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INFE HIGH-LEVEL PRINCIPLES
FOR THE EVALUATION OF FINANCIAL EDUCATION PROGRAMMES

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INTRODUCTION

In 2003, the OECD launched an international programme on financial education[1], under the aegis of the OECD Committee on Financial Markets (CMF) and the OECD Insurance and Private Pensions Committee (IPPC). One of the first milestones of the programme was the adoption of the Recommendation on Principles and Good Practices for Financial Education and Awareness by the OECD Council (OECD, 2005).

The OECD Recommendation on Principles and Good Practices for Financial Education and Awareness emphasises the importance of developing efficient financial education programmes, and states that: 'The development of methodologies to assess existing financial education programmes should be promoted' (OECD, 2005). In addition, the CMF, the IPPC and the OECD International Network on Financial Education (INFE)[2] identified the development of guidelines for programme monitoring and evaluation as a top priority. Accordingly, the INFE convened an expert subgroup on the Evaluation of Financial Education Programmes at a global level to encourage policy makers to recognise the value of evaluation and to improve evaluation practice.

Programme monitoring[3] and evaluation[4] is essential in order to be certain that a programme is effective, to identify areas for improvement and to check that the initiative makes good use of resources. Evaluation evidence can also inform national financial education strategies by identifying the most efficient programmes and influencing future funding decisions. Furthermore, when robust evaluation findings are generalised to a wider population it becomes possible to predict the overall impact of a programme on a much larger scale and set well-defined policy targets.

Evaluation data can be complemented by financial literacy measurement at a national or international level. A national survey of financial literacy can help programme designers to identify those topics that should be covered by financial education programmes and to set appropriate targets when writing their aims and objectives. With repeat surveys, it may also be possible to identify changes in levels of financial literacy over time and attribute such changes to the implementation of large-scale financial education programmes. However, a national survey should not be seen as an alternative to programme evaluation, as it does not allow for detailed analysis of the benefits particular programmes and is not designed with reference to the aims and objectives of a particular programme.

[1] Financial education is the process by which financial consumers/investors improve their understanding of financial products and concepts; and through information, instruction and/or objective advice develop the skills and confidence to become more aware of financial risks and opportunities to make informed choices, to know where to go for help, and take other effective actions to improve their financial well-being and protection.

[2] The OECD created the INFE network in 2008 to promote and facilitate international co-operation between policy makers and other stakeholders on financial education issues worldwide. Currently, more than 200 public institutions from more than 90 countries have joined the network.

[3] i.e. regular, routine tracking of inputs and outputs.

[4] i.e. assessment of changes that can be attributed to the programme.

Against this backdrop, and with the guidance of various OECD and INFE papers (OECD (2010), OECD/INFE (2010a), OECD/INFE (2010b), this document presents the INFE high-level principles for the evaluation of financial education programmes (herein after referred to as the high-level principles) and is intended to complement the 2005 OECD Recommendation. The high-level principles are designed to further inform policy makers, financial education programme designers and other stakeholders about the importance of evaluation. They relate to the monitoring and evaluation of a wide variety of financial education provision, from individual courses and seminars to large scale programmes and media campaigns. The evaluation of national strategies requires evaluation of the component parts, and these high-level principles are therefore of relevance in all countries regardless of whether there is a national financial literacy strategy.

The evaluation of school programmes is not within the scope of these high-level principles; the OECD and its INFE network have developed specific work to address the delivery and evaluation of financial education in schools[5].

PROCESS

These high-level principles were developed and approved by the OECD INFE in December 2010. They were then transmitted to the OECD Committees in charge of Financial education [the Committee on Financial Markets (CMF) and the Insurance and Private Pensions Committee (IPPC)] and approved for further public consultation. The document was subsequently made available for public consultation on the OECD website and the OECD International Gateway for Financial Education[6] in August/September 2011. Minor comments were received and reviewed through this process. Following the successful public consultation process, the document has been endorsed by the INFE as INFE high-level principles.

[5] The outputs of this work stream will be released in the first half of 2012.

