

Virginia Tech Saves

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Statement of problem. The purpose of the Virginia Tech (VT) Saves program is to educate the student population about financial issues facing individuals and to give them the tools necessary to protect themselves from the repercussions of unmanageable debt while promoting saving habits that enable students to amass personal wealth. Our goal with the VT Saves program is to get students to set financial goals and reach them without going into debt or using credit. VT Saves exists as one of three programs piloted at the collegiate level this year as a part of the national America Saves campaign, which involves more than one thousand non-profit, government, and corporate groups that encourage individuals and families to save and build personal wealth.

The campaign was extended to the college level due to the many financial stressors that students face, such as procuring money for tuition, insurance, textbooks, and living expenses, all while pursuing a full-time education. Research shows that the average student graduates with nearly \$20,000 in debt, a sum that is difficult to overcome as those newly in the work force struggle to maintain an acceptable standard of living while adjusting to an independent life. Many students are unaware of the resounding impact that their current spending habits may have on their future financial status, and often do not consider simple methods of frugality that may enable them to reduce or eliminate their debt.

Discussion of method. On September 24, 2007, Virginia Tech Saves was officially introduced to the campus community. Both undergraduate and graduate students from the school's Consumer Interest Organization (CIO) set up a VT Saves booth on the drillfield, an area of land populated by numerous students on any given day. Members from the Virginia Tech CIO were on hand from 11:00 AM – 4:00 PM to provide information, encouragement, and advice to college students who were interested in joining Virginia Tech Saves.

During the kick-off, CIO members were able to talk one-on-one with Virginia Tech students interested in saving money. These members discussed with students the importance of being financially responsible, and encouraged them to enroll in VT Saves as a means for assisting them in setting and reaching financial goals. From February 25 – March 4, 2008, Virginia Tech students will celebrate their accomplishments during Virginia Tech Saves week.

Faculty and student groups working to promote the VT Saves program are motivated to provide members of the university community with educational resources that will enable them to plan for financial success through year-round support with online interactive tools and on-campus education initiatives.

Pertinent data and facts. Current research has shown that the average debt load for graduate students in all fields nationwide rose to \$37,600 in 2004, and undergraduate tuition borrowings shot up to an average of \$19,200 according to the Project on Student Debt (Wines, 2007). Since states are facing tight budgets and many, including Virginia, are spending less on higher education than they have historically, students face more challenges in financing their educations. Students today also have greater access to credit cards and more opportunities to use them for everyday expenditures than ever before. It is important students learn early on about financial responsibilities and saving practices. Through VT Saves and America Saves students have access to information regarding saving tips to help students plan to pay off loans and debt, start emergency funds, and plan for future purchases. With the student debt average rising consistently, VT Saves will work to educate students to get them to start thinking about their financial futures.

Conclusion. By implementing Virginia Tech Saves on campus, it is hoped that students will be encouraged to save and build wealth. Additionally, the program serves to educate college students on the importance of being responsible when it comes to financial matters. Through this program, the average level of debt held by college graduates of \$20,000 may be reduced. It is possible that students will build their own financial wealth during college and be prepared to continue setting financial goals and reaching them without falling into debt.

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