



Number 46 / February 2014

INNOVATIONS IN FINANCIAL EDUCATION: EXPERIENCE AND LESSONS FROM A PROJECT DIRECTED TO USERS OF THE CONDITIONAL CASH TRANSFER PROGRAM “FAMILIAS EN ACCIÓN” IN COLOMBIA.*

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INTRODUCTION

Between 2012 and 2013 Proyecto Capital / Instituto de Estudios Peruanos implemented the intervention “Innovations for Scaling Financial Education” (ISFE) funded by the CitiFoundation. This project aimed at developing financial abilities among the users of conditional cash transfer programs in Peru (JUNTOS) and Colombia (Familias en Acción).¹

* The complete document is available at the Capital Project: <www.proyectocapital.org>.

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The project’s intervention strategy consisted on three stages. First, communications and media materials were designed to develop abilities related to money management, from an innovative perspective that combined education with entertainment. Five modules were created based on the stages of behavioral change promoted by ISFE (Table 1), which served as inputs for developing specific tools (Table 2). Later, mother leaders of the program “Familias en Acción” were trained as financial facilitators (FF) for ISFE. They were

1. Conditioned cash transference programs in Peru and Colombia provide a savings account under the name of the mother-beneficiary, where the cash transfer is deposited, after the verification of the compliance of the co-responsibilities in health-nutrition and education.



trained in the modules' content and the use of the educational materials produced by the project. Finally, five monthly training sessions were implemented by the financial facilitators in their groups of account holding mothers with non-face to face interventions, such as broadcasting of a radio drama series, a campaign via text messages—SMS and the dissemination of a video with testimonies of women who had undertaken ventures through savings. Through this intervention strategy, ISFE aimed to generate knowledge and experience for responding to the scaling up and sustainability challenges of financial education interventions linked to conditional cash transfer programs in Latin America, Asia and Africa”.

This document summarizes the main findings of an external evaluation that reviewed the communicational financial education component of the ISFE intervention implemented in Colombia. The research methodology was qualitative and included a period of fieldwork during April 2013 in the two municipalities where the pilot project was implemented: Rivera (Department of Huila) and Funza (Department of Cundinamarca). A series of interviews and focus groups involving a total of 57 informants, including mothers users of the program, fathers of beneficiary households, financial facilitators, and municipal intermediaries. The majority of the account holding mothers that took part of the external evaluation had participated in “Familias en Acción” over four years. However, smaller groups that joined the program between 2011 and 2012 were also included. This was the case of families displaced by internal violence in the municipality of Rivera. During the course

2. Acronym for Short Message Service.
3. Correa Aste, Norma (2013). Evaluación cualitativa externa del componente de educación financiera comunicacional del proyecto “Innovations for Scaling Financial Education”. Caso: Colombia. Informe Final. Proyecto Capital / Instituto de Estudios Peruanos. 57 pages.

of ISFE intervention in Funza, new beneficiaries were incorporated through “Más Familias en Acción” scheme implemented by President Santos administration.

Table 1:
Sages of behavioral change encouraged by ISFE

Stage	Working module
Unawareness of the condition of vulnerability	Módulo 1: It already happened to us once, we'd better save.
Awareness and preoccupation	Módulo 2: Learning more about our savings accounts.
Motivation for change	Módulo 3: How do I take money from my account and how do I keep track of my balance?
Emergence of the behavior of saving in the bank	Módulo 4: Programming my expenses and controlling my savings.
Affirmation of the behavior of saving in the bank	Módulo 5: What services do financial institutions offer me?

Source: Instituto de Estudios Peruanos / Proyecto Capital

CONTEXT AND SCOPE OF THE INTERVENTION IN COLOMBIA

Understanding the context in which ISFE was implemented allows dimensioning the changes that could be achieved with a pilot intervention. During the fieldwork, it was confirmed that the imaginaries, perceptions, and behaviors of the most vulnerable population towards financial institutions were characterized by suspicion, confusion, and fear. The collective memory of pyramid scams, the sudden bankruptcy of local cooperatives, and the confusion associated to bank rates exacerbated this situation. While banks were considered formal institutions of high importance for economic development, they were also perceived as strange and distant spaces for the poor-



Focus Group with mothers beneficiaries (18 to 35 years)

est population. Informal savings practices were very prominent in the intervention municipalities, as well as collective savings (chains, for example) and informal credit systems (the payment of debts in daily installments with high interests known as “drop by drop”, for example). While the risks arising from informal lenders’ abusive practices were widely known (such as the use of extortion and armed violence for collecting payments), the poorest and most excluded population still used these mechanisms because they allowed them quick access to money without bureaucracies or administrative filters.

