



# Building Financial Literacy

**Prepared for: IFIE**

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8 June 2016



BRONDESBURY GROUP



INTERNATIONAL FORUM FOR INVESTOR EDUCATION

# The Building Blocks

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- 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

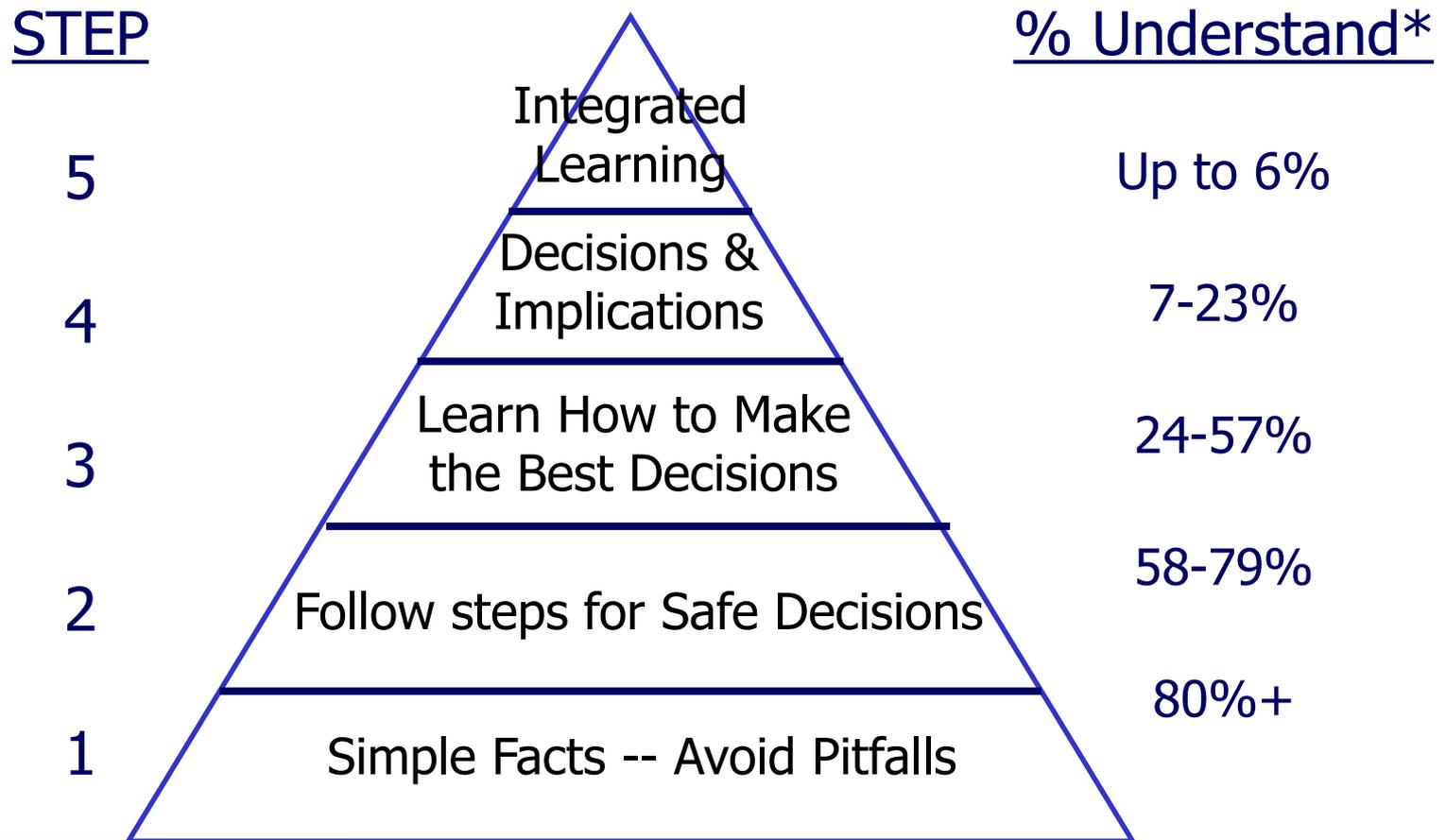
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- What are 'financial services consumers' able to learn?
- What do consumers want to know?
- When are they receptive to learning?
- What are the biggest barriers?



