October 2015

YouthSave Financial Education Programming Results

Dasha Kosmynina[1]

As part of the YouthSave project, Save the Children (SC) carried out financial education activities in Colombia, Kenya, and Nepal[2] to teach youth about sound personal financial management and making the best use of their savings accounts. To evaluate the effectiveness of these activities, SC administered pre- and post-tests to financial education participants, assessing changes in related knowledge, attitudes, and behaviors. We found statistically significant improvements in participants' values related to saving, attitudes towards banks, and knowledge about the more technical aspects of saving and budgeting. After training, a greater number of youth reported saving, and saving more. Across countries that carried out financial education, youth who reported opening a savings account

1 YouthSave project staff Rani Deshpande, Angela Mesa, Alejandra Montes, Caroline Nderitu, Victoria Ndolo, and Gaby Timpl were instrumental in supporting the data collection and analysis that resulted in this chapter.

2 Save the Children did not carry out financial education activities in Ghana to avoid contaminating the experimental impact study that was set up as part of the project.

ranged from 15 percent to 42 percent. Less change was observed in the budgeting questions that were of a more general nature and that could be learned through experience or reasonably inferred.

While it is not possible to attribute causality in this analysis, the results were in line with findings of several randomized controlled trials that demonstrated similar changes. Our results therefore add to the body of evidence indicating the value of youth financial education, and the need for further investment in rigorous impact analysis that produces practical implementation guidance.

YouthSave's Financial Education Activities

YouthSave designed and implemented the financial education programming independently in each country, taking into account both global best practices and local market research findings and context. Activities in all three countries were built around financial education sessions with youth, sometimes in combination with community sensitization activities, carried out directly by SC staff or by SC-trained facilitators and local partner NGO staff.[3] In Colombia, training sessions were conducted at schools and took the form of one-time workshops and assemblies. In addition, text messages with financial education information and deposit reminders were sent to account holders. In Nepal, activities included one-time workshops held predominantly at schools, followed by shorter, periodic "booster sessions." Community outreach was done through street drama performances focusing on financial topics, and in remote areas of Nepal, a radio drama was recorded and aired to disseminate the same content. Finally, in Kenya, a curriculum of 10-14 financial education sessions was delivered through in- and out-of-school youth clubs, and community outreach sessions.

3 For a complete description of SC-led activities and total outreach see the Appendix.

In all three countries, the course content included discussions about financial institutions and products, and the partner financial institutions, especially in Kenya and Nepal, participated in some of the sessions. In Nepal, Bank of Kathmandu (BoK) staff attended both workshops and booster sessions to facilitate account opening as well as collect deposits. BoK also conducted their own financial education sessions in schools where SC was not working. In Kenya, the clubs' training session on banks entailed a visit to the local Kenya Postbank branch, and Postbank also conducted outreach at other schools to promote their youth products. In Colombia, due to restrictions on marketing bank products during in-school workshops, Banco Caja Social's (BCS) involvement was initially limited. By the time the financial education assemblies were ready to launch, however, those restrictions had been eased and BCS began participating in school visits to promote and facilitate account opening.[4]

Evaluating the Financial Education Program and Methodology

By the end of the YouthSave project, SC had reached over 44,000 youth with direct financial education training in the three countries, in addition to over 6,000 youth reached during the assemblies in Colombia.[5] Along with tracking the number of youth reached, SC also sought to examine the effect of the financial education activities on youth knowledge, attitudes,

4 It is important to note that in all three countries, YouthSave's partner financial institutions marketed the savings accounts to a much wider population than just the financial education participants; financial education participants were offered the choice to open savings accounts but were not obligated to do so. As a result, financial education participants and YouthSave account holders overlap but do not represent the same group of young people. For more details on the financial institutions' outreach and marketing activities in each of the YouthSave countries, please refer to Johnson, Lissa, Yungsoo Lee, David Ansong, et al (2015). *Youth Savings Patterns and Performance in Colombia, Ghana, Kenya, and Nepal* (YouthSave Research Report 15-01). St. Louis, MO: Center for Social Development at Washington University. Available at: http://csd.wustl.edu/Publications/Documents/RR15-01.pdf

5 Because some assemblies were conducted at the same schools where workshops had taken place earlier, the assemblies' reach is shown separately to avoid double-counting (the exact extent of overlap between the two populations could not be determined). See the Appendix for detailed outreach numbers.

and behavior related to saving, using a pre-/post-test methodology with youth who had participated in the workshops in Colombia and Nepal, and the 10-14 training sessions in Kenya.[6] SC administered pre-test questionnaires to all youth immediately before starting the training and post-tests immediately after. We then tested youth again after a period of time had elapsed (the "post-post test") to note what changes persisted over time. The results discussed in this analysis focus on the differences between pre-tests and post-post tests. Sample sizes were established for each country based on statistical relevance for disaggregation of categories (i.e. gender, age/grade, location, time interval) and taking into account local realities and budgets for data collection. All samples were randomly determined and sizes were chosen so that findings could be representative of the total treatment population. The Appendix provides a breakdown of the samples sizes used in each country.

