



Enriching students

The impact of Blackbullion on financial capability

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blackbullion 

Welcome to the first Blackbullion white paper!

We commissioned this research for two purposes; firstly, to explore the perceptions of financial education and second to determine the impact of Blackbullion at the universities that we are privileged to work with.

In completing this white paper, Blackbullion would like to acknowledge the participation of students at 12 of our institutional partners. We were also privileged to have worked with Rachel Loftus, Student Funding Advice Team Coordinator (York St John University), Katie Urnevitch, Student Money Adviser (The University of Manchester) and Ian Bradley, Head of Operations, Division of Student Life (The University of Manchester) who spoke with us at length about their experiences with Blackbullion.



About Blackbullion

Blackbullion is an e-learning platform helping universities ensure that students from all backgrounds can achieve academic and career success. With Blackbullion, students get access to independent, credible and easy-to-understand financial literacy lessons that puts them in control of their own finances and, ultimately, their future.

We work with some of the most impactful universities in the UK delivering online financial literacy lessons, in 4 minute sessions, to over 350,000 students. Our solution is embedded on campuses supporting recruitment and retention initiatives, and impacting on the diversity imperatives set.

If you would like to find out more about how Blackbullion can help your university, please get in touch jock@blackbullion.com

Summary

This white paper explores students' perceptions of financial literacy at UK Higher Education institutions - as well as the impact Blackbullion has on students, their financial resilience and the wider institution. The findings are discussed in relation to enhancing the financial capability of students as a preventative education solution, rather than waiting for financial difficulty to occur - when it is harder, and possibly too late, to lend adequate support.

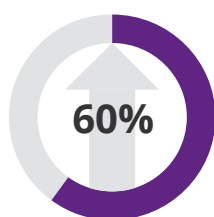
In our survey to students, we wanted to answer the following questions:

- What are students' perceptions of their own personal financial context and literacy?
- Does Blackbullion change the way students feel about their financial situation?
- Does Blackbullion have an impact on their financial capabilities?

Interviews conducted with staff at two universities draw out strong themes around:

- Proactively supporting students before they find themselves in financial distress.
- The importance of a user-centric platform from a passionate company.

Key Findings



After engaging with the learning, 60% of students felt more in control of their finances



71% of students (almost 3 out of 4) feel more likely to make positive changes to their money management after using Blackbullion

+£30 per month



Students reported that they saved an average of £30 per month (£360 per year) after using the Blackbullion programme

Why is financial literacy important?

Over the past decade, the Higher Education sector has witnessed a sharp increase in the cost of studying, largely funded by individual students' fees. There has been a similar rocketing of living costs, adding to the accumulation of student debt.

The likelihood of associated overdrafts, loans and credit cards can make studying, already a challenging experience, into a financially stressful one.

The financial strain, combined with a multitude of other factors, leads some students to discontinue their studies after year 1.

In fact, **“Six per cent of young first degree entrants fail to advance to second year”** (HESA, 2017a). Whilst 6% non-continuation seems insignificant, it equates to 105,000 students nationally, approximately £1.89 billion in lost fees, and the immeasurable social impact that is associated with non-completion.



Students, on average, find themselves in £44,000 worth of debt after completing an undergraduate course in the UK, overtaking the US in the highest average debt after graduation (BBC, 2017).



Objective:

This white paper seeks to address whether universities can do more to reduce this non-continuation number to increase their retention and ultimately the degree outcomes, especially of students from disadvantaged backgrounds, through financial education.

How could financial literacy help students?

The need for enhanced student financial capability within education is evident from multiple sources showing the link between poor personal finance skills and non-continuation of students (Tinto, 1987; HEFCE, 2015). Arguably, this results in many students failing to complete their studies due to a lack of financial literacy. Given the number of those who discontinue due to financial difficulties, as well as students who get into serious financial trouble due to mismanagement of money, financial education becomes an important social objective.

The NUS found that an astonishing **8 out of 10 students say that they experienced mental health issues in the UK** (Gil, 2015). The call for action in the area of student financial literacy has never been more pressing, important and impacting. One of the three factors cited for the rise in student mental-ill health over the past decade is 'the rising costs associated with higher education' (Ali, 2016).

