

# Mid-Project Pin Up

Financial Literacy

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## **Discover**

### **Where did your project start?**

We started with several brainstorm topics: financial planning for retirees, financial education for young people, and financial help for low-to-middle income people. One of our original team members, being an international student with close ties to immigrants, was interested in paying special attention to immigrant communities.

### **Who did you study?**

Our target population included immigrants and low-to-middle income individuals. Our interviewees ranged from 25 to 70+ years old and included students, retirees, and young professionals. After having limited access to interviewees who were specifically low-to-middle income immigrants, and becoming aware that the behavioral barriers to financial decisions are similar even if the structural barriers differ, we decided to focus more broadly on low-to-middle income communities. We also interviewed financial literacy experts, including a HUD-certified housing counselor and the founders of Wharton's Bridges2Wealth, who provided us with important context and trends around financial opportunities and challenges facing these communities.

### **What did you learn about people, their needs, how they're staying the same and how they'll change over time? Share some key stories that are grounding your work going forward.**

We learned that money is emotional, many people don't understand credit cards, life experience is a good teacher of financial knowledge, many families don't talk to their kids about finances, and saving is a luxury that some folks can't afford. One of our interviewees told us a painful story about how he was incentivized to open many credit cards and got deeply into debt, still paying off the debt today. From our research we learned that financial literacy classes have not been found to change people's financial outcomes, and that just-in-time support may be more effective.



## **Define**

### **What is the core need you identified?**

Most people lack any financial education. They learn about spending/saving/budgeting through trial and error, with the high likelihood of negative outcomes.

Need to align people's behavior with their long term self-interest.

### **Where is the opportunity?**

The younger you teach children about finances, more likely you put them on a better path

Helping people make financial choices at the "right" moments

### **What do you think the most critical aspects of the project to focus on? Why?**

Credit cards - on average, most youth 18-22 are already in debt

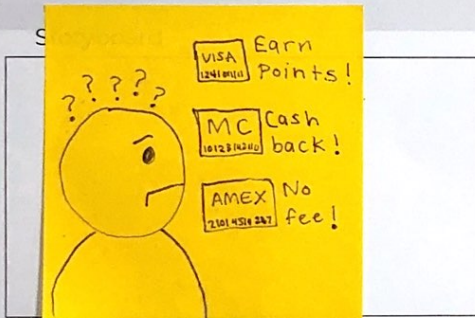
Spending money is emotional. Financial literacy = changing a person's behavior in how they view their money and making their money work for them

More channels to help people develop financial awareness, intervening early on and at key financial decision making moments to help people learn about finances

# Name this future: "Credit Wisely" Website

What are the core elements of the experience?

- Unbiased marketplace for credit cards
- Mandatory one-on-one counseling for each credit card application



Kim wants to open her first credit card account to buy furniture but becomes overwhelmed by the options

What needs does it address?

- Allows individuals to compare credit cards without marketing
- Slows down impulsive behavior by adding a step to open a credit card (cooling off period)
- Provides individuals with personalized, just-in-time support



Kim learns that she has to use the government-run credit card marketplace to open an account

What trends does it leverage?

- Healthcare.gov marketplace for plans (modeled after this)
- Online banks



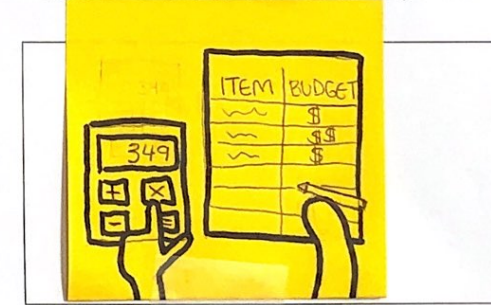
She adds her financial info to her profile, which provides her with unbiased options based on her profile



A message appears from a woman who tells Kims she is her personal financial counselor



Together, Kim and the counselor go over a personalized review of Kim's goals and finances



Kim is coached on how to budget for her credit card spending and save



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Storyboard



Now informed, Kim chooses the credit card that fits her financial profile and offers her the perks she wants

What needs does it address?

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- Slows down impulsive behavior by adding a step to open a credit card (cooling off period)
- Provides individuals with personalized, just-in-time support



Kim is now happily and healthily using her credit card and keeping up with payments

What trends does it leverage?

- Healthcare.gov marketplace for plans (modeled after this)
- Online banks

# Name this future: "Finance Your Lifestyle" App

What are the core elements of the experience?

- Gamified learning that supplements high school financial literacy curricula
- Students play with peers, teacher, and family
- App-based, easy to use in class and out of class

Storyboard



Carlos is disappointed he has to take the required financial literacy class to graduate

What needs does it address?

- Promotes learning by increasing curiosity, engagement, and choice, which may be lacking in regular curriculum
- Sparks conversations about finance with family and peers



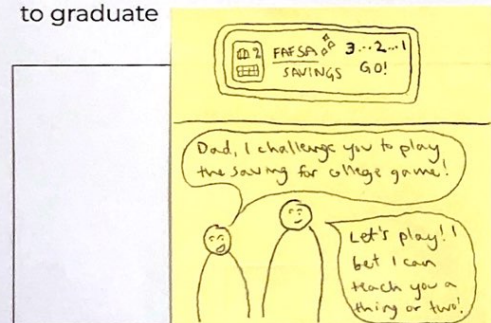
When the teacher tells the class to download "Finance your Lifestyle," Carlos is intrigued

What trends does it leverage?

- 10 states now require high school students to take a semester financial literacy course, with 26 more introducing legislation
- As more students take these courses, the demand for novel activities will likely increase



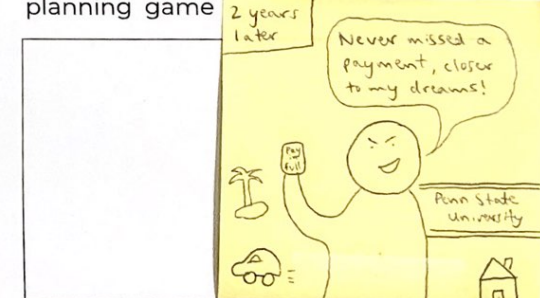
Carlos challenges Chen to the savings game, while his classmates play the stock game and the retirement planning game



At home Carlos makes his dad play the ~~savings~~ game, and his dad makes Carlos learn about how the family ~~is saving~~ is saving for his college education



On the test Carlos demonstrates all the financial principles he learned from "Finance Your Lifestyle"



2 years later, Carlos has never missed a credit card payment and is on track for his short- and long-term saving goals, including paying his loans for Penn State

paying for  
\*college



# Name this future: Financial Home Robot

What are the core elements of the experience?

- Link financial accounts to robot
- Robot provides just-in-time verbal coaching and support for parents
- Robot promotes interactive learning with children

What needs does it address?

- Breaks down the taboo of talking about finances with children
- Keeps busy parents on top of budgeting and expense tracking

What trends does it leverage?

- Increase in popularity of financial technology (fintech) apps
- Convenience provided by Home assistants like Alexa, Google Home, and Jibo

## Storyboard

Parents say "I just don't know how to talk to my kids about finance!"

Parents buy financial home robot.

"It's the beginning of December! Want to create your budget with me?"



Robot projects a video about gas utilities for the kids (customized for age), facilitate a conversation with family about energy bill.



Robot gives financial tracking feedback ("You spent less than you budgeted this month— Congratulations!")



Child turns down heat because they understand energy bill, parents give thumbs up.