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March 26<sup>th</sup>, 2022

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Dear Mrs. Manella,

I am pleased to provide you with my report, Improving the Quality and Accessibility of Financial Literacy Resources at the University of British Columbia. While completing this report I had the opportunity to apply my existing personal and professional knowledge of finance and learn a significant amount about how finance topics can be better communicated to undergraduate students. I hope that the recommendations outlined in my report will be valuable to the university and its undergraduate student population.

Each undergraduate student has a unique set of personal and financial circumstances as well as their own level of financial literacy – this alone makes it difficult to offer financial literacy resources that meet the needs of most students without excluding others. In addition, a number of institutions (secondary schools, federal & provincial governments) including the University of British Columbia have a basic obligation to provide some sort of financial literacy education, meaning that the specific responsibilities of any individual institution are difficult to quantify. Both of these factors, the wide-ranging student backgrounds, and the unclear responsibilities of the University of British Columbia, have been addressed as primary considerations in the report.

Like any subject, mastery of financial literacy can only come as the result of a good education. For this reason, it is paramount that the University of British Columbia understands its role as a financial literacy educator and supports its students accordingly.

I have truly enjoyed the opportunity to assemble this report, and I welcome any questions you may have about my report or its recommendations. I can be reached at [benmax@student.ubc.ca](mailto:benmax@student.ubc.ca).

Sincerely,

A handwritten signature in black ink, appearing to read 'Ben Maxfield', with a stylized, cursive script.

Ben Maxfield

# **Improving the Quality and Accessibility of Financial Literacy Resources at the University of British Columbia**

for

Maria Manella  
Manager  
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by

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ENGL 301 Student

March 26<sup>th</sup>, 2022

## Table of Contents

<b>Table of Contents</b>	<b>2</b>
<b>Table of Figures</b>	<b>3</b>
<b>Abstract</b>	<b>4</b>
<b>Introduction</b>	<b>5</b>
<i>Defining Financial Literacy</i>	5
<i>Background on Financial Literacy Education</i>	5
<i>Common Financial Products</i>	6
Savings products	6
Credit products	6
Investment products	6
<i>Purpose of this report</i>	7
<i>Scope &amp; Methods of Inquiry</i>	7
<b>Data Section</b>	<b>8</b>
<i>Existing UBC Financial Literacy Resources</i>	8
UBC Online Resources	8
UBC Advisory Resources	8
<i>Financial Literacy Education Best-Practices</i>	9
Review of Literature	9
Suggested Best Practices for Delivery of Financial Literacy Education	9
<i>Survey Results</i>	10
Self-Assessed Level of Financial Literacy	10
Exposure to Financial Products	11
Sentiments Towards Financial Literacy Education	12
<b>Conclusion</b>	<b>13</b>
<i>Summary of Findings</i>	13
Existing Resource Coverage of Financial Literacy Topics	13
Topics covered with adequate depth	13
Topics covered minimally	13
Topics not covered	13
Methods Employed by Existing Resources	14
Undergraduate Financial Literacy	14
<i>Recommendations</i>	15
<b>Appendix</b>	<b>17</b>
<i>Undergraduate Financial Literacy Survey Questions</i>	17
<b>Works Cited</b>	<b>18</b>

## Table of Figures

FIGURE 1 - UBC STUDENT SERVICES FINANCIAL RESOURCES WEB PAGE OUTLINE .....	8
FIGURE 2 – COMFORTABILITY: LEVEL OF FINANCIAL LITERACY VS ABILITY TO MANAGE MONEY .....	10
FIGURE 3 - STUDENT FAMILIARITY WITH BASIC FINANCIAL TERMINOLOGY .....	11
FIGURE 4 – STUDENT FINANCIAL EDUCATION OPINIONS .....	12
FIGURE 5 - EXISTING FINANCIAL LITERACY RESOURCE OFFERING VS. RECOMMENDED .....	14
FIGURE 6 - PROPOSED FINANCIAL LITERACY RESOURCE OFFERING.....	16

## **Abstract**

Financial literacy is the ability to understand and apply financial skills including personal finance, budgeting, and investing. Financial literacy has been a topic of increasing importance since the 1980s. The barriers to entry of risky investment products have recently decreased, increasing most undergraduate students' exposure to them, and heightening basic financial literacy requirements.