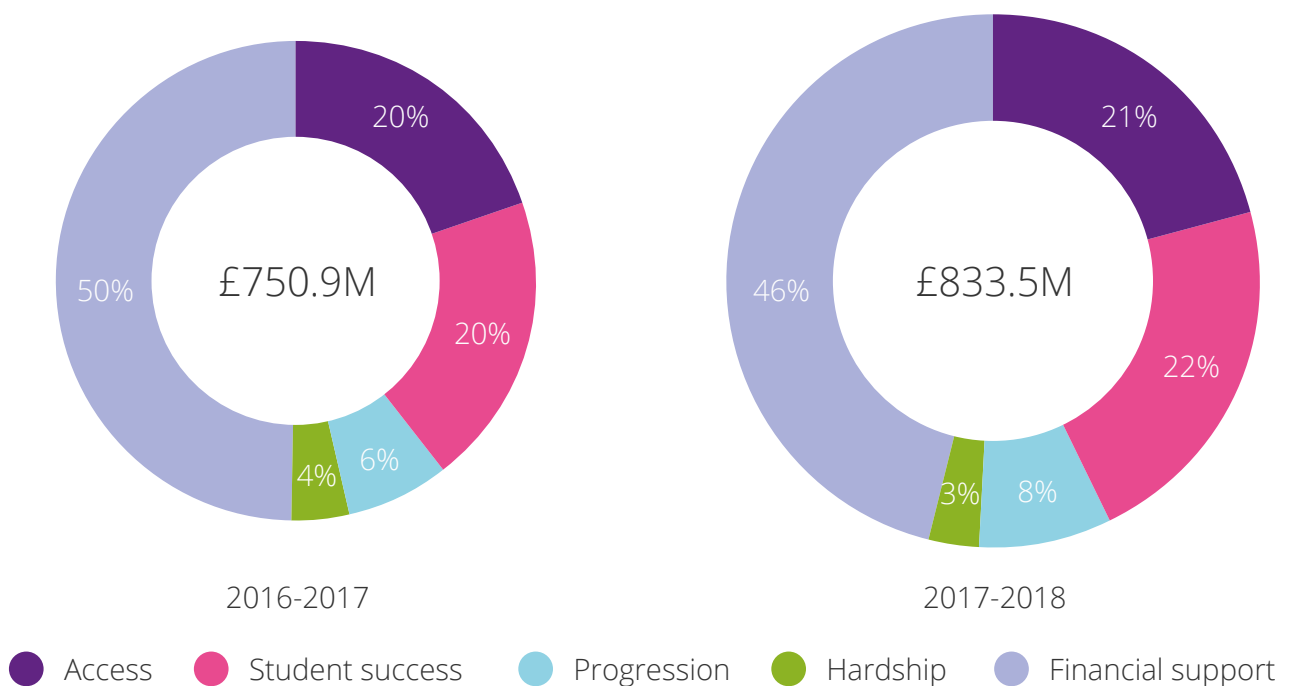
In addition to financial literacy, most institutions state large contributions to hardship loans, bursaries or other forms of financial aid in their Access Agreements (OFFA, 2016).

Work from AMOSSHE and OFFA have reaffirmed the need for financial aid not to be a 'handout' but a more holistic support structure that aims to educate those in need, so that the need for 'handouts' reduces (best it can) over time.

With a smaller percentage allocation of funds committed to financial support (Figure 1), there will be an expectation for increased effectiveness; an imperative to do more with less.

The results of this white paper seek to identify good practice for universities to adopt in order to impact this important aspect of the student experience.

Figure 1. Predicted expenditure from access agreement in steady state



Financial education is a global problem that exists in the United Kingdom and beyond.

Taking a closer look at the United States, where total student debt has grown by 170% in the last 10 years to \$1.4 trillion (Reserve Bank of NY, 2017), it is unsurprising, that most students are worried about money (National Student Survey for Student Engagement). Despite this, financial literacy has historically been seen as a life skill which should be acquired outside college walls. 'Rising tuition and an uncertain job market has lead some to reconsider [this] approach" on campuses particularly as "low levels of financial literacy (have been found to lead to) poor health and lower attainment". This is a concerning finding which mirrors a growing belief in the UK, that there is a "link between inadequate education, low income, and consequent poor financial literacy" (Citizen Advice, 2017) meaning the impact is worse for students from disadvantaged backgrounds.