# What are Consumers Able to Learn

*(Ed's Learning Pyramid)*



# What do Consumers Want to Know

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*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*

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- 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
- 50<sup>th</sup> Birthday
- Grandchildren
- Sale of business interests
- Help family member in trouble
- Retirement – Self/Spouse
- Chronic illness



# Barriers to Learning – 6 C's

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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

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- 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

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- 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

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# 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

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- 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

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# Reality Hurts

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*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

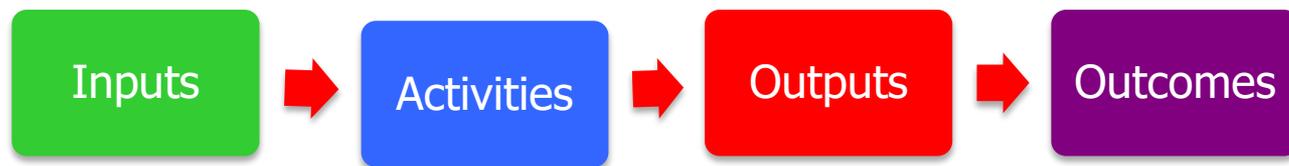
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- Tie measurement tightly to activities. Avoid broad outcome measures.
- Think about who matters to funders
  - An example from alternative education
- Start small. Better a successful local pilot than an uncertain country-wide campaign
- Use a Program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

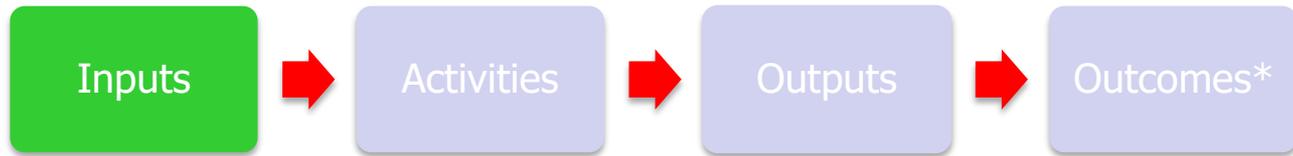


# Build a Program Logic Model

- 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”.



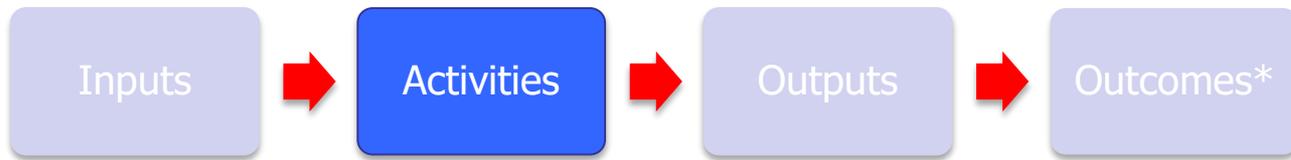
For more detail, see E. Weinstein, “Designing a Logic Model to Support Effective Evaluations”, Investor Education & Financial Behaviour Conference, Rio de Janeiro, December 2013. <http://www.brondesbury.ca/Go/28914E775A1D14E985/Designing-an-Effective-Program-Logic-Model-to-Support-Effective-Evaluations-Presentation>