The University of British Columbia (UBC) provides financial literacy both resources online and through in-person workshops. The existing resources cover some components of financial literacy well, but coverage of others is poor. Similarly, the existing resources don't meet several of the appropriate benchmarks suggested by literature.

Undergraduate students feel that they have not received adequate financial education despite often being advertised financial products. Most students are most interested in investing than they were 12 months ago and have largely turned to YouTube as a means of learning about the topic. Students are not using UBC's financial literacy resources to improve their knowledge.

To improve the quality of financial literacy resources such that they meet the appropriate standards, the following recommendations should be considered:

- Introduce mandatory financial literacy courses as part of all undergraduate degree programs
- Expand the scope of financial literacy to include resources about investing
- Engage students in the production of topical financial literacy resources
- Improve the visibility of resources by moving them to a separate website

## Introduction

### Defining Financial Literacy

Financial literacy describes one's ability to make informed personal finance decisions. The set of activities comprising "personal finance" has changed over time, with more traditional definitions including budgeting, setting financial goals, and managing loans or debt. Investing has become increasingly relevant to personal finance, financial literacy as a result, meaning financial literacy is best described as the ability to "understand and effectively use various financial skills, including personal financial management, budgeting, and investing." (Fernando, 2022). This description will serve as our reference definition of "financial literacy".

### Background on Financial Literacy Education

Aspects of modern financial literacy, such as budgeting and debt management, are as old as debt itself, which first appeared over 5,000 years ago (Graeber, 2013). For most Canadians, financial literacy wasn't explicitly mentioned until the mid-1990s, when many governments acknowledged the "broader economic implications of their citizens' poor financial knowledge and decision-making on their national economies" (Canada, 2021). This newfound interest came as a response to a decade of record-high levels of personal debt, and "stagflation" of the 1980s (Garcia, 2007). *Visa*, *Mastercard*, *American Express*, and *Discover*, the descendants of "The Diner's Club Card", had given consumers access to more credit than at any other point in history (Garcia, 2007). The importance of financial literacy has been and will continue to be tied to the types of products marketed at consumers, their complexity, and the risk profile that these products present. It is from this perspective, that financial literacy is exactly as important as financial products are "risky, complicated, and well-marketed", that we will evaluate the need for financial literacy at any particular point.

## Common Financial Products

Financial products can be broadly categorized into several buckets: Savings Products, Credit Products, and Investment Products.

**Savings products** and services represent low-risk, low-return activities such as simple banking and budgeting tools. Savings products are seldom marketed and universally low-risk, meaning that they necessitate little financial literacy in isolation.

**Credit products** include credit cards, loans, and mortgages. Fundamental to all types of credit is that they allow for access to borrowed money at the cost of interest payments (with the partial exception of credit cards). Credit products are riskier, more complicated, and better marketed than savings products. As such, credit products imply a greater need for financial literacy, a higher standard of that financial literacy, and a significant downside risk if these financial literacy requirements are not met.

**Investment products** are the are the riskiest category of financial products. This category traditionally comprises stocks, bonds, and managed funds. Although investment products have always carried a higher risk-profile than most credit and all savings products, they have historically been adopted by an older, more financially experienced set of individuals. The past decade has seen the composition of investors and investment products change drastically (Canada, 2021). Investment products now include cryptocurrency and blockchain-based assets and are traded at a lower-cost by a younger set of individuals. Because of this complexity, investment products necessitate the most financial literacy and the greatest possibility of financial harm if financial literacy is not present (Innovative Research Group, 2006).

## **Purpose of this report**

This report aims to determine if the University of British Columbia (UBC) provides adequate financial literacy resources and support to undergraduate students, and to provide recommendations in the event that existing resources are incomplete. Students who are poorly-equipped to responsibly manage their finances have an increased risk of failing to pay tuition, a greater chance of being financially distressed, and a reduced ability to evaluate career opportunities. The outlined recommendations are personally valuable to the undergraduate population, as well as economically incentivized to UBC.

## **Scope & Methods of Inquiry**

The following areas of inquiry are used to evaluate the quality of existing UBC financial literacy resources, and inform any recommendations:

1. What are the existing financial literacy resources provided by UBC?
2. Which of these existing resources are most effective, which are least effective?
3. What does the existing literature support as the most effective methods of financial education?
4. Do students feel uncertain about a given set of financial concepts in particular?
5. Which financial products are most commonly marketed to UBC students?

