UNDERSTANDING FINANCIAL EDUCATION

What Works, What Doesn’t, and What’s Next?

Bilal Zia
Senior Economist
DECFP
Rapid Growth of Financial Products

- Technology
- Financial Liberalization
- Government and Private Sector Initiatives

Source: https://ponnarasups.wordpress.com/category/deposit-collectors/
Financial Inclusion a Major Goal

- 2 billion unbanked adults (2014 Global Findex)

- 2020 vision for Universal Financial Access

Equipped to Make Optimal Choices?

Fast Cash NOW!!!

High Debt LATER!!!
Why Sub-Optimal Financial Choices?

- Not a user-friendly system – financial products often complex and difficult to evaluate
  - Calculating interest rates (flat or declining; compounding)
  - Anticipating liquidity needs, inflation, etc.
  - Comparing multi-dimensional products
- Other behavioral concerns: procrastination, “channel” factors
- Lack of disclosure and transparency (Gine and Mazer, 2016)
Why Sub-Optimal Financial Choices?

- Not a user-friendly system – financial products often complex and difficult to evaluate
  - Calculating interest rates (flat or declining; compounding)
  - Anticipating liquidity needs, inflation, etc.
  - Comparing multi-dimensional products

- Inter-temporal trade-offs sometimes difficult
  - Self control problems (Ashraf, Karlan and Yin, 2006)
  - Other behavioral concerns: procrastination, “channel” factors

Lack of disclosure and transparency (Gine and Mazer, 2016)
Why Sub-Optimal Financial Choices?

- Not a user-friendly system – financial products often complex and difficult to evaluate
  - Calculating interest rates (flat or declining; compounding)
  - Anticipating liquidity needs, inflation, etc.
  - Comparing multi-dimensional products

- Inter-temporal trade-offs sometimes difficult
  - Self control problems (Ashraf, Karlan and Yin, 2006)
  - Other behavioral concerns: procrastination, “channel” factors

- Lack of disclosure and transparency (Gine and Mazer, 2016)
Demand for Formal Finance Still Low

NPR: “People line up outside a bank to exchange old currency notes with new ones on November 10, 2016 in New Delhi India.”
Shams Qari/Barcroft Media via Getty Images
Can Financial Education Help?

- Compelling survey evidence from the developed world shows strong positive correlation. HHs with low financial education:
  - Tend not to plan for retirement (Lusardi and Mitchell, 2007a)
  - Borrow at higher interest rates (Lusardi and Tufano, 2008; Stango and Zinman, 2006)
  - Acquire fewer assets (Lusardi and Mitchell, 2007b)
  - Participate less in the formal financial system (Alessie, Lusardi and van Rooij, 2007; Hogarth and O.Donnell, 1999).

- Evidence from the developing world shows similar correlations (Cole, Sampson and Zia, 2011; Klapper and Lusardi, 2012)
Global Interest in Financial Education

- **US**: President’s Advisory Council on Financial Literacy
- **Brazil**: National Strategy for Financial Education
- **India**: RBI has established Financial Literacy and Credit Counseling Centers

- **International and Private organizations:**
  - **World Bank**: $15 Million Russia Financial Literacy Trust Fund
  - **OECD**: Principles on financial literacy
  - **Citi Foundation**: 10-year $200 Million global program on financial education in 65 countries
Theory of Change

Financial Education Intervention

Improvement in Financial Knowledge

Improvement in Financial Behavior
Causal Evidence

- Survey-based inference is difficult:
  - Endogeneity
  - Unobserved factors

- Observational evidence mixed:
  - Bernheim, et. al. (2003) find some effect
  - Cole and Shastri (2010) find no effect
Initial Experimental Evidence
Precisely estimated zero average effect on savings accounts in Indonesia (Cole, Sampson, and Zia, 2011)
Initial Experimental Evidence

- Precisely estimated zero average effect on savings accounts in Indonesia (Cole, Sampson, and Zia, 2011)

- Even modest effects tend to dissipate over time (Fernandes et al., 2013)
Initial Experimental Evidence

- Precisely estimated zero average effect on savings accounts in Indonesia (Cole, Sampson, and Zia, 2011)

- Even modest effects tend to dissipate over time (Fernandes et al., 2013)

