**MBA 866C: Social Innovation and Financial Inclusion**

Fall 2021

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Date/time: Tuesdays, 6:00 – 9:00pm, Mod II (October 26 – December 14, 2021)

Place: McColl 2250 with Zoom option if necessary

**COURSE DESCRIPTION:** This course will focus on social innovation as a cross-sector strategy for promoting financial inclusion – the goal that all people ought to have access to useful and affordable financial products and services. The course will focus on a central question: "What cross-sector strategies and public policies best promote financial inclusion?" To answer this question, the course will explore a range of financial inclusion strategies regarding personal banking, consumer credit markets, saving and asset building, and financial counseling and coaching with an emphasis on the role of digital technologies and behavioral economics. These strategies will focus mostly on the U.S. but will include global topics and examples such as micro credit and saving.

The instructor will draw on cases and evidence from his current and past research on online tax-time savings experiments, digital platforms and apps, youth savings, workplace financial wellness, and field experiments informed by behavioral economics to influence credit, debt, spending, and savings behaviors. The instructor will also describe the roles of various institutions and organizations in promoting financial inclusion, such as the Consumer Financial Protection Bureau, U.S. Chamber of Commerce Foundation, Neighborhood Trust Financial Partners, credit unions and CDFIs, employers, and fin tech firms.

**INSTRUCTOR:** Mat is an Associate Professor in the **Department of Social Work at UNC Greensboro where he** teaches and advises PhD students in a joint program in social work with North Carolina A&T State University. Mat also serves as a Faculty Director and Visiting Scholar with the Social Policy Institute at Washington University in St. Louis where he leads the Workforce Financial Stability Initiative, and as a member of the Academic Research Council of the Consumer Financial Protection Bureau (CFPB). Dr. Despard’s current and recent consulting clients include the U.S. Chamber of Commerce Foundation, CFPB, and the Purchaser Business Group on Health.

Dr. Despard conducts research on financial security with a focus on lower-income households covering topics such as employee financial wellness, financial behavior experiments, emergency savings, small-dollar loans, student debt, refundable tax credits, access to financial services, universal basic income, and the economic impacts of COVID-19. His financial inclusion research includes [Refund-to-Savings (R2S)](https://socialpolicyinstitute.wustl.edu/items/refund-to-savings/), the [Financial Solutions Lab](https://socialpolicyinstitute.wustl.edu/fintech-solution-employee-financial-health/), [Behavioral Insights to Promote Social Mobility](https://socialpolicyinstitute.wustl.edu/behavioral-interventions/), [employee financial wellness programs](https://socialpolicyinstitute.wustl.edu/items/employee-financial-wellness-programs/), [YouthSave](https://openscholarship.wustl.edu/cgi/viewcontent.cgi?article=1756&context=csd_research), the [American Dream Demonstration](https://csd.wustl.edu/items/american-dream-policy-demonstration/), and [Mapping Financial Opportunity](https://www.newamerica.org/in-depth/mapping-financial-opportunity/).

He has published over 100 academic journal articles, research briefs and reports, working papers, and book chapters. His work has been cited and/or featured in various national outlets including the Washington Post, Atlantic Monthly, Brookings Institution, Leader's Edge, Ipsos, S&P Global Ratings, The Times (London), Axios, CNBC, Motley Fool, Forbes Magazine, MarketWatch, and Consumer Reports. Prior to his academic career, Mat worked in and with nonprofit organizations for 14 years mostly on access to health care and economic empowerment efforts among lower-income people. He is a “double Heel” - received his PhD and MSW from UNC-Chapel Hill.

**APPROACH:** This course is framed around the following financial inclusion topics:

1. Credit and debt (Classes 2 & 3)
2. Savings and Investments (Class 4)
3. Mobile/digital money (Class 5)
4. The workplace channel (Class 6)

Each of these topics has a master document – an **Issue Brief** authored by the instructor which are designed to provide students:

* A condensed and synthesized description of a key financial inclusion topic, including a snapshot of key metrics, challenges, controversies, and innovations
* A compendium of links and resources they can explore to take a deeper dive into a range of related topics to help complete assignments (students should look up additional resources for assignments)
* A list of financial inclusion challenges related to the topic that will be used for class discussions and exercises, and graded assignments

In addition to the 5 issue briefs, students should read case illustrations and examples listed under each class session below. The course will be taught with a variety of teaching methods: guest speakers, brief presentation, videos, interactive polls, class discussion, case presentations and discussions, and small group exercises. The instructor will also draw on cases and evidence from his current and past research on online tax-time savings experiments, "fin tech" platforms and apps, youth savings, and field experiments informed by behavioral economics to influence credit, debt, spending, and savings behaviors.

