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# September 2018 Educator Toolkit: Financial Technology

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## Why This Matters Now

Fintech, or financial technology, is an industry that combines technology and financial services to assist modern-day fiscal management. Technology is dramatically changing the way consumers handle personal financial transactions, everything from online banking and virtual wallets to bar code-based mobile payments and cryptocurrencies. The four key segments of the exploding fintech industry are online lending, blockchain, mobile payments and wealth management (think roboadvisors).

Fintech makes up a multi-billion dollar industry, dominated by startups offering technological solutions to financial services and products. Start-up companies in the fintech sector are said to be revolutionizing the way we handle our money. For example, financial apps and software can help you create a budget, track spending and stick to your financial goals – all from the convenience of your smart phone. High school students, the first generation of true digital natives, are often more comfortable with these virtual-cash transactions than face-to-face financial decision-making.

But at what cost? Does a simple-click transaction make it easier for students to send their bank accounts into the red and their finances over the edge? Student voices responding to KWHS articles lend a fresh perspective – and relevance to the teaching tools that KWHS provides. This summer, Livia Kong, a sophomore at Hillsborough High School in Hillsborough, N.J., had this to say: “Financial technology is the future. It allows us to pay for things or services without the hassle of carrying paper money around, paving the way for a potentially cashless society...As we digitize everything from music to social interaction, it is only logical that money follows this trend. Gone are the days that people stash cash under mattresses. So, embrace the future, but keep improving it.”

## Resources

### Article

#### [Mobile Payments: A Cautionary Tale](#)

When it comes to fintech, an important aspect of the student-teacher relationship is relevance; meeting students where they are. Mobile payments, a significant part of the current boom in financial technology, are a great place to start. Mobile payments are payment transactions done with the help of a mobile phone. Think Venmo, Square Cash and Google Wallet, used to transfer money and even to shop at participating retailers – all with the tap of screen. According to a recent global study on mobile-payment transactions, the mobile payments market was worth \$550 billion in 2015 and is expected to grow more than 39% by 2020. This KWHS article introduces students to interesting research out of the Global Financial Literacy Excellence Center (GFLEC) at George Washington University suggesting that fintech is not a substitute for financial literacy. Armed with a bit of academic research, their own experience with mobile payments, and their opinions and insights, students can use this article and the related conversation starters to consider and discuss the implications of moving to a fintech world. Be sure to include the robust student commenting thread that accompanies this article in your discussion, which shares teenagers’ perspectives on financial technology versus cold, hard cash.

### Lesson Plan

#### [Managing Your Finances with Mobile Phones](#)

Many students may be new to the concept of using their mobile phones for financial management and decision-making. This KWHS lesson plan, added to our online library in 2017 and written by @FinEdChat personal-finance educator Brian Page, takes the discussion of fintech and finances beyond simple transactions to more detailed money

management. Students are encouraged to review popular mobile apps and discuss related research. A convenient Student Review Guide is included in the lesson for students to document their mobile-app exploration. Students who don't have mobile phones should pair up with a partner.

### **Hands-on Learning**

Important to the discussion of fintech is how technology is disrupting the banking industry. Customers today interact with their banks through mobile devices more often than they visit a bank branch. Research suggests that on an average, people walk into a bank branch once or twice a year. But they interact with their bank on mobile devices 20 to 30 times a month. It's important for students to be able to navigate the world of online banking as they begin to learn the basic lessons of personal finance, such as saving and spending. Review this [PowerPoint](#) with students and then have them play one or more of the following games from the Federal Trade Commission and OnGuardOnline:

- [The Case of the Cyber Criminal](#)
- [ID Theft Faceoff](#)
- [Mission Laptop Security](#)
- [Beware of Spyware](#)
- [Online Lineup](#)
- [Invasion of the Wireless Hackers](#)
- [Phishing Scams](#)
- [Spam, Scam, Slam](#)

### **Video Glossary**

Provide an extra layer of learning for your students with our video glossary. Here, Wharton professors define terms: App, Bank, Consumer, Financial Services and Smartphone.

### **KWHS Quote of the Month**

“There's this overlooked beauty in physically using money; it does a splendid job of promoting responsibility, mindfulness, and awareness of one's financial situation. After all, how easy is it to use someone else's money and fall into debt when impulsively tapping “pay now” or swiping a card?” – *Aneesh Shinkre, Recent graduate, Allen D. Nease High School in St. Augustine, Florida*