

Financial Education Interventions Can Be as Effective as Health Interventions

Interventions can create positive behavior changes in students

The Context

The implementation of financial education has been an **increasing priority for policymakers worldwide**. In August 2022, there were 34 active bills in eight states focusing on K-12 financial education legislation. In 2022, four states passed legislation requiring a financial literacy class for high school graduation. A meta-analysis study by a team of researchers sought to answer the question: do financial education programs affect financial knowledge and behaviors?



This study examined data from **76** independent financial education randomized experiments

across **33** countries



and over **160,000** individuals



The Impact



We now have 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).