- Interest and participation in adult financial education workshops tends to be low (Bruhn, Ibarra, and McKenzie, 2014)
Initial Experimental Evidence

- Precisely estimated zero average effect on savings accounts in Indonesia (Cole, Sampson, and Zia, 2011)

- Even modest effects tend to dissipate over time (Fernandes et al., 2013)

- Interest and participation in adult financial education workshops tends to be low (Bruhn, Ibarra, and McKenzie, 2014)

- Sessions tend to be short duration and variance across studies fairly high (Miller et al., 2015)
Challenges for Financial Education Evaluation

- Behaviors difficult to change:
  - Other constraints might bind
  - Behavioral biases difficult to overcome

- Generic courses may not be relevant, interesting or informative to individuals

- Skilled and engaging educators difficult to find

- Difficult to change “sticky” behavior, especially in short classroom sessions
The Next Wave of Evaluations

1. New avenues of financial education research:
   - Targeting Youth
   - Exploiting “Teachable Moments”
   - Innovating Mode of Delivery
   - Personalizing Content
   - Incorporating Behavioral Channels
   - Combination Therapy
Targeting Youth

- Good early habits likely to benefit future financial decisions
- School-aged youth are primed to learn and hence easier to teach
- Opportunity for repeated exposure and practice
- Trickle-up impacts on households
Brazil High School Study

- RCT of financial education curriculum in 892 schools in 6 states in Brazil (Bruhn, et al. 2016)

- Schools randomly assigned:
  - Treatment group received financial education text books and teacher training
  - Control group

- Follow-ups:
  - After one semester
  - After three semesters (17 months)
### Janeiro
1. Vencimento da mensalidade da escola
2. Comprar material escolar
5. Pagar aluguel
10. Pagar celular
11. Pagar conta de gás
12. Pagar conta de luz
25. Vencimento do cartão de crédito

(luz e gás) - Cláudio (irmão) "Muito calor. Ligando o ar condicionado todos os dias. A conta de luz desse mês foi uma fortuna. Ainda bem que o gás deu uma diminuída. Ninguém consegue tomar banho quente nesse calor, né?

**despesas variáveis**

(material escolar) - Luiza (irmã): Comprei todo o meu material escolar para esse ano. Meus cadernos são lindos. Amei.

**despesa variável sazonal**

### Fevereiro
1. Vencimento da mensalidade da escola
5. Pagar aluguel
10. Pagar celular
11. Pagar conta de gás
12. Pagar conta de luz
13-16 Carnaval
25. Vencimento do cartão de crédito

(carnaval) - Cláudio: Não esperava gastar tanto no carnaval, mas valeu cada centavo.

Foi o melhor carnaval da minha vida. Você ter que economizar nos próximos meses para compensar. **(despesa variável opcional???)**

### Março
1. Vencimento da mensalidade da escola
5. Pagar aluguel
10. Pagar celular
11. Pagar conta de gás
12. Pagar conta de luz
25. Vencimento do cartão de crédito

(cartão de crédito) Mãe: Depois do carnaval, controlei os gastos com o cartão de crédito e ele diminuiu bastante esse mês. **(despesa variável)**

### Abril
1. Vencimento da mensalidade da escola
5. Pagar aluguel
10. Pagar celular
11. Pagar conta de gás
12. Pagar conta de luz
25. Vencimento do cartão de crédito


(celular) Pai: Tento todo o mês economizar o celular, mas a diferença é mínima. Dependo do celular para trabalhar. **(despesa variável constante)**

---

**Legenda**
- despesas fixas
- despesas variáveis
- despesas variáveis sazonais
Making Professional Choices

1. Gustano
Gustavo é artista plástico e vive da venda dos seus quadros.

2. Flávia
Flávia é bancária e ganha dois salários mínimos (pesquisa checa valores).

3. Augusto
Augusto vende computadores numa loja de shopping e ganha comissão por venda.

4. Tiago
Tiago se formou em direito e trabalha num grande escritório de advocacia.

5. Sérgio
Sérgio se formou na mesma turma que Tiago, mas optou por trabalhar como advogado autônomo. Ele se especializou em indenizações decorrentes de acidentes de trânsito. O carnaval é a época do ano em que Sérgio mais tem retorno financeiro.

