

Improving Financial Literacy and Capability: What Works?

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Do Financial “Health” Check ups Prompt Behavioral Changes?

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A joint center of the RAND Corporation, Dartmouth College,

Attention is Limited

We all have things we'd rather pay attention to than our finances.



A blurry background image of a dog lying down with a large bone in its mouth. The dog is lying on its side, and the bone is held horizontally in its mouth. The image is out of focus, emphasizing the text overlaid on it.

Self-control is hard

Even when you know an action is financially unwise, it can be difficult to resist taking it.

Financial Health Check

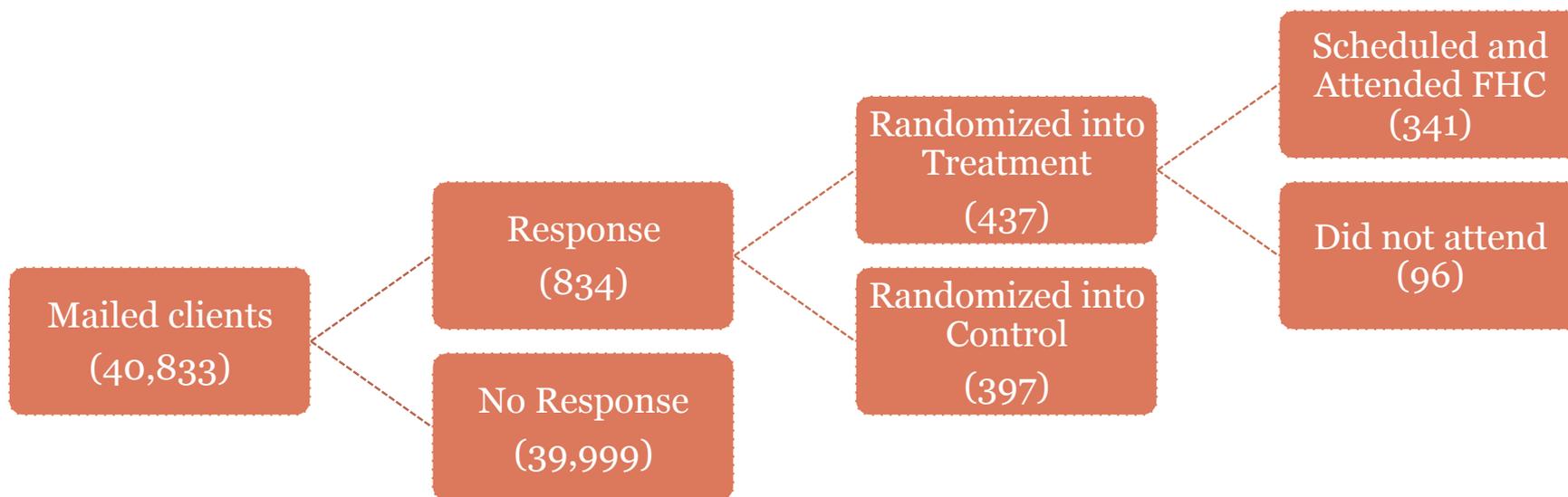
Traditional Financial Counseling

- Go over monthly budget
- Work through savings goals and debt reduction targets

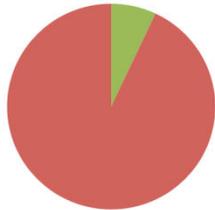
Behavioral Interventions

- Automatic transfers
- Automatic bill pay
- Set savings goals
- Email and SMS reminders

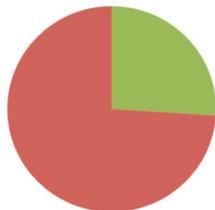
Experiment Design



Results – Take Up



- 7% of treated clients have signed up for automatic payments

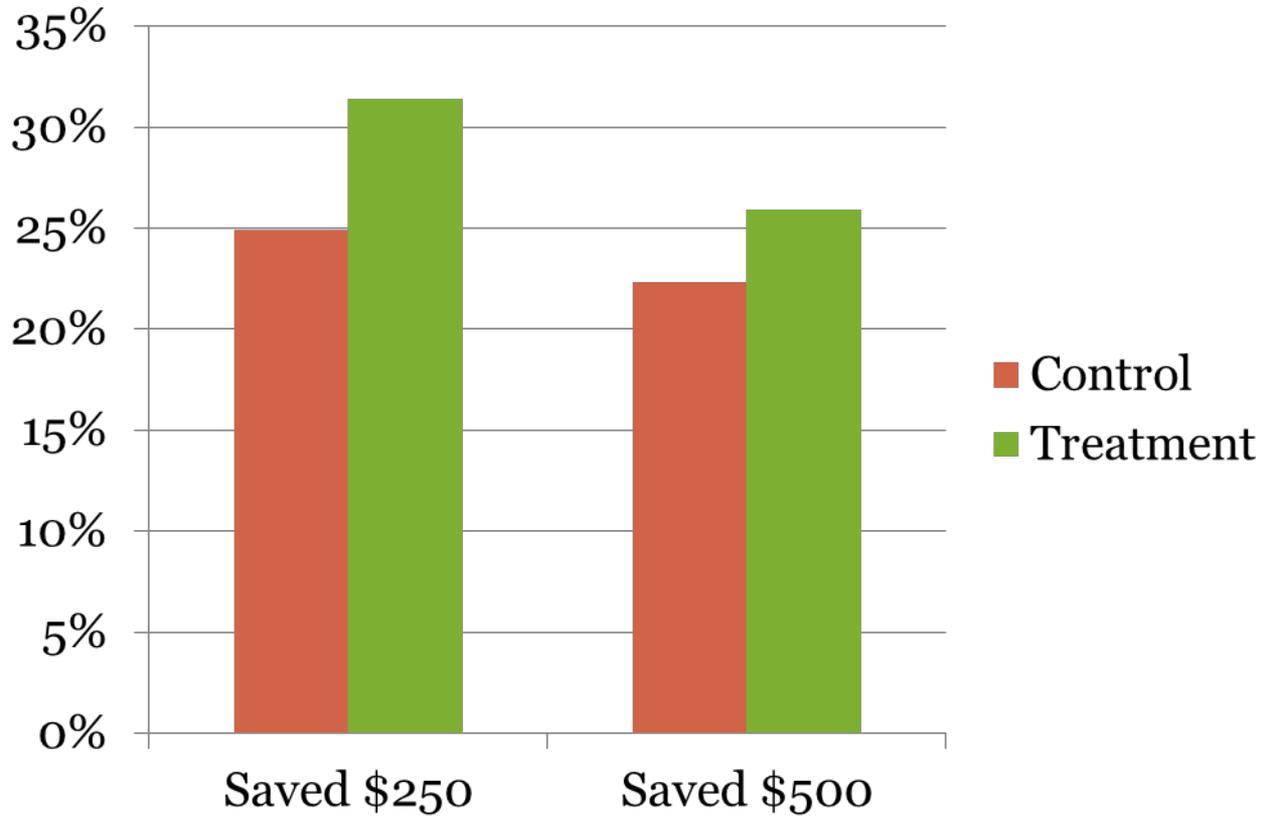


- 26% signed up for email reminders



- 9% signed up for automatic transfers into savings account (average monthly transfer of \$146)

Results - Savings



Next steps

- Analyze credit bureau data
- Look for selection effects
 - Does opting into a Financial Health Check indicate that you're on a **positive financial trajectory**?
 - Indicates lower credit risk, which could provide route to monetization

Further work

- We're designing services similar to FHC, using different delivery systems:
 - Employer Financial Stability Package
 - Community Colleges
 - Mortgage counseling