Data was collected from UBC websites to compile a list of existing financial literacy resources. Twenty UBC undergraduate students responded to a short survey about their own level of financial literacy and experience with financial products to determine their sentiments and experiences with both topics. Finally, an analysis of secondary-sources was conducted to compose an appropriate set of benchmarks and methods for teaching financial literacy.



## Data Section

### Existing UBC Financial Literacy Resources

**UBC Online Resources.** UBC's online financial literacy resources are provided by student services. The student services website covers topics including financial support options, financial planning, and student loans, with adequate detail. While topics closely related to covering the cost of tuition are described with great detail, other financial literacy resources, such as credit and investing, are absent or described very briefly.

UBC's Financial literacy resources are found exclusively on the Student Services website (Student Services, 2022). With the exception of resources describing tuition, student loan, and accommodation-related financial concepts, financial literacy resources are largely located on a single page (Figure 4).

#### On this page

[Overview](#)

[Understand your costs](#)

[Know your resources](#)

[Map your timeline](#)

[Build a financial plan](#)

[Maintain your financial plan](#)

[If you have questions](#)

[Financial wellness workshops](#)

*Figure 1 - UBC Student Services Financial Resources Web Page Outline*

**UBC Advisory Resources.** In addition to the static online resources, UBC student services holds a number of financial wellness workshops. Topics covered in these workshops largely overlap with the online resources, but cover some topics, such as credit, with relatively more detail.

## Financial Literacy Education Best-Practices

**Review of Literature.** Financial literacy education is a complicated, multi-faceted process beginning at the elementary school level (Canada, 2021). There are a number of parties who share partial responsibility for providing financial literacy education, and students arrive as undergraduates from a range of countries and cultures, each with a unique level of financial literacy. As a result, higher-education institutions shoulder a unique set of responsibilities in terms of financial literacy education.

A review of literature describing financial literacy education at the higher-education yields an exhaustive set of recommendations, and suggested responsibilities.

**Suggested Best Practices for Delivery of Financial Literacy Education.** The following best-practices are a selection from the set of recommendations made by the U.S. Financial Literacy and Education Committee to higher-education institutions. (U.S. Treasury Department, 2019).

- 1) Provide Clear, Timely, and Customized Information to Inform Student Borrowing
- 2) Effectively Engaging Students in Financial Literacy Education
- 3) Preparing Students to Meet Financial Obligations Upon Graduation

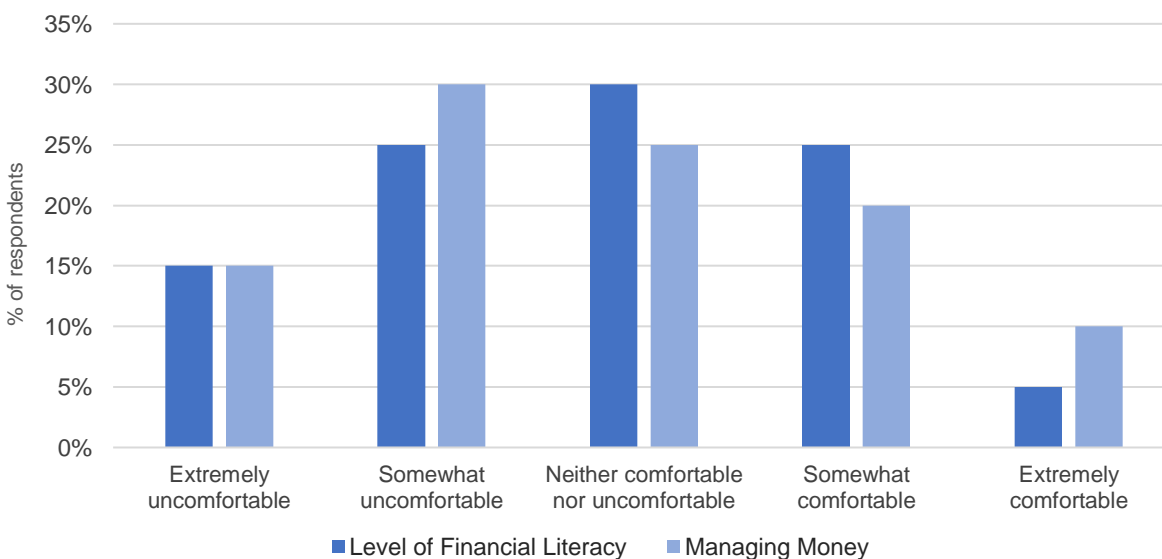
These recommendations designate the responsibility of student-loan related financial literacy education, as well as general financial literacy education, to the higher-education institution. Additional recommendations made in the report focus on providing additional resources for managing student loans.

