

Evaluating the Impact of Financial Education

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Why Is It Important to Evaluate?

Rigorous evaluation is not **an** optional step.
It is the cornerstone of effective public policy.

Evidence vs. Skepticism

Replace historical assumptions with empirical proof.

ROI Maximization

Identify cost-effective programs and optimize designs before rollout.

Behavioral Insights

Understand not just *if* a program works, but *how*, *why*, and *for whom*.

Policy Stability

Provide technical legitimacy (secure budget/ensure institutional continuity).

Initial Skepticism and New Evidence

- Skepticism about whether financial education can alter long-term skills and behaviors.
- Early studies suggested that these interventions had very little effect on behaviors and their effects decayed over time (e.g., Fernandes, Lynch, & Netemeyer, 2014).
- However, recent experimental and quasi-experimental evidence demonstrates effective and lasting impacts (Kaiser, Lusardi, Menkhoff, & Urban, 2022; Frisancho, 2023; Frisancho et al., 2016).

A massive meta-analysis of **76 experimental RCTs** delivers irrefutable proof of impact:

Financial Knowledge Impact



$$\beta = 0.28 \sigma$$

Financial Behavior Impact



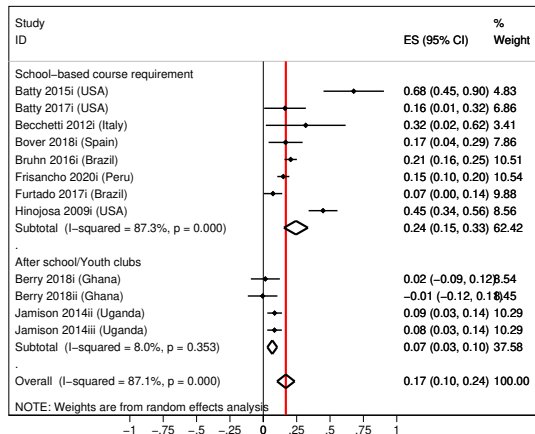
$$\beta = 0.09 \sigma$$

(Drives robust changes in saving, budgeting, & credit)

Comparative Benchmarks

- **Academic Parity:** Successful educational interventions yield impact on performance $\approx 0.10 \sigma$.
- **High Cost-Effectiveness:** Average participant cost of **\$60.40 USD**.
- **Persistence:** Behavioral shifts endure over the medium-to-long term.

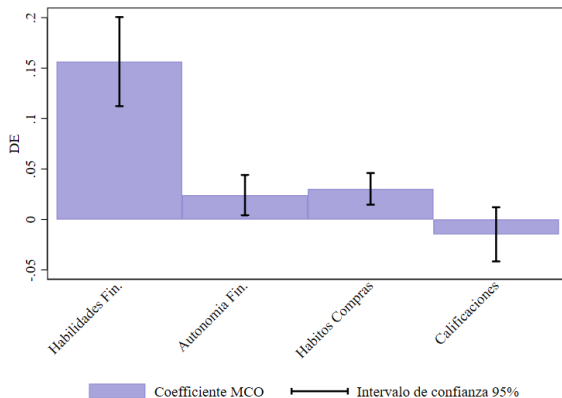
Experimental Evidence: Schools are Key



Mandatory implementation moves the needle.

The Case of Peru: Short Term (Frisancho, 2023)

Rigorous evaluation in 300 urban public secondary schools.



- The program also achieved a 20% reduction in formal loan defaults over the medium term.

The effects of FinEd are inclusive

- In the Peruvian experience, homogeneous effects were found in knowledge:
 - There are no differences in impact by gender, prior knowledge, math performance, or family conditions
 - A small advantage for students from households with higher SES

International Experimental Evidence (School-Based)

Brazil (Bruhn et al., 2016; Piza et al., 2018)

Mandatory school programs generate significant gains in financial knowledge and short-term saving habits.

Spain (Bover et al., 2018)

Integration of Fin Ed into mandatory high school curriculum leads to robust improvements in financial knowledge.

Turkey (Alan et al., 2020)

Classroom-based training targeting 3rd-4th grade students successfully shifts core preferences, fostering patience and future-oriented behaviors.

United States (Batty et al., 2015)

Evaluations of *My Classroom Economy* prove that hands-on, experiential learning models successfully build key saving habits in primary school.

