



# Measuring and Evaluating Financial Literacy

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10<sup>th</sup> March 2011

# Outline

- Role of the OECD and its network
- Importance of measurement
- Measurement activities
- The importance of evaluation
- Evaluation activities
- A final thought: the extent of the overlap

# The OECD and Financial Education

- International leadership
- G20 mandate: Seoul 2010; Paris 2011 Consumer protection and financial education
- IGFE global clearinghouse sharing resources, data, good practice guidelines
- INFE network of experts from 75 countries
- INFE subgroups addressing a range of issues and sharing findings at regular meetings
- Secure, members only online discussion portal

# International Network contributions

- INFE work is based on 3 strands

Data collection; Research  
International analytical framework

Internationally recognised standards

Dissemination and co-operation

# Common Principles; Good Practices

## International methodologies on:

- Measurement
- Evaluation
- Financial literacy of 15 year olds

## Dedicated programmes on financial education and:

- Schools
- National strategies
- Financial inclusion
- Women

## Studies and research into financial education and:

- Credit
- Saving and investment
- Pensions issues
- Behavioral economics
- Social marketing and communication strategies
- Financial consumer protection

# The importance of measurement

Assessing how financially literate people are enables:

- Policy makers to identify priorities and set targets (issues to address, people to help)
- Programme designers to identify topics that require special attention

Repeated measurement at the national level also enables policy makers to identify change over time

# Measurement and the OECD INFE

The INFE developed a ground-breaking *international measurement instrument* to create the first ever financial literacy score that can be compared across countries, and time

- A **short** questionnaire covering various aspects of financial literacy (19 core questions)
- Questions applicable across countries and personal circumstances
- +Additional questions to address country level issues
- +Guidance on methods and implementation

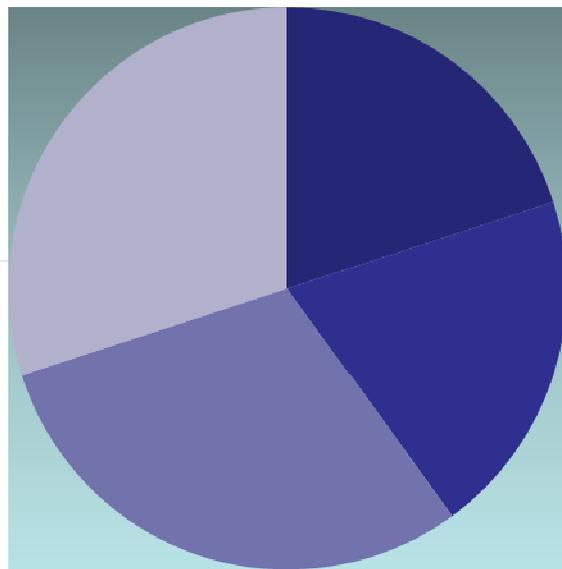
# Progress to date

12 countries are currently piloting the core questionnaire on 1000 respondents (min):

- Armenia, Czech Republic, Estonia, Germany, Hungary, Ireland, Malaysia, Norway, Peru, Poland, UK, South Africa
- Other countries to use questions in 2011
- OECD undertaking international comparison of financial literacy using pilot data: first results Q4 2011.

# OECD PISA Financial Literacy

## Programme for International Student Assessment



■ identify

■ analyse

■ evaluate

■ apply

- Identify financial information
- Analyse information in a financial context
- Evaluate financial issues
- Apply financial knowledge and understanding

# The importance of evaluation

## Evaluation and Monitoring go hand-in-hand

(Good) evaluation can tell you whether:

- Particular programmes have been effective
- The same programmes could continue to be effective with new audiences
- Certain programmes meet a specific objective **more** effectively or efficiently than others
- Certain objectives are better met by other means

# Evaluation is not widespread

## There are a number of hurdles:

- Willingness to scrutinise provision and potentially identify ‘weaknesses’
- The variations in design, delivery and content of financial education provision
- The range of target audiences
- The skills and experience of potential evaluators
- The money, time and other resources needed to undertake evaluation

# Evaluation and the OECD INFE

## The INFE has therefore developed:

- A summary of existing evaluation evidence
- A critique of current evaluation practice
- Guides for designing and implementing robust financial education evaluations
- General principles on evaluation – to be developed into OECD recommendations
- A dedicated area on the secure website to discuss evaluation issues

# The overlap

Limited methods

**Measurement**

Looks at overall picture

Range of methods

**Evaluation**

Related to specific provision

Assessing  
Financial  
Literacy

# Thank you!

Comments and questions are welcome

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