

UBC Social Ecological Economic Development Studies (SEEDS) Sustainability Program

Student Research Report

Financial Literacy: The Future of Financial Wellness at UBC

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University of British Columbia

COMM 486M

Themes: Community, Finance, Health, Wellbeing

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FINANCIAL LITERACY

The Future of Financial
Wellness at UBC

MARCH 21, 2018

COMM 486M – 203 – Group 5

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Table of Contents

Table of Contents	2
Executive Summary	3
Persona	6
Contextual Analysis	7
Overall Objective	8
Underlying Issues.....	9
The Opportunity	10
Solution Requirements	11
Alternative Overview.....	12
1: Financial Literacy Education	13
2: Enhancing Peer-to-Peer Program	14
3: Mobile Student Portal.....	15
Decision Criteria	16
Recommendation 1	17
Recommendation 2	18
Recommendation 3	19
Timeline.....	20
Risks & Mitigation	21
Appendix	22

Executive Summary

Purpose

This report prepared for UBC Enrollment Services will outline key findings that identify international students needs and wants regarding education on financial wellness. It will deliver solutions for the most effective way to convey financial wellness importance to the student body increasing their financial literacy skills and practices.

Insight

To gain and understanding of what international students financial standing and wellbeing was one on one mini interviews were conducted to gain insight into international students. Combining these findings with extensive research focused on international students across Canadian universities, many points of interest were confirmed or identified.

Both the financial burden and moving to a new environment with little to no support is incredibly stressful and financial planning can be put to the back end. International students are assumed to be financially well off because, they must have the finances and skills to be able to support themselves on international fees. These assumptions along with a disconnect with foreign cultural practices that put higher emphasis on education above all else can make international students less likely to seek help proactively.

Enrollment services does have the ability and means to provide knowledge and assistance with the issues international students cope with. It's the channel by which the information is distributed that inhibits the effectiveness of Enrollment Services. Most interactions are responses to problems not a proactive discussion on how to avoid issues. There is a massive opportunity to improve engagement in the proactive nature.

Requirements & Alternatives

All solutions considered had the following four traits; must incorporate proactive and preventative financial measures, represent all students, have depth to address individual needs, and provide access in the matter students deem accessible. Criteria for choosing the best option include implementation time, alignment with Enrolment Services, complexity, potential reach, and degree of impact.

Alternatives considered were; to provide a mandatory financial literacy program in the first years of a student's studies, peer-to-peer advising services provided by student ambassadors to increase student engagement, or design a mobile app to allow easy access and increase the relevance Enrollment Services which was considered the best option.

Recommendation: Mobile App

By working with software developers to establish a unique UBC Financial Success Initiative mobile app, students can access information regardless of time and location. By working with UBC IT students can register through their CWL and be able to use these services. To ensure comprehensiveness and depth to represent the student body while assisting with individual needs. The app will offer bookkeeping function, online real-time chats, live video of workshops, alerts for dates and deadlines, and by incorporating short surveys to better understand students the app could be used to target specific students to beneficial workshops. To increase the awareness of the mobile app existing relationships with professors, student facing groups and currently used outreach methods will be used to launch the application.

Building the Mobile App

Determining the desired features and functions of the app and choosing the right developers and partners will be the first steps, these and pre-development process will take until the beginning of 2019. The bulk of 2019 will be used to design, test and create a launching strategy so it can be released and fully functioning in early 2020. The total cost is projected to be around \$147,100.00 for the first year and \$31,100.00 for the following 2 years.

