How can we make financial management training more effective?
PROBLEM: FINANCIAL LITERACY EFFORTS HAVEN’T HAD MUCH EFFECT

Sample-Weighted Average $r$(financial literacy, financial behavior) and 95% CI

Effect-size partial $r$ (financial literacy, financial behavior)

- Manipulated Financial Literacy, Randomized Experiment ($O = 15, N = 23422$)
  - $r = 0.009$

- Manipulated Financial Literacy, Pre-Post or Quasi-Experiment ($O = 75, N = 328351$)
  - $r = 0.034$

- Measured Financial Literacy, Instrumental Variables Used ($O = 24, N = 84982$)
  - $r = 0.07$

- Measured Financial Literacy, OLS Regression Used ($O = 87, N = 167241$)
  - $r = 0.153$

FROM LESSONS TO HEURISTICS

Classroom Lessons
- Lots of info at once
- Hard to remember
- Hard to act upon

Heuristics
- Simple and limited
- Actionable
FINANCIAL HEURISTICS: A BEHAVIORAL DESIGN SOLUTION BASED ON SIMPLICITY

- Keep two “drawers” – business and household
- Assign yourself a weekly salary
- If you “borrow” from the business, pay it back
- Only give credit to customers if prior credit is paid off
FINANCIAL HEURISTICS IMPROVES BEHAVIORS AND REVENUES
SCALING FINANCIAL HEURISTICS THROUGH IVR

To get your training call

• On **MONDAY**

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• Get call from **08030647400**

• And listen

To listen to message again for free

1. Give a missed call to **08030647400**
2. Receive a call back from **08030647400**

• To listen to past messages

3. Press **for message from this week**
4. Press **for message from last week**

Please call Janalakshmi - Govindaraj: **08095022340**

• If your current phone number changes
• If you would like to request a change in time to receive the training call
• If you have any questions/concerns about the training program