



Business School

# Welcome to the OUBS

## Business Network: Breakfast Briefing

Dr Andrew Lindridge

Senior Lecturer in Marketing and Academic Lead for the  
OU Business Network



@OUBSchool  
#breakfastbriefing



Open University Business  
Network



# **‘We need to talk about Money’: Breaking down personal finance taboos through online courses**

Breakfast Briefing, 1 March 2016

Professor Sharon Collard

The True Potential Centre for the  
Public Understanding of Finance



@PUFin\_Sharon #PUFin @OUBSchool

# Agenda

- About True Potential PUFIn
- The UK's financial capability
- Online personal finance learning
- The role of employers and the workplace
- Q&A

# About True Potential PUFin

- Launched November 2013
- Set up with philanthropic donation from True Potential LLP
- £1.4m over 5 years, to end of June 2018
- Multi-disciplinary centre for personal finance research and learning

## Our purpose

To improve the public's understanding of personal finance, providing individuals across the world with the tools to make sound financial decisions

... and looking at ways to make financial services work better for people, and to ensure effective regulation and consumer protection

# The UK's financial capability

- OK at managing money day-to-day
  - But worrying minority in serious financial difficulty
- Not very good at planning for the future
- Pretty poor at choosing financial products
- Young people generally have low capability
- People can be incapable whether rich or poor

## Why is this important?

- High employment, but pressure on incomes
- Low interest rate
- Susceptibility to debt
- Ageing population
- Personal financial responsibility

The True Potential Centre for the  
Public Understanding  
of Finance

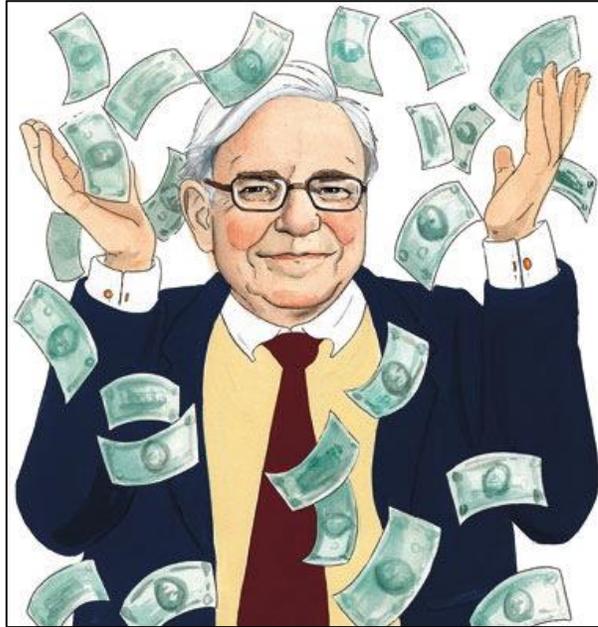


BUSINESS  
NETWORK



The Open  
University

Business School



## On the ground (or on the ropes?)

- 16 million UK adults have no savings at all
- Unsecured borrowing grew 8.3% in 2015
  - On average, UK adults owe £3,538
- Around 8 million have problems with debt
  - Of these, just one in six seeks help
  - £1,000 in savings would protect 500,000 households from problem debt

## Relevance to business?

- 46% of employees worry about their finances
- Almost half of all stress-related absences from work relate to financial distress
  - An estimated five million working days a year
- Lost productivity adversely impacts the bottom line by 4% - estimated at £2.3 billion

Sources: *Financial Well-being: The Last Taboo in the Workplace?* Barclays, 2014;  
*Cutting the cost of problem debt*, StepChange Debt Charity, 2014

# Online personal finance learning

- **Managing My Money**
- Managing My Investments
- Managing My Financial Journey
  
- Free of charge, open to all
- Flexible and interactive to fit in with busy lives

# Managing My Money

- Personal Finance 101: Covers financial planning, household balance sheet, spending and borrowing, mortgages, pensions and savings, insurance
- Manage your money more effectively, make better financial decisions
- Understand social and behavioural drivers of financial decisions e.g. ‘bad financial habits’

