



# **Practical Personal Financial Planning Programme**

## **Evaluation findings**

April 2016

# Background

- The Practical Personal Financial Planning Programme was launched at three tertiary institutions in the 1<sup>st</sup> semester of the 2015/16 academic year (Sept - Dec 2015):
  - Hong Kong Institute of Education (degree programme)
  - Li Ka Shing Institute of Professional and Continuing Education, The Open University of Hong Kong (higher diploma programme)
  - Hong Kong Polytechnic University School of Professional Education and Executive Development (top-up degree programme)
- The programme contains two guest lectures which fit into a credit bearing elective about personal financial planning, with the objective of imparting practical skills in applying the concepts of financial planning to the students. Scheduling of the lectures followed the course outline and the two lectures took place around mid Oct and mid Nov in 2015 respectively.
- Students were awarded an “IEC Certificate for Completion – Practical Personal Financial Planning Programme” if they met these requirements:
  - Attended two guest lectures
  - Tracked expenses for a minimum of one month using the IEC Money Tracker mobile app
  - Prepared a personal budget
- The total number of students covered in this pilot run was about 173.

# Programme content

The programme covers a range of essential financial management skills\* with the following key components:

<b>Money management</b>	<ul style="list-style-type: none"><li>• Budgeting and expenses tracking</li></ul>
<b>Financial planning</b>	<ul style="list-style-type: none"><li>• MPF scheme</li><li>• Retirement planning</li></ul>
<b>Credit Management</b>	<ul style="list-style-type: none"><li>• Student financial assistance schemes</li><li>• Credit card, personal loans and mortgage</li><li>• Credit rating and credit report</li></ul>
<b>Insurance</b>	<ul style="list-style-type: none"><li>• Life insurance</li><li>• General insurance</li></ul>
<b>Investment</b>	<ul style="list-style-type: none"><li>• Dollar cost averaging and diversification</li><li>• Stock and margin trading</li><li>• Investment products</li></ul>

\*content was tailor-made for each elective at different institutions



# Evaluation set-up

- To gauge effectiveness of the programme and collect feedback for enhancing the programme, both quantitative evaluation and qualitative investigation were conducted:

## Quantitative

- A pre-intervention survey was conducted via self-administered questionnaires right before the 1<sup>st</sup> guest lecture (around early/mid Oct 2015), a total of 173 questionnaires were collected
- A post-intervention survey was conducted via self-administered questionnaire immediately after the 2<sup>nd</sup> guest lecture (around mid/end Nov 2015, ie, about one month after the 1<sup>st</sup> guest lecture), a total of 127 questionnaires were collected
- Students were required to provide their personal email addresses in both surveys and a total of 97 students were identified to have attended both guest lectures (via matching the email addresses). An analysis comparing the shift in attitudes and behavioural change towards managing personal finance among this group was conducted

## Qualitative

- A focus group of 8 students who have attended the lectures was conducted in Feb 2016, about two months after the end of the course

# Executive summary

- The programme is well-appreciated by the students, who felt the guest lectures imparted practical money management skills. Many praised the lively delivery of the speaker and they liked the use of video clips to illustrate some of the financial concepts.
- While they appreciated the comprehensive coverage of the programme, some felt it a bit too cramped for just two guest lectures. Upon checking in the focus group, it appeared that some relatively complicated concepts such as dollar cost averaging were not understood that well.
- Of the selected measures on basic money management, the majority claimed to be managing their money properly in the pre-intervention survey and overall impact on attitudes and behaviour as measured by the pre- and post-programme comparison was modest - less than 10 percentage points on average but some measures went up to over 20 percentage points. For example, the students appeared to be less familiar with the potential pitfalls of credit card usage and investment, and there was a significant increase in correct understanding after attending the guest lectures.
- The programme, with the IEC Certificate for Completion as an enticer, succeeded in getting the students to try the IEC Money Tracker mobile app, with 13% claiming they would continue using the app and another 68% being positive but less certain.
- On the other hand, the students tend not to make long-term plans for the future and more effort is required in enhancing their motivation.

