

# THE PAST, PRESENT AND FUTURE OF FINANCE



An investigation into how current events along with monetary evolution are affecting people in society and how design plays/continues to play a part in this?

BY NATASHA SHADBOLT



## Introduction

## Aims & Objectives

## Discussion

- Money Past, Present & Future
- What are people's perceptions of Money: Good or Bad?
- How much value is put on Money?
- How has Money changed over time?
- Can Money buy you Happiness: Finance & Health
- How does Money & Financial status alter attitudes towards others?
- Spending Habits & Payment Options: Comparison Then vs Now
- Financial Struggles
- How Educated are people with their Money?
- The Pandemic
- Advancing Technology
- Brexit
- The Future of Money and the Economy
- The Great Debate: A Cashless Society

## Report Summary



# REPORT CONTENTS



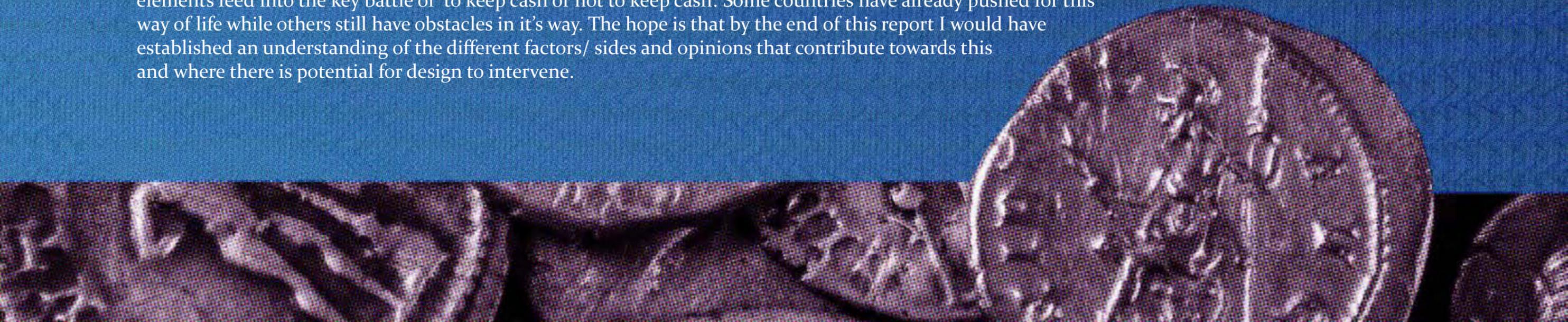


# INTRODUCTION



According to well known phrases, money has the power to make the world go round or considered to be the root of all evil. Either way, it plays a significant role within societies whether that's past, present or into the future. From early civilisations, trade and barter were used as a form of exchange between two parties. Originally this was purely based on the transaction of skill and resources but in more modern times a set currency has taken place, so there is a mutual advantage for both sides. Whether we like it or not, money plays a large role in each of our lives personal or professional and we've come to rely on it to sustain ourselves. Like most things to exist, evolution is key for survival in a forward moving world and the ways in which payments are made are changing along with it. In recent years, technological advancement has accelerated at a rapid rate and the global pandemic surfacing in 2020 has added further problems to already countless challenges within the subject of finance. Within this report, my aim is to explore the various issues people are facing today in regards to money and how these major changes we are facing as collective are having an impact. I'm hoping to gain an understanding on how people feel about the future of money in response to the ongoing global debate on a potential cashless society along with other socioeconomic factors and how these are affecting perceptions, relationships, feelings, views and experiences with money. Within finance, it has always brought various challenges and problems for different groups of people and designers have responded accordingly. Whether it may be platforms for education and assistance or branding and user experience to gain trust with consumers, designers have pushed to innovate ways to better systems for both businesses and the public. Through my research I'm hoping to discover specific areas of difficulty that could be potentially improved or even resolved through design thinking.

My love for coin design and Numismatics has fuelled my direction within this report. I personally find a lot of interest in the intricacy of currency design, the ability to communicate on a restricted scale, the cultural/historical insight you can explore as well as the storytelling that surrounds it. I have a large appreciation for physical coinage and banknotes, but I think it would be really interesting to see how others perceive or use it, especially in current circumstances. There are various problems that still need improvement within this field whether that covers financial literacy or adapting to new system. The world is witnessing leaps in technology as well as experiencing a viral plague alongside the UK and EU's coming to terms with their separation. All of these elements feed into the key battle of 'to keep cash or not to keep cash'. Some countries have already pushed for this way of life while others still have obstacles in its way. The hope is that by the end of this report I would have established an understanding of the different factors/ sides and opinions that contribute towards this and where there is potential for design to intervene.



# AIMS & OBJECTIVES

The aim is to gather information from various groups and perspectives to find out what the key issues are or the impacts these things are having on them. In particular, the plan is to use a survey to gain a quick insight into different areas and pick up any trends or common challenges alongside some online unstructured interviews to get more in depth experiences for select people/ businesses. Given the situation and guidelines, my primary research will be collected through the previous and secondary research will be drawn from the articles, reports, blogs, books and podcasts I have explored. There is no definitive target audience in mind as everyone is affected.



In current times, finance is at the forefront of our minds no matter who we are. Whether it's the wealthy focussed on the pursuit of more or others who strategize ways to save, we just really use money as a way of trade, to buy things we need in the present, invest for the future or use on part as a symbol of identity and success. Historically it provided more than just it's monetary value with Greek and Roman leaders using coinage 'as means of mass communication, spreading messages far and wide through image and text'(YouGoCulture,-). It's origins were more focus of personal/state reputation and advertising than just simply trade as according to the Fitzwilliam Museum coins aimed to let other cities know' aspects of their beliefs, religion, political thought, ideology 'as well as highlighting victories in battle and offering forward their main object of trade and industry.

Even today outside of it's economic value, physical currency is considered the 'floppy disk of the ancient world in it's conveyance of information' (McIntosh,2016) which for a designer as well as a historian is of great significance. According to Miodownik (2011) of the smell of money podcast "cash is more than just trading tokens, it's our heritage, history and culture. It says who we are and what we stand for. They're pieces of art and engineering ". So historically, culturally and informatively they offer a treasure trove of insight but on the other hand from an environmental point of view they are contributing heavily on the already unstable climate crisis. A study by the American Council of science and health informs us that " mining and transporting coins has led to the emission of over 48,000 tonnes of carbon dioxide. For reference, the UK produces over 900,000 tonnes of coins every year." (Pomelo Pay,2020) Banknotes pose even more threat as " initially thought to be more sustainable, but new research by Evergreen Finance London has revealed that the paper £10 note released 3kg of Co2, while the polymer note releases 9kg." (Pomelo Pay, 2020). These opposing arguments are just some of what need to be considered in an all rounded look into the area of finance and the battle between saving or scrapping cash.

In today's society there are divided feelings and attitudes towards money whether that's in the form it takes, how it's used and it's significance. To some, coins and notes are seen as more of an annoyance/ taking up space, gathering germs and a waste of key resources. Others depend majorly on cash as their way of supporting themselves for various reasons. Now we are faced with the biggest, most rapid shift in payment transactions. Moving from the use of coins and notes to purely digital means. Here lies the issue, on one side governments and businesses are always pushing for a cashless economy on the basis of speed, safety and convenience while others are left to try and fend for themselves either by fighting for their access to cash or pushing to adapt/struggle in this new way of life. These are the things I will explore in more depth throughout this research and how different factors have an effect this.

## MONEY: PAST, PRESENT & FUTURE

WHAT ARE  
PEOPLE'S PERCEPTIONS  
OF MONEY?

GOOD  
OR  
BAD?



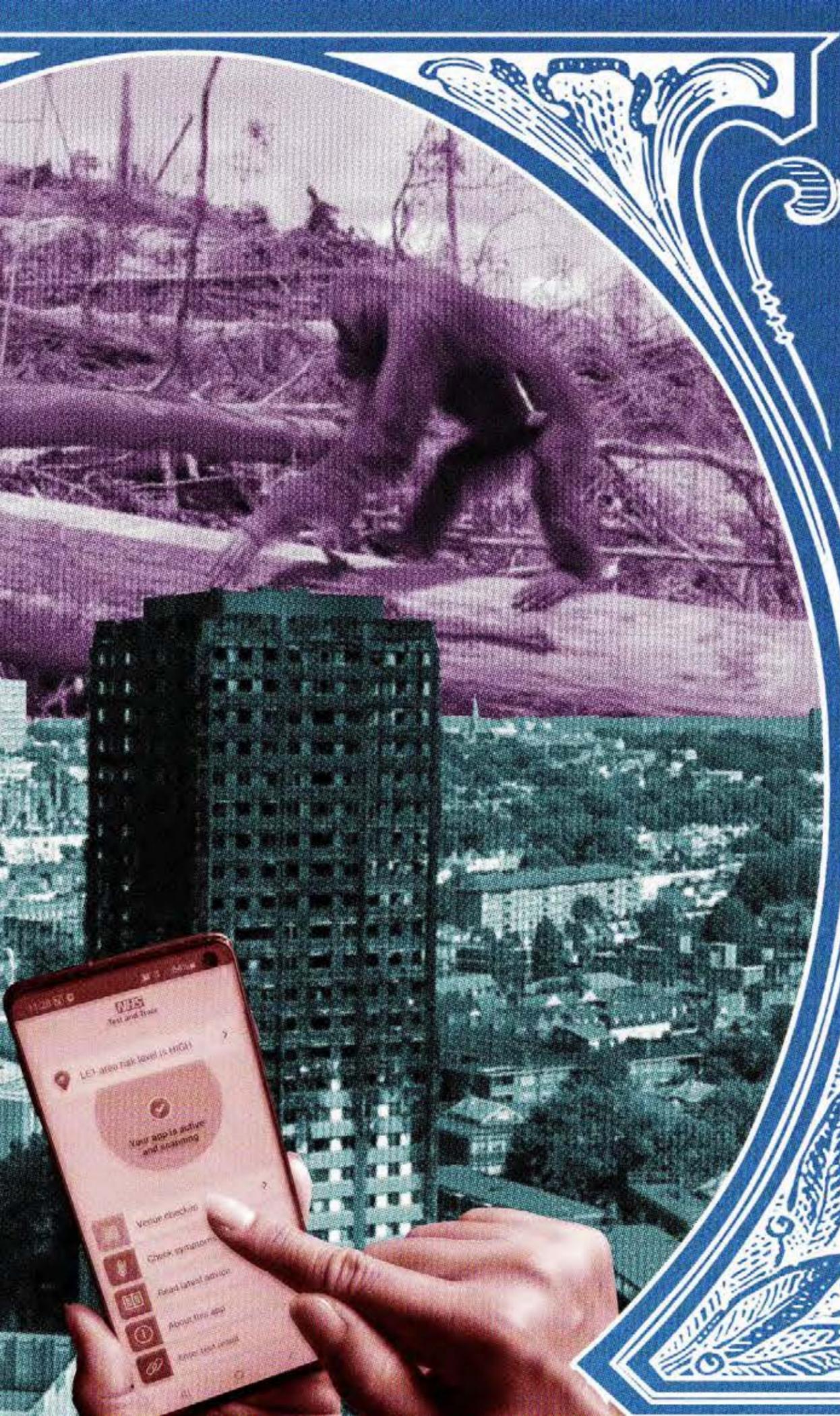
Everyone will have their own individual perceptions of money due to personal experience, upbringing and other outside influences but what we can all agree on is its necessity. As a concept it is neither good nor bad but it depends on the person who uses it. On the side of good, money provides us with our basic needs, the opportunities to explore the world and create memories with loved ones. However, In terms of how money is perceived by others within a survey, all see the importance of it but focus in on the negatives that can stem from it. Some showing their annoyance by the fact that 'It's something that everyone needs but not everyone has, causing a huge hierarchy in society' (Survey Respondent). Others also highlight that it's the foundation of society and its 'central to the way the world works' (Survey Respondent). There's the acceptance that it's integral to being able to live, but with it comes the stress, mental health issues and back breaking means to earn it. The overall feel is that people would like to see it gone. Money links us all together, however it creates the biggest division either on a global or local scale. Something we share should bring positivity and unity. In some cases, it does with regards to charity and fundraising which has come alive in the current circumstances with various efforts to give back to the efforts of the NHS but surprisingly nothing of the sort was mentioned by respondents. Many people have only decided to see the bad, mentioning the power trips, struggles, fear, personal image and unfairness without barely a slice of the good it could potentially do. Online resources are highlighting for some a way of surviving and has detrimental effects on their health, opportunities and quality of life. While for others it's a response to the 'fear of lack of significance' and use it in 'shaping their sense of identity through wealth and power'. (Seneiko, 2019)

