

# FINANCIAL EDUCATION IN ACTION FOR SOCIALY FRAGILE GROUPS

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Museum of Saving  
Director & Curator





# Financial education

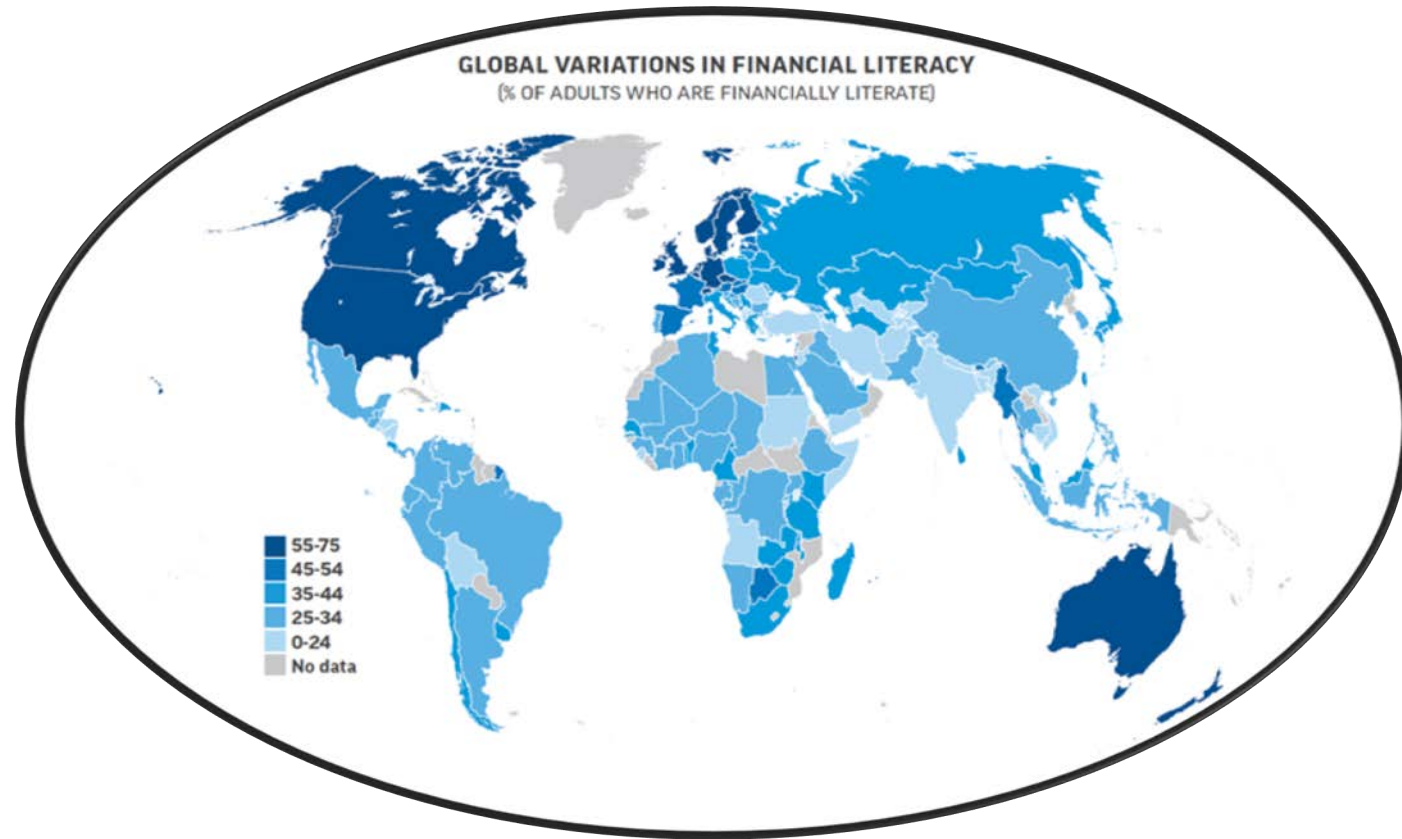


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A “life-saving toolkit”



# Around the world



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On average, 67% of adults are financially illiterate

# Financial education programs

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Financial education has:

a significant effect  
on understanding;

a significant influence  
(even if more limited)  
on behavioral changes



# A mix of abilities

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Understanding  
of the concepts

+

Capacity to  
communicate

+

Advanced  
teaching methods



Easy and  
approachable  
materials



Use of technology  
(digital and virtual)



Game-based learning  
and gamification

# A new way of teaching and learning



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Abandoning the frontal method

Approach based on  
experimentation  
and emotions

Proactive attitude

Relations with class mates

# Edutainment

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# Gamification

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Properly structured games  
work for all ages

Gamification helps:

motivate;

involve people;

change behavior

## Gamification design process



Italy

Art of money management



Financial perspective: the Savings Museum uses new videos, old movies and interactive displays to demonstrate the role of banking in society

Eric Sylvers SEPTEMBER 27 2012

Andrea Beltratti is in an evangelical mood. The chairman of the management board of Intesa Sanpaolo, Italy's largest bank by market value, wants Italians to learn basic financial concepts such as hedging and the difference between real and nominal returns.