- **Peru (Frisancho et al., 2026):** A 7-year follow-up reveals that treated youth show a 12.2% reduction in expensive revolving debt, an increase in non-revolving credit, and high resilience during COVID-19.
- **Brazil (Bruhn et al., 2025):** Nine years after the school intervention, treated students are significantly less likely to depend on expensive loans or have payment delays.
- **Uganda (Horn, Karlan, Parienté, & Thuysbaert, 2020):** The 5-year follow-up of the intervention shows positive and persistent impacts on income and savings levels.

Multiplier Effects: The Teacher Dynamic

- Teachers are not just pipelines; they actively absorb the human capital:

	Financial Literacy	Financial Autonomy	Pr(Saving)	Savings Balance
Treatment	0.319*** (0.100)	0.087 (0.068)	0.087** (0.035)	516.7* (268.4)

- Key Highlights:**

- Teachers learned significantly more than the baseline students (+0.32 SD)
- Registered highly substantial gains in extensive and intensive margins of saving

Multiplier Effects: The “Disadvantaged Household” Dividend

	Pr(Debt)	Pr(Arrears)		Credit Score	Current Debt	Debt Arrears	
		Loans	Other			Loans	Other
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<i>Panel A. Low SES</i>							
Treatment	-0.012 (0.012)	-0.013**† (0.005)	-0.019 (0.012)	3.357* (1.983)	0.346**† (0.142)	-0.210 (0.134)	-0.149 (0.095)
<i>Panel B. High SES</i>							
Treatment	-0.006 (0.012)	-0.002 (0.006)	-0.013 (0.013)	0.474 (1.570)	0.097 (0.116)	-0.122 (0.124)	0.011 (0.070)

- Knowledge gaps largest in poorer households.
- Increase in debt is “healthy”, suggesting better access to formal tools.

Multiplier Effects: The “Daughter Effect”

	Pr(Debt)	Pr(Arrears)		Credit Score	Current Debt	Debt Arrears	
		Loans	Other			Loans	Other
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<i>Panel A. Female Student</i>							
Treatment	0.014 (0.011)	-0.010* (0.006)	-0.002 (0.011)	4.157**† (1.657)	0.173 (0.121)	-0.258* (0.132)	0.022 (0.086)
<i>Panel B. Male Student</i>							
Treatment	-0.033***†† (0.012)	0.001 (0.005)	-0.019 (0.012)	-1.810 (1.775)	0.081 (0.120)	0.090 (0.118)	0.082 (0.090)

- Maturity: Teenage girls are often perceived as more mature.
- Communication: Better reception of advice within household dynamics.

Quasi-Experimental Evidence (US)

Analysis of the effect of state financial education mandates in US schools (Urban, Schmeiser, Collins, & Collins, 2020).

Natural experiment + (DiD and Synthetic Control)

- State mandates significantly reduce reliance on payday loans and improve payment behavior and subjective financial well-being.
- Students modify their credit patterns, migrating from high-interest financing to low-interest student loans.
- These positive effects are driven almost entirely by states that require mandatory standalone courses.

Financial Education for Adults & “Teachable Moments”

Evidence for adult learners highlights the need for practical, highly-targeted delivery channels:



Teachable Moments

The Opportunity Window

Adult education is more effective when delivered at the exact moment of a financial decision (e.g., applying for a loan).

– Karlan et al. (2016)



Digital Channels

Tech-Driven Nudges

Low-cost, high-frequency tools (e.g., SMS reminders, apps) drive tangible boosts in savings and budget discipline.

– Carpena et al. (2019)



Edutainment

Mass Media Power

Storytelling through TV soap operas and radio programs demystifies complex products and reduces delinquency.

– Berg & Zia (2017)

Gender Focus: Female Microentrepreneurs & Empowerment

Interventions targeting women must address structural, household, and social barriers:

Peer Support

Shared Confidence

Training has a much larger impact if women attend with a friend, fostering confidence and joint business goal-setting.

– *Field et al. (2010)*

Cash Flow Separation

Role Boundaries

Integrating both business and household financial training helps women separate cash flows and improve overall savings.

– *Buvinic et al. (2020)*

Agency & Norms

Beyond Finance

Financial education is best combined with negotiation skills training to drive impact.