This past year especially has seen a rise in community and fundraising through the spirit and drive of people and organisations like Sir Captain Tom Moore and his many fans inspired to continue his work, charities adapting to a new way of life through virtual events to keep up the lifesaving donations they need. It has also seen many becoming more aware of their money habits and have provided the push for them to save for the future, particularly younger generations in contrary to the stereotype of 'a throw away lifestyle' (Survey Respondent) and "spending extortionate amounts on smashed avocado on toast and expensive lattes" (Duncan, 2020). So the key takeaway from this is that people have clear views on finance that lean on the side of bad.



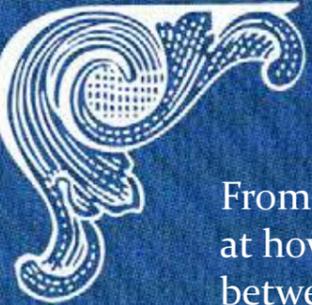
HOW MUCH  
VALUE IS PUT ON  
MONEY?





Money would come alongside other values such as family, friends, relationships, health/wellbeing and security but it's position on the list is fully dependent on them. From the survey respondents it's clear that most acknowledge it's importance and value but wouldn't put it above their loved ones. Some key insights seem to point more in seeing it's value in the peace of mind it brings to them personally or the protection/happiness it can bring to those around them. Even so the connection was made between these values in that "It's easy to say that it's not as important as other things, but if you're struggling financially it's bound to have a negative impact on those other things".(Survey Respondant). From this point of view it's clear that other values come higher on their priorities. Although it's a nice thing to see, the survey is of course targeting on an individual basis from people some of which have families or are split between education and part time work but to see the other side of the spectrum there are multiple reports/ articles that highlight values from a business/corporate standpoint. Those that stand out as a clear value for money over all else, include things like large scale land destruction for building foundations/materials which result in endangered species being killed or forced to move from their natural habitats. Alongside this you have the poor being exploited by business for mass poaching of animals for their horns/tusks/fins/scales. Moving more locally you have the Grenfell tower investigation resulting of cutting corners on materials regardless of the impact it could have. Organisations like banks or areas of retail forcing staff to turn off their track and trace apps to keep the business functioning. Even debates can be seen on how certain professions are more value for money than others so for example footballer wages compared with medical staff wages and how the worth is justified.

From this research the overall narrative is that more Money equals less value for other things. This can be challenged through various acts of philanthropy over the years but also multiple articles have highlighted studies into finance and emotional capabilities. According to the greater good magazine (2018), "wealth is at odds with empathy and compassion" and through research of their own have found that "people with lower economic status were better at reading facial expression and a lack of resources fosters greater emotional intelligence". On the one side we have people like this respondent who says "We all need money to survive and keep a roof over our heads, but as long as basic needs are met, I have no issues sacrificing luxuries" (Survey Respondent) while on the other there are many examples of businesses who have no issues sacrificing others in pursuit of their profits.



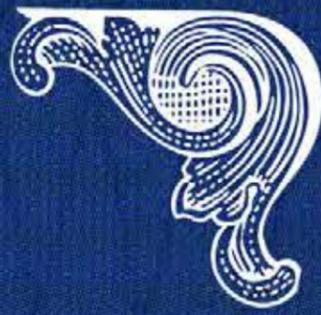
From the previous the subject was based on how people value money in comparison to other things but now I wanted to shift this to look more at how people feel others value money today. From general experience, social media use and online articles there seems to be an ongoing conflict between generations in terms of what they value but also how their attitudes towards money have changed over time. From some of the survey Responses there is a clean split of opinions. Some focussing on generational divides and agreeing with certain stereotypes of older people being better with money while the younger generations are more materialistic. Others feel it's more of a wealth divide reasoning for appreciating the value of money or even that it 'simply "varies from person to person, not generation to generation" (SR). All of these potentially have their reasons for being justifiable but all are still dependant on outward lying factors. This being especially true with the rise of technology and the obsession with keeping up appearances. Some key phrases thrown into the mix included "materialism", "wasteful purchases", "Throw away lifestyle" and "Influencing culture" which are backed up by articles from CNBC Make it and The independent. Both highlight the amount that people spend due to social media and the gratification it brings. This constant pressure paired with the simple action of Contactless/digital payments has lead to "Just under half, 49%, of millennials (ages 23 to 38) say social media influenced them to spend money on experiences" and "Last year, 57% of millennials reported making unplanned purchases because of what they saw on social media". The evidence is there to class younger generations as being terrible with money and succumbing to peer pressure or popularity but there's also examples of how they're leading the way financially. Of course being technology natives we can easily adapt to the everchanging monetary systems pushing for the move into a new economy. However outside of this a survey respondent mentioned that "people are looking to these influencers making money and it's creating a generation of entrepreneurs" moving into a new way of working and being more ambitious and in control of their career. On the same path Gen Z and Millennials are at the forefront of the rise in popularity of second hand over brand new as well as recycling/repurposing. Fashion United backs this up with "45 percent growth in buying second-hand in the past two years. And the fact that there is no longer a stigma around thrifting being only for those in a lower socioeconomic class". It is unfair to bracket people all in the same behaviour as each generation has it's struggles to deal with, particularly now with impossible house prices and unfamiliar technology.

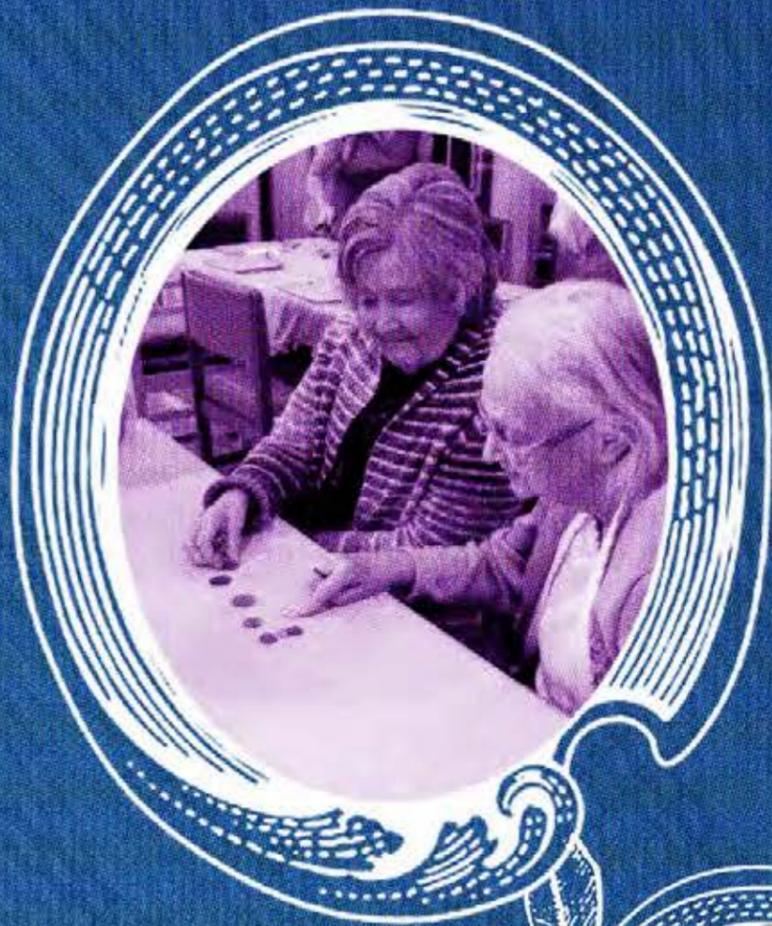




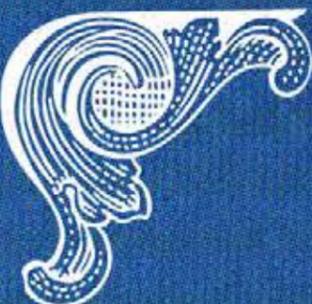
## HOW HAS MONEY CHANGED OVER TIME?