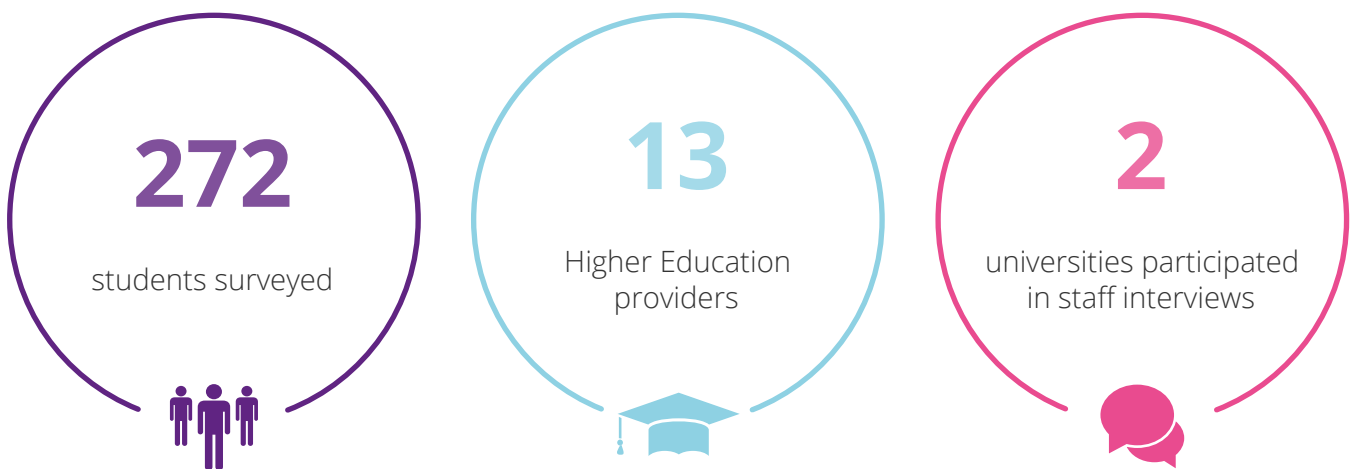
If a student lacks financial literacy, then previous financial activities and behaviours will persist and compound, as McCormick (Director of the National Survey of Student Engagement) found: "Improvements can happen," he said. "But it's well-known that the best predictor of behaviour is prior behaviour."

To break the cycle, education with a focus on incremental behavioural changes must play a central role in the prevention of financial stress and difficulty by shifting awareness in individuals earlier, thus empowering lasting changes in such activities and behaviours.

'If a student lacks financial literacy, then previous financial activities and behaviours will persist and compound.' - McCormick (Director of the National Survey of Student Engagement).

Methodology

This study draws on data collected from an online survey of students (n=272) at 13 UK Higher Education providers and interviews with staff at two UK universities about the impact of Blackbullion. Every individual voluntarily participated in the data collection.



Students were surveyed utilising Survey Monkey and data was electronically collected given the locations of universities surveyed (Appendix 1). Questions were designed to ascertain student perceptions, on a range of areas, concerning financial literacy, personal financial confidence and the impact, on financial behaviour, of the Blackbullion learning platform.

All participants are users of Blackbullion and study at universities who subscribe to the service.

Staff members were interviewed to better understand both the context they face within their higher education ecosystem and their use, and perception, of Blackbullion to help address it.

The data was analysed through both descriptive and thematic analyses.

Results

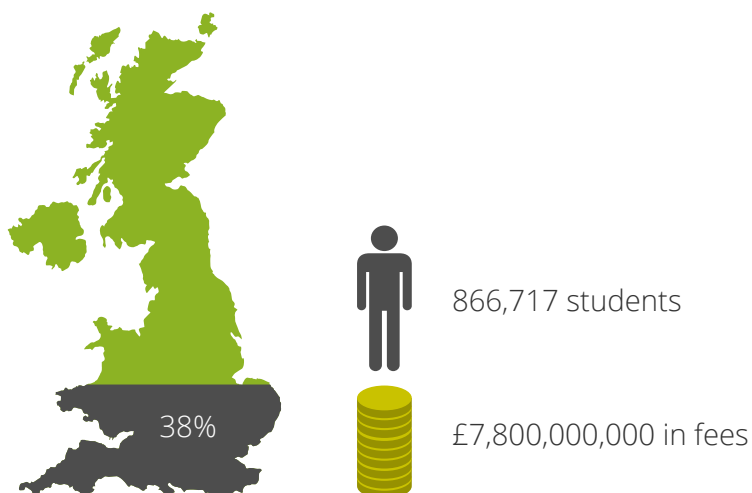
Overall, the results from the data collected offers support for the use of financial education with university students. In the universities that use Blackbullion, a discernable increase in perceived financial control, confidence and knowledge that has helped students to save money, whilst supporting institutional targets and strategic priorities, was recorded.

Students are at risk of dropout

The most surprising and substantial finding is that **38% of respondents have considered withdrawing** from their studies due to their financial situation or financial stress.