6. Marieta
Marieta é professora em uma escola municipal. Ela dá aulas particulares para complementar sua renda.

7. Angelo
Angelo é garçom e torce para que o restaurante em que ele trabalha fique sempre cheio.

8. Graça
Graça é funcionária pública.
Making Consumption Choices

Observar as pessoas fazendo compras em um supermercado pode ser uma experiência bem divertida. Veja se você consegue encontrar nessa confusão as cenas descritas abaixo.
Quem não curte fazer um churrasco com os amigos? Hugo gostava... e não gostava ao mesmo tempo. É que sempre que sua turma se reunia para fazer um churrasco, era ele quem fazia as compras. Todo mundo se comprometia a dividir a conta, mas Hugo sempre se jerrava no final, porque algumas pessoas acabavam não pagando.

Um dia Hugo cansou de se dar mal e avisou que não ia mais fazer as compras. Ele parou de se irritar, mas os churrascos passaram a dar errado. Quando outras pessoas começaram a fazer as compras, sempre faltava alguma coisa ou coisa muito caro. Os amigos se deram conta de como Hugo era organizado.

Eles imploraram para ele voltar a fazer as compras e Hugo acabou aceitando. Mas com uma condição: ele queria receber o dinheiro de todo mundo ANTES de ir ao mercado!

Isso criou outro problema: como eles iriam saber de antemão quanto dinheiro seria gasto? A solução foi botar no papel a quantidade de carne, frango, refrigerantes etc que o grupo imaginava que ia consumir no próximo churrasco, em função do número de pessoas que iam. Depois eles faziam a conta, para ver quanto aquilo ia custar, e dividiram o total igualmente. Na primeira vez, demoraram um pouco para calcular. Mas com o tempo o grupo passou a fazer as contas rapidinho.

Como Hugo calculou a quantidade de bebida que precisa comprar para um churrasco com 20 amigos:

A cada erro, Hugo ajustava suas estimativas. Com o tempo, percebeu que pode calcular mais ou menos 1 garrafa de refrigerante para cada 3 pessoas. Ele faz o cálculo inteiro algumas vezes, mas depois não precisou mais porque já sabia por experiência.

Saber fazer estimativas é incrivelmente útil para as mais variadas situações da vida. Serve para calcular quantas frutas comprar na feira para toda a semana, quantas horas vai precisar para ler todos os capítulos que vão cair na prova, qual a distância entre sua casa e o cinema mais próximo. E essa lista não acaba! Deu para ter uma ideia?
Positive Impact on Financial Proficiency

Follow-up 1
- Control: 56
- Treatment: 60

Follow-up 2
- Control: 59
- Treatment: 62
Percentage of Students who Save

Follow-up 1
- Control: 44
- Treatment: 49

Follow-up 2
- Control: 40
- Treatment: 46
Percentage of Income Saved

Follow-up 1

Follow-up 2

Question Not Asked in FU 1

Control

Treatment

12.9
14.3
Way Too Happy Teachers and Students
Some Cautionary Evidence

- Students more likely to purchase items on expensive credit
- Students more likely to be behind on payments
- Longer follow-up needed to assess complete welfare effect
Perhaps financial education can be most effective when the lessons can be implemented and used immediately.

A clear example of this is the time of migration.

Possible complementarities if both sender and receiver trained.
Indonesia Migrant Worker Study

- Financial education study with 400 migrant workers (Doi, McKenzie, and Zia, 2014)

- RCT with four arms:
  - Migrant only
  - Main remittance receiver only
  - Both together
  - Control group
<table>
<thead>
<tr>
<th>Pemasukan</th>
<th>Nilai (Rp.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hasil ternak</td>
<td>1.700.000</td>
</tr>
<tr>
<td>Kredit istri</td>
<td>2.000.000</td>
</tr>
<tr>
<td>Lebih dari 100</td>
<td>400.000</td>
</tr>
<tr>
<td><strong>Total Pemasukan</strong></td>
<td><strong>4.100.000</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Penerimaan Kewajiban (A)</th>
<th>Nilai (Rp.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baju hitam</td>
<td>100.000</td>
</tr>
<tr>
<td>Sekolah</td>
<td>50.000</td>
</tr>
<tr>
<td>Cistrik</td>
<td>40.000</td>
</tr>
<tr>
<td>Teh / Minum</td>
<td>100.000</td>
</tr>
<tr>
<td><strong>Total Penerimaan</strong></td>
<td><strong>360.000</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tabungan (B)</th>
<th>Nilai (Rp.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tabungan ot. rumah</td>
<td>1.500.000</td>
</tr>
<tr>
<td>Tabungan ot. kendaraan</td>
<td>180.000</td>
</tr>
<tr>
<td>Tabungan ot. sembuh</td>
<td>170.000</td>
</tr>
<tr>
<td>Tabungan ot. lain</td>
<td>150.000</td>
</tr>
</tbody>
</table>
HATI-HATI KALAU SUDAH PUNYA UANG, BIASANYA BANYAK GODAAN.

