



# Building **Financial Wellbeing** in thin credit profile **Young Adults** and the **Financially Vulnerable**

Digital Innovation in Mental Health

20 July 2023



# Problem

4.2m

young adults are anxious about money and their lack of knowledge about it<sup>1,2</sup>



## Mindsets of stress and anxiety

are barriers to learning about and engaging with financial services

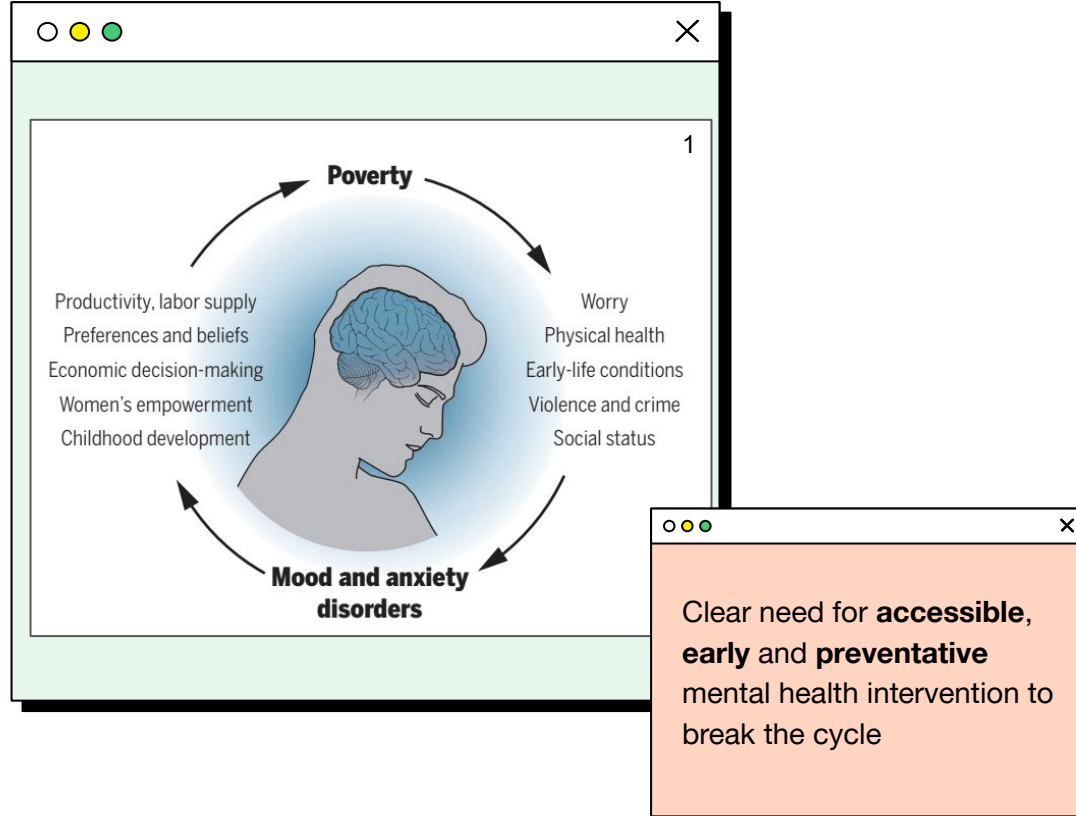


Daily financial stressors also predict the likelihood of negative mental health events<sup>3</sup>



Mental health is particularly salient for **financially vulnerable** individuals<sup>4</sup>, where **poor mental health** can lead to **loss of income, barriers to healthcare services** and **poorer financial literacy**.

# Problem



<sup>1</sup>Taken from Ridley et al., (2020)

# Poor Wellbeing = Poor Financial Capability



## The problem for financially vulnerable young adults:

Financially vulnerable individuals experience high levels of **financial anxiety** and **stress**, which may lead to severe mental health problems.

Limited access to engaging/holistic financial education leads to poor understanding of financial products and services, which can increase borrowing risk and money anxiety.

## The problem for financial services:

These individuals are increasingly defaulting on their credit agreements, and financial services do not have the resources to support them to improve their financial capability and wellbeing.

## Good With FinIQ™:

We provide a **personalised learning experience** so our learners can **build financial capability, reduce risk, and gain insights** into their own behaviour and relationships with money.

We combine principles from human centred design, behavioural psychology and financial education frameworks to deliver an engaging learning experience to support financial wellbeing, reduce financial stress, and improve financial decision making.

