

What Works in Financial Education?

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The Center for Financial Inclusion (CFI) is an independent think tank that uses rigorous research and advocacy to advance inclusive financial systems for low-income people around the world. We work to advance inclusive financial services for the billions of people who currently lack the financial tools needed to improve their lives and prosper. We leverage partnerships to conduct rigorous research and test promising solutions and advocate for evidence-based change.

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The Foundation builds financial wellbeing, and climate and health resilience for underserved Asian and African communities. We are committed to sustainable, long-term solutions that empower individuals and communities to make informed financial decisions, access affordable financial products, as well as be more prepared and protected against climate related health risks. We actively engage in public-private partnerships, collaborate with governments, NGOs, communities and other private sector entities to build collective efforts for lasting change. To date, our programmes are implemented across 16 markets in Asia and Africa, reaching millions of people.

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Executive Summary

The Center for Financial Inclusion (CFI) conducted this research in partnership with Prudence Foundation as they set out to develop Levela, a free financial education platform. Seeking evidence to inform its design, Prudence Foundation engaged CFI to examine how different communication approaches affect users' comprehension of financial concepts.

This study builds on growing research that seeks to understand how financial education can be designed and implemented to better improve comprehension of financial concepts rather than whether financial literacy works more broadly. The focus here is placed on a single under-examined mechanism: communication style. Whereas communication style may encompass a wide range of elements from tone, use of visuals, and message framing, in the context of this research, “communication styles” refers specifically to various messaging approaches used to deliver financial information and examines how they impact comprehension.

The three communication styles tested were— instructional (didactic explanation), metaphoric (culturally relevant comparisons), and behavioral (framing, rules of thumb, and choice architecture) — through a randomized mobile survey across the Philippines, Thailand, Vietnam, and Zambia. Respondents were randomly assigned to receive one of the three communication styles before answering comprehension questions on 18 financial literacy concepts. The results offer a nuanced picture: no single style proves best in the aggregate, but when style is matched to concept, comprehension improves meaningfully — by 10 to 17 percentage points in the cases where fit matters most.

The results carry practical implications. Rather than searching for a single optimal communication style, providers may achieve stronger outcomes by deliberately building a repertoire of communication styles and aligning them with the types of concepts being taught. Ultimately, being intentional and nuanced in the use of communication styles may lead to better results.

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Introduction

The Center for Financial Inclusion (CFI) partnered with Prudence Foundation in 2025 to help design a financial literacy education program for adults across Asia and Africa. This paper presents the results of a study embedded in the program design process, offering experimental evidence on the role of communication style in financial literacy education and showing how different approaches shape comprehension across a wide range of financial concepts.

Over the past two decades, financial literacy education has become a global policy priority, even as evidence about its effectiveness remains contested. Much of the field's intellectual architecture traces back to the foundational work of Annamaria Lusardi and Olivia Mitchell. They found that across dozens of countries, most adults fail a basic financial literacy test (Lusardi & Mitchell, 2011, 2014). This empirical finding helped catalyze national financial literacy surveys, informed the OECD's international measurement framework, and contributed to the rapid expansion of financial education programming worldwide.

At the same time, an active academic debate has emerged about whether, and under what conditions, financial literacy education improves financial behavior and resilience. The case for financial education rests on a chain of assumptions: Education raises financial knowledge; knowledge enables better decisions about saving, borrowing, and investing; and better decisions improve welfare. Yet evaluation evidence suggests that this chain can break at multiple points. Even if knowledge gains are consistently observed, behavioral change is smaller and less consistently sustained (Kaiser et al., 2022).

The agenda has now shifted from measurement of financial literacy alone toward understanding how financial literacy education should be designed and delivered. If financial literacy matters, the question becomes not simply whether to educate, but how education happens. The emerging consensus is neither that financial literacy education does not work nor that it reliably transforms behavior, but rather that its impact varies substantially depending on design, delivery, and context (see, e.g., Lusardi, 2019).

One plausible but underexamined driver of financial literacy education outcomes is communication style — how information is framed and presented. For example, instructional styles aim to build analytic comprehension through direct explanation. Metaphoric styles seek to make abstract financial concepts intuitive through analogy and story (Lakoff & Johnson, 2003). Behavioral styles draw on framing, salience, and choice architecture to influence decision-making processes directly, sometimes independent of knowledge accumulation. Evidence directly comparing these styles within unified experimental designs remains scarce. However, several high-quality studies compare different modalities, such as brochures versus narratives versus videos versus interactive tools (Lusardi et al., 2014), teaching core financial concepts versus stricter rules of thumb (Skimmyhorn et al., 2016), and lecturing versus active learning (Kaiser, 2022), and suggest that approaches can shape both the magnitude and the composition of outcomes.

This paper builds on this debate in two ways. First, it synthesizes the literature on the effectiveness of financial literacy education through the lens of communication style, organizing existing evidence around the three broad approaches mentioned above and their underlying mechanisms. Second, it presents findings from a multi-country experiment in which three communication styles — instructional, metaphoric, and behavioral — were randomly assigned to respondents across the Philippines, Thailand, Vietnam, and Zambia to test comprehension of 18 financial literacy concepts.

1 What the Literature Tells Us

Over the last few decades, financial literacy has emerged as a global policy priority. This emergence has been driven by the growing recognition that individuals' financial health depends heavily on their ability to make informed financial decisions. Lusardi and Mitchell (2011, 2014) developed a basic measure of financial literacy: whether an individual can answer three multiple-choice questions, testing comprehension of compound interest, inflation, and risk diversification ("The Big Three"). While three questions cannot cover the full complexity of financial decision-making, they provided a useful proxy that revealed the extent of financial illiteracy on a global scale. Across dozens of country surveys, most respondents could not answer all three correctly. Lusardi and Mitchell's findings continue to underpin more recent developments in financial education, including the OECD's international literacy surveys, last updated in 2025, as well as several national financial literacy surveys. While financial literacy is clearly no substitute for sound market conduct and consumer protection regulation (Willis, 2011), it is a complement to these agendas. Financially literate individuals make better financial decisions that translate access to financial services into improved financial well-being and resilience.¹

What to do about the problem of financial illiteracy is less clear, however. Financial literacy education has had mixed results. Analysis of early financial literacy programs found that they only had marginal benefits (Willis, 2011; Fernandes et al., 2014; Miller et al., 2014). More recent analysis is more encouraging. Kaiser et al. (2022) surveyed 76 randomized experiments and found that financial literacy education has meaningful impacts on both financial knowledge and downstream behaviors.² Lusardi (2019) argues that earlier analyses found financial literacy education programs to be insufficient in the aggregate because many programs are poorly designed. Programs that target a specific audience, tailor content to that audience, and have clear objectives and rigorous evaluation tend to have significant impacts.³ Lusardi argues convincingly that more evidence is needed to explain how to make financial education programs more effective.

