

24 January, 2021

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Submitted via the “Let’s Talk Financial Literacy” website on the page “Renewing the National Strategy for Financial Literacy”

On behalf of FinStart, I welcome the opportunity to comment on the Financial Consumer Agency of Canada (FCAC) consultation paper on renewing the national literacy strategy for financial literacy 2021-2026. Our response focuses on Question 2, Stakeholder Activities.



What is FinStart?

FinStart© is an online, interactive, hands-on personal finance education resource focused on young adults. It builds practical skills and confidence.

It was created by experienced financial professionals and educators, who volunteered their time and effort to fill a perceived gap. FinStart is available free of charge to all users. In return, we ask for feedback.

FinStart for Teachers provides educators across Canada with a library of curriculum-matching teaching materials, integrated with our core online material, both of which are accessible at www.finstart.ca.

As of the date of this submission, we’ve been in touch with 267 high school teachers across Canada, from Yukon to Newfoundland, and from urban centers to First Nations communities.

Comments on Question 2, Stakeholder Activities

“Can you provide examples of best practices or innovative initiatives that stakeholders across the public, private and non-profit sectors can carry out to support the proposed goals? Describe the areas where FCAC could play a role”.

Teachers and students have been using FinStart in their classrooms for two years. Their feedback and observations have profoundly shaped how we view personal finance education:

1. For young adults, personal finance can be abstract, complex, and intimidating. They need tools that help them conceptualize their financial futures - and opportunities to apply and practice real-life financial skills.
2. The task at hand is complex. To be effective and accountable, a financial education platform needs a built-in and actionable feedback mechanism.

We discuss these observations on the following pages from our dual perspective as financial-professionals and educators. As we suggest in our Concluding Remarks, we believe FCAC could play a role in making access to financial education more equitable. We would like to engage with FCAC to address this challenge.

Observation #1

For young adults, personal finance can be abstract, complex, and intimidating. Some procrastinate about their finances. Many get frustrated and discouraged, or even dismiss them entirely. Teachers worry that students without strong financial role models in their lives don't see clear financial futures in front of them.

Young adults need tools to help them conceptualize their financial futures. They also need opportunities to apply and practice real-life financial skills.

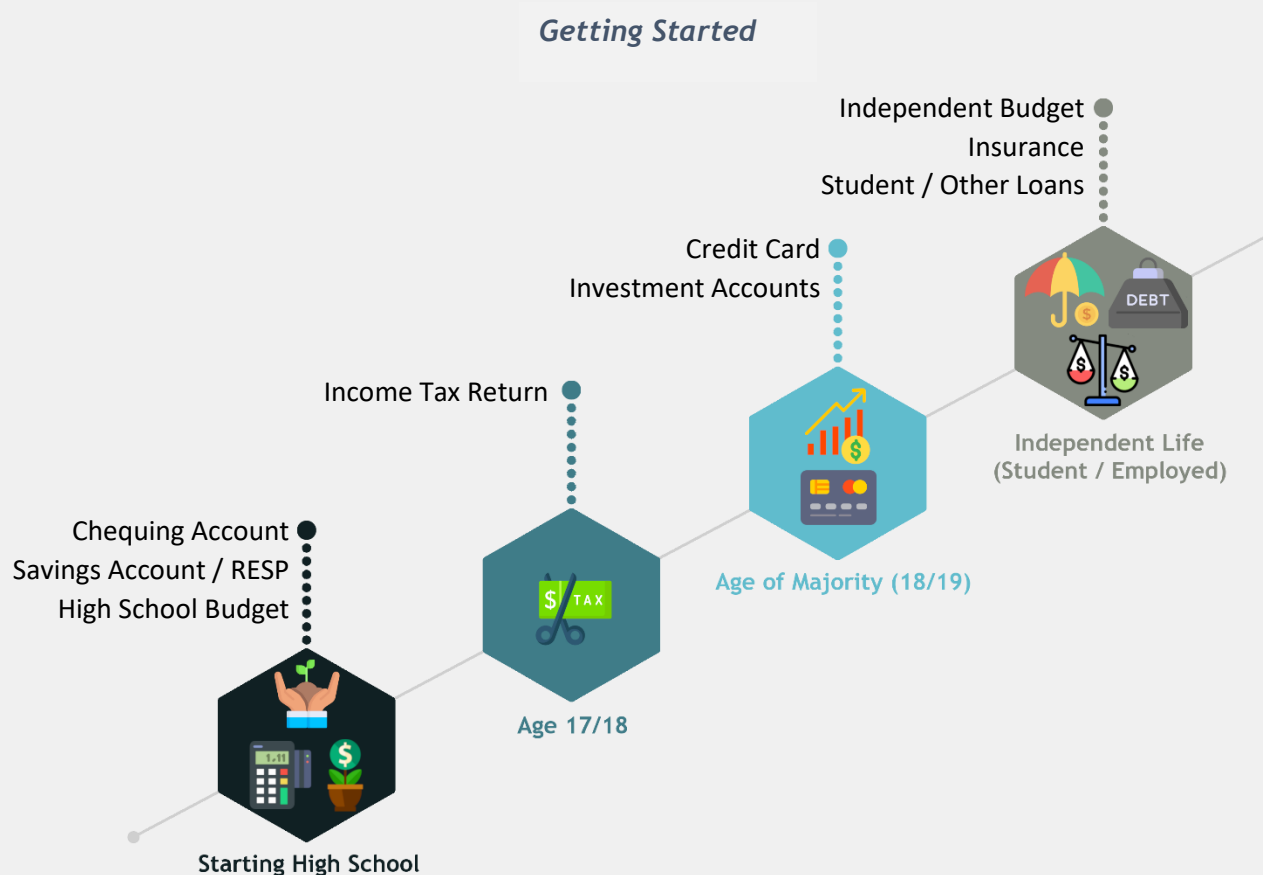
FinStart's personal finance education framework consists of three components:

