

Expanding the Financial Literacy Mentoring Model: Toward a Campus-Wide Culture

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As financial stress continues to impact student success and persistence in higher education, colleges and universities are increasingly exploring mentoring as a holistic approach to support student wellbeing. While financial education and peer-financial mentoring programs have emerged in recent years, there is a need for comprehensive models to guide institutions aiming to embed financial mentoring into a broader campus culture. This paper introduces the Integrated Institutional Financial Literacy Mentoring model (IIFLM), which is a conceptual framework designed to advance financial literacy across college campuses through a developmental, multi-level mentoring approach that involves faculty, staff, and trained peer mentors. Drawing from empirical literature on mentoring and financial education, the IIFLM model advocates for embedding mentoring into existing student success structures such as first-year experience programs, academic advising, career services, and residence life. The model offers a scalable approach to advancing student financial wellness. In the current economic conditions and changes in student loans, institutions adopting this model can foster a culture in which financial mentoring is a shared responsibility and a central component of student success.

Keywords: Financial literacy, mentoring culture, higher education

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Introduction

Interest in college student mentoring has increased because it has been shown to improve academic performance as well as student retention and persistence (Crisp & Cruz, 2009). Mentoring models vary in approach and objectives and have traditionally focused on specific outcomes, such as academic success, transitioning into college, increasing retention rates and student persistence, or decreasing attrition rates (Nuis et al., 2023). Since the early 2000s, another approach to mentoring has been the creation of peer mentoring programs to support college students as they navigate their finances in college and beyond (Britt et al., 2015; Goetz et al., 2011; Taylor, 2000). There is, however, limited information about financial mentoring models for institutions interested in developing a mentoring culture in which faculty, staff, administrators, and peers participate to advance students' financial wellness. This paper discusses

empirical evidence of the benefits of mentoring, mentoring definitions, and research related to peer financial education. These will inform the proposed framework for a campus-wide financial mentoring culture.

Literature Review

Mentoring College Students

The increase in mentoring programs in higher education has contributed to an abundance of empirical studies about the impact of mentoring on student success. Most studies have found that mentoring has a positive effect on grade point average and on student persistence (Crisp & Cruz, 2009). Despite this increase, there are more than 50 different definitions of mentoring and a wealth of operationalization methods (Crisp & Cruz, 2009). In an effort to solve this problem, Nuis et al. (2023) conducted a systematic review of literature that included 106 mentoring studies,

in which there were 42 different definitions of mentoring. Based on this review, Nuis et al. (2023) proposed the following definition of mentoring in higher education: “mentoring is a formalized process based on a developmental relationship between two persons in which one person is more experienced (mentor) than the other (mentee). The mentor provides support, more specifically career, emotional, psychosocial, psychological, and academic support, to promote and facilitate student success, competence development, and career development”. This mentoring definition incorporates five mentoring characteristics found in previous mentoring studies. These are: mentoring programs are designed and implemented to achieve a particular objective; the mentor role can be fulfilled by a more experienced peer, faculty, or a business professional; most mentoring programs are formalized; the relationship between mentor and mentee is established and developed through individual or group-based mentoring sessions; a mentor’s primary role is to support the mentee through specific behaviors such as role modeling, assisting with goal setting, providing resources and feedback, and encouraging reflection. These characteristics should be taken into account when designing a financial literacy mentoring program.

