Tablet-based financial education, Colombia

Impact evaluation: short-term results

This is an IPA project funded by the Citi IPA Financial Capability Research Fund supported by the Citi Foundation.
Context and motivation

- 3 of 4 newly banked have not received any form of financial training (Deb & Kubzansky 2012)
- In-person or classroom-based interventions are difficult to scale and can be ineffective, particularly for adults (Miller et al. 2015, Fernandes et al. 2014, Xu and Zia 2014)

Looking for alternative scalable solutions
- targeting
- simplification
- new channels | eg. mobile phones, online courses, DVDs, videos, radio, and television (Lundberg & Mulaj 2014; Berg & Zia 2013; Karlan et al. 2011; Carpena et al. 2011).
Tablet-based Financial Education
LISTA Project

Fundación Capital
Advantages of tablets

- Can work in remote areas
- Allows people to train themselves
- Simple user design
- Can rotate within the communities taking advantage of local social capital
Target Population
CCT Beneficiaries

50% Rural
91% Women
Low education levels
Informal savings

42% of the sample save money informally
Formal savings

18% saved in a formal or semi-formal

- 15-30
- 30.1-75
- 75.1-150
- 150.1-260
- 260.1-300
- 300.1-600
- >600 USD

- BANK
- COOPERATIVE
- SAVINGS GROUP
- MULTIPLE
Who is responsible for household finances?

- CCT Beneficiary: 67%
- Other Adult: 17%
- Share the responsibility: 16%

The household budget is:

- Written: 22%
- Not written: 78%
Cash vs. Bank Savings Preferences

- **Bank account**: 25$, 38%
- **Cash**: 25$, 62%

31% of people preferring cash would switch with 34$
Evaluating LISTA

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Funded by the Citi IPA Financial Capability Research Fund supported by the Citi Foundation.
Use LISTA Tablet  +  Financial Capability Kit  +  SMS Rules of Thumb

1. Greater financial knowledge
2. Higher financial practice adoption
3. Better financial performance
Study Design
Randomized Controlled Trial

Municipalities

Treatment neighborhoods

SMS

Frontier Innovations in Financial Inclusion
Study Design
Timeline

Data Collection

May 2015
BASELINE

TELEMETRIC

October 2015
SHORT-TERM FOLLOW-UP

BANK DATA ON BALANCES AND TRANSACTIONS

April 2016
ENDLINE

We are here!

Frontier Innovations in Financial Inclusion

3/28/2016
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#18MCSummit
Preliminary short-term impact
Preliminary findings

Promising short-term impacts in:

- Financial Literacy
- Budgeting
- Savings
  - Goals
  - Formal
  - Informal

No Change in Household Financial Management Responsibilities

Consistent with other short-term results from financial education
Thanks!

Promising results!

Cautionary notes:
- Short-term data (immediately after the intervention)
- Self-reported information
- Not yet evidence of behavior change

We are working on a follow-up (6 months later) combining survey and administrative data on account ownership and balances.

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