- i. A roadmap of teachable moments.
- ii. A personal financial ecosystem.
- iii. A financial coach that encourages learning by doing.

A roadmap of teachable moments

We learn by doing and are more receptive to financial education when faced with specific needs, worries, or goals. These arise throughout our lives and create teachable moments. Each age and life milestone has certain financial products, services, or tools associated with it.

For young adults, a simple roadmap helps stagger learning opportunities over a number of years. It starts with simple financial tasks that increase in complexity and consequence as students mature and gain confidence.



A personal financial ecosystem

Personal finance is a large and complex area. There are many tips, tricks, and marketing pitches but few comprehensive guides that present a full picture. There's almost an information overload.

We've observed that a simple framework is an effective and persuasive tool to illustrate how different parts of our personal financial ecosystem function together. FinStart's framework grounds users throughout their personal finance journeys, particularly as their financial matters grow in breadth and complexity.

FinStart's framework consists of seven major financial products, services, or tools. We developed this concept to:

- a. Emphasize taking ownership of and accountability for one's financial future.
- b. Underscore connectivity amongst different parts of the set-up.



1. Chequing account - the backbone of your financial set-up; all your payments go through it.
2. Budget - the brain of your financial set-up.
3. Filing taxes - including setting up Your CRA Account and using Registered Accounts.
4. Credit card - responsible use builds your credit history.
5. Saving and investing accounts - for emergencies and to secure your financial future.
6. Loans and borrowing money - using credit responsibly can help you meet your financial goals.
7. Insurance - to help you manage risk.

www.finstart.ca

A financial coach that encourages learning by doing

Even under ideal circumstances, financial education is not always effective. Detractors point out that personal finance is a complex professional domain. We don't expect people to be their own doctors or lawyers, so why should we expect them to be their own financial advisors?

Between conventional education and professional advice lies the concept of financial coaching. Instead of providing advice, coaches guide us as we achieve our goals.

A coach isn't the same as a financial planner or advisor:

- Coaches lend a knowledgeable helping hand as needed.
- They may or may not charge fees.
- They may be a person or an online tool.

Teachers, community members, parents, and peers can become effective financial literacy coaches - as long as they have proper resources to support them.

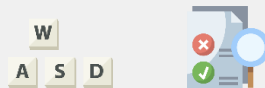
The concept of financial coaching is anchored on social cognitive theory, specifically the idea of self-efficacy. "Self-efficacy (belief in one's own ability to perform successfully in a particular situation) can be improved through mastery experience, which involves the help of a trained professional and / or an online tool that facilitate completion of step-by-step goals, in an environment where the user can engage in the task and meet goals in a short time frame. The tool acts as the 'expert', guiding the user through the process." ¹

Note 1: This passage is reprinted from "Nudged into Financial Literacy", our review of 82 academic papers, which collectively cover over 300 research studies highlighting successes and failures of financial literacy education. The quote is from Lusardi et al, Visual Tools and Narratives: New Ways to Improve Financial Literacy (2014). "Nudged into Financial Literacy is posted on FinStart's home page.

Step-by-step Toolkit

FinStart's core content focuses on "learning by doing" and aims to replicate a financial coach.

- You can introduce yourself to new topics by clicking through zany stories and joining our characters on their financial journeys - they'll need your help as they make mistakes, fix them, and learn their lessons. You can also play a game or solve a quiz. It's all active learning.



