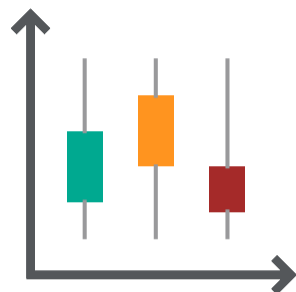


Research Finds Financial Education Interventions have Positive Effects on Student Behavior

Increased knowledge can improve behaviors around budgeting, saving and credit

The Context

Financial education has been an **increasing priority for colleges and universities in the recent years**, and there is burgeoning research on the positive effects of financial education programs. A 2018 study showed that state mandated financial education in high school results in students making better borrowing decisions, including shifting from high-cost to low-cost borrowing and applying for financial aid for post-secondary studies.



On a broader scale, a meta-analysis in 2022 examined data from **76** independent financial education **randomized experiments**

across **33** countries



and over **160,000** individuals



This study sought to answer the question: do financial education programs affect financial knowledge and behaviors?

The Impact



➤ **More substantial evidence to support the positive effects of financial education programs**

- Financial education interventions are **3 to 5 times as effective** in improving financial knowledge and behaviors as the previous meta-analysis on financial education programs

➤ **Positive effects on financial knowledge and behaviors**

- Results were most notable in **increasing financial knowledge** and **improving financial behavior** (i.e., budgeting, saving, and credit)



➤ **Financial education, on average, is cost-effective**

- **Relatively low cost per participant** for all studies which reported this data

➤ **Effects are comparable to reading & math interventions/public campaigns**

- Improvements in **financial knowledge** are of similar size to improvements in **math and reading interventions**
- Improvements found in **financial behavior** are comparable to improvements found in meta-analyses of **anti-smoking intervention, health interventions, and energy conservation**



Next Steps



➤ **Not all financial education programs produced similar results or targeted the same outcomes**

- **Hard to quantify specific effects in aggregate due to the differences in outcome.** For example, we cannot definitively say that interventions lead to specific savings increases or credit score increases since outcomes varied across the studies in the meta-analysis.

➤ **Because the effects of financial education can differ across demographic groups, seek guidance on the types of financial education programs that would most likely help your student population(s).**

