



A Cost-Effective Approach to
Building Financial Literacy

Prepared for: IFIE

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BRONDESBUURY GROUP

The Building Blocks

- People – The starting point
- Reality – “Can do” now -- “Should do” later
- Research – What matters. How to get it.
- Getting content – Getting audience
- Showing results – What did we get for our \$

- *Next steps -- Where do we start?*



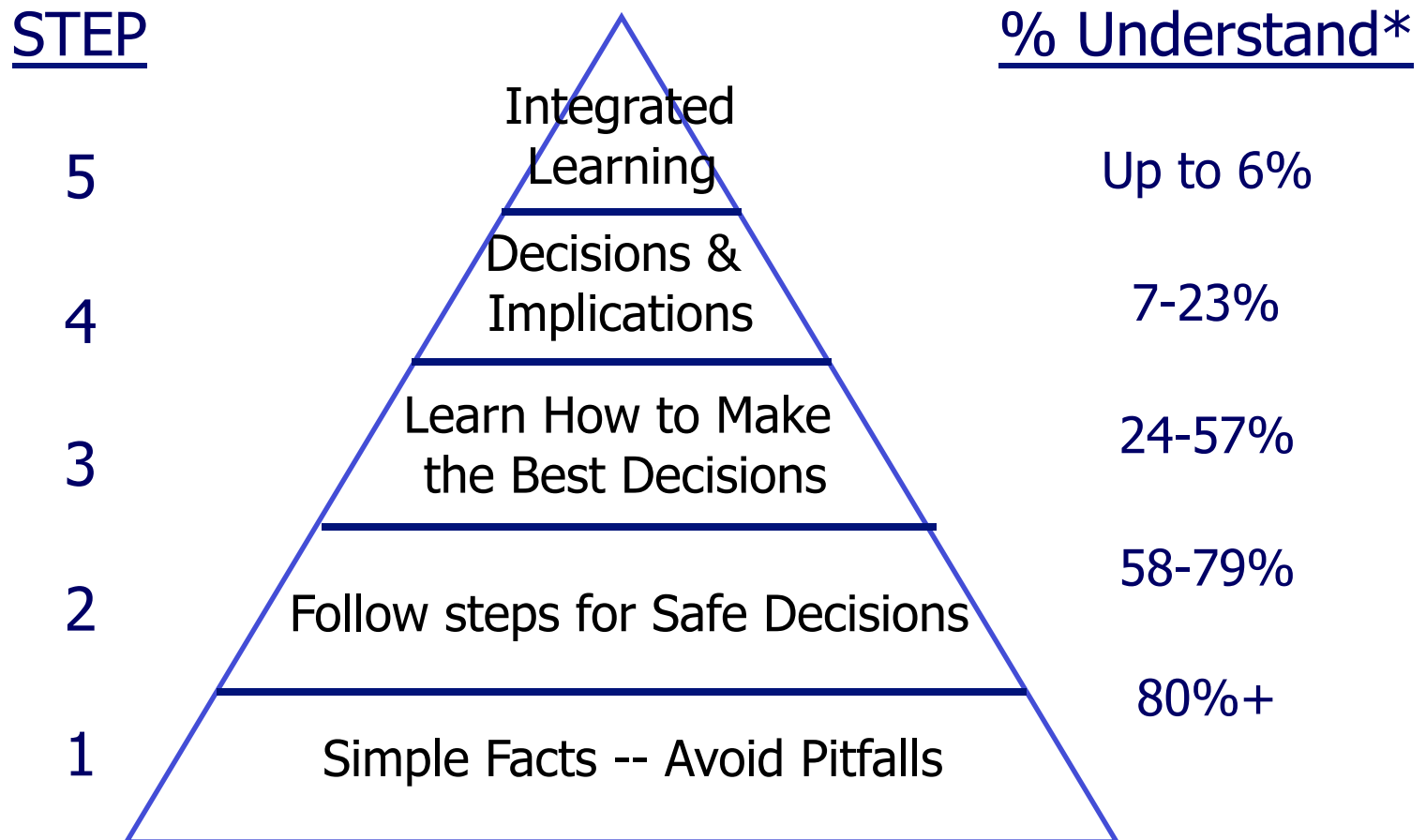
People – The Starting Point

- What are 'financial services consumers' able to learn?
- What do consumers want to know?
- When are they receptive to learning?
- What are the biggest barriers?