“Familias en Acción” payment system in the municipality of Rivera changed during the first semester of 2013. In April, the cash transfer started to be delivered through cell phones, using the electronic wallet system of the Colombian bank Davivienda (known as Daviplata). In this context of transition, some confusion arose regarding the continuity of the accounts provided by “Familias en Acción” in Banco Agrario, affecting their effective use since second semester of 2012. It must be noted that all ISFE educational materials were designed for a bancarisation system based on the use of ATMs or bank windows.

ISFE project carried out a face to face training for 53 financial facilitators, who in turn trained a total of 2047 mothers-users in the municipalities of Rivera and Funza. Most of these users had accessed their first savings account thanks to their participation in the program “Familias en Acción”. The project’s training sessions were based on pre-existing groups of account holding mothers, organized according to geographical criteria. This allowed the inclusion of women without previous financial education or experience with formal savings, who are not usually eligible for projects that require proving entrepreneurial and/or savings capacity, as is the case of the successful program “Mujeres Ahorradoras” implemented by the Colombian government.

POTENTIAL AND LIMITATIONS OF NON-FACE TO FACE EDUCATION

One of the most innovative elements of ISFE intervention was its non-face to face character, based on the use of communications media and educational materials directed to financial facilitators and account holding mothers. Table 2 describes the media and educational materials created by the project.

Table 2:
Educational Media and Materials developed by ISFE

Type	Use
Flipcharts for five training modules	Materials in “story telling” format used to support the monthly training sessions led by financial facilitators (FF). A character “Diva La Ahorrativa” was presented chatting with her neighbors. Each of the FF received a package of these materials and was trained for using them correctly by the Proyecto Capital/Instituto de Estudios Peruanos team.
Video	Visual document based on testimonies of three users of “Familias en Acción” who had improved their quality of life through formal savings. It aimed at motivating and inspiring mothers-users for fostering change. Each financial facilitator received a CD to be played in the group training sessions. “Diva, la ahorrativa” presents each story and testimony.
Radio drama series	15 micro-shows based on the contents of the flipcharts and the stages of change sought by the project (three programs per module). The characters included in the flipcharts came to life. The micro-shows were transmitted by local stations in Rivera and Funza once a day. The intended audience was the mothers who participated in the training sessions and also the general public. Likewise, each FF received a CD with this media for playing it during the training sessions.
Savings and Budget Journal	Printed material handed to all beneficiaries by financial facilitators. It had four uses: a) format for controlling operations in Banco Agrario’s savings account; b) model for elaborating the household’s budget; c) summary of the main ideas of each training module; d) uses and costs of the account in Banco Agrario. “Diva, la ahorrativa” appeared guiding the use of this material.
SMS	Designed to express support to the financial facilitator voluntary training efforts. They were used as source of motivation insofar they acknowledge the work of the FF, as well as a reminder of the monthly topics and the schedule of the radio drama series. 63 SMS were sent three times a week, for 21 weeks (Monday-Wednesday-Friday). The messages were signed by “Diva, la ahorrativa” or Proyecto Capital.

Source: Personal compilation over the base of information given by Proyecto Capital / Instituto de Estudios Peruanos

Educational materials produced by ISFE were acknowledged by their high quality, which reflected in a careful design of contents, an attractive visual language, clarity in the messages, and the use of characters with whom the mothers-users could identify. However, efficacy of such tools was mixed, in the measure that there were notable variations in the levels of effective use during the training sessions organized by the financial facilitators. Logistic and technological limitations constituted the main obstacle for the massive use of video and radio drama series. That is why these tools could not be used to their full potential. Table 3 presents a brief balance of the efficacy of the training tools.

CONTRIBUTION AND IMPACT ACHIEVED BY ISFE IN GENERATING FINANCIAL ABILITIES IN USERS OF “FAMILIAS EN ACCIÓN”

Participating in ISFE was for most mothers-users their first experience with financial education. Therefore, an unsatisfied demand of the population of “Familias en Acción” was addressed: learning to build a relationship with a financial system that caused them suspicion and fear. What changes are attributable to ISFE? Evidence arising from the evaluation reveals that the project’s greatest contribution was broadening the understanding about how the financial system works. From the user’s perspectives, this is a step prior to trusting more the banking institutions and evaluating



