

# A Glimpse of Eastern Shore Residents'

## Perceptions of Financial Capability & Financial Reflections

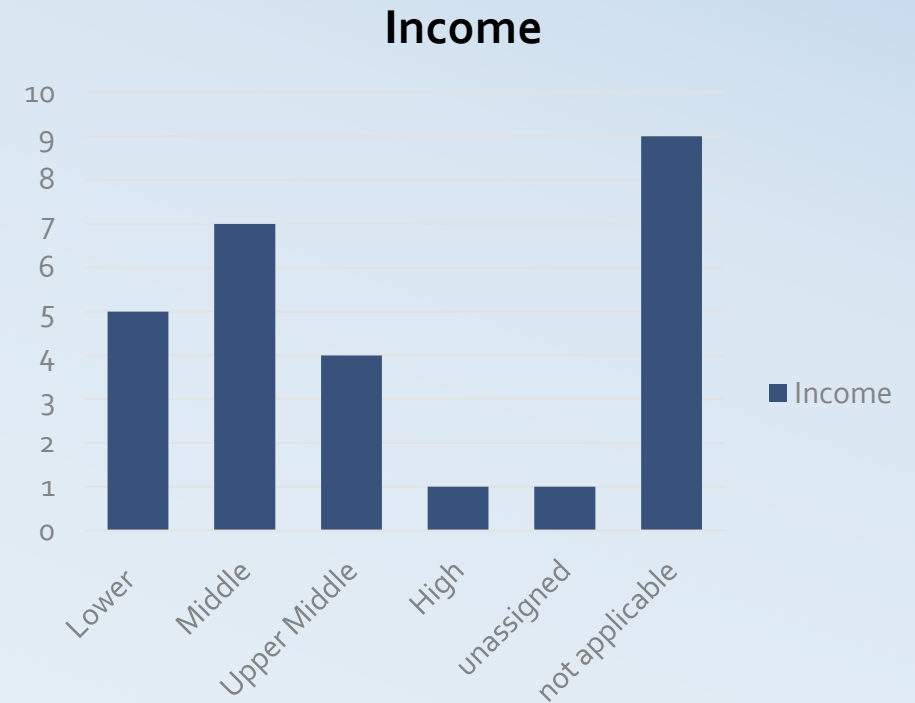
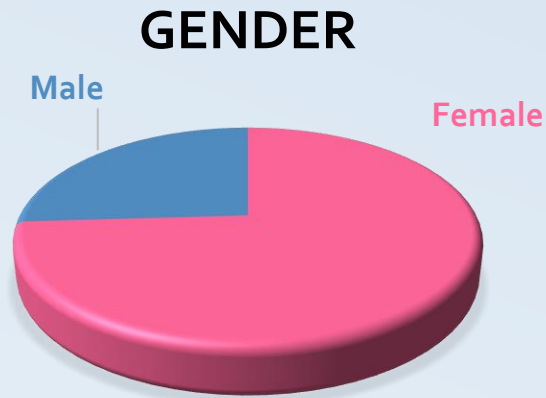
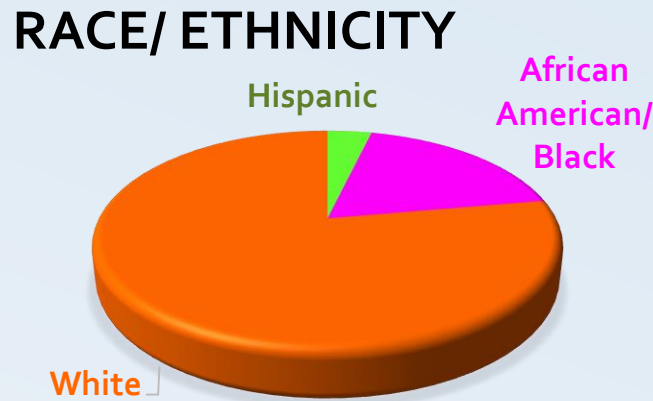
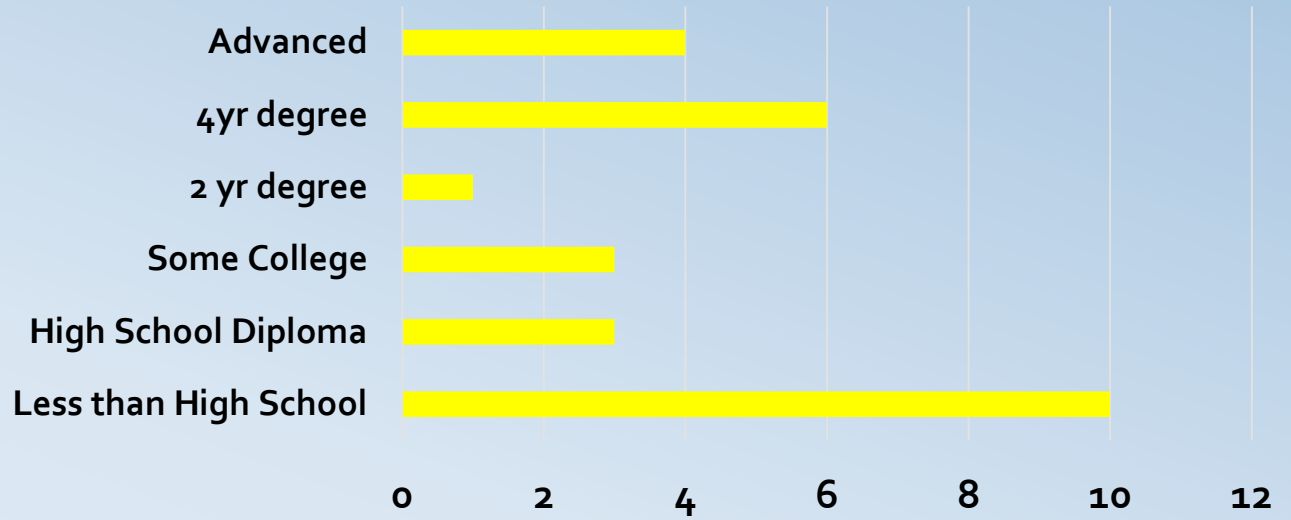
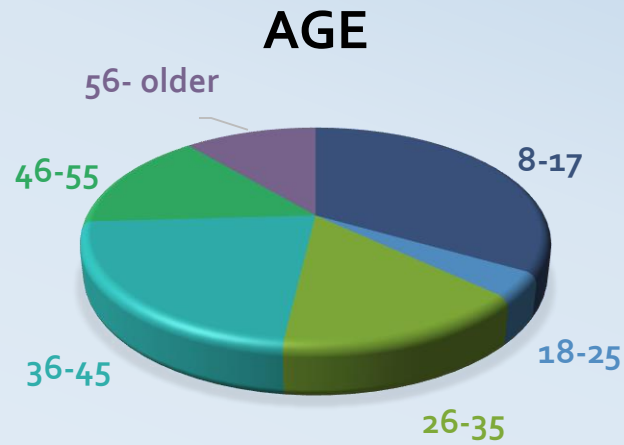
A Focus Group Study  
Caroline, Kent & Queen Anne's



