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Expanding Financial Capability in Colombia

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Foreword



Traditionally, financial education programs have been built on the assumption that transferring key information to clients about how to use financial products will lead to better choices and improved financial health. However, evidence from numerous impact evaluations over the past decade suggests that this assumption is flawed. Based on the landscape review we conducted three years ago, *A Change in Behavior: Innovations in Financial Capability*, we concluded that a behaviorally-informed approach to financial capability interventions has a better chance of making a difference in both the customer's understanding and usage of financial services.

Since that report, we have begun working with both policymakers and financial service providers to introduce more tailored interventions that rely on insights from the field of behavioral science. We began in Colombia, where thanks to the generous support we received from the Latin American Development Bank (CAF) and Banca de las Oportunidades, we were able to conduct a series of in-depth training workshops for representatives from the government, private and non-profit sectors on designing more effective financial education programs.

Our objective was both to transfer insights and best practices gleaned from behavioral research and to hear feedback on efforts to implement these new approaches. In our workshops, we explored some ideas for identifying behavioral biases of customers, and exemplified how technology could help counteract them in a cost-effective, scalable manner. In particular, we were most interested in helping financial education program managers and financial service providers to integrate behavioral elements into their delivery of products and information to clients.

While we support the quest to help consumers be more financially capable, we continue to advocate for substantial changes in the way financial education is applied—and that leads us to call for interventions to build more capable clients, including highly innovative approaches that might not normally be considered part of "financial education." In the coming years, we hope to continue leveraging our research efforts and experience in this field to advise financial regulators, governments and financial service providers on what we believe are the most effective ways for achieving this.

ELISABETH RHYNE

Managing Director, Center for Financial Inclusion at Accion

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Introduction

Throughout the world, a consensus is growing among policymakers regarding the importance of financial education as a key intervention for the effective use of financial services and for promoting financial inclusion. This trend continues as more governments develop national financial education strategies—59 thus far, according to the Organisation for Economic Co-operation and Development (OECD).¹ These strategies are born out of a concern that clients, especially low-income clients, have limited financial capability—the set of attitudes, knowledge and skills necessary to make money management decisions that improve their lives—and that financial education is necessary to build more capable clients.

Several national studies, such as the national surveys to measure financial capability that the Latin American Development Bank (CAF) administered in Argentina, Paraguay, Colombia, Ecuador, Peru, Bolivia and Chile in 2014, have substantiated the existence of such gaps.² National financial education strategies help close this gap by ensuring that stakeholders are organized and practitioners are meeting minimum standards for the design and delivery of effective financial education programs.

In July 2017, Colombia launched its National Economic and Financial Education Strategy, which established an action plan for promoting financial education in the country. The strategy specified objectives and expected results, identified priority population segments, and established a timeline for implementation from 2017 to 2020. One of the main goals in the strategy is to “[strengthen] the quality of economic and financial education” by defining “common criteria and minimum recommendations for quality content and methodologies that can help to improve the

quality, effectiveness and level of innovation of the existing programs.”³

Recognizing these goals, the Intersectoral Commission for Economic and Financial Education, which is in charge of implementing the strategy, partnered with CAF and the Center for Financial Inclusion at Accion (CFI) to develop a training program to impart the latest financial education programming insights and best practices to policymakers and practitioners who would be developing operational plans for implementing the national strategy.

In the training, CFI’s goal was to offer a more effective approach to building financial capability than traditional financial education programs. Traditional programs are built on the assumption that transferring information to clients about how to use financial products will lead to improved financial capability and better financial management behavior. However, evidence from numerous impact evaluations conducted over the past decade suggest that this assumption is flawed. In 2015, in response to this evidence, CFI conducted a review of financial capability building efforts around the world identifying innovative approaches that focused on behavior change and incorporated behavioral economics into intervention design to create initiatives that were more effective than traditional financial education programs.⁴ From that learning, CFI identified a series of best practices for developing financial education interventions.

This report describes CFI’s efforts to communicate those best practices to policymakers and practitioners via workshops in Colombia as well as an evaluation of the success of our efforts. It also presents recommendations for further embedding behavioral insights into financial education programming so that practitioners and policymakers can deploy more effective interventions.

How to Build Financial Capability

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Meaningful financial inclusion requires financially capable customers who actively use products for their benefit. The ultimate goal of financial education programs is to help develop financially capable customers—those with the attitudes, knowledge and skills to make financial decisions that improve their lives.

Financial education programs are delivered by financial service providers (FSPs), government agencies, public schools and universities, research institutions, institutional donors and non-profit organizations throughout Colombia. According to a 2016 survey conducted by Banco de La República, the Colombian central bank, there were over 132 individual programs offered by 113 entities.⁵ These included courses offered in school for children and adolescents, financial literacy workshops offered by FSPs to prospective clients regarding service offerings, and government initiatives that complemented social welfare programs in vulnerable communities.