Risks

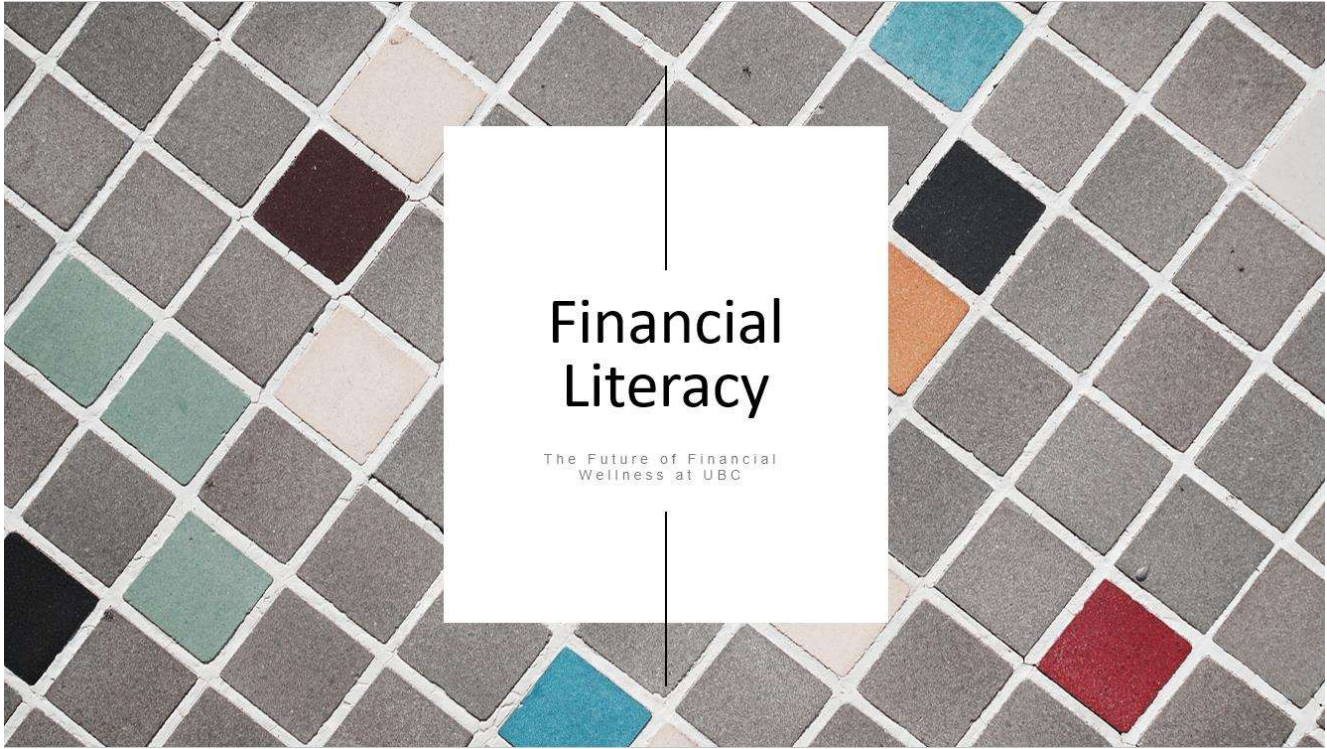
Quality of the app is substantially important to have the student body adopt it widely, an emphasis on having the right partners and allowing adequate time to design and develop the app will mitigate any app failures on the technological end. Lack of university support may be a issue but there is no immediate concern as to why there may not be support behind a campus wide app. To mitigate the risks of low usage or adoption rates the relationships that Enrollment Services has with faculties and student groups will be brought into use to encourage adoption and convey the importance of the service.

Measuring Success

Success will be measurable by the number of downloads, along with the rating and reviews of the application. Number of online chats engaged in and number of viewers watching live workshops will help gauge the user interaction rate. Metrics pulled from the app will allow the process to be oriented into what is working and what is not. A mix of students from a diverse background of faculties and years of education would be considered a huge success and uptake in proactive financial wellness content will show if that issue of only using Enrolment Services only as a problem solver was mitigated.

Final Thoughts

The mobile app approach works not only with increasing international student financial wellness but allows to easily influence all other students as well. Overall, Enrollment services has the knowledge and excellent tools to provide ttp the student body, but access to these tools is limiting the outreach of Enrolment Services. Incorporating the technology that is at our disposal and innovating to the trends of the current and future student body we can align the message conveyed by Enrolment Services with how students want to access that information which will increases financial wellbeing of students across the campus.





JOHN

1st year student from Bozeman, Montana. Came to UBC because tuition is cheaper than out of state tuition. Likes to be outside on the weekend.

FORESTRY



CATHY

3rd year international student studying at UBC from mainland China. Family places strong value on receiving quality education

COMMERCE



LUCA

Political Science student from Spain. European Passport allows him to travel frequently and he chose to study in Canada to continue to broaden his horizons

POLI SCI

Persona

Cathy is an international student from China.

- She chose to study in Canada because of the outstanding education quality.
- The tuition and living expenses are five times more expensive than China.
- Cathy comes from a culture that parents place great value on higher education regardless of level of wealth. Her parents made huge financial sacrifice for her: half of their yearly income and 1/4 savings.
- Due to the family sponsorship, Cathy rarely feels stressful about money, but she hopes to relieve some strain for her family by changing her spending habit.

