

Student Invitation to Focus Group (Draft)

I would like to invite you to participate in a focus group. The focus group will take place in the next class, during the last 20 minutes of class time. I will explain more about the focus group right now.

The purpose of my research is to develop^{and research} instructional apps (i.e., apps supplemented with course material) to promote financial literacy of students like yourselves. In other words, I am interested in how educators can use apps – the same sort of apps you use every day with your iOS or Android device – but that are shaped by you and other experts and designed in a way that educators can work with you to better manage costs and spending. I am confident we may all agree that educators – in this case your instructors – can potentially do better to help prepare you for the real world.

I will hand-pick one app, a “starter” app if you will, that has shown promise through earlier research. I invite you to test the app out with me and share your experience and how you would make the app, as well as its associated course material, better.

This focus group will take approximately 20 minutes to complete. Upon completion of the focus group, you will each receive a \$5 gift card to Amazon. Thank you.

(This draft was rehearsed in the informal pilot test.)

Test Informal Pilot Study of *Student Loan App*

Materials Required

- ✓ Rented iPhones with the app installed on them
- ✓ Handouts for each subject

Six months after students graduate college, they will be required to start repaying their student loans, if any, and to do so on a monthly basis; the purpose of this study is to help students start thinking about that. We will work on keeping track of how much you may be borrowing from the government and planning ahead how you can repay what you borrowed. You need not use real numbers, only numbers that are reasonable.

This focus group should take about 15 minutes to complete. At the conclusion of the focus group, kindly hand the iPhone, handouts and signed consent forms to me on your way out. ~~In exchange, you will each receive a \$5 Amazon gift card.~~ Please remember that your participation is voluntary. You may refuse to participate or withdraw from this study at any time, with no consequences in terms of student grades, class standing or other entitlements. There are no guaranteed direct benefits of this study, but you may discover a useful app to manage your costs and spending, you may discover your financial status, and you can definitely help with creating a better app for students like yourselves.

Distribute all handouts; skim #1-4; briefly demonstrate how the app works for #5-8; and remind them to fill out the feedback form. They are permitted to use calculators, work in groups of two and round results.

Please get started. I will provide you iPhones, as you approach question 5. Meanwhile, if you have any questions or concerns, please feel free to ask or inform me, and I will be here to help. Thank you.

(The informal pilot test resembled an informal panel discussion.)

App Overview

Main Screen

The Main Screen displays the following information and controls:

- Loaned (\$)**: A slider ranging from 20,000 to 30,000.
- APR**: A toggle switch currently set to 'Off'.
- 4.66% - Direct Loan**: A button with a dropdown arrow.
- Pay Monthly (\$)**: A numeric keypad showing 76.67, with minus and plus buttons. Below it, the word 'Minimum' is displayed.
- Est. Payoff Time**: 197 year(s) and 10 month(s).
- Est. Saving (\$)**: A button showing 0.

Mathematics Screen

The Mathematics Screen displays the following calculations:

Loaned = \$20000.00
APR = 4.66%
 $\div 12 = 0.38833\%$ monthly
 $\div 100 = 0.00388$ monthly
Pay = \$77.67 monthly

Remaining Balance Each Month

$20000.00 + (20000.00 \times 0.00388) - 77.67 = 19999.99$
$19999.99 + (19999.99 \times 0.00388) - 77.67 = 19999.98$
$19999.98 + (19999.98 \times 0.00388) - 77.67 = 19999.97$
keep going until
$48.44 + (48.44 \times 0.00388) - 48.62 = 0.00$

Estimated Payoff Time
 $2374 \div 12 = 197 \text{ year(s)}$
 $2374 - (197 \times 12) = 10 \text{ month(s)}$

Estimated Saving (\$)
 $(2373 \times 77.67) + 48.62 = \$184359.53 \text{ total paid}$
 $184359.53 \text{ (if pay min)} - 184359.53 = \0.00 save