Of course the evolution in financial systems and payment types isn't a new occurrence. It has continually changed and adapted since its introduction within ancient civilisations so each time there would have been obstacles to overcome to ensure it runs smoothly. In this exploring previous changes it may give insight into how the current ones could be managed. Outside of the physicality of money, it would be interesting to find out how attitudes/experiences or struggles have changed along with people. From the primary survey results, there were mentions of both first and memorable experiences with money going from the fear of using a credit card for the first time to the new feeling they had "full control of my accounts and my bond, Which left me spending a lot of money as all my friends had weekly a learning allowance". Showing that everyone struggles with things they aren't used to and it takes time to get up to speed. This type of outlook should be given for people who now struggle banking apps or mobile payments. On a more nostalgic note key memories were brought up in the form of Grandparents giving pounds on visits "it's a childhood thing she still does I associated £1 with her" (SR) Along with "2p machines, so much fun and childhood memories there or 2p pick and mix at the cinema or local shop" (SR). So from a more positive side there are memories of new found independence and childhood past times. These don't stop here with many online accounts of small change bringing back pieces of their own past with Peper (2020) explaining how "A coin stamped 1969, reminded me of watching the moon landing with one of my brothers and a friend from church." And wonderful accounts from those who experienced the decimalisation of coinage in the UK collected by BBC NEWS On this day. Even Peper's (2020) mention of coins that jogged the memory bank. The end of the Vietnam War, birth years of children and grandchildren." Links in to current ventures by the royal mint who are using a "Decimalisation reminiscence session museum in a box" to send around to care homes to evoke memories of different and hopefully better times.





Although it's clear that people gain a lot of joy and reminders from money there are a lot of cases where this isn't true. Some from the primary survey have given accounts of how their own attitudes and value of money are built on fears or struggles that were faced by their loved ones. These include seeing their family members working for tips, sometimes "three jobs and at times chose my own needs over her eating" (SR), experiencing parents debt, having multiple siblings to take care of and even extremes of one respondent having "more memories surrounding the traumatic experiences of hiding from bailiffs, the guilt and fear of money which still resonate to this day" (SR). It's clear that family experiences have a large effect on people and wanting to achieve more stability than them. Even when parents tell you of "how they'd get a mars bar and a cheap can of pop on a Friday as a treat" (IR) compared to some nowadays getting video games or mobile phones. When we think of the elderly having trouble with technology and payment systems that we find easy, we have to remember the amount of change they've already had to endure throughout their lives. Outside of this some people are rather tech savvy while others struggle so once again individual needs have to be considered rather than simply seeing things from a generational point of view.



As different emotions came into play when money and memories were concerned it makes sense to also consider the age old question: Does money really buy you happiness?. Many studies have been undertaken to find out exactly that with multiple examples ranging from yes to no to maybe. But as one survey respondent puts it “hard question as everyone’s measure of happiness is different” which is true but many still have definitive views on the subject. From my own research theres still variations of this as it’s completely subjective. Some saying it doesn’t make you happy but it makes life easier and brings you closer to your goals while others say “Too much can make you as unhappy as not having enough” (SR). The difficulty here is trying to find that middle ground where you’ve got enough to be comfortable, be without worry and potentially enough to grab opportunities. One response summed this up nicely by saying “ at the end of the day it’s down to gratitude in yourself and if you can appreciate what you have. If you can do that then you don’t need money to buy happiness because you are already content and happy” (SR).



## CAN MONEY BUY YOU HAPPINESS? FINANCE & HEALTH



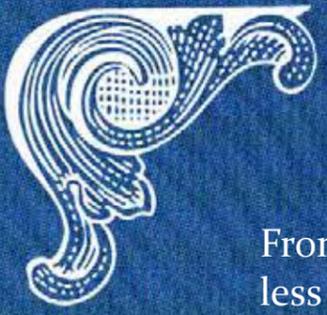
There's a long running assumption that people who have lots of money are also happier as they have the means pay bills without a thought and can use it to buy luxury items and experiences. However according to the Greater Good magazine (2018) "Having it all may come at a cost with many more distressed than lower income families bringing high risk anxiety, depression, substance abuse, eating disorders and cheating". So although those classed as low income have money as a constant thought for staying afloat, it also can be said for those more wealthy through the pressure to succeed/continually stay on top. Outside of this environment it is possible for money to buy happiness through enabling ways to create good memories but also in situations such as being able to give a child a prosthetic limb so they can be like their friends or the means to allow someone chronically ill to be at home with their families instead of spending it at the hospital continually. So it is possible that the statement is true but for those that see money as a cause for worry there is a problem to solve.



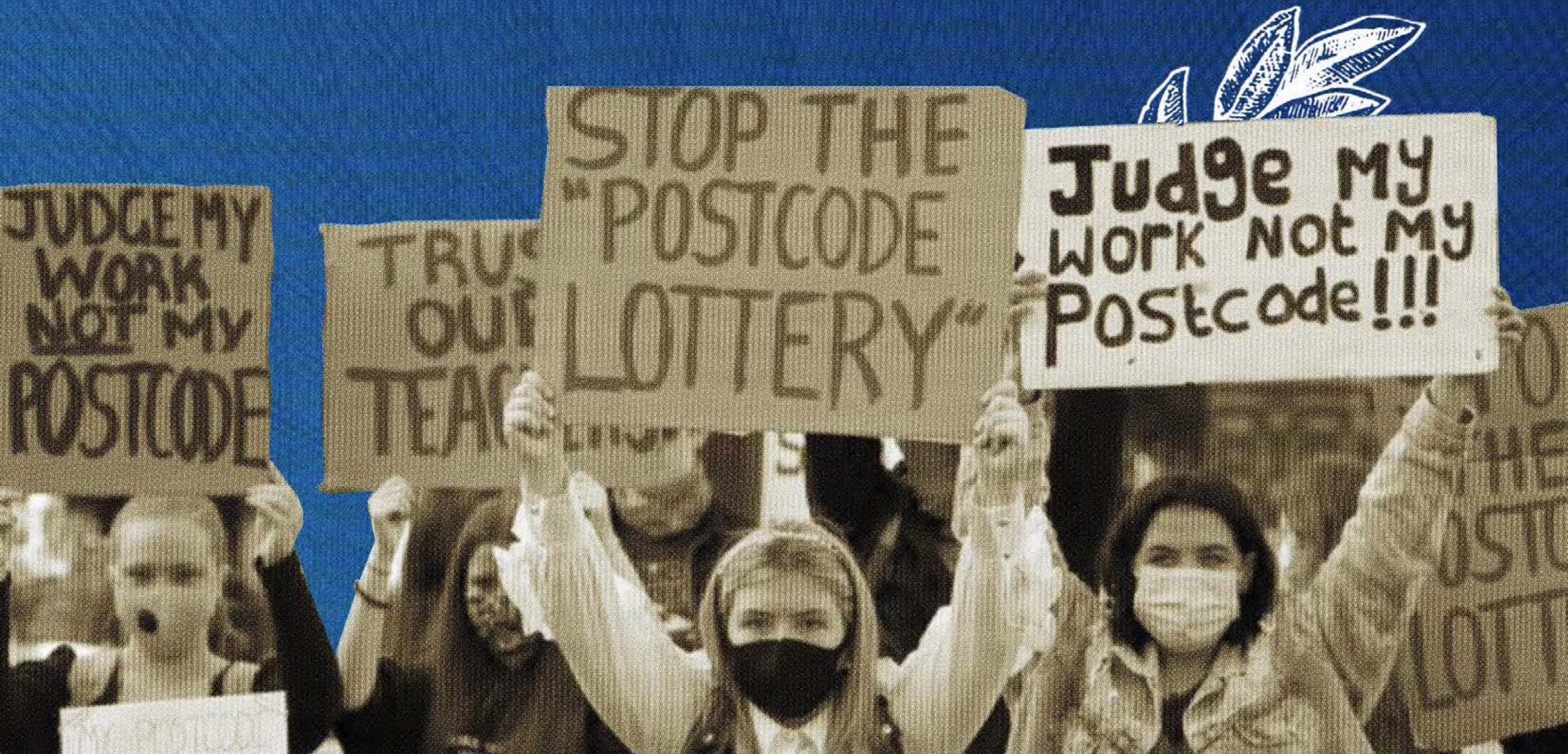
So far it can be seen that money has an affect on each of us personally but it can also impact how we see and react to others. According to the Equality Trust (2016) “The UK has a very high level of income inequality compared to other developed countries” and putting this statistically the “Wealth in Great Britain is even more unequally divided than income with the 10% richest in UK hold 44% of all wealth, 50% poorest in UK hold just 9% of UK wealth between them. Someone’s socioeconomic status can greatly impact their outlook in life as the American psychological association states that SES affects “Quality of life attributes as well as opportunities and privileges afforded to other people as well as overall human function including physical and mental health.” Their studies show the correlation between low SES and “lower educational achievement, poverty and poor health”. Even though these statistics were published 5 years ago there are still examples now that show lower income/ rural communities are at a considerable disadvantage. Most recently the 2020 exam results and the “Screeching u-turn from the British government” (Lane,2020). Although the grade predicting algorithm was meant to be fair and reflect the previous record of schools it turned out the “Formula was seriously flawed. 40% of predicted grades lowered with disadvantaged pupils disproportionately affected and Private schools saw nearly double the number of increase in top marks” according to Forbes (2020). This highlights that even in a crisis money and postcode means more than someone’s educational skill and talent. This could be a good thing to shed more light on as it’s unfair that these things are allowed to determine someone’s path in life.

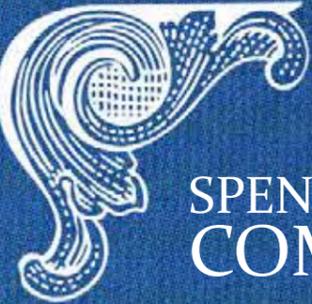
## HOW DOES MONEY AND FINANCIAL STATUS ALTER ATTITUDES TOWARDS OTHERS?





From the primary survey results there seems to be an overwhelming agreement that where money is involved people are more selfish and less empathetic as highlighted by responses like “people who’ve had bad experiences with wills and funerals” (SR) and “people can and will do anything for it including murder. It can bring out the worst in people” (SR). One response also mentioned the role design can play in this and how views change depending on what people physically have. The example given was “For example teenagers are obsessed with branded clothing as they see it as a “money flex” (SR). On the one side as designers we think we are helping a business grow and develop but it’s also fuelling a brand obsessed culture with it used as more of a status symbol than an act of loyalty to the brand. Either side of the spectrum can bring it’s own barrel of assumptions with the wealthy being seen as cold, a source of envy/distrust and lacking emotion by those of a lower income while people of High income could view those poorer as unskilled/uneducated. Each have harmful stereotypes that could continue to affect various people emotionally but also financially.