- **3 Counties (Caroline, Kent & Queen Anne's)**
- **90 Minutes max discussion**
- **Funding provided by \$5,000 PNC Foundation Grant**
- **Dinner gathering & \$20 Walmart gift card**
- **Participant identified & used nicknames during sessions**
- **De-identified data in summary reports**
- **Study conducted by University of Maryland Extension Educators**
- **UMD internal review board approved (IRB)**

## Focus Group Details

# Demographics of Participants (27)



## **Financial Capability**

**is the combination of attitude, knowledge, skills, and self-efficacy needed to make and exercise money management decisions that best fit the circumstances of one's life,**

**within an enabling environment that includes, but is not limited to, access to appropriate financial services.**

**Financial Capability Definition**

**Simply stated the study was interested in how the participants reflect upon how they learned about handling financial decisions and what resources or programs they use or have used to make those decisions.**

**Financial Capability:  
Knowledge, Skills development,  
Self-efficacy & Attitude**

**Study Focus**

- 1) Please think back to when you saved your first amount of money, describe that moment?
  - Describe where you placed the money and why you chose that location. (bank, piggy bank, coin jar)
  - Tell me more about how this action made you feel.
  - Were you very young, older?
  - Did someone help you make that decision to save?
  - Do you have a similar feeling today when you save money or how is it different?

