

Proposal for Renewal
of
The Charter of the Financial Literacy Center,
College of Business & Economics

1. STATEMENT OF PURPOSE

The purpose of the Financial Literacy Center is to develop a campus-wide, coordinated, place-based program for improving the financial literacy of students, faculty, and staff. The Financial Literacy Center will also partner with local community agencies and organizations to bring financial literacy education services to the greater Hayward community.

The broader goals of the Center are to contribute to the well-being of students, faculty, staff and local constituents by:

- Improving their ability to plan for important financial decisions and milestones in their lives;
- Increasing their own financial independence;
- Enabling them to confidently pursue their own professional passions and personal goals without the limitations imposed by having extensive debt as they begin their careers.
- Increasing access to financial literacy education on the CSUEB campus, in the local Hayward community, and in the Greater Bay Area region by complementing and partnering with other financial literacy resources in the region;
- Establishing Cal State East Bay as a Bay Area leader in the field of financial literacy education.;
- Establishing a research program focused on understanding all aspects of financial literacy.

This document serves as the formal guideline for the operation of the Financial Literacy Center through June 30, 2024. It establishes the Financial Literacy Center as a College Center by virtue of its subject matter and disciplines that are organized within the CSUEB College of Business and Economics (CBE).

2. DESCRIPTION OF THE FINANCIAL LITERACY CENTER'S SUPPORT OF THE CSUEB MISSION

The CSUEB mission is: "Cal State East Bay welcomes and supports a diverse student body with academically rich, culturally relevant learning experiences which prepare students to apply their education to meaningful lifework, and to be socially responsible contributors to society. Through its educational programs and activities the University strives to meet the educational needs and to contribute to the vitality of the East Bay, the state, the nation, and global communities." (<http://www20.csueastbay.edu/about/strategic-planning/index.html>, retrieved 11-19-16)

Surveys by Carnevale, Rose and Cheah (2011) indicate that students would like to know more about managing their money, and would like to improve their financial decision-making. College graduates, on average, earn 84% more than high school graduates in a lifetime. Yet, the greatest barrier to achieving a college education is often financial. "The number one reason students give for leaving school is that they had to work and go to school at the same time and, despite their best efforts, the stress of trying to do both eventually took its toll. More than half of those who left higher education before completing a degree or a certificate say that the 'need to work and make money' while attending classes is the major reason they left. Balancing work and school was an even bigger barrier than finding money for tuition." (Source: "*With Their Whole Lives Ahead of Them: Myths and Realities About Why So Many Students Fail to Finish College*," Public Agenda (2008)).

Cal State East Bay has a very diverse student body with a large percentage of students from low- to moderate-income households. According to 2018-2019 University Facts (<http://www.csueastbay.edu/about/facts.html>) 68% of students received financial aid in 2017-2018. In that academic year, 41% of students received Pell Grants whereas 52% of students were Pell Eligible. Of those students receiving financial aid, 58% received grants and scholarships. Many of these students have jobs and also have young families or elderly relatives to support. These students may be particularly vulnerable to financial stresses and face time constraints in researching options on their own, and would benefit from a Financial Literacy course and place-based program support.

3. IDENTIFICATION OF SIMILAR CENTERS IN THE REGION, AND THE DISTINGUISHING CHARACTERISTICS OF THE FINANCIAL LITERACY CENTER

We are currently aware of only two other similar initiatives in the San Francisco Bay Area: a) a financial literacy course offered by the Haas Business School at U.C. Berkeley, and b) a K-12 savings program with a financial literacy support partnership of the San Francisco Unified School District and Bank of America and several special purpose non-profit agencies in San Francisco. Several distinguishing features of the CBE Financial Literacy Center are the focused, coordinated, place-based program for improving the financial literacy of students, faculty, and staff at CSUEB, and the partnership with local community agencies and organizations to bring financial literacy education services to the local community.

4. DESCRIPTION OF CURRENT AND PLANNED ACTIVITIES

a. Introduction of Lower Division Course on Personal Finance: Beginning in the 2013-2014 academic year, the Center for Financial Literacy funded the development of a lower division course, which was launched as a lower division general education personal finance course that taught 300 new students (during three quarters) how to manage their money and make sound financial decisions. It was highly successful and has continued in subsequent years. This survey course is designed to provide basic financial literacy for students with limited finance backgrounds. It is a practical course covering conceptual and quantitative tools to effectively analyze financial issues faced in various phases of the life cycle. Topics include:

- Basic household budgeting
- Cash management – checking / debit accounts
- Unique challenges of financing college education
- Other consumer credit product – credit cards and installment loans
- Life-long savings, investment and financial planning goals

The course (Fin2301) has been converted into a 3-unit semester course (Fin 230). This course has been identified as one of the Area GE courses (Area E).

b. Community Outreach Program: Hayward Unified School District is notable for its low teacher salaries and its difficulty retaining good teachers. Most new teachers join the faculty of HUSD with large debts from their education expenses, and have great difficulty making ends meet, while learning to survive their first years of teaching. The temptation to abandon their ideals of educating children to pursue more lucrative jobs is very great. Also, most of these new teachers are not expert at handling their personal finances, and are in no position to teach students how to apply the school curriculum to being financially savvy. For example, when learning arithmetic, it would be very meaningful for students to learn about compound interest and why it is foolish to carry a balance on credit cards, but some teachers do not think about this or understand the importance of teaching it.

