

# Research Findings

**Prepared By**

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**Prepared For**

Design 481 A  
Design Research Techniques

# Scope and Methods

# Trends

Young adults ... are more likely to engage in adverse behaviors such as payday borrowing and sub-optimally financing postsecondary education (25 – 34 are more than twice as likely to use payday loans as senior citizens) (Harvey, M., 2018)

Financially at-risk students are significantly more likely to hold 4 or more credit cards, owe more than \$3000 in credit card debt, are more likely to reach the borrowing limit on their credit cards (Lyons, A. C. , 2004)

Most students take more than necessary and extend debt post graduation, which delays longer financial planning (Masud, Jariah. 2004)

Financial literacy in the United States is **extremely low**, particularly in **young adults**<sup>[1]</sup>.

Young adults are also **more likely** than other groups to engage in **adverse financial behaviors**.

Sustained economic hardship leads to **drastically poorer** physical and psychological wellbeing.

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Sustained economic hardship leads to **drastically poorer** physical and psychological wellbeing.<sup>[3]</sup>

We are interested in the **behavior, knowledge, and daily life of young people with self-assessed poor financial literacy**

## **What we searched for**

What are the financial behaviors of young people and what are the underlying contributing factors?

How might we improve the financial habits of young adults?

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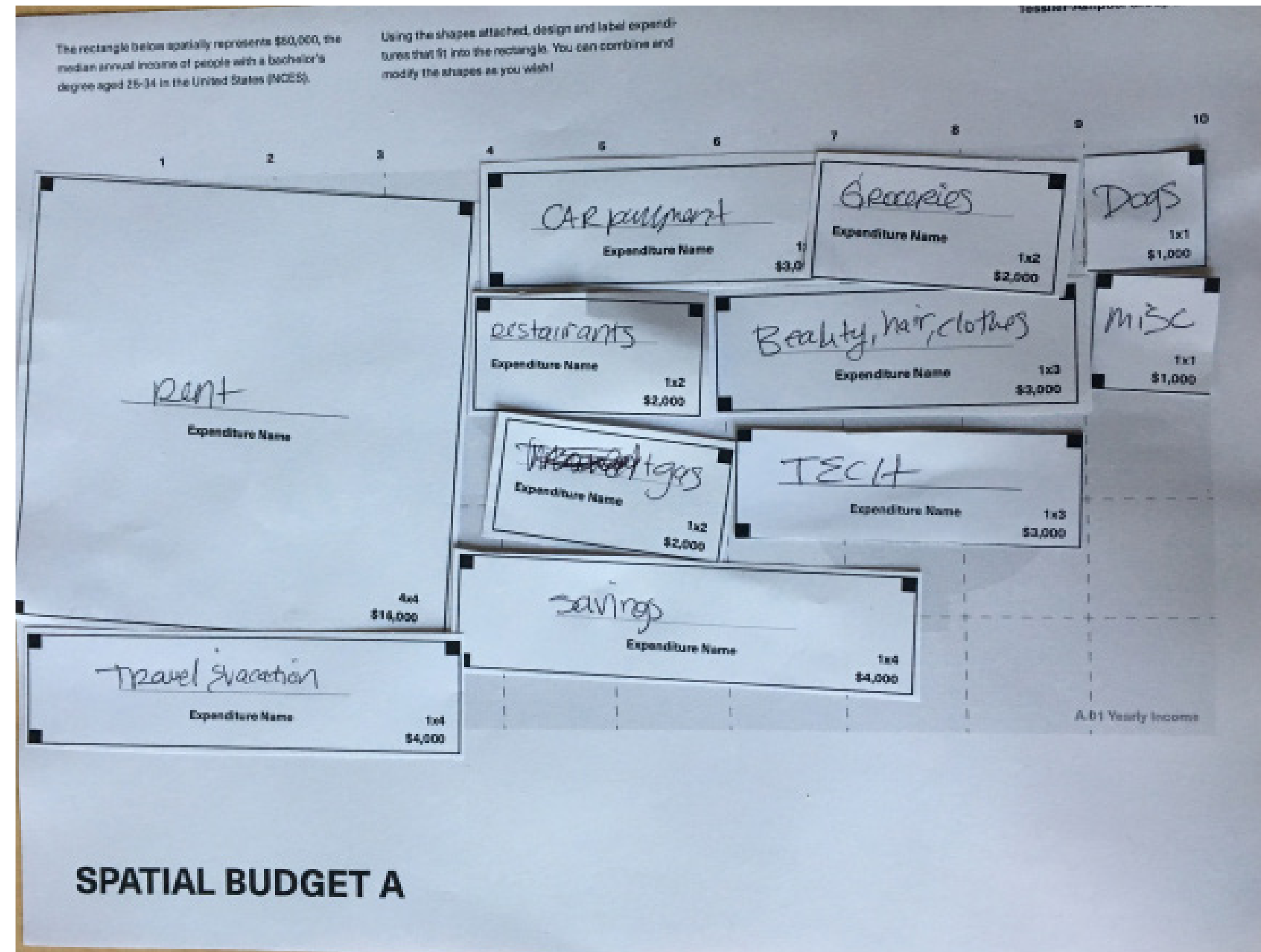
## **How we searched**