Tabla 3:
Effectivity of training media and materials designed by ISFE

Type	Most prominent strength	Most prominent weakness
Flipchart	<ul style="list-style-type: none"> Rated as the best training material due to its versatility and clarity. The comic format attracted the attention of both kids and adults. 	<ul style="list-style-type: none"> There was only one flipchart for each module per training group, which ranged from 20 to 60 people.
Video	<ul style="list-style-type: none"> Attractive and agile structure based on stories of improvement with which the mothers could identify. 	<ul style="list-style-type: none"> Most training groups did not have video equipment and/or the suitable venues with electricity, reason why this material was underused.
Radio drama series	<ul style="list-style-type: none"> The characters in the training modules came to life, which allowed for continuity in relation to the work in the flipcharts. A jingle was employed which was very successful with the audience. 	<ul style="list-style-type: none"> The local radio stations' signals had limited geographical reach and/or lower ratings. Some training groups lacked the necessary audio equipment for playing the material delivered by ISFE.
SMS	<ul style="list-style-type: none"> They contributed to consolidate the relationship between the financial facilitators and ISFE, given that they considered that their voluntary work was being acknowledged and valued. 	<ul style="list-style-type: none"> None
Control Journal	<ul style="list-style-type: none"> Practical tools were incorporated for monitoring the use of the savings accounts and planning the household's budget. 	<ul style="list-style-type: none"> Many mothers did not use the journal for keeping track of their savings or budgets because they valued it more as an information source for the household.

Source: Self compilation

the decision of using financial services. Next we underscore the main areas of impact ascribable to ISFE project. Table 4 presents a series of more specific impacts related to the generation of “Familias en Acción” users’ financial capabilities in four dimensions: knowledge, abilities, attitudes, and behavior.

- **Savings as a possibility within the reach of account holding mothers:** prior to training, most informants considered that saving was a desirable objective, but one that escaped their real possibilities. Through ISFE they learnt that it was possible to save

regularly if they improved their daily management of money and not only expected to have surplus. As many users explained, they learnt to “ground” their aspirations regarding family savings by establishing concrete steps to follow.

- **Savings as protection and platform for family improvement.** Account holding mothers pointed out that by means of the training sessions they learnt to value the use of savings in two dimensions: a) in the short term, as protection for emergencies; b) at the medium and long term, as a platform

for achieving family investment goals. It was underscored that savings could bring more autonomy the families when exiting the program “Familias en Acción”.

- **Empowering of account holding mothers as users of the financial system.** Informants claimed that the ISFE project had motivated them to demand better customer service in financial institutions, as well as to be more aware of their status as clients, which was associated with specific rights such as receiving clear and timely information, being treated with respect, being received with the same attentiveness as the clients with more resources. That is, to access services aiming at citizens, not services for the poor.

In light of these findings, it is possible to affirm that ISFE has contributed to generating and/or consolidating positive attitudes linked to the promotion of savings. A number of testimonies have been gathered of women who started to save after attending ISFE’s training sessions or who motivated their husbands and children to do the same. However, it is not possible to state that the pilot project has transformed the attitudes towards banks, given that high levels of suspicion persist, which affect the willingness for regularly saving in financial institutions. This is why favorable attitudes towards savings generated by ISFE have not necessarily translated in an increase of the effective use of bank accounts.



Focus Group with mothers beneficiaries (18 to 35 years)



Tabla 4:
Impacts attributable to ISFE in the generation of financial abilities of “Familias en Acción” users

Áreas	Change
Knowledge	<ul style="list-style-type: none"> • Money management and the importance of saving • Operation in the banking system: withdrawals, deposits, balance consultations • Differences between formal and informal savings, comparing benefits and risks • Security when saving: confidentiality of the PIN number • Protection system for savers.
Abilities	<ul style="list-style-type: none"> • Using the ATM: inserting the card, interpreting the screen, consulting the balance and withdrawing cash. • Monitoring of the savings account: identifying the number of the account, interpreting the vouchers, monitoring money coming in and out of the account. • Making the household budget.
Attitudes	<ul style="list-style-type: none"> • Generating and/or consolidating positive attitudes related to the promotion of savings. • Informants include in their life plans relating or widening their connection with formal financial institutions. • Empower account holding mothers as bank users.
Behaviors	<ul style="list-style-type: none"> • Account holding mothers started to save after the training and/or encouraged their husbands to do so. • Preventing the dissemination of the secret password as well as the avoidance of asking strangers for help for withdrawing money from the ATM. • Frequently asked questions of account holding mothers to the financial facilitators about managing their accounts. • Saving vouchers for monitoring the savings accounts.

