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Research Article

Research on the Path of Financial Quotient Education in China's Application-oriented Undergraduate Colleges and Universities*

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Abstract

Compared with the developed countries such as Britain and America, China's financial and business education started later without enough attention, especially in the economically backward central and western regions. With the further deepening of China's reform and opening-up and economic development, the backward finance and business education and the unbalanced regional development are not in line with China's economic and social development. Therefore, strengthening the financial and business education and further developing the human capital are the urgent tasks of China's education reform and development, and the universal financial education has been raised to the national strategic level. With the application-oriented colleges and universities in the central region as the object of research, this paper uses the method of questionnaire to explore ways to improve the financial literacy of college students.

Keywords

Financial Quotient • Financial Literacy • Online Finance • Outlook on Wealth

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The term financial quotient was first coined by Robert·T·Kiyosaki, an American writer and entrepreneur, in the book *Rich Dad, Poor Dad* in the 1990s. Yang (2002) proposed that "the financial quotient is a kind of productive force, and the financial quotient education is the liberation, development and cultivation of this kind of productive force". On January 23, 2018, National Institute of Education Sciences and China Financial Literacy Education Synergy Innovation Center jointly released the *China Financial Literacy Education Standard Framework*, and the financial literacy education is incorporated into the framework of Chinese education system from kindergartens to universities in a more formal way, which is many years later than the developed countries such as the United States, Britain and Japan. The *China Financial Literacy Education Standard Framework* is the first systematic and complete financial literacy education standard frame in China, and has attracted high attention and focus from all walks of life. However, due to the unbalanced development of economy and education in various regions, there are still many problems in the implementation of the *China Financial Literacy Education Standard Framework*. This paper aims to explore the way to improve college students' financial literacy by studying the regional application-oriented colleges and universities in which the level of economic development and the allocation of educational resources are in middle level.

Present Situation of Financial Quotient Education in Application-oriented Undergraduate Colleges and Universities in China

| Questions | Answer is Yes (Number of people) | Answer is No (Number of people) |
|--|-------------------------------------|------------------------------------|
| 1. Do you major in finance and economics? | 2541 | 6111 |
| 2. Have you participated in work-study activities in your spare time? | 3422 | 5230 |
| 3. Do you participate in family financial planning and activities? | 1576 | 7076 |
| 4. Have you ever participated in college students' entrepreneurial practice? | 1832 | 6820 |
| 5. Do you use payment methods such as Yu 'E Bao and Check Later? | 8064 | 588 |
| 6. Is your idol a commercial tycoon such as Ma Yun and Liu Qiangdong? | 2583 | 6069 |
| 7. Do you consider starting an online store or entity company after graduation? | 2264 | 6388 |
| 8. Have you ever bought a lottery ticket? | 1348 | 7304 |
| 9. Have you ever bought stock or money fund? | 4589 | 4063 |
| 10. Do you think your money is not enough? | 1478 | 7174 |
| 11. Have you borrowed money from your classmates or anyone else? | 926 | 7726 |
| 12. Do you know the financial terms of P2P platform, Option and Futures? | 3278 | 5374 |
| 13. Do you know the related activities such as "Campus loan" and "Pyramid selling"? | 2642 | 6016 |
| 14. Have you received education in financial quotient? | 3521 | 5401 |
| 15. If you can study abroad but lack part of the cost of studying abroad, do you accept the proposal of studying abroad on loan? | 890 | 7762 |
| 16. If there is a pension fund investment now: From now on, the insurance company will be paid RMB 10,000 each year at the beginning of the year, for 10 years in a row. Starting from the 11th year, the insurance company returns RMB 15,000 at the beginning of each year for 10 consecutive years. Do you think this investment is feasible? | 4675 | 3977 |

In 2017, we conducted a questionnaire survey on the students of 18 applied undergraduate colleges and universities such as Hefei University, Huangshan University and Tongling University in China. These 18 colleges and universities are comprehensive general undergraduate colleges and universities with the goal of training applied talents. We send out questionnaires in classes through counselors, and forward questionnaires through QQ group of classes and friend circle of classmates, etc. A total of 8,652 valid questionnaires are received, with the results as follows.

The results show that with China's reform and opening-up and economic globalization, the traditional thought of "all industries are low, only reading is the right way to get into office" is no longer the mainstream thought of college students, and many students are interested in earning a certain amount of income from work-study to reduce the burden of their parents and they are also interested in Internet finance, but there are still the following problems in the financial quotient education of college students in application-oriented colleges and universities:

There is a general lack of financial quotient education courses in application-oriented universities.