His idea is that Italians would then have a better understanding of how financial markets work, would invest their savings more effectively and as a result would learn to respect, appreciate and ultimately love bankers.

To that end, Mr Beltratti, who is also a professor at Milan's Bocconi University and has a PhD from Yale, dreamt up the [Savings Museum in Turin](#). The five rooms filled with videos, texts, movie clips and custom-built video games opened in May in a former branch of Intesa Sanpaolo.

"It will take 10 or 15 years, but I'm sure we can get people to understand what it is banks do and why they're important for society," says Mr Beltratti, walking through the stylish rooms fitted out with modern displays that are a far cry from the more fusty image of a museum.

"To fight the backlash against banks we need to do two things. First, we need to lower the salaries of bankers to bring them closer to what other people are making. Second, we need to explain to people in a way they can understand what it is that banks do and why we need them."

On the first count, he and some of his colleagues at Intesa Sanpaolo have taken a voluntary one-third pay-cut. On the latter he has invested his time, energy and – to a certain extent – his reputation in the museum.

# The Museum of Saving

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A public place  
dedicated to the art of  
money management

# Challenges

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Gender gap

Migrations

Suburbia



## Elementary school



Laboratories on saving by MoS



Gender gap even in early years

# Gender gap

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## Middle school



"Price discovery" by MoS with MIDE and IS



Post-treatment questionnaire score lower for girls



"PISA13" conducted by OECD



Gender gap regarding the financial abilities

## Adult women



Low self-esteem

Less likely to take risks

Longer life expectancy

Lower pay and pregnancy







## Surveys

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**“Women and Saving Management” (2017)**

**“Women and Money Management” (2018)**

(both in cooperation with Episteme)



Scarce inclination for risky investments

Aversion to risk in portfolios

Autonomous money management only for basic  
daily spending

Inclination to let the partner make complex  
decisions

## **“Risk is a women’s job” (since 2016)**

Interactive workshop based on the exchange of experiences with a conversation chaired by a tutor

Impact analysis shows:

- scarce propensity for risk;
- limited efficacy of the activity;
- not significant changes after treatment

## **“My granny, the genius” (March 2017)**

Call for action launched to create a collection of home account books

Women have been given an important role in money management in history



QUEL GENIO DI MIA NONNA!  
DAI LIBRI DI CASA AL KAKEBO

# Initiatives

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## **Cues...**

Distribution of educational material in beauty salons

Production of popular series including themes relating to money management



# Migrations

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Financial education of migrants



**CAN'T**

be limited to remittances

**MUST**

enhance management and decisional skills

favor their socio-economic integration

lead to acquisition of transversal skills

# Survey

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## **MdR-IPSOS (2018)**

Significant differences in literacy in different ethnic groups

Unawareness of the benefits of acquiring financial capabilities

HOWEVER:

more than 49% save;

over 21% save more than 20%;

approximately 70% send money home



## **“Welcom-ED. The routes of saving” (since 2017)**

Motivational workshops in 2 modules, according to the initial level of literacy

Tutor-student interaction dealing with budgeting and planning

Active participation, discussions, videos and laboratories

# Initiative

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The impact analysis shows the efficacy of the program

Positive effect for educated people who have been in Italy for some time

Importance of cultural and ethnic factors, in addition to the linguistic element

Statistically significant increase in financial abilities

Suburban kids lack a prospective, often because of deprived social backgrounds



They can't adequately evaluate the trade-off between today and tomorrow as a result of the "now" culture that overvalues the present

In Italy, the average rate of school leaving is much higher than in Europe

# Suburbia

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Empirical studies demonstrate a link between the level of financial literacy and the lower probability of leaving school early

# “Sky is the limit”

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Program for suburban kids focused  
on investment in human capital



Pilot phase launched in early 2019 and aiming at  
involving and motivating middle school students



The concepts:

everyone is master of her/his future;

investing in one's human capital changes life





# The evaluation

- 1) Come ti chiami? Quanti anni hai? Che classe frequenti? Quali sono i tuoi interessi?*
- 2) Che cosa ne pensi del progetto "Sky is the limit"? Che cosa ti incuriosisce?*
- 3) Che cosa ti piacerebbe fare del tuo futuro? Come pensi di fare per raggiungere questi obiettivi?*

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Alternative impact study of this project



Presence of a psychologist to assess the efficacy of the treatment



Is there a change in the way adolescents see themselves in ten years?









# Problems with the assessment method

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Limits of this kind of evaluation:



absence from school



kids seem to be used to considering technology only as a means to communicate or show themselves

**Engaging** visitors in a deep learning experience related to financial education demands:

- profound understanding of the subject;
- effective communication skills;
- understanding of the mechanisms and biases that drive financial decisions



**Turning** all this into interesting teaching material for disadvantaged people requires to:

- understand their spoken and unspoken needs;
- evaluate the pros and cons of group-specific learning mechanisms



**Having** creative skills, thinking outside the box, trying out new technologies and exploiting stereotypes is **essential!**

# Conclusions (1)

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# Conclusions (2)

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When possible, evaluating the impact of a project is the best solution



We always do it!

As a consequence...



You have to be ready to change the course of action as soon as it's clear that it's not producing the hoped-for results