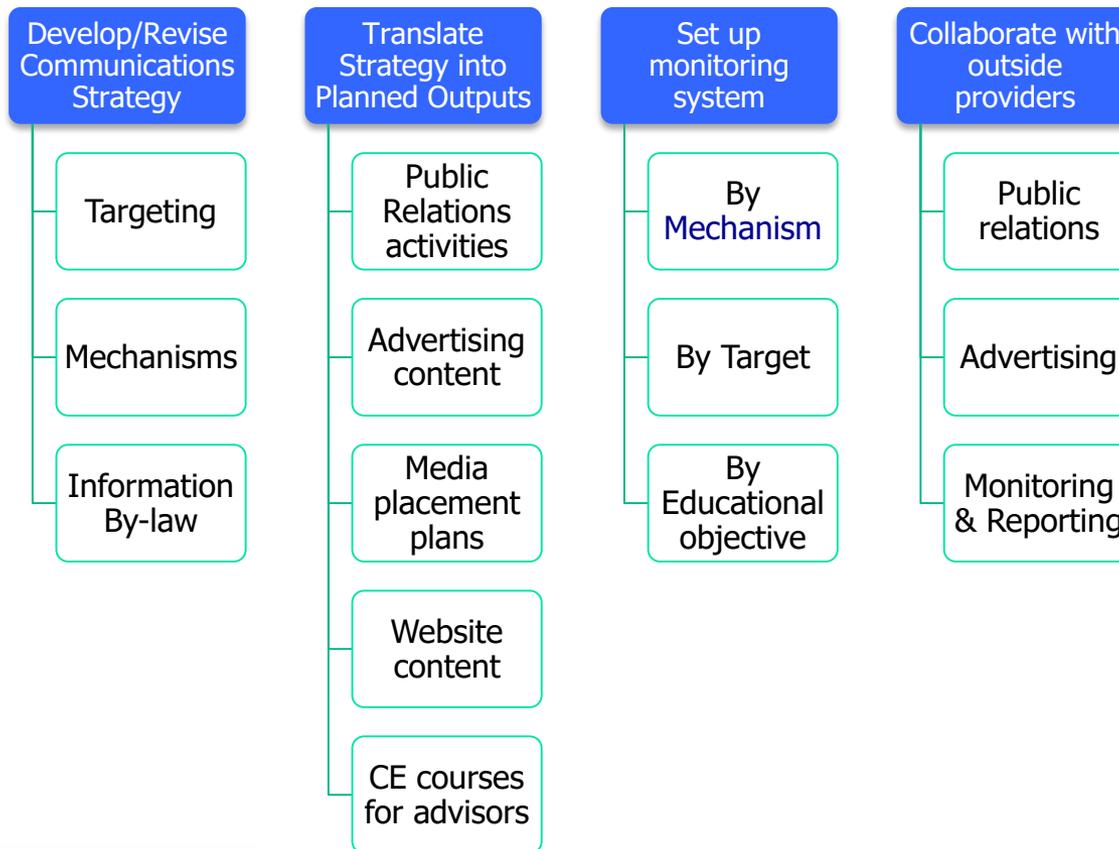
“Inputs” are Program Resources

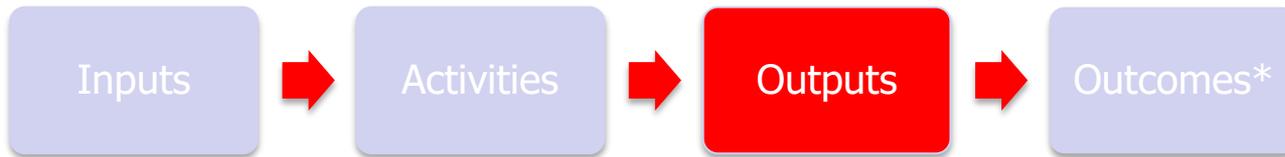
**Inputs are not always shown, but this illustrates typical inputs: Personnel, Funds, Facilities, Equipment**