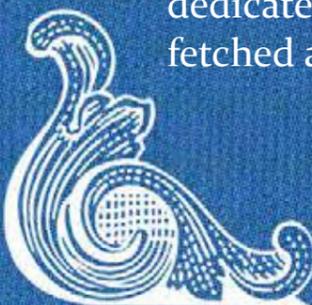




## SPENDING HABITS & PAYMENT OPTIONS: COMPARISON THEN VS NOW

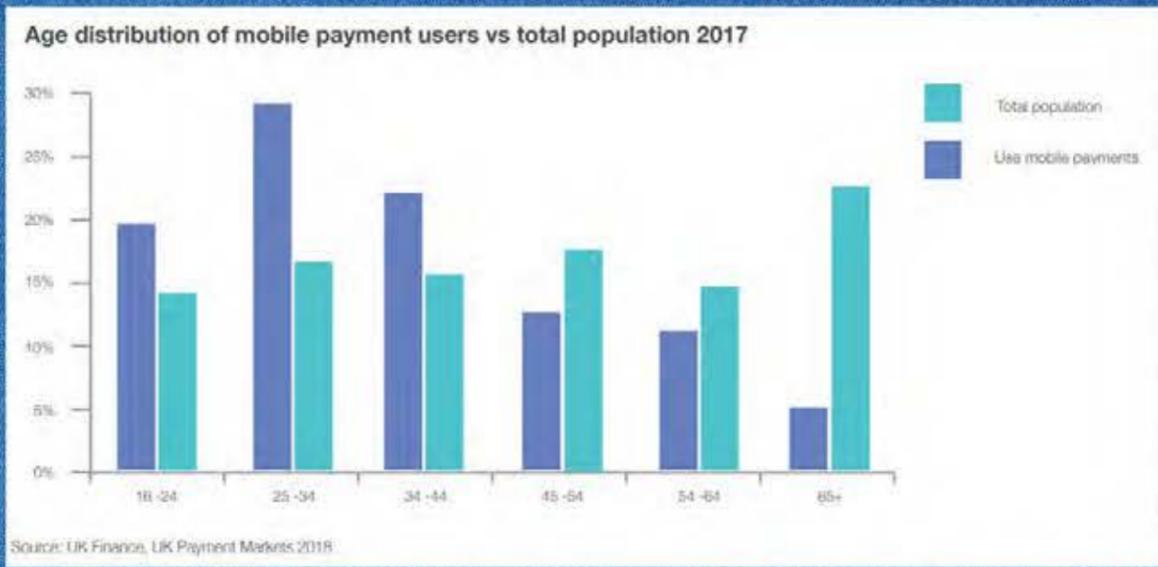
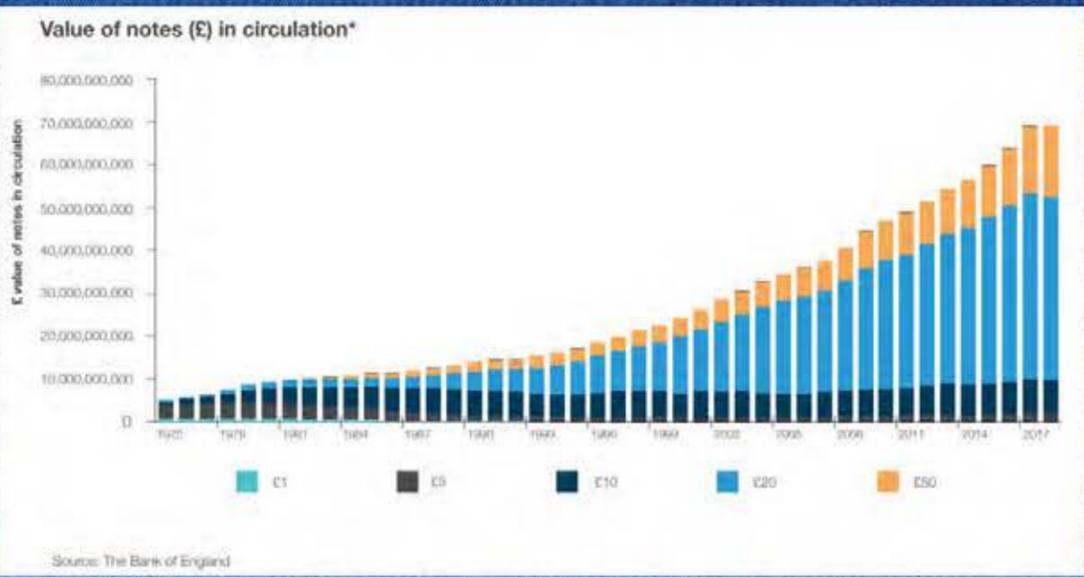
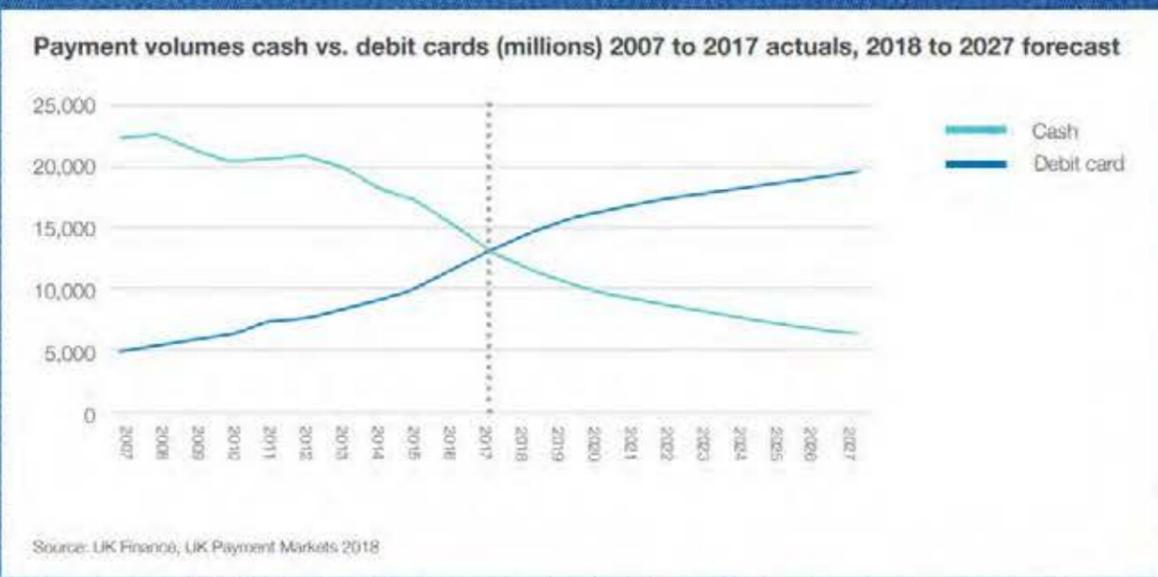
As the push to go cashless is drawing closer, it is interesting to see how people are spending their money currently but more so how this has changed over the years. From how people view/ feel about different payment types to predictions of the future of finance, the shift in opinions and behaviours can be seen from looking at surveys/studies taken in 2011, 2017 and 2020.

According to the smell of money podcast (2011) shoppers were the majority against living without cash and finding it difficult to imagine a time when we wouldn't need it. The hosts interviews of market goers gave responses like " I don't think anyone can live without cash" and " always pay with cash. You don't know what you're spending otherwise". Even at this time the idea of a cashless society was in full swing but there was still questioning on how it could ever happen because of how much people simply loved notes and change. Something that is very common nowadays was only just beginning to take off in Tokyo with the hosts account of using a mobile phone to pay for her train journey during the time highlighting just how much we have advanced technologically in 10 years. An interview with a royal mint spokesperson explained how " it was in the government and banks interest to move to a cashless economy but at the time it wasn't in the interest of the public and consumers meaning it wouldn't be a winning vote". When comparing this to current circumstances and some of the responses from my research then the outcome would likely look the same if the argument was proposed to them. Even so A Royal mint representative (Smell of Money Podcast) highlighted that cash " won't be around in a 100 years but it still has importance to the unbanked society" which is very much still the case today as told by the This is money financial website (2020) as according to their study "1.6 million UK residents can't open a bank account". From this audio account it seems clear that at the time people were 100% dedicated to cash and the thought of using card/digital payments were far fetched and not to be trusted.



Moving on to a more recent account, attitudes and behaviours have altered from not even thinking about the possibility of card use to it becoming one of the most popular forms of payment. The ING International survey of mobile banking (2017) reported that “attitudes of the public from 15 countries suggest a cashless society is possible”. Some key stats from this study show that “1/5 in Europe rarely carry physical money” and that “54% use far less cash than 12 months ago”. This highlights that in only 6 years people have gone from something unimaginable to an everyday occurrence. This evidence could give hope to those struggling with current changes that although it takes a bit of time the switch is achievable.

A more up to date account from the primary research shows cash is no where to be seen for groups between the ages of 20 and 40 with contactless coming in as the primary method of payment at 80% followed by the rest opting for digital wallets. As my own research was on a small scale it was only right to explore larger studies. Two separate sources both give a similar outlook providing evidence that card/digital payments are coming out on top but they also found that cash wasn't completely obsolete. Age UK (2020) found that “1/2 of all payments are made by card” and predict that “in less than ten years only 10% of transactions will be made by cash”. Alongside this Quartz (2020) state that currently “30% of transactions are done with cash” meaning that although it's clear that more modern methods are favoured overall, physical money still holds a key place within the UK economy. Graphs from Access to Cash Report (2019)





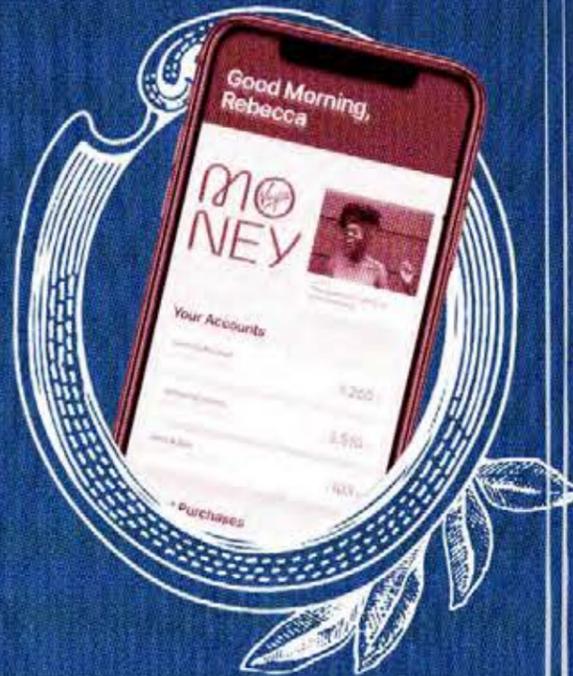
### CASH:

- Helps some budget and manage their money
- Beneficial for small gifts/ donations
- offers peace of mind/ choice or back up plan
- Accessible to all
- Inconvenient to carry around especially for large payments
- Bad for the environment/ unhygienic
- easily lost or stolen
- Expensive to produce/store
- fuels shadow economy and illegal activity
- Particularly used by charities, homeless, elderly, disabled and low income households