The absence of financial quotient education leads to the lack of understanding of wealth among college students, and the misconception of "money first" leads to the misplacement of consumption concept and consumption behavior. They like to compare unrealistically, and show off vaingloriously. In terms of consumer goods such as mobile phones, computers and cosmetics, they blindly pursue well-known brands at home and abroad, lack of right value guidance, (Currie, Davies, & Ferlie, 2016) especially easy to embark on the lost path of money worship.

The swindling of college students' money has happened frequently.

Facing the publicity of all kinds of training agencies, overseas agencies and job-seeking agencies in the society, they feel at a loss what to do, lack of ability to distinguish right from wrong in their collection of intermediary fees and promotion methods. This often leads to two extreme results: some students suffer from fear of being cheated, and miss some opportunities to apply for a job or go abroad for further education, and some students blindly believe and are even involved in "Pyramid sales" organizations' fraud activities.

The non-rational investment idea of college students needs to be further educated and guided urgently.

The continuous innovation of financial products, especially the development of Internet technology, has greatly reduced the threshold of investment and financial management of the whole society, and the participation of college students has become higher and higher. In the survey, 30% of the surveyed college students had been involved in stock speculation, 90% had deposited their money in Yu E Bao and 40% had purchased funds other than Yu E Bao. However, due to the shortage of finance quotient education, there are obvious misunderstandings in the concept of finance quotient. Moreover, influenced by the false propaganda of some internet financial management products, (Flinchbaugh, Moore, Chang, & May, 2012) college students generally lack rational expectation of financial management with insufficient knowledge of risk.

College students' innovation and entrepreneurship education needs to be further integrated into the financial quotient education.

Application-oriented undergraduate colleges and universities have generally included innovation and entrepreneurship in the talent training program, but under the market economy, so long as innovation and entrepreneurs only have a higher level of financial quotient, they can be keen to discover business opportunities, and accurately find the entry point of innovation and entrepreneurship. At the same time, in order to further improve the success rate of innovation and entrepreneurship, it is necessary to study innovation and entrepreneurship education from the perspective of financial quotient education, and explore the effective way to realize integration of financial quotient education and innovation and entrepreneurship education.

In short, the education of Chinese students in primary and secondary schools pays more attention to the education of emotional quotient and intelligence quotient, in order that children can concentrate on the study of textbook knowledge, many parents are fully "responsible" for their children's clothing, food, housing and travelling. Therefore, the students' financial quotient education is almost blank in the primary and secondary schools, so it is very important to strengthen the financial quotient education in the undergraduate stage. During the university period, it is very useful for college students to form a positive attitude towards life in the future by correctly guiding their views on wealth and money.

Feasibility Analysis of Financial Quotient Education in Application-oriented Undergraduate Colleges and Universities in China

Financial education for all has been raised to the level of China's national strategy.

The development of Internet finance has greatly reduced the threshold of financial market participation and makes the people participate in the money market widely, but it also exposes the risks. It is urgent to put forward the national financial education strategy and raise the public's awareness of risks. In 2013, the People's Bank of China took the lead in studying and formulating the *National Strategy of China's Financial Education*, which clarifies the governance mechanism, work objectives and implementation measures of China's financial education. In 2015, the *Guiding Opinions of the General Office of the State Council on Strengthening the Protection of the Rights and Interests of Financial Consumers* clearly called for the establishment of a long-term mechanism for the popularization of financial knowledge, and the Ministry of Education of China should incorporate the education for the popularization of financial knowledge into the national education system, in order to improve the national financial literacy.

The development of Internet finance provides the college students with the platform support of innovation and entrepreneurship.

With the development of Internet economy, the Internet makes college students' innovative thinking, entrepreneurial spirit and entrepreneurial ability further extend and expand with the function of higher education serving society. On the other hand, the Internet financial platform provides college students with a variety of ways of integrating and coordinating entrepreneurial resources, such as Internet payment, Internet loan,

crowdfunding, and Internet financial management. At present, P2P, crowdfunding, Internet loan and other Internet financial platforms provide a variety of financing channels for college students to start a business.

The undergraduate stage is the key period of financial quotient education.

