



EVALUATION OF NATIONAL FINANCIAL LITERACY STRATEGIES

Paris, 21 June 2022

SESSION SUMMARIES

Technical Assistance Project on Financial Education in South East Europe
with the support of the Netherlands' Ministry of Finance and Money Wise



1. STARTING THE EVALUATION PROCESS

Defining goals and objectives of NSFLs with evaluation in mind

- 1. What are the key objectives of your National Financial Literacy Strategies that are being evaluated?*
- 2. Have you defined them with the necessary evaluation process in mind? To what extent can such an approach be helpful? What were the main challenges you have faced?*
- 3. Are your stakeholders using a theory of change in the evaluation process? If yes, how has it been defined and how useful has it been?*



Summary of country experiences

Theory of change as a starting point in defining NSFLs objectives.

TOC provides a framework and focus on what is important / impactful. Otherwise – risks of wasting time and resources on activities which may not support the objectives (like a Christmas tree).

The challenge of causality: activities and impact. It is much easier to evaluate the impact of separate projects, than the overall NFLS impact. **Both types of evaluation should be used to determine impact.**

Evaluation should also focus on the short and long-term impact.

The most common quantitative objectives among INFE respondents are:

- financial literacy (100% of respondents)
- financial well-being (50%)
- financial inclusion (45%)
- financial stability objectives (35%)
- economic growth ones (25%).

Some NS have **aspirational goals:**

“Citizens should have the financial literacy to make astute decisions for their well-being and they should be motivated to better understand finance”

Such NS tend to evaluate specific activities within the strategy and use monitoring





Key differences between evaluating a NS and a programme

Assessing institutional coordination

- Evaluating if the programmes in combination have made enough of a difference towards achieving the aims of the NS.
- Analysing the governance of the NS
- Assessing communication channels with stakeholders
- Ensuring clear knowledge sharing and transfer and avoiding resource wastage through duplication

Assessing implementation

- Analysis of evaluation of delivery methods and their appropriateness with specific target groups
- Assessing effectiveness of implementation approaches (e.g. providing financial education directly, supporting stakeholders)
- Flexibility in delivery approaches and resource allocation
- Assessing publicity and outward communication of the NS progress

(often) Mixed methods

- Quantitative data (e.g. a financial literacy survey with national coverage; monitoring indicators, regular/repeated surveys)
- Qualitative data (e.g. interviews, focus groups)
- Discussions with stakeholders



Starting the evaluation process – defining a theory of change and mapping the desired outcomes

Planning steps

1. Clarifying high-level outcomes, goals, or impacts
2. Articulate key areas of activities
3. Identify and prioritize stakeholders and partners
4. Articulate the targeted behavior changes
5. Test and prioritize stakeholder outcomes

Actions

1. Identify the high-level outcomes that would fulfil the mission of the NSFE
2. Identify and group how the NSFE coordinator seeks success
3. Identify groups that the NSFE tries to influence with its actions, or those that are likely to provide support
4. Identify specific actions and behaviours your organisation is trying to promote among stakeholders
5. Seek to identify top priorities and apply a reality check to key assumptions, by asking common sense questions and engaging partners

Benefits

1. Revealing common ground between the stated NSFE goals and the stakeholders' perspectives
2. Provide an overview of the main activities of the NSFE
3. Recognise the different stakeholders and prioritise their importance / contribution
4. Recognise that your success also depends on your stakeholders
5. Focus on the true value added by activities of stakeholders



2. PRACTICAL PREPARATION OF THE EVALUATION

Setting evaluation plans, budgets, KPIs and reporting frameworks

- 1. What are the KPIs of your National Strategies? How were they defined and what lessons could you share stemming from their evaluation and analysis?*
- 2. Are you implementing an evaluation plan with specific reporting requirements?*
- 3. What are the modalities of financing of the evaluation process as per your Strategy?*



Making aspirations measurable is a challenge to be overcome by developing appropriate KPIs

Table 1. KPIs used by national strategy coordinators, as reported in the submissions of OECD/INFE members

Part I: KPI examples related to impact: financial literacy and its elements, economic impact, financial inclusion, and vulnerable groups