John is a first-year student from Montana, USA

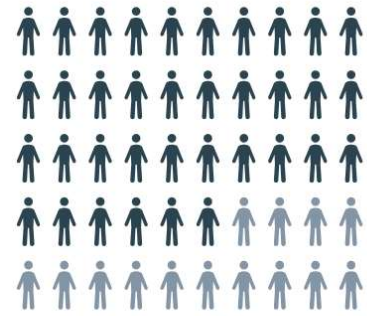
- John chose to study in Canada because tuition would be less expensive to a comparable university in America that could offer the same level of education.
- John does work while in school to gain work experience and increase his cash flow. John is good on a daily basis with his finances and is able to adapt to changing his spending habits if he needs to budget.
- Fortunately, via scholarships and parental support he will graduate without any debt. He does admit that money does cause him stress.
- Moving on after graduating he is unsure if he will stay in Canada but if he does he would appreciate having a service that can help with how to meet his long term financial goals and what he should look out for in regards to personal finance.

Luca is a fourth-year student from Spain.

- His EU passport has allowed him to travel frequently throughout Europe and he chose to come to Canada to continue to broaden his horizon.
- International tuition is extremely expensive but the perceived benefit of studying abroad outweighs the cost.
- Money weighs on Luca, his parents cover some of his living costs and tuition but he has also taken out a loan to cover the rest.
- Fluctuations in exchange rates can drastically alter his disposable income.



CONTEXTUAL ANALYSIS



77%

of Canadian graduates have regrets about student debt



Contextual Analysis

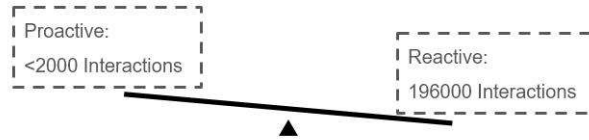
For 357000 international students, moving to Canada and receiving a quality university education is an incredibly exciting time. Or, at least it's supposed to be. We often forget about the **\$10 billion in tuition costs** alone that represent just a portion of the financial commitment to do so. Combine the sheer cost with a few other obstacles that face international students and we quickly arrive at a problem: **it's incredibly stressful**. That level of stress has a direct impact on the students - drawing away from their educational experience and having critical future implications. Here are a those obstacles:

Cultural Pressure and Support

There is a significant gap between domestic and international tuition. Because of this, one might assume that the cost is well within the financial means of the student's family - this is not always the case. In fact, just 61% of international students at Canadian universities are supported by funding from their parents. This means that 39% are left to support themselves through scholarships or working. Many foreign cultures place tremendous value on a high level education, but achieving one often **represents a huge financial sacrifice**.

UBC ISSUE OVERVIEW

UBC's financial wellness program suffers from low engagement which prevents the program from having the impact it desires.



Overall Objective

Looking closer at the participation statistics, there is a significant imbalance between what can be defined as proactive and reactive services offered by enrolment services. Proactive represents initiatives with the primary goal of educating in a preventative manner, whereas reactive initiatives fill the role of solving a problem once something has gone wrong.

We have been approached with the objective of improving student engagement with respect to financial wellness initiatives. In the coming pages, we will further breakdown the driving forces behind below satisfactory engagement.