Limited by the current situation of China's college entrance examination system (Klein, Rossin, Guo, & Ro, 2010), it is difficult for Chinese families and schools to devote enough time and energy to the education and training of students in financial quotient before entering colleges and universities. After entering colleges and universities, college students need to arrange consumption expenditure independently and deal with some financial affairs independently, which is the initial stage of forming values and wealth views. Therefore, it is very crucial to carry on the financial quotient education to the students in the undergraduate stage, which also is the most appropriate period. Our survey of 18 application-oriented undergraduate colleges and universities shows that 83% of the students express their willingness to take part in work-study projects, helping enterprises to advertise, tutor and other activities in universities; 56% of students are actively focused on the Internet financial platform and bought low-risk money funds or stock. They believe that these activities, on the one hand, can earn a certain cost of living, and on the other hand, they can also exercise their ability.

Path of Financial Quotient Education in Application-oriented Undergraduate Colleges and Universities in China

Constructing a scientific financial quotient curriculum standard system

The setting of curriculum system in colleges and universities is the key link of teaching and educating people. The design of curriculum system is fundamentally to enable students to form the ability of self-study and independent thinking. The financial quotient education focuses on enabling students to have the concepts and ability of basic financial management and to cultivate a healthy view of wealth. (Baicker, Cutler, & Song, 2010) Therefore, the financial quotient education must have a certain specialized foundation, such as the financial currency knowledge, the investment financing knowledge and the operation skill that should have on this foundation.

At present, in the talent training scheme of application-oriented undergraduate colleges and universities, the financial quotient education course is mainly in the category of public basic course or general course, and some vague knowledge of financial quotient is transmitted through the teaching of ideological and political theory course. The public basic curriculum focuses more on using the basic views and methods of Marxism to raise, analyze and solve problems, and forming good outlooks on world, life and values. However, the popularization of specialized financial management knowledge required by financial quotient education is insufficient, such as Marx's *Political Economics* is more focused on theoretical knowledge, which is difficult for undergraduate students to understand and accept. Therefore, the application-oriented undergraduate colleges and universities do not form a unified curriculum standardization system for the financial literacy courses.

Constructing a scientific curriculum standard system of financial quotient education theory.

First of all, we need to further revise the talent training scheme, and increase the course of *Financial Quotient Literacy* besides the public basic course (general course). If some colleges and universities have already set up the courses related to innovation and entrepreneurship in the general course, they can also integrate the course content of financial quotient education into the course of innovation and entrepreneurship education. General education is a universal and common financial quotient literacy education for all college students, so this course should be offered as a compulsory course in the first school year of universities. In addition, in the part of public elective courses, we should increase the professional courses of financial quotient education, such as Individual Investment, Financial Management, and Securities Investment, which can be offered to college students in the second and third grades as elective courses. At the same time, some excellent network courses of financial quotient education at home and abroad such as MOOC (Massive Open Online Course) can be introduced. With the introduction of MOOC teaching resources for the financial quotient education in application-oriented undergraduate colleges and universities, students can choose the direction courses with better quality and wider space according to their own interests and needs.

Constructing a scientific curriculum standard system of financial quotient education practice.

No practice, (Hartley, & Young, 2018) no gain in one's wit. The construction of practical teaching courses must be strengthened in the financial quotient education of application-oriented undergraduate colleges and universities. It's essential to establish and perfect the practice teaching system of experiment training and school-enterprise cooperation, and construct the multi-level practice curriculum system suitable for the financial quotient education: the first level: Make full use of the financial laboratory resources to set up experimental training courses, such as *Financial Analysis*, *Securities Investment* and other experimental training courses; the second level: to integrate financial quotient education into student associations, various kinds of training, discipline competition and other activities; the third level: to integrate the financial quotient education into the students' social practice, on-the-job practice, innovation and entrepreneurship, industry-university-research cooperation and other activities. The first two levels of practical teaching activities are mainly completed in the campus, where students earn virtual money wealth through simulated training activities. At the third level, students can earn a certain amount of real money wealth through work-study, enterprise internship and other social practical activities, which can arouse students' interest, and enable students to have a deeper understanding of wealth.

Setting up a good platform for financial quotient education in application-oriented undergraduate colleges and universities

Promoting the classroom teaching reform and constructing the MOOC network teaching platform.