1. For example, Lusardi and Mitchell (2014) show that financially literate households contribute substantially more toward retirement. Hastings and Tejada-Ashton (2008) similarly demonstrate that literacy sharpens consumers' sensitivity to pension fund fees, enabling them to avoid products that quietly erode long-term wealth. On the other hand, Lusardi and Tufano (2015) find that financially illiterate individuals are much more likely to engage in high-cost borrowing and become overindebted. Lo Prete (2013) uses country-level data to show that financial illiteracy is a driver of wealth inequality at a macro level.

2. Kaiser et al. (2022) report considerably larger average effects than Fernandes et al. (2014), approximately 0.19 standard deviations in knowledge and 0.09 in behavior, nearly three times the earlier estimates. They attribute the difference to the inclusion of more recent RCTs and to explicitly accounting for heterogeneity across studies and program designs.

3. For example, Skimmyhorn (2016) utilizes a natural experiment to assess a targeted financial literacy program for new U.S. Army enlistees and finds significant long-term effects on retirement savings rates.

The evidence base remains limited, but several studies have shed light on how to improve financial literacy education program design. For example, Skimmyhorn et al. (2016) conducted an experiment comparing undergraduate financial literacy education based on heuristics, or “rules of thumb,” and education based on underlying financial principles. They find heterogenous effects. Heuristics outperformed principles-based education for those with lower initial quantitative skills, financial knowledge, and motivation, while principles-based education performed slightly better overall. Kaiser and Menkhoff (2022) find that active learning focused on group participation and interactive exercises led to greater long-term benefits than did lectures for Ugandan microentrepreneurs. Berg and Zia (2017) find that South African learners who watched a soap opera with a financial storyline demonstrated significantly higher financial knowledge and better financial decision-making than a control group, suggesting that narratives and relatable scenarios can be powerful tools in financial education.

These disparate findings point to communication style as a relevant factor in the success of financial literacy initiatives.

1.1 Three Communication Styles and What the Evidence Says About Each

The empirical design of this research distinguishes three styles: instructional (didactic), metaphoric (analogy and narrative), and behavioral (framing and nudges). Each emphasizes a different primary mechanism (see Table 1). An instructional style builds precise foundational knowledge, a metaphoric style makes abstract concepts concrete, and a behavioral style leverages cognitive biases to improve decision-making.

The instructional style focuses on imparting foundational knowledge via systematic, explicit, and authoritative instruction. This style — typified by teacher-led, lecture-based courses — is the dominant model in policy and practice (Hastings et al., 2013). This approach is based on a long history of instructional design. For example, Kirschner et al. (2006) argue influentially that approaches with less direct guidance lead to less efficient learning and overconfidence in novice learners. Indeed, Skimmyhorn et al. (2016) find that an instructional approach led to more willingness to ask questions about financial literacy topics — signaling a lack of overconfidence— than one based on heuristics. At the same time, the instructional approach risks cognitive overload and low engagement, as a full technical understanding of financial literacy concepts can be difficult for learners to grasp. Additionally, while the instructional approach may be effective in knowledge transfer, the correlation between financial knowledge and behavior change is highly imperfect and may benefit from more applied approaches (Lusardi & Mitchell, 2014).

The metaphoric style uses familiar, concrete scenarios to structure comprehension of more abstract concepts. Lakoff and Johnson (2003) provide the theoretical underpinnings for this approach. They argue that individuals naturally understand abstract concepts by mapping them onto concrete metaphors. A metaphoric approach may be particularly effective to relate financial concepts that are abstract and unintuitive. Du et al. (2025) conducted a systematic review of publications, finding that visualization and metaphors have been shown to produce short-term financial literacy improvements. Similarly, Berg and Zia (2017) used a South African soap opera to show how relatable narratives solidify financial concepts for learners. Yet there are several reasons to be cautious when using this approach. Learners may not interpret metaphors uniformly — particularly if metaphors

Table 1. Cross-Style Comparison Framework

Each style targets a different learning approach, implying different outcome profiles and different risks.

DIMENSION	INSTRUCTIONAL	METAPHORIC	BEHAVIORAL
Primary target	Knowledge acquisition and analytic reasoning	Mental model construction, engagement	Attention, inertia, choice architecture
Typical forms	Lessons, lectures, textbooks	Analogies, stories, narratives form	Defaults, reminders, framing, rules-of-thumb
Expected outcome	Larger effects on knowledge than behavior	Stronger on comprehension and self-efficacy	Can shift behavior with minimal knowledge change
Risks	Cognitive overload, low engagement, decay	Misleading analogies, heterogeneous interpretation	Short-lived effects, displacement of learning

are not adequately adapted for target audiences. While they may make concepts more intuitive, metaphors are also more ambiguous than an instructional approach and can oversimplify in ways that obscure important details.

The behavioral style seeks to influence decision-making processes directly through framing, salience, heuristics, and choice architecture. For example, a heuristic or “rule of thumb” does not explain a concept fully, but it can usefully inform an individual as they’re making a choice. An individual may not understand the fundamentals of investing but will choose a good pension fund because they know the rule of thumb: “Look for funds with low fees.” Skimmyhorn et al. (2016) find that heuristics led to larger financial literacy gains for students with lower quantitative skills, initial financial literacy, and motivation than an instructional approach.

Karlan et al. (2016) find that behavioral nudges increase saving behavior. Because they do not rely on imparting a full technical understanding of a concept, behavioral approaches may be especially effective in financial literacy education for those with low initial levels of financial literacy or with low motivation to learn. At the same time, the behavioral style is likely less effective in building foundational knowledge than metaphoric or instructional styles.

Table 2 presents short examples of messaging using each style.

Combining and calibrating these communication styles for specific concepts and audiences may improve financial literacy initiatives substantially. This study seeks to shed light on how communication style affects financial literacy outcomes and for whom.

Table 2. Illustration of Communication Styles in Explanations of Compound Interest

		
INSTRUCTIONAL	METAPHORIC	BEHAVIORAL
Compound interest means you earn interest not only on your original amount but also on the interest that accumulates over time. This causes your money to grow faster the longer it earns interest.	Think of compound interest like planting one seed that grows into a tree. As that tree bears fruit, you plant those seeds, too. Soon, you will have an entire orchard. Your money works the same way, sprouting new growth on every bit of interest.	Compound interest rewards responsible savers by making past savings earn more interest. The earlier you start and the longer you save, the more your future self benefits from this automatic growth.

2 Data and Experimental Design

This study tested communication styles, using GeoPoll's mobile survey platform across four countries: the Philippines, Thailand, Vietnam, and Zambia. Data was collected in three waves, each covering six different financial literacy concepts, for a total of 18 concepts. Young respondents in urban areas with relatively high levels of education were oversampled (See Figure A.1).