### CARD:

- Uncomplicated to use
- Quick/ instant payment
- Offers higher level of security
- Accessible to most
- separates person from money which leads to increase debt
- Easy to carry around and use when needed
- Payment/ card readers sometime fault
- Most popular payment option of choice from research



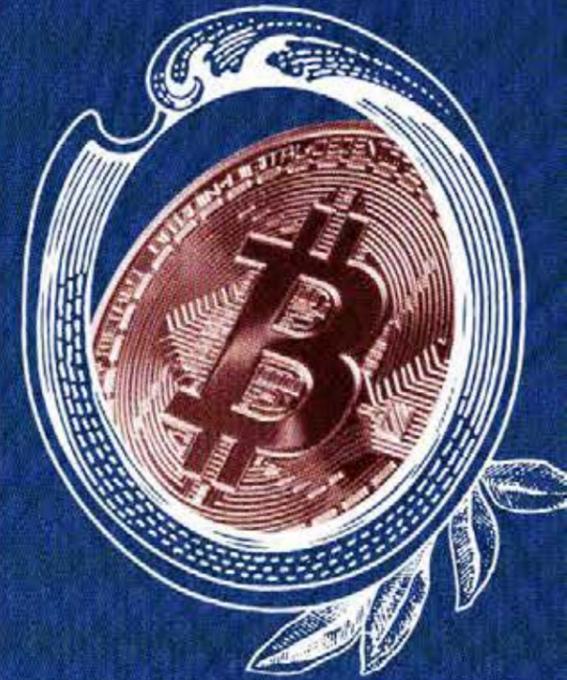
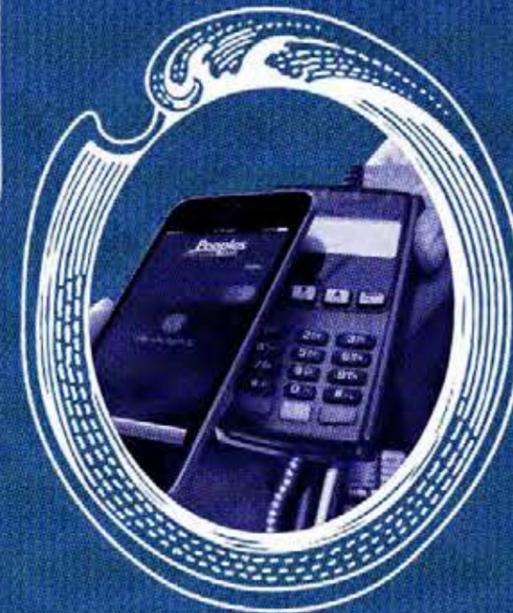
### BANKING APPS:

- Only used for managing money rather than spending
- Only accessible to those with devices or good connection in area
- lot of mistrust with technology and money
- More popular with younger generations than older.



### DIGITAL WALLETS:

- Quick, easy and convenient as most carry their phone with them always
- Less to carry physically
- Can encourage and increase in overspending
- Lack of trust from some with technology and money
- potential to be targeted by hackers
- Can be victim to equipment failures and IT crashes
- Most popular with younger generations as are technology natives.



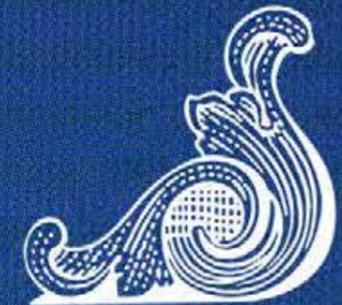
### CRYPTOCURRENCY:

- Higher level of security
- very complex to understand and obtain
- still underdeveloped and not user friendly
- can be very volatile in that value decreases and increases sharply ( lack of stability)
- Only used by Investors or big businesses rather than the average person.





# FINANCIAL STRUGGLES FOR INDIVIDUALS & BUSINESSES

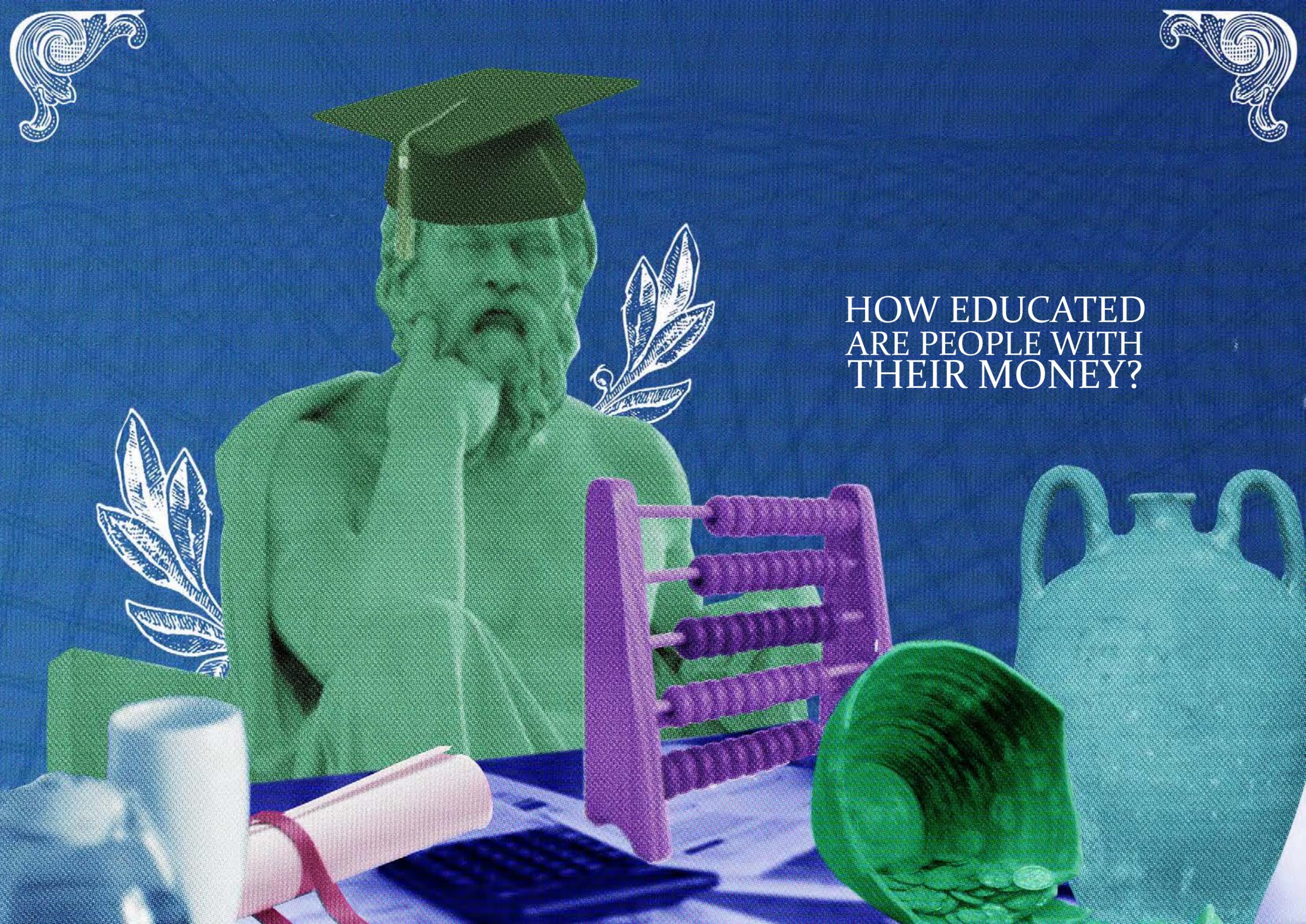


As highlighted earlier in the report, money is the source of worry for many people. According to the primary survey the most common challenges seem to be focussed around getting into debt, budgeting to make sure they stick within their limits as well as the struggle to take steps onto the property ladder. From these responses there are variations between experiences with those that have previously hit rock bottom financially trying to never end up in that situation again and some still living with their parents who have yet to face these challenges. The most mentioned issues seems to be generally keeping on top of their finances and making sure they can get by with one stating that they are “scared to check my bank account in case I have less money than I thought and won’t be able to make payments - I get carried away a bit with spending sometimes as contactless/online shopping is encouraged everywhere now and there isn’t much to do”. A 23 year old interviewee from podcast Moneybox, a vision of our financial future mentions that “he feels like he’s doing everything right in terms of savings but his 700 p/m rent takes away from that”. This shows that even when people are making good financial decisions the system is still very much against them. Another interviewee, this time in their 40’s are facing very different struggles. While they explain they bought their first house in their 20’s for £32,000 and it was easier to achieve at this stage, the concerns now lie with pensions. The podcast guest describes pensions as the “silent killer, like blood pressure as saving for it is put off which then catches up with you in your 50’s or 60’s”. From what has been said so far around overspending and pensions it looks like there’s a common theme in the lack of actual recognition/ realisation of consequences until it is too late to resolve it.

From a banking point of view, the challenges they face are very different from individuals. Both articles from Linchpin (2020) and Wowsome (2019) share similarities in that ‘Fintechs’ are one of the biggest potential rivals to traditional banks resulting in issues with “Customer retention” and their “need to evolve and transition customer base from satisfied to loyal”. A lot of this competition also stems from big name brands stepping into the financial sector like Amazon that already “understand their customer behaviour”. Given the unpredictability and danger of technology at points, it was surprising to see that a survey study from Accenture (2019) revealed that “31% of banking customers would consider banking with Facebook, Amazon or Google”. One of the key issues mentioned were that they are struggling to keep up with its customer base and their high expectations of service. In this Linchpin (2020) describes the difficulty in reaching generations that are “savvier, smarter, more informed and have a higher technological understanding”. They highlight that “Millenials prefer interaction through social media and are the largest percentage of mobile banking users while Gen X and Boomers value human interaction” which brings a huge challenge of banks trying to stay up to date, battle with startups as well as pleasing both the older and younger demographics at the same time in order to maintain a loyal customer base.

As a base these are some of the key issues faced by people from an individual standpoint as well as a business one. However these are added to when things like the emerging pandemic and the repercussions of Brexit which will be explored further later in the report.





HOW EDUCATED  
ARE PEOPLE WITH  
THEIR MONEY?