It is important to note several limitations of this analysis, the first being that it was not possible to attribute causality in any observed results, given that there was no control or comparison group. Furthermore, responses about behavioral changes were self-reported by youth and could not be verified against other data sources. Finally, because the testing was conducted based on what was logistically feasible in each country, the timeframes of when the post-test data was collected vary by and within countries.

Results

1. *Before the trainings, youth attitudes were already highly positive in terms of general notions of saving and budgeting. Most change was observed in value-related questions (e.g., about safe and responsible ways to save) in Nepal, and in views about banks in Kenya and Colombia.*

In Colombia and Nepal, pre-test results indicated that most of the youth already perceived the importance of saving for the future, with 97 percent of youth in Colombia and 92 percent in Nepal saying that it was important or very important. There was no statistically significant change in this perception during post-post testing. More change was observed in Kenya, where youth were asked about the importance of budgeting. The number of respondents that had a favorable attitude toward budgeting showed a statistically significant increase of 12 percentage points in those who said it was always important to budget, from 68 percent to 80 percent.

The most dramatic attitude changes were observed in Nepal around value-focused questions, which corresponded to the "ethical saving" module of the curriculum. These questions tested youths' understanding of responsible and safe ways of saving, such as whether or not to skip meals to save; whether or not to borrow to save; or whether it was only the duty of the guardian to save. Attitude changes in three out of four of these questions were statistically significant over time, with the highest increase being among youth who understood that one cannot save by skipping snacks, from 40 percent to 72 percent. In terms of changes in attitude regarding whether it was only the duty of the guardian in the family to save money, the number of youth who understood that was not the case increased from 58 percent to 76 percent. The number of youth who perceived that one should not save by any means increased from 56 percent to 69 percent.

In Kenya and Colombia, financial education also supported a change in youth attitudes toward banks, with a decrease in the number of youth who viewed banks as for adults only, from 21 percent to 12 percent in Kenya and from 5 percent to 3 percent in Colombia. Furthermore, in Colombia, the number of youth who saw banks as a safe place to save increased from 78 percent to 89 percent, and youth who perceived banks as institutions designed for only those with large sums of money decreased from 7

6 Financial education participants were not the same as the youth whose data is analyzed in the SDA report, who consist of account holders only. The two groups had some overlap, but data inconsistencies did not allow us to verify the extent.

percent to 3 percent. All of these changes were statistically significant.

2. *Youth gained knowledge on specific technical issues—e.g., budgets, interest rates, and bank accounts—while maintaining a high level of understanding of general principles about savings.*

Knowledge results were similar to those observed in attitude questions. In Colombia, the most dramatic and statistically significant changes were seen in the two technical knowledge questions around the requirements for opening a savings account and the definition of an interest rate. The number of youth who knew at which age and with what paperwork they could open an account increased from 19 percent to 79 percent, and the number of youth that knew the definition of an interest rate increased from 29 percent to 53 percent.

Statistically significant changes were also observed in all three countries for more technical questions related to budgeting. Specifically, there was an 8 percentage point increase in the number of Nepali youth who knew that one could save by controlling expenses (from 84 percent to 92 percent). More Kenyan youth were able to identify what does not belong in the budget, with a 15 percentage point increase (from 15 percent to 30 percent). In Colombia, there was a 9 percentage point increase in youth who knew that a budget consisted of income and expenses (from 58 percent to 67 percent).

Less change was observed in the budgeting questions that were of a more general nature and that could be learned through experience or reasonably inferred. For example, in Nepal and Kenya, understanding of the general purpose of a budget was already high before the workshop, with 93 percent of Kenyan youth knowing that budgeting could help one plan for their money better, and 88 percent of Nepali youth knowing that budgeting helps with saving. No statistically significant changes were registered on these questions in either country. However, in Colombia, where the understanding of the link between budgeting and saving had been less prevalent, results showed statistically significant improvement from 66 percent to 80 percent of respondents knowing that making a budget would help with saving.