The baseline sample (N = 2,124 respondent-question observations) answered comprehension questions without any prior intervention. The intervention sample (13,898 observations from approximately 3,500 unique respondents) was randomly assigned to one of three communication styles and exposed to an explanation of the financial concept in that style (the intervention) before answering the same comprehension question as the baseline. The three communication styles assigned were: instructional (A), which uses direct didactic explanation; metaphoric (B), which uses analogies and relatable scenarios; or behavioral (C), which uses practical cues, rules of thumb, and reframing. Allocation was approximately uniform across styles (4,584/4,699/4,615 observations). Chi-squared balance tests confirm that the three groups are comparable on all observed demographic characteristics (all $p > 0.09$).

For each observation, it was observed whether the respondent answered correctly (binary) and stated intent to apply the learning (three-point scale), and, for a subset (N = 3,807), which communication style they preferred. Demographic characteristics include age, gender, education, urban/rural residence, and level of financial literacy. The analysis uses logistic regression with standard errors clustered at the respondent level. The key specifications include models with question and country fixed effects, demographic controls, and interaction terms for variation by country and variation by question to identify where styles differ.

Several limitations warrant acknowledgement. The outcome is comprehension of a single concept immediately after exposure, not sustained behavior change. The intervention is a short text-based message, not a full program; effects would likely differ with richer delivery formats. Without measurement of psychological mechanisms (comprehension pathways, engagement, recall), the study infers causal channels from patterns rather than observing them directly. In future research, it may be useful to pair concept-level style comparisons with mechanism measurement and longer-term follow-up. Finally, standardized interventions across all of the four countries surveyed may have weakened the effectiveness of the metaphoric approach, as these variations aim to tap into local intuitive frameworks and would ideally benefit from localization for each country.

3

Empirical Findings

The findings are organized around three questions:

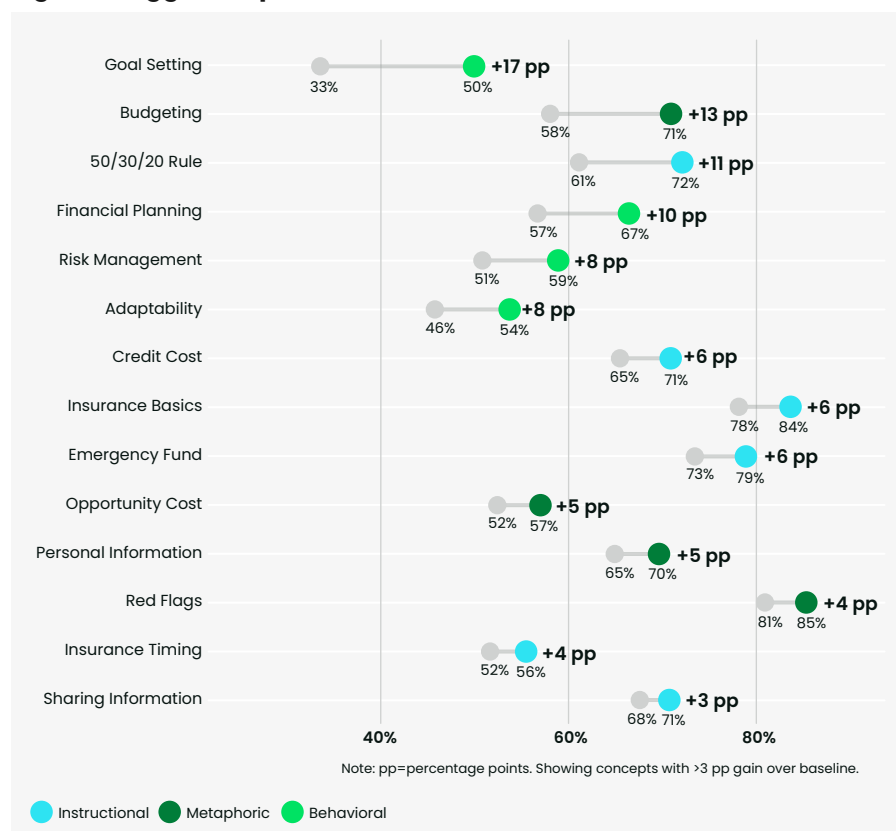
1. Does the intervention lead to improved comprehension of financial concepts?
2. Does communication style matter?
3. For whom and for which concepts does it matter most?

3.1 The Intervention Works – For Some Concepts More than Others

The baseline sample answered 64.2 percent of comprehension questions correctly. The intervention sample, pooling all three styles, answered 65.1 percent correctly. This aggregate gain is small and not statistically significant (chi-squared p-values of 0.13, 0.57, and 0.93 comparing instructional, behavioral, and metaphoric, respectively, individually against the baseline). At first glance, this seems to confirm the literature’s cautionary finding: Single-exposure financial education messages produce modest effects at best.

But the aggregate conceals substantial variation at the concept level. Figure 1 isolates the concepts where the intervention produces the largest gains over the no-intervention baseline. Goal setting – the concept with the lowest baseline rate at 33 percent – rises to 50 percent with the behavioral approach, a 17 percentage point gain. Budgeting improves by 13 percentage points, the 50/30/20 rule by 11, and financial planning by 10. These are not trivial effects for a single message.

Figure 1. Biggest Improvements Over the No-Intervention Baseline



Gray dots show baseline comprehension; colored dots show the best-performing communication style. Color indicates which style performed best.