**ASSIGNMENTS and GRADING:**

1. **Class Attendance and Participation (15% of course grade).** You are expected to attend every class in the physical classroom or virtually via Zoom if you are feeling unwell. Attendance will be tracked and displayed in the Canvas course website. After the first absence, points will be deducted for any subsequent absence. Absences are only excused for observance of religious holidays or serious illness. In these instances, you should work directly with me to arrange the make-up of missed content. For participation, you are expected to come prepared having completed the assigned readings, make thoughtful and on-point contributions in class discussion, and actively participate in small group learning exercises.
2. **Issue Brief Responses (2 total, 25% of course grade).** Answer two sets of in-depth questions (4 in each) on Canvas concerning challenges and innovations described in the Saving and Credit and Debt (Part 1) issue briefs, with responses due by the start of class on 11/2/21 and 11/9/21, respectively, and submitted via Canvas.
3. **Financial Inclusion Case Analysis (1500 – 2000 words; 25% of course grade).** Choose a firm (financial services, nonprofit, social business, fin tech, employer) and describe an innovative strategy to promote financial inclusion, including specific products and practices. Explain why you think the strategy is innovative and how the strategy promotes the financial health and/or economic mobility of underserved consumers. Use the [FHN Scorecard Indicators](FHN%20Scorecard%20Indicators) and cite at least 2 key metrics from nationally representative household or population-based surveys to support your assessment. Offer one idea for how to make the strategy more effective. Students should submit their case analysis via Canvas in .pdf or .docx format no later than 11/30/21.
4. **Financial Inclusion Innovation Challenge (10-20 slides, 12-minute presentation; 35% of course grade).** Teams of 4-5 students will choose a “mega” financial inclusion challenge or “bundle” of smaller, inter-related challenges to address with an innovative solution that includes a public-private partnership and incorporates behavioral science. Teams must use one or more datasets on household financial security to identify datapoints related to the challenge and are aligned with one or more of the [FHN Scorecard Indicators](https://s3.amazonaws.com/cfsi-innovation-files-2018/wp-content/uploads/2016/05/09212818/Consumer-FinHealth-Metrics-FINAL_May.pdf). Teams will also use these data to describe market segmentation strategy to reach certain groups of under-served and financially vulnerable consumers. Teams are encouraged to use additional data sources listed in the Data Hub module on Canvas. **A bonus** will be awarded to teams that use multivariate analysis (MVA) to understand predictors of a financial health outcome that could inform the design of the solution. The solution the group crafts must meet additional financial inclusion criteria which are detailed in the assignment instructions on Canvas. Groups will give a presentation in class on 12/14/21 and submit their final slide deck by 12/17/21.

Detailed instructions and grading rubrics for these assignments can be found on the course Canvas site.

**Class Session Outline**

**Class 1: Introductions and Course Overview**

October 26, 2021

*Topics*

* Overview of financial inclusion and social innovation
* The state of financial health and inclusion in the U.S.
* Global financial inclusion trends

*Assigned Readings*

Magadla, S. S. (2020, April). [*Digging deeper: Financial inclusion and the Sustainable Development Goals.*](https://www.globaldev.blog/blog/digging-deeper-financial-inclusion-and-sustainable-development-goals)Global Development Network.

Melford, G., Shaw, T., & Wallace, M. (2021, August). [Fundamentals of an inclusive financial system. *Community Development.* Federal Reserve Bank of San Francisco](https://www.frbsf.org/community-development/publications/community-development-investment-review/2021/august/fundamentals-of-an-inclusive-financial-system/).

