

KIM: Free online course unlocks “secrets” to financial success

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INVESTING

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Gaining control of your financial life is one of the most important *and* difficult things you need to accomplish. The array of products and advice offered by the financial services industry is complicated and can be overwhelming. However, at the end of the day, **you** have to take ownership of educating yourself to make better financial decisions.

There are hundreds of books and courses promising to help you navigate the maze. It’s hard to know where to turn and, most importantly, how to get started.

I am fortunate for the opportunity to be exposed to some of the brightest and most innovative minds in finance. Last year I attended a presentation by Terrance Odean, a finance professor at the Haas School of Business at the University of California, Berkeley. Odean is a behavioral finance guru, having studied under the 2002 Nobel Laureate in Economics, Daniel Kahneman.

However, I think what makes Odean particularly interesting and insightful is the circuitous and unconventional journey he took to the top of academia. Not only has he driven a taxi in New York City, he dropped out of college *five months* before graduation before finally earning a BA in statistics from Berkeley *nineteen years* later.

Massive Open Online Courses (“MOOCs”) are **free** courses aimed at unlimited participation and open access via the internet, many offered by some of the top universities on the planet. Odean spoke of a personal finance course he was developing that would soon be available on the edX platform, “How to Save Money: Making Smart Financial Decisions.” Register at bit.ly/makingsmart.

The course covers five weeks, each covering a specific topic. Each week/topic contains “core,” as well as “optional” videos. Additionally, for each week/topic, there is a “Your Financial Reflections” section with questions to probe how what you learned that week affects you, a “Readings and Resources” section with links for those wanting to take a deeper dive and a Weekly Quiz.

Week 1 is “Spending and Saving,” covering spending, budgeting and setting financial goals.

Week 2 is “Credit, Debt and Taxes,” covering the importance of your credit score, how it is calculated, how to improve it, viewing your credit report and income and a variety of other taxes.

Week 3 is “Insurance,” covering how it works, why wills and health directives are important and why you should have disability insurance. The optional sections cover deciding which types of insurance you need and health insurance.

Week 4 is “Investing,” covering allocating your assets between domestic stocks, international stocks and bonds and how that changes as you get older. The optional sections discuss “Investing in Risky Markets” and “Advertising to Investors” and are particularly timely.

Week 5 is “Planning for the Future,” covering aging and financial decisions.

When I asked Odean why he created the course, he said “Over the years I’ve observed that many of my friends were uncertain or confused about how to invest their savings, whether they were saving enough, dealing with debts or getting the right insurance. I was asked if I would be willing to teach a free online course about personal finance and thought that this would be a great opportunity to help people to help themselves. I’ve tried to keep the course simple, basic and practical.”

Mission accomplished!

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