What are Consumers Able to Learn

(Ed's Learning Pyramid)



What do Consumers Want to Know

They want to know just enough

To make a decision they must make now

Due to a life event and

Be comfortable with their choice.

*... This is less than you think they should know,
but more than they know now*



When will consumers learn?

A Few of Many Key Events

- First 'real' job
- Independent living
- Marriage
- Birth of child
- Buy home – Get Mortgage
- Mortgage renewal
- Business start-up
- Divorce-Separation
- Business profitable
- Parents need special care
- Kids leave home
- Death/disability – family/friend
- 50th Birthday
- Grandchildren
- Sale of business interests
- Help family member in trouble
- Retirement – Self/Spouse
- Chronic illness



Barriers to Learning – 6 C's

1. **Connection** – Why should I learn this?
2. **Condition** – I find this boring.
3. **Capability/Clarity** – Can't understand.
4. **Convenience** – Too much trouble.
5. **Competition** – Other things I would rather do
6. **Cost** – Takes time. Costs money.



The Language Barrier





REALITIES OF OUTREACH

Don't let "should do" stand in the way of "can do"



Setting Realistic Goals

- What do financial consumers need to know
 - “Can do” versus “Should do”
- Ladder of learning
 - Protection – Procedure – Principle
- Reaching the reluctant – Who can you help
- The Ten Commandments Approach



What do Consumers Need to Know

- **How to make a good decision right now**
- **Every expert has their own “You should...”**
 - Advisor – Time horizon, risk profile, goals
 - Regulator – Protection strategies
 - Marketer – Products, benefits, value
- **Many programs get bogged down in content**
- **Do what you can – Not what you should**
 - Focus on a few main ideas

“You can lead a horse to water but you can’t make it drink”

“You can lead a person to wisdom but you can’t make them think”



Ladder of Learning Needs

Protect - Avoid danger

Practice – Steps to follow

Principle – Good decisions

Persist – Decide-Track-Revise



Who Can You Help

You can help anyone who will pay attention long enough to learn.

- Reach them when they are ready to learn
 - Try to create opportunities if they aren't ready – the 6 C's
 - Give them a reason to trust you when they are
- Assume you won't get much of their time
 - Try to reach them multiple times – multiple methods
- Keep the message simple – Make it engaging
 - Your first aim is to get them to want more – Every return is a victory
 - Critical advice – Humour – Games – Quizzes – Contests



The Ten Commandments

- Identify ten simple messages that matter
 - You don't have to do more than one at a time
 - Share ideas to get them (Canada example)
- Choose things that apply to almost everyone
- Use simple language
- Focus on who might be willing to help get the message out
- Start internal – Do research to improve
- Work together even if some differ by country



10 Commandments – Canada

(With help from the Canadian Foundation for Economic Education)

- ① Save a bit before you spend!
- ② Pay debts fast! Borrowing longer means you pay more
- ③ Ask questions until you are comfortable
- ④ Know where your money is going.
- ⑤ Know your limit and stay within it
- ⑥ Don't give out personal information or passcodes
- ⑦ Don't buy it if you don't understand it.
- ⑧ Don't invest if it sounds too good to be true.
- ⑨ Don't confuse your needs and wants
- ⑩ Don't let someone else control your money





Research:

What Matters & How to Get it



Naturalistic Observation

- What is it?
- Why does it matter?
- How can you do it?
 - Observation & bias
 - Analysis
- How do you use the findings?
 - Targeting
 - Issues - Content
 - Language
 - Promotional efforts



Secondary Data

- What is it?
- How do you use it? Need analysis.
 - A few real examples
- Where do you get it?
- What does it cost?



Secondary Research

- What is it?
- Using secondary research – real examples of sourcing and cost
 - Find – Online (e.g., Google Academic, BASE)
 - Buy – Published sources
 - Ask – Private sector
 - Trade – Public sector
 - Borrow – University/Academic sources
- Synthesize & report strategy





Showing Results:

Measurement, Evaluation & Politics



Reality Hurts

No matter how much money you have...