The majority of these programs focused on managing day-to-day expenses while some others focused on specific topics like business management or insurance products. The tools and delivery channels used in over 70 percent of these programs were traditional in design. They relied mainly on printed materials and videos to communicate information and were delivered in classroom-based settings, town hall-style lectures, seminars or workshops. These are traditional financial education models, and they are difficult to scale, expensive to implement and often struggle with low attendance and participation.

Myriad evaluations examining traditional financial education programs around the world over the past decade also suggest that they are not effective. A meta-analysis conducted in 2014 with data from over 200 academic

Traditional financial education models are difficult to scale, expensive to implement and often struggle with low engagement.

studies revealed that, on average, participation in traditional financial education programs only accounted for 1.8 percent of the variance observed in financial behaviors following the intervention. The researchers also noted that this impact might actually be even lower because this variance does not account for other important factors that may affect financial behaviors, such as confidence, planning abilities and numeracy.⁶ Additionally, the effects were even smaller among low-income populations in developing countries, and numerous studies have demonstrated that many participants have a limited ability to process financial education information, which further hinders the likelihood of a lasting effect on behavior.⁷

The high cost of delivering financial education trainings, coupled with disappointing results from impact evaluations, signals the need for a different approach. If information transfer alone does not adequately engage people in the type of active learning and practice that prompts behavior change, what does?⁸

There is a growing body of evidence showing that financial education interventions that incorporate behavioral economics principles are more likely to improve client's money management skills than traditional interventions.

FIGURE 1

Seven Rules of Thumb for Effective Financial Capability Interventions

- **Teachable Moments.** Reach consumers when they are making financial decisions.
- **Learning by Doing.** Let consumers practice using products.
- **Nudges, Reminders and Default Options.** Timely reminders and default options support good habits.
- **Rules of Thumb (Heuristics).** Mental shortcuts help turn learning into habit.
- **Make It Fun.** Games and humor aid learning and retention.
- **Customize It.** Tailor advice to an individual's specific financial situation.
- **Make it Social.** Leverage the power of social forces.

SOURCE Arnold, J. and Rhyne, E. *A Change in Behavior: Innovations in Financial Capability*. Center for Financial Inclusion at Accion. 2016.

There is a growing body of evidence showing that interventions designed using principles from behavioral economics are more likely to improve people's money management behavior than other interventions.

Banco ADOPEM in the Dominican Republic is a good example of the types of results behaviorally informed approached can achieve. Banco ADOPEM simplified its financial education program to a set of rules of thumb to make it more digestible and actionable for clients, many of whom have limited business and accounting skills. One of the recommended rules of thumb suggested storing business and personal cash in separate boxes and paying oneself a “salary” from the “business box” once a week. With this suggestion, Banco ADOPEM converted a complex accounting concept that it previously delivered using traditional models in an easy-to-remember action. The results were compelling: clients who received these rules of thumb were 8–25 percent more likely to engage in healthy business practices than clients who attended the traditional business training instead.⁹

In response to this growing body of evidence, CFI commissioned a report to look at innovative programs that were using behavioral economics to build clients' financial capability. From that work, CFI distilled the main behavioral insights into seven rules to guide financial educators and FSPs in designing financial capability interventions (see [Figure 1](#)).

Shifting the Financial Education Paradigm in Colombia

3

Workshop Content

In May 2017, CFI started working with CAF and the government of Colombia to introduce these behavioral economics concepts to key stakeholders involved in the implementation of the financial education portion of the National Economic and Financial Education Strategy. With support from CAF, CFI endeavored to shift the mindset of Colombian officials charged with developing interventions specifically aimed at promoting behavior change by hosting six two-day workshops between July and October 2017 for a mix of stakeholders from the public, private, and non-profit sectors in Bogotá. Each workshop addressed a specific population segment and was tailored to the sub-committee responsible for reaching that target market: youth and adolescents, economically active adults, retired individuals, vulnerable populations, and microentrepreneurs.

Throughout the workshops, we presented content and engaged practitioners in activities that were specifically designed to provide them a holistic understanding of what is necessary to design behaviorally focused interventions.

For instance, after presenting information on traditional and behaviorally informed approaches to financial education programs, we asked participants to apply the Common Cents Lab's Financial Education Program Audit to the programs they managed to identify opportunities for behaviorally informed improvements.¹⁰ The audit tool focuses on recommending simple changes to make information transfer more effective, such as focusing each session on a single topic and limiting sessions to one hour. The tool also covers ways to help clients' improve information retention like providing practice materials to reinforce learning through digital messages or community engagement.