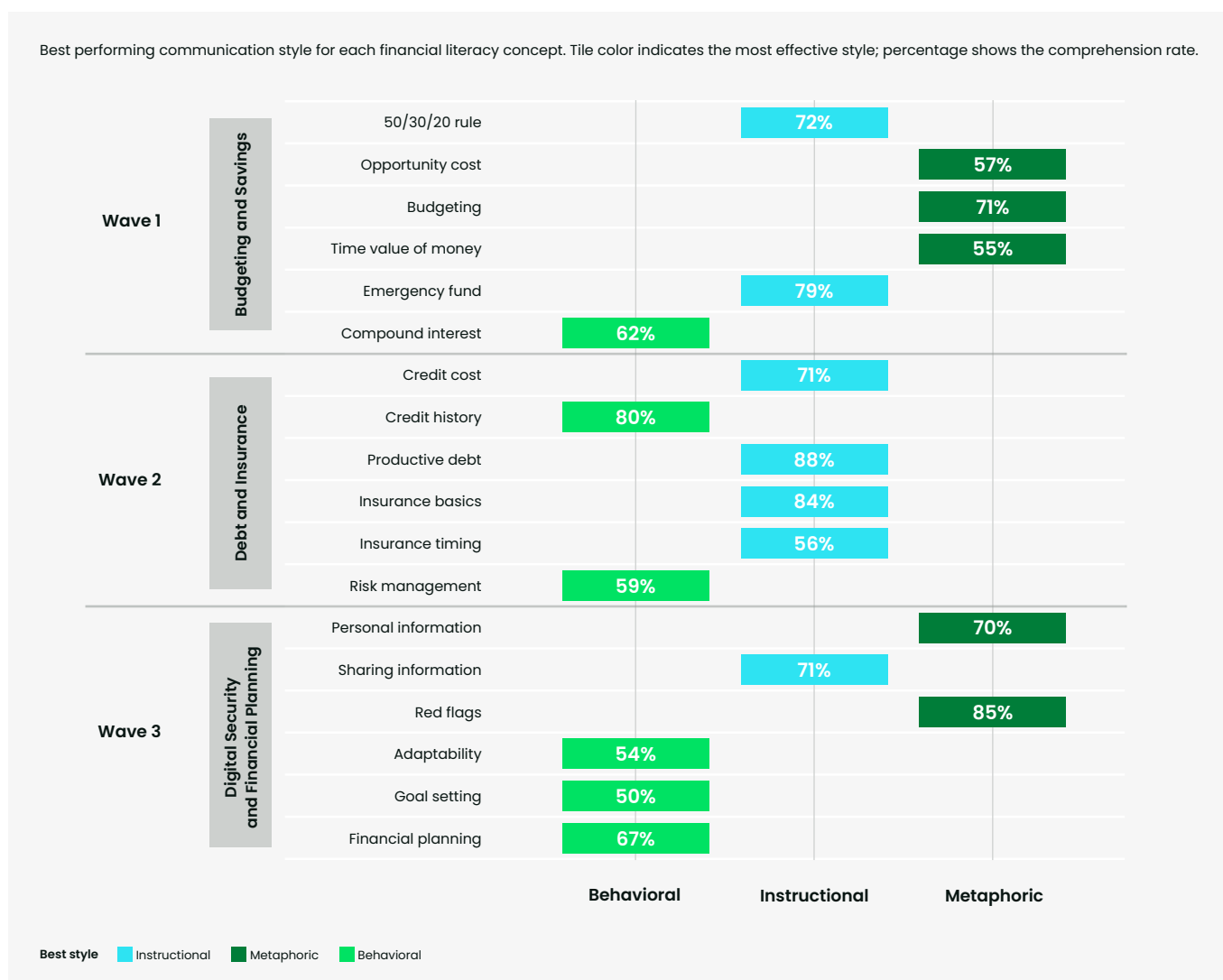
The pattern is intuitive: The intervention produces the largest gains where the baseline is lowest and there is the most room to improve. Concepts with high baseline rates (productive debt at 89 percent, compound interest at 90 percent) show no gains, and in some cases show declines, possibly reflecting the fact that respondents rushed through the responses when exposed to content they felt they were already familiar with. This ceiling effect is consistent with the literature's finding that education is less effective when people already know the material (Kaiser et al., 2022). It also means that the aggregate effect is pulled toward zero by concepts where the intervention has little work to do.

3.2 Communication Style Matters at the Concept Level

The second, and arguably more important, finding is that communication style makes a meaningful difference, but only when examined concept by concept. In the aggregate, instructional achieves 66.1 percent, behavioral 64.9 percent, and metaphoric 64.3 percent — differences too small to reach statistical significance. The logistic regression with demographic controls confirms this: The style coefficients are small and insignificant (metaphoric: -0.07 , $p = 0.11$; behavioral: -0.02 , $p = 0.60$, relative to instructional).

The concept-level picture is entirely different. Figure 2 presents the summary view: For each of the 18 concepts, which communication style produces the highest comprehension?

Figure 2. Best-Performing Communication Style for Each Concept



Tile color indicates the most effective style; percentage shows the comprehension rate. Less effective percentages are shown in Table 3.

Table 3.
Comprehension Rates
(%) by Concept and
Style, Sorted by Spread

CONCEPT	BEHAVIORAL	INSTRUCTIONAL	METAPHORIC	MOST EFFECTIVE	SPREAD (pp)
Credit cost	57.4	71.0	56.0	Instructional	15.0
Time value of money	50.4	42.9	55.1	Metaphoric	12.2
50/30/20 rule	64.0	72.3	61.4	Instructional	10.9
Goal setting	50.2	46.8	39.6	Behavioral	10.6
Personal information	67.2	61.9	69.7	Metaphoric	7.8
Productive debt	87.2	87.9	80.3	Instructional	7.6
Emergency fund	72.5	78.9	75.7	Instructional	6.4
Compound interest	61.9	56.2	60.7	Behavioral	5.7
Risk management	58.9	56.6	53.6	Behavioral	5.3
Adaptability	53.7	50.2	48.5	Behavioral	5.2
Insurance basics	79.5	83.7	78.9	Instructional	4.8
Budgeting	66.5	69.6	71.1	Metaphoric	4.6
Opportunity cost	53.1	55.3	57.3	Metaphoric	4.2
Insurance timing	51.7	55.5	51.6	Instructional	3.9
Red flags	82.6	84.7	85.3	Metaphoric	2.7
Credit history	79.8	77.4	78.5	Behavioral	2.4
Financial planning	66.5	65.1	64.1	Behavioral	2.4
Sharing information	68.9	70.9	68.5	Instructional	2.4

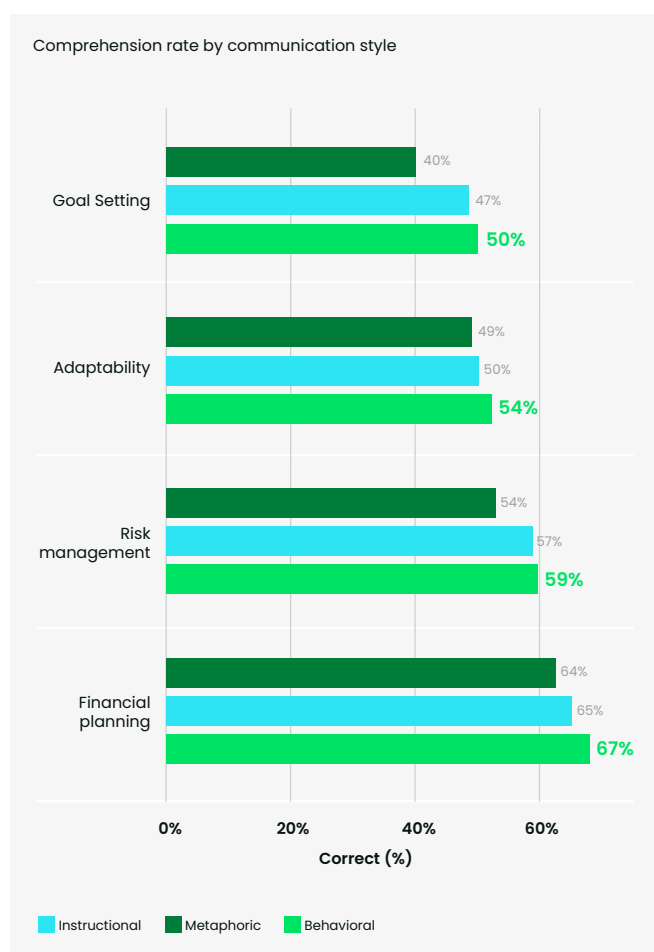
Spread = difference between most and least effective style. Concepts with larger spreads are those where the choice of communication style matters most.