# Managing My Money: on FutureLearn

The screenshot shows the course navigation interface. At the top, there are tabs for 'To do', 'Activity', 'Replies', and 'Progress'. Below this is a weekly progress bar with 8 weeks, each labeled 'WEEK' and a number. The dates for each week are listed below the bar. The current week is Week 1, 'FINANCIAL PLANNING AND THE LIFE COURSE', which is 9 weeks ago. A video thumbnail for 'Finances and the life course' is shown. Below the video is a list of course items:

- 1.1 FINANCES AND THE LIFE COURSE VIDEO
- 1.2 HOW THE ECONOMY AFFECTS US VIDEO
- 1.3 THE LIFE COURSE ARTICLE
- 1.4 THE LIFE COURSE GAME DISCUSSION
- 1.5 YOUR LIFE PLAN DISCUSSION
- 1.6 STARTING YOUR FINANCIAL PLAN ARTICLE
- 1.7 PRIORITISING ARTICLE

The screenshot shows the 'Week 1 assessment' page. It features a progress bar with 7 steps: Intro, Q1, Q2, Q3, Q4, Q5, Q6, and End. The 'Intro' step is currently selected. Below the progress bar, there is a text box with the following text:

Check what you've learned this week by taking this end-of-week test. The score will contribute to your final mark.

Below this is a section titled 'TEST RULES AND GRADING' with a list of rules:

- You may take 3 attempts to answer each question
- Each question has 3 points available
- A point will be deducted for each incorrect attempt
- You can review your total score for the test at the end

At the bottom right, there is a 'BEGIN TEST' button.

The screenshot shows a video thumbnail for 'Risk taker or risk averse?'. The thumbnail features a piggy bank with a roulette wheel on top, showing the number 17. The text on the roulette wheel is '\$100'. Below the image, there is a caption: 'Some people gamble and take risks with their finances © The Open University'. The video title is 'Risk taker or risk averse?'. Below the title, there is a short description: 'The video on 'betting the house' depicts an extreme, high-risk and, in truth, reckless way of managing money and making financial decisions.' Below the description, there is a longer paragraph: 'The reality with financial decisions is that there are many shades of risk taking between being completely risk-averse to being prepared to take on...'

The screenshot shows a video thumbnail for 'Try the bad habits test'. The thumbnail has a black background with white and green text. The text reads: '£500 to spend today? or £500 in a savings account... £700 in five years' time?'. Below the video, there is a caption: 'Download video: standard or HD View transcript (PDF)'. The video title is 'Try the bad habits test'. Below the title, there is a short description: 'As you heard earlier from Mark Fenton-O'Creevy, there are good reasons why we sometimes make bad financial decisions, even if we're pretty smart about most other things in life.' Below the description, there is a longer paragraph: 'Find out if you're suffering from some of the factors that make personal financial choices particularly difficult – perhaps we should call them the 'perils of personal finance'.' Below the paragraph, there is a longer paragraph: 'You're almost at the end of the first week. When you've explored your bad habits, see what you've learned so far in the first end-of-week test.' At the bottom right, there is a comment icon and the text '397 comments'.

## MMM in numbers

- Three presentations on Future Learn so far
- 53,770 people registered
- 27,666 active learners

## Who signed up? (MMM3)

- More women (68%) than men (30%)
- About half (48%) aged between 26 and 45
  - 22% aged 25 or under (up from 9% on MMM1)
  - 26% aged 46 to 65 (down from over 50% on MMM1)
- Half live in UK (46%), 9% in the US
- 65% educated to degree level or above
- 71% in full-time or part-time work
- 53% familiar with online learning

## ***Made changes that will save me money***

“ Thank you very much to the team responsible for this course. It was very useful throughout and has gone some way in de-mystifying financial matters for me. So once again, thank you so much!