[6] www.financial-education.org

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1. Evaluation: an essential element of financial education programmes

New programmes should be evaluated

A monitoring and evaluation strategy should be developed alongside new financial education programmes in order to gain maximum benefit from the evaluation data. Evaluation should be given the same importance as any other aspect of the programme. Dialogue and collaboration between programme designers, facilitators and evaluators should be promoted (to the extent possible) in order to make sure that everyone is in agreement about the aims and objectives and the implementation of the evaluation.

Care should be taken to align expectations among stakeholders and to ensure that the evaluation can provide stakeholders with useful information.

Existing programmes should be evaluated to the extent possible

Whilst programmes should ideally be designed with evaluation in mind, there are ways of evaluating existing initiatives in order to provide evidence of efficiency and inform future policy decisions.

All ongoing monitoring processes and available data sources should be identified and used as necessary when evaluating existing programmes in order to avoid duplication of effort. Where no such resources exist, monitoring and evaluation processes should be implemented at the same time.

As with new programmes, the process of designing an evaluation of existing programmes should be collaborative, in order to make sure that all stakeholders are in agreement about the aims and objectives as well as the implementation of the evaluation. Priority should be given to explaining to stakeholders why the evaluation is taking place, and seeking their full cooperation.

2. Budget for evaluation

A budget should be set for evaluation. Where it is not possible to evaluate all aspects of the programme within the budget, stakeholders should be encouraged to identify which aspects of the programme should be evaluated as a priority taking into account the main objectives of the programme.

The amount of money set aside for evaluation should be proportionate to the overall cost of the programme. Particular attention should be given to identifying pre-existing evaluation resources that can reduce the cost of evaluation such as existing evaluation materials, resources or frameworks, including the OECD INFE guides to evaluation OECD/INFE (2010a), OECD/INFE (2010b). Existing survey data could also be used to set benchmarks; tests or survey instruments can be modified for use in evaluation; and data such as employers' records of money paid into pension funds can be used to identify changes over time.

Whenever possible, consideration should be given to obtaining an accurate estimate of evaluation costs before finalising the funding for financial education programmes in order to set aside an appropriate amount of money or identify additional funding sources when necessary.

There are some circumstances where the long-term benefit of evaluation evidence can justify high cost evaluation in the initial stages. This is particularly the case with pilot studies designed specifically to assess the potential benefit of a new large-scale financial education programme.

3. External evaluators: adding credibility, skills and independence

The use of external evaluators should be encouraged wherever resources permit. Good evaluators have the necessary skills to ensure a robust evaluation design, the contacts to access information that might otherwise be difficult to obtain and the experience to find solutions to any issues that arise during the evaluation process. Their independence can also encourage participants to respond more openly.

When choosing an external evaluator, consideration should be given to whether they have appropriate levels of knowledge about each element of the programme, including the subject matter, the delivery method and the target group. Similar consideration should be given to their skills and experience, including their ability to report the findings of the evaluation in an accessible way.

The share of the evaluation undertaken by an independent expert should depend on the specific nature of the evaluation. When an evaluation is based almost entirely on monitoring data, for example, the external evaluator should review the data and the subsequent analysis to confirm that there has been unbiased reporting.

Effort should be made to encourage doctoral students and others to work in the area of financial literacy programme evaluation in order to increase the number of external evaluators available.

4. Appropriate evaluation design

The design of the evaluation should take into account the objectives of the programme, the size and length of the programme, the target audience and the delivery method. It should also be appropriate to the needs of the stakeholders, including those tasked with applying the findings of the evaluation to future programmes. Priority should be given to evaluation that is designed to attribute observed changes amongst the target audience to their participation in the programme[7].

Aligned with well-defined programme objectives

An evaluation should be designed to assess the extent to which a programme has met specific targets and goals and whether it has completed its overall objectives. This is achieved by aligning the evaluation design with the programme objectives.

[7] Additional guidance on choosing appropriate evaluation designs is available from OECD (2010), OECD/INFE (2010a), and OECD/INFE (2010b).