According to the characteristics of students in application-oriented undergraduate colleges and universities, a general course and a professional elective course for financial quotient training should be set up. In addition to adopting the traditional classroom teaching mode of teachers' face-to-face instruction, it is necessary to actively promote the reform of classroom teaching, introduce high-quality teaching resources at home and

abroad, and build a network teaching platform. The key to the financial quotient education in application-oriented undergraduate colleges and universities is to cultivate students with right view on money, the firm sense of honesty, and the "vision of finding gold", while MOOC creates more open learning opportunities. Through the construction or introduction of high-quality financial quotient network curriculum, the modern mixed teaching mode based on network video and the market-oriented sharing mechanism of high-quality curriculum are established to realize the universal sharing of high-quality teaching resources in the world. On the one hand, the undergraduate students will be able to come into contact with the world's first-class financial quotient education, accept advanced financial management concepts and ideas, which is very beneficial for their future development; on the other hand, MOOC's interactive platform and high-quality curriculum resources can stimulate students' interest in learning, integrate financial quotient education into specific cases or games, and set up a right view on money in imperceptibly changing.

The combination of financial quotient education and innovation and entrepreneurship education, and the establishment of a good platform for innovation and entrepreneurship.

At present, the application-oriented undergraduate colleges and universities attach great importance to innovative entrepreneurship education and actively carry out the undergraduate entrepreneurship training projects, but these projects cannot be carried out without the support of funds and the operation of funds. Therefore, the integration of financial quotient education and innovative entrepreneurial practice can stimulate the interests and confidence of innovative entrepreneurs, and improve the success rate of innovation and entrepreneurial projects. To enrich the theoretical system of innovation and entrepreneurship education with the financial quotient education can guarantee the smooth progress of innovation and entrepreneurship; taking innovation and entrepreneurship as the practical platform of financial quotient education can improve the quality of financial literacy of college students for capturing business opportunities sensitively. (Smith, 2003)

Therefore, we should integrate all kinds of resources inside and outside the campus, set up a good innovation and entrepreneurial platform for college students, and organically combine innovative practice, entrepreneurship incubation, industry-university-research cooperation with financial quotient education, and the establishment of innovation and entrepreneurial funds to finance some more mature innovative venture projects with a certain professional characteristics to get out of the campus and go to the society. Through the real fund operation, let the students experience the application of financial management knowledge on the job, and make "professional skill learning training-financial quotient quality training-serving society-innovation and entrepreneurship" closely related to each other.

Co-operation between universities and enterprises to jointly build a social practice platform for financial quotient education.

The on-campus financial quotient training mainly relies on the course teaching and the simulation experimental auxiliary teaching and focuses on the theoretical knowledge teaching, while the off-campus enterprises have advantages in industries, resources and talents, and can provide the real investment platform and the profit environment. At present, enterprises often provide sponsorship for the activities of college students' associations or campus sports activities. In addition, at the beginning of a new school year, some enterprises cooperate with college students or college students' associations to promote the daily necessities

such as mobile phone and washing machine in the campus after obtaining the consent of the school management department. It plays a positive role for enterprises in image promotion, product promotion and talent reserve. For students, they can exercise their marketing ability, earn certain living expenses and reduce the burden of parents. The urgent task is to integrate the financial quotient education in these campus activities and form a benign ecological chain to help young college students to develop financial literacy.

Junior or senior students go into enterprises for practice training, which on the one hand can improve their professional ability, and on the other hand, the profitability of enterprises can improve their understanding of wealth. Therefore, we should actively strengthen university-enterprise cooperation, try our best to create work-study positions and opportunities for college students, integrate financial quotient education into students' campus activities and professional practice activities, and jointly set up a social practice platform for financial quotient training. It is the inevitable choice and the only way to improve college students' financial quotient education level and help college students to set up the right consumption view and wealth view.

Create social financial management atmosphere and cultivate healthy and harmonious view of wealth

With the popularization of mobile phones and the Internet, college students in application-oriented undergraduate colleges and universities spend more than 2 hours on the Internet every day on average according to survey, and the network news and the network environment are influencing college students imperceptibly every day. Therefore, the university campus is no longer an "ivory tower", and it is not enough to strengthen the financial quotient education of college students with only attention paid to the theoretical and practical education. On the one hand, educators must actively pay attention to the financial news or topics that the college students browse on the mobile phone network platform every day, and actively guide them according to their doubts and perplexity, so as to help them set up the right consumption view and financial management view. On the other hand, we must strengthen the management of the mobile network platform, prevent some network fraud activities from eroding the thoughts of college students, actively create a healthy (Higgins, Lauzon, Yew, Bratseth, & McLeod, 2010) and harmonious network environment, and let the honest, green and pragmatic ideas go deep into the hearts of students.

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