P.S. The week 4 YouTube video was fantastic. To have an hour-long Q&A really helped the course come alive. ”

*Neil Gilmartin*

## ***De-mystifying financial matters***

“ A really useful course which has helped me look at my financial situation with a fine toothcomb and take steps towards managing a vastly reduced income much more confidently. Thanks to Martin, Jonquil and the team for the excellent material which you presented brilliantly. ”

*Susan Whelan*

## ***Take steps towards managing a vastly reduced income***

“ Wholeheartedly agree! The course has been amazing and I have blabbered on to so many people of how great it's been. Thanks to Martin and all the mentors. You really have done a great job in educating us on such important matters. I thought I was great with figures/money until I joined this but I now realise I like many suffer from inertia and spontaneous spending and only today rang my work pension to sign up for online banking. Thanks again it's been life changing... ”

*Lorraine Neville*

## ***Signed up for online banking***

“ I worked through the *Manage Your Money* MOOC and really enjoyed it. I learnt quite a lot in the pensions bit, but the most powerful thing it did for me was to show me a new way of considering my finances and the importance of continually assessing the situation, reviewing plans and making new ones... I have made some changes which will, over a period of 3 years, save me just under £4000. ”

*Frances Walton*

“ EXCELLENT. This course is essential learning for all and should be covered at school. A lack of knowledge about the subject up until now has caused me to be very wary and even scared of the world of finance - only sticking to very safe options. Due entirely to this course, I am much better equipped and most importantly, I have now created a financial spreadsheet and budget which has put me fully in control of my money. Thank you all. ”

*Christopher Murray*

## ***Created financial spreadsheet and budget***

# MMM on Share Radio

- Re-versioned MMM as radio broadcast and audio podcast
- Course runs for eight weeks; starts afresh every fortnight
- Two 25 minute episodes per week, each with an online test
- Open University Statement of Participation certificate if complete a final, more comprehensive test
- Designed to appeal to a younger audience
- Commitment device: learners can name a third party to monitor their progress and collect their results e.g. family member, friend, employer

## Role of the employer and workplace?

- Increased focus on role of employers and workplace in improving UK adults financial capability
  - Automatic enrolment into workplace savings as well as pensions e.g. provided by mutuals?
  - Online resources on the intranet for staff?
  - Workplace training?
  - Monthly savings goals on payslips?

## Your role?

- What sorts of personal finance issues do you come across in your business?
- Does your business provide any support like this to employees?
  - Experiences? Good, bad, indifferent?
- If not, does it sound interesting?
- Biggest challenge, biggest opportunity?

## Find out more

True Potential PUFIn: [www.open.ac.uk/pufin](http://www.open.ac.uk/pufin)

OU personal finance:  
[www.open.edu/openlearn/money-  
management/money/personal-finance](http://www.open.edu/openlearn/money-management/money/personal-finance)



@PUFin\_Sharon

@WillBrambley

@OUBSchool #PUFin

# Links to online courses

	On Future Learn:	On Open Learn:
<b>Managing My Money</b>	<a href="http://www.futurelearn.com/courses/managing-my-money">www.futurelearn.com/courses/managing-my-money</a>	<a href="http://www.open.edu/openlearn/money-management/managing-my-money/content-section-overview">www.open.edu/openlearn/money-management/managing-my-money/content-section-overview</a>
<b>Managing My Investments</b>	<a href="http://www.futurelearn.com/courses/managing-my-investments">www.futurelearn.com/courses/managing-my-investments</a>	<a href="http://www.open.edu/openlearn/money-management/managing-my-investments/content-section-overview">www.open.edu/openlearn/money-management/managing-my-investments/content-section-overview</a>
<b>Managing My Financial Journey</b>	<a href="http://www.futurelearn.com/courses/managing-my-financial-journey">www.futurelearn.com/courses/managing-my-financial-journey</a>	Available Autumn 2016

## Further Discussion & Q&A

- *Speaker: Professor Sharon Collard, Professor of Personal Finance Capability*
- *Facilitator: Dr Andrew Lindridge, Senior Lecturer in Marketing and Academic Lead for the OU Business Network*



@OUBSchool  
#breakfastbriefing



Open University Business  
Network





Thanks for joining us – we look forward to seeing you again soon



@OUBSchool  
#breakfastbriefing



Open University Business  
Network