There were 2.28M students in the higher education system in 2015-16 (HESA, 2017b). Extrapolating from this, as many as **866,717 students are nationally 'at risk'** of dropping out. This equates to potentially £7.8 billion of fees that are potentially 'at risk' annually due to students' perceptions of their financial situation and associated stressors.

Students and fees **nationally at risk:**



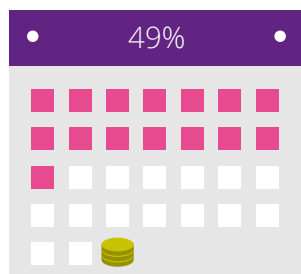
Empowering students to feel and be more in control of their finances

There were numerous findings around the impact following engagement with the Blackbullion learning content, with many aligned to higher perceived control and resilience and lower perceived likelihood of negative financial activity:

60% of students **felt more in control** of their finances.



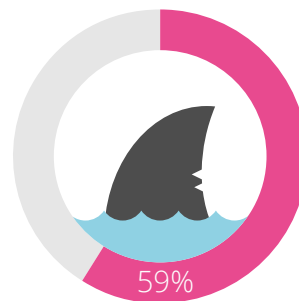
Feeling in control of their financial situation, in turn, led to students **feeling less likely to:**



Run out of money before the end of the month (49% of respondents)



Use credit cards (41% of respondents)



Use high interest or pay day loans (59% of respondents)



Impulse shop or buy something as a result of peer pressure (47% of respondents)

Increasing financial capabilities after engaging with Blackbullion

Interestingly and importantly to the students themselves, they perceived their engagement with Blackbullion's financial education platform as resulting in saving them money each month. Students reported that they were able to **save a further £30 each month, equating to £360 per year**, which almost doubles the average savings that students reported in 2016 (Butler, 2016). This was closely aligned with a majority of 65% stating they were more likely to budget each month.

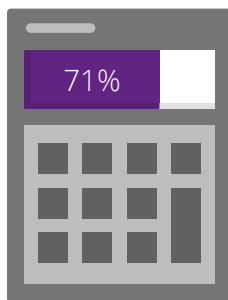
Average **savings nearly doubled:**



Average student savings per year

Blackbullion user savings per year

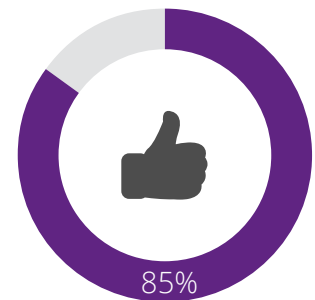
After completing **Blackbullion** online:



3 out of 4 feel more likely to make positive changes to their money management



65% are more likely to budget each month



85% said they would recommend Blackbullion to their friends

Filling the gap of financial knowledge with a proactive, user-centric platform

Thematic analysis around the student financial support ecosystem, and the perceptions of Blackbullion, lead to better understanding of the impact Blackbullion has on departments tasked with providing financial support to students. Many institutions struggle with providing proactive support at scale, since students often don't show up to workshops, or face-to-face sessions. As a consequence of Blackbullion being online it enables money advisers to achieve proactive and scalable support to all student cohorts.

In addition, the importance of the analytics dashboard, allows for a more in-depth understanding of the student cohorts who could benefit from online financial education emerged from the study.

'The reason we were drawn to Blackbullion is because our students rarely attend workshop, so online is so much better. Blackbullion was great because it caught all the topics that we want to cover; budgeting, debt, whether it was good or bad debt, and things like that.'

- Rachel Loftus, Student Funding Advice Team Coordinator, York St John University

'We were drawn to Blackbullion because of the proactive nature of the resource'

- Katie Urnevitch, Student Money Adviser, The University of Manchester

'We've used the product to identify specific groups of students, for example those who are studying nursing, international students, who might benefit from Blackbullion in a particular way.'

- Ian Bradley, Head of Operations, Division of Student Life, The University of Manchester

Delivering financial education in a compelling way

As a result of the interviews with staff, six compelling themes emerged that centre on a lack of financial education in schools and Higher Education. The need for proactively supporting students, a user- friendly and accessible platform, enhancing access agreements, effective rollout, and working with an engaging company (and a passionate CEO).

1. Lack of Financial Education in Schools

Interviewees observed and described a significant lack in knowledge and education surrounding financial budgeting and skills, due to a clear and well known gap in the school curriculum. The majority of students in the UK (58%) between the ages of 15-18 did not receive any form of financial education (London Institute of Banking and Finance, 2016).



