the initial and final stages of this project.
3. Doctor Albie Brooks, my Business Research Methods lecturer, for his initial guidance and assistance which led to the developing of this area of research.
4. Victoria University, University of Melbourne and Deakin University Student Financial Councillors/Advisors who took the time to be interviewed, providing invaluable input into this project.
5. The relevant Victoria University, University of Melbourne and Deakin University departments that provided enrolment statistics for particular subjects over the past three years.
6. My husband, for his invaluable support, assistance with reading drafts and providing valuable input in relation to the high level website review.
7. To my family who inspired me to pursue this research and seize the opportunity to take a new path.

Chapter 1: Introduction and rationale for the study

Financial literacy at the forefront

The issue of financial literacy and the consumer has come to the forefront due to a financial services market place which has been constantly undergoing rapid change and becoming more complex and specialised, whilst experiencing a technological evolution. Financial markets have undergone much reform and maturing over the years. With this has come an increasing range of products and services to suit consumer needs (Coonan 2004 p.2, Braunstein and Welch 2002 p.1, Gramlich 2002 p.1, The Consumer and Financial Literacy Taskforce 2004 p.1). For example, consumers are now offered as many as six to twelve banking products (not just the traditional cheque account or passbook savings account), based on differing fees, interest, transaction numbers, overdraft protection etc. (Gramlich, 2002 p.1)

Consumers are now faced with many choices regarding the use and management of their money and are consequently forced to make more complex financial decisions. There is increasing responsibility being transferred to the consumer to manage and understand their financial situation and the implications of their decisions. For example, since financial deregulation in the 1980's, hundreds of credit products have been introduced into the market (Weekes, 2004 page 8). The growth in superannuation has expanded the menu of investment strategies available to members, bearing in mind that for accumulation funds, which are the most popular types of superannuation funds, members bear the investment risk. Consumers therefore need to

be more pro-active in making informed decisions relevant to their financial situation. Such decisions cannot be made properly without a basic level of financial literacy.

The issue of financial literacy or illiteracy of the Australian consumer has captured the recent attention of the Australian government and various corporations, organisations and interest groups. The focus of attention in relation to the Australian consumer is particularly in relation to determining current levels of financial literacy, implementing a national initiative to improve levels of financial literacy and implementing financial literacy programs within Australian schools.

University students as consumers need to be equipped with the necessary skills to assist them with managing their day-to-day financial affairs whilst at university and enable them to survive as a university student. Upon leaving university, these skills will become even more important as the financial decisions they make will have greater implications as their levels of income increase.

Definition of financial literacy

Financial literacy is generally defined as “the ability to make informed decisions about the use and management of money” (Hutchinson 2003 p.1, Russell 2004 p.1, ASIC 2003 p.10, Roy Morgan Research 2003 p.2, The Consumer and Financial Literacy Taskforce 2004 p.xi). For the purpose of this study, this definition is the most appropriate in general terms to describe the term financial literacy. However, based on previous literature, the following must be acknowledged in conjunction with the definition above:

- consumer behaviour is influenced by other socio-economic factors such as culture, attitude and beliefs which impact the ability to make informed decisions;
- no accurate measure exists to determine when a consumer is financially literate;
- consumers tend to learn aspects of financial literacy on a “need to know” basis and through life experiences;
- equipping consumers with money management skills does not necessarily mean good financial decisions will be made.

Aim of this study

The main purpose of this study is to examine the current status of financial literacy information to which undergraduate university students from a sample of Victorian Universities have access both as part of, and external to, the existing university curricula.

Examination of financial literacy offerings through the universities requires analysis of the undergraduate courses and subject offerings, financial information contained on the university websites, structure of student financial services and the perceptions of student financial services representatives.

Central to this study, is an appreciation of the financial issues students may experience when managing their day-to-day financial affairs and common life events. The aims of this study have been further broken down into specific objectives which influenced the research strategy that was ultimately adopted.

Objectives

The objectives of this study were as follows in relation to three Victorian Universities:

1. To identify the financial literacy elements that Victoria University (VU), The University of Melbourne (UM) and Deakin University (DU) currently offer to undergraduate university students *as part of* the 2004 university curriculum as measured by the extent and nature of undergraduate subject offerings.
2. To identify the financial literacy elements that VU, UM and DU currently offer to undergraduate students *external to* the 2004 university curriculum by examining and analysing the student services/student union offerings in relation to financial services for each university, via a high level review of each university's website and discussions with students financial services and/or student union representative from VU, UM and DU.
3. To identify the typical financial issues and common life events and the related financial literacy issues facing undergraduate students when managing their day-to-day financial affairs whilst at university, through examining both the perceptions and experiences of a student services and/or student union representative from VU, UM and DU and existing personal financial/welfare/educational literature relating to undergraduate university students.

Outcomes

This research provides many potential benefits, particularly for the student financial services divisions within each university, as well as the broader university community. These benefits are as follows:

1. Better understanding of the extent to which financial literacy is included in the university curriculum and the proportion of university students that are enrolling in subjects which contain financial literacy elements.
2. An independent assessment and comparison of the content and utility of the financial services websites for each of the three universities could provide useful insights (and opportunities for future improvement) to the financial services and technical staff responsible for the design and content of such sites.
3. An understanding of the role and use of student financial services and the common financial literacy issues and life events that university students experience.

Justification for this study

Only this year, in 2004, has the “National Consumer and Financial Literacy Taskforce” (the Taskforce) been formed to develop Australia’s first national strategy to provide consumer and financial education across public, private and community services (Coonan, 2004, p.3). As this national strategy is still in the early stages of development, research opportunities such as this project present themselves for exploration. The ultimate aim of this Taskforce is to ensure that all Australian consumers are equipped with the skills to make important financial decisions throughout their lives.

Based on the belief that financial literacy should be viewed as a life skill for young people, there is a focus on implementing financial literacy programs as part of the school curriculum. However, there is little, if any, focus on determining the need for financial literacy programs within the universities. However the life events and general management of day-to-day financial affairs of university students are clearly different to those experienced by school students. Different experiences, priorities and responsibilities are experienced at different life stages such as a child, teenager, young adult and adult. It would therefore be difficult to implement successfully a financial literacy program at a single level which incorporates all of these life stages. It may be debatable however to what extent it is the responsibility of the schools, universities and the workplace to deliver financial literacy programs, but the Taskforce acknowledges that financial literacy programs should be implemented and widely supported throughout the community.

With increasing numbers of university students receiving inadequate levels of income support from the Government, taking on debts to support and fund their studies, working longer hours and whose studies are being impacted by financial issues (Long and Hayden 2001, p. 4 - 6), it is imperative that university students are not overlooked, or left behind as part of the current financial literacy initiatives.

Literature review

Little research has been undertaken in relation to financial literacy and Victorian/Australian university students, although some work has been done over the years in relation to understanding the financial issues affecting undergraduate university students.

When reviewing past research in relation to financial literacy and university students, it is necessary to draw on personal financial literature, welfare and educational literature. This mixture of literature gives an appreciation of the following:

1. financial literacy levels amongst university students/young adults;
2. understanding the financial issues affecting university students;
3. understanding the common life events experienced by university students.

1. Financial literacy levels amongst university students/ young adults

Roy Morgan Research (2003) on behalf of the ANZ Bank carried out a survey to determine the financial literacy levels of Australian adults. This survey was the first national piece of financial literacy research that was carried out. Demographic categories were set up as part of the survey and the findings were subsequently grouped and compared. 18-24 year olds were one of the demographic categories. It would be reasonable to assume that this category best represented undergraduate university students, however, the proportion of university students that was surveyed as part of this demographic group is not known. Roy Morgan Research (2003)

reported this category as having one of the lowest levels of financial literacy (out of approximately 25 demographic groups), and were below average when it came to the following:

- understanding financial terms, superannuation basic arithmetic and risk and return;
- general mathematical and standard literacy;
- knowledge of payment methods;
- awareness of product features;
- advanced competence regarding financial services;
- competence with saving and budgeting;
- understanding risk and return;
- making personal life choices;
- understanding consumer rights and responsibilities.

Beal and Delpachitra (2002) investigated the levels of financial literacy amongst university students at the University of Southern Queensland (USQ) in Toowoomba, during the first semester of 2002. 837 questionnaires were completed mainly by undergraduate students as well as some postgraduate students across all faculties. The questionnaire which was distributed to students, sought to test basic financial concepts, markets and instruments, financial planning, financial analysis and making financial decisions and insurance. Beal and Delpachitra (2002) confirmed the following:

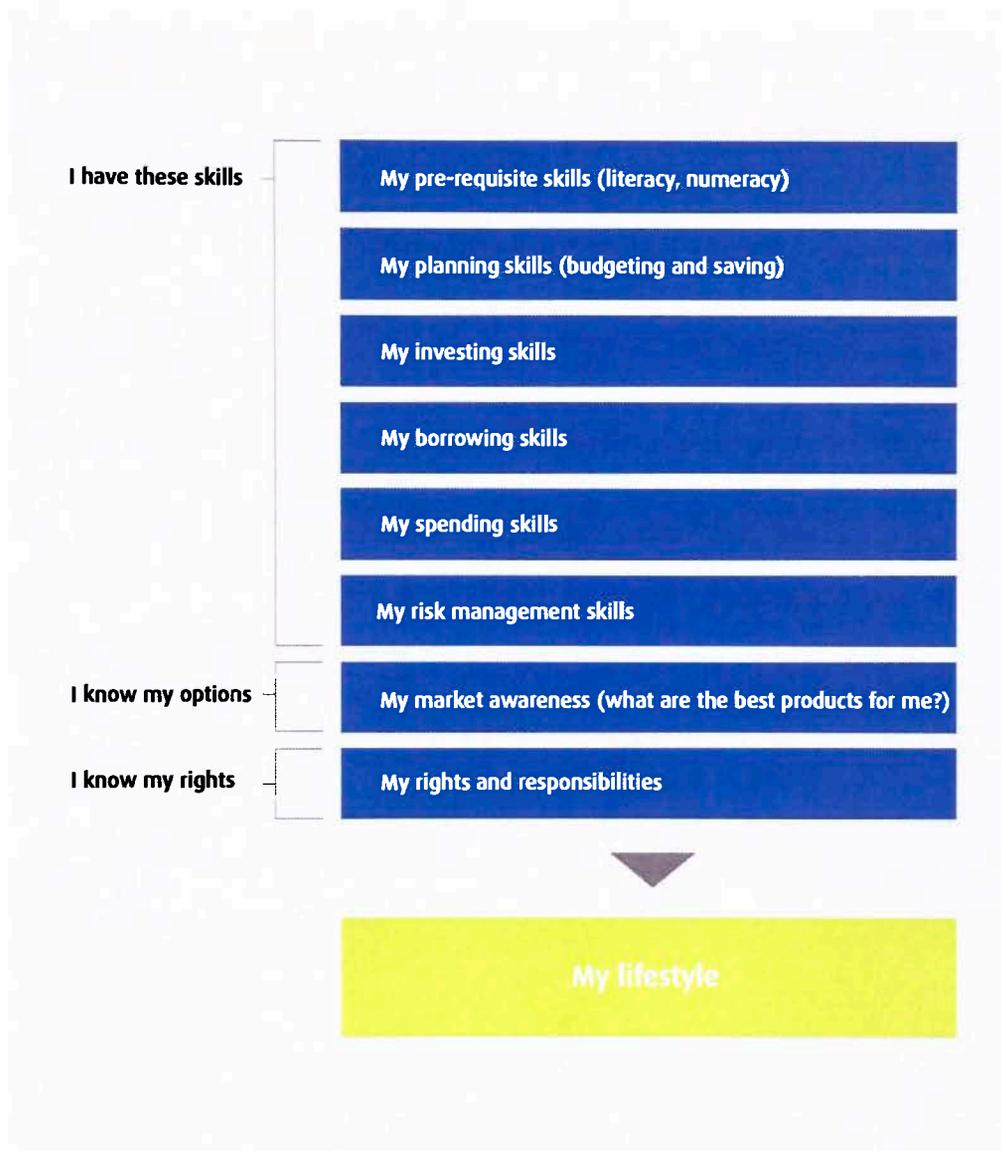
- the levels of financial literacy were not high amongst the university students and were partly related to the limited, if any, financial literacy education that was received throughout secondary school;
- the poorest level of responses related to financial skill or knowledge, financial decision making and knowledge of insurance;
- those who had work experience or a steady income generally had a higher level of financial literacy, indicating that financial skills may be learnt by experience or on a “needs to know” basis.

As mentioned earlier, there is much focus on the development and implementation of financial literacy programs within Australian schools. The Taskforce is focusing on improving the financial literacy levels among school students, by working with the relevant educators. ASIC (2003) sought to promote debate as to how financial literacy education can be implemented as part of the school curriculum. Curriculum Corporation (2003), at the request of the Commonwealth Department of Treasury, investigated consumer and financial literacy education in primary and secondary school education throughout Australia. A project reference group was set up to investigate and analyse existing consumer and financial education information which formed part of the school curriculum.

The Taskforce issued a number of reports in June 2004, which essentially sought to assist with future consultations with the public and key stakeholders in relation to improving financial literacy levels amongst Australian consumers as part of the national initiative. These reports included both a discussion and detailed report on

Australian Consumers and Money. A “Framework of Consumer and Financial Skills” was developed by the Taskforce and is presented below.

Figure 1.1: Framework of Consumer and Financial Skills

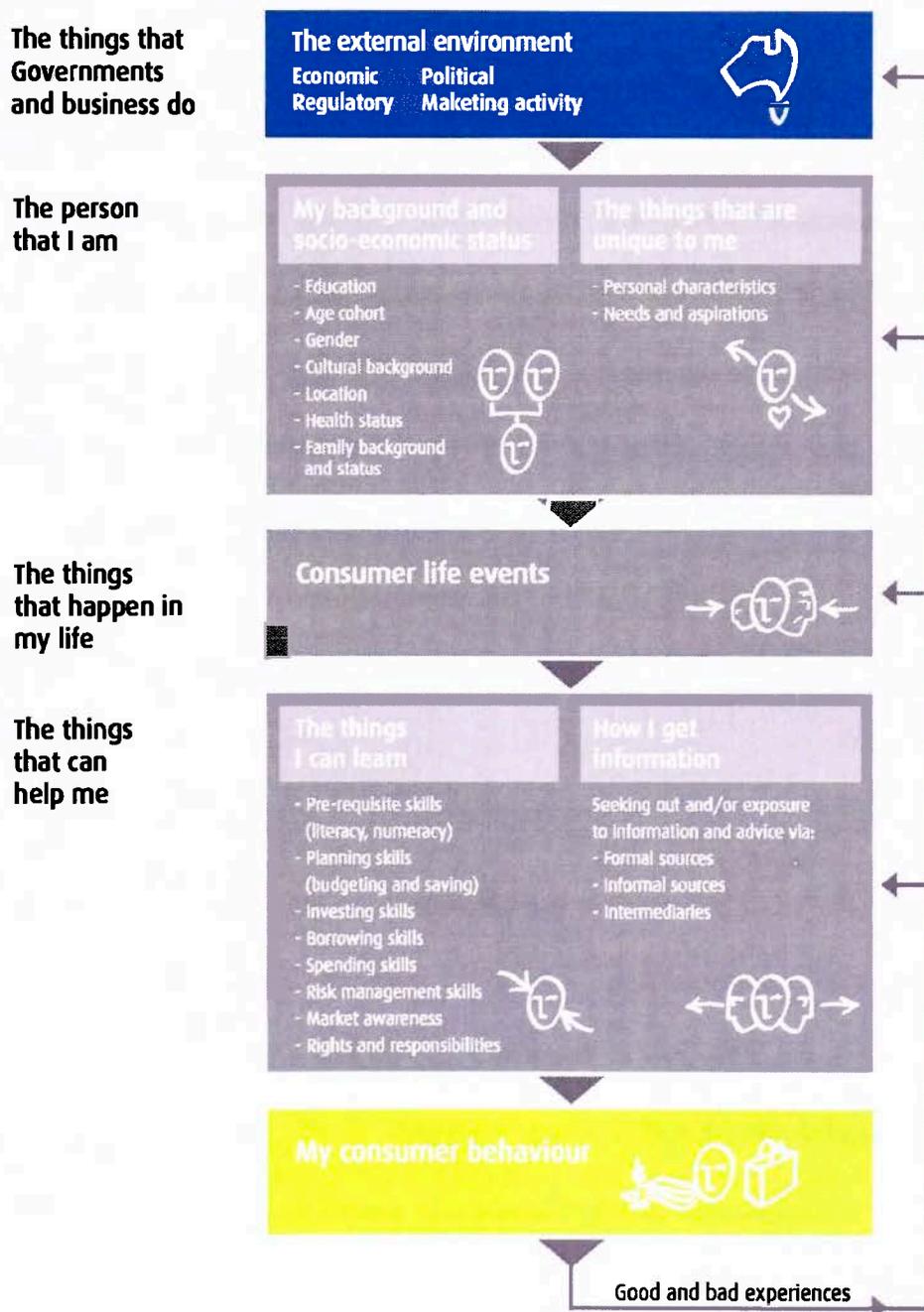


Source: The Consumer and Financial Literacy Taskforce, 2004, p. 35

Figure 1.1 summarises the financial skills necessary for consumers to obtain in order to become financially literate, as well as understanding their choices, rights and obligations. Though the financial skills are comprehensive, the application of each skill is likely to differ at each life stage as was discussed earlier.

