
 National Student Loan Program We guarantee it.™

## Identifying and Helping Financially-Distressed Students



Copyright 2007 National Student Loan Program

---

---

---


---

---

---

---

---

 National Student Loan Program We guarantee it.™

## What you will learn

- The meaning of “financially distressed”
- How students become distressed
- Clues or behaviors students might exhibit
- How to help and what to say
- Support and resources

2

---

---

---


---

---

---

---

---

 National Student Loan Program We guarantee it.™

## Defining “Financially Distressed”

---

---

---


---

---

---

---

---

 National Student Loan Program We guarantee it.™

## “Financially distressed”

- Students are “financially distressed” if they are:
  - out of control with money
  - unsure how to handle money
  - fearful about having money
  - frozen, unable to decide about money

4

---

---

---


---

---

---

---

---

 National Student Loan Program We guarantee it.™

## How Financial Distress Happens

---

---

---


---

---

---

---

---

 National Student Loan Program We guarantee it.™

## Causes of financial distress

- Pay bills late—juggle bills
- Spend available cash frivolously
- Don't know how much they owe
- Overdraw their bank account
- Parents rescue students

6

---

---

---


---

---

---

---

---

 National Student Loan Program We guarantee it.™

## Causes of financial distress

- Choices made without considering consequences
- Lack of knowledge and experience
- Use credit as income
- Students not ready to learn financial skills

7

---

---

---


---

---

---

---

---

 National Student Loan Program We guarantee it.™

*When the student is ready,  
the teacher appears.*

*-- old Indian adage*

---

---

---


---

---


---

---

---

 National Student Loan Program We guarantee it.™

## Questions:



9

---

---

---


---

---

---

---

---



We guarantee it.™

## Clues or Behaviors

---

---

---


---

---

---

---

---



We guarantee it.™

## Nine clues or behaviors

18-34 year olds:

1. Experience a mood change (high or low) before or after shopping
2. Spend money to escape problems or relieve stress
3. Lose opportunities because of money consumption

Source: Steve Rhode, *MyVesta*

11

---

---

---


---

---

---

---

---



We guarantee it.™

## Nine clues or behaviors

4. Repeated, unsuccessful attempts to control, cut back, or stop excessive money use
5. Feel alone and spend money to feel better or improve self-esteem
6. Lying, minimizing, or rationalizing to conceal spending

Source: Steve Rhode, *MyVesta*

12

---

---

---


---

---

---

---

---

 National Student Loan Program We guarantee it.™

## Nine clues or behaviors

7. Buy things to impress or influence others
8. Carry excessive debt as a result of the inability to stop spending money
9. Spend money on or with others to maintain relationships

Source: Steve Rhode, MyVesta

13

---

---

---

---

---

---

---

---

 National Student Loan Program We guarantee it.™

## Other distress signals

- Serious academic trouble
- Excessive absences from class
- Changed social relationships
- Disruptive behavior
- Exaggerated emotional responses

Source: UC Davis

14

---

---

---


---

---

---

---

---

 National Student Loan Program We guarantee it.™

## Other distress signals

- Obvious signs of persistent depression
- Increased physical complaints
- Increased alcohol or drug use
- Dramatically increased or decreased weight

Source: UC Davis

15

---

---

---

---

---

---

---

---

 National Student Loan Program We guarantee it.™

## Other distress signals

- Students working too many hours
  - more than 20 hours per week
    - decrease in GPA
    - increase in emotional stress
  - working students are more likely to drop out and/or default

Source: The National Student Employment Association

16

---

---

---


---

---

---

---

---

 National Student Loan Program We guarantee it.™

*“Many people assume that it’s normal to be unable to control their money. **It’s not.** Money abuse is the inability to control excessive debt or spending. It is a recurrent, often unconscious, use of money to overcome underlying issues.”*

-- Steve Rhode, President, Co-founder  
MyVesta Financial Health Centers

17

---

---

---


---

---


---

---

---

 National Student Loan Program We guarantee it.™

## Questions



18

---

---

---


---

---

---

---

---

 National Student Loan Program We guarantee it.™

## How to Help and What to Say

---

---

---


---

---

---

---

---

 National Student Loan Program We guarantee it.™

### Counseling tips

1. Ask to talk in private
2. Listen in a non-judgmental manner—avoid “should” and “need to”
3. Emphasize today and the future—the past is just that
4. Repeat what you hear to clarify and ensure you understand the student’s comments/concerns

20

---

---

---


---

---

---

---

---

 National Student Loan Program We guarantee it.™

### Counseling tips

5. Provide your undivided attention
6. Try to understand from the student’s perspective
7. Use open-ended questions (how, where, when)

21

---

---

---


---

---

---

---

---

 National Student Loan Program We guarantee it.™

## Helping students

- Know when to refer students to a trained counseling center—only “fix” problems within your control
- De-stigmatize “counseling/help”—everyone needs support on occasion
- Seek additional support if you feel angry or intimidated by students

22

---

---

---


---

---

---

---

---

 National Student Loan Program We guarantee it.™

## Support and Resources

*Refer to Money Management Tips handout*

---

---

---

---

---

---

---

---

 National Student Loan Program We guarantee it.™

## Campus resources

- Student organizations
- Faculty
- Colleges/departments
- Administrative services

24

---

---

---

---

---

---

---

---

 National Student Loan Program We guarantee it.™

## Specific examples

- University of Georgia, Peer Financial Counseling Program
  - [www.uga.edu/osfs/pfc](http://www.uga.edu/osfs/pfc)
- Texas Tech, Red to Black
  - [www.orgs.ttu.edu/r2b](http://www.orgs.ttu.edu/r2b)
- Brigham Young University, Financial Path to Graduation

25

---

---

---

---

---

---

---

---

 National Student Loan Program We guarantee it.™

## Off-campus resources

- Church or synagogue
- Banks/credit unions
- Social services
- United Way
- Employee Assistance Program (EAP)

Refer to *Financial Management Tools* handout

26

---

---

---


---

---

---

---

---

 National Student Loan Program We guarantee it.™

## What you learned

- The meaning of “financially distressed”
- How students become distressed
- Clues or behaviors students might exhibit
- How to help and what to say
- Support and resources

27

---

---

---


---

---


---

---

---

 National Student Loan Program We guarantee it.™

## Now what?



28

---

---

---

---

---

---

---

---

 National Student Loan Program We guarantee it.™

## Contact information

Sharon Cabeen  
Vice President of Financial Literacy  
[sharonc@nslp.org](mailto:sharonc@nslp.org)

Brenda Vaughn  
Director of Financial Literacy  
[brendav@nslp.org](mailto:brendav@nslp.org)

April Qualls  
Money Management Consultant  
[apriq@nslp.org](mailto:apriq@nslp.org)

29

---

---

---

---

---

---

---

---

 National Student Loan Program We guarantee it.™

## Contact information

Mel Stephens  
Money Management Consultant  
[mels@nslp.org](mailto:mels@nslp.org)

Nic Ourso, CPA, CFP  
Money Management Consultant  
[nicourso@bellsouth.net](mailto:nicourso@bellsouth.net)

Pauline Balta  
Financial Literacy Coordinator  
[paulineb@nslp.org](mailto:paulineb@nslp.org)

30

---

---

---

---

---

---

---

---