MAKA, PANDAI-PANDAI MENISAMKAN MANA KEBUTUHAN MANA KEINGINAN

KEBUUHAN KEINGINAN

KEBUUHAN DAN KEINGINAN TIDAK ADA HABISNYA, KARENANYA PERLU DISEPAKATI BAGAIMANA MANA YANG DIUTAMAKAN UNTUK DIDANAI.

INI YANG TETEH MAKSUD DENGAN TUJUAN KELUANGAN KELUARBA.
Financial Awareness
Keeps Records
Has Saved
Will Save
Taken Loan
Migrant Only (A)
Family Only (B)
A+B
Both Trained (c)
Innovative Delivery Channels

Scope and reach of even most well-designed financial education is limited:
- Supply side – difficult and expensive
- Demand side – challenging to attract and retain interest
Innovative Delivery Channels

- Scope and reach of even most well-designed financial education is limited:
  - Supply side – difficult and expensive
  - Demand side – challenging to attract and retain interest

- Entertainment media offers a promising (potential) solution:
  - Broad outreach – nearly every household has access to a TV
  - Captive audience – emotional connections to storylines and actors
South Africa Edutainment Study

- Debt management messages in a popular soap opera (Berg and Zia, Forthcoming)

- Randomized Encouragement Design:
  - Treated Group: Incentivized to watch “Scandal!”
  - Control Group: Incentivized to watch “Muvhango”
The Storyline
Main Character: Maletsatsi
Wife, mother, and manager of local stokvel
Malestatsi gives into social pressure to furnish her guest room.
Malestatsi gives into social pressure to furnish her guest room.

Eddie, you don’t understand.

Convinces her husband, Eddie.

I want to be accepted, not mocked.
Buys furniture, fridge, dining set, and TV, all on shop credit!
Buys furniture, fridge, dining set, and TV, all on shop credit!

Eddie is unhappy but Maletsatsi is convincing
Payments come due and Maletsatsi realizes she cannot afford them.
She dips into the Stokvel pot, but lands into trouble
She turns to gambling

How about giving me a number to play?
She turns to gambling

How about giving me a number to play?

And loses

Argh, man. Losing is part of the game.
I didn't know what else to do. So I borrowed money from the stokvel.
Eventually Eddie finds out

I didn’t know what else to do.
So I borrowed money from the stokvel.

And is quite unhappy

How can you be so irresponsible?
Together they seek help from the NDMA and work their way out of debt.
Main Messages

- **Over-indebtedness**
  - Temptation spending
  - Borrowing on hire-purchase

- **Gambling**

- **Help is available**
  - National Debt Mediation Association
Treatment Coefficients

- Financial Knowledge: Coefficient Value
- Formal Borrowing: Coefficient Value
- Gambling: Coefficient Value

Coefficient Values:
- Financial Knowledge: -0.1
- Formal Borrowing: 0.15
- Gambling: -0.05
Incorporating Behavioral Channels

- Behavioral constraints can stymie good intentions:
  - Lack of attention
  - Lack of salience
  - Procrastination
  - Channel factors

- Some success when behavioral limiters are removed:
  - Reminders to repay loans on time and to save are effective (Karlan, et al., 2012)
  - Framing and disclosure of adding-up effect of fees and interest reduces use of high interest loans (Bertrand and Morse, 2011)
Incorporating Behavioral Channels

- Behavioral constraints can stymie good intentions:
  - Lack of attention
  - Lack of salience
  - Procrastination
  - Channel factors