Figure 1.2 illustrates the “Consumer Behaviour Model” also developed by the Taskforce to assist with understanding factors that influence consumers when making decisions.

Figure 1.2: Consumer Behaviour Model



Source: The Consumer and Financial Literacy Taskforce, 2004, p. 9

The model is from the consumer's perspective and illustrates how external events, socio-economic background, personal characteristics, skill levels and choice of information can all shape the way decisions are made (The Consumer and Financial Literacy Taskforce, 2004, p. 9). The level of influence that the factors summarised in Figure 1.2 will have on individual consumers may differ depending on their personality, upbringing, lifestyle and life stage.

A preliminary stocktake was carried out by the Taskforce earlier this year of consumer and financial literacy information initiatives, focusing on financial education. Financial literature appeared plentiful, however, educational initiatives were limited. With more than 700 initiatives in existence, it is clear that there is an abundance of financial information to assist Australian consumers. The Taskforce (2004) concluded that a good proportion of these materials is not known, not properly targeted, or, not used by Australian consumers. Communication networks amongst the information providers also appeared limited, leading to duplication in a number of instances.

The Taskforce proposes that a clearing house website for consumers and financial information be developed to store education and information resources. Also, financial literacy programs should be developed in the work place and extended to other community sectors. These long-term goals will need the combined effort and support of the community to ensure all consumer groups are targeted.

Australia is yet to develop a proper consumer and financial literacy framework and is yet to have an efficient level of financial literacy information flowing amongst the sectors (The Taskforce 2004, p. 67). The United Kingdom, for example, has already developed a preliminary financial literacy framework. It is hoped that a framework will be developed as a result of ongoing consultations with key stakeholders and the general public.

2. Understanding the financial issues affecting university students

Wilson (2000) investigated the poverty experiences of Latrobe University students (from six Victorian campuses) and the subsequent effects on learning. A mail survey was distributed and focus groups were carried out. Long and Hayden (2001) also carried out a survey of Australian undergraduate university students finances in 2000. Responses to this survey were received from over 30,000 undergraduate students, both full-time (FT) and part-time (PT). Both surveys produced a number of interesting results which have been grouped and summarised in Figure 1.3.

Figure 1.3: Key statistics from Wilson, 2000 and Long and Hayden, 2001

Issue	Wilson, 2000 Latrobe University	Long and Hayden, 2001 All universities
Impact of financial issues on studies	- 25% considered course withdrawal due to financial issues. - 36% felt their financial situation negatively affected their studies.	- Financial issues influence the following choices: * Course for 11.1% of students. * University for 17.4% of students. * Study mode for 23.3% of students.
Paid part-time employment	- 63% of students on average work in paid employment. - 43% of students miss classes due	- 72.5% of FT students are working in paid employment averaging 14.5 hours per week.

	to the need to attend paid employment.	- 32% of FT students miss classes due to the need to attend paid employment
Income support	- 46% of students receive student income support	- Nearly 40% of students receive student income support
Student debt	- 22% of students are repaying some sort of debt (higher levels if mortgages and HECS included).	- \$4,000 average borrowed for studies. - Approx. 75% of FT students are deferring their HECS liabilities.
Saving	- 56% did not save prior to commencing studies.	- 53.7% used their savings to study.
Budgeting	- No comparative data available.	- Approximately 42% of FT students experienced budget deficits

Both studies concluded that, overall, undergraduate university students appear to be experiencing difficult financial circumstances, which are, in a number of instances, impacting their studies. Nearly 50% of students are receiving student income support, yet 63% to 72.5% of students are working part-time to support themselves whilst studying. 32% to 43% of these students are missing classes due to the need to work.

Deakin University Student Association (“DUSA”) (2004) and Wilson (2000) use the term “poverty” to describe the financial situation of a number of university students, which is of significant concern, as this means that a number of students are not able to meet their basic needs due to a lack of financial resources.

Part-time employment

Paid employment appears to have become more of a necessity for most university students now. McInnis and Hartley (2002) considered the impact of full-time study and paid employment on undergraduate students. They acknowledged that though the

average student works around 15 hours per week, almost 40% work 16 hours or more and 18 % work 21 hours or more per week. During the study, many students indicated that juggling work and study and financial pressures had created a stressful situation. The increasing hours of part-time employment are seeing a change in the university experience for undergraduates, resulting in less time being spent on campus and an increased reliance on the intranet and colleagues. McInnis and Hartley (2002) concluded that the changing university experience of undergraduates needs to be considered by the universities to deliver their curriculum and services (including financial services) in such a way which benefits students most.

McInnis and Hartley (2002) also reported increases in the number of students using the university counselling and financial services with more extreme problems often relating to financial problems, difficulties of juggling study and work and seeking loans for basic living expenses. Their research indicated that university counselling services appeared to be considering a more flexible approach as part of their service offerings including telephone consultations, email contact, out-of-hours consultations, more on-line self-help resources and developing tailored courses such as time management, study management, balancing work and study. The study confirmed that more tailored courses such as these were needed.

Income support

In 2004, both DUSA and the Student Financial Advisors Network (SFAN) carried out separate inquiries into student income-support. Both reports were submitted to the

Senate Employment, Workplace Relations and Education References Committee and confirmed the following:

- Government student income-support schemes are insufficient as a sole source of income. Part-time employment must be sought for further financial support.
- Student income-support payments have not risen to keep up with other student costs/benefits such as rent and web access.
- Cost of higher education has steadily increased.
- Financial dependence on parents whilst students are studying is often resulting in increased tensions for both parties.
- The level of student involvement with their university is changing.

Student Debt

The Council of Australian Postgraduate Associations (CAPA) 2003 investigated the social and economic impact of student debt and concluded that student debt affects the capacity of graduates to own a home, have a family, and access private finance such as mortgages, personal loans and credit cards. Such repercussions need to be considered by students when taking on any level of debt whilst at university. The Department of Education, Science and Training (DEST) has estimated that by June 2006, the total HECS debt will be approximately \$11,519,000,000 (CAPA 2003, p. 6). Over the next four years, Victorian university students will need to pay almost \$260 million extra, under a policy which allows universities to increase HECS fees by up to 25 per cent from 2005. (Guerrera, 2004, p. 1). HECS fees will increase by 25%

for UM and DU and 15% for VU for most courses from 2005 (Guerrera, 2004, p. 1). These substantial increases will significantly increase the level of student HECS debt. Table 4.1 is a summary of the 2003 HECS liability status for VU, UM and DU students.

Figure 1.4: 2003 HECS Liability Status for VU, UM and DU

2003 HECS status	Number of VU students	Number of UM students	Number of DU students
Liability deferred	11,231	16,588	15,219
Paid up-front with discount	2,350	6,591	4,502
Paid up-front without discount	41	192	137
TOTAL:	13,622	23,371	19,858

Source: DEST, 2004, Table 41

Figure 1.4 clearly indicates that the majority of students are deferring their HECS liability. Although students do not have to begin paying off their HECS debt until their incomes reach \$35,000 under the policy, many are still wary about getting into debt at an early age (Guerrera 2004, p. 1).

The level of debt accrued in relation to credit cards and mobile phones is becoming a serious issue. Mobile phones have become part of the culture now and are thus more easily accessible and there are a number of avenues for young people to access credit. Unfortunately, bankruptcy has become an issue for a number of young people. Of the 21,900 Australians who were declared bankrupt in the 2003 calendar year, 10% were aged between 15 and 24 (Weekes 2004 p.9). Weekes (2004) further states that as

financial literacy is not taught in schools, many young people are a major target for marketers and are easily seduced by the slick marketing campaigns.

Budgeting

Budgeting for levels of income and expenditure can be difficult for a university student with limited financial resources. Budgeting requirements may differ depending on whether students are living at home, financially dependent, living arrangements (own or shared) and the financial assistance to which they have access.

Savings

As household debt has steadily increased over the years, there has been a continuing trend of low levels of household savings. University students would not be immune to this trend, as their levels of savings have traditionally been based on balancing a part-time income with full-time studies, thus their capacity to save is limited in many instances.

3. Understanding the common life events experienced by university students.

The Consumer and Financial Literacy Taskforce (2004) identified the following consumer life events relevant to young adults:

- getting their first credit card;
- undertaking higher education;

- entering the workforce;
- buying a first car;
- taking out insurance;
- leaving home;
- funding lifestyle activities (travel, holidays, hobbies, sport);
- setting up house (furniture, stereo, etc.).

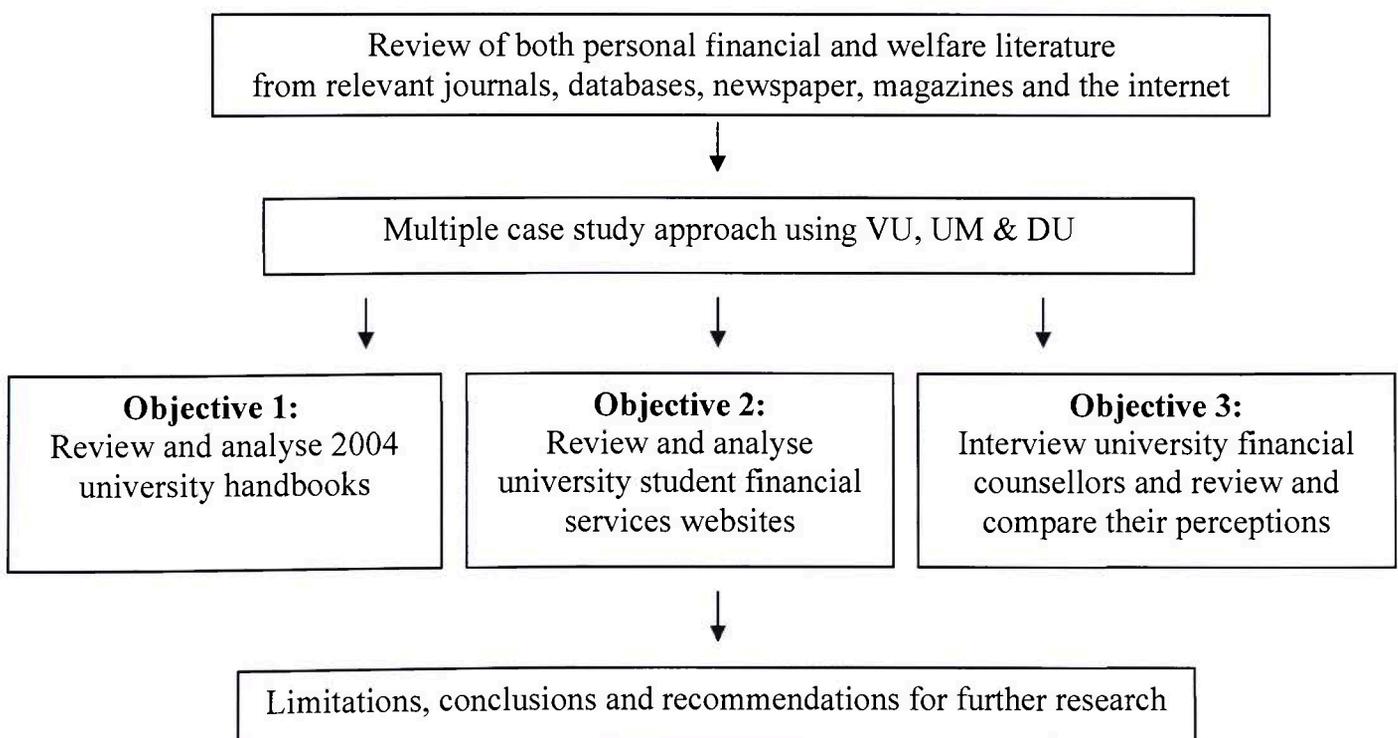
The Taskforce also identified unanticipated general consumer life events such as inheriting money, bankruptcy and debt problems, being unemployed, relationships problems, health problems and disasters. These life events have associated financial implications which may be an issue where financial literacy is not adequate.

Chapter 2: Methodology

Introduction

Careful consideration needed to be given to the methodology that was ultimately adopted due to the need to gather adequate empirical data within the time period and resource constraints governing the study. A qualitative multiple descriptive case study approach of a sample of Victorian universities, which incorporated a mixture of semi-structured in-depth interviews and an analysis of relevant secondary data, was seen to be the most appropriate research method to adopt for this study. Diagram 2.1 provides an overview of the methodology adopted for this study.

Diagram 2.1: Summary of methodology adopted.



When carrying out the literature review, it became apparent that student financial issues were discussed from a personal financial, welfare and educational perspective. It was therefore necessary to consider many sources of literature, in order to gain an understanding of current levels of financial literacy amongst young adults, common financial issues and life events that affect university students and the impact financial issues may have on university students.

A number of the previous studies discussed in Chapter 1 carried out surveys on a large scale. These studies were drawn upon, as they provided valuable insight in terms of understanding some of the key financial issues that affect university students. However to undertake a large scale survey of this type was beyond the scope and resources for this study. Instead this study focuses on the financial literacy opportunities that are made available to university students via the universities. It is an initial exploratory and descriptive study which could then provide a platform for carrying out a more detailed and larger study which could include a large scale survey.

The multiple case study approach of three universities was adopted to ensure a cross-section of universities was included in the sample, to see if there were any differences in findings for universities with different geographical and socio-economic characteristics. Such a cross-section would also be expected to result in a more diverse range and more comprehensive coverage of student financial problems and issues.

Multiple data sources were used for the empirical part of the study so that the different ways university students are exposed to financial literacy could be examined from different perspectives. Multiple sources of data would provide the opportunity to confirm or refute conclusions drawn from one source of data alone. As shown in Diagram 2.1 the multiple data sources included: 2004 university handbooks, university enrolment statistics, university financial services websites and interviews with university financial services counsellors

The 2004 university handbooks were seen as the best source available for a preliminary examination of the extent to which financial literacy is included in university curriculum, as they briefly summarised all of the subjects that were available to students at each university. From the handbooks it would be possible to identify the subjects most likely to contain topics covering aspects of financial literacy and then use university enrolment data to determine the proportion of students receiving exposure to those subjects.

Apart from the curriculum, it was thought to be necessary to review the student financial services website for each university, as such an online communication tool would be a likely potential source from which students could obtain information on relevant financial issues. Where students were not able to learn particular financial skills through the curriculum, they could perhaps seek them out and learn them from the student financial services website.

Finally the perceptions of university financial counsellors were obtained, as this was the other most likely avenue where students could seek assistance or learn particular financial skills directly from a counsellor. It was also expected that the professional financial counsellors would be able to provide good insights about the financial literacy of the students they dealt with as well as the types of financial problems typically encountered. Professional counsellors working regularly with students from all faculties and different campuses could reasonably be regarded as expert witnesses. Hence their perceptions about the financial literacy of university students and the problems they faced would have considerable credibility, compared to other potential sources such as university administrators and university lecturers, where arguably much larger samples would be needed to ensure coverage across all faculties and campuses of each university.

Reason for multiple case study approach

Yin (1988 p. 23) a well respected author in relation to case study research, defines a case study as “an empirical inquiry that investigates a contemporary phenomenon within its real life context, when the boundaries between phenomenon and context are not clearly evident and in which multiple sources of evidence are used”. A single case study of one university would make it difficult to know whether any findings were particular to that university due to its own unique characteristics (location, age, size etc.) and those of its students (socio-economic status etc.) A multiple case study approach was considered more appropriate, as selecting Victorian universities meant that a cross section of three different types of Victorian universities could be studied.

