



Importance of Assessing Needs and Evaluating Impact

OECD-Bank of Italy Symposium
on Financial Literacy

Rome 9th June 2010

Adele Atkinson

Policy analyst, Financial Education

OECD Financial Affairs Division

Outline

- **Introduction**
- **Measurement**
 - Reasons for assessing levels of financial literacy and identifying needs
 - OECD INFE achievements and next steps
- **Evaluation**
 - Reasons for evaluating impact of financial education programmes
 - OECD INFE achievements and next steps

OECD work on financial education

- Started in **2003** to respond to policy objectives to **improve financial literacy**
- Serviced by 2 OECD committees
 - The Committee on Financial Markets
 - The Insurance and Private Pensions Committee
- 3 pillars :
 1. Data collection, research and international analytical framework
 2. Internationally recognised standards
 3. International dissemination and co-operation



International Gateway for Financial Education (IGFE)

www.financial-education.org



+70 countries

+120 programmes summarised

+170 articles, research

+160 web links and resources

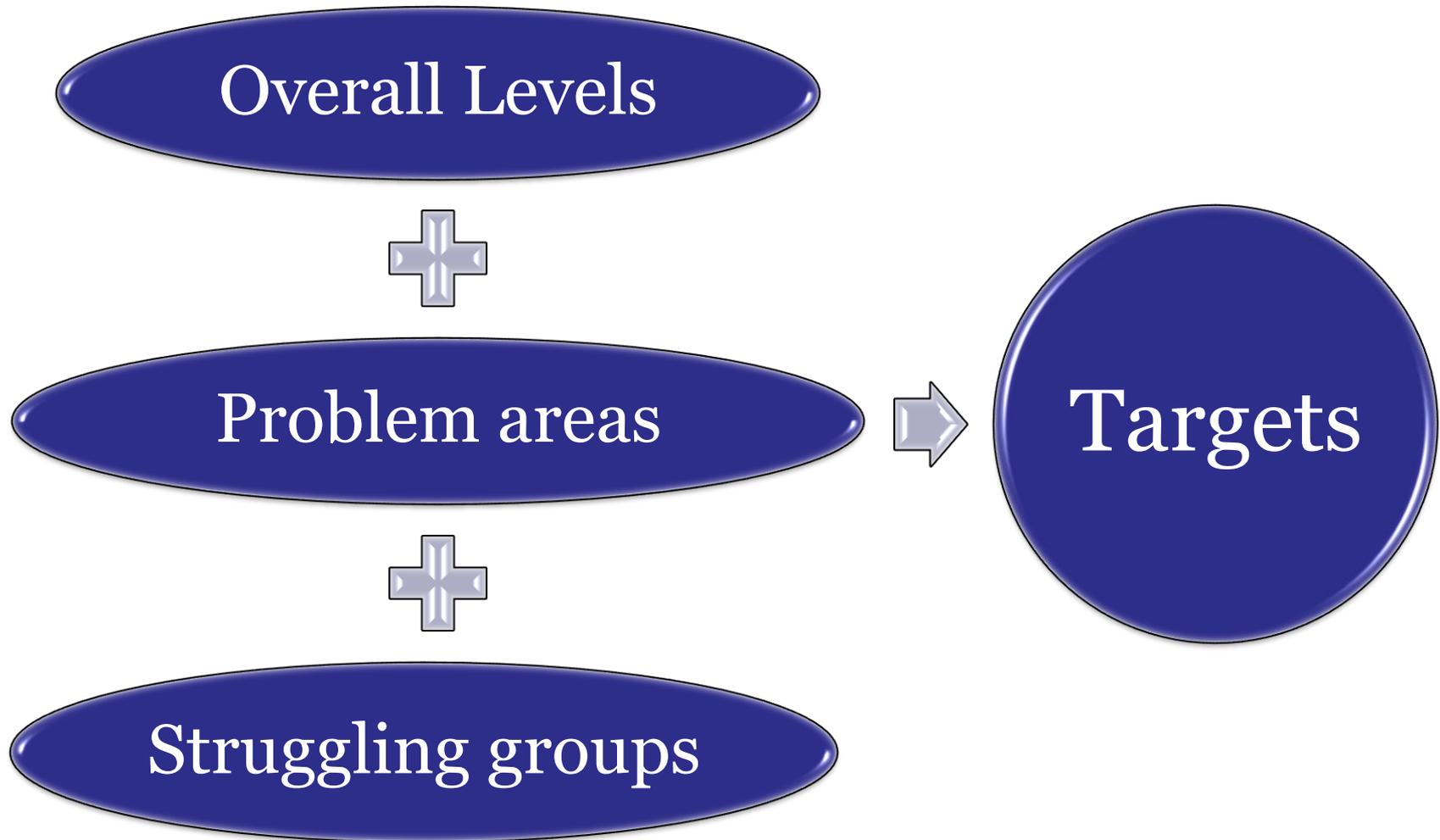
International Network on Financial Education (INFE)