Type of objective	Indicator	Countries and economies	How is it used
Financial literacy	Financial literacy scores (knowledge, behaviour, attitude)	<ul style="list-style-type: none"> Hong Kong, China Hungary Japan Portugal UK Canada US Peru 	<p>Regular waves of a quantitative financial literacy survey are used to seek directions for the national strategies. Regular programme evaluation by measure the learning and success of participants.</p> <p>These scores are not necessarily used as a measure of success of the strategy in all cases, but as a guidance for its work.</p>
Economic impact	Indebtedness	<ul style="list-style-type: none"> Chile Peru 	In the case of Peru, the indicator (% of adults with a credit within the formal financial system) is part of the formal objectives of the national strategy. In other instances, such indicators are often used as a monitoring of the financial landscape and not necessarily used as a measure of success of the national strategies.
	Poverty/Delinquency rates	<ul style="list-style-type: none"> Chile 	Indicators used as a monitoring of the financial landscape in the jurisdiction. Not used as a measure of success of the national strategies.
	Saving rate	<ul style="list-style-type: none"> US 	Indicators used as a monitoring of the financial landscape in the jurisdiction. Not used as a measure of success of the national strategies.
Financial inclusion	Access to financial services	<ul style="list-style-type: none"> Hungary Paraguay Peru 	Change in the use of bank branches, bank card/account ownership and number of banking transactions.

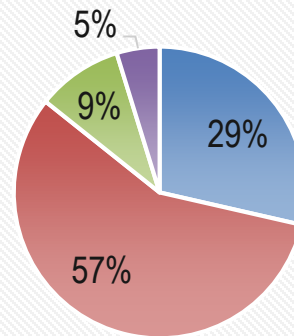
- A particular challenge appears in linking aspirational goals to directly measurable objectives, or in other words of pinning down the direct impact of financial education activities.
- This is especially true when discussing goals that go beyond improving financial knowledge and access to finance, such as economic and financial stability goals for example.
- This translates into creating Key Performance Indicators (KPIs) that can help measure and illustrate completion of set tasks and achievements.





Dedicated funding for evaluation is not the norm. Reporting on activities and progress can be used for communication

Funding sources for the evaluation of NS



- Part of the budget of the National Strategy
- Using institutional resources
- Donor or external funding
- No specific funding / using ad hoc funds

Communicating the evaluation of NS

- Reporting on financial literacy activities is done regularly and across all the responding countries
- Communicating the progress towards the objectives of the NS is almost always ubiquitous too, but is sometimes done comprehensively and sometimes on an ad hoc basis
- Progress towards broader economic or financial objectives is often used for communication purposes





3.IMPLEMENTATING THE EVALUATION PROCESS

Challenges and good practices

- 1. Good practices of the evaluation process that have proven to be particularly effective/successful*
- 2. Challenges in evaluating of NSFL and suggestions on how to address them*



Good evaluation practices across the process of evaluation

- 1** Starting the evaluation process – start early on, define the goals of the evaluation process, map the desired outcomes, define a theory of change
- 2** Designing an appropriate evaluation plan for NSFE – articulating the theory of change that will guide the evaluation of the NSFE
- 3** Implementing an evaluation – creating an engaging and inclusive process that fosters a culture of evaluation in the financial education community





1

Starting the evaluation process

Evaluation Goals



Thinking about evaluation early on, while preparing and drafting the NSFE, will pay off. Considering **evaluation goals and how to achieve them** allows policy makers to define the goals of the NS itself.

Setting up the evaluation process



Mapping the expected outcomes, considering developing (an explicit) theory of change through a purposeful and interactive process with the key stakeholders and partners of the NSFE is the basis of a successful evaluation approach.

There needs to be a good understanding of what are the evaluation priorities and assumptions. Even a systemic evaluation approach would need to set priorities and match resources to pressing needs.

Funding for evaluation needs to be set up front. Unless resources are earmarked for evaluation and learning activities early on, these can easily be ignored as budgets are often tight.

Engaging professional and external evaluators early on to either provide guidance or complete the entirety of the process of evaluating NSFE brings relevant skills and external perspective.