We also engaged participants to think deeply about cognitive biases that impact the success of behavior change programs. This included examining seven major cognitive biases — procrastination, social norms, limited attention span, predisposition to the present, loss aversion, and default options. Participants performed activities to identify how these biases affect their lives, underscoring the fact that cognitive biases are present in all of us, not just beneficiaries of social programs or financial product users.¹¹

FIGURE 2

Human Nature: The Most Common Cognitive Biases We Experience

1. Procrastination: Leaving for “tomorrow” what we should be doing today to reach our goals
2. Social Norms: The effect that our perception of other people’s opinions have on our own behavior
3. Limited Attention Span: Not being able to give the same level of attention to everything we need to do
4. Predisposition to the Present: Giving preference to immediate smaller returns over future larger ones
5. Loss Aversion: Strong tendency to prefer avoiding losses over making profits
6. Default Options: When enrolling, people tend to prefer choosing the options that have the least amount of filters or obstacles

SOURCE Instituto Mexicano de Economía del Comportamiento. *Manual de Economía del Comportamiento, Vol 3: Finanzas del Comportamiento*. May 2017



Members of the organizing team for the first financial capability building workshop (L-R): Paola Cuadros (Banco de la República), Gabriela Zapata (Consultant), Leonardo Tibaquirá (Acción), Pablo Anton (CFI), Elisabeth Rhyne (CFI) and Pablo German Bolívar (Banca de las Oportunidades), July 2017. PHOTO CREDIT: Banco de la República

FIGURE 3

Summary of Concrete Actions Our Workshop Enabled Participants to Take

- Identifying specific actions they could take in the next month to improve their own financial security (putting themselves in the shoes of their target population)
- Defining or narrowing their target audience
- Identifying the minimum expected behavior change(s) they want to see in their target audience
- Delineating the minimum changes necessary to achieve their objectives
- Identifying barriers to target behaviors
- Planning the next steps and setting benchmarks to define program goals over the next six months

It is also critical for practitioners to understand the financial lives of target segment. How do clients earn and spend money? What formal and informal tools do they use and why? What are their attitudes toward financial service providers? The answers to these questions can help practitioners deliver targeted financial information to the right people at the right time. There are a variety of data sources available to help practitioners understand these issues at a high level. Nationally representative surveys—which are often implemented as part of national financial education strategies—can provide important insights about how broad segments of a population behave while individual studies can provide an in-depth understanding of the behavior of a groups of clients.

To illustrate this point, we presented findings from a Financial Diaries project conducted in 2016 in Mexico by Bankable Frontiers Associates.¹² Financial Diaries surveys provide granular data on how low-income households manage their money and often show low-income households are savvy money managers. We used the data to illustrate the complex choices households make and how new interventions can complement the knowledge and behaviors households already exhibit.

Ultimately, our goal was to have practitioners apply their learnings to design interventions that changed the behavior of their clients, and we worked with practitioners to get commitments to do so. We guided participants through the process of identifying a specific behavior they wanted to influence in their clients and designing a prototype intervention to achieve it. We worked with them to establish intermediate next steps and to assign responsibilities among their team members.

Workshop Results

A total of 155 representatives from financial service providers, government contractors, financial education program managers and representatives from government agencies attended the workshops.

Our aim was to reach top decision makers at the organizations invited to the workshops in order to embed the principles of financial capability into the DNA of new national and regional strategies and public programs. Some

TABLE 1

Workshop Attendance

	WORKSHOP 1 JULY 27-28	WORKSHOP 2 JULY 31-AUG. 1	WORKSHOP 3 SEPT. 25-26	WORKSHOP 4 SEPT. 27-28	WORKSHOP 5 OCT. 2-3	WORKSHOP 6 OCT. 5-6	TOTAL
People Invited	85	46	56	71	??	69	327
RSVP'd YES	40	34	35	37	43	40	229
Attendees (RSVP'd YES)	24	19	13	25	23	17	121
Attendees (did not RSVP)	8	4	2	6	0	14	34
TOTAL ATTENDEES	32	23	15	31	23	31	155
Number of Institutions Represented	20	10	10	22	10	18	90
Attendance Rate (vs. RSVPs)	80%	68%	43%	84%	53%	78%	68%

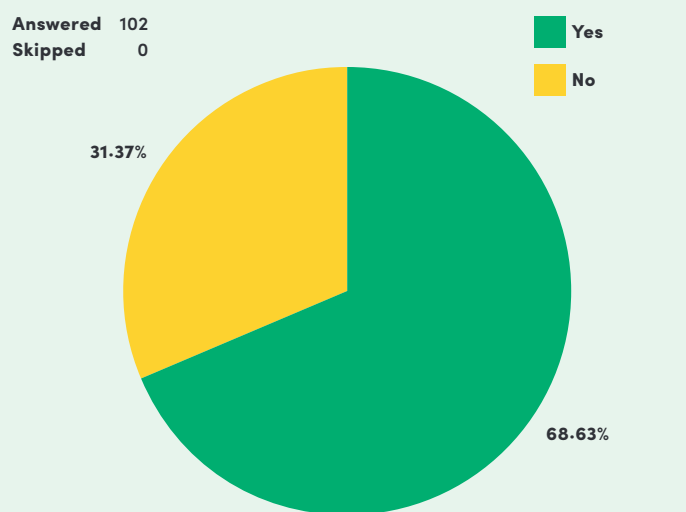
participants were directors and executive directors (18), executives and members of boards of directors (4), and managers (8). However, the majority of the remaining attendees (125) were operations staff, holding titles such as coordinator, advisor or consultant. We can assume that many of the decision makers that were invited preferred to send subordinates as their representatives at these workshops. We believe that this may have affected the ability of participants to devise and carry out the action plans developed during the workshop.