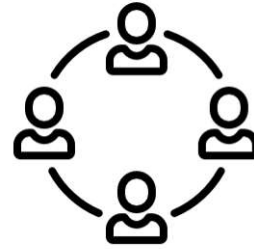
UNDERLYING ISSUES



01. Communication Channel



02. Perceived Value



03. Nature of Interactions

Underlying Issues

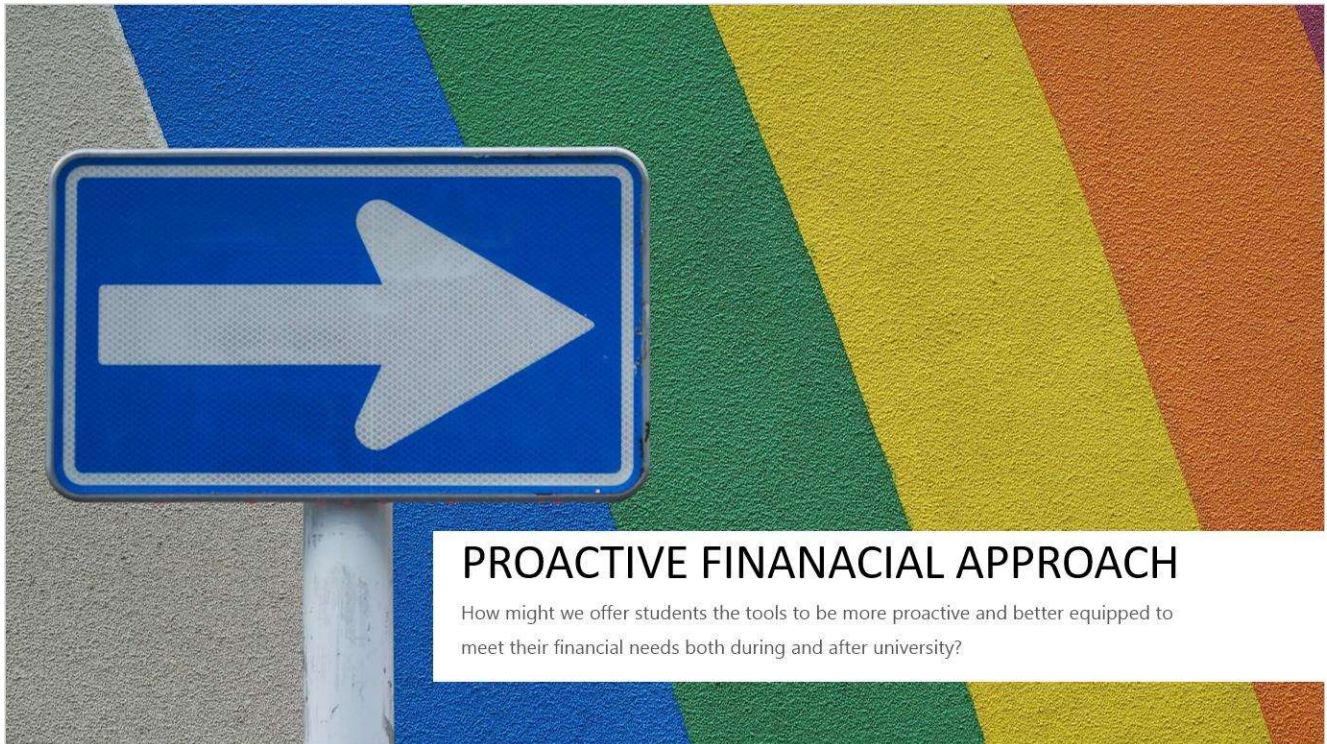
Financial wellness workshops, as an example, are a proactive initiative that see very little student engagement. Over the course of a year, there are less than 2000 student interactions based upon an average of 26 in attendance per workshop. Even further, international students make up a very small portion of students in attendance.

There is a correlation here between the channel by which the information is distributed, the value in the message as perceived by students, and the level of engagement. Additional time sensitive, lecture-like workshops do not align well with the students who are already under immense pressure from their course load. Also, the result of workshops aiming to reach as widely as possible is information that students deem generic, something that can be learned in a more passive manner, as well as not tailored to them individually.

This creates a problem in the nature of interactions the students have with the enrolment services and financial wellness.

Low participation in the preventative channels, such as workshops, contributes to poor financial literacy, or lack thereof, among students. As a direct result, there is a sharp contrast in usage of reactive initiatives that puts significant strain on resources within enrolment services:

These interactions largely represent “emergency response.” In other words, only sought out once a problem arises.



The Opportunity

There is tremendous potential to improve engagement in the proactive portion of the currently offered services. Successfully increasing engagement directly enhances financial literacy and encourages students to be more proactive in their learning. This also greatly reduces the strain on problem solving resources with enrolment services.

The focus of a new initiative would be on getting information to students in a way that they find useful and engaging to develop fundamental skills that will allow them to succeed through university and the years to follow.

REQUIREMENTS



**PROACTIVE &
PREVENTATIVE**



**DEPTH TO ADDRESS
INDIVIDUAL NEEDS**



**REPRESENTATIVE OF
ALL STUDENTS**



STUDENT ALIGNMENT

Solution Requirements

For any solution to even be considered, it *must* have or be able to facilitate the following:

Proactive and preventative:

As mentioned earlier, it is critical to provide support to address the concern before it becomes an emergency. Another attribute in this category is the lifecycle, or number of interactions between students and a potential solution. A sustainable solution does not involve a simple one time use.

Representative of all students:

Our analysis determined that the cost of an alternative should be invested in a solution to all students, rather than any distinct group such as internationals.

Depth to address individual needs:

A potential solution should also be powerful enough to be effective to students on an individual basis. This means a deeper approach that general advice, as well as an interactive element that is driven by the student.

Student alignment:

Returning to channels, the solution must be well alignment to students. This encompasses something that students feel comfortable using, is easily accessible, as well as passive and non-intrusive in engagement.

ALTERNATIVE OVERVIEW



**EDUCATION ON
FINANCIAL LITERACY**



**PEER-TO-PEER
ENHANCEMENT**



**DEVELOP
MOBILE APP**



Alternative Overview

Previously, we found out that, overall, most students regret their spending habit when they were at university; However, they tend to reach out only when they are facing issues.

We think the key is to improve student engagement with proactive services to emphasize on avoiding problem rather than responding to emergency requests.

We think that students who received proactive financial advisory services will have higher level of awareness for financial literacy, which will greatly reduce their demand for individual advising appointments that put a strain on enrolment services' resources.

