DIGITALIZED FINANCIAL EDUCATION FOR SENIORS - INTERACTIVE SCENARIO GAMING SOLUTIONS FOR INCREASING ONLINE FINANCIAL LITERACY OF SENIORS

Project Title	Digitalized Financial Education for Seniors - Interactive Scenario Gaming Solutions for Increasing Online Financial Literacy of Seniors
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Partners	P2 – E-SENIORS (France)
P3 – VOLKSHOCHSCHULE HANNOVER (Germany)
P4 – UNIVERSIDAD DE ALICANTE (Spain)
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P6 – VITALE TECNOLOGIE COMUNICAZIONE – VITECO (Italy)
P7 – WIRTSCHAFTSKAMMER STEIERMARK (Austria)

IO1 – Good practice catalogue on digitalized financial education for seniors

A summary report

1. Introduction

The DEFINE project follows the goal of analyzing, identifying the needs of seniors in terms of digital financial education. Not only an analysis should be conducted but also the lack of knowledge in this area shall be improved in the long-run. To perform according to the set aims and as one of the first steps in the project, a good practice catalogue got developed. Good Practice Catalogue focuses on the identification and collection of good practices from Europe about digitalized financial education teaching and training concepts for seniors.

In order to give a complete overview of existing trainings, of seniors and educator needs and of the existing gaps, a diversity of research methods was applied: (1) a desk research underlying best practices, (2) a focus group in order to get qualitative information allowing to tailor the course to seniors' and educators' preferences/needs and expectations and (3) an online survey in order to better understand seniors' profiles and needs in terms of digital financial skills and education.

This output is the compilation of results of research in the different partner countries: Austria, France, Italy, Germany and Spain. Its conclusions guide the development of the IO2 (skill card creation and training curriculum strategy design) and consequently IO3 (trainings for digitalized financial education for seniors) and supports the consortium in creating project outputs that are highly beneficial to the primary target group of seniors.

2. Desk Research

The desk research served the purpose to gain a better understanding on which initiatives are already existent following the same or similar purposes than the DEFINE project. Each partner identified at least 4 best practices in their countries following the template developed by ESE and FHJ to ensure comparability of the information found. During the online kick-off meeting, the consortium decided to include best practices about:

- IT literacy for seniors
- Finance literacy in general
- Digital financial literacy

Best practices relate to the content, organizational and methodological approaches and adaptation of the course to seniors' needs and learning characteristics.

The main result identified through the search for best practices in the countries involved in the project is the fact that there is little or no training specifically focusing on improving the digitalized financial skills for senior citizens.

The content results from desk research show that the following topics are included within the analyzed best practice and were identified as most relevant:

- Bank card; bank account, cashless payment, household budget, credit, savings
- Security on the internet
- Integration between digital and traditional channels
- Online banking
- Digital payments
- Money management
- Loans, financing and consumer credit
- IT competences for seniors

The organizational and methodological approaches recognized from desk research and useful for implementation within DEFINE are the following:

- The format of content is organized in short videos.
- Content is focused on practical aspects on finances that are applied on a daily basis.
- The course is adapted to the learners needs and requests.
- Each learner gets individual support from the trainer which means that trainer-learner interaction is key.
- The use of case studies is appropriate for seniors.

- Inclusion of self-assessment quizzes and/or testing financial knowledge with the online tools
  empowers the impact of the learning process.
- Free pdf downloads available on the website are useful for the future needs.

Best practices connected with the <u>pedagogical process</u> are the following:

- First participant gets an explanation of a topic; then there are 5 questions about the topic with possible answers "right" or "wrong"; next step is an explanation with a video and finally the participant has all information about the progress and success of a training.
- Theoretical parts are supported with practical session that are mostly connected to the case studies.
- Already at the beginning of the training, the trainer should start with the process of building up trust between the trainer and trainee through active interaction and communication

The elements of best practices mentioned above will be taken into account during the preparation of the DEFINE skill card and strategy design which is the next step in developing the training course for seniors.

3. Focus Group

Each partner organized a focus group with a minimum of 5 participants following a common methodology and respecting ethic and anonymization procedures. The focus groups´ main purpose was to deepen the insight gained from desk research.

In all countries participants of the focus groups gave important inputs about their needs, concerns and challenges related to the digital financial services. In general, seniors want to get the appropriate skills and competences in order to become more digitally financial literate, further they also expressed the need to improve their knowledge and awareness about the security issues related with digital technologies. They want to be included and they want to. But they lack the appropriate supply of trainings that would be focused and adopted to the seniors.

Further, focus group interviews showed that it is important to have basic digital skills in order to be able to use digital financial technologies.

The majority of respondents would use digital technologies for transactions that facilitate the process of payments, checking bank account etc., therefore seniors' interests in the field of content relate mainly to these processes. Further, also some financial skills related to the knowledge on how to deal with bank cards, credit cards and other cashless payments methods like Paypal are for seniors very important. Additionally, also the knowledge and skills related to security issues, i.e. what is a secure channel, how to recognize it, what security systems are there, which technical devices are required where they have to make a signature, when they have to use the pin code and where and how they can pay with bank card and credit card; what are the general risks within digital finance, how to avoid risks etc. Results from the interviews also showed that seniors need more detailed description and explanation of technical terms as there are so many of them and there is a lack of proper explanation about them. The participants also agreed that loans and credits are not so important for seniors, because these topics have no practical value for them.