3. *More youth engaging in saving was the major behavior change youth reported after FE training in Colombia and Kenya. Participants also reported opening savings accounts in all three countries, but at different rates and in the face of different obstacles.*

After the training, various measures of youth saving showed improvements in Kenya and Colombia. In Kenya, there was a statistically significant increase in the number of youth who claimed they were saving, from 76 percent before the training to 89 percent afterwards. Of those, 77 percent said they had saved in the month prior to testing. In Colombia, 30 percent of youth claimed they had saved more after attending the workshop. There was also a statistically significant increase in the number of Colombian youth who said they had saved in the month prior to testing, from 61 percent to 69 percent.

Youth in all three countries also reported opening savings accounts after financial education: roughly the same number in Nepal and Kenya (42 percent and 39 percent respectively), but only 15 percent in Colombia. One explanation may be the greater involvement of YouthSave's partner banks in the financial education sessions in Kenya and Nepal compared to Colombia (as described above). Interestingly, in Kenya, 81 percent of all those who said they had opened accounts said they did so with YouthSave's partner, Postbank. In Nepal, on the other hand, only 8 percent of respondents said they had opened an account with partner BoK, while 34 percent said they had opened an account in another financial institution.

Although BoK made significant efforts to offer in-school banking services, these were

apparently insufficient to attract most youth in the face of challenges related to regulation and competition. In Nepal, only parents or other legal guardians may co-sign on the account, while in Kenya bank policies allowed for other trusted adults, such as teachers, to become cosignatories.[7] This meant that Kenyan youth could open an account on the spot during Postbank's school outreach visits, using a teacher as cosignatory, while Nepali youth had to wait to involve their parents, decreasing the chances that the BoK account would be opened. The areas where YouthSave was working in Nepal were also well-served by financial cooperatives operating under looser regulation. These cooperatives often offered easier access to accounts for youth, especially if their parents were already members.

Among youth who did not open a savings account, the lack of personal identification documents was the most frequently cited obstacle, reported by 36 percent of respondents in Kenya and 29 percent in Nepal. In Kenya, the lack of banking services in the area was the second largest obstacle to opening an account, cited by 34 percent of youth, while in Nepal it was the inability to get an adult to cosign, cited by 23 percent of youth (note the difference in requirements for an adult cosignatory as described above). Finally, lack of parental approval was cited as a reason by 12 percent of Kenyan youth who said that they had not opened a savings account. In both Kenya and Nepal, these challenges appeared to affect more girls than boys. In both countries, more girls cited lack of identification documents as a reason for not opening accounts, and girls in Kenya reported that obtaining parental approval was difficult more frequently than did Kenyan boys.

Summary

Although the results described above are modest and confined by the limitations and technical scope noted earlier, they are nonetheless in line with the findings of a meta-analysis that reviewed 21 experimental studies of financial education programs across the

7 *YouthSave 2010-2015: Findings from a Global Financial Inclusion Partnership* (the volume from which this has been excerpted) contains extensive discussion on the cosignatory issue.

globe for people 24 years old and younger.[8] The results of this analysis suggested that financial education is indeed effective in improving financial knowledge, and, albeit to a lesser extent, financial attitudes and behaviors as well. Collectively, these findings suggest that financial education for youth is a promising intervention that can yield results when correctly implemented.

YouthSave's results suggest that financial education might be best used in a targeted way, to address specific or technical pieces of information, rather than to convey general insights that youth can acquire on their own. For example, financial education trainings might focus on how to create a budget (rather than just on what a budget is) or on the definitions and meanings of financial terms (rather than on a commonsense knowledge of saving). Market research should be used to confirm which knowledge or attitudes need to be taught or reinforced in a given country or context. Financial education activities should ideally include partnerships with appropriate financial institutions so that participants have the opportunity to put their knowledge into real-world practice. Finally, financial education programming and financial institution outreach efforts should recognize the barriers to access that girls face, and work together to remove those barriers.