Therefore, we generated three alternatives:

Education on financial literacy:

- Provide a course required to be completed very early upon student arrival at UBC

Enhancing Peer-to-Peer Program:

- Place more responsibilities on student ambassadors to provide peer-to-peer financial advising

Mobile Student Portal:

- Provide useful financial tools and functions that is easily accessible for students via mobile phone

ALTERNATIVE #1

EDUCATION ON FINANCIAL LITERACY



This alternative involves providing a mandatory financial literacy course to students upon their early arrival at UBC. The financial literacy course would be integrated into students' first-year STT and required to complete by the first term of university.



1: Financial Literacy Education

We recommended ESP to provide a mandatory financial literacy course to students upon their early arrival at UBC. The financial literacy course should be integrated into students' first-year STT and required to complete by the first term of university.

We reckon that the mandatory course will be a strong incentive for students to change their spending habit at the early stage of their university. Students will benefit from the financial literacy knowledge and insights of the course and have a better short-term and long-term view of their future expense and budget. Because of the preparation, students will also be capable of conscientiously avoiding some common mistakes and independently handling potential future financial difficulties.

Implementation time: Medium

- ESP staffs already have experience in holding workshops and webinars

Complexity: High

- Need to collaborate with all faculties

Alignment with ESP: High

- Provide strong incentive of learning financial literacy to students

Degree of Impact: Medium

- Students may still need assistance throughout their university experience

Potential reach of students: High

- The mandatory course ensure that every new students receive training on financial literacy.

ALTERNATIVE #2

PEER-TO-PEER ENHANCEMENT



This alternative involves increasing the capacity and influence of the existing peer-to-peer program. Student influencers often have referent power and this loyalty and respect is likely to be effective in not only increasing the relevance of financial literacy programs but to also increasing students' willingness to reach out.



2: Enhancing Peer-to-Peer Program

ESP could hire student ambassadors to take charge of low-level inquiries and provide drop-in peer-to-peer advising sessions.

Peer-to-peer advising services is an effective solution to improve students' engagement. By having peer services as an option, ESP is more approachable and relevant to students.

In addition, students will feel more comfortable reaching out and ask for help from their peers.

Implementation time: Medium

- ESP staff need to hire and train student ambassadors

Complexity: Low

- ESP staff need to supervise student ambassadors

Alignment with ESP: High

- Provide good incentives to students

Degree of Impact: Low

- The influence of student ambassador is limited due to their limited service hour

Potential reach of students: Low

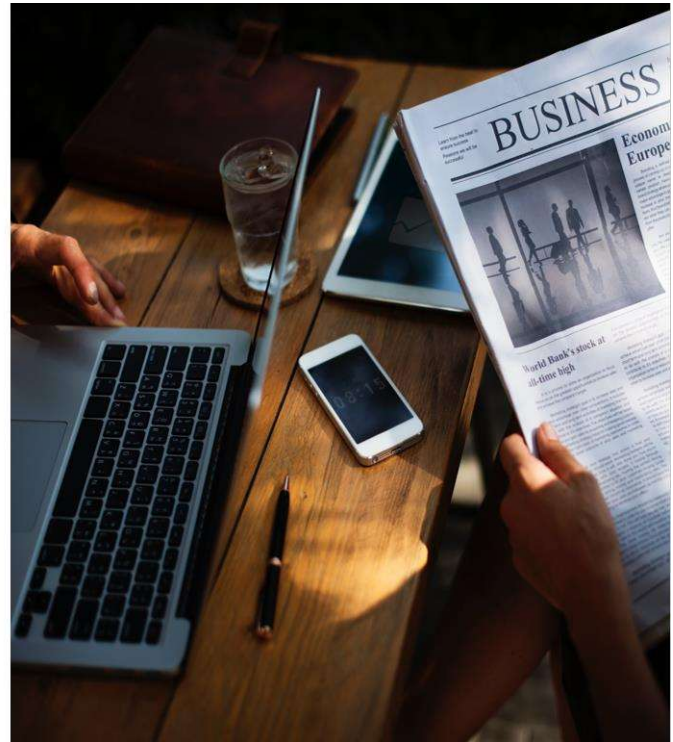
Number of ambassadors is limited

ALTERNATIVE #3

MOBILE APP



Developing a mobile app aims to improve accessibility and relevance of ESP services. By leveraging existing student behaviour and integrating the app into students daily lives they are more likely to utilize the financial tools available.



3: Mobile Student Portal

ESP can integrate latest technology trend and develop an mobile app for students.

