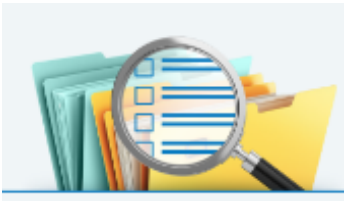


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# THREE COINS: LEARNING TO HANDLE MONEY IN THE DIGITAL WORLD

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Case study based on story from media  
resources

*Developed by the die Berater (Austria)*

## Introduction

Life today is all about technology. It has changed the way we do almost everything, including how we handle our money. Keeping track of what we spend is harder now because we use cards and phones instead of cash. When we do not see the money leaving our hands, it is easier to spend more than we should. At the same time, consumption has become omnipresent in the digital world. That is why so many people end up in debt due to overspending. Studies show that nearly half of Austrians have gotten into debt because of their spending habits. That is a big problem, especially for young adults where the majority does not feel confident about handling money. Only with proper financial education, focusing particularly on digital management of money, it is possible to include everyone in the digital economy of today's world.

## Case analysis

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Paula is seventeen years old, living in Vienna with her parents and finishing her school education in the next few months. She has had her own bank account for a few years, mostly to get pocket money from her parents and receive wages from her summer jobs. Next year Paula wants to study at the university and plans to move out from her parents' home. This brings numerous new challenges, many of them connected to money management. How does Paula want to plan her finances in order to pay for all the new expenses? How can she save money without losing track of her spendings or avoid going into debt? And most importantly: How can she do all that without relying on a bank where she can visit, like her parents did when they were young?

Young people today need to make financial decisions quite early in their lives. Financial services are also increasingly being used by young people. The onset of adulthood is generally accompanied by complex and risky financial decisions (OECD, 2021). However, the majority of young people do not feel confident about handling money because of their little experience with financial management like Paula (Fessler et al., 2020). It is therefore important to start financial education for younger generations as early as possible and to continue this in adulthood (OECD, 2021). The rising use of technology in this field has further complicated matters. This can leave young people feeling confused and overwhelmed.

There are numerous reasons why young people like Paula struggle with managing their money effectively:

- False behavioural and debt patterns developed early in life.
- New challenges brought by digitalisation and new consumer realities.
- Children and young people targeted by marketing activities from an early age, making them direct targets of the consumer system.
- Increasing peer pressure and disparities in living standards.

*What is the solution to this complex situation?* Paula needs support in navigating the new world of digital finances. However, she wants this support to meet certain conditions in order to be useful to her:

- True to life: The support should focus on real-life problems that she faces in her everyday life and provide real-life solutions.
- Effective: The support should be useful to young people like Paula and have a real impact on their lives.
- Talk as equals: Paula does not want to be lectured as if she was a child or judged for her money management but she wants to be talked to as equals. She wants her wishes and fears to be taken seriously.
- Well-founded: The support should be based on scientific evidence and pedagogical methods.
- Fun: The support should be easy and playful so that learning feels like a fun activity rather than a burden.
- Up to date: Young people like Paula are often best informed about new technologies and trends in the world. Therefore, the support should be up to date with current changes and developments

## Proposed solutions and recommendations

The social enterprise Three Coins GmbH wants to help people like Paula to manage their finances digitally in a successful way. Three Coins view financial literacy as a crucial life skill. Their vision is “All people should be able to move freely and self-determinedly through life - without any financial worries”.

Three Coins have created a special online program called "Gut mit Geld" ("Good with Money") to help people learn how to manage their money better to not fall behind in the digital age. The program teaches basics of money management skills in an easy and understandable way: for

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example, how to make a budget, avoid impulse buying, and plan for unexpected expenses in the future.

The program consists of four modules:

1. Good Foundations for a Better Life
2. Good Overview for More Flexibility
3. Good Consumption for More Self-Determination
4. Good Future for More Security

In the modules, young people like Paula can learn to:

- Have control over their own budget
- Learn to reflect on their buying behaviour
- Recognise external influences on their own behaviour
- Be prepared for unexpected events in the future
- Set financial goals and achieve them
- Plan ahead for retirement

According to Three Coins, learning how to manage money effectively can support young people like Paula to make better financial decisions. Good financial knowledge can help her plan for retirement, save money and understand how to invest wisely.

In today's digital world, managing money has become more challenging for everyone, but especially for young people like Paula who have less experience in money management. However, initiatives like the "Gut mit Geld" program by Three Coins offer practical solutions by providing easy to understand online modules on the topics like budgeting and smart spending. This way, Paula can get the financial knowledge she needs to navigate the digital economy successfully and spend her money wisely when moving out of her parents' home for the first time. Spreading programs like this can help young people make smart choices about money, making everyone more financially secure in the end.

## Self-reflection questions

*These questions can serve as prompts for introspection and self-assessment, helping individuals gain insight into their financial habits, values, and aspirations.*

1. How has technology changed the way you handle money?
2. What are some challenges you face when it comes to managing your money, especially in a digital environment?
3. Think about a time when you spent money without thinking. How could you avoid that in the future?
4. What kind of support would you need for handling your money better in the digital world?

## Self-assessment questions

*Read each question carefully and select the best answer from the options provided.\**

1. **Why has managing money become more difficult in the digital age?**
  - a) There are fewer opportunities to spend money online.
  - b) Keeping track of how much we spend is harder because we use less cash.
  - c) Digital money services are not well developed yet.
  - d) Banks are not up to date with digital money services.
  
2. **Why are young adults like Paula not confident with managing their money?**
  - a) Limited access to digital money services.
  - b) Targeted marketing activities from an early age.
  - c) Lack of interest in financial topics.
  - d) Government policies restricting financial education.
  
3. **Which of the following is not a topic in the “Gut mit Geld” modules?**
  - a) Good Foundations for a Better Life
  - b) Good Ways to Create a Start-up
  - c) Good Consumption for More Self-Determination
  - d) Good Future for More Security
  
4. **What key skills does the "Gut mit Geld" program aim to teach young people like Paula?**
  - a) Money management skills.
  - b) Digital skills.
  - c) Computer programming skills.
  - d) Soft skills.

**5. What would Paula learn in the “Gut mit Geld” modules?**

- a) Starting a successful business
- b) Rhetorical basics for a successful speech
- c) Setting financial goals and achieving them
- d) Developing basic digital skills

*This multiple-choice test can help assess understanding financial journey and the lessons learned from his experiences.*

\* Correct answers

1. B 2 B 3 B 4 A 5 C

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