The spread between the most and least effective style ranges from 2 percentage points to 15 percentage points. For example, for credit cost, instructional achieves 71 percent while metaphoric achieves only 56 percent, a gap confirmed by the regression (metaphoric $\times$ credit cost interaction: $p = 0.026$; behavioral $\times$ credit cost: $p = 0.005$). For time value of money, the spread is 12 percentage points in the opposite direction, favoring metaphoric. For goal setting, behavioral leads by 10 percentage points over metaphoric. These are not marginal differences; they represent the kind of variation that practitioners can exploit in program design to improve outcomes meaningfully.

3.3 The Behavioral Style Leads on Action-Oriented Concepts

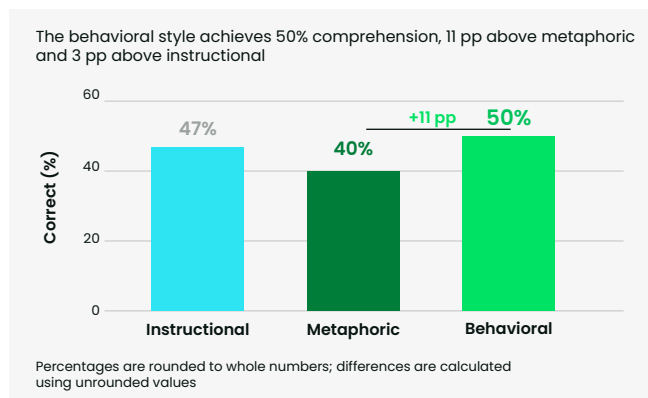
The behavioral style, which uses practical cues, rules of thumb, and reframing, performs best on four concepts that share a common feature: They require the learner not just to comprehend something, but to do something. Goal setting, adaptability, risk management, and financial planning are all about translating comprehension into action. The behavioral style outperforms on all four.

Figure 3. The Behavioral Style Outperforms Both Other Styles on All Four Action-Oriented Concepts



The case of goal setting is the most substantial. Figure 4 shows the head-to-head comparison: The behavioral style achieves 50 percent comprehension, 11 percentage points above metaphoric (40 percent) and 3 percentage points above instructional (47 percent). The behavioral advantage is consistent with the literature on choice architecture (Mertens et al., 2022) and active learning (Kaiser, 2022): For concepts that are fundamentally about planning and acting, practical framing outperforms abstract explanation.

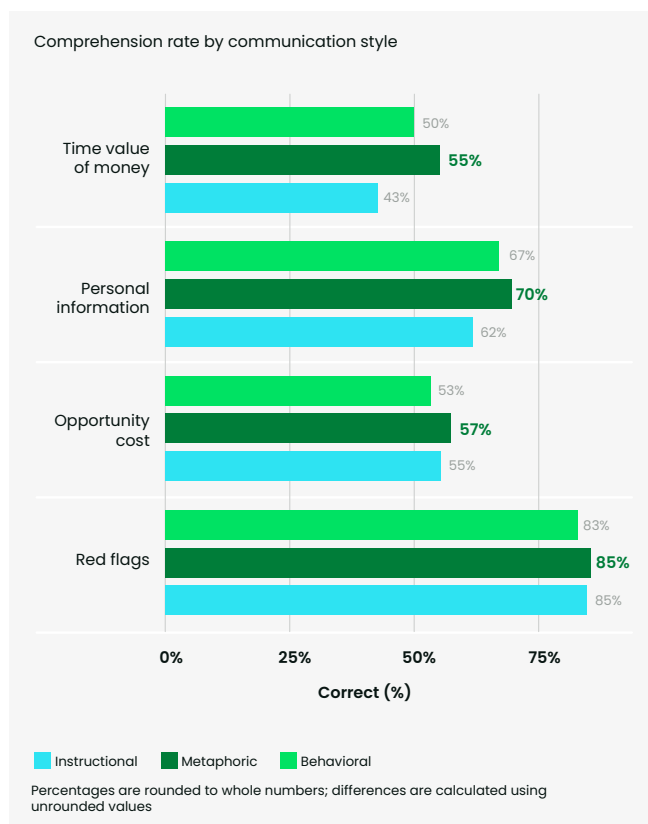
Figure 4. Goal Setting



3.4 The Metaphoric Style Leads on Abstract Concepts

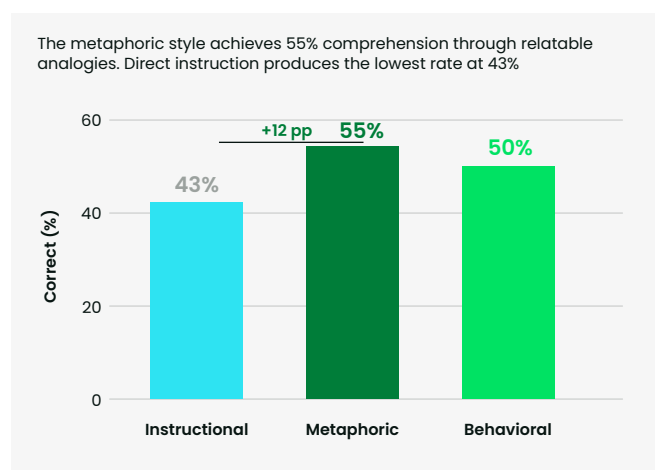
The metaphoric style, which uses analogies and relatable scenarios, performs best on concepts that are inherently abstract and where the primary barrier is not a lack of information but a lack of intuition (see Figure 5). Time value of money, the risks of sharing personal information online, opportunity cost, and red flags for scams all respond best to metaphoric communication.

Figure 5. The Metaphoric Style Outperforms Both Other Styles on Four Abstract Concepts



The time value of money finding is particularly striking. Figure 6 shows a 12 percentage point gap between the metaphoric style (55 percent) and the instructional style (43 percent), with the behavioral style in between at 50 percent. Direct didactic instruction produces the lowest comprehension of the three styles on this concept, suggesting that attempting to explain an inherently counterintuitive idea through formal exposition may confuse respondents rather than enlighten them, likely through cognitive overload, a mechanism the instructional approach seems particularly vulnerable to. The metaphoric style, by grounding the abstraction in a relatable analogy, builds the intuition that direct explanation fails to create.