As money has the power to make or break, financial literacy is needed for people to understand how to manage their spending in order to gain that security and stability in life. From the primary survey results, the question of where people feel they got their education/ knowledge from revealed that most gained it from family and friends along with learning from personal experience. At the bottom of the list came banks/ financial organisations, online sources and school. It's clear from previous questions that many seem to be influenced greatly by their parents or their experiences which has given many enough to move through life comfortably. However from many responses such as

“There’s a lot I don’t understand but I know enough to manage it and invest it myself ” (SR)

“Not as much as I should be, but enough to handle bills and not rely on credit cards or overdraft” (SR)

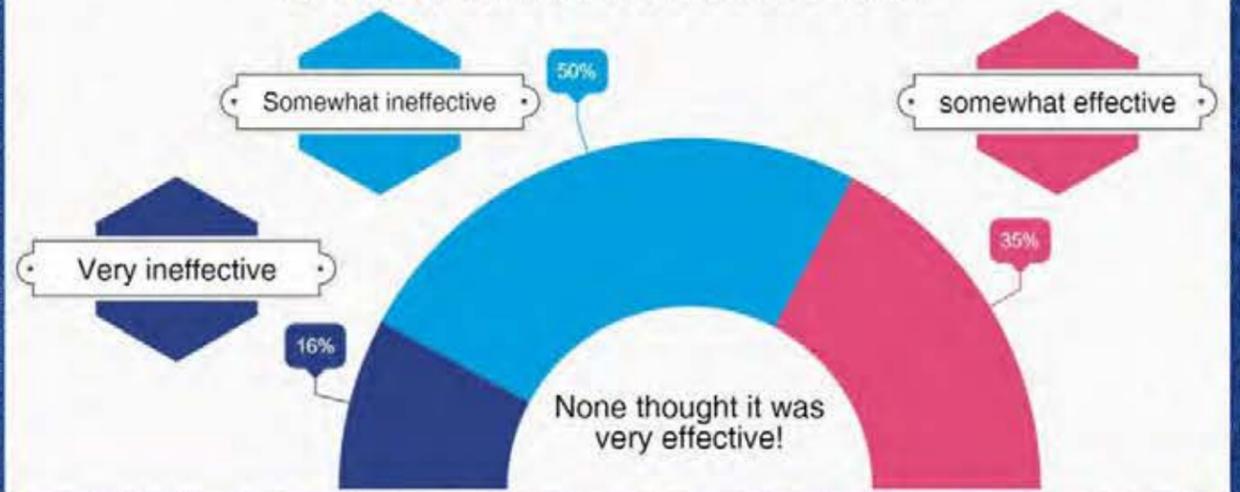
“am slightly uneducated when it comes to banking and investing and saving Isas and cash bonds and such.” (SR)

“I feel like I’ve got a vague idea of what to do with it but get carried away too easily” (SR)

Although people are getting by they are mostly unsure of what they are doing. According to a report by the Money Charity (2016) financial education was actually brought into school curriculum in 2014 but their survey study found “Financial education is not as effective as it should be. Almost two thirds of teachers tell us financial education UK is somewhat or very ineffective”. To combat this, more recently 2020 saw the “ first financial education textbook to hit around 700 schools across the UK” (Gordon,2020) which led to responses such as “some 89% of teachers said that ‘Your Money Matters’ would improve the quality of financial education in schools” (The Money Charity ,2016). Although this new push into making financial education is helping younger people currently at school it still leaves those who have already left school with a lack of knowledge and support.

Graphs from The Money Charity (2016)

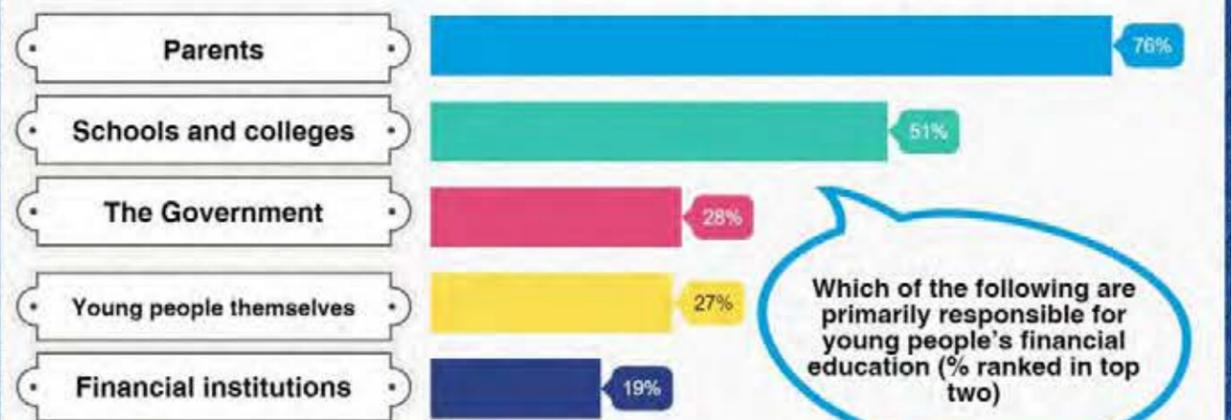
### Only one third of teachers think financial education is even "somewhat effective"



### The vast majority of teachers saw very little difference in financial education after the 2014 curriculum change



### Teachers believe schools have responsibility for financial education, second only to parents





# THE PANDEMIC

Through the spread of the coronavirus, the world and its norms have been flipped resulting in many losing loved ones along with losing their employment. Financially things have changed with businesses being forced with closure, people relying on government support and contactless being the only accepted form of payment in various areas. For some like Rebecca who shared her experience of BBC News, this past year has led to people being abandoned either without furlough or tightening of universal credit payments. Her story so far has mentioned “they have no car meaning shopping local can be very expensive. At times she has gone without to provide for her child but often needs the continual support of foodbanks and utility providers to organise plans”. Outside of the actual payments, another interviewee explains that even though “charities are out there to help, some are embarrassed to get in touch for support” highlighting the stigma that still exists around financial difficulty and using foodbanks. Topics around the consequences of not seeking support can be found in the media in things like ‘Eastenders’ and ‘Killed By my Debt’ pushing the need for more to be done to encourage people to talk about their struggles.



From my primary survey surprisingly a lot more good has come out of lockdown for many financially. One respondent did mention that “My second job as a GCSE examiner has gone for 2 years, costing me between £2-3k. Budgeting for luxuries like our annual holiday has been challenging as a result” (SR) showing that there are probably a lot of people out there struggling but on different levels. However the majority confirming that this time has allowed them to save up money either from the view of just in case, wanting to have more to spend on experiences when they have the ability to or just gaining a realisation of their pre-lockdown spending habits on unnecessary things. These findings are also backed up by Barclays bank study into how lockdown has affected our spending habits (2020) with “2000 millennials saving an average of over £600 since 23 march” and “83% from survey said current situation has changed their behaviour towards finances compared to 35% of over 60’s”. Spending habits have also changed dramatically during this time with different factors in mind affecting them with focus moving from working life to fear to freedom. Previous to the restrictions travel/public transport and on the go food/drinks would have been the staple spends of the day. However in the heart of lockdown money was spent on cleaning products and means of entertainment as studied by Fablious blog (2020), the Retail Times (2020) and JP Morgan Solutions (2020).

Sale increase/ spending areas from their statistics:

Online streaming services, online game stores/ subscriptions, Buy now pay later (e.g Klarna), DIY/Home store visits, Takeaways, Supermarkets, Online Bingo/ casinos, Online Cards/Occasions, Lottery Tickets, household cleaners and soaps, Vitamins/supplements, Money put towards new hobbies: 27% cooking, 24% baking, 21% reading, 16% gaming, 15% gardening, 14% traditional games. Saw an increase in interest in personal finance services, Bikes/fitness accessories, Music/ downloads, personal loans

Sale decrease areas:

Coffee shops, Food chains, Clothing/fashion brands, Beauty/make-up products, petrol, Days out, Holidays, Mortgage payments, Transportation

Fablious (2020) analysis on this highlights that there has been shifts in amount spent due to panic buying but then also fewer trips to shops in general. Aside from this entertainment and taking control of our finances were the key finding from their study. It has also shown there is a greater need for loans or buy now pay later systems to get by. It’s clear from my primary survey and these articles that many have already started looking towards the future and have ideas in mind on what their priorities will be. Most responses from the survey showed most would intend to save it rather than spend which goes back to one of the positives gained from this experience. Those on the side of spending are looking forward to using it to spend time with their family and friends either through days out, restaurant meals or holidays.

In terms of payments methods themselves, health and safety fears has contributed to the push towards a cashless society with either personal fears driving the swap or official guidance from shops and governments. According to a survey by GoCompare “17.1 million brits avoided cash due to health and safety fears and contactless was now the payment of choice”. Although responses from my own survey didn’t focus too heavily on virus transmission as a reason for their choices it’s clear that it was a concern of many. Even though a WHO Spokesperson from CBCN (2020) said they have “not issued any warnings about the use of cash, if you stick to contactless payments but don’t wash hands after touching phone/cards or payment areas you are still susceptible for infection” Many chose to go digital with retailers pushing out signage that they are not accepting cash. According to Finextra (2020) some brands are declaring themselves card only, excluding people who aren’t capable of using it for example Next, Ikea, Urban Outfitters, EE, O2 and Vodafone. Although this change has meant many business’s can continue to run and bring in money for many, particularly the elderly and vulnerable, it has left them in times of difficulty. Age UK’s article into declining cash revealed that “Covid has accelerated the shift with 1 in 10 being refused by shops when trying to buy essential items with cash”. One of my parents who is a keyworker in retail has explained the effects of this first hand with many a time having had to decline older/vulnerable people due to the rules in place. These are pushed by the company and are only accepting online orders to collect with no tills in use. A lot of these people tell her that they don’t understand or can’t use online systems and her having to point blank refuse filling her with guilt/sadness as they aren’t allowed to help them due to restrictions. So from this, even though physical money is still available for people to use and access, the business response to protect themselves is also pushing others away .

According to the 'This is money financial website' (2020) that "In terms of Design 2020 was the year of the QR Code. It does date back 25 years but has become an everyday fixture" in these uncertain times. Although it has brought more difficulty, it can be seen that more people are delving into a new way of managing their money. Within their own research 'TIM' found that "Dec 2020 2/5 smartphone users scanned a code in the past week" and CapitalOnTap (2020) reported "there have been over 779 billion digital transactions worldwide and this number is expected to grow at a 13% rate in the coming years." Even with this surge in digital payments 'TIM' found that "1/2 of over 55's have difficulty in using mobile wallets" while bank branches such as Mastercard and Visa are concerned about backup options if digital wallets and systems crash leaving people without access to their money. From my research and general day to day experiences it's clear that the pandemic has altered the way people see and use their money leaving the cashless society debate even more critical.