WORKSHOP ATTENDANCE

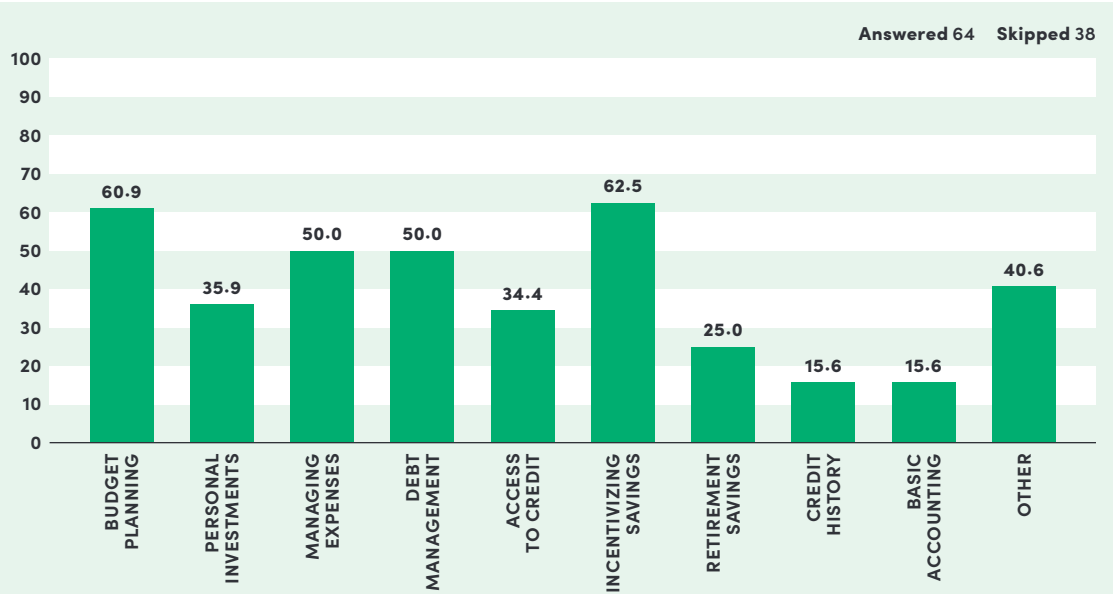
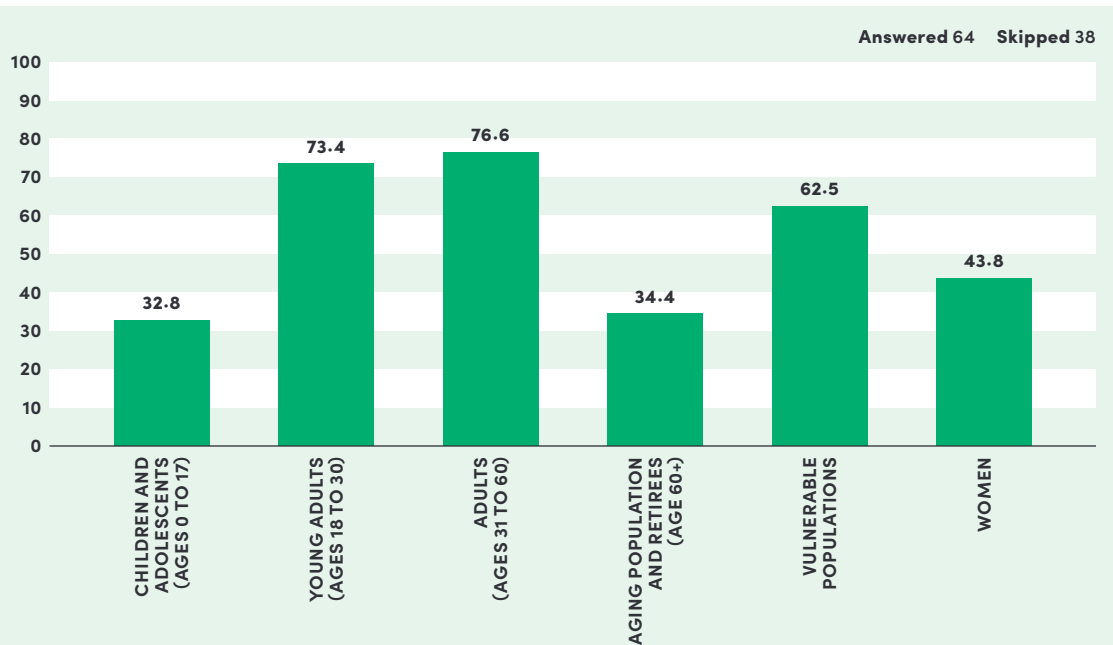
Out of the 155 attendees at the workshops, 101 (65 percent) completed a voluntary short survey at the beginning of the workshop to gather information regarding their job, institution, role in implementing financial education programs, and the intended themes and target audiences of their financial education programs. Almost 70 percent of the people who responded reported that they managed or supported the implementation of a financial education program (Figure 4). These programs tended to focus on incentivizing saving, budgeting, and managing debt and spending (Figure 5). Over 70 percent of programs targeted adults in their most economically active years (Figure 6). These initial surveys indicate that the workshop content was relevant to the daily work of the majority of participants.