Peer Financial Mentoring

It has long been argued that college students should have access to financial education and financial counseling because many of them are unprepared to manage their finances and lack understanding to make wise financial decisions, especially when it comes to student loans and repayment plans (Mandell, 2008; Montalto, 2019). Additionally, previous research has studied the relationship between financial stress and student success. For example, Joo et al. (2008) found that students who were financially stressed were more likely to discontinue their education. Britt et al. (2017) found that students with financial stress and students who perceived their student loans as high were more likely to discontinue their education. To meet students’ needs in these areas, colleges and universities have developed financial education programs using different approaches such as individual financial counseling services, presentations and workshops about personal finance, or websites with links to financial information. An approach that has become more prevalent in recent years is the peer mentoring model, in which students provide financial education to their peers to increase their financial knowledge and to help them reach their financial goals (Goetz et al., 2011). The premise for peer financial mentoring is that students are more likely to receive a message if it is delivered by peers who are like them. Moreover, peer financial mentoring provides benefits for both the mentor and the mentee: the peer mentor benefits from increased knowledge as well as developed leadership skills while the mentee increases their level of financial knowledge which helps them to attain financial

goals (Goetz et al., 2011).

Regardless of the increase in interest and in the number of financial peer mentoring programs, there is limited research about them. Goett et al. (2011), provide information to replicate a peer-to-peer- financial planning and education program developed as a service-learning opportunity to students interested in becoming financial planners and counselors while also addressing the need to provide financial education. Britt et al. (2015) collected data from students who sought free financial counseling from a financial counseling center at a university and found financial counseling improved their financial attitudes and their subjective financial knowledge. Choi et al. (2016) studied intake forms at a university-based financial counseling center and found that financial counseling contributes to declines in financial stress. Similarly, Taylor et al. (2022) collected data from peer mentors from institutions with peer financial mentoring programs to determine the most common financial issues that students seek assistance for and to understand the challenges peer mentors face when assisting students. The study found that the most requested topics were budgeting, building credit, credit card use, student loan management, and debt repayment strategies. There were two main challenges: first, students had questions about financial aid, but peer mentors were trained to stay away from providing financial aid-related help, which would frustrate students; second, peer mentors lacked preparation in areas such as military benefits and other niche funding packages and were unable to help students in these areas.

Although the presence of peer financial mentoring programs is not as common in community colleges, some have developed financial empowering programs to increase student success. These programs consider financial education and coaching as part of integrated service delivery as opposed to a stand-alone service, which has yielded greater results (Broun et al., 2014; Liston & Donna, 2012). For example, community colleges have reported a significant increase in the term-to-term retention rate of students who participated in the programming. These colleges have partnered with financial institutions in their area to help them provide services to students and this, along with grant funding and institutional support, have made the programming possible (Broun et al., 2014).

Integrated Institutional Financial Literacy Mentoring Model

Based on Nuis et al.’s, (2023) definition of mentoring, an integrated institutional financial literacy mentoring model (IIFLM) situates financial mentoring as a formal, developmental relationship. Financial mentors provide support to facilitate student success in the following areas: career support by linking financial wellness to academic and career goals; emotional support by addressing financial stress and providing resources; psychosocial support by normalizing

conversations about money; psychological support by helping students build confidence and autonomy in financial decisions; academic support by encouraging better financial management to increase retention and graduation rates. This integrated institutional financial literacy model, as the name implies, focuses on financial literacy rather than financial education. The distinction is important because according to Durband and Britt (2012), financial education is having a certain level of understanding while financial literacy is the “ability to use or apply knowledge” (Durband and Britt, 2012, p. 1). A successful model would be one that starts with knowledge and helps the students move towards financial literacy.

The IIFLM model has a tiered mentoring structure that starts with identifying faculty and staff champions. These champions train faculty and staff as well as peer mentors. To promote a campus-wide culture of financial literacy, financial mentoring should be embedded across first-year experience courses, academic advising, career services, and residence life.

An important consideration is that this model is a guideline and not a one-size-fits all. Each institution should deploy their IIFLM model based on their student demographics, student needs, and available resources (Broun et al., 2014).