Yin (1988 p. 95) outlines three key principles of data collection for case study research. This study has adopted all three principles as follows.

1. Using multiple sources of evidence – Three out of six sources of evidence listed by Yin (1988 p.84) were used in this study. The remaining three sources being direct observation, participant observation and physical artifacts were not relevant to achieving the desired objectives. The first source used was documents, such as handbooks and Government submissions. The second source was archival records, such as annual reports and survey data collected by the DEST. The third source was interviews with relevant student financial advisors.

2. Creating a case study database – A database is created where it is clear that the database is separate to the case study report. The development of the case study database also increases the reliability of a case study, as confirmed by Yin (1988 p. 45). The analysis of this report is therefore based on an analysis of the database that was compiled, consisting of the following:

- *Handbook matrix*: The qualitative spreadsheet matrix summarised the subject enrolments for each subject that contained financial literacy elements amongst the three universities from the period 2002 to 2004.
- *Website checklists*: The qualitative checklist documents sought to carry out a content review of website information.
- *Interview summaries and notes on key literature materials*: These qualitative documents were compared and analysed to determine the

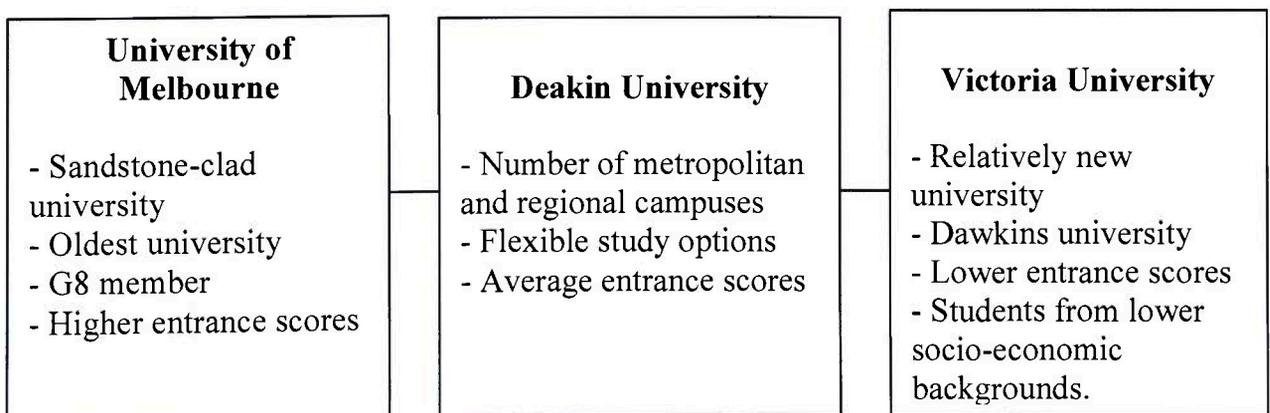
perceptions surrounding financial literacy and VU, UM and DU university students.

3. Maintain a chain of evidence – A chain of evidence was kept from the development of the initial objectives of this study. The completed handbook matrix, website checklist and interview protocol are appendices of this study and cited in both this section and the analysis section of this study.

Sample of universities chosen

Due to time constraints, not all Victorian universities could be included as part of this study. It was necessary to restrict the study to three universities. The three universities chosen were based on a sample which would enable comprehensive coverage of student financial issues. The rationale for choosing the sample of universities was based on a number of considerations such as those outlined in Diagram 2.2.

Diagram 2.2: Considerations when choosing the Victorian university sample



Three other factors also considered as evidence of diversity when choosing the sample were:

- the numbers of distance education (external) students;
- the numbers of low socio-economic status students;
- regional characteristics.

Table 2.3 illustrates the proportion of external, rural and isolated and low socio-economic status students for seven of the major Victorian Universities.

Table 2.3 Proportion of external, rural and isolated and low socio-economic status students.

University	External Students (% of total)	Rural & Isolated	Low socio-economic status
University of Melbourne	2.9%	12.2%	<u>8.0%</u>
Deakin University	<u>43.8%</u>	<u>23.4%</u>	14.5%
Victoria University	1.1%	8.8%	<u>27.0%</u>
La Trobe University	0.6%	34.2%	15.1%
Monash University	17.3%	13.5%	13.3%
RMIT University	3.8%	10.2%	12.8%
Swinburne University	0.0%	7.1%	9.9%

Source: National Tertiary Education Union. (DEST, Selected Higher Education Statistic), May 2003.

In terms of the proportion of low socio-economic students, Table 2.1 illustrates that UM has the lowest percentage and VU has the highest percentage (almost double all of the other universities). Though DU only has the second highest percentage of rural and isolated students to Latrobe University, DU clearly has the highest percentage of external students. These conclusions influenced VU, UM and DU being chosen as the sample of universities, as it was anticipated that this would result in the most diverse range of student financial issues.

Data collection and recording

Objective 1: Extent and nature of undergraduate subject offerings for each university

A matrix was developed to analysis the extent and nature of undergraduate subject offerings. The completed matrix can be viewed in Appendix 1. The nature of these offerings was carried out via an analysis of the 2004 University Handbooks to identify relevant elements of subject content which could form part of student financial literacy, in particular any personal financial elements.

The first step was to identify the subjects that contained the relevant financial literacy elements via a review of the subject content. Key information recorded for each subject included the name of the subject, subject code, stream, any prerequisites, subject level and semester offered.

The second step was to record the specific financial literacy elements for each subject that was recorded as part of the first step. These elements were identified primarily by a review of the subject name and content. The financial literacy elements each formed a separate category in the matrix and were ticked where it was apparent that the subject content covered these elements. The elements included budgeting and saving, borrowing and credit, financial planning, investing money, social security, superannuation, retirement planning, investments, taxation, insurance, financial industry. Many of these elements were taken from the preliminary stocktake of consumer and financial literacy information initiatives, completed by the Taskforce in 2004 as the stocktake focused on financial education.

The third step was to obtain the following information from the three universities for years 2002, 2003 and 2004:

- the total number of students enrolled in each subject;
- the total number of business and law students;
- the total number of undergraduate students.

Objective 2: A high level review of each university's website in relation to financial services

A qualitative checklist was developed to carry out a high level review of each university's website in relation to financial services. The checklist consisted of a mixture of open-ended questions, direct questions and likert scales. The proforma checklist can be viewed in Appendix 2. The Financial Services Consumer Policy

Centre (1999) carried out a stocktake of consumer education in financial services on behalf of ASIC. An extensive review of around 100 relevant websites was undertaken as part of this review (The Financial Services Consumer Policy Centre 1999, p. 3). The criteria used for the stocktake was drawn upon when developing the checklist that was used in this study, as the stocktake were primarily concerned with analysing the effectiveness and coverage of financial services materials which was also the primary objective of the high level website review.

In summary, the qualitative checklist sought to cover the following:

- *accessibility* of financial information, university services and other third party services measured by the number of clicks to access the financial services website and the ease of obtaining relevant contact details of the student financial advisors;
- *coverage* of financial information, university services and other third party services, measured by the type of financial information, description of financial services and third party links to other websites that appeared on the financial services websites;
- *categorisation* of financial services measured by the key subheadings that appeared on the financial services websites;
- *format* of financial information measured by reviewing types of website information including downloadable documents such as booklets and pamphlets;

- *outsourcing/use of third party information* from specialist organisations or as part of a partnership measured by the authors of the financial information that appeared on the financial services websites.

Use of in-depth interviews

One of the most important sources of case study information is the interview (Yin, 1988 p. 88). Yin (1988 p. 89) further elaborates that the nature of the interview tends to be of an open-ended nature, where a researcher can ask for the facts of a matter as well as for the respondents' opinions and events. A small number of in-depth interviews were chosen with the view of getting a deep understanding of the relevant issues and richness of responses. Student financial advisors at VU, UM and DU were interviewed as expert witnesses, as they are professionals who encounter student financial issues on a day-to-day basis.

The interviews were semi-structured, consisting of a mixture of fixed and open-ended response questions. Such interviews are most appropriate where the researcher seeks the informants' stories and perspectives and is far more open to complexity, ambiguity and things that had not been anticipated or considered (Knight, 2002, p. 63).

An interview protocol was drafted which listed the topics to be raised and associated points for discussion. The interview protocol can be viewed in Appendix 3. Such a schedule of topics to be raised is a common instrument used when conducting in-

depth interviews (Ticehurst and Veal 2000, p.97). The schedule was structured as follows:

- *Section 1: General.* Sought general information about the university's financial services, seminars and workshops, statistics, university website, university life and implementation issues.
- *Section 2: Financial Issues and common life events.* Sought information about specific financial issues identified throughout the literature review, including part-time employment, student income-support, debt, budgeting and saving and other issues.

Analysis

Subsequent to the content analysis of the 2004 University Handbooks, the extent of undergraduate subject offerings was measured by the number of students enrolled in each subject divided firstly by the total number of business and law undergraduate students and secondly by the total number of undergraduate students.

The nature and extent of coverage obtained from the handbooks was difficult to determine based on the limited information they contained. The completed matrix of information was collated, sorted and then analysed to determine the financial literacy opportunities currently offered to VU, UM and DU students and the extent of students who access these opportunities. Perceptions of the gaps that exist within the university curriculum were also discussed during the in-depth interviews carried out with the student financial advisors at each university.

The completed website checklists of the three universities were collated and compared to identify common elements, differences and gaps amongst the websites. Perceptions of the current website for financial services were also discussed during the in-depth interviews carried out with the student financial advisors at each university.

Information obtained from the semi-structured in-depth interviews from VU, UM and DU representatives were taped, typed up and sent to each interviewee for validation. In addition, the interviewer also took notes as a back up. The information was sorted and evaluated according to the topics identified in the interview protocol.

Validity and reliability

To ensure the quality of the research design, special consideration was given to construct, internal and external validity of this study. These concepts are defined below.

- *construct validity* is concerned with the degree to which the measurement scale represents and acts like the concept being measured (Davis 2000 p.178).
- *internal validity* is concerned with the degree of confidence that the results are true given the study situation (Davis 2000 p.142).
- *external validity* is concerned with the degree to which the study's results can be generalised across populations, settings and other similar conditions (Davis 2000 p.43).

Construct validity

Construct validity can prove problematic in case study research. For example, subjective judgements may be used to collect data (Yin 1989, p.40). As was recommended by Yin (1988 p.42) to increase the construct validity of a case study, multiple sources of evidence should be used and a chain of evidence be maintained. Both of these were adopted in this case study. Suitably defining and measuring financial literacy was also a construct validity issue, as there are differing views as to what makes a person financially literate and there is a non-technical aspect of financial literacy that needed to be considered. Special consideration was therefore given to this definition.

Internal validity

Internal validity is an important consideration when engaging in any case study research, as it indicates whether a study has sufficient control over what it has done or whether there are other possibilities that may come into play when drawing conclusions.

The three universities were carefully chosen based on a number of broad considerations to reflect differences in student population in order to obtain an understanding of a range of financial issues.

A systematic approach was adopted when reviewing the university handbooks. A list of key financial literacy elements obtained from the Taskforce was used as a guide when reading the handbook information. A comparison of enrolment information against the undergraduate business and law population and broader student population could only be carried out with the number of subject enrolments and the total number of business and law and undergraduate students for each university.

The factors that went into the design of the website checklist were essentially mirrored from the “Stocktake of Consumer Education in Financial Services” that was prepared for ASIC. The ASIC stocktake was largely based on the same objectives as that of the website checklist. Both sought to understand the financial information available to the consumer and an analysis of the effectiveness and coverage of that information (Financial Services Consumer Policy Centre 1999, p.2).

Each interview was carried out using the same protocol. The interview protocol was based on the personal financial and welfare literature review that was carried out in Chapter 1. VU was used as a pilot interview in order to finalise the interview protocol. Each interview was taped and then validated by each representative in conjunction with notes being taken by the interviewer.

External validity

There are problems with generalising case study results to the broader population. In this instance, a multiple case study approach was adopted which included a sample of three universities. The sample chosen took into account a number of broad

considerations such as university characteristics, campus locations, flexible study options and socio-economic status of students. It may therefore be reasonable to consider that other Victorian universities may also be able to benefit from the findings of this study.

Chapter 3: Analysis of the extent and nature of undergraduate subject offerings for each university.

Introduction

Based on the information contained in the university handbooks, the subjects identified as containing financial literacy elements, were heavily focused on technical issues and appeared to have limited focus on practical consumer issues.

For comparative purposes, the subjects were grouped into a number of broad financial literacy elements, according to the brief description contained in each of the university handbooks.

Tables 3.1A, 3.1B and 3.1C list the VU, UM and DU subjects that contain financial literacy elements, based on a review of the 2003/2004 handbooks for each university. The following information for each subject was obtained from each university for the period 2002 to 2004:

1. the total number of subject enrolments;
2. the total number of undergraduate business and law students;
3. the total number of undergraduate students.

Once this information was obtained each subject was analysed as follows:

1. 1 was divided by 2 to obtain the percentage of enrolments for each subject as per the total business and law undergraduate population summarised in Table 3.1A;
2. 1 was divided by 3 to obtain the percentage of enrolments for each subject as per the total undergraduate population summarised in Table 3.1B.

Table 3.1A: Subjects that contain financial literacy elements (based on 2003/2004 university handbooks)

% of enrolments out of total business and law undergraduate population

University	Subject code	Subject name	Stream	% of enrolments out of total business and law undergraduate population		
				2004	2003	2002
VICTORIA UNIVERSITY						
Financial Planning	BAO2441	Personal Financial Planning	Accounting	3.47%	0.00%	0.00%
Investing	BAO3403	Investment and Portfolio Management	Accounting	5.20%	3.78%	3.91%
	BEO3302	Options and Futures Markets	Economics	0.24%	0.44%	0.32%
	BEO3304	Ethical Investment	Economics	0.11%	0.16%	0.48%
	BLB3132	Securities Law	Law	0.69%	0.29%	0.00%
Accounting concepts	BAO1101	Accounting for Decision Making	Accounting	25.20%	30.34%	26.40%
Financial Fundamentals	BAO3307	Corporate Finance	Accounting	9.72%	10.12%	9.90%
Taxation	BLB3134	Taxation Law	Law	1.23%	1.02%	0.00%
	BLO2206	Taxation Law and Practice	Law	9.04%	6.97%	6.74%
Superannuation & Retirement	BEO3347	Planning for Long Term Wealth Creation	Economics	0.70%	0.00%	0.00%
Banking and Credit	BEO3446	Financial Institutions and Monetary Theory	Economics	4.12%	4.15%	3.34%
	BEO3447	Commercial Banking and Finance	Economics	3.12%	2.41%	3.22%
	BAO3404	Credit and Lending Decisions	Accounting	1.96%	1.89%	2.22%
	BLO3405	Law of Financial Institutions and Securities	Law	3.68%	2.83%	3.54%
Insurance	BEO2401	Risk Management and Insurance	Economics	1.60%	0.95%	0.00%
Managing Risk	BEO2410	Risk Analysis and Management	Economics	2.78%	2.17%	1.60%
Business Internet Usage	BC04658	Electronic Commerce	Information Systems	0.03%	0.00%	0.00%
UNIVERSITY OF MELBOURNE						
Financial Planning	333-203	Personal Financial Management	Finance	7.70%	7.10%	8.10%
Investing	333-301	Investments	Finance	11.78%	10.09%	8.63%
	333-309	Derivative Securities	Finance	7.90%	4.87%	0.00%
Accounting concepts	306-102	Accounting Concepts	Accounting	5.68%	6.03%	7.73%
	306-103	Accounting 1A	Accounting	16.92%	17.76%	18.68%
	306-104	Accounting 1B	Accounting	15.63%	17.12%	16.69%
Financial Fundamentals	316-351	Economics of Financial Markets	Economics	0.47%	0.89%	1.65%
	316-469	Financial Economics	Economics	0.04%	0.07%	0.17%
	333-302	Corporate Finance	Finance	13.54%	9.97%	8.96%
	333-101	Finance 1	Finance	7.16%	0.00%	0.00%
Taxation	732-303	Taxation Law	Law	7.77%	5.84%	4.76%
	316-329	The Economics of Taxation	Economics	0.32%	0.29%	0.19%
	730-407	Taxation	Law	1.67%	1.97%	2.19%
Banking and Credit	333-202	Management of Financial Institutions	Finance	7.61%	4.10%	4.27%
	316-306	Money and Banking	Economics	0.80%	1.31%	2.11%
	732-302	Banking and Finance Law	Law	0.62%	0.37%	0.44%
	730-439	Banking and Negotiable Instruments	Law	0.61%	0.00%	0.00%
Insurance	730-314	Insurance Law	Law	0.00%	0.00%	0.00%
Business Internet Usage	316-212	Economics for e-Commerce	Economics	0.53%	0.68%	0.83%
	316-336	Economic Analysis of e-Commerce	Economics	0.08%	0.00%	0.29%
	306-316	Electronic Commerce	Information Systems	0.67%	0.46%	0.27%
	730-306	Internet Law	Law	0.68%	0.00%	0.00%
DEAKIN UNIVERSITY						
Financial Planning	MAF255	Financial Planning	Finance	6.61%	6.66%	2.97%
	MAF312	Advanced Financial Planning	Finance	4.44%	3.28%	2.29%
Investing	MAF307	Equities and Investment Analysis	Finance	2.86%	2.63%	1.33%
	MAF308	Debt and Contractual Securities	Finance	6.82%	3.72%	0.42%
	MAF202	Money and Capital Markets	Finance	10.66%	8.31%	0.00%
Accounting concepts	MAA103	Accounting for Decision Making	Accounting	16.62%	16.01%	16.05%
	MAA203	Accounting Concepts and Systems	Accounting	8.30%	7.46%	4.79%
Financial Fundamentals	MAF101	Fundamentals of Finance	Finance	24.14%	23.16%	27.93%
	MAF203	Business Finance	Finance	11.90%	11.43%	8.19%
Taxation	MLC301	Principles of income tax law	Law	8.29%	7.06%	4.83%
	MLL406	Taxation	Law	1.44%	1.22%	2.18%
	MAF305	Financial Institutions Management	Finance	1.99%	0.76%	0.18%
	MLL381	GST	Law	0.00%	0.69%	0.00%
Superannuation & Retirement	MAF311	Superannuation Planning	Finance	3.96%	3.33%	2.19%
Banking and Credit	MLL378	Banking Law and Securities	Law	0.00%	1.31%	0.38%
Business Internet Usage	MSC244	Introduction to Business on the internet	Information Systems	6.73%	6.96%	8.04%
	MSC349	Business Strategies for the Internet	Information Systems	2.24%	3.34%	6.08%
	MLL370	Law and the Internet	Law	1.41%	0.91%	0.71%