## Survey Results

Undergraduate students were voluntarily asked to complete a short survey about their own levels of financial literacy, experience with financial products, and familiarity with UBC's existing financial literacy resources.

**Self-Assessed Level of Financial Literacy.** Most students feel relatively comfortable with their level of financial literacy, as 60% of respondents indicate that they feel between “Somewhat uncomfortable” and “Somewhat comfortable” about their level of financial literacy. On either extreme, more students feel “Extremely uncomfortable” (15%) than “Extremely comfortable” (5%).

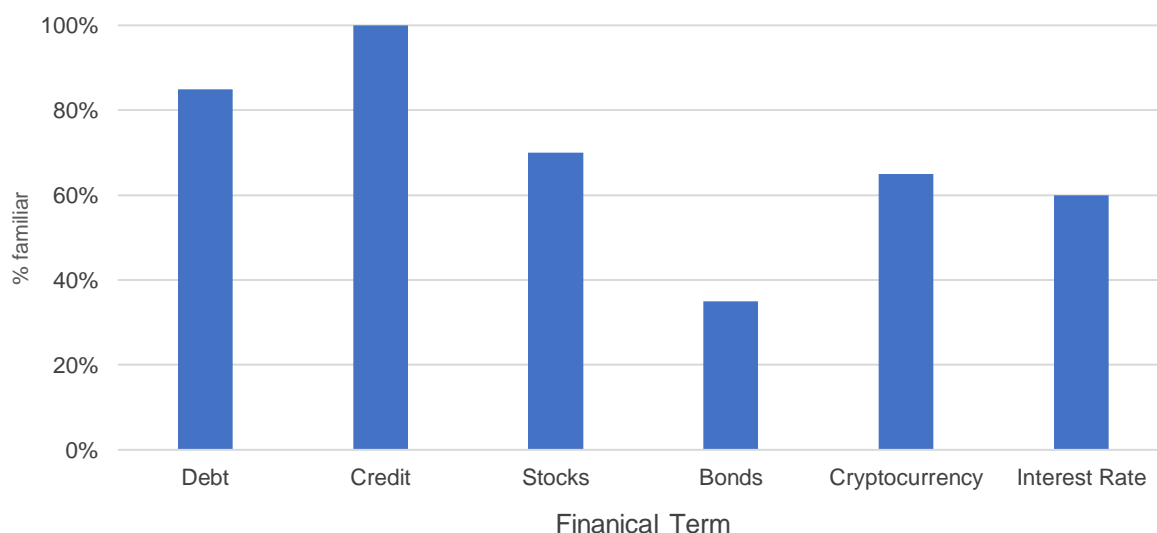
Students are slightly more pessimistic about their ability to manage their own money. As many students find it “Somewhat difficult” (30%) to manage their money as those that find it “Somewhat Easy” (20%) or “Extremely easy” (10%). A further 25% of students find managing their money “Neither easy nor difficult”.



*Figure 2 – Comfortability: Level of Financial Literacy vs Ability to Manage Money*