2

Designing an appropriate evaluation plan for NSFE

Evaluation approaches

An impactful evaluation approach is a systemic evaluation approach, which takes account of the overall goals of the NS and how these are translated into implementation targets for the stakeholders.

Building flexibility into the evaluation approach (as well as the NSFE deliverables) is useful as people's needs change, as does the financial environment.

Evaluation approaches need to be mixed. Quantitative objectives can provide useful benchmarks, while qualitative objectives seek to foster relationships, spread ideas.

Finalising the theory of change, where ideas are noted, discussed and approved with key stakeholders, and used to guide the evaluation process





3

Implementing an evaluation – creating an engaging and inclusive process that delivers a culture of evaluation

Evaluation outcomes

Seeking to create an inclusive process of implementation by closely engaging key stakeholders and partners

- The implementation of the NS needs to be **participatory where stakeholders are sought after and supported.**
- **Professional and external evaluators could be of great help** to design an inclusive process.
- Appropriate resource allocation with **various streams of funding and buy-in by stakeholders** can help sustaining the process and ensuring commitment by partners.
- **Creating a communication strategy** that is geared towards interpreting, communicating widely, and popularising success. This will provide a platform for engaging the general public with financial education.



Encouraging a culture of evaluation and learning

Including stakeholders / partners / the wider financial education community into the process of re-evaluating and re-defining the goals and objectives of the NSFE helps ensure the buy-in and the **creation of a culture of evaluation and learning across the entire financial education community.**



4. ROUNDTABLE DISCUSSION

Setting a blueprint for the evaluation of NFLS

1. SEE partner countries are invited to nominate a representative who will provide a very short description of their evaluation frameworks and current challenges and will ask specific questions on challenges with their implementation
2. Speakers will provide advice and respond to such questions



The 2022 OECD report provides a good practice blueprint for an evaluation of a NS that can guide policy makers

1. Designing a Theory of Change

Steps taken to create a mapping of the elements within a theory of change.

	Actions	Benefits	Methods
1. Clarify high-level outcomes, goals, or impacts	Identify the high-level outcomes that would fulfil the mission of the national strategy	Revealing common ground between the stated national strategy goals and the (possibly different) stakeholders' perspectives	Review documents related to the national strategy and engage participants/implementers/ stakeholders into debate
2. Articulate key areas of activities	Identify and group what the national strategy coordinator does to achieve the outcomes	Provide an overview of the main activities of the national strategy	Engage the relevant parties in a debate and review key documents
3. Identify and prioritise stakeholders and partners	Identify groups or entities that the national strategy tries to influence with its actions, or those that are likely to provide support	Recognise the different stakeholders and prioritise their importance and the size of their likely contribution	For each activity (step 2) identify a stakeholder that could help complete it
4. Articulate the targeted behaviour changes	Identify specific actions and behaviours your organisation is trying to promote among stakeholders	Recognise that your success also depends on a series of appropriate actions by your stakeholders	Using a participatory process, review the national strategy action plan and ask what actions by stakeholders will help your organisation move towards its high-level goals (step 1)
5. Test and prioritise stakeholder outcomes	Seek to identify top priorities and apply a reality check to key assumptions, by asking common sense questions and engaging stakeholders/partners in a debate	Focus on the true value added by activities of stakeholders towards the high-level goals (Step 1)	Seek the answers to these questions: <ul style="list-style-type: none"> • What are the most important actions to move us towards the high-level goals (step 1) • Given resources, what are the key stakeholder outcomes that we want to achieve • What are the assumptions about causal links between actions, about the implementation process, about external factors that affect us



Good practice blueprint (cont'd)

2. Mapping the Evaluation plan



Mission statement	Empowering citizens to financial well-being by supporting them achieve their financial goals			
High-level Goals	<ul style="list-style-type: none"> Improve people's financial literacy and its components 	<ul style="list-style-type: none"> Increase financial inclusion 	<ul style="list-style-type: none"> Develop saving habits 	<ul style="list-style-type: none"> Promote responsible use of credit
Objectives / KPIs	<ul style="list-style-type: none"> Higher scores in surveys 	<ul style="list-style-type: none"> Increase in use of formal financial products 	<ul style="list-style-type: none"> Uptake in savings accounts 	<ul style="list-style-type: none"> Fall in levels of consumer debt
Assumptions	<ul style="list-style-type: none"> There is political will to support financial education 	<ul style="list-style-type: none"> Adequate resources exist to support the NSFE 	<ul style="list-style-type: none"> Stakeholders believe in the value of financial literacy 	



