Informal learning via using webpages and its potential for developing financial literacy

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Background and aim

Relevance of FL: 21st century skills (Flieg & Felder, 2009; Lussaud, 2015)

- Often takes place without the assistance of an instructor (Garner, 2009)
- Hints for fostering SOI and higher financial knowledge, and the potential customers' development of financial literacy

Important element of economic and financial stability for both the individual and the economy (Lussaud, 2015, p. 639)

Methods

Research questions:
1. Does informal learning using webpages support the development of FL about mortgage loans?
2. Do certain factors, specifically prior knowledge, prior financial experience and interest in the topic influence the development of financial FL about mortgage loans?

Sample

<table>
<thead>
<tr>
<th>Group</th>
<th>n</th>
<th>Age</th>
<th>p</th>
<th>Gender</th>
</tr>
</thead>
<tbody>
<tr>
<td>EG</td>
<td>23</td>
<td>20</td>
<td>4</td>
<td>4f, 4m, 5d</td>
</tr>
<tr>
<td>CG</td>
<td>22</td>
<td>20</td>
<td>5</td>
<td>4f, 6m, 2d</td>
</tr>
<tr>
<td>Total</td>
<td>45</td>
<td>20</td>
<td>9</td>
<td>8f, 10m, 7d</td>
</tr>
</tbody>
</table>

Material (intervention EG): Loan calculator Commerzbank

Results

Self-assessment questionnaire data about financial knowledge and experience confirmed three factors:

- Experience with investments and financing
- Financial knowledge, and
- Interest in home ownership (motivational factor).

Scores for the pre-test and post-test

<table>
<thead>
<tr>
<th>Score Type</th>
<th>EG, n=23</th>
<th>CG, n=22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-test</td>
<td>3.00 ± 1.95</td>
<td>2.97 ± 1.64</td>
</tr>
<tr>
<td>Post-test</td>
<td>3.02 ± 1.90</td>
<td>2.76 ± 1.61</td>
</tr>
</tbody>
</table>

- Groups did not differ significantly on pre-test scores. 
- Group differences were significant on post-test scores.

- ANCOVA (pre-test scores, group, gender) post-test scores are significantly impacted by prior knowledge.

- Post-test total score significantly differed dependent on high or low financial knowledge reported (6.66 ± 1.66)

Discussion

- Calculators on bank webpages as everyday-life knowledge environment did not sufficiently enable potential customers' development of financial literacy
- Knowledge gain mostly explained by prior knowledge about investments and financing
- To contribute to the development of FL via webpages efforts supporting it are necessary

Results

- FL “… is knowledge and understanding of financial concepts and risks, and the skills, motivation and confidence to apply such knowledge and understand in order to make effective decisions” (Damm, 2010, p. 146)
- FL is assumed to be highly informally developed (Seacha, Neubauer, Kehm, & Schuhlen, 2011)

Informal learning (IL): 

- IL as “any activity involving the pursuit of understanding, knowledge or skill which occurs without the presence of externally imposed curricular criteria” (Werquin & Despres, 2010, p. 22)
- Not particularly organised, planned or structured in terms of objectives or time, and it is not formally recognised (Dennen, & Wang, 2010, p. 141)
- Webpages provide on-demand access (Dennen, & Wang, 2010, p. 141)

Aims:

Analyzing whether people are able to develop FL by means of online information about mortgages in an IL-setting using the Internet.

Evidence whether learning informally from the Internet can contribute to the development of FL.