**Class 2: Savings & Investments**

November 2, 2021

*Topics*

* Emergency savings
* Retirement savings and investments
* Behavioral nudges
* Employer matching

**Guest Speaker:** Jason Ewas, Senior Policy Manager, Commonwealth

*Assigned Readings*

Issue Brief – Saving

BlackRock Emergency Savings Initiative:

[Defined contribution plans – 3 case studies](https://www.blackrock.com/us/financial-professionals/your-practice/defined-contribution/news-insight-analysis/consequences-of-effective-plan-design)

[Case Study: Credit Card Rewards as an Opportunity to Build Savings](https://savingsproject.org/case-study-credit-card-rewards-as-an-opportunity-to-build-savings/)

[Behind the Scenes: How Commonwealth Partnered with UPS and Voya to Achieve an Emergency Savings Milestone](https://savingsproject.org/behind-the-scenes-how-commonwealth-partnered-with-ups-and-voya-to-achieve-an-emergency-savings-milestone/)

Additional cases:

[Demise of the Department of Treasury’s *my*RA program](https://money.cnn.com/2017/07/28/retirement/treasury-myra-retirement-account/index.html)

[OregonSaves Retirement Program Welcomes Homecare Workers and Personal Care Attendants](https://www.prnewswire.com/news-releases/oregonsaves-retirement-program-welcomes-homecare-workers-and-personal-care-attendants-301270689.html)

[The Red Tab Savers Program: Promoting Savings & Stability for Hourly Employees](https://www.earn.org/wp-content/uploads/2017/04/2017-Red-Tab-Case-Study-vF.pdf)

[Community First Credit Union – “Save My Change”](https://s3.amazonaws.com/cfsi-innovation-files-2018/wp-content/uploads/2020/07/23195702/FHN_Community-First_Case-Study-Brief_Final-1.pdf)

[YouthSave - Ghana](https://gsdi.unc.edu/wp-content/uploads/sites/1264/2021/05/Youth-Save-Ghana-Project-Brief.pdf)

**Class 3: Credit & Debt, Part 1**

November 9, 2021

*Topics:*

* Small-dollar and short-term credit
* Payday loans and other high-cost credit
* Credit scoring
* Credit building products

**Guest speaker:** Karen Andres, MBA, Director of Policy & Market Solutions and Project Director of the Retirement Savings Initiative, Financial Security Program, Aspen Institute

*Assigned Readings*

Issue Brief – Credit & Debt, Part 1

[Center for Financial Inclusion/ACCION: Accelerating Financial Inclusion with New Data Mainstreaming Financial Inclusion: Best Practices](https://content.centerforfinancialinclusion.org/wp-content/uploads/sites/2/2018/06/Accelerating-Financial-Inclusion-With-New-Data.pdf)

[Increasing uptake and repayment on a payday loan alternative](https://advanced-hindsight.com/case-study/increasing-uptake-and-repayment-on-a-payday-loan-alternative/)

[LendUp sued by CFPB for deceiving borrowers](https://www.consumerfinance.gov/about-us/newsroom/cfpb-sues-lendup-loans-for-violating-2016-consent-order-and-deceiving-borrowers/)

[St. Louis Community Credit Union – Credit-building Loan](https://www.poverty-action.org/study/impact-credit-building-loan-product-and-financial-counseling-low-income-borrowers-missouri)

[True Connect and Lutheran Social Services](https://www.minneapolisfed.org/article/2018/how-small-dollar-loan-programs-can-be-a-big-benefit-for-employees-and-their-employers)

[Working Credit – Harvard University’s Credit Building Program](https://www.workingcredit.org/case-studies/harvard/)

**Class 4: Credit & Debt, Part 2**

November 16, 2021

*Topics*

* Auto, home, and student loans
* Microfinance
* Financial counseling and coaching
* Small business lending

**Guest speaker:** Alex Horowitz, Principal Officer, Family Economic Stability, The Pew Charitable Trusts

*Assigned Readings*

Issue Brief: Credit & Debt, Part 2

[Microcredit was a hugely hyped solution to global poverty. What happened?](https://www.vox.com/future-perfect/2019/1/15/18182167/microcredit-microfinance-poverty-grameen-bank-yunus)

[Self-Help Credit Union Community Advantage Program](https://communitycapital.unc.edu/our-work/community-advantage-program/)

[Goodly – student loan repayment benefits](https://www.benefitspro.com/2021/03/17/why-employers-need-to-take-student-loan-repayment-benefits-seriously/)

[KIVA case study summary](https://medium.com/tech-for-social-impact/new-case-study-reflections-on-kivas-impact-journey-417a21bb3f1b)

[Mission Asset Fund - Microloans](https://missionassetfund.org/wp-content/uploads/2018/12/one-decade-of-lending-circles.pdf)