FIGURE 4

Percentage of Participants Implementing Financial Education Programs



NOTE All workshop follow-up surveys were voluntary, which is why the number of responses is lower than the number of attendees. Additionally, all figures in this section refer to information provided at the individual and not the organization level.

FIGURE 5**Programmatic Focus of Financial Education Programs Managed by Workshop Participants****FIGURE 6****Target Population Segment of Financial Education Programs Managed by Workshop Participants**



Financial capability building workshop participants, July 2017.
PHOTO CREDIT: Banco de la República

EVALUATIONS AND COMMITMENTS FOR FOLLOW-UP ACTION

Following the workshop, participants were asked to complete an evaluation where they described the skills they acquired during the workshop, rated each workshop session, and provided recommendations for improvement. We also conducted a second evaluation with participants that took place between four and six months after the workshop.

Workshop evaluations were overwhelmingly positive. On average, participants rated the workshop content at 9.54 out of 10. An important message from participant feedback was the need for continued support while implementing financial education programs with additional tools and recommendations.

Nearly two-thirds (98 of 155) of participants completed and submitted a voluntary list of commitments they developed during the workshop detailing their desire to implement certain actions and achieve specific goals inside their organizations to put into practice the lessons they had just acquired. These commitments were developed by teams of participants representing the same institution. In total, the 98 participants that shared commitments with us established a total of 182 actionable items (two on average per person) and committed to completing these activities in a timeframe of no more than six months.

In general, participants' voluntary commitments primarily focused on imbedding certain teachings of our workshop into ongoing financial education interventions. Recurring examples of commitments included: incorporating specific behaviorally informed practices into financial education programs; improving internal coordination with other departments on this subject; developing pilots; designing tools for segmented audiences;

BOX 1

Sample Feedback Received From Participants

- "These [workshops] are very enlightening for those of us with the responsibility to develop and implement [financial education] programs, given how common it is for information [like this] not to get to those who really need to hear it."
- "Thanks and praises for the workshop. I've recently [started] working with these topics and it's my first time attending a workshop like this. I thought both the content and the facilitators were very good."
- "The workshop...was very helpful for us in developing our new savings strategy. [For future workshops], would it be possible to discuss the different [financial education] products each of the participants has? This would allow us to share [our knowledge] and better articulate our efforts [across institutions]."
- "Congratulations for all the great knowledge provided [at this workshop], for managing the groups well, and for recognizing participants' contributions. The tools were really enlightening."

SOURCE Post-workshop evaluation surveys

TABLE 2

Summary of Commitments Received

	RESULTS
Teams who submitted written commitments	62
Number of people in those teams	98
Number of individual activities	182
Teams contacted for follow-up 6 months later	25
Number of people in teams contacted for follow-up	40
Follow-up response rate (teams)	40%
Follow-up response rate (people)	41%
Number of individual activities (follow-up sample)	82
Activities successfully completed (self-reported)	25
Activities not completed (self-reported)	57
Activity completion rate	30%

establishing monitoring and evaluation activities for their programs; creating a plan for executives to visit clients; and creating prizes for clients with the best credit behavior. In the case of government officials, recurrent examples of the proposed activities included establishing monitoring performance frameworks of financial education programs that incorporated some behavioral insights, while representatives from industry associations proposed drafting new guidelines for their affiliates incorporating the key teachings from our workshop. On the other hand, respondents representing FSPs proposed activities such as providing tailored support and counseling to specific client segments (e.g., clients who defaulted on their loans) and/or implementing our recommendations to follow up with clients through different types of messaging and reminder nudges (with varying degrees of tailoring involved). Some institutions also proposed more concrete plans for revamping and refocusing their outdated financial education programs.

KNOWLEDGE RETENTION AND BEHAVIOR CHANGE

In April 2018, six months after the conclusion of the workshops, we reached out to participants to assess the impact of our workshops. We wanted to learn how much knowledge about financial capability building they retained and what changes they made in their financial education efforts.