Results

The proposed IIFLM model responds to the increasing demand for comprehensive mentoring approaches that extend beyond academic advising to address critical life skills, such as financial literacy. This model builds upon empirical evidence that mentoring improves academic performance and persistence (Wallace et al., 2000) and integrates financial education, which has been shown to reduce financial stress and improve financial behavior and confidence (Britt et al., 2015; Choi et al., 2016; Goetz et al., 2011). The model also incorporates pieces from Broun et al. (2014) and Liston & Donnan (2012), which emphasize that integrating financial mentoring across campus services, rather than isolating it as a stand-alone intervention, is a more effective and sustainable approach. Furthermore, by expanding mentoring roles to include faculty, staff, and peer mentors, the IIFLM model aligns with mentoring definitions that highlight the developmental and supportive nature of mentoring relationships across academic, psychosocial, and emotional domains (Nuis et al., 2023).

Discussion

A central insight of this paper is the emphasis on financial literacy, not merely financial education. The model recognizes the distinction between acquiring knowledge and being able to apply it in real-life situations (Durband & Britt, 2012). This perspective shifts mentoring objectives from content delivery to behavior change and long-term financial capability, an approach that is especially

important in addressing the financial challenges that contribute to student attrition (Britt et al., 2017; Joo et al., 2008).

From a practical standpoint, the IIFLM model has implications for higher education. Institutions seeking to improve student success metrics may find that financial mentoring is a cost-effective, scalable intervention that supports a broader definition of student wellbeing. Institutions that already have peer financial mentoring might want to consider expanding their current model to one in which faculty and staff participate in advancing students’ financial literacy and wellness. How does an institution get started? Consider adding financial literacy training to already established mentoring programs. Another option would be to select financial education and financial behavior books (not textbooks) and invite mentors to participate in book clubs to discuss how the material can be incorporated in class discussions, advising meetings, and interactions with students.

However, several limitations must be acknowledged. First, this paper is conceptual in nature and has not been empirically tested. As such, while the model is informed by best practices and existing research, further empirical work is needed to evaluate its effectiveness and adaptability across different types of institutions (e.g., two-year vs. four-year colleges, public vs. private institutions). Second, much of the peer financial mentoring literature remains limited in scope, with few longitudinal studies that assess the long-term effects of financial mentoring on student outcomes. Finally, challenges identified by Taylor et al. (2022), such as peer mentors’ limitations in addressing complex or specialized financial issues (e.g., financial aid, military benefits), highlight the importance of ongoing mentor training and institutional clarity about mentoring boundaries.

Future research should focus on piloting the IIFLM model at a range of institutions and assessing its impact on student outcomes, such as financial knowledge, financial stress, retention, and graduation rates. Mixed-methods research that combines quantitative student outcome data with qualitative feedback from mentors and mentees would provide a richer understanding of the model’s impact and opportunities for refinement. Additionally, future studies could examine how institutional context such as size, student demographics, or financial aid policies, affect implementation success.

Conclusion

In this paper, I propose an Integrated Institutional Financial Literacy Mentoring (IIFLM) model that aligns with existing literature on the benefits of both traditional and peer mentoring, as well as financial education. The IIFLM model addresses students’ financial literacy needs through a developmental, campus-wide mentoring approach that includes faculty, staff, and peers.

Embedding financial mentoring across institutional support structures—particularly when

using a tiered model that includes faculty and staff champions, peer mentors, and campus units—has the potential to increase student financial literacy, reduce financial stress, and support student retention.

The model is particularly effective for undergraduate students navigating financial stressors, including first-generation college students, students from low-income backgrounds, and those managing student loans or financial independence for the first time. The model is most impactful when implemented early in the college experience, ideally starting in the first year, and maintained throughout the student lifecycle through advising, residence life, and career services. Institutions may consider a first-year experience course that includes a financial literacy and education components as well as freshman courses in which the content can be easily incorporated. Giving access to financial education during a student's first year may help them make better choices with regards to financing their education and may also increase retention and persistence.

Ultimately, the IIFLM model positions financial mentoring as a shared institutional responsibility, contributing to a culture that values financial wellness as integral to student success. It calls for institutions to shift from reactive financial support to a proactive mentoring culture that empowers students to make confident, informed financial decisions throughout their academic lives and beyond.

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