

FINANCIAL EDUCATION IN ACTION FOR SOCIALLY FRAGILE GROUPS

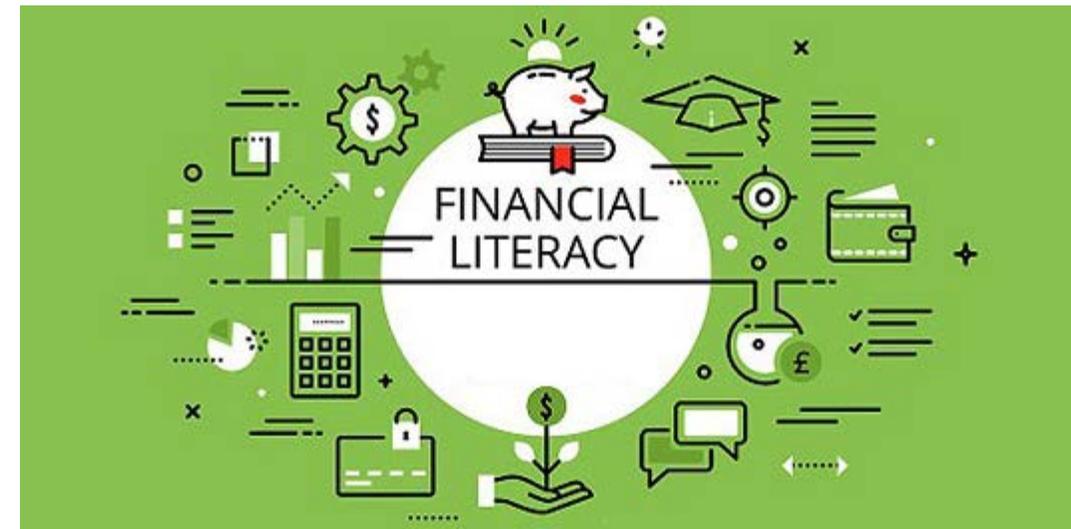
GIOVANNA PALADINO
Museum of Saving
Director & Curator





Financial literacy

“A combination of awareness, knowledge, skill, attitude and behaviour necessary to make sound financial decisions and ultimately achieve individual financial wellbeing”

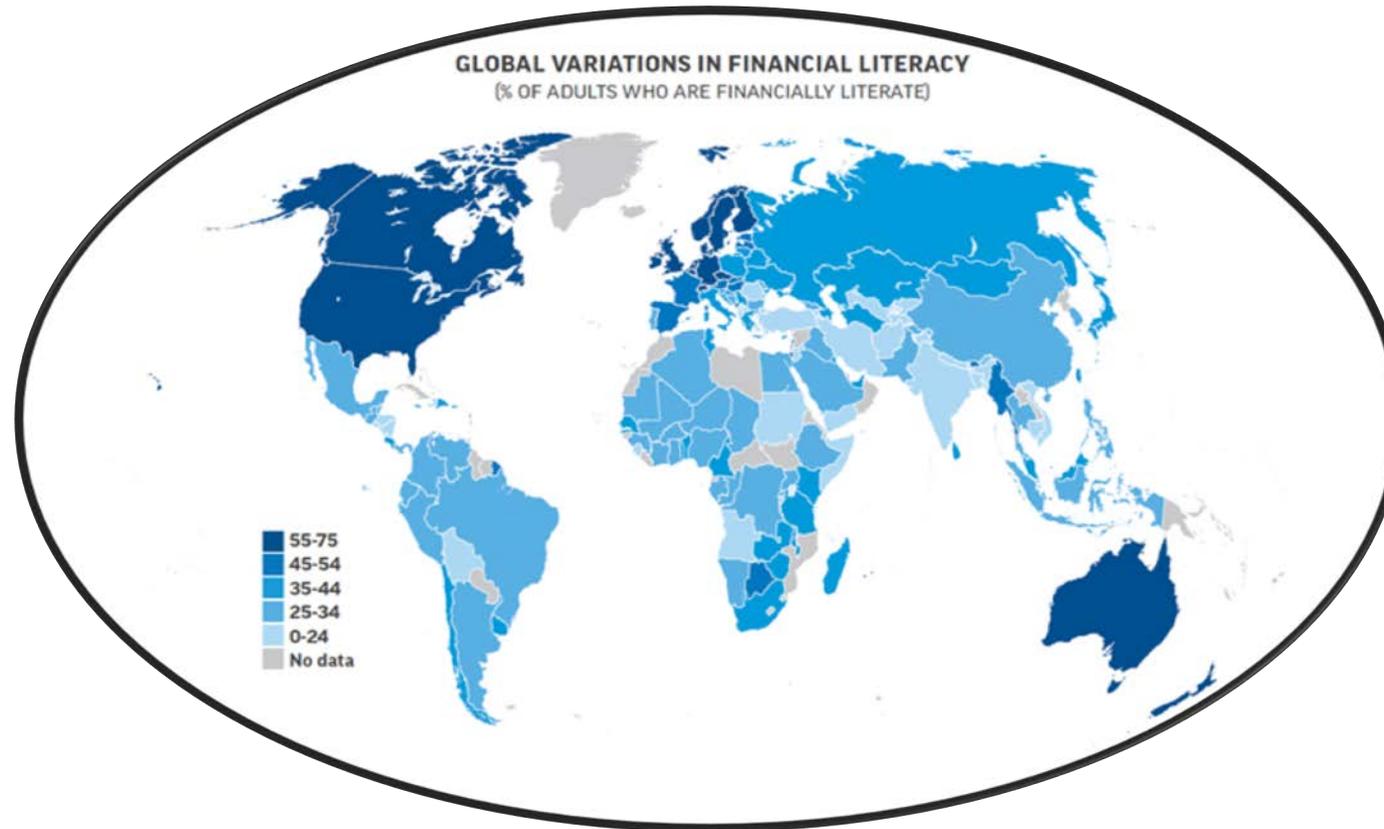


Financial education



A “life-saving toolkit”

Around the world



On average, 67% of adults are financially illiterate

Financial education programs

Financial education has:

a significant effect
on understanding;

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



A mix of abilities



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



Abandoning the frontal method

Approach based on
experimentation
and emotions

Proactive attitude

Relations with class mates

Edutainment



Gamification

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

A public place
dedicated to the art of
money management

Challenges

Gender gap

Migrations

Suburbia



Gender gap

Elementary school



Laboratories on saving by MoS



Gender gap even in early years

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

“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

Initiatives



Cues...

Distribution of educational material in beauty salons

Production of popular series including themes relating to money management





Migrations

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



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



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

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

“Sky is the limit”

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?*

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?

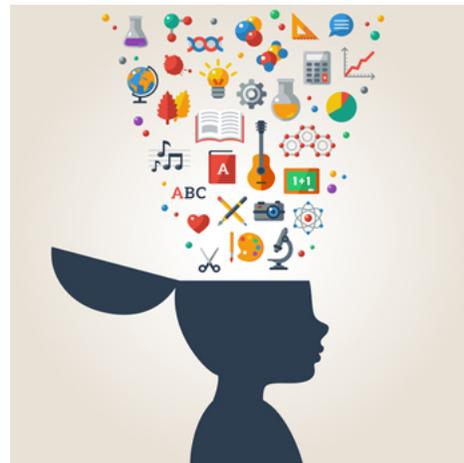


The results



Project really appreciated by schools

Methodology able to stimulate students to increase knowledge



Seeing (after the lab) as a means to reach life's goals



Problems with the assessment method

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)



Conclusions (2)



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