Financial awareness and information programmes may incorporate elements of three different types of objective, each of which requires a different evaluation design:

- The first type of programme provides consumers with information, and the objective is often to reach as many people as possible. In such cases monitoring data provides sufficient evidence that the programme has met its objectives.

- Other programmes are designed with the objective of increasing knowledge or skills. In these cases, tests should be distributed before and after the programme to indicate whether learning has occurred. Follow up studies can be used to explore the extent to which the knowledge or skill has been retained.

- The third type of programme is intended to develop new behaviours or change existing behaviours. Evaluators should consider employing long-running monitoring and evaluation processes to assess the extent of behaviour change.

Programmes often address more than one of these objectives, and in such cases the evaluation design will incorporate several methods.

If a financial education programme does not have well-defined objectives, evaluators should identify external benchmarks (such as the performance of similar programmes run elsewhere) against which the programme can be assessed. This is more likely to be necessary when a programme is not designed with evaluation in mind.

Appropriate to the size and length of the programme

Financial education programmes should be evaluated regardless of size, but larger programmes provide more options in terms of methods used and the full range of options should be considered in such cases.

The evaluation of smaller scale programmes should be designed with particular regard for the implicit budgetary constraints and the small number of participants from which to draw a sample.

Some financial education programmes take place over several sessions, whilst others are delivered at a single point in time. The amount of input expected of participants should be proportionate to the amount of provision received. Financial education programmes designed to run over several sessions can be designed to incorporate repeated participation and should ideally incorporate evaluations that capture changes over time.

Taking into account the target audience and delivery method

When evaluating a programme that is designed to reach the whole population, priority should be given to using national data such as surveys of financial literacy or aggregate economic indicators. Evaluation designs that automate monitoring and evaluating processes should also be considered as cost effective approaches to data collection in such situations.

The design of evaluations that focus on programmes targeting a subset of the population will depend on the extent to which variations in the economic status, education levels, literacy, numeracy or language of the financial education participants may impact on their ability to input into the evaluation process. The extent to which target audiences are transitory or vulnerable must also be factored into the evaluation design.

The design of the evaluation should be aligned with the delivery method in order to contain costs and provide reliable data. For example, users of web-based learning may be too geographically dispersed to interview in person, but could readily be approached by telephone, email or via an online survey.

Attributing change to the programme

Evaluations should indicate to stakeholders the extent to which programmes have changed levels of knowledge, skills, behaviour or attitudes (where these outcomes are in line with the objectives of the programme). Not all evaluation designs can prove a causal relationship between a financial education programme and observed changes; but ideally, priority should be given to designs that can prove such a relationship. The most rigorous way of inferring a causal relationship is to undertake a parallel study with a group of people who did not participate in the programme (a control group or comparison group, depending on how they are chosen). If the programme participants exhibit changes that have not occurred in the parallel study, then it is reasonable to attribute the changes to the programme.

A well designed qualitative study can give valuable insights into the additional factors that may explain any changes observed and should be considered as an important part of evaluations seeking to understand how change occurred. This could include depth interviews, case studies or focus groups.

In order to attribute levels of knowledge or skill to the programme and identify improvements, the evaluation should incorporate a measure of knowledge or skill before and after participation. Longitudinal studies should be considered with repeated follow-up of programme participants in order to identify changes over time and the extent to which such changes are long-lasting.

5. Reporting

Policy makers should encourage the reporting of evaluation findings to the extent possible. Reports should discuss both the positive and negative findings in order to properly inform future programme design.

Evaluations are only truly valuable if people learn from them; they need to learn what has worked, and what has not worked. When evaluations are reported in an unbiased way they can help both the programme designers and others improve aspects of the financial education on offer and avoid costly mistakes in the future. Sharing the findings also allows others to benchmark their own programmes and set targets.

Stakeholders should identify their reporting needs during the design phase of the evaluation. Depending on the complexity of the evaluation design, many months may elapse between data collection and final reporting. During this time, the benefit of interim reporting should be considered, keeping in mind the possibility that findings will change as more data become available.

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