- When you're ready to act, build your financial skills in real-life situations. FinStart's checklists will guide you.



Literature on the benefits of checklists is extensive. They are commonly used in high-stress, high-stakes professional contexts - from airplane pilots in the cockpit to medical professionals in hospitals.

We believe FinStart's checklists increase the likelihood of task completion, reduce frustration, and help build confidence in one's financial abilities.

The best way to experience the *Step-by-Step Toolkit* is to try it: www.finstart.ca.

Observation #2

The challenge of objectively measuring the impacts of financial literacy education is compounded by financial education being a life-long endeavour. Our experience suggests that an actionable feedback mechanism must be ‘wired and hard-coded’ into a financial education platform to make the platform effective and keep it accountable.

Gathering and acting on feedback from young adults who use FinStart’s platform, as well as educators, parents, and anybody with interest in financial literacy are key pillars of our initiative. One concrete outcome of this approach is *FinStart for Teachers*.

FinStart’s timeline - how we created *FinStart for Teachers*

2018

- Built a self-study website for young adults.
- Tested the first version through focus groups in high schools and among college-age young adults.

“The financial parent I never had!”

SUMMER
2019

- New Ontario financial literacy curriculum for GLC20 (Grade 10 Careers) created an urgent need for new teaching resources.
- FinStart responded with a ‘course binder’ for the financial literacy component of GLC20, developed in partnership with experienced teachers. This included a curriculum-matching lesson plan, accompanied by classroom / homework activities.

“I explored several lessons and found the material engaging and relevant for students.”

2019/20
SCHOOL
YEAR

- 180 teachers across Ontario engaged with FinStart.
- Our *Teacher Portal*, with its growing library of activities, case studies, and problem sets, became the focal point for teacher access and collaboration.
- We incorporated insights from focus groups with the graduating class at the Education Department of a major Ontario university.

“I am teaching a vocational course that is attempting to teach the realities of financial responsibility to students. Your material looks excellent.”

2020/21
SCHOOL
YEAR

- 267 teachers across Canada are engaged with FinStart at the time of writing.
- COVID-19 heightened the need for FinStart’s online resources:
 - Our content matches all provincial curricula.
 - Progress tracking and verification codes allow teachers to monitor completion.
 - We respect student privacy - no registration or personal information required.
- FinStart’s Newsletter, “Bringing Finance to Your Classroom”, delivers timely and professional content.

“When I saw how interactive and fun to use it is, I thought it will be a fantastic resource”.

“The case study style, to me, is the most helpful as it is forcing problem solving”.

Concluding Remarks

The observations we shared with FCAC are based on our experience with FinStart. They complement and augment existing insights into what makes financial literacy education successful.

There is broad agreement that personal finance is a life-long adventure, that both our financial needs and our learning styles change over time, and that financial products evolve as economic / financial market conditions shift. The task at hand is complex.

FinStart proposes to address this complexity by guiding its users towards seeing their financial futures through a conceptual framework. The teachable moments we aim to capture are audience-specific. The building blocks of our framework are actual financial products, services, and tools. This allows FinStart to emulate a financial coach and focus on learning by doing - through practical, real-life skills. Lastly, FinStart has a built-in actionable feedback loop between finance professionals, educators, and young-adult users.

Having said that, our experience suggests that young adults across Canada may still not have equitable access to financial education. We offer a few examples:

1. We have a national banking system but not a national financial literacy curriculum. Moreover, how the provincial curricula are implemented differs from school board to school board, from school to school, and from teacher to teacher.
2. There is a wide range of supplementary financial literacy resources available to educators in schools and community organizations. One of the first questions we get asked is whether there is a cost to using FinStart (for both students and teachers, FinStart is free). This question suggests that cost is a barrier to learning. Clearly, making financial literacy resources equitably available is essential.
3. Segments of the young adult audience with special needs may not have equal access to resources. For example, educators mentioned a need for a voice-over feature for users with reading difficulties and 'on-ramps' that level the playing field by helping those who may need more assistance to catch up.
4. With a lot of focus on financial education in elementary and high school, students currently in post-secondary programs are at risk of becoming an under-served part of the young adult demographic. In the wake of the COVID pandemic, this group will need personal finance skills more than ever before.

As a national body with a mandate to serve all demographics, FCAC is well positioned to help improve equitable access to financial literacy education resources.

We thank you for the opportunity to provide comments and contribute to your initiative. We are keenly interested in engaging with FCAC in this important and challenging area. If you have any questions in regards to FinStart or this submission, please feel free to contact me at joanna.zapior@finstart.ca.

Yours sincerely,

Joanna Zapior (electronic signature)

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