Good Practice Blueprint (cont'd)

3. Conducting a reality check throughout the **implementation**

Desirability

If we were successful in achieving all these outcomes, would we want this new reality?

Realism

How likely are we to achieve the outcome we are targeting?

Ease

How hard is it to achieve each of these outcomes? How many resource will need to be committed to these ends?

Strategy

If our NSFE had to pick three things to work towards in the next year, what would they be? Which of these outcomes will move us closer to our high-level goal? Which move us faster?

Capacity

Do we have the capabilities to undertake this work? Which partners might we work with to achieve the desired outcomes?



CONCLUDING REMARKS

Lessons learned and policy conclusions



Evaluating strategies: lessons learned from OECD/INFE survey in 2019

Mandate of NS

- It is useful to integrate an evaluation and a description of the expected approach in the NS, linked to objectives and indicators (and other feedback mechanisms).
- This would oblige the coordinators to actively engage with evaluation.
- Having dedicated funding for evaluation of the NS will also encourage broader evaluation activities

Governance structure of NS

- A manageable/transparent governance structures that incentivises and ensures constant and open feedback from implementing stakeholders may be more important than a series of quantitative surveys.
- Results of qualitative feedback may be more difficult to illustrate or interpret, and may not lead to significant improvements in future strategies due to various (possibly institutional) constraints.

Communication strategy

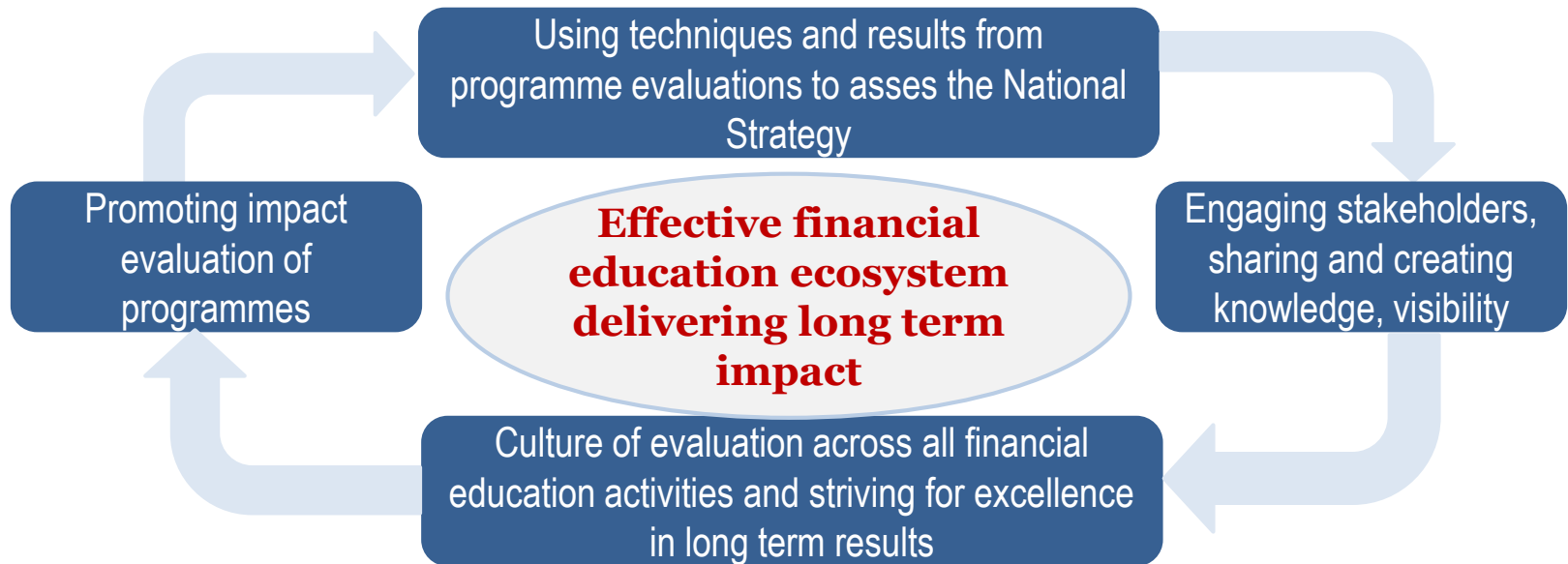
- Having a publicly stated communication strategy in advance of receiving the results ensures that the findings are publicly shared.
- A public one-stop-gateway for sharing research and evaluation of the national strategy (alongside programme evaluations) can facilitate learning across the financial education community in the country.