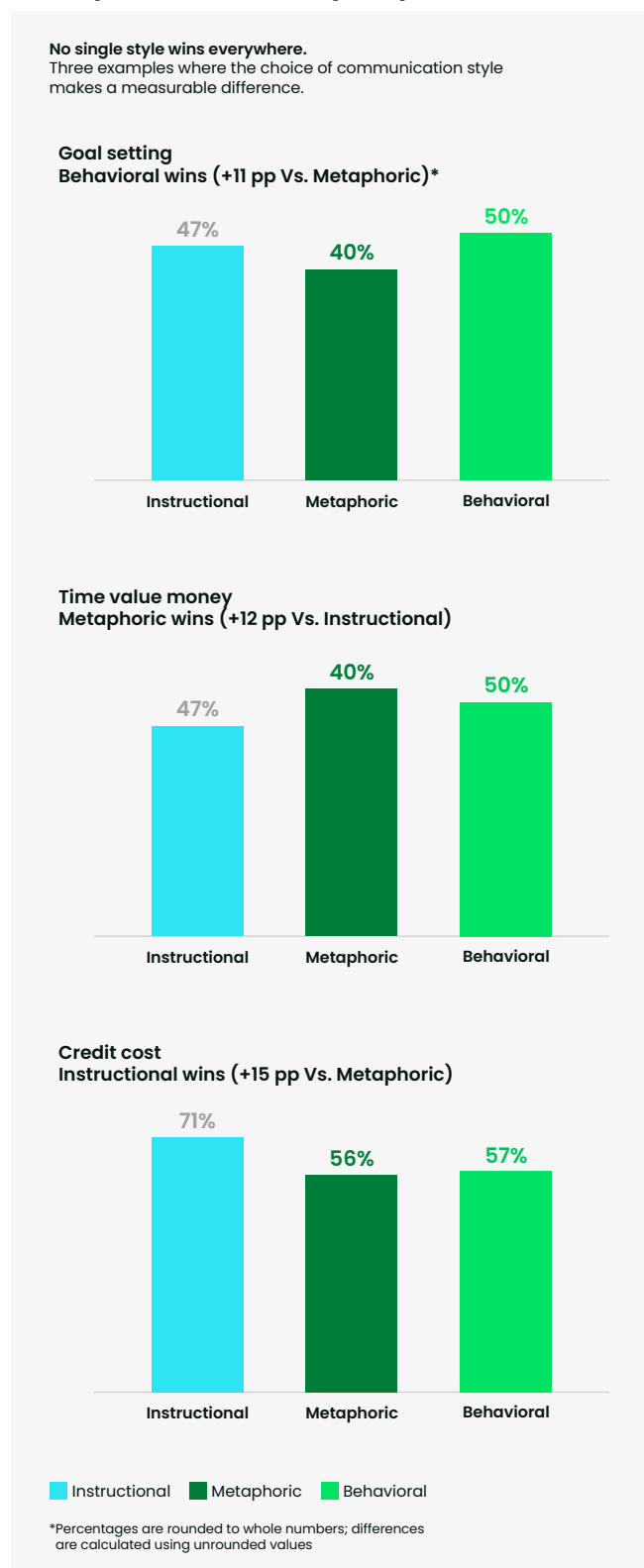
Figure 6. Time Value of Money: The Metaphoric Style Outperforms Instructional by 12 Percentage Points



This result connects directly to the literature on analogical learning. In what is considered a classic in this field, Lakoff and Johnson (2006) explain how metaphors play a role in learning, shaping our perceptions and actions. Alfieri et al. (2013), on the other hand, find that case-comparison activities — which require learners to map abstract principles onto concrete examples, much as metaphors do, produce medium-to-large learning gains relative to direct instruction. The financial literacy context may be especially suited to this mechanism; many core concepts (compounding, diversification, the time value of money) are abstract enough that direct explanation can introduce confusion, while a well-chosen analogy can build the mental model that makes the concept intuitive.

Figure 7 synthesizes the concept-level findings by placing the three clearest style advantages side by side. For goal setting, the behavioral style outperforms metaphoric by 11 percentage points. For time value of money, the metaphoric style outperforms instructional by 12 percentage points. For credit cost, the instructional style outperforms metaphoric by 15 percentage points. Each style has a domain where it clearly leads.

Figure 7. Three Head-to-Head Comparisons Showing that Each Communication Style Has Concepts Where It Clearly Outperforms



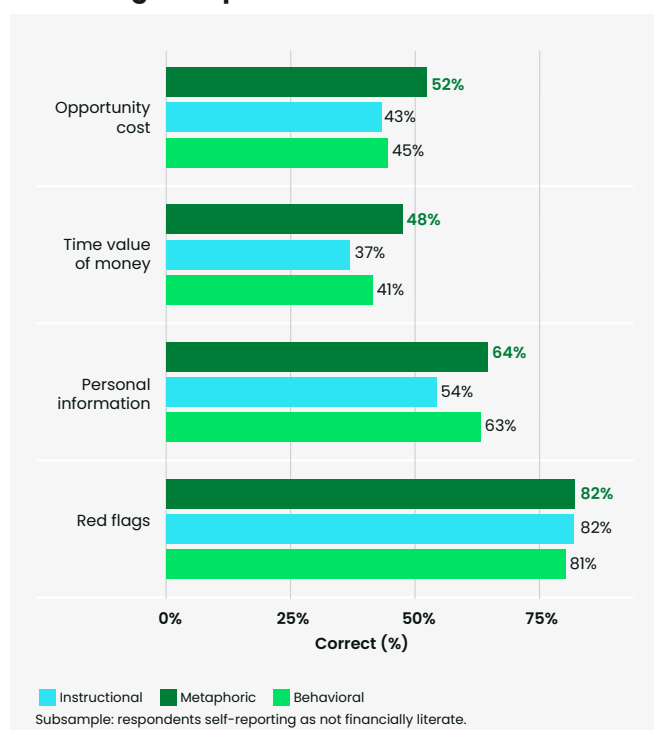
3.5 Who Benefits from Which Style?

The literature hypothesized that populations with lower levels of education or financial literacy might be especially responsive to non-instructional styles. The aggregate subgroup analysis provides only weak support: Among respondents with secondary education or lower, instructional approaches actually produce the highest overall rate (61 percent versus 58 to 59 percent for metaphoric and behavioral, respectively), and the interaction terms are not statistically significant. Similarly, the overall rates are similar across styles, whether or not the respondent is financially literate (measured through the “Big Three” financial literacy questions (Lusardi & Mitchell, 2011)).

The concept-level picture is more revealing. Among respondents who are less financially literate, the metaphoric style outperforms both other styles on five specific concepts: time value of money (metaphoric 48 percent, instructional 37 percent, behavioral 41 percent), personal information (65 versus 54 versus 63 percent), opportunity cost (52 versus 43 versus 45 percent), red flags (82 versus 82 versus 81 percent), and compound interest (59 versus 55 versus 59 percent). These are the abstract concepts where metaphoric explanations are most needed.

