

# **Evaluating the effectiveness of financial education**

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# Evaluating the effectiveness of financial education...

*... is inherently difficult. The impact of any one programme can probably never be fully isolated. Nevertheless, evaluating the effectiveness of financial education can and should be improved. Suggested tools useful for any programmes in any country:*

*The FEE Framework*

*OECD guidelines for public authorities*

# **Evaluations so far tell us:**

**There is a low level of financial understanding  
...implies it can be improved**

**Financial knowledge or capability is associated  
with higher age (although is lower in the oldest  
age group), education, income and wealth**

**People scoring highly on financial knowledge are  
probably more likely to be those doing the ‘right’  
things to manage their finances**

**‘Success’ of workplace financial education easier  
to demonstrate than schools**

# Evaluations so far do not tell us

That financial education causes better financial literacy or behaviour or financial well-being

How factors other than financial education affect financial behaviour

How and why any apparent success of financial education worked

So we do not know

Whether an apparent success represents

How effective different types of financial education could be

What value for money can be expected

# **Why evaluations are not conclusive**

**Personal financial data is usually flawed**

**Collecting data and organising evaluation is difficult**

**Isolating the long-term impact of a specific education intervention is almost impossible**

**Expected or desired outcomes are often ill-defined, not benchmarked**

# How to do better evaluations?

**A framework would:**

**Save 'reinventing the wheel'**

**Help evaluators balance rigour, cost, value of evaluation**

**and help set realistic expectations by:**

**Prompting better definition of the desired outcome**

**Making comparison with other evaluations, and benchmark setting, easier**

# Evaluation Framework

Adapted from Jacobs' (1988) *Five-Tiered Approach to Program Evaluation* as presented in Fox et al (2005)

**Need:** What objectives does the programme address?

**Accountability:** How much is the programme used and how much does it cost?

**Fine-tuning:** How could the programme be improved?

**Micro Impact:** How effective is the programme against its objectives?

**Macro Impact:** What impact is the programme having relative to the big policy picture?

# Applying the framework

See paper for detailed examples

**Not a template: a prompt to help programme managers think through what evaluation is appropriate for their programme, and design in the most practical and relevant evaluation early**

**Working within a standard:**

**More rigorous, comparable evaluations**

**Practical for any programme in any country**

# **OECD guidelines for evaluating financial education programmes**

**Evaluation should be built in as early as possible to design phase of any programme**

**Dual role for government or lead public authority:** Role model and leader for other programme managers

**Role model:** Evaluate and share data from national programmes

**Leader for others:** Promote benefits of evaluation, gather and share data, facilitate learning from evaluations

# **Governments in OECD guidelines**

**Collate and review evidence on Fin Ed; use it realistically  
in policy**

**Promote use of FEE framework**

**Stretch beyond measuring *satisfaction* and *learning*  
towards *action* and *increase in financial well-being***

**Encourage robust evaluation techniques**

**Use independent assessors where possible**

**Facilitate non-governmental Fin Ed evaluations with data,  
toolkits, conferences, cross-country comparisons etc.**

**Extend learning on how to do evaluations e.g., from public  
health**

**Seek convenient data collection**