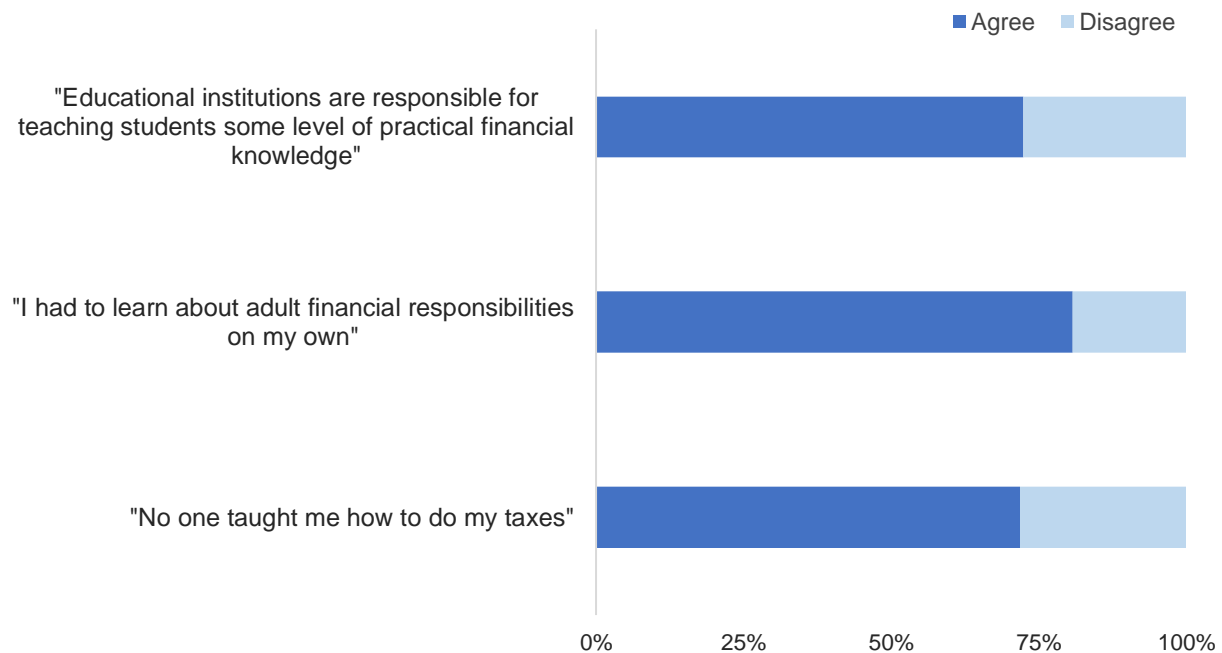
Students are most familiar with the terms “Credit” (100%), “Debt” (85%), “Stocks” (70%), and more familiar with “Cryptocurrency” (65%) than “Interest Rate(s)” (60%). Just over a third (7/20) students were familiar with “Bonds”, the lowest-risk security.

**Exposure to Financial Products.** Advertisers seem to care about reaching students, as 60% of respondents note that they “Somewhat” (45%) or “Strongly” (15%) agree that they get “a lot” of ads for financial products. Whatever the catalyst, students have been increasing their exposure to investments. Almost every (85%) student has “become more interested in investing” in the past 12 months. All students learned about a new financial concept (100%) over the past 12 months, with YouTube serving as a source for 75% of students, followed by TikTok (35%), and Books (15%). Curiously, no students indicate that they learned about a financial concept from UBC resources in the past 12 months (0%).



*Figure 3 - Student familiarity with basic financial terminology*

**Sentiments Towards Financial Literacy Education.** Students feel strongly (71% average agreeance) that “No one taught me how to do my taxes”, and even more strongly (81% average agreeance) that they “had to learn about financial responsibilities” on their own. Finally, all students agree to some degree (> 50% min. agreeance) that educational institutions are responsible for teaching students some level of financial knowledge.



*Figure 4 – Student financial education opinions*

## Conclusion

### Summary of Findings

**Existing Resource Coverage of Financial Literacy Topics.** The existing set of financial literacy resources provided by UBC do not cover the full set of topics comprising “financial literacy” as it has been defined in the scope of this report. While some topics that partially constitute financial literacy are covered in depth, a further two topics are covered with little detail or omitted from existing resources. Notably, both topics that are poorly represented by existing resources represent the riskiest, most complicated financial concepts and products.

Topics covered with adequate depth

- Student Loans
- Financial Support
- Financial Planning

Topics covered minimally

- Credit

Topics not covered

- Investing

Additionally, the existing online resources are difficult to locate on the UBC Student Services website. This difficulty means that the existing online resources lack coverage of some topics that compose financial literacy, and the topics with existing coverage suffer from poor discoverability.