To help remedy this problem, the CSUEB Center for Financial Literacy agreed to provide the 75 new teachers joining the faculty in August 2017 free access to a rich online program in financial literacy. Along with this program, we provided age/grade appropriate curriculum ideas for applying what students are learning to the practical problems of effectively handling atudents' own personal finances. Only 5 teachers signed up for this program. Most of the teachers did not sign up for the program, and we understand that first year teachers are too stressed about the challenges of teaching to take on any more work. It was also obvious that some of the new teachers did not fully believe that our program was truly free, as many continued to ask about this despite assurances that it was indeed free.

We are exploring methods to incentivize new teachers to take advantage of this opportunity.

c. Workshops for CSUEB administrators and staff on "Savings for your Retirement": We conducted an informal survey of staff, trying to figure out the areas where the administrators and staff lacked knowledge to manage their personal finance. Based upon this informal survey, the Center conducted three 55-minute long workshops on May 18th, 25th and June 1st. They were focused on educating them regarding the opportunities available to CSU Faculty/staff to save for retirement both within the CSU system and outside the system. Besides, the workshops also focused on managing their savings for retirement. The workshops were fully booked within one hour of the emails we sent to them.

37 staff members attended three workshops. The feedback the Center received regarding these workshops were very positive. The Center received requests to run similar workshops again and on a number of other topics related to personal finance.

Based upon this positive experience and feedback, The Center plans to run several workshops Support faculty research: The Center will sponsor faculty research on the topics relevant to Personal Finance Management. This opportunity will be available to faculty of all the four colleges.

Planned Activities. The following activities will be undertaken in future:

Financial Counseling and Learning Center: The Financial Literacy Center will provide a private and supportive environment where students can ask questions about finance, seek counseling, and learn how to plan for their financial futures.

Peer –to– Peer Workshops and Financial Literacy Support Groups: Students will support their fellow students in making responsible financial decisions.

Financial Speaker Lecture Series: Students, faculty, staff and community members will have opportunities to meet with, and learn from, leaders in the financial services industry.

Online Financial Literacy Platform: This web portal will be a resource for the Financial Literacy Center’s programs as well as the public, aggregating best practices in the field of personal finance and providing links to resources that enable users to expand and supplement their knowledge of sound financial management principles.

Faculty, Staff and Alumni Services: Once established, the Financial Literacy Center will develop services to support faculty, staff and alumni financial literacy needs. Services may include workshops, counseling and behavioral supports that are considered to lead to financial well-being.

Support faculty research: The Center will sponsor faculty research on the topics relevant to Personal Finance Management. This opportunity will be available to faculty of all the four colleges.

Community outreach programs: A variety of outreach programs are anticipated, such as to new teachers in Hayward Unified School District and new employees to the area, most of whom have serious concerns about how they will handle the cost of living in the Bay Area.

Support faculty research: The Center will sponsor faculty research on the topics relevant to Personal Finance Management. This opportunity will be available to faculty of all the four colleges.

Financial Literacy Cohorts. The Center for Financial Literacy will develop training and support programs targeted to the specific needs of the different

groups that will be served. Programs will be tailored for each constituency, with a focus on the “life cycle” timing of important financial decisions. Whenever possible, existing high quality free or low-cost educational materials will be incorporated into the educational programs. CSUEB and local community-specific materials will be developed in house. Following is a table of identified cohorts, their primary financial literacy needs and the process and content objectives that will enable us to meet their needs.