**UX expertise | Generative AI | Behavioural Economics**

# FinIQ: Key Features and Learning Objectives

## Key Features:

- Human centred design
- Gamification
- AI Chatbot (pseudo-teacher)
- Psychoeducation
- Cognitive Skills Development
- Experiential Learning
- Psychometric testing

## Learning Objectives:

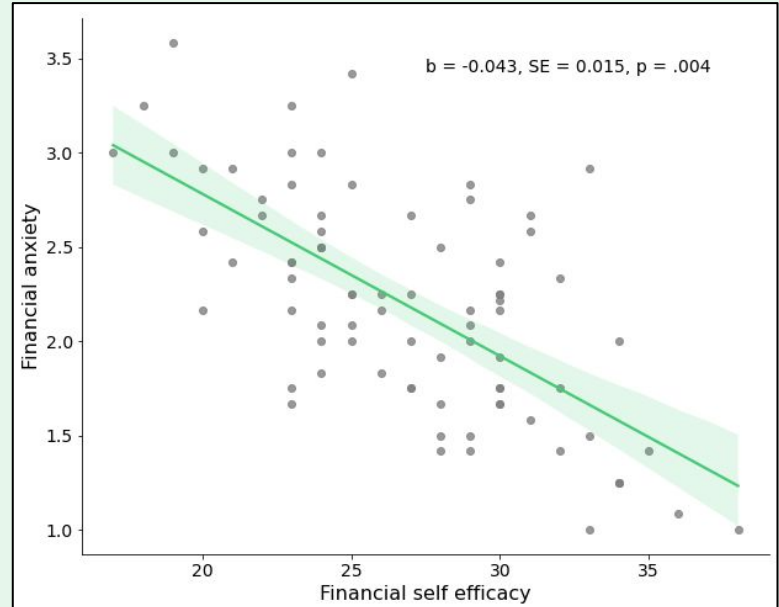
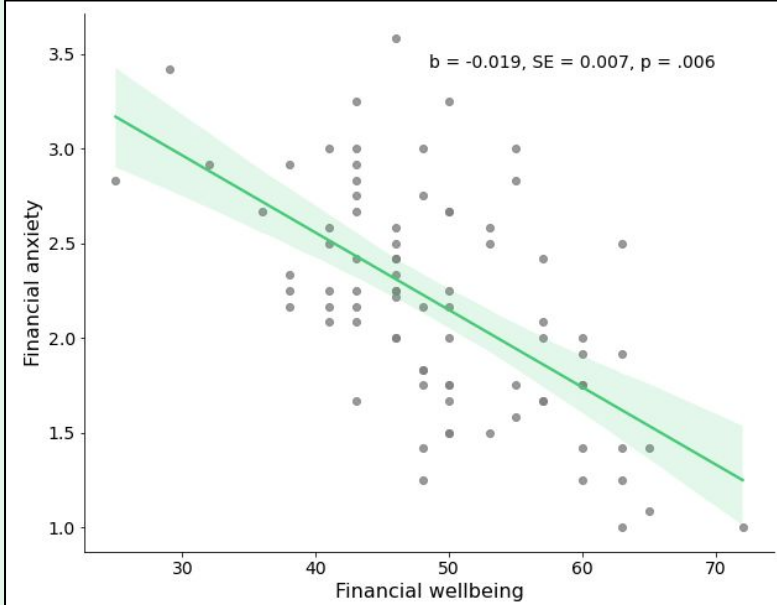
- Improve confidence with money
- Reduce anxiety
- Improve communication
- Improve financial knowledge
- Increase self awareness
- Empower decision making
- Encourage future planning
- Banish taboo

# Study design



- Key psychometrics included **financial anxiety**, **financial self-efficacy** and **financial wellbeing**.
- **Financial vulnerability** was measured by IMD quintiles and subjective financial resilience metrics, e.g., questionnaire.