We conducted 55-60 minute semi-scripted interviews followed by a multiple activity cultural probe.

# Spatial Budget

Designed to reveal  
budget- thinking process

- Priorities
- Patterns of thinking
- Oversights
- Literacy



## Letter to Yourself

Designed to uncover  
participants' future goals

—Values

—Interest in long term planning

## Spending Chart

Designed to understand spending  
habits by evaluating where money  
is prioritized and spent.

—Provides insight into context  
around spending

## 100k Briefcase

Designed to explore thoughts  
around spending without limiting  
monetary scope of a budget.

—Examines values surrounding  
purchases and potential future  
goals

## **Participant Profile**

Seven college educated young adults in the Seattle area at various stages of financial acumen.

Two experts involved with assisting students with financial issues, one banking representative and one financial aid administrator

# Principal Themes

# Level Setting

Emboldenment



## Level Setting

### New financial responsibilities create the biggest opportunities for learning

A new job, unexpected debt, and going to college are all types of events that lead to leaps in financial learning from being thrown into new situations.

#### Participant 6

“I needed a job to understand the true value of a dollar”

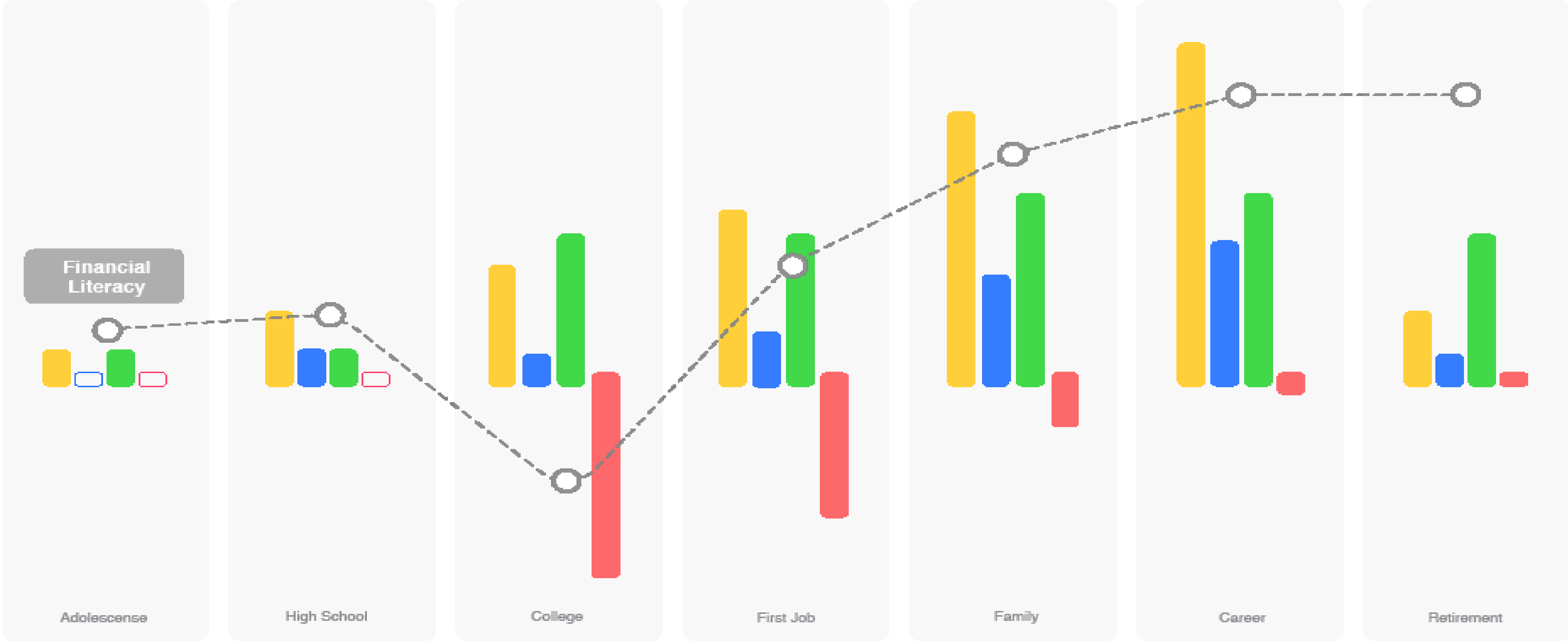
#### Participant 2

“I didn’t really care until I had a big girl income”