You don't have enough to make everyone in your country financially literate.

Keep your goals realistic. Work together.



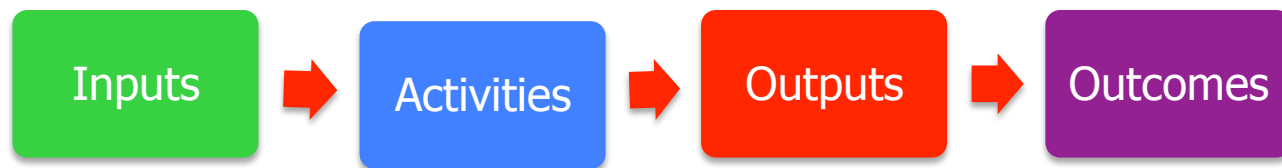
'Funders' want results

- Tie measurement tightly to activities. Avoid broad outcome measures.
- Think about who matters to funders
 - An example from alternative education
- Start small. Better a successful local pilot than an uncertain country-wide campaign
- Use a Program Logic Model to show that you have made progress and how you will make more.



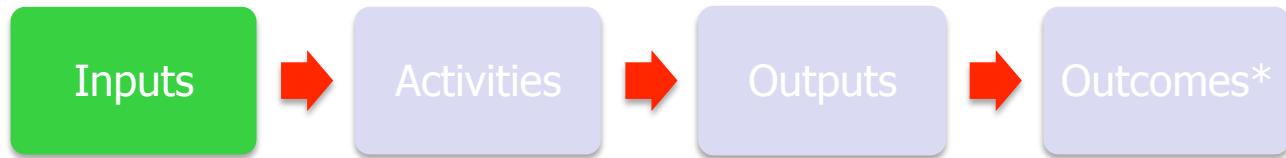
Build a Program Logic Model

- A Program Logic Model is a “road map” that shows what a program intends to do, how it will be done, and its intended impact.
- The next four slides show a real model, but we will only look at the slide on “Outcomes”.



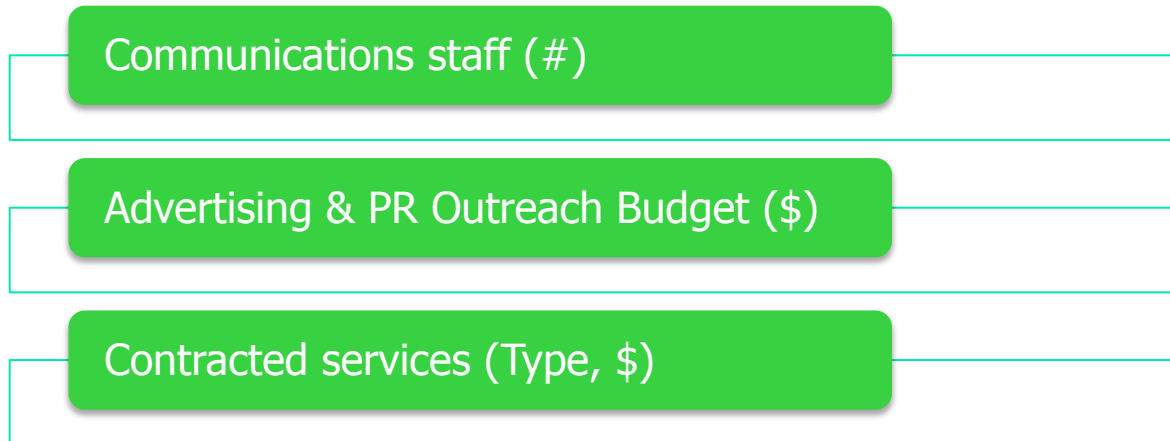
For more detail, see E. Weinstein, “Designing a Logic Model to Support Effective Evaluations”, Investor Education & Financial Behaviour Conference, Rio de Janeiro, December 2013.