# Baseline predictors of financial anxiety



**Financial wellbeing and financial self-efficacy significantly predict levels of financial anxiety**

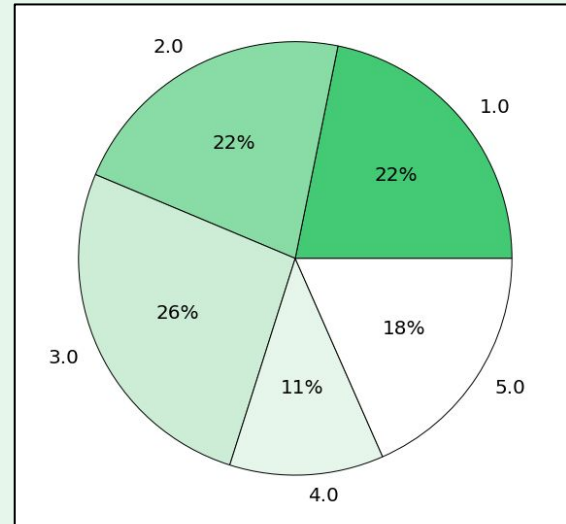
# Baseline financial vulnerability

## Key findings

- 22% users lived within the most deprived areas of the UK, compared 18% in the least deprived.
- Most deprived users reported significantly **greater** levels of **financial anxiety**, and significantly **lower** levels of **self-efficacy** and **financial wellbeing**, than least deprived users\* ( $.001 < p < .02$ )

\*same direction of results when using subjective vulnerability metric.

## IMD Quintiles



**1.0:** most deprived

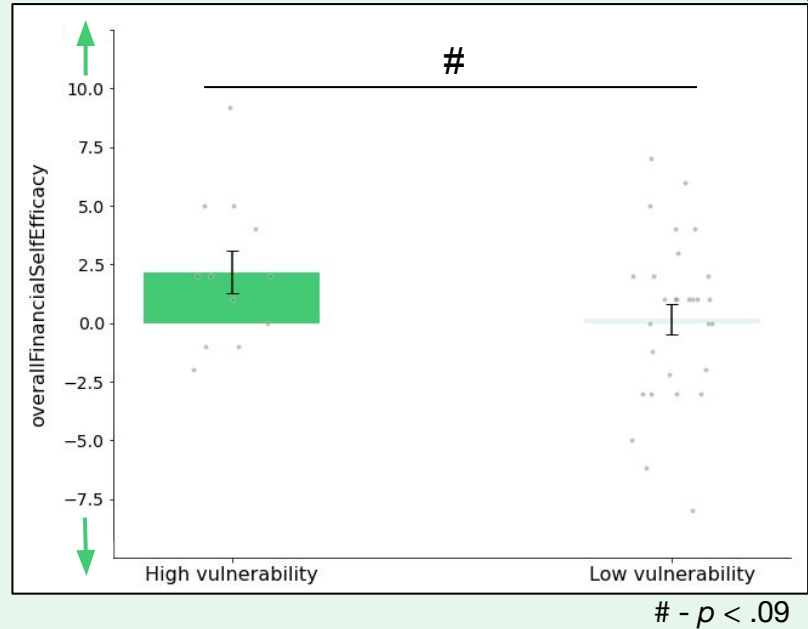
**5.0:** least deprived.



# Pre-post intervention results

## Key findings

- Overall, no significant changes in **financial anxiety** and **self-efficacy**.
- Cautious tentative trend for an overall increase in **financial wellbeing** ( $p < .15$ ).
- Trend of increase in **self-efficacy** for **highly financially vulnerable** users only ( $p < .09$ ; see Figure).

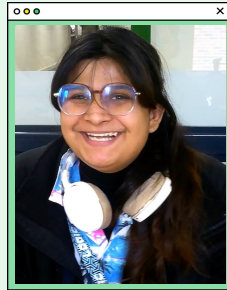


## Focus group results (qualitative)



*“I just started thinking more about **the future** ... I was thinking like, if I'm spending this much money now, I should probably save it and then it will make me a lot more prepared for when I move on from uni.”*

*“it kind of like reassured me that it shouldn't be as serious as it is and it shouldn't be like such a private topic, **like everyone should be able to discuss it** in a way. So I think that's more how it helped me with my thoughts about it.”*



### After 6-8 weeks using the Good With App

- Participants said they felt **reassured and supported** as they began to navigate financial independence from their parents.
- **Improved self-awareness** of thoughts, feelings and behaviours around money management.
- Increase in **future oriented thinking** and financial planning
- **Reduced sense of taboo** about discussing money

## Key takeaways

- Users felt more **aware** of their relationship to money after using the app, and felt supported as they transitioned into adulthood and **financial independence**.
- Psychological factors, such as **confidence** and subjective **wellbeing**, are critical to consider when measuring **financial anxiety**.
- Financial **confidence** is an important factor for **financially vulnerable** individuals = key focus for future psychological interventions.

good  
with \_