# Key learnings

## Success elements

- Good synergy achieved by incorporating the programme into an elective of personal financial planning
- A focus on the practical application of financial skills in daily life
- Lively presentations with the use of short video clips to enrich the lecture experience
- Encourage action by introducing the use of a mobile app and giving out a certificate

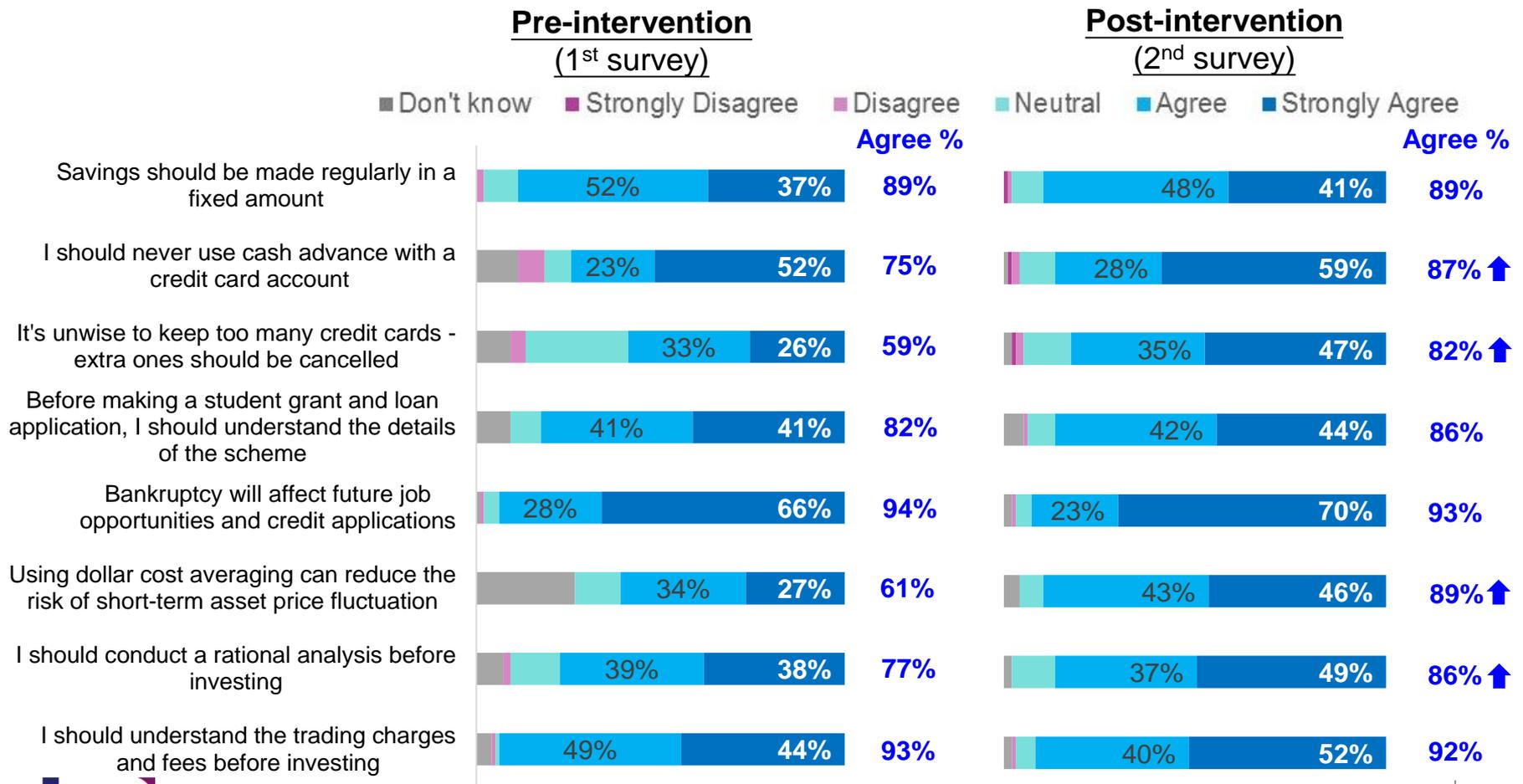
## The way forward

- Review the coverage of the guest lectures and shift more time from aspects that already see good awareness in the pre-intervention survey to elaborating the relatively more complicated concepts to ensure good message communication.
- Explore the use of more videos and interactive materials as teaching aids.
- Develop more digital resources to encourage students to proactively manage their personal finance and seek related information.