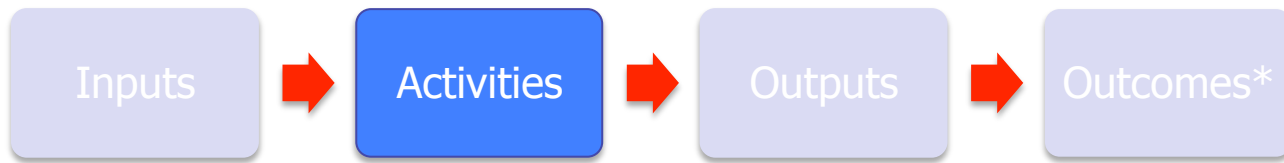
<http://www.brondesbury.ca/Go/28914E775A1D14E985/Designing-an-Effective-Program-Logic-Model-to-Support-Effective-Evaluations-Presentation>



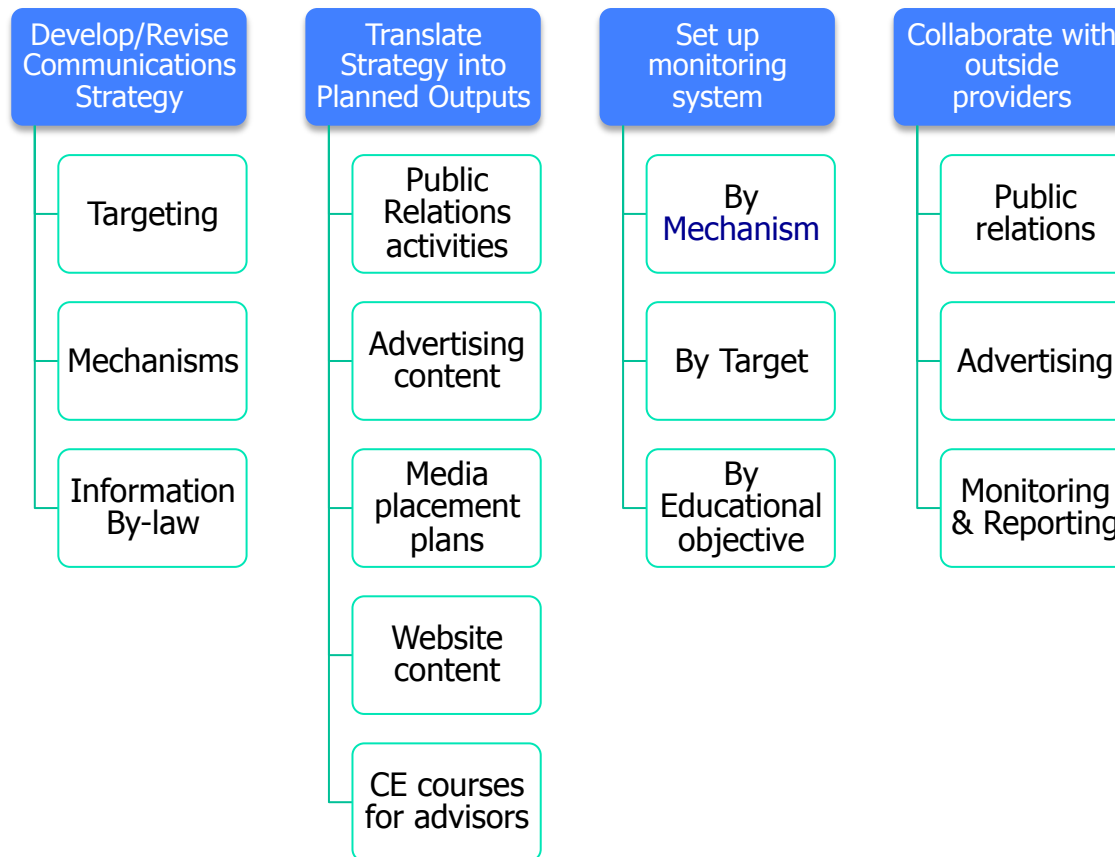
“Inputs” are Program Resources

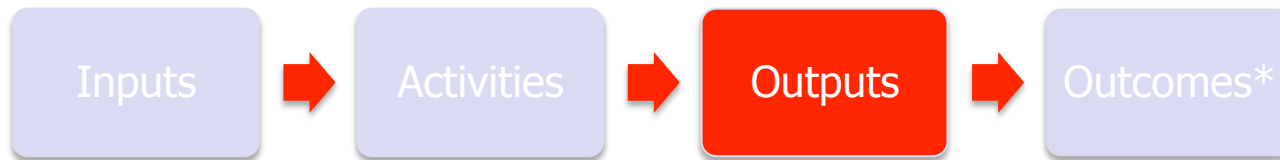
Inputs are not always shown, but this illustrates typical inputs: Personnel, Funds, Facilities, Equipment