As so many are now reliant on government support and funding to get by it's interesting to see both sides of the system from a state standpoint and an individual one. Reports from the BBC News often reveal statements from the HM Treasury stating the means they have put in place to help those in need. The chancellor of the exchequer, Rishi Sunak has said "Throughout this crisis, we have provided more than £280 billion of support to protect jobs and livelihoods up and down the country"(.Gov) as well as millions of loans, adjustments to mortgage /bill payments and increasing of universal credit being implemented. From the primary survey there are mixed responses in terms of the support they are receiving and how public money is being spent with most leaning towards the middle saying things are okay- not great but not terrible. However there seems to be some common areas especially when it comes to the benefits system with some saying "the government needs to be bolder and introduce Universal Basic Income to support all sections of society" (SR) and "think the benefit system is flawed and needs re-evaluating" (SR). From previous reports of increase foodbank use and financial support advice then it backs up the truth in this for many. On the later side one respondent thought "it's inevitable that some businesses will fail and many people will struggle, but on the whole there seems to have been a lot of support and opportunity" (SR) feeling that given the circumstances things have been handled well. From both standpoints it's understandable to see frustration from those who need more support to the government only having so much to separate between everyone. Pandemic aside, there were also other clear topics of concern for people with things such as the defence budget, the talk of the NHS being sold off as well as tax evasion of large businesses. This in itself is source for debate as it's clear people feel the opposite is being done to what they think is wrong/right leading to the question on whether general public should have more say in UK spending.



ADVANCING  
TECHNOLOGY



Even before the Pandemic put a strain on the economy, “cash is under attack on all fronts” (Barrigan, 2020) due to the advancing of technology and alternative options to the traditional banking systems. Although from previous insights card and digital payments offer higher levels of security both physically and financially along with speed, simplicity to use and a convenient nature. Online sources ask what’s the cost of these seemingly positive attributes. Within the Money 101 Podcast, discussions of spending led to mentions of a Financial Times study highlighting “a correlation between the highest digital payment use countries and higher personal debt”. This is also backed up by Financial author Dave Ramsey according to a Money Crasher’s report which states that “a person will spend about 12%-18% more per month with a credit card than they would have if they used cash”. This also increases by another 9% with the introduction of the easy to use contactless system. The ‘MC’ believe that this “New technology has been designed to separate you from your money” and RBC Wealth management (2019) agrees with this through an article highlighting that the more people are removed from their money the less they think about spending it. This is where they compare it to casinos and “the reason why you gamble with plastic chips and not real cash is so it becomes less real and encourages you to spend more”. According to RBC this is due to a link between social media and the current influencing culture alongside a sense of tribalism and loyalty to brands. These paired with the ease of online shopping and quicker payment systems means more is being spent with less thought into the repercussions. As a digital economy becomes more and more common place these issues would only increase.

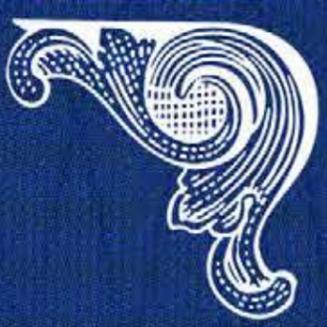


BREXIT: OPINIONS &  
PREDICTIONS



Brexit has been the talk of the town since its introduction in 2016 but now it's finally shifting into action it's still surrounded by a lot of unknowns in terms of its effects. To an extent from various news reports it seems that many people don't really know what Brexit entails or how it will manifest. Even insights from the Money Saving Expert (2021) saying it's a "once in a generation event with far reaching implications" but then only making rough estimates of the fallout for example uncertainty around property prices, Travel disruption and increase rates which are already apparent anyway. This is making it clear that even the experts don't really know what's going on. When asking others how they feel Brexit will affect Britain financially some followed the previous in not really knowing saying it's "one of those grey areas" (SR) but most are in agreement that it will make the UK poorer and create more difficulty. As individuals it seems that most haven't really considered the impact on them but the main focus is the detrimental impacts businesses will face. Some of the things mentioned included "Importing will become much more expensive" (SR) which have been seen recently with reports that "New Brexit arrangements have caused disruption to fresh produce reaching supermarket shelves in Northern Ireland" (Andrews, 2021). There was also some debate between the effects of Brexit on small businesses in particular with one response saying "I feel it will hit smaller/ independent companies harder" (SR) while another thinks "we'll start supporting more local/UK based businesses" (SR). Things like this are already being encouraged to an extent through design with recent adverts supported by Sheridan Smith and Anthony Joshua giving local businesses a platform with the help of Google. Even with its overtake of the media for the last 4 years, it's not at the top of people minds with one asking "what about covid, a new US president, hedge funds going bankrupt, and millions of people from Hong Kong getting UK citizenship?" (SR) and its effects on the economy. One key statement mentioned the withdrawal of EU funding for much of Wales meaning that projects will need to find other means of support. The only example of this currently would be the National Lottery fund whose community fund project page tell of their contributions to help in areas such as Northern Ireland and Wales. From the research undertaken so far Brexit seems to be low on people list of priorities with Covid and technology causing the most widespread issues.





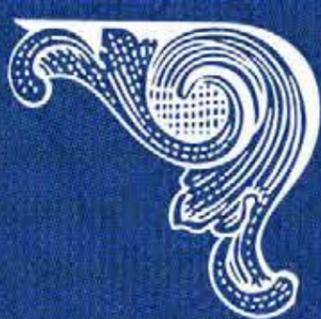
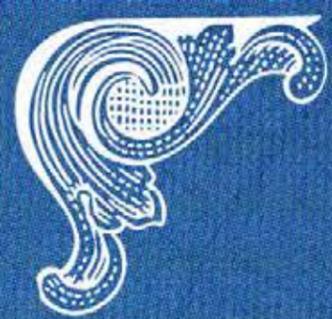
# THE FUTURE OF MONEY AND THE ECONOMY



With all that has been going on currently, it was only right to find out where it is all leading to. From research there are varying degrees of development that people are expecting. Some survey respondents pushed on the side of biometrics and linking accounts to us directly while others are just expecting things like a change to the working system with the idea of “work hard get more do nothing get less” (SR) and “job automation” (SR) alongside an increase in digital payments/cryptocurrency and an increase in debt. As this is all ultimately leading up to the argument of whether society should become cashless or not, the topic was mentioned multiple times. Even though most don’t carry or use cash any longer and the government incentive is there drive to a digital only economy, a lot of people do seem to be against it surprisingly. Most are seeing it becoming common place in the future but some “don’t think a totally cashless society will be viable throughout the world, but another form of currency may be needed” (SR) and “everything will eventually go cashless and make more use of technology, though probably not as fast as everyone thinks” (SR). So from this it’s apparent that most accept that a cashless society shouldn’t be rushed. From an economic and business point of view a different type of development is expected. Ranconteur (2020) have come up with their own future predictions with some really interesting outlooks. Ultimately they do say that “for some cashless won’t equal utopia” which could mean that for the general person it won’t be but for businesses it can. Some of their key visions see that “Banks lose position at top of the financial food chain” and that according to Prof Chris Speed from the University of Edinburgh, the “world is moving from a transaction based currency to a contract based one”. In this it’s describes that instead of a single currency there will be multiple where the “consumer would be using 4/5 active currencies at a time”. This overall prediction sees that spending will become more contract based than product in that brands will have their own individual token currency promoting a culture based on loyalty and values. In previous assumptions, the instinct was to look towards a future in “society where no money exchanged hands but a society where the only accepted currency is in units of time.” (Ellerton, 2018) But in fact Design becomes the key factor in the future of finance with branded currency and brand run banking systems. Whether this would be a good or a bad thing is undecided considering the previous findings of brands knowing their consumers best but also the obsession and debt that come with it.



# THE GREAT DEABTE: A CASHLESS SOCIETY



Throughout this report, the aim was to gain an understanding of how current events and developments are having an impact on people. At each stage of my research so far the possibility of a cashless society has been mentioned tipping it as an eventuality in the near future. Various sources exist online debating this exact question and from some of the podcast audio it has been topic of conversation for the last 10 years. It's clear from looking into the subject that there are many positives to opting for a digital economy. From earlier in the report the production of notes and coins are not only expensive but extremely harmful to the environment so in a world encouraging more sustainability it's a very valid reason on it's own to remove our current system. According to The Balance (2020) "Several powerful forces are behind the move to a cash free world" This sets it up as a government/ financial services vs local communities battle which is still ongoing. Most of the reasoning for removing physical money comes with the hope of a lower crime rate, reduction in shadow economy activity as well as making it easier for businesses and retail to manage work without the hassle of processing/storing notes and coins. Ultimately security is the leading factor for this change as it consists of multi-layered systems as well as activity being traceable, potentially discouraging illegal behaviour. From my primary survey results it seems that the outcome is again very divided with some saying they do think that a cashless society is possible and one even saying "That's a big thing and I'm looking forward to that change" (SR). However even with the excitement for change for them personally many still think "its anti poor and people should have the right to not use a bank if they wish". (SR) Although there are beneficial outcomes on crime, convenience and environmental harm the majority of sources online lean in defence of those who would be negatively affected by a cashless society. Various studies have been undertaken over the years with clear findings of how this will impact people as well as a petition to protect access to cash for those who need it. Even with these examples of evidence, governments and organisations are still pushing for a fully digital economy.

According to Age UK's findings an "Estimated 8 Million adults / 17% UK population would struggle in a cashless society". They highlight that the elderly are perceived to be the most reliant on physical cash when in fact poverty and low income are the most affected by this. In particular it's not even the lack of skills with digital devices that are to blame but things out of their control like weak/no broadband connection in their area taking away that option for them altogether. Alongside rural communities there are many other groups of people that will feel the affects of this development. Age UK (2020) gives mentions to the disabled who suffer with cognitive or dexterity issues and sight loss but also potentially victims of domestic abuse who may need to escape someone who has control over their finances. BBC Worklife also makes clear the damage to charitable organisations who "often rely on people impulsively giving spare change". To put this into perspective "more than half of all UK charity donations were made with cash 2019" (BBC, 2020). Although it could be argued that charities are adapting with the times and providing alternate ways of donating they say that local or smaller charities will be the ones to lose out. The homeless community would also be hit hard by this as "spare change is a lifeline, people are more likely to hand over change as they view it as insignificant" (BBC, 2020) which even though this is a poor attitude to have it could potentially help someone save for food or shelter. A personal account from someone previously homeless within this report says that "fewer coins means it would be more difficult to ask for assistance" (BBC, 2020) ultimately leaving many people without means of surviving. The option of even being able to work towards resolving this is limited as no fixed address means no bank account and no support. It's not just the homeless either who have this issue as according to This is Money "1.6 million UK residents can't open a bank account" for whatever reason leaving them stranded outside the system as well with cash being their only option. For others it's simply an act of retaining their own independence or stemming from a lack of trust in technology and wanting a backup plan.