Source: Self compilation

Finally, a number of impacts were identified in the aspiration capacity and motivation of the account holding mothers. For example, many of the interviewed users considered that ISFE’s training was an opportunity for personal growth insofar it allowed them to improve or discover their leadership abilities, as well as to express themselves better. Lessons arising from the experience of the ISFE project in Colombia

Financial facilitators were critical actors for the success of ISFE implementation strategy. The dissemination of the training modules ultimately depended on their compromise and ability to teach the account holding mothers under their supervi-

sion. During the fieldwork various cases of highly engaged facilitators were identified, whose actions went further than solely giving monthly training as they assumed the role of advisors in financial issues for their communities. However, there were less of them than mother leaders in each municipality. It sThe external evaluation concluded that ISFE has a high potential for replication and scaling-up. The innovative materials and media produced by the project deserve to be disseminated over wider audiences. The main lessons derived from this pilot experience are the following:

- 1) The effective implementation of the ISFE in Colombia was based on four crucial factors:

a) timely distribution of the educational media and materials for replicating the training sessions; b) compromise and ability of the financial facilitators for replicating the training sessions; c) regular assistance of the account holding mothers to the training sessions; d) permanent coordination with the Department of the Social Prosperity of the Government of Colombia, whose endorsement was crucial for gaining account holding mothers trust and getting the valuable support of municipal intermediaries.

- 2) ISFE positioned itself in the municipalities of Rivera and Funza, as a project independent from the government and financial institutions, something highly valued by the participants. Informants underscored that the project did not force them to take a specific course of action. Instead, it concentrated its efforts in clearing out doubts about the financial system and informing about the range of options at their disposal.

“When I started the program Familias en Acción, everything I received I spent, because it wasn't much what I got but I spent it all. So I said: I spend all of it and don't try to save. I started buying piggy banks. Then, my daughters also asked me: mommy why don't you buy a piggy bank also for me? So I bought them one. When Familias en Acción arrived I would get 10,000 and saved every time. Until one day we had an emergency, we didn't have a cent, we had to break the piggy bank and that talk was useful. I gave that example to the account holding mothers (...). So it was very good for us, many moms say: it would have been awesome if this had started when the program Familias en Acción started, from the beginning.”

(Testimony of a financial facilitator, Rivera)

- 3) should be taken into account that not all “Familias en Acción” mother leaders had the abilities required for training in financial education, for which not only knowledge is needed but also the ability to transmit confidence and explaining complex content very patiently. That is why it is advisable that si-

milar projects pay close attention to the selection and monitoring of financial facilitators, as well as introducing symbolic⁴ incentives for those showing higher levels of commitment with the project. Finally, it is important that similar interventions avoid a design too dependent in the mothers-leaders time, whom also have to take care of other obligations demanded by their role.

4. For jumping from transmission of knowledge to the generation of abilities spaces and opportunities for practice are required. A challenge emerging from this experience is the development of applied exercises for key activities, such as the use of the ATM or the writing up of the household's budget. During the evaluation, it was proven that some of the acquired knowledge did not translate into abilities due to lack of practice. Continuing to make efforts for improving abilities regarding the use of ATMs is crucial, given that the problems arising from mishandling them demand great amount of time of municipal intermediaries and cause much inconvenience for account holding mothers.

“What happens, to be honest, is that, they (the bank) do not see us as clients (...) they don't see a person who deserves respect, we don't deserve attention because we are not giving them anything. It is a business, so if we saved and invested in the bank, then they would assist us, but since they know that mothers of Familias en Acción always say that ‘my card is blocked’, ‘I forgot my PIN number’, ‘I lost the card’, I think they see us as a problem.”

(Focus Group with account holding mothers, Funza).

4. Financial facilitators explained that they do not expect a monetary incentive for doing their training activities. Instead they would appreciate better working conditions. For example, to have equipped facilities for training sessions, to receive support for phone, photocopies and food expenses related to the workshop organization and to have the opportunity of being trained and receive certifications.



5. The quality of the service in banks' agencies might discourage the frequent use of financial products. A number of complaints from "Familias en Acción" users were reported regarding ill-treatments in Banco Agrario agencies. Some informants perceived such situations as forms of discrimination because of their origin and economic situation. For instance, not being able to access a representative to resolve doubts or being treated dismissively after a long wait.
- 6) ISFE experience has contributed to raise awareness of a critical aspect for the scaling up and sustainability of financial education interventions linked to conditional cash transfer programs: the importance of introducing a holistic approach that incorporates husbands and children as targeted publics. This could strengthen the capacity of mothers to pro-

mote sustainable behavioural changes in the household, given that they negotiate the use of money on daily basis with those actors.

In conclusion, ISFE reached high achievement levels in the stages dedicated to raise awareness among users about the importance of improving their money management and saving practices. In order to achieve higher results regarding attitude and behavior change, initiatives in alliance with local banks are essential. These are key actors for generating accessible opportunities and spaces to put into practice the knowledge acquired by the users through the training sessions. Finally, the educational media and materials created by ISFE can be used in massive dissemination campaigns through public and private media given their high quality. This would be a significant contribution to strengthen the graduation schemes of conditional cash transfer programs in Latin America. ●

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This publication is possible thanks to the support of the Ford Foundation and the IDRC - International Development Research Centre



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