We constructed two surveys. The first was a 20-question multiple-choice quiz to test retention of workshop content. We sent all workshop attendees repeated email invitations with various nudges and incentives, inviting them to participate in the survey.

Ultimately, 65 participants completed the quiz, a response rate of 42 percent. The average test score obtained by respondents was of 73 out of 100. In general, the concepts that resonated most with participants at this six-month marker included CFI's seven principles for financial capability interventions, common behavioral biases and how to counteract them, characteristics of the state of financial capabilities in Colombia, and the shortcomings of traditional financial education. By contrast, the concepts least remembered by participants were how to define and measure financial health and how to construct an effective financial education program.

The second survey, administered by phone between May and June 2018, followed up with the 98 workshop participants who completed the final activity worksheet and established specific commitments for actions to be carried out inside their organizations after the workshop. Our objective with this second survey was to find out if participants had been able to successfully carry out their plans. We were also interested in identifying what obstacles they faced when trying to complete these activities and the level of excitement they had sustained for their action plans in the six months following the workshops.

The results of this survey suggest a positive impact resulting from our project. Of the 98 people we contacted, 40 agreed to talk to us by phone. The 40 people we spoke to represented 40 different institutions that had drafted a total of 82 action items. At the time of the survey, respondents had completed 25 action items, with the remaining 57 partially completed

or not completed at all. Given that the target completion rate for the project at the six-month marker was 30 percent, we were pleased that participants who responded in this follow-up survey had exceeded this threshold.

The main obstacles that respondents reported as hindering their action plans included:

- Lack of buy-in from upper management
- The activity in question was not aligned with the strategic priorities of the institution
- Personnel changes
- Lack of coordination and interest among partner institutions
- Failure to remember the specific details of goals and action items established
- Lack of interest from a business perspective of investing to modify existing programs

During these interviews, many people expressed interest in attending a follow-up training to reaffirm their knowledge, particularly regarding the recommendations for incorporating behavioral insights into intervention design.

Case Study: Fundación Capital

Fundación Capital is a non-profit organization based in Bogotá that works in 12 Latin American countries to develop public policies that facilitate financial inclusion and social protection at scale. They collaborate with public and private institutions around the world to understand the needs of low-income families in order to create sustainable solutions.

Three members of their Bogotá team attended our workshop on Innovations in Financial Capabilities in October 2017. The workshop occurred shortly after they received approval to begin implementing a large multinational project, "Mujer Joven Rural." This project, a joint collaboration with the International Fund for Agricultural Development (IFAD) of the United Nations, seeks to empower and financially include young women from rural regions in Mexico, Colombia and Paraguay.

In Colombia, Mujer Joven Rural seeks to reach 3,000 young rural women with financial capability tools and activities through three distinct interventions:

1. A revamped and tailored version of the famous "Iniciativa LISTA," a virtual financial capability training tool with modules that teach users how to manage their money, set saving goals, manage debts responsibly, and use mobile banking, among other things. The original LISTA program was implemented through the use of shared group tablets, but for this newer version, Fundación Capital built a leaner smartphone app called "LISTA Express" that can be directly downloaded by each user from Google Playstore.

2. A series of four in-person trainings to disseminate tips and recommendations for increasing financial capability to young leaders in the community who will then "spread the good word." The first session motivates young women to set a savings goal for themselves and a plan to achieve it. During the second session, they learn about and compare the different saving accounts offered in their territories and choose the one that is most suitable to their lifestyle. The young women take part in a third session that is dedicated to practicing using the chosen product, and finally in the fourth encounter, the attendees learn how to replicate the training with 10 additional women in their network.

3. Tailored WhatsApp messages for program participants specifically designed to serve as reminders of the tips and advice shared during the in-person workshops, as well as refreshers of the main lessons learned.

Sonia Agnesod, part of the team managing the project's implementation, commented that attending our workshop was very useful for her and her team, allowing them to make strategic decisions in the design of the project that have been highly impactful. She remarked, "The workshop was useful because it allowed us to validate certain assumptions we were making about the project, [and] acquire other valuable learnings to consider. For example, in the workshop we discussed the importance of being able to give users access to tools and solutions in the precise moment that a financial decision is being made... which validated for us the importance of being able to distribute

our teaching materials directly through a smartphone app that can be repeatedly accessed at any given moment. [That] was not the case with the shared tablets of the original LISTA program, where women could only access the materials once and then pass the tablet to the next person in their group, and therefore could not have easy access to the materials. The original reason why we decided to use smartphones and not tablets was because we discovered in our initial diagnostics that 86% of young women in the regions we would be working had access to smartphones, but this principle was a validation of the value added that using this channel would bring to our project."