Table 3.1B: Subjects that contain financial literacy elements (based on 2003/2004 university handbooks)

% of enrolments out of total undergraduate population						
University	Subject code	2004 handbook description Subject name	Stream	% of enrolments out of total undergraduate population		
				2004	2003	2002
VICTORIA UNIVERSITY						
Financial Planning	BAO2441	Personal Financial Planning	Accounting	1.57%	0.00%	0.00%
Investing	BAO3403	Investment and Portfolio Management	Accounting	2.35%	0.98%	1.62%
	BEO3302	Options and Futures Markets	Economics	0.11%	0.11%	0.13%
	BEO3304	Ethical Investment	Economics	0.05%	0.04%	0.20%
	BLB3132	Securities Law	Law	0.27%	0.08%	0.00%
Accounting concepts	BAO1101	Accounting for Decision Making	Accounting	11.40%	7.82%	10.92%
Financial Fundamentals	BAO3307	Corporate Finance	Accounting	4.40%	2.61%	4.10%
Taxation	BLB3134	Taxation Law	Law	0.55%	0.26%	0.00%
	BLO2206	Taxation Law and Practice	Law	4.09%	1.80%	2.79%
Superannuation & Retirement	BEO3347	Planning for Long Term Wealth Creation	Economics	0.32%	0.00%	0.00%
Banking and Credit	BEO3446	Financial Institutions and Monetary Theory	Economics	1.86%	1.07%	1.38%
	BEO3447	Commercial Banking and Finance	Economics	1.41%	0.62%	1.33%
	BA03404	Credit and Lending Decisions	Accounting	0.89%	0.49%	0.92%
	BLO3405	Law of Financial Institutions and Securities	Law	1.62%	0.73%	1.46%
Insurance	BEO2401	Risk Management and Insurance	Economics	0.68%	0.25%	0.00%
Managing Risk	BEO2410	Risk Analysis and Management	Economics	1.26%	0.56%	0.66%
Business Internet Usage	BC04658	Electronic Commerce	Information Systems	0.01%	0.00%	0.00%
UNIVERSITY OF MELBOURNE						
Financial Planning	333-203	Personal Financial Management	Finance	1.95%	1.82%	2.02%
Investing	333-301	Investments	Finance	2.98%	2.59%	2.15%
	333-309	Derivative Securities	Finance	2.00%	1.25%	0.00%
Accounting concepts	306-102	Accounting Concepts	Accounting	1.44%	1.55%	1.93%
	306-103	Accounting 1A	Accounting	4.29%	4.57%	4.66%
	306-104	Accounting 1B	Accounting	3.93%	4.40%	4.14%
Financial Fundamentals	316-351	Economics of Financial Markets	Economics	0.12%	0.23%	0.41%
	316-469	Financial Economics	Economics	0.01%	0.02%	0.04%
	333-302	Corporate Finance	Finance	3.43%	2.56%	2.23%
	333-101	Finance 1	Finance	1.81%	0.00%	0.00%
Taxation	732-303	Taxation Law	Law	1.97%	1.50%	1.19%
	316-329	The Economics of Taxation	Economics	0.08%	0.07%	0.05%
	730-407	Taxation	Law	0.40%	0.51%	0.55%
Banking and Credit	333-202	Management of Financial Institutions	Finance	1.93%	1.05%	1.07%
	316-306	Money and Banking	Economics	0.20%	0.34%	0.53%
	732-302	Banking and Finance Law	Law	0.16%	0.09%	0.11%
	730-439	Banking and Negotiable Instruments	Law	0.13%	0.00%	0.00%
Insurance	730-314	Insurance Law	Law	0.00%	0.00%	0.00%
Business Internet Usage	316-212	Economics for e-Commerce	Economics	0.13%	0.18%	0.21%
	316-336	Economic Analysis of e-Commerce	Economics	0.02%	0.00%	0.07%
	306-316	Electronic Commerce	Information Systems	0.17%	0.12%	0.07%
	730-306	Internet Law	Law	0.17%	0.00%	0.00%
DEAKIN UNIVERSITY						
Financial Planning	MAF255	Financial Planning	Finance	2.17%	2.11%	0.98%
	MAF312	Advanced Financial Planning	Finance	1.46%	1.05%	0.76%
Investing	MAF307	Equities and Investment Analysis	Finance	0.94%	0.81%	0.44%
	MAF308	Debt and Contractual Securities	Finance	2.24%	1.19%	0.14%
	MAF202	Money and Capital Markets	Finance	3.46%	2.67%	0.00%
Accounting concepts	MAA103	Accounting for Decision Making	Accounting	5.45%	5.14%	5.31%
	MAA203	Accounting Concepts and Systems	Accounting	2.72%	2.39%	1.58%
Financial Fundamentals	MAF101	Fundamentals of Finance	Finance	7.92%	7.44%	9.23%
	MAF203	Business Finance	Finance	3.90%	3.67%	2.71%
Taxation	MLC301	Principles of income tax law	Law	2.72%	2.27%	1.60%
	MLL406	Taxation	Law	0.47%	0.39%	0.72%
	MAF305	Financial Institutions Management	Finance	0.65%	0.24%	0.06%
	MLL381	GST	Law	0.00%	0.22%	0.00%
Superannuation & Retirement	MAF311	Superannuation Planning	Finance	1.30%	1.07%	0.72%
Banking and Credit	MLL378	Banking Law and Securities	Law	0.00%	0.42%	0.13%
Business Internet Usage	MSC244	Introduction to Business on the Internet	Information Systems	1.88%	2.23%	2.66%
	MSC349	Business Strategies for the Internet	Information Systems	0.74%	1.07%	1.68%
	MLL370	Law and the Internet	Law	0.46%	0.29%	0.23%

Table 3.1C: Subjects that contain financial literacy elements (based on 2003/2004 university handbooks)

Number of subject enrolments							
University	Subject code	2004 handbook description			Number of subject enrolments		
		Subject name	Stream	2004	2003	2002	
VICTORIA UNIVERSITY							
Financial Planning	BAO2441	Personal Financial Planning	Accounting	218	0	0	
Investing	BAO3403	Investment and Portfolio Management	Accounting	327	234	220	
	BEO3302	Options and Futures Markets	Economics	15	27	18	
	BEO3304	Ethical Investment	Economics	7	10	27	
	BLB3132	Securities Law	Law	37	18	0	
Accounting concepts	BAO1101	Accounting for Decision Making	Accounting	1684	1877	1486	
Financial Fundamentals	BAO3307	Corporate Finance	Accounting	611	626	667	
Taxation	BLB3134	Taxation Law	Law	77	63	0	
	BLO2206	Taxation Law and Practice	Law	668	431	379	
Superannuation & Retirement	BEO3347	Planning for Long Term Wealth Creation	Economics	44	0	0	
Banking and Credit	BEO3446	Financial Institutions and Monetary Theory	Economics	269	267	188	
	BEO3447	Commercial Banking and Finance	Economics	196	149	181	
	BA03404	Credit and Lending Decisions	Accounting	123	117	126	
	BLO3405	Law of Financial Institutions and Securities	Law	225	176	199	
Insurance	BEO2401	Risk Management and Insurance	Economics	94	69	0	
Managing Risk	BE02410	Risk Analysis and Management	Economics	176	134	90	
Business Internet Usage	BC04658	Electronic Commerce	Information Systems	2	0	0	
UNIVERSITY OF MELBOURNE							
Financial Planning	333-203	Personal Financial Management	Finance	666	619	666	
Investing	333-301	Investments	Finance	860	738	602	
	333-309	Derivative Securities	Finance	670	366	0	
Accounting concepts	306-102	Accounting Concepts	Accounting	410	441	639	
	306-103	Accounting 1A	Accounting	1221	1299	1303	
	306-104	Accounting 1B	Accounting	1121	1262	1167	
Financial Fundamentals	316-351	Economics of Financial Markets	Economics	34	65	115	
	316-469	Financial Economics	Economics	3	5	12	
	333-302	Corporate Finance	Finance	977	729	626	
	333-101	Finance 1	Finance	617	0	0	
Taxation	732-303	Taxation Law	Law	661	427	332	
	316-329	The Economics of Taxation	Economics	23	21	13	
	730-407	Taxation	Law	113	144	163	
Banking and Credit	333-202	Management of Financial Institutions	Finance	649	300	298	
	316-306	Money and Banking	Economics	68	96	147	
	732-302	Banking and Finance Law	Law	46	27	31	
	730-439	Banking and Negotiable Instruments	Law	37	0	0	
Insurance	730-314	Insurance Law	Law	0	0	0	
Business Internet Usage	316-212	Economics for e-Commerce	Economics	38	60	68	
	316-336	Economic Analysis of e-Commerce	Economics	6	0	20	
	306-316	Electronic Commerce	Information Systems	48	34	19	
	730-306	Internet Law	Law	49	0	0	
DEAKIN UNIVERSITY							
Financial Planning	MAF255	Financial Planning	Finance	636	510	232	
	MAF312	Advanced Financial Planning	Finance	360	266	179	
Investing	MAF307	Equities and Investment Analysis	Finance	232	197	104	
	MAF308	Debt and Contractual Securities	Finance	663	289	33	
	MAF202	Money and Capital Markets	Finance	866	646	0	
Accounting concepts	MAA103	Accounting for Decision Making	Accounting	1348	1246	1262	
	MAA203	Accounting Concepts and Systems	Accounting	673	679	374	
Financial Fundamentals	MAF101	Fundamentals of Finance	Finance	1967	1800	2179	
	MAF203	Business Finance	Finance	966	889	639	
Taxation	MLC301	Principles of income tax law	Law	672	649	377	
	MLL406	Taxation	Law	117	96	170	
	MAF305	Financial Institutions Management	Finance	161	68	14	
	MLL381	GST	Law	0	64	0	
Superannuation & Retirement	MAF311	Superannuation Planning	Finance	321	269	171	
Banking and Credit	MLL378	Banking Law and Securities	Law	0	102	30	
Business Internet Usage	MSC244	Introduction to Business on the Internet	Information Systems	466	540	627	
	MSC349	Business Strategies for the Internet	Information Systems	182	260	396	
	MLL370	Law and the Internet	Law	114	71	66	

There was a limited level of subject detail contained in the university handbooks. Tables 3.1A, 3.1B and 3.1C therefore list only those subjects whose outline discussed financial literacy elements. The true nature and depth of the issues covered in each subject could not be ascertained purely by the information contained in the handbooks. These issues would need to be obtained by a detailed analysis of information from textbook references, unit descriptions and discussions with individual lecturers for each subject.

Obsolete subjects were not identified in Tables 3.1A, 3.1B and 3.1C as the 2003/2004 handbooks did not provide this information. Rather, only the subjects that had replaced obsolete subjects were identified. Where a subject had no enrolments for a particular year, it may be because it was replaced by another subject.

A number of conclusions can be drawn from Tables 3.1A, 3.1B and 3.1C including:

- the subjects fell within the accounting, economics, finance, law and information systems within the Business and Law faculties;
- there are a number of subjects which contain financial literacy elements as part of the VU, UM and DU undergraduate university curriculum;
- the broad financial literacy element groups were very similar amongst the three universities; however the number of subjects offered towards particular topics such as investments varied in number.

Tables 3.1A, 3.1B and 3.1C clearly indicates that between the period 2002 to 2004, the proportion of both part-time and full-time university students enrolled in subjects which contain financial literacy elements was very small, when compared to the business and law undergraduate student population and even more so when compared to the total undergraduate population. This is examined in further detail below.

Subjects containing broad financial literacy elements

There were very few subjects that contained broad elements of financial literacy. The subject that appeared to contain the broadest elements for each university were BA02441 Personal Financial Planning offered by VU, 333-203 Personal Financial Management offered by UM and MAF255 Financial Planning offered by DU. These elective subjects considered an individual's perspective and covered a number of personal financial elements. The enrolments for these subjects over the past three years are illustrated below.

Table 3.2: Years 2002 to 2004 enrolments of subjects containing broadest financial literacy elements.

University	% of enrolments out of total business and law undergraduate population	% of enrolments out of total undergraduate population
University of Melbourne - 333-203	7.10% - 8.10%	1.82% - 2.02%
Victoria University - BA02441	3.47% *	1.57% *
Deakin University - MAF255	2.97% - 6.61%	0.98% - 2.17%

* VU only states a single percentage as this subject was introduced in 2004 and replaced a previous subject that was made obsolete.

Subjects containing specific financial literacy elements

The majority of subjects listed in Tables 3.1A, 3.1B and 3.1C contained specific financial literacy elements and focused on one particular element. These elements are summarised in the first column of Tables 3.1A, 3.1B and 3.1C. Examples include subjects relating to investment, taxation, superannuation, banking and insurance. The level of subject enrolments for these subjects was varied and the nature of these subjects sought mainly to provide advanced technical skills with a corporate rather than personal emphasis.

Table 3.3 lists the subjects that include some aspect of financial literacy and had the highest number of subject enrolments for each university over the three year period. This is most likely a reflection of the fact that these subjects are first year university subjects, which would be compulsory in a number of courses.

Table 3.3: Financial literacy subjects containing highest percentage of student enrolments from 2002 to 2004.

University	Highest subject enrolments	% of enrolments out of total business and law undergraduate population	% of enrolments out of total undergraduate population
University of Melbourne	Accounting 1A	16.92% - 18.68%	4.29% - 4.66%
	Accounting 1B	15.53% - 17.12%	3.93% - 4.40%
Victoria University	Accounting for Decision Making	25.20% - 30.34%	7.82% - 11.40%
Deakin University	Fundamentals of Finance	23.15% - 27.93%	7.44% - 9.23%
	Accounting for Decision Making	16.01% - 16.62%	5.14% - 5.45%

All subjects except for one in Table 3.3 are first year accounting subjects. These subjects would be compulsory subjects in a number of courses. Approximately 15.5% to 28% of business and law students are enrolled in these subjects. Even though these subjects appeared to be most popular, the percentage of total undergraduate students enrolling in these subjects is rather small, ranging from a mere 3.93% to 11.40%. This clearly illustrates that there are a small number of VU, UM and DU undergraduate university students learning financial literacy skills through the university curriculum. The percentage of enrolments for all *remaining* subjects listed in Tables 3.1A, 3.1B and 3.1C which contained specific financial literacy elements is summarised in Table 3.4.