# Detailed findings

# Attitude shift

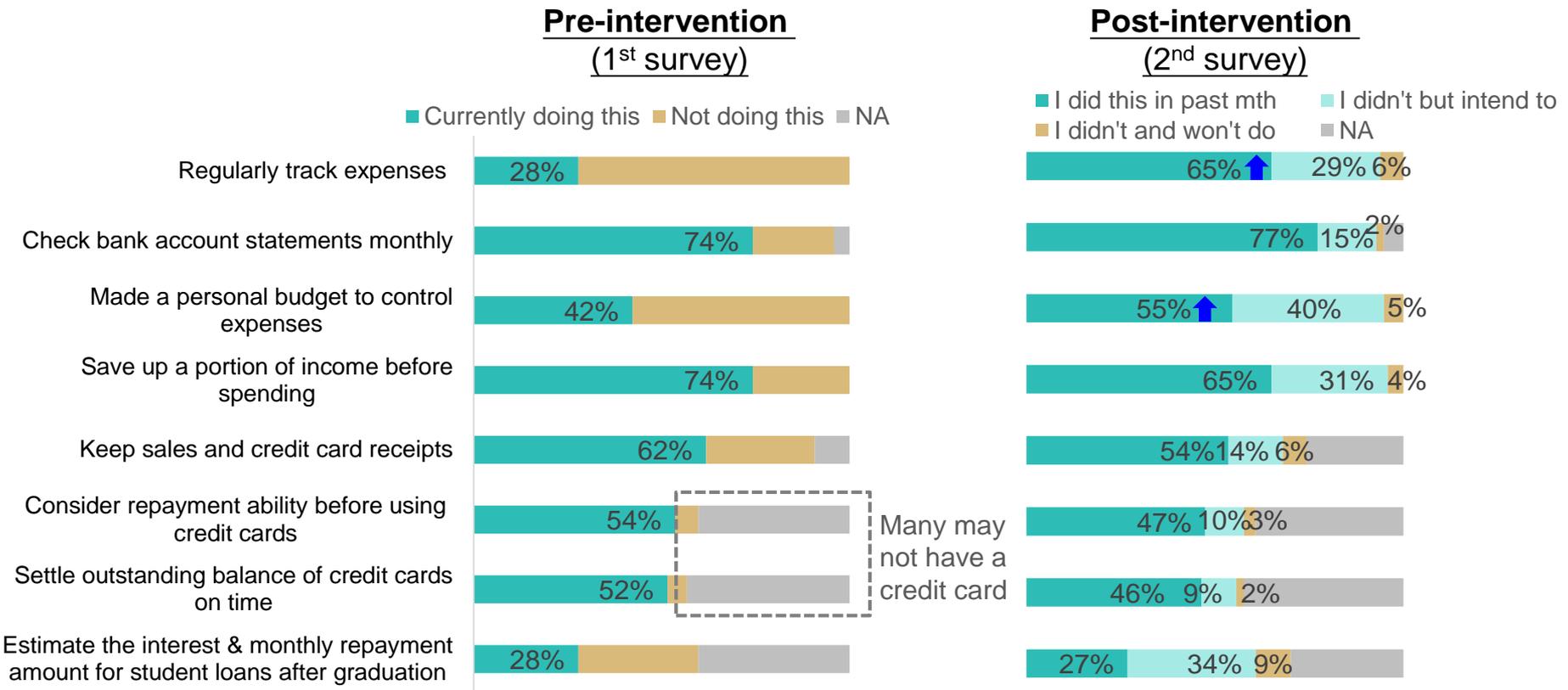
- Majority of the students appear to be well aware of the basic money management principles, but they are relatively less wary towards credit card usage and the programme strengthened understanding towards the pitfalls of credit cards. Good shift in attitudes towards investment is also observed.



