

The problem in society that I would like to devote my time and energy to alleviating is the lack of financial literacy within impoverished communities. Awareness of how to manage money, evaluate worth, and how to invest, amongst many other things, is essential to the growth of any person. Due to the many challenging realities of lower class communities, such as a lack of resources, the opportunity to increase financial literacy has developed significant value and developed even greater purposes.

The formal way to go about measuring a group's financial literacy is the use of the S&P Global FinLit Survey, which are literacy questions that measure the four fundamental concepts for financial decision making —basic numeracy, interest compounding, inflation, and risk diversification. Financial literacy is defined as someone correctly answering 3 out of the four financial concepts. Only 33% of adults worldwide pass this test, which means that around 3.5 billion adults globally are financially illiterate. On average 35% of men are financially literate, while 30% of women are financially literate. But what brings me to my interest, is the impact of financial literacy on poor communities. Rich adults have better financial skills than the poor. Of adults living in the richest 60% of households in the major emerging economies, 31% are financially literate, against 23% of adults who live in the poorest 40% of households. While these surveys don't measure the productivity of that economy despite their score, it speaks tremendously to how well we are prepared financially as much as we are in other subjects. With this knowledge, we can infer that the more specific you go in terms of communities, the more financially illiterate the population will become.

My home city of Chicago, Illinois, has its share of struggles, but financial literacy is not supposed to be one of them. In 2015, during a nationwide push to increase our financial literacy, Chicago was dubbed the first "model city" for financial education, teaching money skills and providing tips on household budgeting, debt, credit and retirement saving, and investing. The proposed model would be a city-wide program, focusing on developing and raising a new generation of kids who are familiar with the various components of financial literacy. In Chicago, there are over 135 organizations teaching financial literacy, but this program, organized through the government, would seek to bring these organizations together on a cohesive mission to alleviate the issue. Specifically, the plan would be to incorporate financial literacy into topics already discussed in class, such as math and the social sciences. The impact of not having financial literacy programs, or some access to that information, is very strong for a city like Chicago. Lack of financial knowledge, contributes to a lack of perceived self and community value, which begins a cycle of needing to outsmart the system. Though this result may seem like a reach, communities that lack financial knowledge, tend to be the communities with the lowest incomes or of the lowest classes, which makes these communities under resourced, which in turn develops a violent and unproductive behavior in competition for those resources.

Not having financial literacy on a relatively small scale like Chicago, is one thing, but the financial literacy of the nation itself is not that great. In terms of basic personal financial know-how, the US is behind several countries. In a study of adults in 143 countries having financial literacy, the US ranked 14th. Many countries that displayed adept teens in financial literacy, displayed adults who were adept as well. Although the US falls short, financial literacy is a difficult task to fulfill all over the world. Only one in three adults worldwide could correctly answer at least three or four basic questions about interest rates, compound growth, inflation, and risk diversification (Kadlec, 2015). So, this lack of knowledge, is perhaps deeply rooted in the culture of the governmental systems we've created. Still, the importance of this issue is clear, providing tools to fix this problem enables the opportunity for global financial prosperity and knowledge.

Financial Services Roundtable, which is the leading advocacy organization for America's financial service industry is invested in financial literacy. According to their website, financial literacy is one of their highest priorities, and they believe that it is a shared responsibility of the industry, government, and consumers. One of their partners has been Allstate, in The Allstate Foundation's Purple Purse. Through this resource a "curriculum is offered to empower domestic violence victims to achieve personal financial security so they can break free and live free from their abusers." They've also worked with Bank of America, in which they offered a course on Khan Academy titled "Better Money Habits," which was a video discussing financial literacy topics such as understanding credit, home buying, and saving and budgeting. Here in Ithaca, however, the Tompkins County Public Library hosted a traveling exhibit and series of financial literacy programs throughout the month of April, last year. It was called Mad City Money, which is a variation the Game of Life, in which the players travel to vendor stations, manned by community volunteers, and they must make decisions on what they need, want, and can afford, while still being able to pay off their bills.

I did not find any information on the Cornell Public Center doing work on financial literacy, however I did find that Cornell launched a partnership with New York Public Library in which they will be providing financial literacy programs, amongst other things. On Cornell faculty contributing to the cause, earlier this year at the Men of Color Conference, the Men of Color Council partnered with Vicki Bogan to provide a financial literacy workshop. Professor Bogan often does that type of work around campus. There are several books that discuss the topic of financial literacy, one of which is The Poverty of Financial Education, which seems very relevant to my cause.