Regarding the process and methods of training the focus group participants suggested to have a digital literacy course as the first step in the learning process (introductory session), to make sure the participants have the right skills to fully enjoy the learning experience. This course should be focused mainly on the most important things related to the internet use and usability of online tools.

In principle, all participants in the focus groups stressed that face-to-face courses are necessary. Neither online learning nor the distribution of information material is regarded as effective. Seniors need personal guidance and questions have to be discussed several times, because what has been learned is quickly forgotten. The

time frame for a training must remain manageable (12 - 15 lessons), which can be connected with a follow-up by individual company or computer club.

Further, the training sessions should be short (1 or 2 hours), because seniors are slower in learning new things. It is important to go through the topics slowly and understandable. For example, it is possible that seniors need a few hours to be able to apply all necessary steps concerning the topic "online banking".

Training materials should deliver concrete examples. For example: There could be an exercise where seniors must transfer money from their own account to another account. That exercise has already the character of a game and seniors know at the end whether their effort was successful or not.

There are other examples: Seniors could learn to make a standing order by their own. In order to be able to conduct such a training it would be necessary that all participants already have an access to their "online banking". If they do not have an access and they want to participate, they should go to their bank and order an access.

The training courses could also provide scenarios in which senior citizens can test security-relevant cases in order to internalize behavior patterns.

The findings of the focus groups held in each partner country can be summarized as illustrated below:

4. Online Survey

After having gained an overview of the already existing offers and to make sure that no available content will be copied in the DEFINE project, the project team aimed at identifying specific needs of the primary target group of the project, seniors. In order to be able to get as much input as possible a questionnaire targeting at seniors was developed. The questionnaire aims at creating a needs and gaps profile of the sneors to be able to create a training that is of value to all primary target groups to the same extend.

Partners agreed on a common survey translated into national languages to be circulated through online and offline channels among seniors of the 5 partners' countries. 243 seniors answered the developed questionnaire through online and offline means. Among these 243 respondents, 54% were women and 46% were men.

The results of the online survey show that the respondents were highly educated since 37,4% of them have a master degree or higher. Given this fact it can be stated that the interest in gaining knowledge is higher than average, especially on modern technologies. Regarding IT habits and favorite devices, it appears that respondents are quite IT friendly/ and have a regular use of mobile devices (69,1% of them). As for IT literacy, 76,4% of the respondents self-assess their IT literacy level above "acceptable".

As for financial literacy, a third of the respondents (32%) auto-assess their knowledge as being "poor" or "very poor" while 37% respondents rate their knowledge as "acceptable" and 30% of respondents evaluate their knowledge "good" or "very good".

Regarding the topics seniors would like to learn more about to improve their personal finance skills, respondents answered that they want to learn how to keep personal information safe, how to save money, how to increase the passive income, how to use digitalized payment transaction services, and how to plan the household budget. Further, seniors are interested in how to act securely at the ATM, which devices to use when having visual impairment, how to plan inheritance and how to act on the stock market.

Moreover, respondents were asked about which services they would like to get additional information for. Answers showed that seniors would like to know more about services related to the everyday financial management. These are: bank account, planning personal finance, investments, credit card and bank plastic card.

<u>Regarding topics directly connected with online finances,</u> seniors would be particularly keen on topics such as security issues, checking the bank account online, paying the bills online, understanding of technical terms, and understanding how the process of digital banking works.

53,5% of the respondents estimate that their knowledge of digital financial products and their awareness of digital financial risks are "poor" or "very poor", while 25,5% of them think evaluated it "acceptable" meaning that only 21% of the respondent assess their digital finance knowledge as being "good" or "very good".

When it comes to financial products and services, it appears that some topics such as internet banking are better identified and understood than others such as robot advisors. Results from the online survey also show that the seniors´ awareness of digital financial risk and the awareness of risk prevention is rarely poor. Further, fear of loss of their security and lack of trust were within the main barriers to use the online financial tools. Due to the information provided online security issues and data protection should also be a special topic within the DEFINE training.

The input gained from the online survey is highly relevant for progress of the DEFINE project as areas for upgrading skills were directly identified from the primary target group of the project itself. Once being able to minimize concerns in the fields mentioned above self-confidence in handling financial management online can be increased.

IN A NUTSHELL

Two general aspects can be noticed from results of the research with seniors:

- Their training needs are related to every day financial management.
- The security aspect is fundamental when it comes to online financial management.

5. Conclusion

From the analysis of seniors´ needs, the training subjects could be narrowed down to **everyday finances**: paying, transfers, savings, managing a budget including security aspects. Trainees should have enough tools to evaluate the financial information they get and their impact. The training should deliver on **clarifying concepts** rather than presenting specific financial products. The goal is to help seniors and give them concrete tools to navigate in everyday life banking. According to the needs the consortium will provide also a financial glossary defining the most important technical terms in a simple way.

There will be specific basic **digital skill requirement** for the course. In order to fully benefit from the experience, seniors should have a minimum comprehension of the digital world and have an attitude of curiosity and openness. Issues such as security and trust are essential and will be dealt with throughout in order to reassure seniors and promote long term adoption of digital finances.

Different types of material will be developed in order to allow the course to be followed on a great diversity of devices: computer, tablet and smartphone taking into account the diversity of preference of seniors in the use of digital tools.

Finally, the consortium is aware that seniors are not a homogeneous population (in terms of age, digital skills, living situation) and so the training needs to be flexible enough to adapt to specific cases and offer a sustained accompaniment throughout the whole learning process.