Base: Students who attended both guest lectures in the programme (N = 97)

# Behavioural change

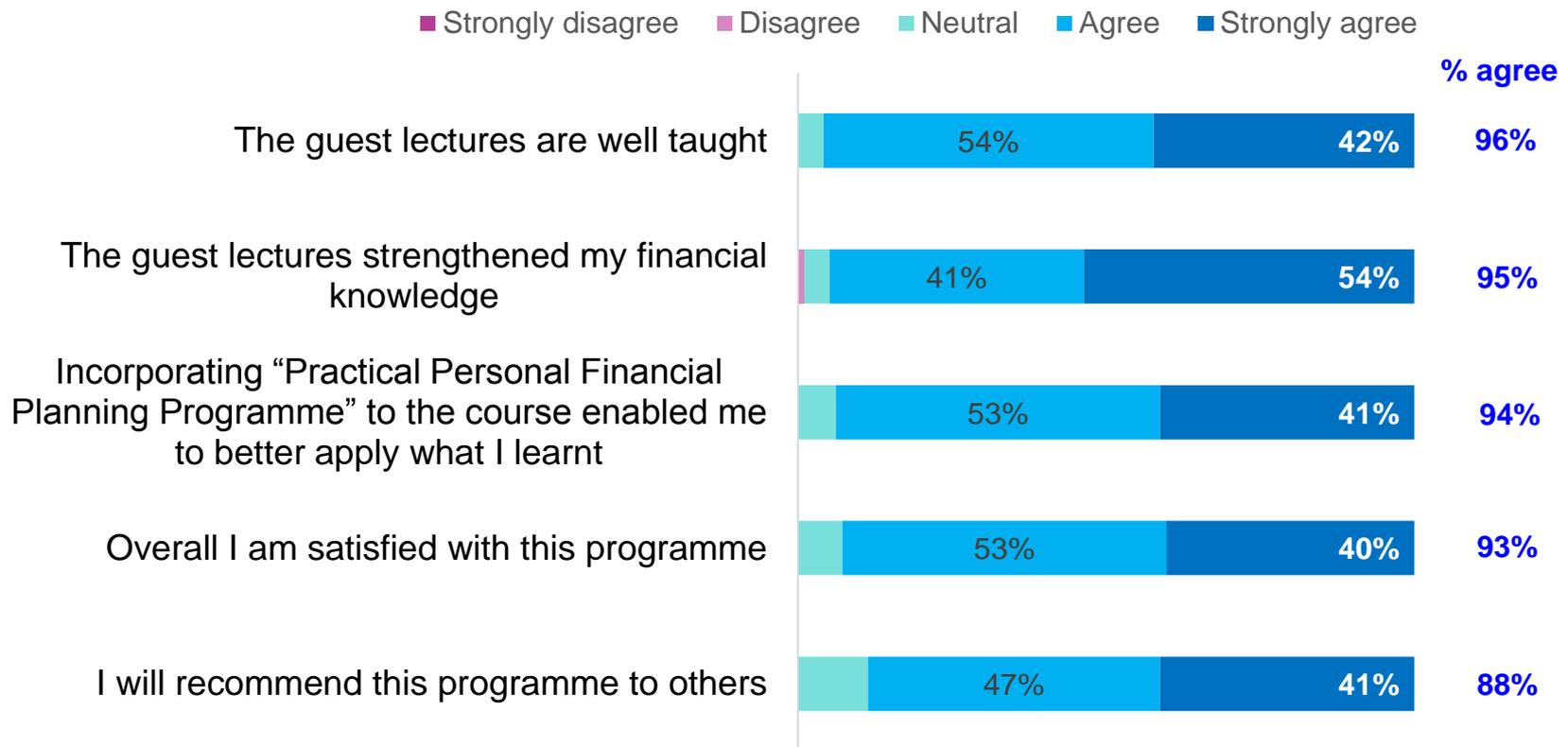
- Except for tracking expenses and budgeting, well over half of the students claimed to have good day-to-day money habits before the programme. Overall, actual behavioural change as captured in the one-month period was modest, with some of the good practices seeing mild drop likely due to fluctuations.
- Meanwhile, the programme, with the “IEC Certificate of Completion”, successfully motivated many to install the IEC Money Tracker app and start monitoring their spending.
- Good intention to act among those who didn’t take actual actions – apparently procrastination was at play.