#### Participant 4

“I had no idea what to do with my money, I went out every weekend and quickly realized I couldn’t make ends meet”

# Level Setting



Journey Map Insight #4

Earning Saving Spending Debt

## Level Setting

People trend towards tools that bypass the need to increase personal knowledge

Few participants took advantage of available financial education—many took advantage of tools to help execute their management goals in as effortlessly as possible.

### Participant 5

“I quickly realized I had no interest in managing money”

### Participant 9

“It’s like it’s tricking me”

### Participant 6

“I don’t know anything about stocks, but I trust the app to take care of it for me”

## Level Setting

Early financial education is obtained by observation.

Observation of parents' behavior and assessment of home life are great influences, but not roadmaps, to later financial behavior.

### Participant 5

“My parents set a good example with money, but it wasn't until I was managing it myself when I realized...”

### Participant 6

“My parents tease me for being so frugal, but I learned it from them”

## Level Setting— Takeaways

To be useful to our target audience, our design should enable **accumulation** of financial ability regardless of current ability.

Our design should assume no specific level of financial ability because financial ability is a **process of evolution**.

Level Setting

**Emboldenment**

## **Emboldenment**

**Financial management is motivated by avoidance.**

Rather than seeking gratification or positive reinforcement, financial management behaviors are motivated by avoidance of painful situations and touch on anxiety.

### **Participant 4**

“I keep up with my budget to avoid the stress of overdrawing my account. I never want to feel that way again”

### **Participant 4**

“I save for rainy days...it rains a lot in Seattle”

## **Emboldenment**

Financial empowerment is derived from handling money, not having it.

Controlling and shaping your own finances is the key factor of empowerment at any income.

### **Participant 4**

“I never had nice things and don’t feel the need to have them now”

### **Participant 5**

“I’d feel real shaky without a budget”



# Emboldenment

**WHO**  
Max, 20, transplant student from Oklahoma now in Big City Seattle

**CONTEXT**  
Max is setting up a personal budget for the first time

**HEAR**  
they HEAR friends in similar financial situations talk about making major purchases.

**SEE**  
They SEE their account overdrafts  
They SEE advertisements for financial planning services/apps

**FEEL & THINK**  
"Time to make a change"

**SAY & DO**  
Seeks out information or tools that can augment or replace knowledge and help them work toward establishing better habits

**PAIN**  
They feel a generalized anxiety about their financial situation. They think "How will I make ends meet? What will I do if my car breaks down?"  
Feels frustration with meager savings and perceived ability to handle cash.

**GAIN**  
Want to take control, have financial independence, wants to save for vacation, has long term dream of homeownership, wants to be free from financial anxiety (of both social and personal consequence)

## **Emboldenment**

The main benefits of wealth are immaterial and surround relief of stressors and peace of mind.

It's worth it to spend more money for convenience, for security, to keep things out of mind, and to buy extra time.

### **Participant 5**

“I felt empowered to press the button on this [big purchase] and not have to worry about it”

### **Participant 6**

“I value the security that having money provides over having stuff”

### **Participant 2**

“Money lets you live carefree”

## **Emboldenment**

Financial dependency degrades relationships

### **Participant 6**

“My financial goals are set up so my parents don’t have a say in my life.”

### **Participant 5**

“There’s no, ‘oh, you owe me this’. There’s no wedge.”

### **Participant 8**

“Money is a very social thing. You have to tell friends no, you can’t take your partner out to do things.”

## Emboldenment— Takeaways

Our design should seek to **neutralize anxiety** that occurs around financial interactions.

In order to be successful, our design should encourage continuous engagement in financial management.

## **Emboldenment— Takeaways**

Our design should encourage the user to become a **spectator of their own behavior.**

Due to the evolutionary nature of financial learning, our design should enable users to see a macro view and cumulative results of financial behavior.

# Empowerment

The goal of our design should be to help people achieve their financial goals and reap the benefits of good financial practices.

# Tessier-Ashpool

# 2018