

ABSTRACT

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Title: FINANCIAL LITERACY AMONG MILLENNIALS: A CUSTOMER DEVELOPMENT MODEL APPROACH TO FINANCIAL LITERACY

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Financial literacy can be defined as “how well one is able to make decisions regarding the use and management of money”. It is largely a result of our financial education, or what we have been taught thus far regarding finances, and takes a huge role in our financial capability, or how we manage our resources and make financial decisions including paying our bills, planning ahead, and investing in financial products to grow our wealth; it is linked to such things as borrowing, saving, and spending patterns. Without the proper education, and thus financial literacy, people cannot make the right choices and will end up in unmanageable debt, evicted from their homes, and living on the streets because they could not manage their money. This should be especially concerning to millennials – those born between approximately 1980 and 2000 – because they have the lowest financial literacy rates among any generation (Mottola, 2014). Through the use of the Customer Development Model, created by Steve Blank, this paper examines the current financial literacy levels of millennials, determines whether a significant customer base exists, and creates a business plan for a future application covering the topics on financial literacy tests, as well as other specs. The FINRA Foundation’s National Financial Capability test, along with 11 key demographic and market research questions, was administered electronically to study the financial literacy levels and any aspects that may affect these levels. The study yielded 105 responses from millennials.