## Focus Group Questions

- 2) Describe how you have learned how to manage money (saving and spending).
- Did you learn about it in school or through a youth group activity?
  - Describe the financial (money) skills you have learned and how you use them.
  - Describe the most challenging part of learning to managing your finances?
  - Describe what would help you feel or be more successful.
  - Do you feel confident to the point you could teach others, (whom would you teach [children, friends, other youth])?
  - Describe what educational events or programs would be helpful for you to learn.
  - Are there certain presenters or teachers you would feel more comfortable learning from?

## Focus Group Questions

3) Tell me about the process you use to select a financial resource (bank, mortgage lender, payday loans, friend, etc)?

- Where did you first encounter this financial resource (billboard, newspaper, online, public flyer, community event)?
- Describe what information helped you make the decision to select that resource.
- How did this process of selecting a financial resource or tool make you feel?

## Focus Group Questions



4) Thinking about the Eastern Shore region only, explain the ease or difficulty of obtaining financial resources?

- Describe how you determine if it fits your needs?
- Describe what types of financial resources are needed on the Eastern Shore.
- How do you decide when and how to use financial resources on the Eastern Shore

5) Is there anything else about financial experiences you would like to share?

## Focus Group Questions

- Adults wished they had learned more (applied knowledge) in school (varied)
- Values (needs vs wants), budgeting basics-terms, money basics, confusion over how banks operate
  - Youth believe your \$ stays in bank's safe (where did mom and dad put my \$\$), magic of interest
- Safety of \$\$- home, banks, payday services
  - “Mom's” banking system, ticket system
- Confusion over how to evaluate banks/credit unions/ services
- Learned financial behaviors –family, close relatives, friends
- Function of various bank accounts & understanding fees ☹️
- Youth at mercy of parents' decisions

## Knowledge

- Challenges of balancing saving and spending with societal pressures (especially parents helping youth)
- Safety of online accounts/services
- Easy to manage money as a youth- challenging as an adult
- Pitfalls of learning as you go- can be life defining/detrimental
- What does financial advisor do, affordability, selection of one
- Extrinsic (matching funds by parents) & intrinsic (caring/sharing parent encouragement) motivation shapes values
- Mystery of investments- no mention of retirement

Knowledge

- Cash/check –vs- card spending (tracking, ease, safety)
- Savings stamps, passport book (where did they go??), piggy banks/stash under bed, tooth fairy, wrapping coins, youth summer job
- Forced to follow parent's style (no autonomy)
- Envelope style systems- out of sight out of mind accounts
- Online banking, shopping, trial and error (lack understanding of safety precautions)
- School classes provided intro (most youth didn't recall), older participants recalled middle/high school classes (business, HE)
- 4-H record book, Girl scout cookie sales, 1 time events in grade school

## Skill Development

- Funds left from death of parent- challenging to know what to do as the child ages (filing/signing tax forms)
- Bank service skills learned on demand (bank tellers as teachers, college friends, significant others)
- Parents & relatives helping set financial goals at early age- helpful
- Parents (who struggled to learn from their parents) are teaching their kids fundamentals (some applied- still autonomy restricted- don't want them to fail)
- Unsure of social skills at bank/financial institution
- Changing terminology –savings/spending to “earning” decisions

## Skill Development

- Some youth in study didn't care to learn about financial ed
  - They buy me what I want, I just ask someone else, love \$\$
- Youth feel loss of \$\$ with parent's forced banking/ no explanation-true involvement
- Youth with jobs developed sense of pride in earning funds for goals
- Resistance to electronic banking- digital footprint- danger
- Good \$\$ management is spending power, thrifty helps reach goals, \$\$ isn't everything,
- Positive banking experiences with personnel early in life- seems to be carried through extending relationships with bank staff