Table 3.4: Percentage of enrolments for all remaining financial literacy subjects that contained specific financial literacy elements from 2002 - 2004.

University	% of enrolments out of total business and law undergraduate population	% of enrolments out of total undergraduate population
University of Melbourne	Up to 13.54%	Up to 3.43%
Victoria University	Up to 10.12%	Up to 4.40%
Deakin University	Up to 11.90%	Up to 2.72%

Table 3.4 indicates that between 10% and 14% of business and law undergraduate students and 2% to 4.5% of total undergraduate students are enrolled in the remaining subjects. Many of the remaining subjects are second and third year elective subjects, which have prerequisites that need to be completed prior to enrolling. This would contribute to a lower level of student enrolments. It would be reasonable to assume that the subject enrolments do not contain the same students for each subject, as the subjects are from four different faculty streams. This indicates that the level of

financial literacy skills learnt by students as part of the university curriculum is varied.

Significant gap identified in the curriculum

The interviews with relevant VU, UM and DU counsellors who dealt with student finances acknowledged that there are small proportions of students enrolled in subjects which contain financial literacy elements as part of the curriculum. A significant gap that was identified in the curriculum was in relation to the very limited, if any, financial and business skills subjects that are offered within the non business and law curriculum. This was an issue particularly for those courses which will result in a high number of students eventually running their own business, such as medicine and dentistry. Financial literacy skills were identified as being imperative in conjunction with the relevant advanced technical skills learnt as part of the university curriculum.

Chapter 4: A high level review of each university's website in relation to student financial services.

Introduction

After carrying out a high level review of the VU, UM and DU university websites in relation to student financial services, the findings can be grouped into the following areas.

1. *Accessibility* of information in relation to the universities financial services and other third party services.
2. *Categorisation and coverage* of information in relation to the universities financial services and other third party services.
3. *Format* of financial services information.
4. *Outsourcing/use of third party information* from specialist organisations or as part of a partnership.

These areas directly relate to Objective 2 outlined in Chapter 1. Importantly, a student perspective was taken when developing the 24 question qualitative checklist and carrying out the review. The checklist can be viewed in Appendix 3. The responses obtained from the two other participants were consistent with the initial review that was carried out and the findings are presented below.

Categorisation and coverage of information in relation to the universities financial services and other third party services.

Each university categorised their financial services information mainly by financial topic (such as student income support, HECS) and not by associated life events (such as leaving home, buying a mobile phone). These models of categorisation were clearly set out and proved useful. The main headings which formed part of each university’s student financial services home page are summarised in Table 4.1.

Table 4.1: Financial topics listed on the financial services website home pages

Victoria University	Deakin University (Student Life)	University of Melbourne
Student Loans	Student Loans	Planning and Budgeting
Centrelink Advance Loans	Centrelink	Establishing an Income
Centrelink Advice	Grant Scheme	Managing your Finances
HECS	Book Grants	Emergency Support
Tax Returns	Deakin University (DUSA)	
Money Management	Student Loans	
Scholarships and Grants	Centrelink	
	Tax returns	

Interestingly, the website layouts differed greatly amongst the three universities and the quality of the information also varied. The interview with the UM financial counsellor confirmed that “despite the differences in the universities student financial services offerings, including websites. financial services staff are very similar in their aspirations and what they want to do and if there are any differences, this is often due to constraints (ie: resources and budgetary) imposed from outside financial services”.

Although Table 4.1 indicates that UM has fewer financial headings, there is a large amount of information that sits behind these headings. VU and DU on the other hand have less information behind their headings.

UM had the most comprehensive and user friendly layout, for a number of reasons. Firstly, there was a search engine specifically for their financial services website. This proved to be a very efficient tool even when carrying out this review. Secondly, there was excellent use of subheadings which contained links to obtaining further information and links to third party websites. The website layout for VU and DU were also clear and user friendly, however the information was somewhat limited when compared to UM (especially for VU) and the use of subheadings and links to third party websites were not as well utilised.

Tables 4.2A, 4.2B and 4.2C summarise the findings of the qualitative questionnaire that was completed for each university. The findings are then discussed in further detail.

Table 4.2A: Summary of the High Level Website Review of VU Student Financial Services

	Checklist	Victoria University
1	Link to student financial services from university home page	No
2	Student financial services easily accessible on the website	Via student services
3	Student financial services part of student/union services	Part of student services
4	Financial advisor details provided on website	Footscray only with support at other campuses.
5	Financial services contact details provided	Email only
6	Material characterised by financial topic or life events	Financial topic
7	Content of online literature:	
(a)	* Budgeting	Briefly discusses budgeting and includes sample budget planner
(b)	* Savings	No specific information on savings provided. Budgeting was the most relevant.
(c)	* Borrowing and debt	Little information provided
(d)	* HECS	Briefly mentions HECS advice service provided. ATO HECS links do not work.
(e)	* Student loans	Comprehensive information provided.
(f)	* Student income support	Very limited information provided. Relies on Centrelink website links.
(g)	* Credit cards	Mentioned in sample budget planner
(h)	* Mobile phones	No information provided
(i)	* Part-time employment	Website link to the university's Career Development website
(j)	* Carrying out internet transactions	No information provided
(k)	* Avoiding scams	No information provided
(l)	* Taking out insurance	No information provided
m)	* Taxation	Brief description of tax return service offered and link to ATO website
(n)	* Investments	No information provided
(o)	* Obtaining legal advice	No information provided
(p)	* Consumer rights	No information provided
(q)	* Making an effective complaint	No information provided
(r)	* Obtaining further information/assistance	Few third party website links.
(s)	* Emergency support	No information provided
8	Website link to Centrelink	Website link to Centrelink
9	Case studies used in the literature	Occasional case study is used
10	Material provided through third party organisations	No online information provided by third party organisations
11	Literature outsourced to specialist organisations	No online information outsourced and thus prepared by specialist organisations
12	Sample budget spreadsheet provided	Budgeting spreadsheet in PDF format only
13	Other interactive materials provided	No other interactive online materials
14	Opportunity for student online questionnaire feedback	No feedback questionnaire for students to complete
15	Financial issues workshop details provided	No information on workshops provided
16	List of financial literature provided on campus for students	No list of hardcopy financial literature on campus
17	Search engine available for financial services website only	No financial services search engine available
18	Website layout for financial services	User friendly but needs better use of subheadings leading to further information
19	Website content for financial services	Very limited amount of financial information on the website
20	Website perception of financial advisors	Currently not sufficient and needs much improvement

Table 4.2B: Summary of the High Level Website Review of UM Student Financial Services

Checklist	University of Melbourne
1 Link to student financial services from university home page	No
2 Student financial services easily accessible on the website	Via student Financial Aid
3 Student financial services part of student/union services	Part of student services
4 Financial advisor details provided on website	Parkville only
5 Financial services contact details provided	Full contact details provided. Brief description of most advisors provided.
6 Material characterised by financial topic or life events	Financial topic
7 Content of online literature:	
(a) * Budgeting	Discusses budgeting in detail and provides cost of living estimates for students
(b) * Savings	No specific information on savings provided. Budgeting was the most relevant.
(c) * Borrowing and debt	Little information provided
(d) * HECS	Briefly discusses HECS. Excellent links to DEST website regarding HECS.
(e) * Student loans	Comprehensive information provided.
(f) * Student income support	Comprehensive amount of information provided.
(g) * Credit cards	Discusses credit cards, initial costs, purchases, cash advances & interest free periods.
(h) * Mobile phones	Considered in cost of living estimates. No additional information provided.
(i) * Part-time employment	Website link to the university's Career and Employment website
(j) * Carrying out internet transactions	No information provided
(k) * Avoiding scams	No information provided
(l) * Taking out insurance	No information provided
(m) * Taxation	Basic taxation guide provided, link to ATO website & brief description of tax help service offered
(n) * Investments	No information provided
(o) * Obtaining legal advice	No information provided
(p) * Consumer rights	No information provided
(q) * Making an effective complaint	No information provided
(r) * Obtaining further information/assistance	Number of third party website links.
(s) * Emergency support	Webpage for emergency support. Includes advocacy, burseries & UM/non UM loans.
8 Website link to Centrelink	Website link to Centrelink
9 Case studies used in the literature	Occasional case study is used
10 Material provided through third party organisations	No online information provided by third party organisations
11 Literature outsourced to specialist organisations	No online information outsourced and thus prepared by specialist organisations
12 Sample budget spreadsheet provided	Link to Commonwealth Bank student budget calculator
13 Other interactive materials provided	No other interactive online materials
14 Opportunity for student online questionnaire feedback	No feedback questionnaire for students to complete
15 Financial issues workshop details provided	No information on workshops provided
16 List of financial literature provided on campus for students	No list of hardcopy financial literature on campus
17 Search engine available for financial services website only	Yes a financial services search engine is available
18 Website layout for financial services	Very user friendly with search engine and good use of subheadings
19 Website content for financial services	Large amount of good financial information on the website
20 Website perception of financial advisors	Currently good but still room for improvement

Table 4.2C: Summary of the High Level Website Review of DU Student Financial Services

Checklist	Deakin University
1 Link to student financial services from university home page	No
2 Student financial services easily accessible on the website	Via DUSA and Student Life
3 Student financial services part of student/union services	Mainly union services & partly student services
4 Financial advisor details provided on website	Melbourne, Geelong and Warrnambool
5 Financial services contact details provided	Full contact details other than fax number provided. Campus location provided.
6 Material characterised by financial topic or life events	Financial topic
7 Content of online literature:	
(a) * Budgeting	No information provided
(b) * Savings	No information provided
(c) * Borrowing and debt	Little information provided
(d) * HECS	No information provided
(e) * Student loans	Comprehensive information provided on Student Life website
(f) * Student income support	Comprehensive amount of information provided.
(g) * Credit cards	No information provided
(h) * Mobile phones	Brief discussion of mobile phone tips and traps
(i) * Part-time employment	Comprehensive career Development and Employment section on Student Life website
(j) * Carrying out internet transactions	No information provided
(k) * Avoiding scams	No information provided
(l) * Taking out insurance	No information provided
(m) * Taxation	Brief description of tax return service offered
(n) * Investments	No information provided
(o) * Obtaining legal advice	Website link to Legalonline website. DUSA referral service to obtain free legal advice
(p) * Consumer rights	No information provided
(q) * Making an effective complaint	Website link to Financial and Consumer Rights Council website
(r) * Obtaining further information/assistance	Few third party website links.
(s) * Emergency support	Emergency loans & \$10 loans.
8 Website link to Centrelink	Website link to Centrelink
9 Case studies used in the literature	Occasional case study is used
10 Material provided through third party organisations	No online information provided by third party organisations
11 Literature outsourced to specialist organisations	No online information outsourced and thus prepared by specialist organisations
12 Sample budget spreadsheet provided	No budgeting spreadsheet provided
13 Other interactive materials provided	No other interactive online materials
14 Opportunity for student online questionnaire feedback	No feedback questionnaire for students to complete
15 Financial issues workshop details provided	No information on workshops provided
16 List of financial literature provided on campus for students	No list of hardcopy financial literature on campus
17 Search engine available for financial services website only	No financial services search engine available. DUSA search engine available though.
18 Website layout for financial services	User friendly but needs better use of subheadings leading to further information
19 Website content for financial services	Limited amount of financial information on the website
20 Website perception of financial advisors	Currently okay but needs improvement

Accessibility of information in relation to the universities' financial services and other third party services

There was no link to student financial services from any of the three university home pages. However, the path to access the student financial services website was relatively straightforward via student services/union services, with few website clicks (2 to 4) needed to gain access.

The financial services division for each university was referred to as follows:

- VU Financial Services;
- UM Financial Aid;
- Deakin University Student Association (DUSA) Financial Aid and DU Student Life Financial Aid.

The extent of the financial counsellors contact details varied. UM had the most comprehensive contact details for their staff, including name, telephone, fax, and direct email address. In addition, a brief background was provided for three of the four staff, which included the specific types of financial advice provided by each one. DU did not include fax details or a brief description of their staff; however they did provide their campus location. VU only provided the direct email address of the staff member. UM contained the most comprehensive contact details for their student financial counsellors, provides students with all possible communication means ie: telephone, email and fax. The contact details also allow students to gain a perspective

of the types of financial advice each staff member specialises in prior to making initial contact.

UM financial counsellors appeared to be located at the Parkville campus. This observation was made based on the direct contact numbers provided. DU welfare staff are located at the Melbourne, Geelong and Warrnambool campuses. The VU financial counsellor is located at the Footscray campus, with support from assistant counsellors and Community Development Officers at other campuses.

Details could not be accessed in relation to the following:

1. financial workshops or seminars held throughout the year both on campus and externally on any of the universities websites. Interviews with the financial counsellors confirmed that other than open days, orientation periods and enrolment periods, no financial workshops are held throughout the year at any of the three universities;
2. list of hardcopy financial services information that can be obtained on campus. This information would clearly communicate to students the depth of hardcopy information that can be obtained on campus;
3. opportunity for a student feedback questionnaire in relation to the website. Such a questionnaire would benefit the universities in terms of gaining an understanding of the type of information students are interested in and what they want to read on the website. The universities can then assess whether

their website contains enough of the right information to be used as a starting point for particular financial issues.

Table 4.2 highlights a number of findings for each university as discussed below.

- VU: Budgeting and student loans contained the most informative information, whilst information on all other financial literacy elements was considered basic and limited.
- UM: Provided informative information in relation to budgeting, student loans, student income support, credit card management, taxation, emergency support, government entitlements and benefits, obtaining further information and assistance and concessions and discounts.
- DU: Student loans, student income support and mobile phone management appeared to have the most informative information. There was also a website link to the Financial and Consumer Rights Council.

Overall educational material appeared strongest for Student Loans and Student Income-Support (Centrelink) as these were the main topics that were covered in great depth.

In comparing the stocktake of consumer education in financial services that was carried out by the Financial Services Consumer Policy Centre, on behalf of ASIC with the website checklist for each university, a number of gaps were identified in the website information amongst the three universities. These gaps were in relation to making an effective complaint, avoiding scams, tips for taking out insurance, carrying

out internet transactions and obtaining legal advice. These elements are important issues to address for a number of reasons which are specified below:

- University students may be seen as a young and vulnerable group and may therefore be targeted to take financial advantage of them;
- Insurance such as contents insurance should be seriously considered by students who do not live at home;
- The rapid increase in online banking and shopping in recent years means that students should have a basic understanding about these services and the consumer protection that is available to them;
- For various reasons, students may require legal advice at some point. Links to third party websites such as Legal Aid which provide free legal advice would be beneficial for students.

Website content

The focus of much of the material provided was very generic and particular groups of university students such as students living away from home were not specifically targeted. Information on the website pages themselves were the main source for obtaining information, compared to the use of downloadable files such as pamphlets, booklets, video's etc. which was somewhat limited.

There was varying use of case studies contained in the information from each of the universities. The VU website did not appear to contain any case studies, whilst DU

had case studies in relation to mobile phones and UM had case studies in relation to student income support and employment.

The budget calculator information varied amongst the universities. VU had a two page budget sheet in PDF, which summarised the main types of student expenses and income, as well as some helpful hints. UM had a link to the “Commonwealth Bank Student Budget Calculator” website. This website allows students to key in budget information and automatic calculations are then generated. The budget however cannot be saved, rather just printed. DU did not have a student budget calculator.

Utilising interactive measures online did not appear to be exploited as yet, other than the provision of a budget calculator which itself was not fully interactive.

There appeared to be no information on the university websites that was prepared by and thus outsourced to specialist organisations. Nor were there partnerships in place with any industry practitioners to provide information. Rather, links to third party websites were the preferred options which would allow students to obtain further information in relation to a topic. Each of the universities had a link to the Centrelink website. Both VU and UM also had a link to the ATO website. There were a number of links to other services provided by the universities including housing and careers.

