Student Invitation to Focus Group

Materials Required

✓ Informed consent forms

<center>***</center>

Invite students to participate in a focus group 1-2 days before hosting it, inviting them in class, during the last 5 minutes of class time. If applicable, invite students when they may be studying compound interest.

<center>***</center>

Hello. My name is Edward. I am a doctoral student at Teachers College, Columbia University.

I created a mobile app and am here to invite you to test it out with me – next class, during the last 20 minutes of class time. Before we would begin, though, we will have to run through some formalities; however, after we do, in the next class I will hand to each of you some questions, along with a mobile phone with the app installed on it.

I will kindly ask that you answer some of the questions using the app and some of them not using the app. Ultimately, I would like to know what you think about the app and how you would improve it and the handout of questions. As a thank you for your participation, I will hand each of you a $5 Amazon gift card.

What is this study all about, and how is this study related to what you are studying? My research is on developing mobile apps that educators can use to help each of you better manage costs and spending. My mobile app and handout of questions focus on tackling student loan debt, and they involve some arithmetic.

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 am trying to help with that.

<center>***</center>

Meet with students, who show interest in participating in their respective focus group, sometime after class to discuss consent forms with them.

<center>***</center>

Focus Group of *Student Loan* App

Materials Required

- ✓ Rented iPhones with the app installed on them
- ✓ Handouts for each subject
- ✓ Cables to connect iPhone to projector

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With 20 minutes of class time remaining, briefly establish a connection, if possible, between course content and this study, then collect consent forms and ensure students sign and date them.

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Transitional statement: 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; to pursue the purpose of this study, we will focus on helping you 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.

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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 their results.

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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, respectively, and I will be here to help. Please do not forget to hand back to me the feedback forms, iPhones and signed and dated consent forms, if not already done so, on your way out. You can keep the course material.

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Host focus groups back-to-back. If not possible, request that instructors and students sign and date a form for withholding disclosure of the study from other instructors and classmates, until all focus groups are completed.

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App Overview

Main Screen

Loaned ($)

20,000   30,000

APR

4.66% - Direct Loan   ▼

Pay Monthly ($)

—   76.67   +

Minimum

Est. Payoff Time   197 year(s)
                          10 month(s)

Est. Saving ($)   0

Mathematics Screen

Loaned = $20000.00
APR = 4.66%
÷ 12 = 0.38833% monthly
÷ 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
$2374 ÷ 12 = 197$ year(s)
$2374 - (197 \times 12) = 10$ month(s)

Estimated Saving ($)
$(2373 \times 77.67) + 48.62 = \$184359.53$ total paid
184359.53 (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 identical to that of the informal pilot study, this is 1.x (x).

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)
   Example: 100.6 months ↑101 months = 8 year(s) 5 month(s)
   Example: 70.44 months ↑71 months = 5 year(s) 11 month(s)

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

_____ 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?
   Feel free to swipe left to see how the app calculates its numbers.   *(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. $_____

Bonus questions.

9. From the minimum payment, press the | + | button once. How much money can you save?

$_____

10. Press the | + | button some more times. Does paying *a lot more* make much difference?

Hint: law of dimished returns.   *(yes/no)* _____

Feedback Form

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

Brief Overview

Purpose of Study: develop instructional apps to promote financial literacy of developmental mathematics students (e.g., helping students start thinking about repaying their student loans, if any).
and research

Goals of Study: keep track of how much money you may be borrowing from the government, and plan ahead how you can repay what you borrowed.

Objectives of Study: compute your yearly cost of tuition, the cost to earn your degree, how much money you can afford to pay back each month, how long it will take to pay the government back, and refine your monthly payment using the app.

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

Final Question

How would you improve the app and its associated course material?