The mobile app aims to improve accessibility and relevance of ESP services. Some major functions include: daily tips on personal finance, shortcut to video tutorial of personal finance topics such as rent and budgeting, link to Q&A, simple chatbot. Additional functions include compass card reminders, food services, meal plan reload, etc.

With the mobile app, students can easily find tutorials and knowledge of personal finance on a daily basis regardless of time and location. They can also look for solutions for any specific topics more easily using the chatbot, shortcuts, and quick links. All other campus-based functions such as meal plan reload, and compass card reminders will provide additional incentive of using the app to students.

Implementation time: Medium

- Besides the development time, ESP will need to communicate with UBC management level for permission.

Complexity: High

- Communication with management level might need extra effort.

Alignment with ESP: High

- Provide good incentives and accessibility to students

Degree of Impact: High

- The app is beneficial to all UBC students and is scalable for future students

Potential reach of students: High

- The app can be easily downloaded and used by all student and represents a long-term solution.

DECISION CRITERIA



ONE



TWO



THREE

	ONE	TWO	THREE
Implementation time How quickly can a solution be made available to students?	MEDIUM	MEDIUM	MEDIUM
Alignment with Enrolment Services Does it align well with the objectives of the organization?	HIGH	HIGH	HIGH
Complexity How many parties are involved? How significant is the planning required?	HIGH	LOW	HIGH
Potential reach How many students can benefit from the solution?	HIGH	LOW	HIGH
Degree of impact After implementation, how	MEDIUM	LOW	HIGH

Decision Criteria

We compared three alternative ways of tackling the client’s problem by taking cost, implementation time, complexity, alignment with ESP’s goals, degree of impact and potential reach of students into consideration. We concluded that develop a mobile app can help ESP effectively achieve its goal of identifying students’ needs in terms of increasing financial literacy and being able to better serve students’ needs, while having a far-reaching impact on students’ financial success.

Recommendation #1

Work with software developers to create mobile app



- Take the application development internally
- Work with UBC IT
- UBC App Development Club
- Must support iOs and Android devices
- CWL Account
- Available 24/7

Recommendation 1

In terms of implementation (recommendation #1), we recommend ESP to take the entire application development process internally by working with UBC IT department and get end-to-end support with technical assessment, database design, application design and development, implementation, business analysis, and project management. In terms of the technical part of the application development process, we recommend ESP to work with UBC App Development Club and let UBC students to take the designs into action. This way, ESP can offer students meaningful hands-on experience by letting them create bigger impacts in their community. The goal is to development a mobile application that will be available and accessible 24/7, that supports both iOs & Android devices and that students can register with their CWL accounts.

Recommendation #2

Ensure app addresses individual needs and represents entire student body



- Short questionnaire upon registration
- Bookkeeping function
- Online real-time chat
- Live video and workshops
- Alerts

Recommendation 2

In terms of determining mobile application features (recommendation #2), the goal is to ensure the comprehensiveness and depth of the mobile app so that it represents the entire student body and at the same time is able to address individual needs. We recommend ESP to include the following features in the mobile app:

1. Interests survey/short questionnaire upon registration (first time using the application). A short 5-minute survey asking questions about “which topics below are you interested in knowing about? How much are you spending on monthly rental payment and groceries?”, with the purpose of better understanding students’ needs. Using the information collected, the system should be able to auto-send articles that appeal to students, thus better help students with money management.
2. Bookkeeping function built-in with the mobile application. On one hand, this feature can help students establish the good habit of keeping track of how their money was spent; on the other hand, ESP can ask students for consent for this data being analyzed by data analytics to find out what the biggest expense is for an individual student in a month, thus having a better understanding on students’ consumption behavior and better helping students with budgeting.
3. Online, real time chatbox for answering live questions through online conversations, using the app as a platform.
4. Live videos on the mobile app of workshops, for those students who are not able to attend the workshop in person.
5. Regular alerts reminding students about compass card loading, rental fee and course registration fee payment, which is applicable to the entire student body.