2. Proactive Support

Higher Education institutions can only offer a limited number of preemptive activities, such as workshops which students reportedly “don’t show up to.” Blackbullion offers more “proactive support to our students before they actually go into debt” (Staff Participant A). A prevention rather than cure approach was expressed clearly.

3. Enhancing access agreements

Both institutions utilise the platform to support widening participation students and the recruitment process by engaging students at a pre-entry stage of their enrollment.

4. A User-Centric Platform

Comments that stress the importance of a user-centric platform concerning: accessibility, flexibility, intuitiveness, mobile, student-friendly and being continuously enhanced and developed were stated.

5. Effective Institutional Rollout

Raising the profile of the solution institutionally is important. Institutions were doing this through specific institution wide schemes (including student-facing events), embedding the solution as part of a hardship fund process, cross-campus and multi-channel marketing campaigns and engagement with banks, amongst others.



6. An Engaging Company

From discovering Blackbullion at sector-wide events to on-campus presentations by Vivi, founder and CEO of Blackbullion, there was a clear view that the company was engaged, listening, developing rapidly and addressing a sector need.



Conclusion

It is clear from the survey results that most students who experienced the financial learning modules provided by Blackbullion benefit from them through enhanced financial control, confidence and increased savings. This aligns well with the institutional themes around proactively supporting students' pre-enrollment as well as lending a supporting hand to their widening participation cohort and proactively intervening before students find themselves in financial difficulties.

There is evidence that students are not engaging with the current solutions offered by universities (e.g. workshops) and that it was easier for them to use the online learning platform as a gateway to hardship funds and therefore reduce the need for students to re-apply a month later.

The online tool is a softer way to reach out to the digitally native student cohort and it provides a new way to engage with those at risk of dropping out.

38% of students feel so stressed by their financial situation while studying that they have considered leaving. Costed according to this sample of institutions who participated in this paper, the financial costs of **38% of students dropping out reflects approximately £1.3 billion of students' fees at risk in one year alone.** Due to an increase in budgeting

behaviour as well as making more general positive changes to their money management, Blackbullion hopes to see this number decrease in the coming years.

A measurable behavioural change was recorded in regards to saving; across this sample a reported £8,160 was saved by the participants following their engagement with the modules. On a personal level, the **students reported saving an additional £30 per month.** Extrapolating this, within a year, the students would be able to almost double the average student savings and have more financial security.



In Summary:

When reflecting upon the qualitative and quantitative data sets together, it indicates a clear need for enhancing the financial literacy of students proactively rather than reactively. There is also a strategic need to make institutional budgets go further whilst allowing the highest possible percentage of students of any background to attain degrees and not dropout.

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Appendix 1

Respondents breakdown

University	Responses
York St John University	51
Sheffield Hallam University	49
King's College London	43
University of York	26
University of Salford	24
University of Hertfordshire	24
University of Essex	23
The University of Manchester	9
Ravensbourne University	5
Ravensbourne College	4
Anglia Ruskin University	4
Goldsmiths University of London	4
London South Bank University	2
Other	4

Year of study

Year 1 - 87
Year 2 - 75
Year 3 - 78
Postgraduate - 32

Gender

Female - 161
Male - 108

Staff interviews conducted with:

Rachel Loftus, Student Funding Advice Team Coordinator (York St John University)
Katie Urnevitch, Student Money Adviser and Ian Bradley, Head of Operations, Division of Student Life (The University of Manchester)

Appendix 2

Survey questions

1. Which university do you study at?
2. What do you study there?
3. Which year are you in?
4. What is your gender?
5. To what extent have you been taught about money management or financial literacy through your life (move the slider or add a number between 0 and 10)?
6. How concerned were/are you about your finances?
7. Have you ever considered withdrawing from your studies due to your financial situation or financial stress?
8. Do you believe that the Blackbullion courses have improved your financial awareness and knowledge?
9. I found Blackbullion Online:
 - a) Informative
 - b) Easy to understand
 - c) Engaging
 - d) Enjoyable
10. Do you feel more confident in your ability to manage your finances following engagement with Blackbullion Online?
11. As a result of completing Blackbullion online are you more or less likely to:
 - a) Run out of money before the end of the month
 - b) Use credit cards
 - c) Use high interest or pay day loans
 - d) Budget
 - e) Impulse shop or buy as a result of peer pressure
 - f) Feel more in control of your finances
12. How much do you think you might save each month as a result of doing the program?
13. How likely are you to make positive changes to your money management after using the program?
14. Would you recommend Blackbullion to other people you know?



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