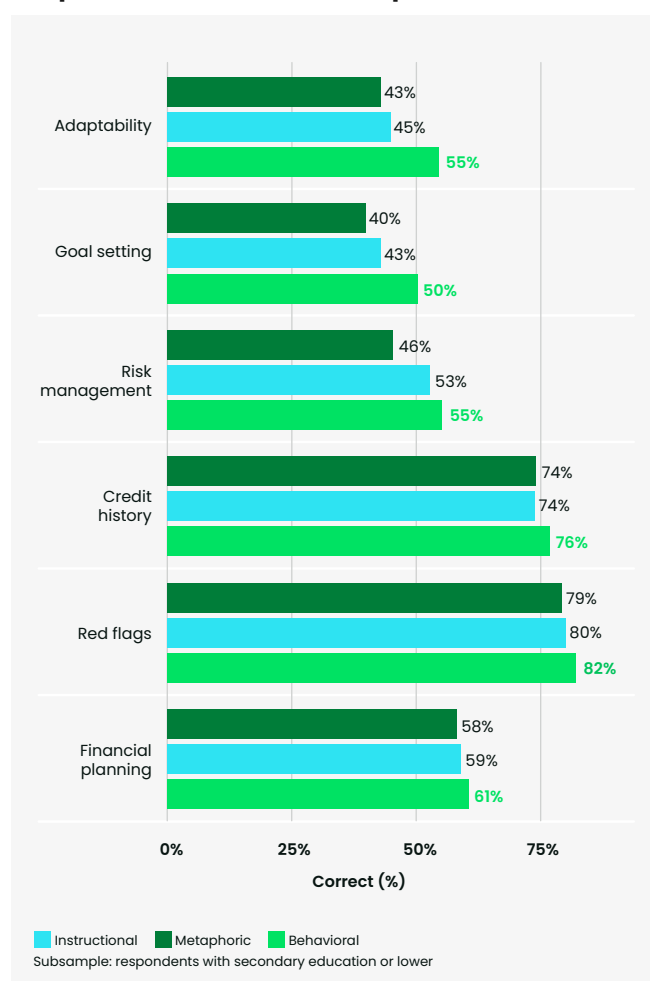
When comparing results across country, gender, and geography in the aggregate, no clear best style emerged, as detailed in Figures A.1 and A.2.

Figure 8. Among Respondents Who Are Not Financially Literate, the Metaphoric Style Outperforms on Concepts Where Abstract Reasoning Is Required



The behavioral style, in turn, shows particular strength among less educated respondents. Figure 9 shows that among respondents with secondary education or lower, behavioral outperforms on seven concepts, including goal setting (50 versus 43 percent for instructional and 40 percent for metaphoric), adaptability (55 versus 45 versus 43 percent), and risk management (55 versus 53 versus 46 percent). The pattern is consistent with the literature's finding that behavioral nudges can be especially effective when cognitive resources are more constrained (Callaway et al., 2023).

Figure 9. Among Respondents with Secondary Education or Lower, the Behavioral Style Outperforms on Seven Concepts



Contrary to our initial expectations, it is not that populations with lower financial literacy are generally more responsive to non-instructional styles, but that the concept-style match becomes more important for these populations. Less educated learners particularly benefit from behavioral framing on action-oriented concepts, and less financially literate learners particularly benefit from metaphoric explanation on abstract concepts. The demographic is not the moderator; the interaction of demographic with concept type is.

3.6 What People Prefer Is Not Always What Helps Them Learn

Respondents were periodically presented with all three styles and asked to share their preference. Among the 3,807 responses, instructional is the most preferred style in every country (39 percent overall), followed by metaphoric (30 percent) and behavioral (28 percent). Yet, the most preferred style and the most effective approach only matched in 33 percent of cases.

This result has practical implications. While aligning a program with learners' stated preferences could support related objectives, like engagement, this result suggests that allowing learners to self-select into their preferred communication format may not optimize comprehension. Program designers should let the evidence, not just the learner's stated preference, determine how each concept is taught.

4

Discussion and Conclusion

This research sets out to test whether the way financial concepts are communicated affects how well people comprehend them. The answer is: They do, but not in the way that most practitioners would expect.

There is no single winning communication style. In the aggregate, all three styles produce comprehension rates within two percentage points of each other and within two percentage points of the no-intervention baseline sample. However, for individual financial literacy concepts, different communication styles work better for some versus others. For example, credit cost comprehension rises 15 percentage points when explained instructionally rather than metaphorically. The behavioral style increased comprehension of goal setting by 10 percentage points in comparison to the metaphoric style. Time value of money is better explained using a metaphorical approach, and respondents who received explanations of this concept in the instructional style comprehended it less than the baseline.

These findings speak to the broader debate about why financial literacy education effectiveness is often underwhelming. The knowledge-behavior gap documented across meta-analyses (Fernandes et al., 2014; Kaiser et al., 2022) reflects not only binding constraints but also pedagogical mismatch: When abstract concepts are taught didactically, they may confuse rather than clarify; when action-oriented concepts are taught abstractly, they may fail to motivate. Our evidence suggests that part of the “effectiveness problem” may be a communication problem, and one that is solvable through more intentional matching of style to content.

For practitioners, the implication is clear: Resist the temptation to find a single “best” communication style and instead build a repertoire. Explain credit costs and budgeting rules didactically. Use analogies and stories for the time value of money and data privacy. Frame goal setting and financial planning behaviorally. The evidence suggests that this concept-matched approach will outperform any uniform style — and the gains are large enough to justify the design effort.