Recommendation #3

Work with different student groups to raise awareness of the mobile app

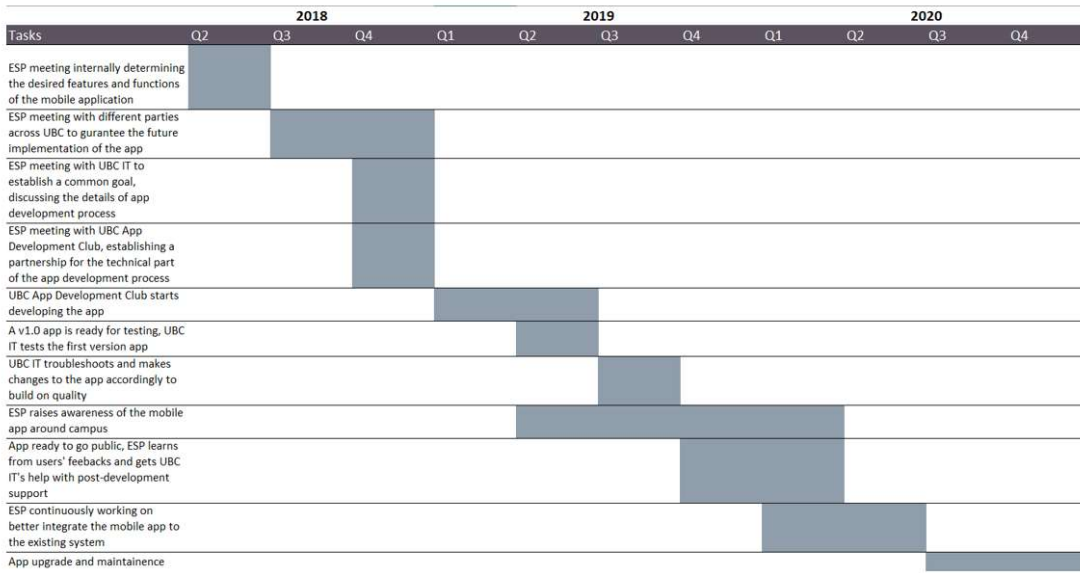


- AMS student clubs
- Jump Start and Imagine Day
- UBC Student Housing and residence advisors
- International House

Recommendation 3

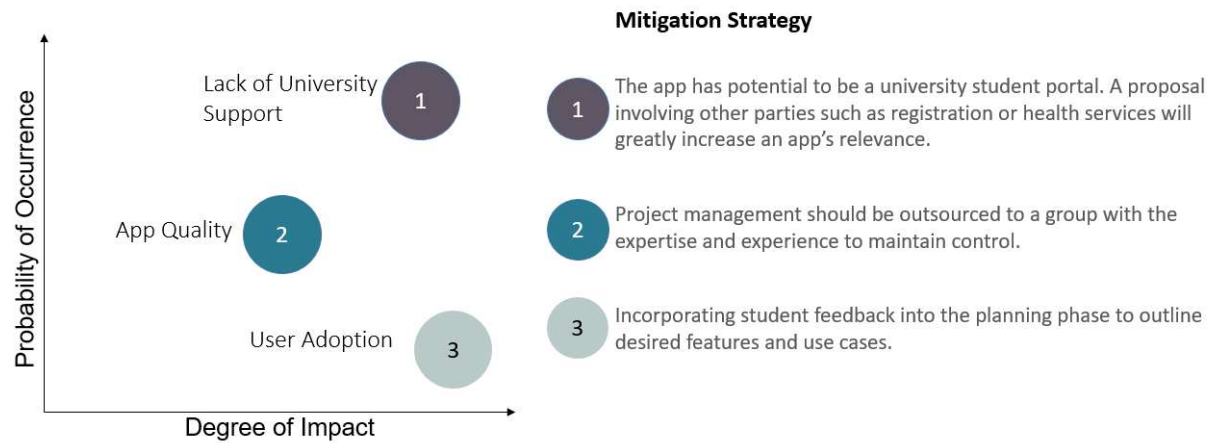
In terms of raising awareness of the mobile application (recommendation #3), we recommend ESP to work with different student-facing/focused groups around campus. ESP can work with AMS student clubs during Orientation week at the beginning of each semester and continue participating in Jump Start and Imagine Day to meet new-to-UBC as well as returning students. ESP can also work with UBC Student Housing staff and residence advisors to access first-year students throughout the semester. Specifically for international students, ESP can consider working with International House to appeal to International student group.

IMPLEMENTATION TIMELINE



Timeline

RISKS & MITIGATION



Risks & Mitigation

No strategy comes without potential risks. The concerns for this solution revolve around ensuring that an application is developed while maintaining strong alignment to the original objectives.

Lack of University Support

This has a critical impact on project success. An application such as this one would not be feasible without upper level support. To mitigate the concern, the solution is to highlight the value and potential in a mobile student portal. Approaching other parties to be involved will help define the key use cases in the app, and will greatly strengthen the proposal. Initially, these groups can include Registration, Student Housing, Compass, and Meal Plan.

User Adoption/Usage

The relationships built with faculty members and enrolment services will be help encourage quick adoption and use of the app.

By gaining the support of the professors across the university they will be able to encourage app adoption (e.g. grade incentives). Using current recruitment methods to promote the app is advised.

App Quality

Developers with high expertise should be used to make a high quality app. Their knowledge will allow for estimated launch times and provide recommendations to keep the project within budgets and timelines. In addition UBC has extensive experience in obtaining and protecting user data and working closely with the Information Security Office will ensure the most up to date process are followed and the app is secure.

