

Announcing New Category! – Financial Literacy

2016 UNC Social Entrepreneurship Business Plan Competition

For the 2016 UNC Social Entrepreneurship Conference, we will have three separate categories of competition: 1) open category for undergrad teams, 2) open category for graduate teams and 3) special category of financial literacy for undergrad or graduate teams, or teams composed of both undergrads and grads.

The **open category for undergraduate students** (includes teams from NC School of Science and Mathematics), asks teams to submit an idea that solves or addresses a compelling community social challenge of any sort. In this category, the winning team receives \$3,000; first runner up \$2,000; and second runner up \$1,000.

The **open category for graduate students** asks teams to submit an idea that solves or addresses a compelling community social challenge of any sort. In this category, the winning team receives \$5,000; first runner up \$3,000; and second runner up \$1,000.

The **special category of financial literacy** is open to undergrad teams, graduate teams, or teams composed of a mix of undergrads and grads. This special category asks teams to submit ideas that improve financial literacy in one's own community. There is a single prize of \$5,000. If teams submit for the financial literacy category, they cannot submit to the open categories listed above. Following is a brief description of the term "financial literacy" and some examples of the sorts of solutions that may be identified when teams meet with community members (adapted from Wikipedia).

Financial literacy is the ability to understand how money works in the world: how someone earns or gains it, how that person manages or protects it, how he/she invests it (turns it into more) and how that person donates it to help others. More specifically, it refers to the set of skills and knowledge that allows an individual to make informed and effective decisions with all of their financial resources. Increasing awareness about personal finance is now a focus of state-run programs in countries including Australia, Canada, Japan, the United States and the UK, as well as private initiatives managed through banks, major financial institutions and consumer credit agencies in the United States.

Community needs may vary depending on location and community norms and traditions, and may focus on different target groups, including young people, adults or senior citizens, particular racial or ethnic groups, or varying income classes. Some examples of different knowledge gaps from around the world may provide some insight into financial illiteracy challenges that teams might look for in their communities:

- In Australia, 67% of respondents indicated that they understood the concept of compound interest, yet when they were asked to solve a problem using the concept only 28% had a good level of understanding.
- A British survey found that consumers do not actively seek out financial information. The information they do receive is acquired by chance, for example, by picking up a pamphlet at a bank or having a chance talk with a bank employee.

- A Canadian survey found that respondents considered choosing the right investments to be more stressful than going to the dentist.
- A survey of Korean high-school students showed that they had failing scores – that is, they answered fewer than 60% of the questions correctly – on tests designed to measure their ability to choose and manage a credit card, their knowledge about saving and investing for retirement, and their awareness of risk and the importance of insuring against it.
- A survey in the US found that four out of ten American workers are not saving for retirement.
- The Consumer Protection Agency in North Carolina develops materials designed to educate citizens in how to avoid financial scams.

The services, strategy or proposed solution may be delivered face-to-face or electronically. The idea may be an app, a game, a curriculum, an ad campaign, or some other approach.

Business plans in the financial services category will follow the same format as plans in the “open” category. See the document titled “2016 SEC Business Plan Format – all teams.”