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Annex

Figure A.1

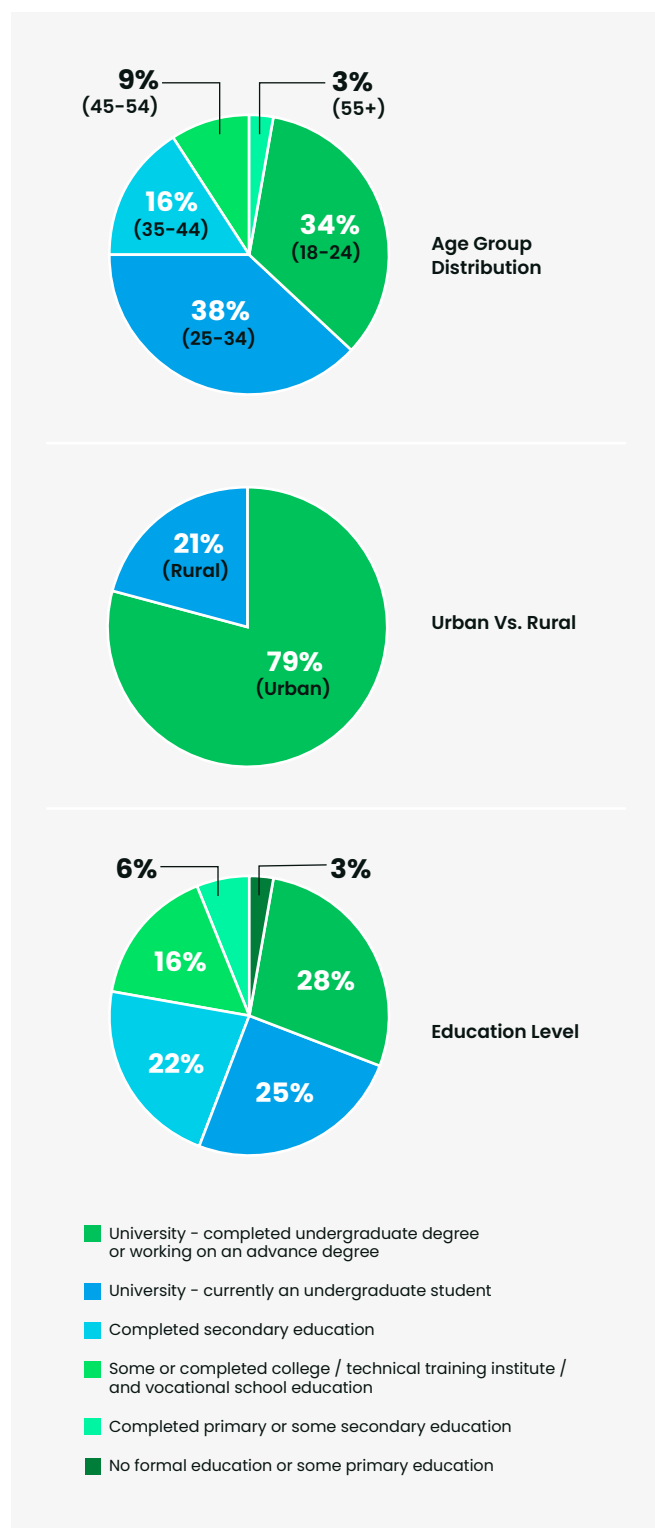


Figure A.2 Performance by Subgroup

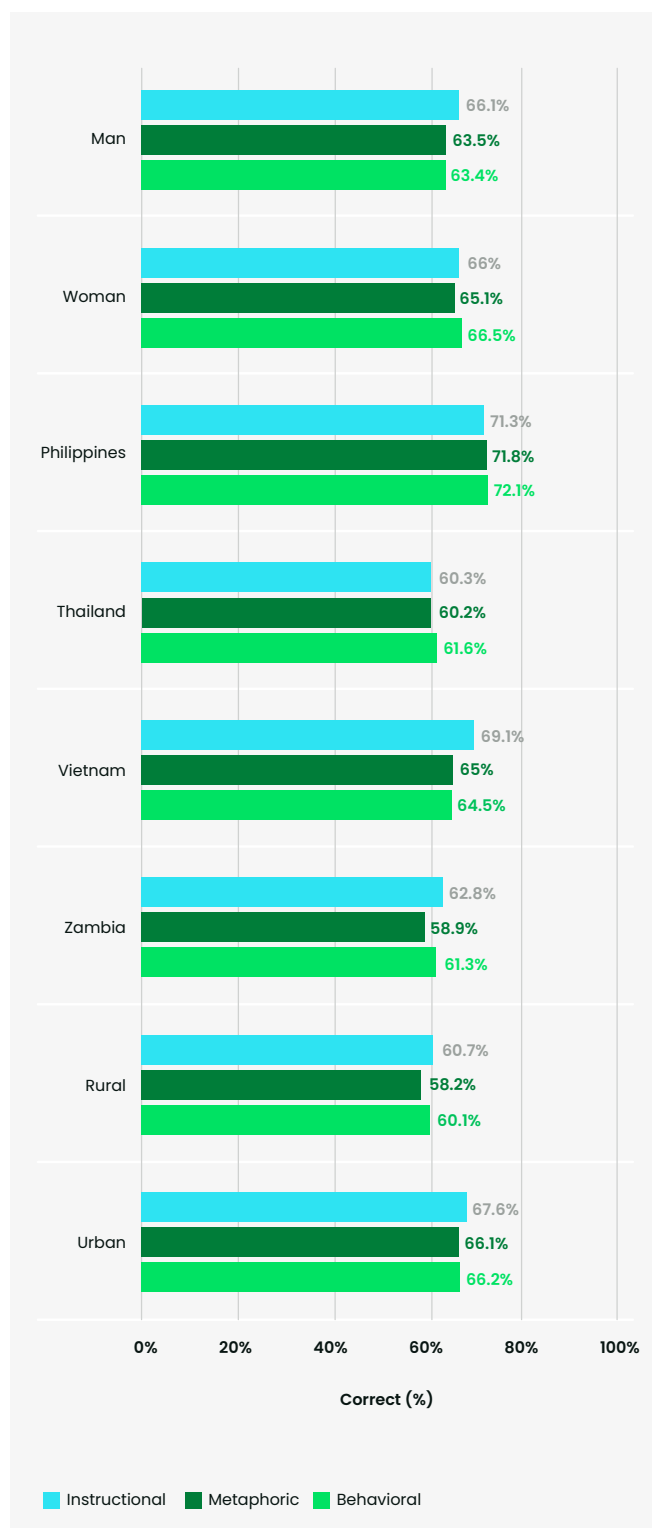
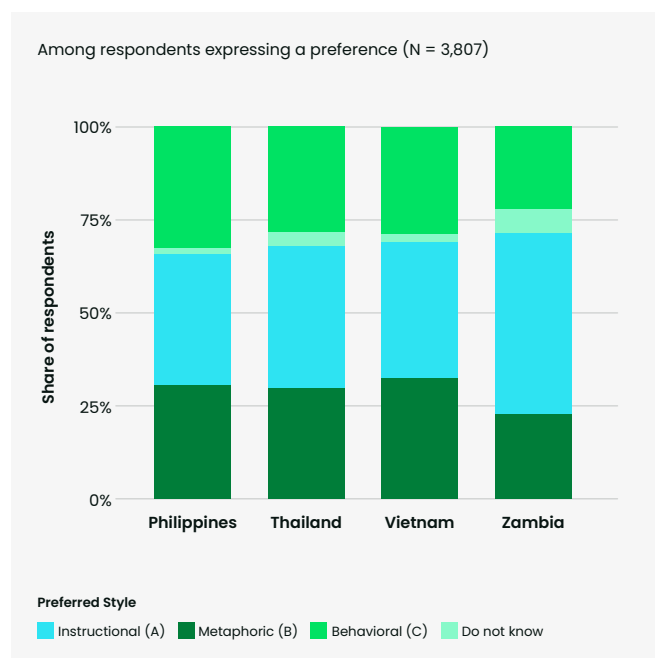


Figure A.3

Preferred Communication Style by Country



Instructional is most preferred in all four countries, despite not being the best-performing style for all concepts.

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