Appendix

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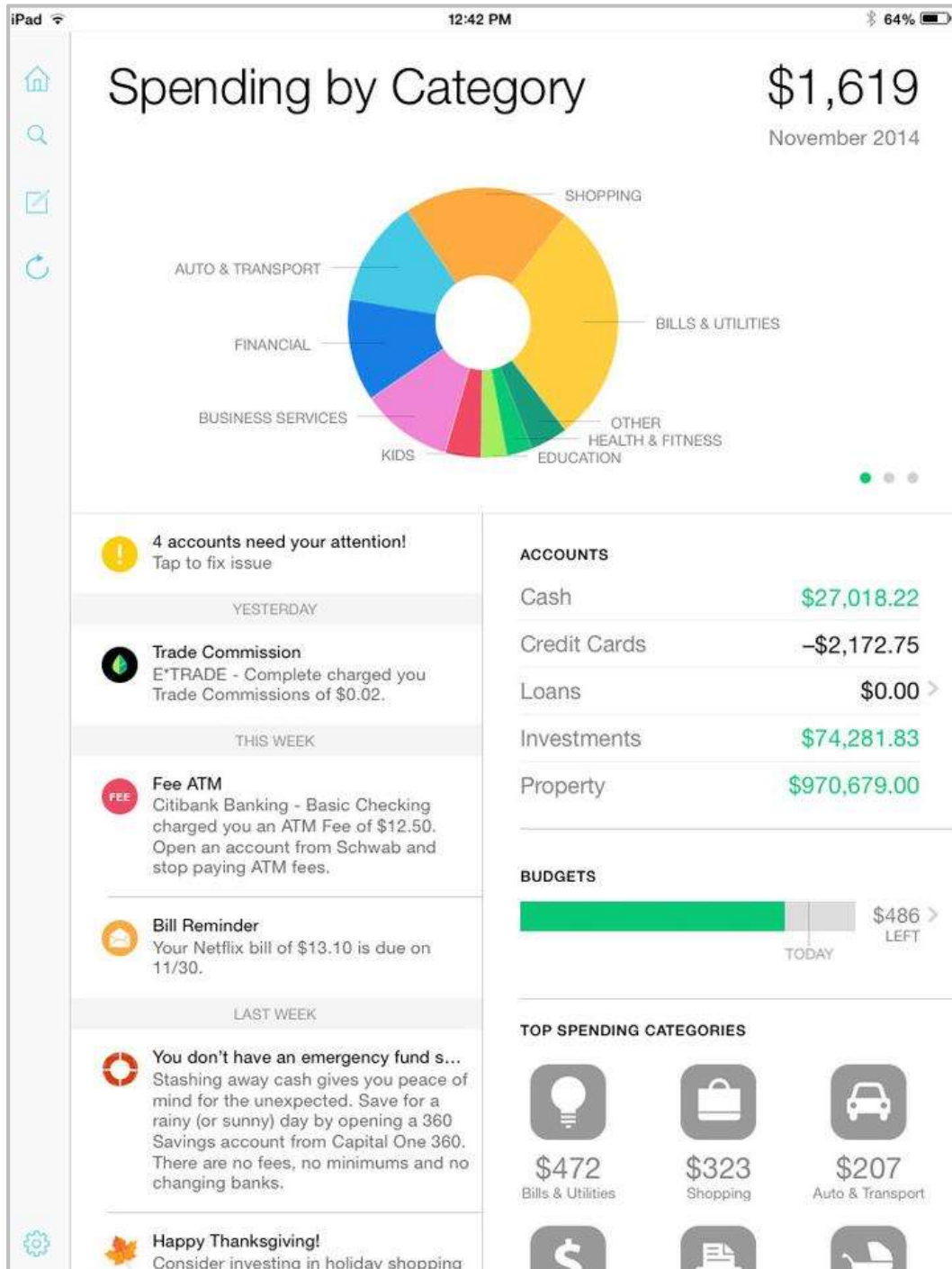
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Mockup sample (iOS app)



Financial implication

Cost Projection of Mobile App Development			
in \$	2019	2020	2021
Business model & planning & research	6,000	0	0
Platform	10,000	0	0
Functionality	15,000	0	0
Design	5,000	0	0
Development	70,000	0	0
Testing & administration	20,000	10,000	10,000
Licensing	100	100	100
Upgrade & maintainence	21000	21,000	21,000
Total Cost	147,100	31,100	31,100
* kep assumption, spending 20%-30% of development cost on maintainence cost			
https://buildfire.com/does-cost-build-mobile-app/			