– *Giné & Mansuri (2014)*

Older Adults: Digital Security & Retirement Prep

Interventions must mitigate cognitive decline and promote secure financial choices:



Retirement Planning

Late Planning Risks

Low financial literacy correlates directly with inadequate pension planning and poorer asset preservation.

– Lusardi et al. (2014)



Digital Security

Anti-Scam Focus

Older cohorts face higher fraud risks. Interventions must prioritize safe mobile navigation and phishing awareness.

– OECD (2020)



Simplified Support

Accessibility Focus

Financial training must be paired with heavily simplified legal disclosures and trusted guides.

Evaluations are expensive and funding is limited

- Pivot from *data generation* to *data extraction* (e.g., admin records, web analytics on digital platforms).
- Optimize budget: Reallocate field-survey funding into secure data-sharing agreements and better program design.
- Capture decisions, not just knowledge: digital delivery channels and admin records.
- **Low-Cost Quasi-Experimental Designs:** If an RCT is not feasible, use *DiD* methodologies or *RDDs*.

Maximize ROI in Impact Evaluation

- **Align incentives between researchers and implementation partners:** Do not design an evaluation that is not feasible and/or scalable.
- **Monitoring from design:** Define a clear **Theory of Change** from phase zero (Inputs → Activities → Intermediate Outcomes → Impact).
- Measure **cost-effectiveness**.
- Think big! → Spillovers, long-term, indirect effects on educational/labor trajectories...

Matching Evaluation Rigor to Intervention Scale

A proportional framework balances operational feasibility with methodological rigor:

Level 1: Monitoring

Routine Monitoring

Scope: Museum visits, info campaigns, web tools, blogs.

Metrics: Reach, completion rates, web analytics, user feedback.

Purpose: Process evaluation & continuous operational feedback.

Level 2: Pre/Post & Pilots

Targeted Evaluation

Scope: Gamified fairs, short workshops, platform pilots.

Metrics: Knowledge gains, self-efficacy, socio-emotional proxies.

Purpose: Assessing learning shifts & immediate behavioral intent.

Level 3: Experimental

Causal Impact Evaluation

Scope: Mandatory school curricula, core national platforms.

Metrics: Administrative data (default rates, savings, credit scores).

Purpose: Causally establishing long-term behavioral impacts.

Evaluating Short & Multi-Channel Interventions

Short / Gamified Formats

Brief Exposures

- **Measure Behavioral Proxies:** Focus on immediate shifts in financial self-efficacy, locus of control, and decision heuristics.
- **Low-Cost Follow-up Linkages:** Collect digital consent / phone numbers during gamified check-ins to run 6–12 month survey follow-ups.
- **Embedded Pre/Post Checks:** Integrate quick knowledge games directly into event stations.

Multi-Institutional Settings

Attribution vs. Contribution

- **Attribution (RCT / DiD):** Isolate program impacts by exploiting phased rollout schedules (by branch/region) or randomized encouragement.
- **Contribution (Rigorous non-experimental approaches):** Dose-Response / Intensity Models, staggered DiD, synthetic controls.

Phase 0: Diagnosing Barriers

Uncovering Participation Friction

- **Qualitative Diagnostics:** Use focus groups, journey mapping, and cognitive interviews to identify time poverty, mistrust, or competing priorities.
- **Pre-Rollout A/B Testing:** Test alternative messaging, delivery timing, and behavioral nudges before scaling up.
- **Incentive Alignment:** Design delivery around existing routine touchpoints (e.g., product sign-ups).

Measuring Beyond Knowledge

Core Behavioral Indicators

- **Survey-Based (Self-Reported):** Standardized OECD/INFE modules:
 - Budgeting frequency & price comparison habits
 - Savings consistency & emergency fund creation
- **Administrative Data (Objective):** Partner with central registries & financial institutions to track:
 - On-time loan repayments / default reduction
 - Account activation & mobile wallet activity

Conclusions and Practical Recommendations

- **Mandatory classroom instruction remains a priority** to shape behaviors from an early age and generate multiplier effects in households.
- **Alignment of training moments for adults:** Isolated financial education should be avoided; adult programs must connect closely with “teachable moments” (product acquisition).
- **Financial literacy and norms need to be affected simultaneously** to maximize effect on gender gaps.
- **Integrated evaluation from design:** Leveraging administrative data and centralized monitoring dashboards ensures scalability and agile adjustment of public policies without compromising high budgets.

Thank You!

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