[PayPal – KIVA partnership](https://assets.ctfassets.net/7rifqg28wcbd/t9d2Pt7Suaam1AP5G01bV/36409cca1b857bf5c9b1658407b93f7e/Kiva_Case_Study___Braintree_US.pdf)

**Class 5: Mobile and Digital Money Platforms**

November 30, 2021

*Topics*

* Model transaction accounts
* Second chance accounts
* Mobile payment platforms
* Cash in cash out (CICO)
* Government and employer payments

*Assigned Readings*

Issue Brief: Basic Banking and Digital Platforms

[BitPesa, Unocoin, and Coins.ph case studies](https://digitalchamber.org/assets/blockchain-and-financial-inclusion.pdf) (begin on p. 18)

[mPesa case study](https://ssir.org/articles/entry/do_financial_inclusion_efforts_impact_poverty)

[Business case for mobile money in emerging markets](https://www.mckinsey.com/~/media/mckinsey/industries/financial%20services/our%20insights/mobile%20money%20in%20emerging%20markets%20the%20business%20case%20for%20financial%20inclusion/mobile-money-in-emerging-markets.pdf)

[Mobile Alliance for Maternal Action (MAMA) project](https://www.marketlinks.org/sites/default/files/resource/files/mSTAR_FaridasStory_03122015.pdf)

[PayPal Holdings $100 million investment in financial inclusion](https://ibsintelligence.com/ibsi-news/paypal-commits-over-100mn-to-advance-financial-inclusion-and-economic-empowerment-of-women-and-girls/)

**Class 6:** **The Workplace Channel**

December 7, 2021

*Topics*

* Benefits re-design
* Employee financial wellness benefits
* Payroll and human resource information systems
* Access to tax credits, public benefits

**Guest speaker:** Beth Brockland, MBA, Vice President, Workplace Solutions, Financial Health Network

*Assigned Readings*

Issue Brief: The Workplace Channel

[Employer FinHealth Toolkit – Financial Health Network](https://finhealthnetwork.org/employer-finhealth-toolkit/)

[5 key insights about employee financial wellness programs](https://socialpolicyinstitute.wustl.edu/building-employee-financial-wellness-program-5-key-insights/)

[Prudential case](https://news.prudential.com/a-financial-wellness-case-study-prudentials-own-employees.htm)

[Salary Finance case - HBR](https://hbr.org/2020/11/helping-low-income-workers-stay-out-of-debt)

[Twin Lakes, WI & Denver, CO local government case studies](https://www.slge.org/assets/uploads/2020/09/financial-wellness-case-studies.pdf)

[Worker Financial Wellness Initiative – Just Capital](https://justcapital.com/reports/worker-financial-wellness-initiative/)

**Class 7: Group Presentations**

December 14, 2021

*Assigned Readings: None.*

**Kenan-Flagler Core Values: My and Your Responsibilities**

Kenan-Flagler has six core values – Excellence, Leadership, Teamwork, Inclusion, Integrity, and Community – that provide a guiding framework for the norms and standards we uphold as a community.  Although these values should govern our objectives and behavior across programs and contexts, below we outline the application of these values to conduct in this course.