Attitude: (+/-) evaluation of value of managing \$ proactively

- Confidence grew through forced financial decisions/ issues
- Confident to save \$ as a child- confused as an adult
  - income level didn't change this thought
- Youth have fear of making mistakes (watched parents/family)
- Youth and adults –ok basic financial decisions/skills, fear complex skills/ issues (investments)
- Many would rather hire someone to help them make decisions
- 4-H record book, Girl Scout sales, Biztown experience built youth confidence
- Current fraud with online security has developed doubts in using electronic services

Self-efficacy: belief or confidence in their ability to manage \$

- TRUST!!!! Huge issue!
  - Banks don't care/ similar to car salesman today
  - Financial fraud/ scams/ trustworthy gov't knowledge or sites (CFPB unknown)
- Excited for first \$\$, tooth fairy, birthdays, family gifts, 1<sup>st</sup> job
- Sad at loss of \$\$
  - Parents forced to put in bank- no explanation, updates, missing?
  - Physical loss of handing someone your cash –vs- swiping card (delayed loss)
- Go to the parent's bank- feeling of trust
- Disappointment/ frustrated at parents or schools lack of financial preparation for life
- Parents constant struggle to balance youth's needs/wants
  - Parents using early autonomy decision making helped some

## Feelings



- Selection of financial services and institutions is VERY hard/ confusing/ frustrating/ exhausting
- Financial buildings, commercials and print media are confusing and scary
  - Youth: banks with good giveaways-good banks, scary commercials –bad
  - Adults: fancy banks are unapproachable for many clients of middle/lower income, unsure where to go in bank for services, poor customer service etiquette, signing reams of papers, investing is worse than gambling (few felt this)
- \$\$ as youth is fun- changes when you are an adult
  - Magic of interest as youth (savings), fear of interest as adult (bills)
- VERY afraid of making poor financial decisions- paralyzing at times
- Guilty feeling when budgeting- easier to avoid

## Feelings

- Banks/Credit Unions
  - Personal relationship with staff, managers
  - Small bank atmosphere changes when bought out by large bank
  - Varied services offered (challenging to navigate)
  - Youth services/programs unreachable for youth with limited technology
  - Low income lack financial options with current banks
  - Greeters to help customers navigate large banks (PNC does?)
- Financial educators (tellers, teachers, FA, informal teachers)
  - Patient, encouraging & caring demeanor
  - Answers all the questions- be honest
  - Ability to demonstrate skills- not just talk with fake/unreal examples
  - Taught how to use electronic banking and phone apps
- Resources mentioned
  - 4-H & Extension, Dave Ramsey, Edward Jones, Maryland's tomorrow

## Resources & Programs

- Learning opportunities
  - Free financial classes- public places [ADVERTISED well in advance]
  - School system- across grades but applicable to age appropriate decisions
  - List of FA/ bank staff for guest speaking at youth and adult events
    - Recognize difference in speaking with youth and adults
- Communication
  - Car sales talk at financial institutions (depersonalized)
  - In local bank, yet talking to x, y, z on phone at head bank- no true care
  - Online is challenging to navigate find answers to questions
  - Train tellers social skills
- Mixed responses on quality and number of financial institutions on the shore- missing public credit union option
- Stop pushing FASFA without practical application to future career interests- alternative choices, grants and scholarship notices

## Resources & Programs

## Financial institutions

- Open house events focused on learning
- Review customer service challenges

## Schools

- Applied financial learning matched to age decisions
- Guidance counselors available/ host financial nights

## Non-profits

- Develop assistance for psycho-social issues leading to financial stressors
- Find educational gaps for programing offers

➤ What can financial institutions do differently to help consumers?

➤ What advice do you have for consumers/ neighbors?

➤ How will you apply concept/ thought you viewed tonight to your own life/business?

➤ How to assist others with "Trust" challenges?

Thoughts to motivate possible actions

# Thank-you for attending