- Some success when behavioral limiters are removed:
  - Reminders to repay loans on time and to save are effective (Karlan, et al., 2012)
  - Framing and disclosure of adding-up effect of fees and interest reduces use of high interest loans (Bertrand and Morse, 2011)
Lotteries are a regressive tax

- Entertainment/aspirational utility
- Overestimating small scale probabilities
- Availability bias

Teaching probability formulas is unlikely to work
South Africa Lottery Debias Study

- Lotteries are a regressive tax

- Reasons for playing:
  - Entertainment/aspirational utility
South Africa Lottery Debias Study

- Lotteries are a regressive tax

- Reasons for playing:
  - Entertainment/aspirational utility
  - Over-estimating small scale probabilities
  - Availability bias
South Africa Lottery Debias Study

- Lotteries are a regressive tax

- Reasons for playing:
  - Entertainment/aspirational utility
  - Over-estimating small scale probabilities
  - Availability bias

- Teaching probability formulas is unlikely to work
Ferrari is a FAST Car!
Ferrari is a FAST Car!

But how fast is FAST?
<table>
<thead>
<tr>
<th><strong>Dimensions</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Weight</strong></td>
<td>1365 kilo / 3009.3 lbs</td>
</tr>
<tr>
<td><strong>Length / Width / Height</strong></td>
<td>4702 mm (185.1 in) / 2035 mm (80.1 in) / 1147 mm (45.2 in)</td>
</tr>
<tr>
<td><strong>Wheelbase / Track (fr/r)</strong></td>
<td>2650 mm (104.3 in) / 1660 mm (65.4 in) / 1650 mm (65 in)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Performance figures</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Power</strong></td>
<td>660 bhp / 492 KW @ 7800 rpm</td>
</tr>
<tr>
<td><strong>Torque</strong></td>
<td>657 Nm / 485 ft lbs @ 5500 rpm</td>
</tr>
<tr>
<td><strong>BHP/Liter</strong></td>
<td>110 bhp / liter</td>
</tr>
<tr>
<td><strong>Power to weight</strong></td>
<td>0.48 bhp / kg</td>
</tr>
<tr>
<td><strong>Top Speed</strong></td>
<td>350 km/h / 217 mph</td>
</tr>
<tr>
<td><strong>0-60 mph</strong></td>
<td>3.3 s</td>
</tr>
</tbody>
</table>
### Dimensions

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Weight</td>
<td>1365 kilo / 3009.3 lbs</td>
</tr>
<tr>
<td>Length / Width / Height</td>
<td>4702 mm (185.1 in) / 2035 mm (80.1 in) / 1147 mm (45.2 in)</td>
</tr>
<tr>
<td>Wheelbase / Track (fr/fr)</td>
<td>2650 mm (104.3 in) / 1660 mm (65.4 in) / 1650 mm (65 in)</td>
</tr>
</tbody>
</table>

### Performance figures

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Power</td>
<td>660 bhp / 492 KW @ 7800 rpm</td>
</tr>
<tr>
<td>Torque</td>
<td>657 Nm / 485 ft lbs @ 5500 rpm</td>
</tr>
<tr>
<td>BHP/Liter</td>
<td>110 bhp / liter</td>
</tr>
<tr>
<td>Power to weight</td>
<td>0.48 bhp / kg</td>
</tr>
<tr>
<td>Top Speed</td>
<td>350 km/h / 217 mph</td>
</tr>
<tr>
<td>0-60 mph</td>
<td>3.3 s</td>
</tr>
</tbody>
</table>
## Dimensions

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Weight</strong></td>
<td>1365 kilo / 3009.3 lbs</td>
</tr>
<tr>
<td><strong>Length / Width / Height</strong></td>
<td>4702 mm (185.1 in) / 2035 mm (80.1 in) / 1147 mm (45.2 in)</td>
</tr>
<tr>
<td><strong>Wheelbase / Track (fr/r)</strong></td>
<td>2650 mm (104.3 in) / 1660 mm (65.4 in) / 1650 mm (65 in)</td>
</tr>
</tbody>
</table>

## Performance figures

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Power</strong></td>
<td>660 bhp / 492 KW @ 7800 rpm</td>
</tr>
<tr>
<td><strong>Torque</strong></td>
<td>657 Nm / 485 ft lbs @ 5500 rpm</td>
</tr>
<tr>
<td><strong>BHP/Liter</strong></td>
<td>110 bhp / liter</td>
</tr>
<tr>
<td><strong>Power to weight</strong></td>
<td>0.48 bhp / kg</td>
</tr>
<tr>
<td><strong>Top Speed</strong></td>
<td>350 km/h / 217 mph</td>
</tr>
<tr>
<td><strong>0-60 mph</strong></td>
<td>3.3 s</td>
</tr>
</tbody>
</table>
Experience FAST!
Concrete and salient

Experience FAST!
Concrete and salient

Instantaneous reflection

Experience FAST!
Experience FAST!