Use of the university websites moving forward

Each of the three universities indicated in the interviews that there was scope to improve the financial services website, especially in terms of adding more information to the websites. At the same time, all of the universities indicated the

necessity to maintain the personal contact with students. Relying mainly on online financial services information was viewed by the universities as restricting the issue to being a single issue and missing the broader picture of other potential problems that go beyond the financial issue.

Chapter 5: Perceptions of Student Financial Counsellors

Introduction

The perceptions of student financial counsellors at VU Financial Services, UM Financial Aid and both DUSA and DU Student Life were sought firstly in relation to the university's financial services as well as specific financial issues identified in the literature review of Chapter 1.

As many full-time university students have a limited amount of discretionary income, it is likely that at some point, many students experience some form of financial hardship whilst studying. Many of these students may be capable of working through such hardship without visiting Financial Services because of the resources they have access to such as family support. Not surprisingly, counsellors often see students when they have encountered serious problems or they have reached a crisis point. The view expressed by the UM counsellor was that "often the students who know little about finances are the ones who won't have access to it and have no interest in it. These issues are then neglected completely until students are forced to address them".

Role and use of financial services

The counsellors from all three universities expressed similar views in relation to the role and use of student financial services. Their views in relation to some of the key aspects of financial services are summarised in Table 5.1.

Table 5.1: Common perceptions and facts about the role and use of Financial Services.

Financial services	Perceptions and facts
<i>Aim</i>	Equip students with the skills and ideas to help solve their financial problems.
<i>Type of information provided</i>	Standard financial information. Where detailed and more specialised advice is required such as taxation, Financial Services must refer students to other relevant services.
<i>Process for dealing with financial issues</i>	Students make an appointment to meet with a counsellor.
<i>Student use of financial services</i>	Financial services generally accessed on a “need to know” basis, often when there is a lack of resources to help solve a financial problem/s. Some students tend to use Financial Services as a last resort, rather than when the financial problem has been identified.
<i>Type of students who use financial services</i>	Different backgrounds. Have access to various resources. Not necessarily representative of the typical university student. Not uncommon to see students at the lower end of the economic scale.
<i>Exposure during orientation period</i>	A host bring orientation groups of students to Financial Services and provides them with a brief description of Financial Services.

In addition to the general perceptions listed in Table 5.1 counsellors made specific comments in respect of a number of other aspects in the delivery of financial services

Distance education students

Table 2.1 in Chapter 2 indicated that DU has by far the highest proportion of distance education students at 43.8%. Interestingly, the DU Financial Services interviewees confirmed that distance education students do not often use this service, as most of these students are full-time workers and are studying their distance units part-time. They are generally older and likely to be working and thus generally caught up with balancing their social, family and academic life. It is not possible to say that they have less financial problems or not, but perhaps when they do encounter problems

they may be less likely to use the university services as they are rarely if ever on campus.

Physical presence

The physical presence of the counsellors was discussed with the interviewees and there was variation between the three universities. There is only one VU counsellor located at the Footscray Park campus with supporting counsellors and community development officers assisting with all types of financial matters at other campuses. Where issues become complex and more detailed work is required, students are often referred to the counsellor. The counsellor sees students at all VU campuses. By contrast counsellors at UM are located at both metropolitan and rural campuses and overall the UM Financial Services division seemed to be equipped with a higher level of resources than VU. DUSA is more like UM in terms of resources than VU in that it manages the Financial Services divisions at all campuses and counsellors are located at all DU campuses through DUSA. The DUSA counsellors also advise on advocacy and housing issues so financial advising is generally only a part of their role. DU also has separate service provided by Student Life which is involved only with issuing particular DU student loans.

Counsellors' aspirations

The UM counsellor emphasised that despite any differences that may exist amongst the universities' student financial services offerings, financial services staff are very similar in their aspirations and what they want to achieve. If there are any differences,

this appears to be due more to constraints (ie: resources and budgetary) imposed by university management, rather than a philosophic difference. All counsellors spoke about how information is shared through the Student Financial Advisors Network. This Network allows university counsellors to meet on a regular basis and discuss student financial issues.

Money management workshops

Current timing and focus of workshops

In all three universities, few money management workshops were held and those that were held tended to be during open days and during enrolment and orientation periods. It was found that these were the times when students and parents were most interested in attending these workshops. However a downfall to the timing of these workshops is that while they heavily target incoming students there is limited exposure to existing students. The workshops also tend to focus on financial issues associated with coping as a student whilst studying and there is limited focus (if any) on financial issues that affect students when they leave university. No further workshops are held throughout the semester at any of the three universities and the anticipation of poor student attendance was said to be the main reason for this.

Workshops moving forward

VU is contemplating running some money and debt management workshops throughout 2005. The VU counsellor was unable to comment on the anticipated level

of student participation at these workshops. On the other hand, such workshops are unlikely to be held by UM in 2005, as the UM advisor confirmed that previous experimentation of workshops on campus during the semester, proved to be unsuccessful due to extremely poor student attendance. They further stated that the workshops currently held during orientation were initially offered only to international students, but it was found that local students did not have sufficient employment or tax knowledge either and the workshops have since been offered to incoming local students as well.

The UM counsellor would like to run additional workshops during the semester if the student attendance was reasonable. It was reported that attendance would be less of an issue if students could perhaps gain credit towards their degree when attending financial workshops, and the counsellor felt that the importance of students getting a basic understanding of finance was enough justification for such an approach.

Current DU workshops held

There are two main money management programs that are currently run by DU. The first is run off-campus in a number of regional areas and is referred to as the “Can My Wallet Afford It” program. The second program is run on campus and is called the “First Year at Deakin” or “InfoFlow” Program.

1. Can My Wallet Afford It program

As was reported by the VU counsellor, research is showing that students who come from regional and rural areas of Australia are four times less likely to go on to tertiary education than their metropolitan counterparts. Such alarming statistics have resulted in a Student Life representative being involved in a new community service program called “Can My Wallet Afford It”. This program has received financial support from the Higher Education Equity Project (HEEP) and involves holding public meetings in various rural and regional areas of Victoria such as Swan Hill, Mildura and Sale.

The DU counsellor believes that a major reason why students from regional and rural areas are not going on to tertiary education is because of their perception of the cost of education. The “Can My Wallet Afford It” program therefore focuses on the cost of education, awareness of equity issues and trying to break down the barriers of information, so that parents and students are aware of their entitlements such as HECS obligations etc.

2. First Year at Deakin/InfoFlow program

DU also has a four day academic program known as “InfoFlow” that introduces students to their chosen course and subjects and covers both financial and employment issues. The purpose of this program is to connect and engage students to their campus and to the university during the enrolment period, orientation period and the first six weeks of the semester. The program is emailed to students over the first six weeks of the semester. The fifth week focuses on money matters and includes a money guide that was created by Student Financial Advisors Network. The

participation rate in this program has been as high as 83% and thus the DU counsellor has found that this format of information delivery is what students are wanting.

Part-time employment

Trend

The general consensus amongst the counsellors was that students are working more hours and spending less time on campus, in part because government allowances have not kept up with students' increased cost of living and the income test has remained the same for a number of years now.

The UM counsellor further discussed how the amount of income students earn can result in a cut back in their allowance, based on the way that the youth allowance income test is structured and the various thresholds that a student's income is measured against.

Improving education

Counsellors felt there is scope to improve education about part-time employment, especially as it is a necessity for many students to work part-time. Suggestions included helping students to better understand sources of income and looking at creative ways of getting more income. (For example mail drop off in student's local neighbourhood to generate work.) Measuring changes to academic success rates against the trend of increasing hours of part-time employment may provide for an

interesting piece of research and assist with developing initiatives for education. All counsellors commented that students are required more and more to support themselves and with all the expenses that they have, many can't survive on Centrelink payments.

Juggling work and studies

Both VU and DU counsellors were particularly concerned that the average student has difficulty juggling their work and studies. The VU counsellor further elaborated that “students seem to be part of a vicious cycle because of their financial situation, they need to supplement their income by working longer hours or more jobs which in turn affects their study”. The UM counsellor on the other hand was less concerned that the average student has difficulty juggling their work and studies as most students are still passing their courses even though they are working more. They felt the problem was that students are putting in minimal effort to pass their studies and that working less would not so much affect the pass rate, but rather allow more time for participating in the wider university.

Regional areas

The issue of part-time employment was different for students studying in regional areas, particularly for those students who move away from home to study in a regional area. The DU counsellor reported that such students are often moving from a place where they have had part-time employment to a place of no employment. These

students tend to be not working part-time, but looking for part-time employment, whilst Centrelink benefits will not cover their accommodation and living costs.

Income support

Trend

Counsellors at all three universities felt strongly about the fact that the current level of student income support as a sole source of income was not sufficient. The level was not seen to have risen adequately over the years with other student costs to allow students to focus on their studies.

Centrelink

On average, Centrelink visits the university campuses for 4 hours each week. All counsellors felt that there is a relatively high level of awareness about Centrelink, though they also felt that there is still room for improvement to increase this awareness even further.

Counsellors expressed the view that most students who are eligible for income support apply and make use of it. However they commented that sometimes students did not apply because of their parents' assumption that they would not be eligible.

The interviewees' perceptions of student income-support was that the problem was not so much the awareness, but the structure and level of support paid by the

Government and the convoluted regulations that exist in relation to this support. All are in strong support for a major review of student assistance payments and argued that if these payments cannot be increased, then there needs to be at least a review of the income test.

Regional areas

For students studying at regional campuses, the DU counsellor commented that there is the increased cost of maintaining a car which is necessary due to the limited public transport to and from university, employment and to visit their families. They further reported a developing pattern of students travelling home less frequently on the weekends because they cannot afford to.

Student debt

Trend

There were differing views in terms of the trend of student debt. UM and DU counsellors believed that student debt was increasing, whereas the VU counsellor felt that the level of student debt was not increasing. Counsellors reported that many students had encountered debt problems with credit cards and mobile phones. However overall, the general consensus was that large numbers of students do not understand the implications of debt, but they soon learn. Unfortunately they also reflected that many students seem to learn the hard way through bitter experience rather than through the education process.

University loans

There are various reasons for students taking out university loans, though in most cases, the reason needs to be in connection with their studies. The most common reason for students taking out loans is to meet the costs of basic living expenses on both a short term and long term basis.

Buying a car and taking out insurance

These issues were not seen to be significant issues as few students visited Financial Services about them. House and content insurance is an issue though, mainly because it is difficult to arrange where students are in a shared house. It was found that students tend to skimp on car insurance or contents insurance as a cost cutting measure, which often backfires.

HECS

Generally, the counsellors felt few students seemed to be worried about their HECS debt during university, as it has become part and parcel of doing higher education. Students know when they take up their studies they have a HECS obligation which can be paid up front or deferred.

Mobile telephone

Table 5.5 indicates that mobile phones are a common student debt issue. The consensus from UM and DU counsellors was that students are learning to manage their mobile phones better. They believe mobile phones have passed the point of being a luxury and have now become a necessity and part of the culture. Their views were that younger people nowadays seem to have educated themselves better about the range of mobile phones, options and contracts that are out there than had been the case in previous years.

Credit cards

Table 5.5 also indicates that credit cards are seen to be a common student debt issue. DU and UM counsellors talked of how credit cards had now become a more significant issue than mobile phones, based on the reasons discussed above. The VU counsellor was concerned that credit cards provide students with a false sense of security as students can use it to purchase something and worry about paying it back later. The UM counsellor took the view that many students view credit cards as money in the bank. They provided the example of when students go on overseas exchange. Though they work hard to save towards their trip, they are often reliant on their credit card when they go overseas. When they finally return from overseas, they find they have trouble meeting their payments and come to Financial Services for help. This was felt to be a very unwelcome trend, and becoming more common as travelling with a credit card overseas is easy to do now.

Student loans

VU and UM provided some useful statistics, particularly in relation to student loans. The following summary of VU Financial Services statistics provides some indicators of the level of activity and use of Financial Services at VU for 2004 up to the 19th October:

- issued 292 student loans;
- issued 311 fee extensions;
- one advisor had seen 245 students.

Up to 30th September 2004, UM Financial Services had 1,861 student appointments, compared to 2522 appointments in 2003 (for the entire year).

Table 5.6 summarises the purpose of UM student loans in 2003.

Table 5.6: UM Student Loans by Purpose (proportions (%) based on value of loans):

Purpose	Long term (%)	Short term (%)
Living expenses	35.7	35.1
Bond and rent	4.1	23.2
Course costs	13.1	10.8
Fees	6.8	13.9
Debts	9.8	4.3
Medical expenses	1.3	1.2
Travel expenses	10.3	1.7
Computers	9.2	3.8

Car expenses	3.3	3.0
Car purchase	6.0	0.0
Awaiting assist cheque	0.0	3.0
Unknown	0.4	0.0

Table 5.6 illustrates that living expenses were clearly the main reasons for UM students borrowing money in both the short term and long term. In addition the fact that living expenses and accommodation costs were by far the two most common reasons for short-term loans tends to support the counsellors' concerns about many students struggling to meet day-to-day living costs.

Table 5.7 shows the proportion of UM student loans taken out by students in each faculty of the University.

Table 5.7: UM Student Loans by Faculty (proportions based on loan numbers):

Purpose	Long term (%)	Short term (%)
Architecture	6.4	2.1
Arts	19.9	26.1
Economics and Commerce	5.7	6.5
Education	10.3	7.5
Engineering	4.6	5.4
Law	3.9	4.1
Medicine, Dentistry & HS	13.8	7.2
Music	3.9	3.5
Science	10.3	14.6
Vet. Science	1.4	0.4
ILFR	5.3	6.1
TAFE	1.4	6.5
VCA	13.1	10.0

Table 5.7 illustrates that arts, medicine, dentistry and VCA students were the most common students to take out student loans from UM, but the reasons for this are not readily apparent. It is an area for potential further research to see why students from some faculties are more likely to take loans than others.

Budgeting

Counsellors from all three universities believed that students' budgeting skills were not adequate, especially when students are living on a day-by-day basis with very little discretionary income. Mature age students were thought to be more concerned with budgeting because they better understood what it means. Younger students coming straight from secondary school generally were thought to have a very limited knowledge of budgeting and little interest in it. Students who move out of home however are more inclined to do seek advice on budgeting, perhaps out of necessity.

All three universities provided further comments in relation to student budgeting, suggesting that a budgeting problem might be a symptom of a different and often bigger problem. For example, when UM counsellors had seen students who wanted help with budgeting, they soon realised the problem often went beyond budgeting in that it was really a poverty problem. In this instance, there simply was not enough money to meet all the costs and better budgeting would not solve the problem. UM counsellors commented that they rarely saw students with good incomes coming in for budgeting advice.

Education about budgeting

It was felt that there is scope to improve budgeting education, especially via the Financial Services websites. Equipping students with learning basic living skills such as how and where to shop for groceries and get the best deals to stretch the dollars further was felt to be important by the VU advisor. A major challenge identified by the VU counsellor in trying to get across the notion of budgeting effectively was the fact that many students are concerned with maintaining an image and certain presence with their peers which impacts on what they spend their money on and entices them to spend beyond their means.

Saving

Students were thought to generally have little capacity to save due to the limited level of discretionary income, especially when they are living away from home. To save money when it is so hard to come by does not seem to make sense for many students. Maintaining a reserve for emergencies and unanticipated events however was felt to be important by the counsellors and by some students but seen as very difficult or even impossible for many students.

The UM counsellors believed that not enough students understand the concept of saving, which was thought to be one of the reasons why they have so many students applying for loans. They did acknowledge that some students however are good savers, especially when they have a clear objective or goal they want to achieve such

as to go on overseas exchange, however they acknowledged such students are less likely to visit them about savings issues.

Education about saving

There were mixed views in relation to delivering savings education to students. The VU counsellor supported savings education, especially via the Financial Services website to teach students to establish a pattern of saving. The UM counsellor however placed less reliance on teaching students about saving, due to the perception that most students do not have any discretionary income, combined with the fact that some Centrelink payments penalise students with liquid assets as a further disincentive.

Entering the workforce

Role of the careers and employment unit

Counsellors were not aware of any involvement of their university's Careers and Employment unit in workshops on financial matters for those students preparing to enter the full time workforce. There thus would appear to be scope to improve education through this means providing it could be done in a way to ensure reasonable student attendance.

Levels of financial knowledge prior to entering the workforce

Personal factors such as socio-economic background, culture and family upbringing and networks were thought to have a significant impact on students' levels of financial knowledge prior to entering the university and the workforce.