|  |  |  |
| --- | --- | --- |
| **Core Value** | **My Responsibilities** | **Your Responsibilities** |
| **Excellence** | * To provide rigorous, meaningful, and relevant course content and deliverables.
* To adhere to KFBS grading standards for evaluating performance.
* To seek out and incorporate feedback from students, faculty, and staff regarding course improvements.
* To deliver timely feedback on assignments
 | * To prepare thoroughly for each class session.
* To participate actively and constructively in class discussions.
 |
| **Leadership** | * To communicate the goals of the course and the relevance of these goals to your business education.
* To call on students other than just volunteers to contribute to class discussions.
* To challenge students to push themselves by thinking critically about the course content.
 | * To challenge your peers during class discussions and study team meetings to think critically, question assumptions, and develop analytical thinking skills.
 |
| **Teamwork** | * To set explicit standards for class attendance and consequences for absences
* To provide opportunities for team assignments, where appropriate, but to assign no more than 40% of graded class work to teams.
* To make myself available to you for questions or discussions outside of class time.
 | * To attend each class session – if you’re absent, you can neither teach, nor learn.
* To self-police, rather than rely on faculty-policing, of attendance – if you’re absent, inform the faculty member.  Failure to do so is considered a violation of the honor code.
* To contribute constructively to all group assignments.
* To come to my office hours or contact me if you have concerns or questions about the course material.
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| **Inclusion**  | * To create a classroom with an inclusive environment, where diversity, equity, inclusion, and belonging are honored and celebrated.
* To provide students with equal access to all materials and opportunities.
* To treat every student respectfully.
* To make each and every student feel welcomed, valued, and that they belong, regardless of their identities.
* To seek to share ideas, have class members learn from each other, and gain understanding so we can learn from each other and reach our full potential.
 | * To support a classroom climate of diversity, equity, inclusion, and belonging among all your peers.
* To support equal opportunity access and seek it from me, when needed.
* To be responsible in treating all of your peers with respect and make sure they feel that they belong (in live classes, in Canvas, in breakout rooms, and in group work).
* When you hear opinions and perspectives that you disagree with, we’ll engage in respectful discourse.
* To come to me with any comments or issues that you have related to diversity, equity, and inclusion.
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| **Integrity** | * To set clear expectations for students regarding what is and is not a violation of the Honor Code in this class.
* To enforce these expectations by reporting suspected violations of the Honor Code to the Honor Court.
* To set clear expectations for you regarding acceptable classroom behavior, and to enforce these expectations by providing feedback to those who deviate from acceptable classroom behavior.
 | * To understand and uphold the behaviors mandated by the Honor Code in this class.
* To report any suspected violations of the Honor Code by peers to me.
* To understand and uphold the behavioral standards for classroom conduct.
 |
| **Community** | * To develop, communicate, and enforce a policy regarding appropriate (and inappropriate) use of technology in the classroom.
* To start and end each class on time.
* To use a variety of pedagogical approaches to engage and involve you in the learning process.
 | * To understand and adhere to the policy regarding technology use in the classroom.
* To be on time for each class session.  Once in class, do not leave until the end of the session.  Treat each class session as a key work meeting.  If your excuse wouldn’t be legitimate for missing work, it’s not legitimate for missing class.
* To attend your assigned class section, rather than another section, unless given prior approval by me.
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**Commitment to Running an Inclusive Classroom & Creating a Supportive Environment**

UNC students have many different backgrounds, life experiences, and unique learning styles. I am committed to running a classroom where all students feel that they: are part of the class, can relate to the course material, belong among their classmates, are treated respectfully, and learn successfully. Please let me know if you need anything from me to help you succeed.

In order to create a classroom environment that supports belonging and respectful, critical inquiry through the free and respectful exchange of ideas, the following principles will guide our class and discussions:

* My goal is to design and teach a class that fosters talent in and perspective from all students.
* We can all differ on any number of perspectives, opinions, and conclusions.
* Constructive (and sometimes difficult) discussions can sharpen thinking, deepen understanding, and reveal insights, and so these discussions are expected.
* Treat every class member with responsibility and respect at all times—in Zoom classes, in Canvas, in breakout rooms, in small groups, even if—especially if—you come from different perspectives or disagree with someone’s opinion.
* Assume positive intent by your classmates and myself. We may make mistakes. We are human.
* Also know that, even if you have positive intentions in what you say, you may negatively affect others. Be open to hearing that something you said may have impacted someone negatively.
* Be thoughtful to current events, past experiences, and where others may be coming from.
* I will do my best to moderate the discussion, understand every position, and perhaps even challenge it. If the discussion veers of course, I may have to pause. I will then address the topic/issue later, either in class or offline.
* I will also do my best to address concerns students have about our discussions, either in class or, if we don't have time, outside of class. Here again, please assume positive intent and the fact that I am human and make mistakes.
* If you ever want to talk about something that I have said/done or someone else has said/done, please reach out to me so we can talk.

**HONOR CODE**

The University of North Carolina at Chapel Hill has had a student-administered honor system and judicial system for over 100 years. The system is the responsibility of students and is regulated and governed by them, but faculty share the responsibility. If you have questions about your responsibility under the honor code, please bring them to me or consult with the office of the Dean of Students or the *Instrument of Student Judicial Governance*. This document, adopted by the Chancellor, the Faculty Council, and the Student Congress, contains all policies and procedures pertaining to the student honor system. Your full participation and observance of the honor code is expected.