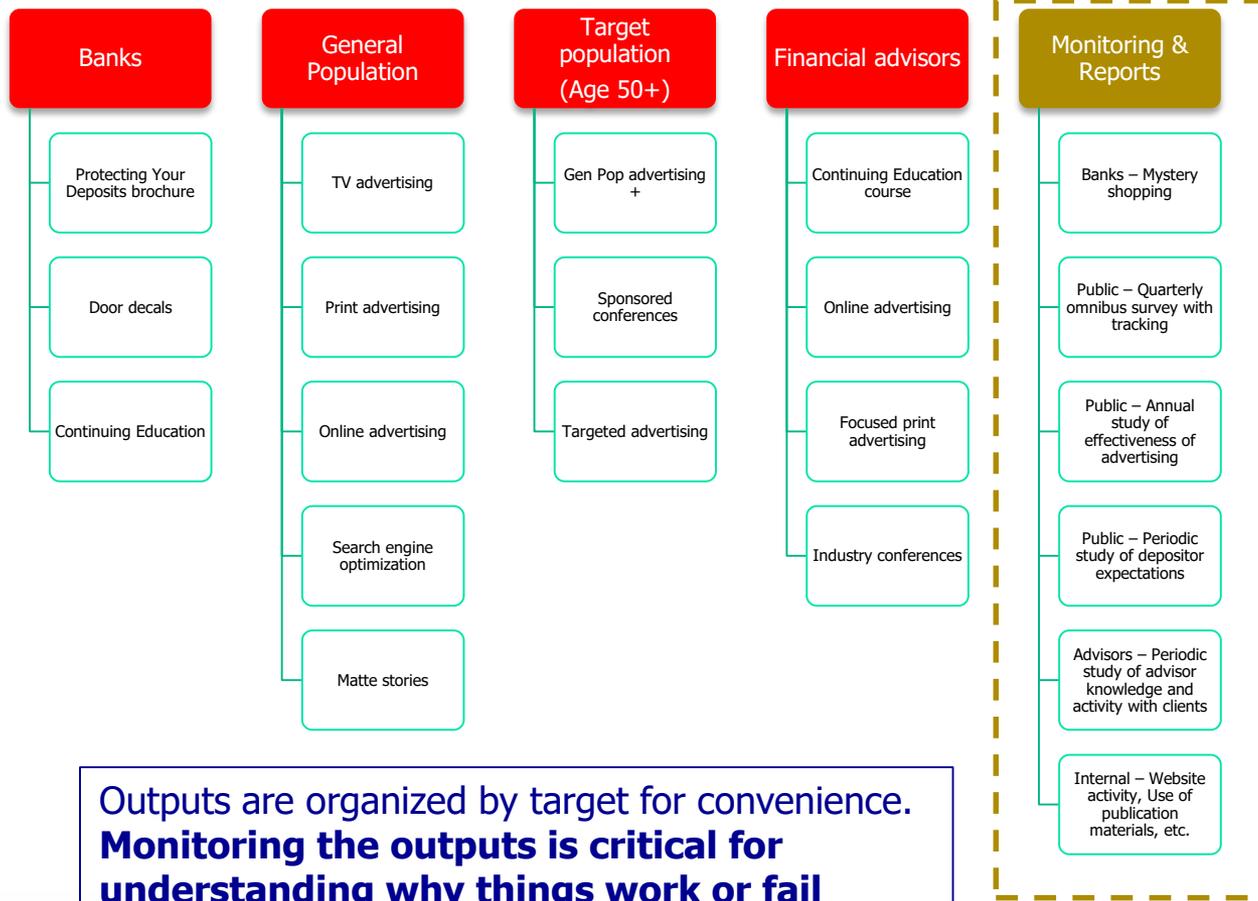


“Activities” = What you do to produce outputs



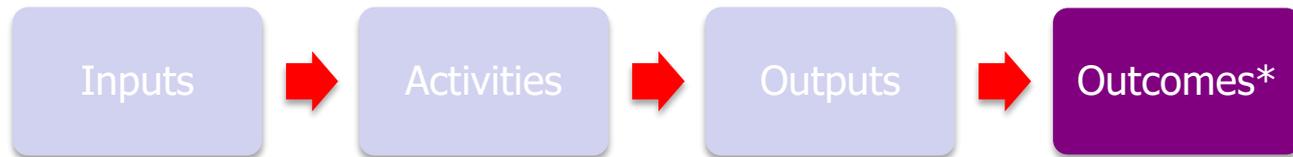


“Outputs”=Direct products or services produced by the activities



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

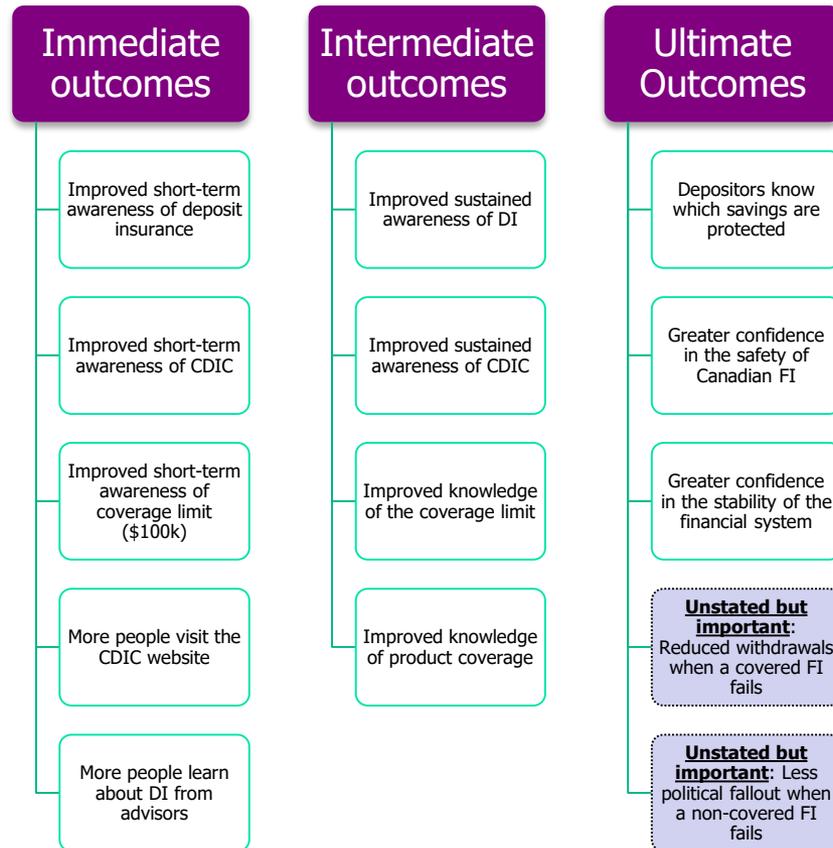




“Outcomes”=The changes that result from the program

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
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# Getting People to Notice

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- 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

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- 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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