Based on the experience during the first months of implementation, and taking into account the Teachable Moments principle, Fundación Capital decided to develop standalone versions of the tools included in the LISTA Express app that could be more readily accessible for the target audience. Sonia explained that "in order for these tools to be useful at crucial decision-making moments, we realized that we needed to change the way our tools are presented on the LISTA program, because LISTA has a narrative. Modules are set up in a storytelling format and users are guided through them in the same way online games are set. So once a module is completed, the user has to retake the entire module again if he wants to go back to a specific section. We noticed that two of our most useful tools, the savings and the personal finance calculators, were buried inside these modules, so we made the decision to also make them available as separate apps so that users can access them more easily without having to open the entire LISTA app and retake those modules."

Fundación Capital also confirmed the importance of reinforcing certain concepts from the four-part in-person trainings (per the "Nudges and Reminders" principle) and piloted WhatsApp as a third "alternative" channel to

keep in contact with project beneficiaries. "Using WhatsApp has been a very interesting learning experience for us. We had our team in charge of content creation design the messages to be complementary to the curricula of both the in-person trainings and the LISTA Express app, but as soon as we started distributing them, we found out that they were not effective. Many of the girls in the program told us that they don't pay attention to messages with only text, and prefer messages that include graphics, so we quickly revamped our content and started focusing more on GIFs, memes and images, with which we've had much better engagement since," concluded Sonia.

Case Study: Banco de la República

The Department of Financial and Economic Education at Banco de la República, Colombia's Central Bank, is tasked with generating educational content to promote better understanding of macroeconomic concepts such as inflation, hyperinflation, monetary policy and balance of payments among the Colombian population. Additionally, under the context of the new national Financial Education Strategy, they also have a seat as permanent invitees to the Intersectoral Commission for Financial and Economic Education (CIEEF), where they proactively engage in activities to help support the implementation of the national strategy like convening stakeholders from the public and private sectors.

In July 2017, Paola Cuadros, Lead Specialist in Financial Education for Banco de la República, attended our first workshop in Bogotá, together with other representatives from member organizations of the Intersectoral Commission. Since then, her team has gone to great lengths to make sure that CFI's principles for effective financial capability interventions are included in ongoing events and workshops among key stakeholders. Paola remarked, "I believe that

this is going to be a constant for us from now on. I don't think we will move away from [this]. On the contrary, all the things that we promote or that we would like to see happen, we want them to follow this path of focusing on behavioral changes. We want to see everybody incorporating these principles into their programs and continue working with them."

Paola referred to a monitoring and impact evaluation workshop Banco de la República co-hosted with Innovations for Poverty Action (IPA) in September 2017, where most of the examples related to programs that sought to change the financial behavior. Paola continued, "We wanted this workshop to also be very aligned with the topic that we at the commission are pushing forward, which is always related to building the intentionality in programs [that] seek behavior change." For the attendants, many of whom had also attended one of our workshops, the materials served as a refresher, since Banco de la República included concrete examples into the course materials that referenced the teachable moments, nudges, and reminders. Paola continued, "It was a perfect complement, in the sense that the people [who] attended first the CFI training, and got to put [into] practice concrete recommendations to procure behavior changes, now got a chance to see what steps they can take to accurately measure the effect of their efforts."

Additionally, attending the workshop was beneficial for financial education team operations at Banco de la República. Nidia Garcia, Section Chief on Financial and Economic Education commented, "[The workshops] helped us to internally reevaluate some of our ongoing projects and rethink them in light of all the insights we got from this workshop." For example, after our workshop, Banco de la República decided to start using social media insights to better understand how different segments of the Colombian population are

interacting with the central bank's learning materials. Nidia explains, "This is something that we didn't do before, but now we are finally starting to do some analysis with the data. We hired a third-party provider that is helping us to read and understand our audiences better and focus on what they really want. From this effort, we have been able to identify things like, for example, the fact that our educational videos are just too long for our target audiences and sometimes are not as dynamic or engaging as we would like them to be. Thanks to this insight we are now making important changes to fix this, such as working on new animated infographics and shorter video content with more lively and jazzy graphics that include more concrete messages and synthesizes the most important information into a few key messages. There's still a lot of work to do, but we are confident of these first steps we've made in this direction."

Banco de la República also attends the meetings of the Consultative Subcomission, which engages a large group of private and public FSPs on topics related to financial education, as well as to disseminate best practices among relevant stakeholders. Paola shared with us that at the last meeting, two institutions, Colpensiones and ICETEX, noted CFI's workshop influenced new programs they are developing.¹³ Both entities announced the launch of new financial education programs, which were reportedly grounded in the seven CFI principles for effective financial capability interventions, as well as in the best practices that we shared from the Common Cents Lab Financial Education Audit. Both programs were in the early stages of development at the time that CFI organized our workshops, and both entities reported that our workshops helped them to incorporate behavioral science insights into the design of their program and take a more innovative approach towards the delivery of their content.