- Financial education experts from **120 public bodies** in **60 countries**
- Programme of work; expert subgroups
- 5 meetings since 2008; 1 planned -Beirut October 2010
- Cooperation with international stakeholders
 - Relevant international partners: the EC, the IMF, the World Bank, the ILO
 - OECD and major global economies (through MOU)
 - Selected market players and NGOs
- **All Public financial education experts are welcome to join**
- Special status for non public bodies established in 2010

Terminology

- Financial Literacy used here to refer to financial literacy/capability/ insight etc (knowledge, behaviour and attitudes)
- Financial education refers to the provision of teaching, guidance or information

Financial Literacy Measurement



Cross country comparisons

The INFE network understands the concept of learning from one another

- **Internationally comparable data would enable**
 - Collaborative solutions to common problems
 - Comparison of different approaches to similar issues
 - Exploration of the causes of higher or lower levels of financial literacy in particular groups of people

Unfortunately national survey data has not been designed to be comparable across countries

Initial progress

INFE Expert Subgroup commissioned a detailed study of existing surveys

- **It identified commonalities**

- The same themes were covered by various countries
- Some questions have been asked on several surveys
- Similar approaches have been taken to data analysis and financial literacy measurement

Challenges identified

- Many questions are context specific, and not applicable to an international study
- Common data collection methods vary across countries
- The cost of undertaking a survey needs to be low enough to encourage participation

Additional progress

- **A set of core financial literacy questions has been developed**
 - Covering the themes that have been used in national surveys and using commonly occurring questions
 - Comments on previous drafts have been incorporated to ensure that the questions are comprehensive and relevant
- **The questionnaire also includes socio-demographic questions and questions that might help explain differences**

Next steps

- **Countries to commit to participating in a pilot exercise by:** 14th June 2010
 - 1000 face-to-face or telephone interviews with individuals aged 18+ in each country
 - Data collection by 31st December 2010
- **Develop additional, optional questions:** September 2010
- **Report initial findings to INFE:** June 2011
- **First draft of comparative study:** September 2011

Evaluation

What is evaluation?

- **A process of observation and data collection, along with expert analysis, to discover whether a programme has met its objectives**
 - Tracking the implementation of the programme
 - Assessing the effectiveness of the programme
 - Consists of *monitoring* and *evaluation*

Why evaluate financial education?

- **Programme level reasons**

- Find out if a programme is making a difference
- Check that resources are being well used
- Identify aspects that could be improved
- Provide feedback to staff , programme developers

- **Policy level reasons**

- Find out which approaches work best
- Allocate resources effectively
- To identify where other interventions are necessary
- Get measures of success and set targets

Progress

1. INFE papers: academic overview, high level guide and more detailed guide on evaluation
2. INFE survey of authorities in all countries in the network to find out what evaluation has been done (not in-school evaluation)
 - **46 authorities responded (29 countries)**
 - **28 authorities provide details of financial education programme evaluations (23 countries)**

Challenges faced during evaluation

- **Authorities reported the following challenges:**
 - The *time and money* cost of evaluation
 - The practicalities of finding programme participants who would be involved in the evaluation, and keeping them involved
 - Findings ways to measure the impact

The network provides an ideal opportunity to learn from one another in this regard

Recommendation

- We have identified some good practices, and drawn on academic research to produce recommendations for policy makers and programme designers
- **The first, and possibly most important recommendation is to see evaluation as an essential component of programme design**

Other recommendations

- Learn from one another, make use of existing resources, share the findings (INFE has made much progress in this regard)
- Set a realistic budget, if it is not possible to achieve everything within the budget, focus resources
- Ensure co-ordination between programme designers/facilitators and evaluators
- Choose an evaluation design that is appropriate to the programme and can attribute change to the programme
- Where possible, use experienced external evaluators

Next steps

- Publication of existing papers and guides
- Discuss further the need for detailed guidance on specific aspects of evaluation



THANK YOU

Input and feedback is welcome!

Adele.Atkinson@oecd.org

www.financial-education.org