Cohort	Financial Literacy Needs	Objectives
Incoming freshmen or transfer students	Independent basic money management skills – 1 st time away from home Student loan mechanics, processes decisions and obligations Developing and keeping to a budget, managing debits and credit	Basic personal financial management skills Budgeting Money management Managing credit and debt Managing student loans Saving and investments Housing Insurance
Upper classmen	May include Freshmen needs Graduation transition Job placement Graduate school financing Personal financial plan: savings and investment / life cycle planning	Address Freshmen objectives, as necessary Close liaison with CSUEB placement services Economic analysis – job vs. continued education Starting a life-long household budget and savings/ investment plan
Faculty and Staff	Personal financial planning Tax-deferred and other savings plans: Social Security, IRA/ PERS pension/ 457, 401(k), 529 Medical care options and implementation of health care law Credit decisions and cost of borrowing Investing	On-line or self-paced materials for busy people Workshop presentations by experts Possible addition to existing benefits package (this may be a complex HR issue)
Alumni	Financial planning Estate planning Alumni giving	Provide useful targeted training for alumni

		Use process to get alumni more engaged in volunteering and giving
Hayward Community	Basic financial skills – household budgets Introduction to financial services (such as checking accounts) Managing credit – autos / cards / mortgages Saving for future goals such as college or retirement	Coordinate with existing efforts, adding our unique expertise Utilize CSUEB resources and training Partner with: Community groups Banks / credit unions Schools

5. IDENTIFICATION OF ADVISORY BOARD MEMBERS

Jagdish Agrawal, Professor Emeritus Professor of Marketing

Joan Sieber, Emerita Professor of Psychology

Eric Fricke, Professor of Finance, Associate Dean, College of Business & Economics

Deborah Chaw, VP of Finance, Cal State East Bay

Jed DeVaro, Professor of Economics, Chair of the Department of Economics

Scott Fung, Professor of Finance

Jodi Servatius, Emerita Professor

6. ORGANIZATIONAL STRUCTURE OF THE FINANCIAL LITERACY CENTER

The Director and Deputy Director are appointed by the Dean of the College of Business and Economics with the concurrence of the Provost of CSUEB. The Dean serves at the discretion of the President and assures that the Financial Literacy Center:

- Conforms with all applicable laws and regulations and with all campus polices, including the campus risk management policy;
- Undertakes activities consistent with the charter of the Center;
- Does not allow actions that compromise the autonomy of the University;
- Adheres to any terms agreed upon between the Center and donors;

- Reviews and approves Center activities and written materials to ensure that they contribute to the mission of the California State University and the CSUEB campus.

The Director serves at the discretion of the Dean and shall be responsible for:

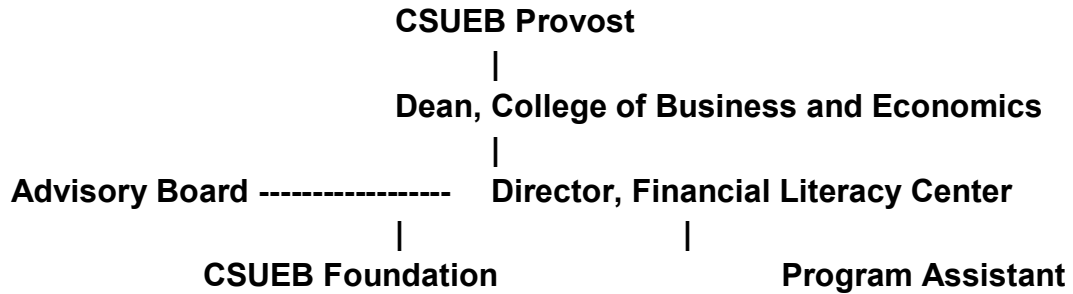
- Directing overall program management;
- Overseeing the Center's activities to ensure achievement of agreed-upon goals;
- Consulting with the advisory board to solve problems within and outside of Board Meetings;
- Operating and supervising management of the Center;
- Ensuring proper handling of funds and financial soundness, coordinating with the CSUEB Foundation which is responsible for all of the paying, receiving, investment, accounting, and financial reporting functions;
- Reviewing and approving all expenditures;
- Approving all payments of salaries, wages, or fees, in accordance with CSUEB rules governing salaries;
- Managing the Financial Literacy Center's budget;
- Ensuring that the rates of pay for particular activities by faculty members do not exceed those allowed by University, Collective Bargaining Agreement (CBA), or Trustee regulations;
- Making temporary substitutions of personnel in programs as necessary and obtaining prior approval from the department chair or unit manager;
- Ensuring that the Center is adhering to its commitment to fairness and diversity in activities and appointments;
- Issuing a written progress report in December of each year, including the financial statements for the prior fiscal year (issued by the Foundation), and distributing this report to the Advisory Board, department chairs, administrator in direct line of authority above the Director, and the CSUEB Associate Vice President of Research and Professional Development.
- Managing all space, physical arrangements, production of brochures and materials, and other support programs and scholarly projects.
- Ensuring compliance with grant provisions and providing periodic reports to donor organizations.

The Advisory Board shall recommend general guidelines to the Financial Literacy Center Director for programs and activities in accordance with this charter. The Advisory Board shall recommend to the Director any activities that it determines will benefit the Financial Literacy Center, the University, or the community. The Advisory Board shall be a resource group to which the Director can bring problems for discussion and recommendation.