Whenever one moves the thumb of the Loaned (\$) slider, presses on the thumb of the APR switch, selects a different percentage, or clicks on either the minus or plus button, the Pay Monthly (\$), Est. Payoff Time and Est. Saving (\$) amounts are automatically updated. One can swipe leftward to view the mathematics and swipe rightward to return to the main screen. One can reset the Pay Monthly (\$), Est. Payoff Time and Est. Saving (\$) amounts by moving the thumb of the slider, pressing the thumb of the switch, or selecting a different percentage. 3.76% is the Direct Loan rate for July 1, 2016 to June 30, 2017. The build is 1.x (x), another alpha build.

Discussion (Part 1) - ~~app~~

Directions: please answer the following questions WITHOUT using the app.

1. What is your yearly cost of tuition? (excluding fees) \$_____

Feel free to use the following chart to help you:

TUITION RATES (as of FALL 2015)	Full Time 12-18 credits/ equated credits	Part-Time
Residents of New York City who are:		
Matriculated Students	\$2400 per semester	\$210 per credit
Non-Matriculated Students	\$265 per credit	\$265 per credit
Non-Residents of New York City who are:		
Residents of New York State with B-81 on file	\$2400 per semester	\$210 per credit
Residents of New York State without B-81 on file	\$320 per credit	\$320 per credit
Out-of-State Residents	\$320 per credit	\$320 per credit
International Students	\$320 per credit	\$320 per credit
Non-Matriculated Students	\$420 per credit	\$420 per credit

Source: <http://www.bmcc.cuny.edu/bursar/page.jsp?pid=1001&n=Tuition%20&%20Fees%20Per%20Semester>

"Matriculated" means to be enrolled in a degree program.

"B-81" is a Certificate of Residence.

2. How much does it cost to earn your degree? (excluding fees) \$_____

Assume you borrow money from the government to pay for your degree. Six months after you graduate college, you will be required to start paying the government back on a monthly basis.

3. How much money can you afford to pay back each month? \$_____

A reasonable guess is fine.

4. How long will it take to pay the government back? (excluding interest)

Example: 92 months = 7 year(s) 8 month(s)

_____ year(s) _____ month(s)

Discussion (Part 2) – app

Directions: please answer the following questions USING the app.

5. How long will it take to pay the government back? (including interest)

Example: 107 months = 8 year(s) 11 month(s)

_____ year(s) _____ month(s)

Tips to help you get started:

- ❖ Use the slider/seekbar to select an estimated cost nearest to yours.
- ❖ Select your interest rate; if you are unsure, choose 4.66%.
- ❖ Select a monthly payment nearest to yours.

6. Comparing #4 with #5, which takes longer? Why? _____

*Do not think too hard about this question,
but feel free to redo #3-4 before answering this question.*

7. Reduce your monthly payment to the minimum, and look at how long it will take to pay the government back. Do you see why lenders set time limits, typically 10 years?

(yes/no) _____

If you ever do struggle to make payments, you can negotiate with your lenders. Otherwise, if paying the government back still seems too long, find a “sweet spot.”

8. Increase your monthly payment gradually. How much *should* you pay monthly, so that your repayment does not take so long?

Many answers are possible.

\$ _____

...swipe to the left to see how the app calculates its numbers.

Feedback Form

Directions: please read the statements carefully, fill in circles completely, and be as descriptive as possible.

		Strongly disagree	Disagree	Neutral	Agree	Strongly agree	N/A
Statements		1	2	3	4	5	
1	The app made it easier to learn essential ideas.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2	The app connected material with a real-world example.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3	The app was confusing for me to use.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4	The app was not useful for learning how to manage costs and spending.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5	The app did not cover material that is relevant to me.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
6	The app helped me learn better how to manage costs and spending.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Final Question

How would you improve the app and its associated course material?
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(The order of statements and each statement's polarity were unique for each participant.)