4

Conclusions

Based on previous research on financial capability work around the world, CFI has concluded that a behaviorally-informed approach can help overcome problems that lead to low uptake of traditional financial education programs and improve the limited impact of classroom-based formats. Therefore, it is important to develop more tailored interventions that rely on behavioral insights to increase the likelihood that customers can make informed decisions and make the most out of the financial products they access. That need motivated us to conduct these workshops in Colombia.

The workshops also constituted a step forward for CFI's promotion of financial capability innovations, as this was our first time partnering with a government agency to work with practitioners charged with embedding behaviorally-informed recommendations into financial education programming. At each workshop, we had the opportunity to discuss our views in detail with policymakers and practitioners from the private sector. We listened to the specific challenges they were facing and incorporated their feedback into our methodology. Our main objective was to transfer evidence-based insights and to help participants construct their own action plans to implement these new approaches. We are very pleased with the results that we obtained, and most importantly, we have also identified ways to improve future iterations.

We are satisfied with the high level of information retention that we found in our follow-up surveys, and we are convinced that this constitutes a very important step in the right direction. The fact that we were able to reach a wide range of institutions across government, financial service providers, and others with these workshops allowed us to introduce new ideas that could spread quickly

within the sector. We recognize that this would not have been possible without the support of both CAF and our government partners, and we are very grateful for it.

This project gave us a valuable opportunity to put our own behaviorally-informed principles into practice in the development of the workshops. We tried to make the workshops fun and social, we customized the content to the specific target audiences of each subcommission, and we developed rules of thumb for making financial education workshops more effective. We made participants consider their own personal biases and gave them an opportunity to "learn by doing" by having them develop specific action plans and commit to immediate next steps. Additionally, we were able to leverage what seemed to be somewhat of a national "teachable moment," since we came in right at the start of the implementation phase of the National Financial Education Strategy, as many of the institutions that attended were in the process of designing new financial education programs. This was conducive to obtaining the necessary amount of audience interest and also allowed us to obtain a higher level of adoption of our methods, as the case studies show. We were thrilled to find that even several months after the workshop, the messages stuck with many people and there were quite a number who were working on their action plans or who had found other ways to take the concepts forward.

We also recognize that there are areas of improvement which we will take into consideration for future iterations. One of our main learnings is that a standalone workshop is a good starting point, but it is not enough to create the change we want to see happen. To make our workshops more effective, for example, it would have been helpful to schedule more nudges, reminders, or refreshers a few

weeks after the workshop. Engaging workshop participants to make sure that they can continue to reaffirm their knowledge and gain additional motivation should be factored into future program design. A suggestion for achieving this would be through an online platform where workshop attendees could network amongst themselves and with experts post-workshop to leverage existing connections in the sector and share success stories, receive advice on obstacles they are facing, or receive support to continue working toward their common goals. At CFI, we've had very positive experiences establishing and administering similar virtual community forums, such as the [Africa Board Fellowship Program](#), which allows participants to strengthen their relationships and support their networks while sharing technical knowledge through guided as well as peer-led discussions.

A platform like the one we are suggesting would provide a participant-led virtual community forum, a library of additional tools and resources, and access to subject matter experts. It would also serve as a repository for program learnings, whether from keynote seminars, webinars, or peer conversations. Ideally, it would be useful if it could be delivered through a user-friendly website containing a resource library that is regularly populated with financial capability building and behavioral science content (including all the materials from the workshops), discussion forums for participants to post and respond to questions, and the ability to reach out to fellow attendees or subject matter experts for advice.

This platform would need to be structured in a way that allows each participant or subcommission to have its own space to interact, while also encouraging broader interaction among all participants, with online support available to help troubleshoot difficulties. The resource library would also need to be

While a standalone workshop was a good starting point, we learned that it's not enough to create the change we desire. Following up with more nudges, reminders or refreshers would make the workshop more effective.

customized to the target audience, with sound bites and executive summaries that clearly highlight what practitioners and policymakers need to know. Participants would also be encouraged to contribute to this library. Many of our survey respondents requested a resource library with sample financial capability building tools that they could adapt to their own needs "so as not to reinvent the wheel." A repository of this sort containing curated content could also be developed for this purpose, so people could more easily start putting behaviorally-informed principles into practice and request additional tools from peers.

CFI has had success utilizing similar platforms as tools to reinforce main messages from our trainings and provide exposure to new concepts in similar fields, and we see great potential in their use in this particular context.

Finally, we also recognize that getting the right people in the room matters, and we believe that the project's impact would have been even greater and longer lasting if we had managed to engage a higher percentage of participants with decision-making authority. Despite this, we are convinced that our efforts constituted a very important step in the right direction, and we hope that the corresponding authorities in Colombia continue to promote a major shift in the ways resources to build financial education in the country are deployed, favoring more behaviorally-informed interventions over the traditional ones that have yielded only weak results thus far.



Notes

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