Where students have not learned particular financial skills prior to leaving university, the view of the VU counsellor was that they would continue the same cycle until they either need to know particular financial skills and thus develop these skills or, somebody pulls them aside and says right this is what you need to do. The counsellor acknowledged that in the meantime, the lack of such skills could have a short or long term cost that the student would not even be aware of until much later if ever.

Website

The UM website was perceived to be currently sufficient by the UM counsellor as they have put much information on to the website. Nevertheless they still have plans to improve the website further. For example, they plan to put more information on the website in relation to credit cards and, potentially, mobile phones. They are also hoping to add an interactive budget planner where students can enter information in and output is automatically generated. The counsellor confirmed that based on student feedback, the UM Financial Services website is well utilised.

By contrast the VU counsellor felt that their website is not sufficient as there is not enough information on the website. Nor was the website regarded as sufficiently clear

or concise. Resourcing constraints were said to have been an issue in terms of improving the website. The counsellor is heading a significant revamp of the website (which is currently in the early stages) to include much more financial information on the website, for example, a loan calculator to allow students to work out whether they are eligible to take out a student loan and whether they have the facilities to repay the loan back. The VU counsellor agreed that UM Financial Services is one of the better Financial Services websites available.

Similarly the DU counsellor felt that the financial pages of their website need more work. They confirmed that resources are an issue as no one in DUSA specialises solely on financial issues, rather financial web pages have to be written simultaneously with a number of other tasks throughout the working day. DU Financial Services is currently looking at improving the DUSA website from a financial aspect as a separate project. For example, more budgeting information will be put on DUSA's website.

Gap/shortfall in the curriculum

Counsellors felt it was a problem that non-business and law courses generally have very little or no financial or business skills studies as part of the curriculum. This gap was not thought to cause problems later in personal financial management for many of these students. However in addition they saw problems for students in those courses where a significant number of students such as medical students or architects or psychologists may choose to run their own businesses.

While identifying the gap in students' education, the VU counsellor acknowledged that incorporating business and financial theory in all non-business and law courses was not a realistic expectation to have at this stage. The UM counsellor confirmed that the engineering faculty recently employed a consultant to talk to students about setting up their own businesses and how businesses run, which was felt to be a useful initiative but probably needed to be more broadly developed and made available to students in other courses and faculties.

Changing pattern of university life

The counsellors identified changing patterns in university life over the years as follows:

- Students are spending less hours on campus
- Students are spending more hours off campus working and attending to other commitments
- Students are spending less time on campus participating in clubs, societies, politics and sporting activities on campus
- There is increasing reliance on intranet subject notes
- Universities have now become more vocational, where students come in, do their studies because they need to get a job at the end of their course. Prime example given by UM advisor is where they run courses such as the Ambassador or Leadership program. They are finding that a number of students participate purely because it will look good on their resume and may give them an edge in the job market, which should not be the main reason for doing such courses.

With these changing patterns, what are the implications for financial services delivery? UM and VU counsellors argued that although there will be a need for a greater level of financial information put on their websites, it will still very important to maintain the face-to-face contact with students.

The view shared by the VU and UM counsellors was that the purpose of the website will continue to be to provide students with general information which they can then utilise to take themselves to the next step. Therefore putting more information on the website will not necessarily mean that it will reduce the contact that Financial Services has with students. If anything, the contact may increase with students in the sense that students may become more and more familiar with everything that Financial Services does and has to offer before they come in. The increased information on the website may also allow more appropriate referral services where students may not need to visit Financial Services, but rather be referred to someone else either inside or outside the university.

The UM counsellor confirmed that there have been proposals made over the years to put documents such as student financial applications on line and whether single straight forward loans could be done by administration staff. They have resisted these changes however because they found that getting students in and talking to them often resulted in financial problems being part of a number of other problems also. Face-to-face contact will allow Financial Services to provide a much more rounded service and properly refer students to other relevant internal or external services. Fears were expressed that relying mainly on online financial services information might restrict the focus to a more single issue and miss the broader picture of other potential

problems, which a counsellor might be more likely to identify in a face-to-face interview.

Chapter 6: Limitations, Conclusions and Recommendations for

Further Research

In bringing together the previous chapters of this study, this chapter presents the following:

1. the limitations of the study;
2. final conclusions that have been drawn from the analysis of this study;
3. opportunities for further research based on the conclusions of this study.

Limitations

The major limitation of this study is the fact that there is always a limited ability to generalise from case study research. However the multiple case study approach that was adopted and the careful selection of the sample used was an attempt to ensure a broad cross section of Victorian universities were included.

The major limitation in relation to the analysis of university curriculum for Objective 1, was that the identification of subjects which appeared to contained financial literacy elements as part of the university curriculum was based on the limited information provided in the 2004 university handbook descriptions. These subjects were listed in Tables 3.1A, 3.1B and 3.1C. The handbooks only provide a very brief guide to the content of each subject and there is also a possibility that actual content of teaching in some subjects may differ from what is published in the handbook. However it is very likely that a reasonable judgement can be made on the basis of the

subject name, its faculty and the main topics that were listed to be covered, which could all be ascertained from the handbook.

While every effort was made to check for any subjects containing financial literacy elements, it is possible that there are other subjects which do include financial literacy elements that are not apparent from the brief information provided in the handbook. It also must be acknowledged that the lack of detail makes it very difficult to assess the extent and depth of coverage of the financial literacy elements that were identified.

The major limitation in respect of the high level website review for Objective 2, was that the review was limited to a detailed analysis of the content and structure of the websites. It was not possible to obtain data about the frequency of website usage, or the proportion of students who accessed the websites, or particular sections that were accessed. While it was possible to analyse the content and ease of access, the truest assessment of the effectiveness of the website would rely on an empirical study of how many students actually use the website, how much of it they use and the extent to which it meets their needs. While counsellors were able to offer some insights into the use of the websites by students, their perceptions about website usage would need to be confirmed by data on actual usage and the perceptions of a representative sample of university students.

While great care was taken to develop an objective checklist for assessing the websites, it must be acknowledged that others looking at the same websites may have viewed them differently. The conclusions drawn however from the website review largely matched the overall perceptions of the university counsellors.

The major limitation in relation to the interviews conducted for Objective 3, was that the interviews had to be limited to a small number of student financial counsellors at each of the three universities. While it can be argued that these counsellors are expert witnesses who deal with student financial issues on a day-to-day basis, it must be recognised that they can still only provide their perceptions. Without having surveyed the students themselves, it cannot be confirmed that their perceptions about students and financial literacy are necessarily correct. The interviewees acknowledged that they tended to see those students who were in financial difficulty, rather than a cross section of students. It is therefore difficult for them to speak with great confidence about the financial literacy of the wider university population of students. However it was felt that in the limited time available, the counsellors could reasonably provide valuable and reliable insights about the financial problems faced by students and make some informed judgements about the financial literacy skills and knowledge of students.

Conclusions and recommendations for further research

Objective 1

From the analysis of the handbook information, it can be concluded that financial literacy has a very limited role within the university curriculum. Subjects which focus on aspects of financial literacy are relatively few in number and tend to be concentrated in the business degrees. Students studying non-business courses will thus tend to have extremely limited exposure, unless they do a business-related

elective subject or subjects. Thus only a small proportion of the total student population is enrolled in subjects containing financial literacy elements.

The subjects which appeared to contain broadest coverage of financial literacy elements from an individual's perspective were those related to Personal Financial Planning/Management, but these tended to be electives with very small subject enrolments relative to the university population.

Within the business and finance areas there were a number of more specialised subjects covering very specific financial literacy elements. These subjects tended to be mostly second and third year elective subjects and thus the level of enrolments was relatively small. The subjects provide advanced technical skills in a few narrow areas to relatively few students. Furthermore, in most cases the subject content had a corporate rather than individual emphasis.

The subjects with the highest enrolments tended to be core first year business subjects which contained some very specific financial literacy elements among a wide variety of introductory topics in accounting, economics, law and finance.

Thus it is evident that very few students receive comprehensive coverage of general personal financial literacy skills through the university curriculum. The few who study personal financial planning or similar subjects arguably receive the broadest exposure, while all students studying business courses receive at least some limited exposure to certain elements within the introductory subjects. Depending on their specialisation and elective subjects, many of these business students may then also

receive very detailed exposure to particular financial literacy elements in specialised electives.

This research suggests that there is a gap in the financial education and coverage of financial literacy elements by non-business students. Counsellors also highlighted a knowledge gap for those students who may eventually run their own businesses in their specialised areas of expertise. However even for students studying business or finance courses, there are major gaps in the coverage of financial literacy skills and knowledge depending on the range and nature of specialisation and elective subjects they choose.

The fact that there are major gaps in financial literacy in the university curriculum begs the question as to the extent to which business and non-business university students should be exposed to financial literacy in the university curriculum. Some may see it as totally inappropriate for universities to take on such a responsibility, however there is clearly a gap in the knowledge of existing university students that needs to be addressed somehow. There is an obvious opportunity for further research in this regard to determine first how financially literate students are when they leave university and to determine to what extent universities have a role in developing students financial literacy.

Further research would need to be undertaken to identify those aspects of financial literacy which should be taught in the universities either as part of or external to the curriculum and how they should be included and integrated. This research could draw upon and thus be a natural extension to the detailed research that has been recently

undertaken to implement financial literacy initiatives within the schools. The development of a comprehensive financial literacy framework tailored for university students could be an important outcome of such research as there is no comprehensive financial literacy framework for university students that currently exists in Australia.

Objective 2

The website layouts differed greatly amongst the three universities and the amount and quality of information also varied. Based on website layout and content, UM appeared to have the most comprehensive student financial services website, followed by DU and then VU.

Across the three universities, educational material was strongest for student loans and student income-support. However educational material was weakest for making an effective complaint, avoiding scams, tips for taking out insurance, carrying out internet transactions and obtaining legal advice, as there appeared to be little or no information on any of the three websites. There was also no information on the websites in relation to money management workshops held on open days, enrolment days and throughout orientation periods.

Interestingly, there was little information on credit card management and mobile phone management, yet the interviewees all stressed that these were two issues that students were not effectively managing.

The depth of the information available on campus was not communicated on the websites and there appeared to be no consistent balance between the hardcopy information that students can obtain on campus and the online information that appears on the financial services websites of the three universities.

There was limited use of interactive measures online on the websites amongst the three universities. Information on website pages and via downloadable documents was the preferred option. Universities appeared to be disinclined to take advantage of partnerships or the use of specialist organisations to provide well documented online information targeted towards university students. Rather, links to the relevant third party websites which contained more comprehensive information for the general public was the preferred option.

Despite these criticisms it was clear that there is still a reasonable amount of comprehensive information about many of the financial literacy elements on the websites. As mentioned earlier, student loans and student income-support were the two elements that contained the strongest educational material which makes sense, as the counsellors confirmed that these are two very important student financial issues. Links to relevant third party websites such as Centrelink which provided more detailed information about a particular financial issue also proved useful.

However the next question that needs to be answered is how effective the websites are at communicating this information to students and whether students actually learn from the website. There is a great need for further research in this area to look at how the websites are used by students and how effective the websites are at

communicating financial literacy skills and knowledge. Empirical research to examine the current level of access, usage and effectiveness of the web-based materials on the student financial services website could provide valuable further insights into how effective the websites are as well as the bigger question of how well university students are grounded in financial literacy by the time they leave university.

This empirical research of the effectiveness of the website as a communication tool links to the broader question of the best way to market and disseminate financial literacy information. Communicating financial literacy information and skills is done in many ways in universities and with varying degrees of effectiveness. Further research to determine the most effective means of communication would be extremely useful for university educators and financial service providers.

Objective 3

Financial services are accessed by a relatively small number of students, many of whom tend to have major financial problems or needs. These students often lack financial resources and support. However large numbers of students go right through university without ever seeing financial services counsellors. This could be because the majority of students do not have problems, or it could be that many who do have problems do not for whatever reason seek the assistance of financial counsellors within the university and rely on the resources (if any) that they have.

All three universities have chosen not to run money management workshops during the semester, rather they are limited to open days, enrolment periods and orientation periods as these are believed to be the times when student participation is likely to be

highest. Historically poor student attendance at workshops throughout the semester appears to have been a reason for this approach. . However a possible downfall with the current timing of these workshops is that they heavily target incoming students but then offer limited exposure to existing students. When students are at the end of their course, the Careers and Development units of the three universities do not hold any money management workshops for students to assist students with issues associated with entering the workforce.

Counsellors believed that there needs to be a continued push for a Government review of student assistance payments as current levels are insufficient. As it is, many students have a low level of discretionary income to budget for and it is thus very difficult for students to save whilst at university. Some students also did not understand the need to be aware of the impact that part-time employment has on student assistance payments from the Government, as a higher income has a negative impact on government allowances.

Counsellors at all three universities expressed increasing concern about the trend of increasing hours of part-time employment among students. This has resulted in many students spending minimal time on their studies, and finding that they are then struggling to balance the demands of university life in terms of studying, employment and social activity.

Universities could learn much more from a detailed review of the effectiveness of their financial services (including websites), particularly in respect of the following issues highlighted by this research:

- The role of hardcopy information versus electronic information on campus and communication of the depth of hardcopy information;
- The use of interactive measures online such as a budget calculator and a student loan ready reckoner for eligibility, meeting repayments;
- The role, content and timing of financial workshops;
- The role and use of partnerships or links to other specialist organisations on a project basis for delivering particular financial information to students directly on campus or via the financial services website;
- Ensuring the right financial information is provided on the website in areas highlighted by this research as being of concern for students (for example credit card and mobile phone management);
- The viability of time management workshops to assist students with juggling increasing hours of part-time employment with their university studies.
- The role of cooperation between universities on financial literacy projects.

Surveying university students is also important based on the limited financial literacy research that exists in relation to Australian university students, primarily to gain a truer indication of financial literacy levels amongst university students and to obtain their perceptions of a number of financial literacy issues uncovered in this research project. These include the adequacy and effectiveness of student financial services websites, the effectiveness of other financial literacy initiatives, importance of financial literacy and the role that financial literacy should have within the university curriculum. Empirical research into these matters would help resolve the bigger

question of how universities can best prepare their students and graduates for life during and after their studies, in particular in relation to financial matters.

This research has concluded there are serious gaps in the financial literacy of many students when they leave university but it also poses as many new questions as have been answered in relation to the financial literacy of university students. It points to a number of research opportunities that may be pursued to gain a better understanding of financial literacy of university students and the role of universities in improving the financial literacy of their students.

Bibliography

1. Australian Securities and Investment Commission (ASIC), 2003, *Financial literacy in schools*, Discussions Paper, viewed 3 May 2004, <[www.asic.gov.au/asic/asic.nsf/lkuppdf/ASIC+PDFW?opendocument&key= FinLit_schools_DP_pdf](http://www.asic.gov.au/asic/asic.nsf/lkuppdf/ASIC+PDFW?opendocument&key=FinLit_schools_DP_pdf)>
2. Beal, D. and Delpachitra, S. 2003, "Financial literacy among Australian university students", *Economic Papers*, vol.22, no. 1, pp. 65-78.
3. Braunstein, S. and Welch, C. 2002, Financial literacy: An overview of practice, research and policy, *Federal Reserve Bulletin*, pp. 445 - 457.
4. Breitbard, S. 2003, "Jump-starting financial literacy", *Journal of Accountancy*, vol.196, issue 6, p.56.
5. Bristol, K. Fehr, D. and Johnson L. 2003, *Financial literacy training in an academic trading room – expanding practical education in finances*, Southern New Hampshire University, working paper no. 2003-02.
6. Cavana, R. Delahaye B. And Sekaran U. 2001, *Applied business research – qualitative and quantitative methods*, John Wiley and Sons Australia Ltd, Milton, QLD.
7. Chen, H. and Volpe, R. 1998, "An analysis of personal financial literacy among college students", *Financial Services Review*, vol.7, issue 2, pp.107-129.
8. Coonan, Senator H. 2004, *Skilled people are the key to success*, viewed 25 March 2004, <assistant.treasurer.gov.au/atr/content/speeches/2004/001/asp?pf=1>.