Concrete and salient

Instantaneous reflection

Memorable
My office pooled money and bought 200 lotto tickets. I like our odds.

You have a 0.000114% chance of winning.

Well when you put it that way it doesn't sound as good...

The truth hurts.
In our sample, less than 50% of participants knew the correct answer to the question: “If you have R48, and I give you R58, how much will you have?”
Rules of Thumb?

STOP GAMBLING

No gambling allowed.
Experiential Learning?
Experiential Learning: 4-Stage Learning Cycle

(Roll 1 die till one 6
Roll 2 dice till all 6s)
Experiential Learning: 4-Stage Learning Cycle
(Zull 2002)

- Roll 1 die till one 6
- Roll 2 dice till all 6s

Getting all 6’s is difficult / easy!
Getting all 6's is difficult / easy!

Jackpot = all 6s with 9 dice

Relate winning odds and dice:

1. Concrete experience
2. Reflective observation
3. Abstract hypotheses

Roll 1 die till one 6
Roll 2 dice till all 6s

Experiential Learning: 4-Stage Learning Cycle
(Zull 2002)
Experiential Learning: 4-Stage Learning Cycle
(Zull 2002)

Let people roll 9 dice

Relate winning odds and dice:

Jackpot = all 6s with 9 dice

1. Concrete experience
Roll 1 die till one 6
Roll 2 dice till all 6s

2. Reflective observation

3. Abstract hypotheses

4. Active testing

Getting all 6’s is difficult / easy!
Field Experiment

- **Sample:**
  - 840 people,
  - Rural South Africa
  - Little formal education
Field Experiment

- **Sample:**
  - 840 people,
  - Rural South Africa
  - Little formal education
- **2-staged randomization:**
  - 415 people assigned to gambling debias
  - Random assignment of treatment intensity (# of dice rolls to get 2 sixes)
Field Experiment

- **Sample:**
  - 840 people,
  - Rural South Africa
  - Little formal education

- **2-staged randomization:**
  - 415 people assigned to gambling debias
  - Random assignment of treatment intensity (# of dice rolls to get 2 sixes)

- **Outcomes:**
  - Measured immediately, after 6 months, and 12 months
Experiential Learning Works!
Experiential Learning Works!

Control Group

Local nonparametric regression using the Epanechnikov kernel. 95% Confidence Interval
Combination Therapy

- Evaluation in India (Carpena et al., Forthcoming):
  - Financial Education alone
  - + Goal setting through simple calendars
  - + Personalized counseling
  - + Both
  - Control
<table>
<thead>
<tr>
<th>Item</th>
<th>Target Date</th>
<th>Achieved?</th>
</tr>
</thead>
<tbody>
<tr>
<td>MFI Savings Account</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank Account</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change Savings Habits</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduce expenditure</td>
<td></td>
<td></td>
</tr>
<tr>
<td>on <em>----------------------</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Obtain Insurance</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Figure 1: Treatment Coefficients

Coefficient Value

- Financial Education Only

Treatments

Legend:
- Monthly Budget
- Informal Savings
- Formal Bank Savings
Figure 1: Treatment Coefficients

Coefficient Value

Treatments

- Financial Education Only
- Financial Education and Goal Setting
- Financial Education and Financial Counseling
- All Three Treatments

Legend:
- Monthly Budget
- Informal Savings
- Formal Bank Savings

Significance Levels:
- * p < 0.05
- ** p < 0.01
- *** p < 0.001
Concluding Remarks

- Financial education is not a silver bullet

- However, it can be an effective tool when delivered at the right time, to the right audience, through the right channels, and in combination with other interventions

- Next wave is focusing on digital delivery

- More research needed on longer-term effects