WFSN in Community Colleges
Supporting Student Financial Stability

The WFSN approach in community colleges is meant to help low-income community college students with a bundle of services and supports to help them persist in college and attain the credentials and degrees that will lead to family supporting employment. Many students are balancing work, education and family responsibilities and drop out because of emergency financial situations. In fact the top reason community college students drop out is because of the demands of balancing work and school. Most community college students need to work in order to support themselves and their families. Many of theses students are barely making it financially, meaning that one car break-down or doctor's bill can lead to a cascading series of events that causes a student to suddenly drop out of college. While some students may need intensive financial education and coaching, many more low-income students will benefit from broadly accessible financial processes, products, and administrative changes that can help students manage their income and expenditures, lower their debt and develop emergency savings.

While there are many financial products and services out in the marketplace, not all promote good savings and spending habits, and some actually are harmful to low-income students when they charge too much for transactions, encourage high levels of debt, or are based upon high interest rates. Within the broader strategy of helping students become more financially stable by managing their money better through financial education and coaching, this element seeks to identify a number of financial processes, products and administrative procedures to implement across colleges that can address some very specific financial and behavioral challenges.

There are two primary reasons to pursue this strategy within the broader financial stability strand. First, because so many students are in situations of "scarcity" and juggling school, work, family and managing too few financial resources, it is very challenging to make good financial decisions. For example in a state of financial scarcity, individuals are more likely to act impulsively and not be able to take into account how present actions or inactions impact the future. Research suggests that the more financial behaviors can be automated or "opted in" the more likely low-income individuals will be able to adopt the favorable behaviors. The second reason for a focus on this strategy is that in many community colleges, it is not just a few students who are low-income; in this demonstration between 40% and 80% of students are low-income. In order to reach large numbers of students with the financial management, products, and supports they need, we need to employ technology, existing financial products, and administrative strategies to assist students in cost effective ways.

Within the first year of the WFSN demonstration, we will help colleges understand the challenges students are facing in this area, identify a continuum of strategies to address these challenges and provide assistance in implementing prototypes to determine what works best within individual colleges.