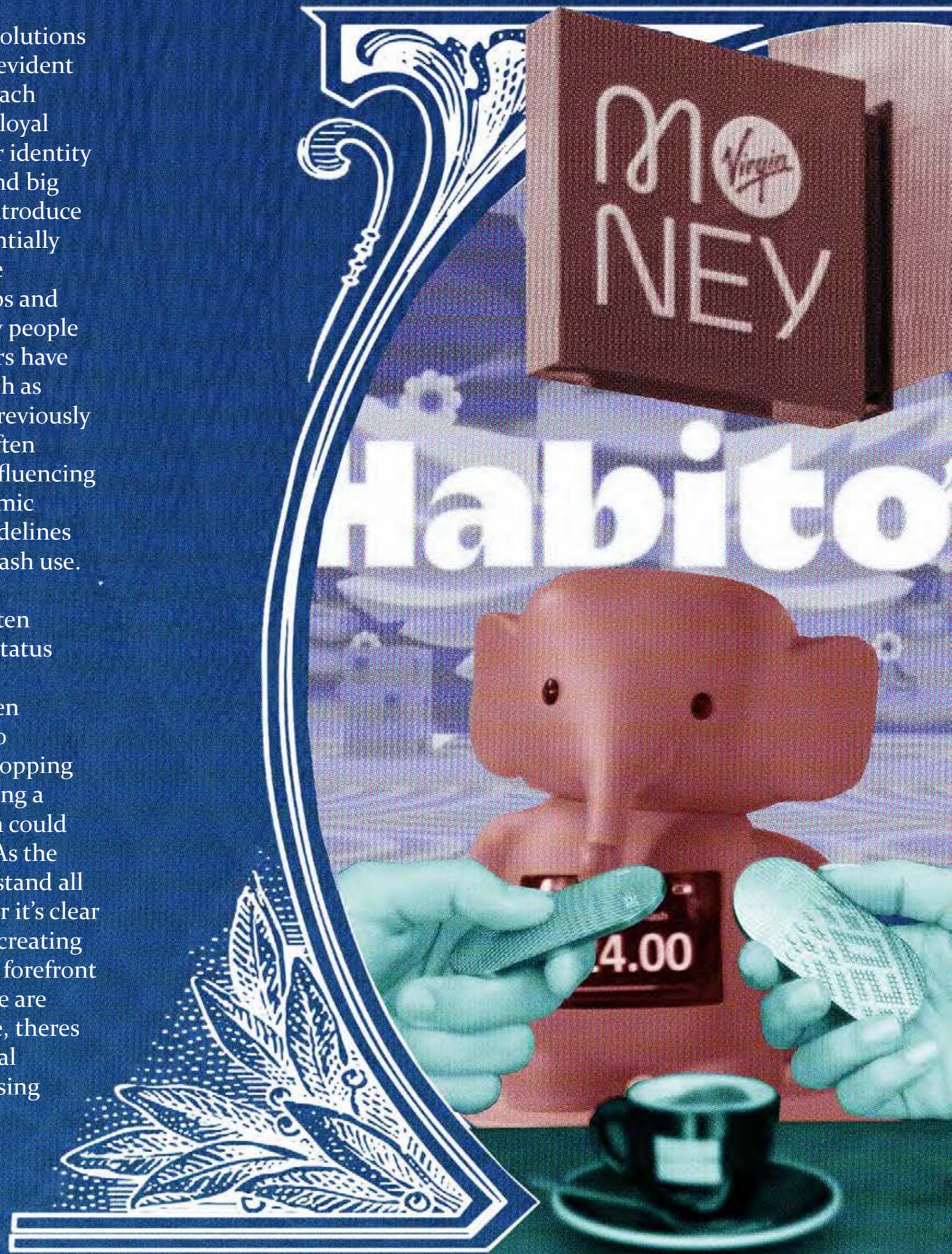
Although from previous research it's clear to see the decline in cash use over the years, however there is still evidence that it has its significance. 'TIM' found that even now "Nov 2020 still saw 73 Million ATM Withdrawals, 11,500 post offices reported just a 2% fall in cash payments" showing that there still is a large need for it to be in circulation. Statistically, the Access to cash report undertaken in 2019 also backs up this need as "2.2 million use cash for day to day payments and 4.1 million adults are in financial difficulty". In the grand scheme of things digital payments do outweigh the use of physical money but as there are still millions depending on it, it doesn't make sense to rush into something that isn't accessible for everyone. Even on the side of positives and a potential decrease in crime, "only 36% believe digital switch will reduce crime rates" within the report. There is evidence of countries experimenting with a cashless society before now. According to Quartz UK (2020) Sweden is one of the most cashless areas in the world but they rushed the move to digital payments and left various groups of people vulnerable and unprepared. Now they are struggling to rebuild their systems to account for this which should set an example for those thinking about making the switch prematurely. Also from this Quartz article, there are inputs from a treasury spokesperson which highlight the complete lack of support in place with them stating 'closing bank branches are a commercial decision, they understand the impacts it will have on the community, banks are to give notice of closures/changes and offer alternative options'. From this it's clear as it's said they completely understand the effects it's going to have but are still continuing the development anyway without a plan for those who could be left out. As a final statement from the Access to cash report (2019) "Cash can no longer be seen as a commercial issue but a matter of public policy/human rights" and that a creative/ innovative solution needs to be created to ensure physical money can still survive within the UK's monetary system.



Within each of the research areas, design can be seen attempting to offer solutions with the majority ultimately driving towards a more digital future. This is evident in the multiple bank rebrands that are being used in order to help them reach a younger demographic and amplify that feeling of trust to maintain their loyal consumers. There are many examples of traditional banks revamping their identity and strategy in order to compete with rivals such as digital only startups and big name brands. Outside of this there are also various concepts that aim to introduce children to cryptocurrency and digital banking, offering resources to potentially prepare them for an all digital future. In terms of design, there seems to be more focus on developing User experience and user interfaces to make apps and platforms more friendly or accessible emphasizing the push to get as many people as possible to ditch physical money. Although, it's clear that some designers have tried to bridge that gap between physical and digital through products such as 'SCRIP' without huge success. Some of the negative impacts highlighted previously are linked to design decisions with brands being seen as a status symbol often causing debt/ overspending to keep up with others. This along with the influencing nature of social media are impacting people financially. During the pandemic especially, Design played a major role in communicating key rules and guidelines including contactless only encouragement adding to the rapid decline in cash use.

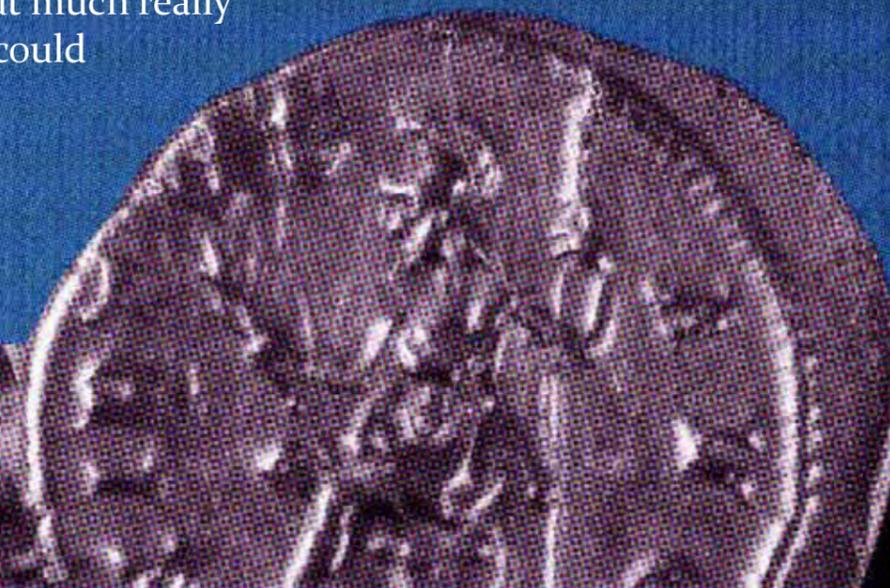
Overall I do think that designs involvement within these different areas often tend to side with bad associations such as brands being used as a form of status which often wrack up debts for many and are looking like they are moving into another level of territory when it comes to loyalty. Although I have seen a lot of design solutions used for good, like introducing new generations to cryptocurrency, making way for the future as well as promoting love for shopping local and supporting small businesses. Even with these examples I am seeing a lot of gaps, especially in the subjects I have mentioned above where design could be implemented to either create awareness or offer some sort of solution. As the nature of design and design thinking is to adapt and improve, I can understand all the concepts that are driving us forward into a more digital world. However it's clear that there are people out there who haven't really got a platform or a voice creating problems of their own. Even though development and evolution are at the forefront of design, the base is all about problem solving and from my research there are evidence of multiple problems that are in need improvement. For example, there's not particularly much content based around helping the elderly with digital payment methods or anything making people aware of the dangers with using contactless which are clearly having significant impacts on people.

## DESIGN & FINANCE





## REPORT SUMMARY



Throughout this report, I aimed to gain an understanding of people financial struggles and how the last year or so have contributed to this. I of course had a lot of assumptions when going into this but it turned out that a lot of these were proven wrong especially things like the pandemic actually having a really positive outcome for some. I have delved in to multiple different areas surround the concept of money and the economy which have provided me with some really interesting insights that even though I was aware of some things I never fully took in what this meant for many people. In particular the lack of support for those who rely on cash is very surprising. Of course personally we can see the evolution and change of the system but don't really catch on to how much this will impact people just because we feel we could embrace a cashless society well. I feel that the evidence is there in all it's forms and the dedicated reports and petitions are out there but honestly I didn't even know they existed until this investigation showing just how much it's communication/case is lacking in visibility. On the side of a more digital economy, I've seen reoccurring mentions of the dangers with contactless payments and how people feel they often overspend. As the shift into fully cashless takes hold, the potential for mass increase in debt is serious because of how easy it is to make a purchase and the overall separation between you and your money. These are the main two areas of interest for me as a possible project however there were other small things I saw throughout my research that could also be interesting to explore. So for example the issues with big business valuing money more so than health or the environment, people feeling heavy stigma and judgement around asking for help regarding finance or using foodbanks, how theres still harmful stereotypes surrounding generations and their attitudes to money, how people from rural areas are continually at a disadvantage educationally,etc due to their postcode/financial status regardless of potential, that there's still a gap within financial literacy for many and that banks are at war with potential brand based currency.

I do think that either of the key issues whether that's the dangers of contactless or campaigning for cash to be kept part of society would make good projects to focus on as Final Major Project. Both impact alot of people without much really being done to assist with it, leaving a space that design could potentially fill. From this i could revise my initial question to either:

- How can design be used to help people become more aware of the dangers of using contactless payments & Managing their spending? or
- How can design be used to help those who would be impacted by a cashless society.