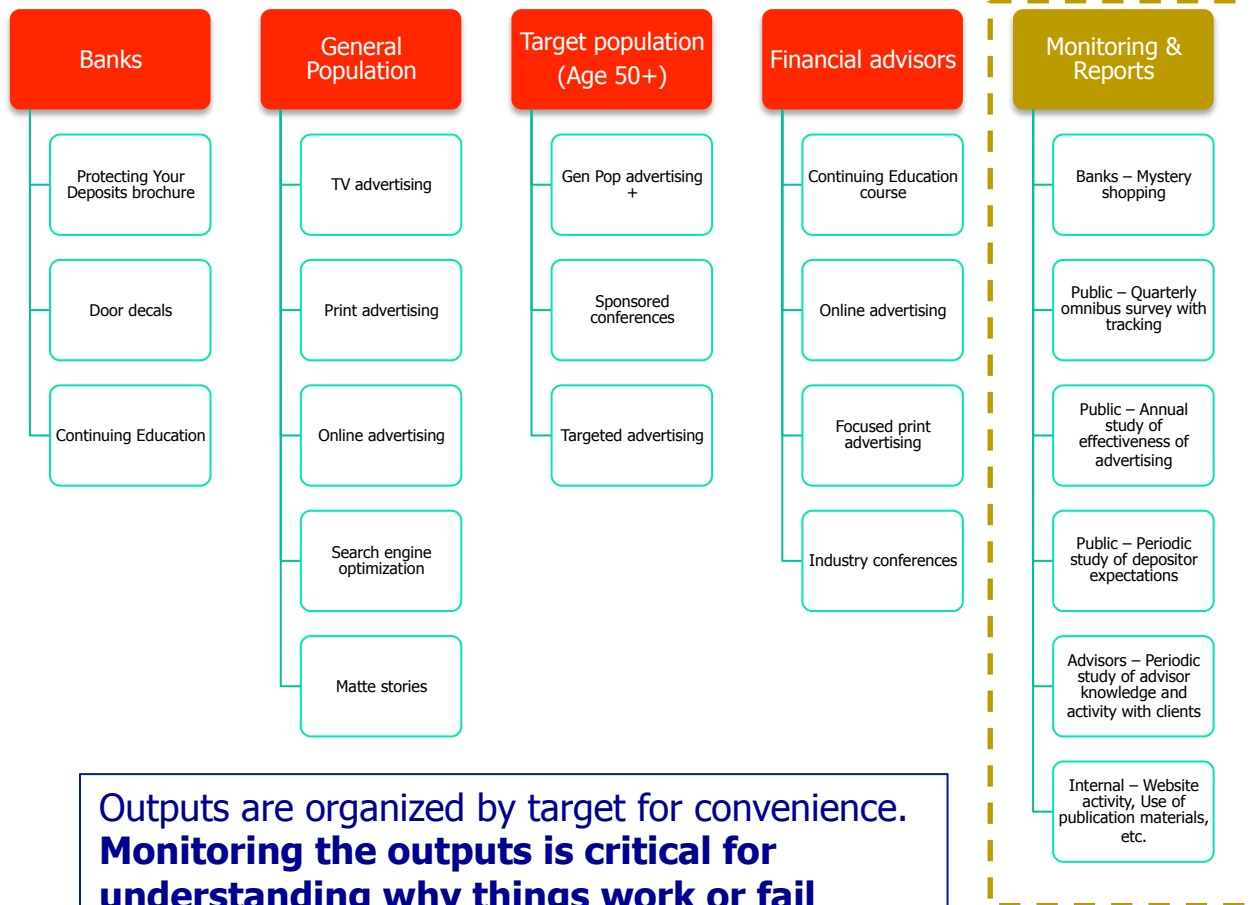


“Activities” = What you do to produce outputs

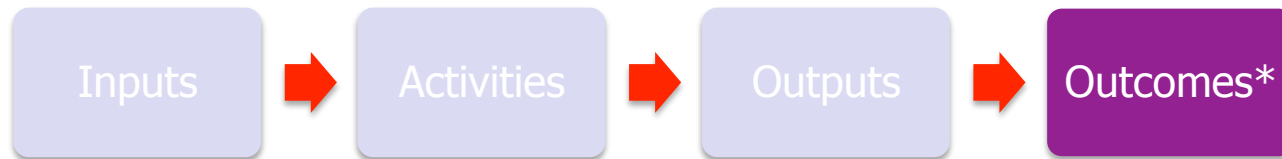




“Outputs”=Direct products or services produced by the activities



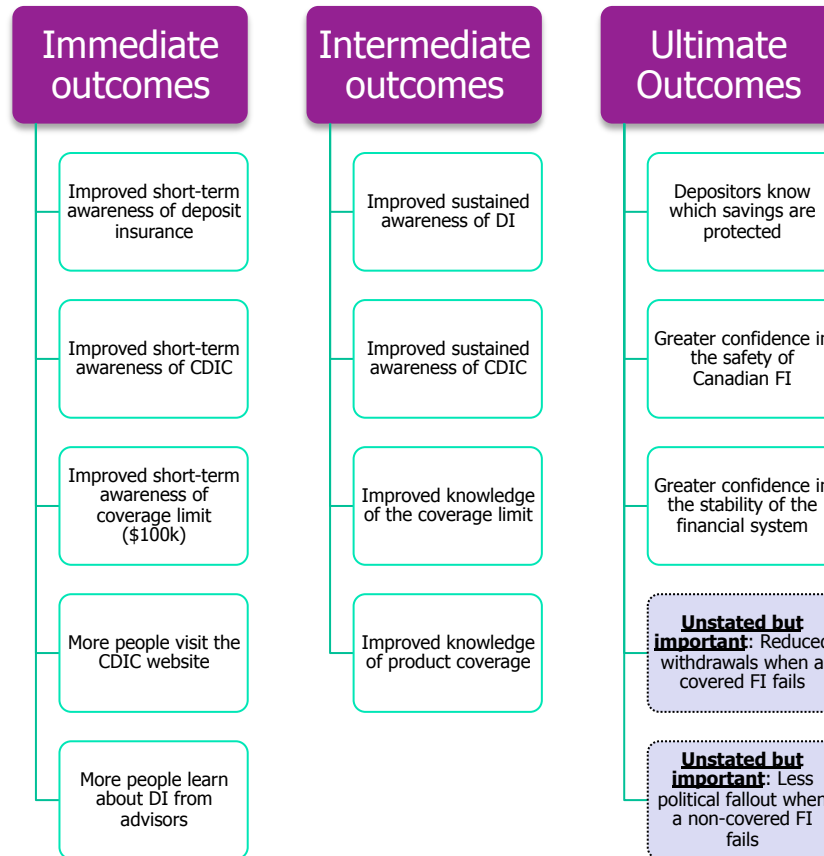
Outputs are organized by target for convenience.
Monitoring the outputs is critical for understanding why things work or fail



“Outcomes”=The changes that result from the program

CDIC has measures of almost all outcomes allowing them to link inputs, activities and outputs to outcomes.

** Immediate outcomes are short-term and Ultimate outcomes are long-term.*



Final Thoughts

- Getting People to Notice
 - Next Steps for You
-



Getting People to Notice

- Use Pilot projects and Build on them
- Push strategies – schools, brochures, media, etc.
- Pull strategies – website, matte stories
- Partnerships – work with public, not-for-profit & private sector – at home and nearby



Next Steps for You

- Do a little naturalistic observation with a few small local groups and open questions. Record if you can. Note the words.
 - How will you prepare for your older years?
 - What do you know now that you wish you new sooner?
 - How do you decide what to save, spend or pay off on debt?
- Develop a few commandments – Each under 10 words





THANK YOU

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