The Advisory Board shall be selected by the Dean of the CSUEB College of Business and Economics.. It shall be composed of at least seven members, two of whom shall be from the Hayward community, two representatives from the

Center’s funders, and three from the CSUEB faculty or senior staff. The Advisory Board is expected to approve guidelines for all center programs and activities, and is expected to recommend to the Director any Center activities that it determines will be of benefit to the Center, the University, or the community. The Advisory Board is expected to be a resource group to which the Director can bring problems for discussion and recommendation.

Organization Chart



9. OPERATING PROCEDURES

Planning and day-to-day operations of the Financial Literacy Center. The Director shall be responsible for the planning and for the day-to-day operations of the Financial Literacy Center.

Accounting, Paying and Receiving, General Ledger, Audits, Financial Records, Financial Reports, and Financial Statements. The CSUEB Foundation (for grant funds) and the CSUEB Educational Foundation (for gift funds) will be responsible for all accounting, paying and receiving, general ledger, financial records, funding accounting, financial records, financial reports, financial statements, and audits. All activities by the CSUEB Foundation with regard to the Financial Literacy Center shall be open to the Director who will be granted access to the system to run reports. All accounting, general ledger accounts and maintenance, fund accounting, financial reports, and financial statements shall be in accord with government fund accounting practices, GAAP and GASB standards. All paying and receiving actions, and investment of Financial Literacy Center funds, shall be approved by the Director of the Financial Literacy Center. Quarterly (15 days after the close of the quarter), annually, and upon request, the CSUEB Foundation shall provide financial reports including balance sheets, income statements, comparison reports, with appropriate fund designations to show and track the proper use of restricted funds.

Approval of Invoices for Payment and Deposits of Donations. The Director shall promptly forward any donations received to the CSUEB Educational Foundation for deposit in the Financial Literacy Center fund account. The Director shall review all invoices for payment, and no payment shall be made without the approval of the Director. For invoices greater than \$1,000 the signature of the Dean or Dean's designee will be required.

Funding. The Financial Literacy Center's programs are mainly funded by four sources: a) CBE budget line items for FIN 2300 class instruction; b) institutional grants for CSUEB financial literacy programs and Center assistance for faculty, staff, and students; c) charitable donations by individuals, and d) Foundation Financial Literacy Center endowment earnings.

Any additional income, which is deposited directly into the Financial Literacy Center account managed by the CSUEB Foundation, which may come from donations from individuals who specify their donations are to be used for operating expenses, and from additional grants must be received and expended in a manner consistent with conditions of the grant or donation and this charter, and with the regulations of the College of Business and Economics, the University, and the CSUEB Foundation.

Fund Surpluses. Subject to any grant requirements or donor restrictions, any year-end fund balances or asset balances or surpluses shall be carried forward to the next year.

Budgets. The Director shall be responsible for the development of annual budgets for the Financial Literacy Center. The budgets shall be reviewed by the Advisory Board and an annual budget shall be approved by the Dean of the College of Business and Economics.

Reporting. The CSUEB Foundation shall provide timely quarterly progress reports of balance sheet and income statement comparisons of year-to-date budget-to-actuals. The Foundation shall also provide timely annual financial statements in accord with GAAP and GASB rules. The Director shall send annual reports to ORSP.

7. NAME OF THE STARTING DIRECTOR

Starting Director: David Murray, Adjunct Faculty, College of Business & Economics

Current Interim Director: Jagdish Agrawal, Emeritus Professor

Current Deputy Director: Joan Sieber, Emerita Professor

8. DESCRIPTION OF FACULTY AND STUDENT INVOLVEMENT

Involvement of Students: a. Student assistants b. Research assistant to Faculty conducting research on personal finance c. Participate in workshops as trainees

Involvement of Faculty:

- a. Members of Board of Directors
- b. Receive research support for conducting research related to personal finance
- c. Participate in workshops as trainers and instructors
- d. Review research funding proposals

9. PROCEDURE FOR HOW NEW FACULTY WILL BE SELECTED TO PARTICIPATE

The current Board of Directors may invite additional faculty to join the Board if the faculty has an expertise in the subject of personal finance. Faculty, who are expert in the field of personal finance, may be invited to participate in workshops as instructors/trainers. A panel of faculty will also be reviewing the research proposals submitted by faculty and students.

10 PROCEDURE FOR HOW FACULTY MAY BE REMOVED

Board members, including faculty, may be removed by the Dean if the member continues to neglect his/her duties as board member.

11. DESCRIPTION OF THE METHOD FOR SELECTING AND EVALUATING THE PERFORMANCE OF THE DIRECTOR

The selection and evaluation of the Director of the Financial Literacy Center is at the discretion of the Dean of the College of Business and Economics, in consultation with the Advisory Board. Performance evaluations are to be to business standards (for example, according to The Complete Guide to