### Personal Importance

I believe that what I will offer to the cause will begin with my connection to the community first. If I am able to initiate this project within my community of the South Side of Chicago, Illinois, I believe that my understanding of the community and experiences with it will allow me to be more passionate and committed to what I am doing. My purpose in life is to provide opportunities for other people to succeed, and wherever I can act on this project, I will be performing that purpose. I acknowledge, though, that, if I could do this in Chicago, while I am from there, there is a lot left to learn about the city, the history, and the people. I am coming with the assumption, that no one who is already participating, is impacting the people in the way that I want to, I am also assuming that this is something that the community wants. I will have to understand if there is a market with space for my contribution to the cause. Entrepreneurship, however is what I have always pictured myself doing, and in some way, shape, or form, I will be giving back to my community through entrepreneurship, so I believe that, especially with this project, I will be willing to invest a lot of effort.

In my experience with Chicago, I grew up with a low social-economic status, and attended relatively below average schools. However, I believe that in high school, I really began to develop biases and opinions about the south side community. I attended Urban Prep Academy for high school, which was an all-male, Black charter school, dedicated to providing education to inner-city young men and ensuring that each graduate is accepted into college. During this time, I was surrounded, more than ever, by a mix of individuals with great potential who exercised that potential, ones who had great potential and ignored, ones who, one would think, didn't have great potential but fought hard for it. Basically, I was surrounded by the many types of individuals, communities like those in Chicago create. There are people who become stagnant and are drained by the city, those who want to get out, and those who want to help. I became someone who sought to help, and that was because of being witness to the potential in many of my classmates and mentees become wasted because of environment that was not conducive to their personal growth. These people are the ones who, unintentionally, challenged me to come back. When I left to come to Cornell, I believe I was done with Chicago, I was depressed whenever I returned to the city. However, overtime, my friends, at the time, stayed on my mind and, while in no way do I seek to be a savior, I seek to contribute to the growth of my people.

In terms of other people of entities that need to understand the problem better, it would have to be politicians. In recent years, since my senior year of high school, there have been over 50 Chicago Public Schools shut down to save money for the city. Yet, the

schools that are being shutdown are the ones that are being underfunded in the first place. Underfunded schools are blamed for their lack of efficiency or effectiveness concerning test scores, so the mayor shuts them down, displacing hundreds of students and decreasing their access to education. Not to mention the detriment that will cause in inviting greater intercommunity violence.

As mentioned, there are over 135 organizations dedicated to providing access to financial literacy educational opportunities. And because there are so many, I can't be sure of what the opportunity is in addressing the cause the way that I want to. My intent is to do more research on the 135 plus companies and understand what, specifically, they are contributing to, how I may be able to help them, or how I may be able to fill a gap.

In terms of solutions, my initial thought was creating a financial education program to provide entrepreneurship and financial literacy courses; there is also the possibility of somehow putting together a venture capital so that I can assist community entrepreneur in realizing their vision. An idea, that I had aligned with the first, is to create a residential site (See Appendix 1 and 2), in which social entrepreneurs are housed free of charge. I believe that there is always the option of joining with another organization as well. Lastly, I believe another idea could be utilizing Cornell to invest in starting a program that teaches entrepreneurship, encourages people to build business, and funds the ventures.

### Reflection

After sharing my idea with multiple people, I compiled an averaged list (See Appendix 3) of key questions that I believe will be important for me to analyze should I pursue this venture. The three questions that I believe are most important to be answered are: What is the value to customers to shop at the store? What will be the restraints on population and how will people be granted the space to live? How will you create revenue? To the first question, I believe that the value can be presented as a return to the community, so perhaps a reward based system, where the more people shop in the store the more discounts on service they could receive or the more vendors would do community work. To the second question, I believe that selection will be based off perceived value and potential for profitability and we could have a 2-year limit, for instance, of how long someone will be supported before they must give the space to someone else. Revenue will be created through the purchases made to vendor companies, and the overall venture will be supported by donations and government funding. I believe that this idea is very creative and would be difficult to pull off, however, I believe that in the right space, with the right investors and entrepreneurs it can become a success.