No single evaluation approach is suitable for all national strategies, however certain elements can help ensure success – clear lines of responsibilities and inputs, transparent and multiple flows of data, incentives to create accountability in the implementation process, dedicated resources, among others.

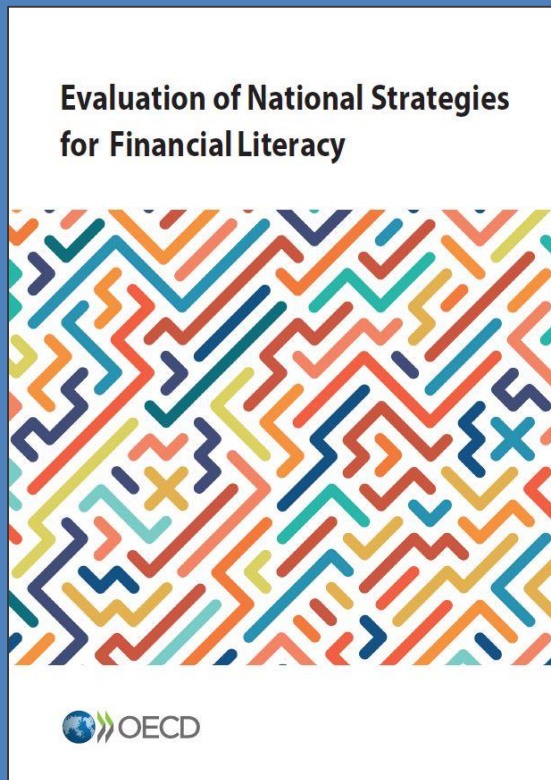


Policy conclusions

Promoting **evaluation across financial education programmes**, scaling this up to the **National Strategy**, and having a **consistent evidence-based approach** can bring substantial efficiency benefits in the short run. Striving to create a **culture of evaluation across financial education activities** in the long run can bring about excellence in delivery, create trust among stakeholders and the public, lead to positive and more permanent results.



OECD Reference materials



<https://www.oecd.org/financial/education/evaluation-of-national-strategies-for-financial-literacy.htm>

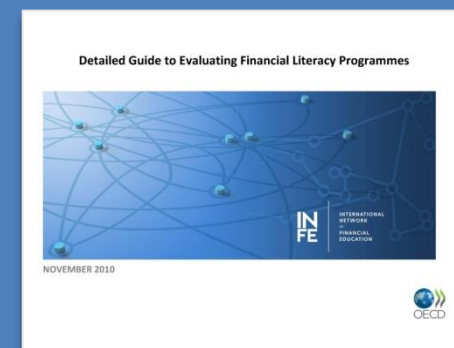


https://www.oecd.org/daf/fin/financial-education/G20-Evaluating_Fin_Ed_Programmes_2013.pdf

[2012 OECD/INFE HIGH-LEVEL PRINCIPLES FOR THE EVALUATION OF FINANCIAL EDUCATION PROGRAMMES](https://www.oecd.org/daf/fin/financial-education/49994090.pdf)