9. Council of Australian Postgraduate Associations (CAPA), 2003, *The social and economic impact of student debt - research paper*.
10. Curriculum Corporation, 2004, *Consumer and financial education in Australian schools*, 2004, Carlton South, VIC.
11. Davis, D. 2000, *Business research for decision making*, 5th edition, Duxbury, Pacific Grove, CA.
12. Deakin University, 2004, *Undergraduate Handbook 2004*.
13. Deakin University Student Association, 2004, *Submission to senate employment, workplace relations and education references committee - inquiry into student income support*, Waurin Ponds, VIC.
14. Emory, C. and Cooper, D. 1991, *Business research methods*, 4th edition, Irwin, Homewood, Ill.
15. Financial Services Consumer Policy Centre, 1999, *Stocktake of consumer education in financial services*, prepared for the Australian Securities and Investment Commission, Surry Hills, NSW.
16. Gomm, R. 2004, *Social research methodology – a critical introduction*, Palgrave MacMillan, New York, NY.
17. Gramlich, E. 2002, *Financial literacy*, Federal Reserve Board, Remarks at the financial literacy teacher training workshop, University of Illinois, Chicago.
18. Guerrero, O. 2004, “Students face \$663m HECS increase”, *The Age Newspaper*, 2 June, p.6
19. Hilgett, M. Hogarth, J. and Beverly, S. 2003, “Household financial management – the connection between knowledge and behaviour”, *Federal Reserve Bulletin*, vol.89, issue 7, p.7.

20. Hutchinson, S. 2003, "Teach children money matters", *The Australian Newspaper*, 1 July, p.18.
21. Knight, P. 2002, *Small-scale research, pragmatic inquiry in social science and the caring professions*, Sage Publications, London.
22. Long, C. 2004, "Financial literacy is a top priority", *The Age Newspaper*, 3 July, p.22.
23. Long, M. and Hayden, M. 2001, *A survey of Australian undergraduate university student finances, 2000*, Australian Vice-Chancellor's Committee, the council of Australia's university presidents.
24. McInnis, C. 2001, *Signs of disengagement? The changing undergraduate experience in Australian universities*, Inaugural professional lecture, Centre for the Study of Higher Education, Faculty of Education, University of Melbourne, Parkville, VIC.
25. McInnis, C. and Hartley R. 2002, *Managing study and work: The impact of full-time study and paid work on the undergraduate experience in Australian universities*, Evaluations and Investigations Programme, Commonwealth Department of Education, Science and Training.
26. Moodie, G. 1998, *The Australian higher education system*, Victoria University of Technology, Footscray, VIC.
27. National Tertiary Education Union, 2003, *Higher education at the crossroads – How diverse and specialised do universities need to be?* May Briefing Paper.
28. Newton, J. and Turale, S. 2000, "Student poverty at the University of Ballarat", *Australian Journal of Social Issues*, vol.35, p. 251-265.

29. Oppenheim, A. 1992, *Questionnaire design, interviewing and attitude measurement*, Printer Publishers, London.
30. Patton, M. 1987, *How to use qualitative methods in evaluation*, Sage Publications, Newbury Park, CA.
31. Peck, M. 2004, "Teach your children.....well" *Journal of Financial Planning*, vol.17, issue 10, p.10.
32. Reid, C. 2003, *Financial literacy: The teacher's perspective*, Speech to ASIC stakeholder forum, 24 July, Sydney.
33. Roy Morgan Research, 2003, *ANZ survey of adult financial literacy in Australia*, viewed 3 March 2004, <<http://www.anz.com/aus/aboutanz/community/programs/finlit.asp>>.
34. Russell, A. 2004, "Creating money managers", *The Age Newspaper*, 15 March, p.36.
35. Sheahan, P. 2000, *Why we must teach financial literacy in Australia*, viewed 23 May 2004, <www.petersheahan.com.au/download/archive/money%20matters.pdf>
36. Smith, P. 2003, "Consumers baffled about finance", *Australian Financial Review*, 29 May, p.12.
37. Student Financial Advisors Network (SFAN), 2004, *Submission to Senate employment, workplace relations and education references committee - Inquiry into current measures for student income support*, Parkville, VIC.
38. The Consumer and Financial Literacy Taskforce, 2004, *Australian consumers and money*, Discussion paper, Commonwealth of Australia, Canberra, ACT.

39. The Consumer and Financial Literacy Taskforce, 2004, *Australian consumers and money*, Full version, Commonwealth of Australia, Canberra, ACT.
40. The University of Melbourne, 2004, *2004/2005 Student financial aid – Counting the costs, a guide for undergraduate students*.
41. The University of Melbourne, 2004, *2004 Undergraduate handbook*.
42. Ticehurst, G. and Veal A. 2000, *Business research methods – a managerial approach*, Pearson Education Australia Pty Limited, Frenchs Forest, NSW.
43. Victoria University, 2004, *Faculty of business and law handbook*.
44. Weekes, P. 2004, “Children of misfortune”, *The Age Newspaper*, Money, 8 September, p.8.
45. Wilson, E. 2000, *Report on the student experiences of poverty at La trobe University*, Unpublished report, Bundoora, VIC.
46. Winter, J. 2004, *Financial literacy critical to protecting Australian lifestyle*, viewed 12 May 2004, <http://www.macquarie.com.au/au/about_macquarie/media_centre/20040225.htm>
47. Wyn, J. and Dwyer, P. 2000, “New patterns of youth transition in education”, *International Social Science Journal*, vol.52.
48. Yin, R. 1988, *Case study research – Design and methods*, Revised Edition, Applied Social Research Methods Series, vol.5, Sage Publications, Newbury Park, CA.
49. Yin, R. 1993, *Applications of case study research*, Applied Social Research Methods Series, volume 34, Sage Publications, Newbury Park, CA.

Appendix 1: Subjects that contain Financial Literacy Elements (based on 2003/2004 VU, UM & DU University Handbooks)

University	Subject code	Subject name	Stream	Budgeting and Saving	Borrowing & Credit	Financial Planning	Investing Money	Social Security	Superannuation	Retirement Planning	Investment products	Taxation	Insurance	Banking	Home loans	Risk Management	Electronic payments	Finance	Industry/Markets	Avoiding scams	Consumer rights	Where to get information/assistance
VICTORIA UNIVERSITY																						
Financial Planning	BAO2441	Personal Financial Planning	Accounting	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
Investing	BAO3403	Investment and Portfolio Management	Accounting			*				*												
	BEO3302	Options and Futures Markets	Economics							*												
	BEO3304	Ethical Investment	Economics							*												
	BLB3132	Securities Law	Law							*												
Accounting concepts	BAO1101	Accounting for Decision Making	Accounting	*	*																	
Financial Fundamentals	BAO3307	Corporate Finance	Accounting		*					*												
Taxation	BLB3134	Taxation Law	Law									*										
	BLO2206	Taxation Law and Practice	Law									*										
Superannuation & Retirement	BEO3347	Planning for Long Term Wealth Creation	Economics			*		*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
Banking and Credit	BEO3446	Financial Institutions and Monetary Theory	Economics											*					*			
	BEO3447	Commercial Banking and Finance	Economics		*									*					*			
	BA03404	Credit and Lending Decisions	Accounting		*									*					*			
	BLO3405	Law of Financial Institutions and Securities	Law		*					*	*	*	*	*	*	*	*	*	*	*	*	*
Insurance	BEO2401	Risk Management and Insurance	Economics									*			*							
Managing Risk	BE02410	Risk Analysis and Management	Economics												*							
Business Internet Usage	BC04658	Electronic Commerce	Information Systems													*						
UNIVERSITY OF MELBOURNE																						
Financial Planning	333-203	Personal Financial Management	Finance	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
Investing	333-301	Investments	Finance			*				*												
	333-309	Derivative Securities	Finance			*				*												
Accounting concepts	306-102	Accounting Concepts	Accounting	*	*																	
	306-103	Accounting 1A	Accounting	*	*																	
	306-104	Accounting 1B	Accounting	*	*																	
Financial Fundamentals	316-351	Economics of Financial Markets	Economics																*			
	316-469	Financial Economics	Economics																*			
	333-302	Corporate Finance	Finance	*	*										*				*			
	333-101	Finance 1	Finance	*	*					*					*				*			
Taxation	732-303	Taxation Law	Law									*										
	316-329	The Economics of Taxation	Economics									*										
	730-407	Taxation	Law									*										
Banking and Credit	333-202	Management of Financial Institutions	Finance											*					*			
	316-306	Money and Banking	Economics											*					*			
	732-302	Banking and Finance Law	Law	*	*									*					*			
	730-439	Banking and Negotiable Instruments	Law											*					*			
Insurance	730-314	Insurance Law	Law										*									
Business Internet Usage	316-212	Economics for e-Commerce	Economics																*			
	316-336	Economic Analysis of e-Commerce	Economics																*			
	306-316	Electronic Commerce	Information Systems																*			
	730-306	Internet Law	Law																*			
DEAKIN UNIVERSITY																						
Financial Planning	MAF255	Financial Planning	Finance	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
	MAF312	Advanced Financial Planning	Finance	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
Investing	MAF307	Equities and Investment Analysis	Finance			*				*												
	MAF308	Debt and Contractual Securities	Finance			*				*												
	MAF202	Money and Capital Markets	Finance			*				*												
Accounting concepts	MAA103	Accounting for Decision Making	Accounting	*	*																	
	MAA203	Accounting Concepts and Systems	Accounting	*	*																	
Financial Fundamentals	MAF101	Fundamentals of Finance	Finance	*	*														*			
	MAF203	Business Finance	Finance	*	*														*			
Taxation	MLC301	Principles of income tax law	Law									*										
	MLL406	Taxation	Law									*										
	MAF305	Financial Institutions Management	Finance									*										
	MLL381	GST	Law									*										
Superannuation & Retirement	MAF311	Superannuation Planning	Finance			*		*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
Banking and Credit	MLL378	Banking Law and Securities	Law							*				*								
Business Internet Usage	MSC244	Introduction to Business on the Internet	Information Systems																*			
	MSC349	Business Strategies for the Internet	Information Systems																*			
	MLL370	Law and the Internet	Law																*			

Appendix 2: Proforma High Level Website Review Checklist

Name of university:

Date of review:

1. Link to financial services from home page Yes [] No []

2. Number of website clicks from homepage to access financial services clicks

3. Financial services part of student services or union services Student [] Union [] Other [].....

	Very informative	Informative	Not very informative	None provided
4. The summary of the university's financial services provided to students is best described as	[]	[]	[]	[]

Comments

5. Number of financial advisors for the university number

6. Financial advisor located at each campus Yes [] No [] Unsure []

7. Financial services contact details provided Yes [] No []

	Very clear	Clear	Limited	None provided
8. Information in relation to financial issues workshops or seminars that are held throughout the year is best described as:	[]	[]	[]	[]

Comments

9. List of financial information leaflets students may obtain on campus Yes [] No []

Comments

10. Material characterised *mainly* by financial topic or life events Financial topic [] Life events [] Both [].....

11. The **amount** of online information that appears on the university website in relation to the following financial elements is best described as:

	Substantial	Basic	Limited	None provided
Budgeting	[]	[]	[]	[]
Savings	[]	[]	[]	[]
Borrowing and debt	[]	[]	[]	[]
HECS	[]	[]	[]	[]
Student loans	[]	[]	[]	[]
Student income support	[]	[]	[]	[]
Credit cards	[]	[]	[]	[]
Mobile phones	[]	[]	[]	[]
Employment	[]	[]	[]	[]
Internet transactions	[]	[]	[]	[]
Scams	[]	[]	[]	[]
Insurance	[]	[]	[]	[]
Taxation	[]	[]	[]	[]
Investments	[]	[]	[]	[]
Legal advice	[]	[]	[]	[]
Consumer rights	[]	[]	[]	[]
Making an effective complaint	[]	[]	[]	[]
Obtaining further information/assistance	[]	[]	[]	[]

Comments

12. The **content** of online information that appears on the university website in relation to the following financial elements is best described as:

	Very Informative	Informative	Not very Informative	None provided
Budgeting	[]	[]	[]	[]
Savings	[]	[]	[]	[]
Borrowing and debt	[]	[]	[]	[]
HECS	[]	[]	[]	[]
Student loans	[]	[]	[]	[]
Student income support	[]	[]	[]	[]
Credit cards	[]	[]	[]	[]
Mobile phones	[]	[]	[]	[]
Employment	[]	[]	[]	[]
Internet transactions	[]	[]	[]	[]
Scams	[]	[]	[]	[]
Insurance	[]	[]	[]	[]
Taxation	[]	[]	[]	[]
Investments	[]	[]	[]	[]
Legal advice	[]	[]	[]	[]
Consumer rights	[]	[]	[]	[]
Making an effective complaint	[]	[]	[]	[]
Obtaining further information/assistance	[]	[]	[]	[]

Comments

13. Are case studies used in relation to the following financial elements:

	Yes	No	
Budgeting	[]	[]
Savings	[]	[]
Borrowing and debt	[]	[]
HECS	[]	[]
Student loans	[]	[]
Student income support	[]	[]
Credit cards	[]	[]
Mobile phones	[]	[]
Employment	[]	[]
Internet transactions	[]	[]
Scams	[]	[]
Insurance	[]	[]
Taxation	[]	[]
Investments	[]	[]
Legal advice	[]	[]
Consumer rights	[]	[]
Making an effective complaint	[]	[]
Obtaining further information/assistance	[]	[]

14. Website link to Centrelink Yes [] No []

15. Other useful website links

16. Sample budget calculator provided Yes [] No []

17. Budget calculator can be downloaded and saved by the student for personal use Yes [] No []

17. Other interactive materials provided

18. Current “as of” date is provided where possible on information Yes [] No []

19. Date of “last update” is provided where possible on information Yes [] No []

20. Information outsourced to specialist organisations Yes [] No []

21. Information provided by third party organisations Yes [] No []

22. Opportunity for student online feedback Yes [] No []

	Very user friendly	User friendly	User friendly but needs improving	Not very user friendly
23. The website layout for financial services is best described as:	[]	[]	[]	[]

Appendix 3: Interview Protocol

Section 1. University's Financial Services

Financial Services	Financial advisor located at each campus (Y/N) Number and types of students who use student financial services Extent of student financial services Typical process for dealing with financial issues Financial services on a "needs to know" basis (Y/N)
Seminars and workshops	Number Content Pamphlets available (Y/N) Part of orientation program (Y/N) If none in place, should there be (Y/N) Why?
Statistics	Financial services statistics available (Y/N) Annual report available (Y/N) SFAN statistics available (Y/N) SFAN annual report available (Y/N)
University life	- Students disengaging from university life (Y/N) How? - Increasing reliance on intranet subject notes (Y/N) - Implications for financial services delivery

Section 2. Financial Issues and Associated Life Events

General Financial Issues	- Most common financial issues affecting students - Financial skills that students are most equipped with - Financial skills that students are most deficient in
Part-time Employment	.. Increasing hours of part time employment (Y/N) .. More hours working and less time on campus (Y/N) .. Difficulties juggling work and studies (Y/N) .. Scope to improve education regarding this issue (Y/N) Why?
Income support	.. Sufficient as a sole source of income (Y/N) .. Risen over the years with other student costs (Y/N) .. Enough students aware and make use of income support .. Scope to improve education regarding this issue (Y/N) Why?
Debt	.. Increasing levels (Y/N) .. Students understand implications of debt (Y/N) .. Main types of student debt .. Credit card management an issue (Y/N) Why? .. Mobile phone management an issue (Y/N) Why? .. Level of student loans an issue? Why? .. Funding higher education and HECS debt an issue (Y/N) Why? .. Students worried about their HECS debt during university (Y/N) .. Buying a car an issue (Y/N) Why? - Taking out insurance an issue (Y/N) Why? - Scope to improve education regarding this issue (Y/N) Why?
Budgeting	- Enough students currently budget (Y/N) - Enough students who leave home budgeting (Y/N) - Scope to improve education regarding this issue (Y/N)

Savings

- Enough students currently save (Y/N)
- Many student saving to funding lifestyle activities (Y/N)

Entering the workforce

- Scope to improve education regarding this issue (Y/N) Why?
- Adequate financial skills when entering the FT workforce (Y/N)
- Scope for Financial Services and Careers and Employment Services to work together regarding this issue (Y/N)
- If yes, information a *transition to employment* workshop could cover

Section 3. Website and Handbook Research**Website**

- Do you believe that the website is currently sufficient/insufficient (Y/N) Why?
- Suggestions for improvement

Handbook

- Small proportions of students doing subjects which contain financial literacy elements as part of the curriculum (Y/N)
- What do you think the gaps in knowledge are and are these gaps a problem and what the best way to address these gaps is