Citations

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Appendix 1,2, and 3



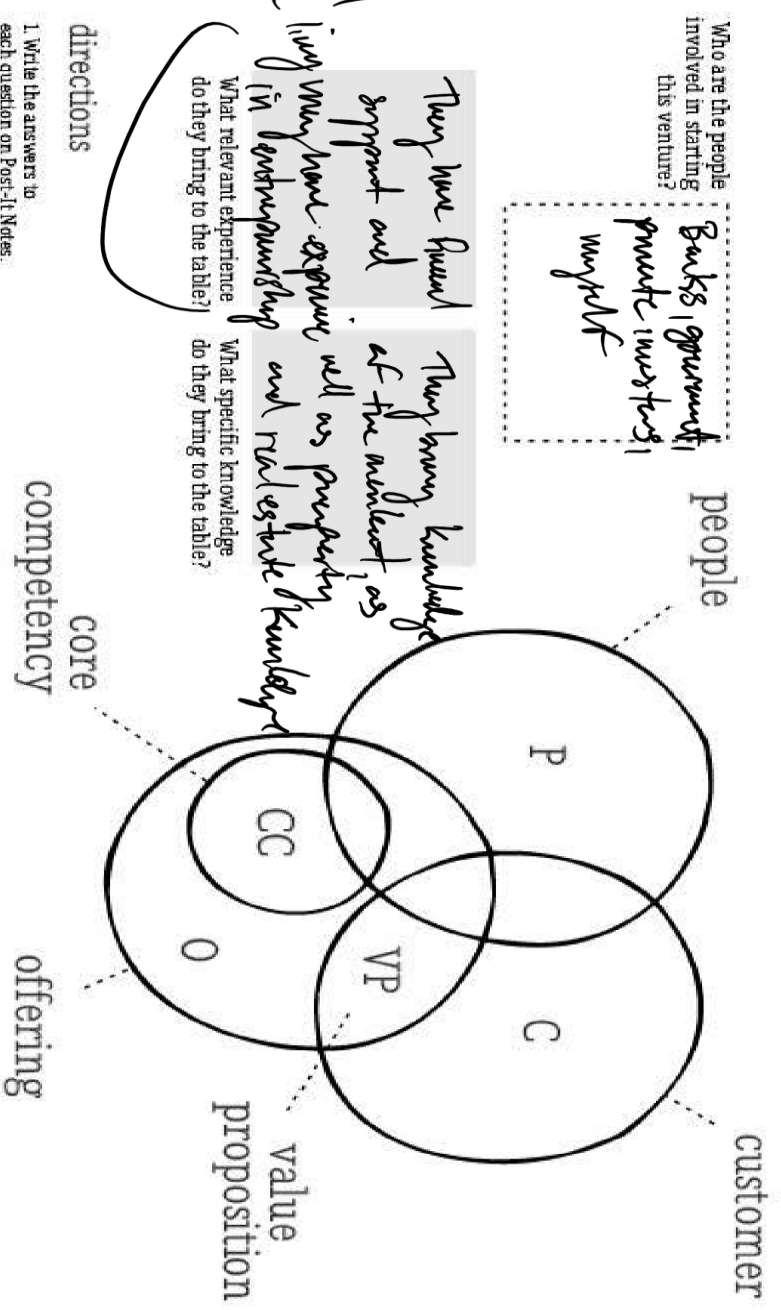


ITEM 2: \_\_\_\_\_

# The Really Big Idea Sketch Pad

These are the parameters to change when creating or refining a venture or project idea. Think of it as sketching your idea.

name: Jari Watson  
 name of this idea: Social Entrepreneurial Living



Who are the people involved in starting this venture?

Banks, government private investors myself

They were found as well living many have experience in entrepreneurship

They bring knowledge of the market as well as providing and real estate knowledge

What relevant experience do they bring to the table?

What specific knowledge do they bring to the table?

directions

1. Write the answers to each question on Post-It Notes.

2. Put them on the sketchpad in the marked areas. e.g.:

3. If you don't have enough room, then simplify.

4. Assess your idea using the 'really big idea critique pad'.

5. Repeat and replace Post-Its liberally.

social impact  
 core competency

Do you have any core, differentiating competencies, such as a technology or science?

Who is the user or beneficiary?

Social Entrepreneurs community members

How does the user use your offering?

The users would either live in the space or visit the mall in the space

Who is the economic buyer or decision maker?

Community members who buy the burgers

How many buyers are there?

Buyers are based upon the community

Why is the offering important to the user?

It provides free housing and space to operate their business

Why is the offering important to the buyer?

It eliminates a burden of removing extra walls.

social, experiential and goods.

What type of offering is envisioned? i.e. commodity, good, service, or experience?

living space, mall with many shops, work-life balance

Name and describe it...

Imagining a mall on the first floor of a large apartment complex that holds stores and ventures, started by the people who live in the apartments

Sketch it or otherwise help people visualize it...

the innographer

To download and print copies of this sketch pad, visit: [www.theinnographer.com/works/really-big-ideas](http://www.theinnographer.com/works/really-big-ideas)

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notepad:

capture notes,  
feedback and  
critique

- How will you market as a social impact brand?
- How will you create revenue and build a sustainable lifestyle?
- How will entrepreneurs stay committed to their customer base?
- Venture stores are usually more expensive, what's the value for customers?
- What will be the restraints on population?
- How do you decide who will live there?

assess impact *Ameyus*

assess feasibility *Ameyus*