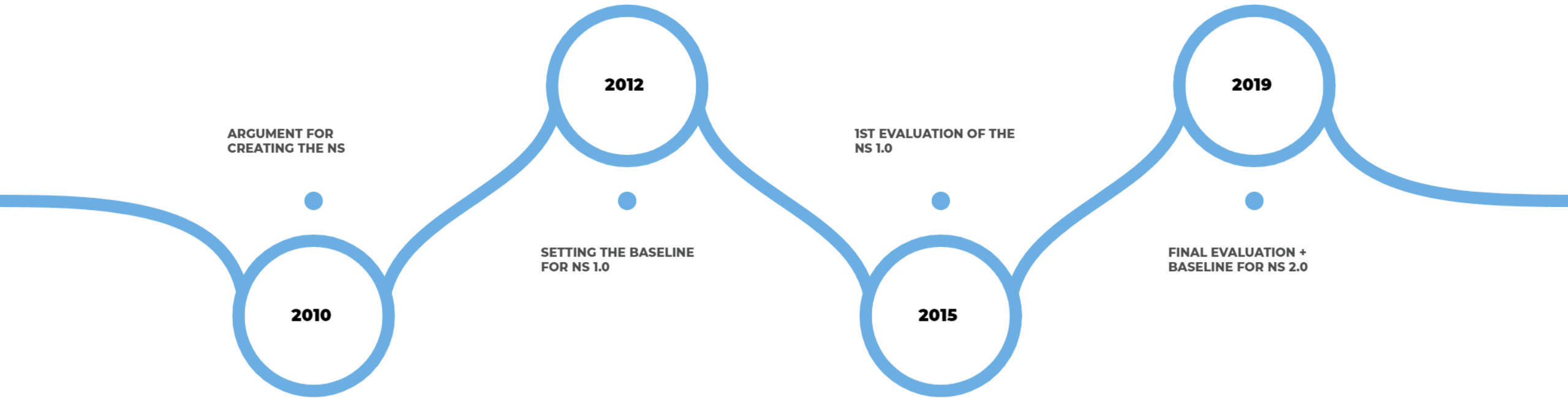


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<https://www.oecd.org/daf/fin/financial-education/49994090.pdf>

OECD financial literacy survey x 4



Indicator	Baseline 2010-2012	Target by 2020	Actual level end of 2019
People who budget and plan ahead	47%	57%	43% / 73%
People who make long term plans and invest	24%	34%	12%
Average deposits into III pillar pension, as percentage of monthly income	4.40%	4.50%	3%
People who have III pillar pension account	120,000	135,000	94,500
Deposits and saving accounts, average balance	456,000 contracts; 4,999 euros	Increase	365,600 contracts; 4424 euros
Households' outstanding debt from total loans	9,16%	Decrease	2,6%
Students' financial literacy PISA score	529	Increase	547

KPI-s in NS 2.0

1st aim: FE is available for everyone

INDICATOR	SOURCE	INITIAL LEVEL	TARGET LEVEL
Share of educational institutions that have taken the entrepreneurship module into use	Report of the entrepreneurship programme	55% (2020)	Growing
Channels through which financial wisdom is available, as evaluated by the people	Survey of the financial literacy or financial wisdom of the inhabitants of Estonia ⁴⁷	Advice of friends and close ones: 34% Not available: 13% Information from school/university/vocational school (from teachers and lecturers): 3% (2019)	Declining channels from "friend", "not available" and growing "information from school/university/vocational school (teacher and lecturer)
Share of people that evaluate their level of financial wisdom as high or very high	Survey of the financial literacy or financial wisdom of the inhabitants of Estonia	17% (2019)	Growing

2nd aim: FL is used in everyday decisions

INDICATOR	SOURCE	INITIAL LEVEL	TARGET LEVEL
Number of people having joined the III pillar / volume of contributions	Ministry of Finance ⁴⁸	167,200 / €45.4 million (2020)	Growing
Number of people with a buffer greater than the expenses of three months	Survey of the financial literacy or financial wisdom of the inhabitants of Estonia ⁴⁹	39% (2019)	Growing
Number of security accounts with at least one security traded on the Baltic Exchange	Statistics of the Tallinn Exchange	45,124 accounts (2020)	Growing
Number of troubled debtors / Number of enforcement procedures	Chamber of Bailiffs	73,000 / 413,000 (02.2021)	Declining
Share of people that compare financial services with each other	Survey of the financial literacy or financial wisdom of the inhabitants of Estonia	55% (2019)	Growing

