Evaluating financial education programmes & measuring financial literacy

DIANA CROSSAN
Retirement Commissioner, New Zealand

22 October 2008
OECD Conference, Bali
Personal financial wellbeing and retirement income

ECONOMIC GROWTH

SOCIAL COHESION

DEMOGRAPHICS

- Stable Effective Government Policy
- Trusted Financial Service Sector
- Financially Educated Population

FINANCIALLY SORTED KIWIS

Evaluating financial education programmes & measuring financial literacy

22 October 2008
Components of personal financial wellbeing

- Thriving economy - competitive and efficient markets
- Diversified market for financial products & services
- Financially literate population
- Security net welfare provision
- Trusted financial sector with transparent & plain language offerings
- Consumers exercise market power
- Consumer protection for fraud/scams
- Efficient & effective regulation - compliance costs minimised
- Personal financial wellbeing for New Zealanders

Evaluating financial education programmes & measuring financial literacy
New Zealand National Strategy for Financial Literacy

Vision: Personal financial wellbeing for New Zealanders

Mission: New Zealanders are financially well-educated and can make informed financial decisions throughout their lives

• Reaching people
• Extending delivery
• Sharing what works
Hierarchy of financial needs

- Trusts
- Derivatives
- Portfolio management
- Financial planning
- Workplace super
- Mortgages
- Wills
- Investing
- Taxation
- Inflation
- Consumer rights
- Credit cards
- Debt management
- Income expectation
- Net worth
- Budgeting
- Credit
- Goal setting
- Saving
- Debt management
- Net worth

Specialist
Advance
Fundamentals
Evaluating effectiveness

“The impact of any one programme can probably never be fully isolated. Nevertheless, evaluating the effectiveness of financial education can and should be improved.”  
Alison O’Connell, May 2008

- It’s not easy to measure long term
- It is important to try
- Guidelines for evaluation
Suggested framework for evaluation

- Macro impact
- Micro impact
- Fine tuning
- Accountability
- Need
STEP 1
Identifying need - different audiences
STEP 2
Accountability

Significant increase since 2003
STEP 3
Fine tuning

Low to mid financial literacy users learnt most from brochures
STEP 4
Micro impacts

• Sorted website & printed material
  – User Survey
  – Market Research

• Schools project
  – evaluation process built in
STEP 5
The big picture - macro impact

Adult Financial Knowledge Survey

Results of 2005

Results of 2009
What we think works

• Accessible, free, independent information
• School-based
• Life-stage focus
• Ongoing evaluation
“International sharing of methods of assessing needs and measuring impacts”
OECD
Guidelines

Same as any new programme or intervention:

- Clear, measurable goals (where will your programme fit on the 5 steps?)
- Involve evaluation experts in the programme from the beginning
- Collect “useful” data
- Timely analysis
- Repeat and adjust next programme
Lifting the nation’s financial literacy

- Schools
- Tertiary
- Community
- Workplace
- 60 plus