

FINANCIAL EDUCATION: THE STAGECOACH AND THE HIGHWAYMAN

Caroline Bradley

Abstract

Financial education is a growing focus for financial regulators and policy-makers in developed economies at the domestic and supranational levels, including the EU Commission and the OECD. One recent focus of financial education initiatives has been to make the absorption of financial information more entertaining. Regulators have used cartoons and comic strips to communicate their messages more effectively. Central banks have developed online games which focus on monetary policy. A 2006 Report of the Federation of American Scientists argued for increased use of serious games in education, while recommending further research on the use of games in education.

The paper will analyse Wells Fargo's development of a virtual world environment, Stagecoach Island, which allows participants to "explore the island and its hidden secrets, connect with friends and make new ones, and at the same time learn smart money management." Members of the Stagecoach Island Community can earn virtual money through participation in the Learning Lounge, and they can then go shopping. The ability to engage in virtual shopping and socialising is what makes the Stagecoach Island environment attractive to participants, and may encourage incidental financial learning. However, the game is defined to emphasise an interconnection between fun and money which may ultimately undermine the financial lessons Wells Fargo says that participants should be learning. Financial firm provided financial education, such as the Stagecoach Island initiative, raises issues of conflicts of interest, because financial firms may derive economic advantage from consumers' bad decisions.