Base: Students who attended both guest lectures in the programme (N = 97)

# Satisfaction level towards the programme

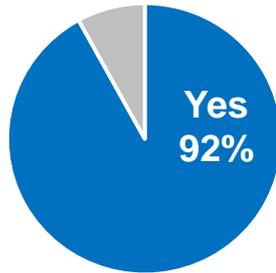
- The students were satisfied with the content and delivery of the programme
- Over 90% felt they had gained financial knowledge and that the programme offered them good practical skills in money management



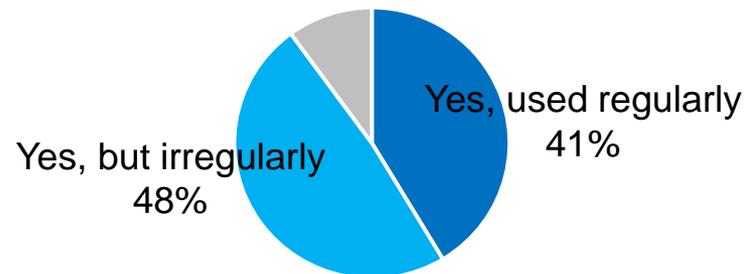
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# Use of the money tracker mobile app

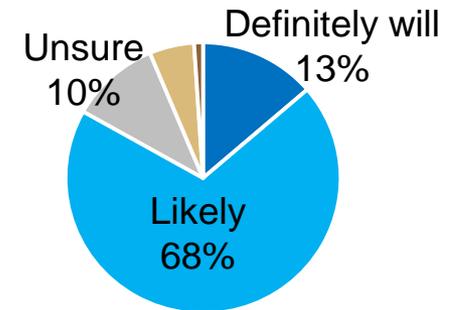
**Downloaded IEC Money Tracker**



**Used IEC Money Tracker in the past month**



**Intention to use IEC Money Tracker in future**



# Students' comments

(selected verbatims from the open-end write-in)

## Things appreciated

The many practical case studies/examples enabled me to apply the concepts in daily life

The speaker used a lively and humorous approach (multiple mentions)

The speaker has professional financial knowledge and articulated the concepts clearly

The speaker used many examples to illustrate the concepts

Clear explanation of the basic operation of the financial markets and investment products

## Suggested areas of improvement

Can invite more speakers from the financial institutions for sharing

Can further explain the stock market/ financial situation of Hong Kong

Can have more in-class activities to increase interaction

Introduce the current financial market

The booklet (that comes with the programme) should have more coverage about investment and insurance

## Focus group – key findings

- The students welcomed incorporating the programme into the course of “Personal Financial Planning” which was perceived as a useful way to illustrate the practical use of the financial planning concepts.
- They felt the coverage was comprehensive and that all topics covered was relevant and of interest to them. Nevertheless, while some felt there was too much information to absorb in just two lectures, those with stronger background in finance-related subjects would prefer to have more in-depth coverage of investment concepts.
- All appreciated the instructor’s lively presentation which “*can capture the class’s attention*”. They particularly like the many practical examples and cases quoted which they felt are relevant and personal.
- A few respondents, who claimed they knew nothing about finance before taking the course, said the programme introduced to them the concept of budgeting and drove them to use the IEC Money Tracker app.
- Majority had more than one MPF accounts from their summer jobs and they said the programme reminded them to consolidate the accounts and review their portfolio.
- Overall many felt the programme served as a good reminder on good money management practices, and they also felt the lectures enhanced their understanding of products such as insurance and credit cards. Meanwhile, long-term financial planning remained elusive for many - majority did not have any mid or long term goals other than saving for travel.

**Thank You**