**Methods Employed by Existing Resources.** After review of financial literacy education best practices, the following three primarily goals have been identified as relevant benchmarks for the methods that UBC employs. Figure 5 describes how UBC's existing financial literacy resources compare to those described by the benchmark.

Clear, Timely, Customized Information to Inform Borrowing		Engaging Students in Financial Literacy Education		Preparing Students to Meet Financial Obligations after Grad	
Task Example	Met?	Task Example	Met?	Task Example	Met?
Highlight Details and Distinctions by Aid Type	Y	Mandatory Financial Literacy course	N	Building a budget and Setting Repayment Goal	Y
Calculate Cost & Grants after Scholarships	Y	Use of Peer Educators	N	Assess Costs & Benefits of Grad Studies	N
Provide Actionable Next Steps	Y	Integration of Financial Literacy to Curricula	N		

*Figure 5 - Existing Financial Literacy Resource Offering vs. Recommended*

**Undergraduate Financial Literacy.** Results from a survey of undergraduate students indicates that most students are reasonably comfortable with their level of financial literacy, but less comfortable about their ability to manage their own money. A majority of students indicate that they are frequently advertised financial products, with an overwhelming majority of students being more interested in investing than they were 12-months prior. Crucially, as students are increasingly interested in riskier financial products, no students identified UBC resources as a source for improving their financial literacy. These results suggest that there exists a demand for financial literacy resources, and that the existing UBC financial literacy resources are not being consulted by students.

## Recommendations

Based on the findings from primary and secondary sources, and in accordance with the stated goal of improving the quality of financial literacy education at UBC, please consider the following recommendations to improve the quality of financial literacy resources at UBC:

- 1) Ten hours of mandatory financial literacy coursework for 1<sup>st</sup> year undergraduate students
- 2) Five hours of mandatory financial literacy coursework per year for undergraduate students in years 2 – 4
- 3) Expansion of written financial literacy resources to include topics such as:
  - a. Types of Investments
  - b. Fundamentals of Investing
  - c. Risks of Investing
  - d. Evaluating an investment
- 4) Student-authored bi-weekly or monthly financial blogs
- 5) Development of standalone website to improve access and organization of new and existing financial literacy resources

These recommendations would improve the format, content, and coverage of financial literacy resources. Figure 6 compares the resultant proposed financial literacy resource offering to the benchmark derived from secondary-source research.



Clear, Timely, Customized Information to Inform Borrowing		Engaging Students in Financial Literacy Education		Preparing Students to Meet Financial Obligations after Grad	
Task Example	Met?	Task Example	Met?	Task Example	Met?
Highlight Details and Distinctions by Aid Type	Y	Mandatory Financial Literacy course	N	Building a budget and Setting Repayment Goal	Y
Calculate Cost & Grants after Scholarships	Y	Use of Peer Educators	N	Assess Costs & Benefits of Grad Studies	N
Provide Actionable Next Steps	Y	Integration of Financial Literacy to Curricula	N		

*Figure 6 - Proposed Financial Literacy Resource Offering*

## Appendix

### Undergraduate Financial Literacy Survey Questions

Q1) How comfortable are you with your level of "Financial Literacy"? (uncomfortable – comfortable)

Q2) "It's \_\_\_\_ for me to manage my money" (difficult – easy)

Q3) Select all of the terms that you are familiar with:

- ☐ Stocks
- ☐ Bonds
- ☐ Debt
- ☐ Credit
- ☐ Cryptocurrency
- ☐ Interest Rate

Q4) To what degree do you agree with the statement: "I get lots of ads for financial products" (0-100)

Q5) Have you become more interested in investing (stock, crypto, etc.) in the past 12 months?  
(yes/no)

Q6) If you have learned about a financial concept or activity in the past 12 months, select any of the following resources that you have learned from.

- ☐ YouTube
- ☐ UBC Resources
- ☐ Books
- ☐ TikTok
- ☐ Instagram
- ☐ Paid Course or Service
- ☐ I have not learned about a new financial concept in the past 12 months

Q7) "No one taught me how to do my taxes" (disagree/agree, 0-100)

Q8) "I had to learn about adult financial responsibilities on my own" (disagree/agree, 0-100)

Q9) "Educational institutions (secondary school, university) are responsible for teaching students some level of practical financial knowledge" (disagree/agree, 0-100)

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