More investment in rigorous impact analysis of future youth financial education programs could expand on these findings to provide practical guidance on the different types of activities that bring about positive change for different types of youth in different contexts.[9] ■

8 O'Prey, Llorenc and D. Shephard. 2014. *Financial Education for Children and Youth: A Systematic Review and Meta-analysis*. Aflatoun Working Paper 2014.1C.Amsterdam, Netherlands: Aflatoun. Available at: http://www.aflatoun.org/docs/default-source/aflatoun-secretariat-evaluation/financial-education-for-children-and-youth---systematic-review-and-meta-analysis-2014.pdf?sfvrsn=12

9 For more information on YouthSave's experience with financial education, see Kosmynina, Dasha (2015) *Toward Financially Capable Youth: Insights from YouthSave's Financial Education*. Washington, DC: Save the Children. Available at: https://static.newamerica.org/attachments/9608--178/Toward%20Financially%20Capable%20Youth.57df83f39d4d41bea6946797f612d589.pdf

References and Background Reading

The YouthSave Consortium is grateful to all the scholars and practitioners whose writings have helped shape our project and the fields of youth financial services and youth wellbeing generally. Where possible, we have provided URLs where interested readers can download the works cited in this report. Please note that URLs were valid at the time of writing. We regret that, with the exception of YouthSave's own work products, we cannot be responsible for any links that may break or decay over time, nor can we ensure that downloads are or will remain free of charge. Works produced under the auspices of the YouthSave Consortium itself are indicated with an asterisk (*).

Publications

*Johnson, Lissa, YungSoo Lee, David Ansong, Margaret Sherraden, Gina A. N. Chowa, Fred Ssewamala, Li Zou, Michael Sherraden, Moses Njenga, Joseph Kieyah, Isaac Osei-Akoto, Sharad Sharma, Jyoti Manandhar, Catherine Rodriguez, Federico Merchán, and Juan Saavedra. 2015. *Youth Savings Patterns and Performance in Colombia, Ghana, Kenya, and Nepal*. YouthSave Research Report 2015. St. Louis, MO: Center for Social Development at Washington University. Available at: http://csd.wustl.edu/Publications/Documents/RR15-01.pdf

*Kosmynina, Dasha. 2015. *Toward Financially Capable Youth: Insights from YouthSave's Financial Education*. Washington, DC: Save the Children. Available at: https://static.newamerica.org/attachments/9608--178/Toward%20Financially%20Capable%20Youth.57df83f39d4d41bea6946797f612d589.pdf

O'Prey, Llorenc and D. Shepherd. 2014. *Financial Education for Children and Youth: A Systematic Review and Meta-Analysis*. Aflatoun Working Paper 2014 1C. Amsterdam, Netherlands: Aflatoun. Available at: http://www.aflatoun.org/docs/default-source/aflatoun-secretariat-evaluation/financial-education-for-children-and-youth---systematic-review-and-meta-analysis-2014.pdf?sfvrsn=12

Rodriguez, Catherine and Juan Esteban Saavedra. 2015 (forthcoming). *Nudging Youth to Develop Savings Habits: Experimental Evidence Using SMS Messages*. (working title). St. Louis, MO: Center for Social Development at Washington University.

Appendix

YouthSave Financial Education Programming Summary Table

Country	Program Activities	Outreach	Sample size and type for pre/post tests	Timeframe of post-post test
Colombia	FE workshops. One-time workshops of 25-35 children each, approximately 4 hours long, delivered at schools via trained facilitators.	7,149 youth	2,526 youth Tracked sample – youth who took pre, post, and post-post test	2 months after the workshop
	SMS. Messages with either financial education content or reminders to deposit funds sent to accountholders.	8,839 account holders		
	FE assemblies. One-hour assemblies of 100-200 children each, delivered by SC and BCS at schools that BCS targeted for Cuentamiga account promotional activities.	6,095 youth		
Kenya	Youth FE training. 10-14 session curriculum delivered by local partner NGOs to youth clubs of 20-45 children each, both in- and out-of-school.	16,190 youth	400 youth Random representative sample	9-11 months after the training
	Adult FE training. Two-hour session delivered by local partner NGOs.	1,862 individuals		
	Short buy-in sessions. Community engagement meetings of 30-60 minutes each, to ensure sensitization to savings, conducted by local partner NGOs.	26,443 individuals		
Nepal	FE workshops. One-time 3-hour workshops at schools and youth clubs, delivered by local partner NGOs. A comic book with signature characters imparting financial literacy messages distributed to each youth at workshops. Follow up bi-weekly or monthly booster activities of approximately 45 minutes.	20,820 youth	1,253 youth Random representative sample	1-18 months after the workshop
	Street drama. Youth club performances to raise community awareness, held at schools and community/village venues.	20,197 individuals		
	Radio drama. Serialized 4-part recorded adaptation of street drama in local languages, aired on radio in areas with no SC FE programming.	660,000 estimated listeners		

Save the Children

Washington University in St. Louis

The MasterCard Foundation

NEW AMERICA

CGAP