3rd aim: environment supports & encourages

INDICATOR	SOURCE	INITIAL LEVEL	TARGET LEVEL
Share of people that know from where to obtain advice/assistance	Future study	Will be established with a future study	Growing
Total volume of investment fraud	Police and Border Guard Board	€5.6 million / 170 cases (2020)	Declining
Use of pension calculators	Social Insurance Board	Pension calculator on the website pensioniplaan. ee: 91,832 visits I quarter 2021	Growing

UK Financial Wellbeing Strategy Evaluation – Stage 1

22 June, 2022

Stage 1 Evaluation (Up to March 2024) Objectives



1. To understand **progress made in delivering the activities set out in the Delivery Plans** for England, Northern Ireland, Scotland and Wales;
2. To understand **the difference the strategy made to relevant stakeholders and in building a Financial Wellbeing movement;**
3. To **engage with evaluators of Delivery Plan activities**, to assess and help improve the strength of outcomes evidence

UK Financial Wellbeing Strategy National Goals



We believe: **A financially healthy nation is good for individuals, communities, business and the economy**



Our vision: **Everyone making the most of their money and pensions**



Our shared **Agendas for Change**– the five ways we will drive change at scale, working with others

See pages 14–33

<p>2030 National Goals</p> <p>We encourage organisations of all sizes and from all sectors to help deliver these goals</p> <p>See page 11</p>	<p>Who →</p>	<p>Financial Foundations</p> <p>Children, young people and their parents</p>	<p>Nation of Savers</p> <p>Working-age 'struggling' and 'squeezed' people</p>	<p>Credit Counts</p> <p>People who often use credit for food and bills</p>	<p>Better Debt Advice</p> <p>People who need debt advice</p>	<p>Future Focus</p> <p>All adults</p>
	<p>Goal →</p>	<p>National Goal 2m more</p> <p>children and young people getting a meaningful financial education.</p>	<p>National Goal 2m more</p> <p>working-age 'struggling' and 'squeezed' people saving regularly.</p>	<p>National Goal 2m fewer</p> <p>people often using credit for food & bills.</p>	<p>National Goal 2m more</p> <p>people accessing debt advice.</p>	<p>National Goal 5m more</p> <p>people understanding enough to plan for, and in, later life.</p>
	<p>Outcome →</p>	<p>Children and young people will get a meaningful financial education so that they become adults able to make the most of their money and pensions.</p>	<p>People will get the savings habit, build cash reserves to help with short-term emergencies and have a clearer future focus in their financial lives.</p>	<p>More people will access affordable credit, and more people will make informed choices about borrowing.</p>	<p>People will access and receive high quality debt advice when they need it, because of stronger and earlier engagement, and because funding, supply and services more closely match need.</p>	<p>People will engage with their future and be empowered to make informed decisions for, and in, later life.</p>
				<p>Cross-cutting lens: gender</p>		
				<p>Cross-cutting lens: mental health</p>		<p>See pages 34–36</p>

See page 13



→ Northern Ireland delivery plan + Scotland delivery plan + Wales delivery plan + England delivery plan +



Statistical notes and definitions start on page 42, including an important note about the goal for 'Future Focus'



Money, ...

<https://moneyandpensionsservice.org.uk/uk-strategy-for-financial-wellbeing/>

UK Strategy and the wider system

We believe that a financially healthy nation is good for individuals, communities, business and the economy. A successful strategy will need to influence a wider system of regulations, products, services and culture.



The work of the UK Strategy for Financial Wellbeing must support the individual, but this can only take place within a wider system. The more effective the strategy is at influencing the wider system, the more it can help individual people. For example, providers must design financial products so even those with low literacy and numeracy skills can understand them. They should also tailor them to support people with unpredictable lives and incomes. That is why the Money and Pensions Service (MaPS) will involve regulators, financial services and other leaders, as well as voices for cultural change, in delivering this 10-year strategy.