



IN YOUR ACCOUNT EVERY PESO COUNTS.
**EVALUATION OF THE FINANCIAL EDUCATION STRATEGY
FOR PROMOTING SAVINGS THROUGH MASS MEDIA***

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INTRODUCTION

According to behavioral economists, people who have lived all their lives in a situation of scarcity limit themselves to surviving and planning the day to day. This means that for these people there is barely any space for short-term savings focused on satisfying their basic everyday needs (Mullainathan & Shafir, 2012). This implies a problem because savings and asset accumulation would allow them to improve their wellbeing and participate in the market

economy. At the same time, however, different studies show that people in a situation of poverty do use financial instruments (Zimmerman & Carter, 2003). The problem is that different factors, such as the lack of trust in the formal financial system (Zimmerman & Carter, 2003), the lack of coverage in rural areas, the complexity of using formal financial products, the distance to bank agencies, and the perception of poor quality client services (Fundación Capital, 2014), force people to turn to informal systems, mostly for obtaining credit rather than for savings purposes, in order to deal with adverse events that could affect their income (Zimmerman & Carter, 2003).

Poverty reduction is strongly related to the ways in which individuals and families save (Sherraden et al., 2001). This is why it is important that people in a situation of economic disadvantage and vulnerability

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

** Currently in the Departamento Nacional de Planeación (National Planning Department).

*** <https://www.fedesarrollo.org.co/>



have access not only to informal financial services that are traditionally vulnerable, but also to savings in the formal financial system that has better risk management and that can help this population deal with economic crisis, disasters or, more generally, with problems that affect their lives and stability.

In this sense, the situation in Colombia is not the best. In effect, in this country, the level of savings estimated for 2012 was 20% of the GDP, which is lower than the savings levels of other countries in the region such as Peru (29,6%) and Chile (22,3%) (Santamaría, 2014). Likewise, regarding the provision of banking services, there is a notorious gap between urban and rural areas. In rural areas, formal savings, microcredits, and risk mitigation are services provided exclusively by NGOs, Banco Agrario (Agrarian Bank), mobile banking initiatives such as Daviplata, and informal providers (Superintendencia Financiera de Colombia, 2013).

In this context and considering the importance of promoting savings among the population in extreme and moderate poverty, Banca de Oportunidades (BDO) launched its financial education strategy *En tu cuenta cada peso cuenta* (In your account every peso counts). This innovative strategy uses exposure to mass media in order to provide financial education to the user population of the Colombian government's conditional cash transfer program *Más Familias en Acción – MAF* (More Families in Action).

This *InShort* aims at showing in what consisted the *In your account every peso counts* strategy as well as, according to the impact assessment carried out, presenting the results that said strategy had in relation to the participant population, in terms of the adoption of savings practices and other financial services.

THE PROGRAM

By means of *massive exposure to the media*, the financial education strategy *In your account every peso counts*, financed by BDO, sought to provide information that would allow the population of the

conditioned cash transfer program *Más Familias en Acción* to make informed and smart financial decisions as well as to proactively take control of their actions, behavior and attitudes relative to the financial system.

The strategy's main components include:

1. National mass media
2. Regional and municipal media
3. An intervention in 70 prioritized municipalities with communities inhabited by women in extreme or moderate poverty, participants of the program *Más Familias en Acción*.

The communication strategy was carried out by Raquel Sofía Amaya Producciones y Cía and advised by BDO. It had Fabiola Posada as its main image, a Colombian comedian and singer known as “la Gorda Fabiola” (Chubby Fabiola), famous for her role in the comedy TV show “Sábados felices” (Happy Saturdays). This strategy used two types of media outlets to disseminate the strategy: mass media and alternative media, as shown in table I.

In 2015, the strategy's pilot program was carried out in 70 municipalities² with communities of women in extreme and moderate poverty or in a situation of vulnerability, participants in the program *Más Familias en Acción*. This pilot program was implemented in television, national radio, and community and local radios. Likewise, during the implementation, two important changes were made in the communication strategy: 1) in March 2015, the theatre play was replaced by a financial education film, and 2) the mass media strategy was complemented with text messages and graphic materials for municipal liaisons and banking agents.

2 The Departamento para la Prosperidad Social (Department for Social Prosperity) randomly selected seventy municipalities from a universe of 687 eligible municipalities, according to criteria such as presence of financial entities, the Multidimensional Poverty Index (MPI) and the number of enrollees in *Más Familias en Acción*.



Table I. Mass Media and Alternative Media

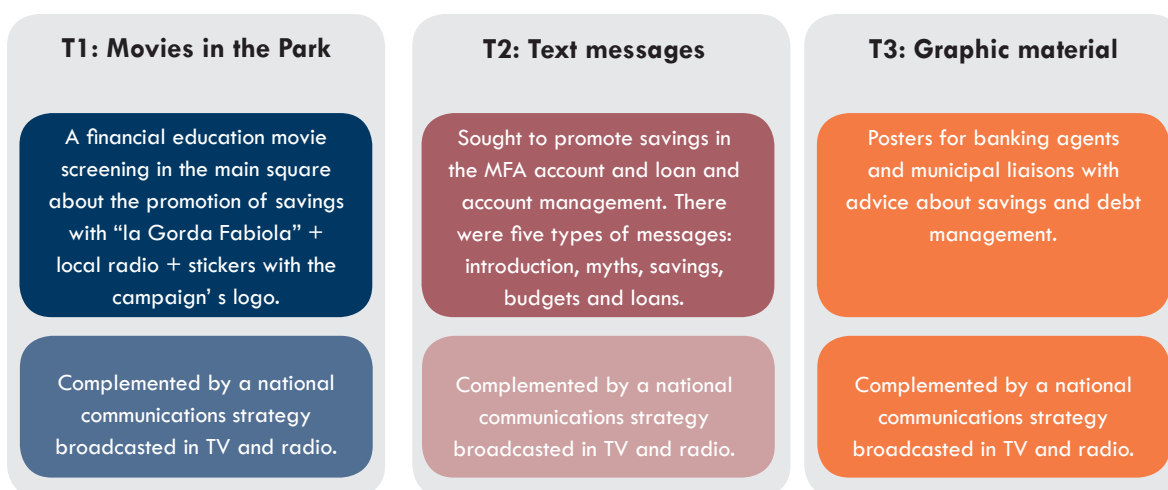
Mass Media	Alternative Media
<ul style="list-style-type: none"> • A three-minute song. • A two-and-a-half-minute video clip of the song. • Five messages for television (35 and 40 seconds). • Four announcements for television of one-and-a-half-minutes each. • A still message for television. • A 47-minute movie. • Four thirty-second advertisements for radio (they were presented Monday to Friday during the fifteen days prior to Movies in the Park and fifteen days after the screenings). • Four twenty-second advertisements for radio. • Four announcements for radio of one and a half minute each. • Four radio soap operas of five minutes each. 	<ul style="list-style-type: none"> • Advertisements in Sunday mass pamphlets (print) (1.400.000). • Five thousand posters located in stores, the market square and pool rooms. • Seventy stickers representing a symbolic commitment to the communities. • Twenty-one theatre performances. • Forty-nine movie screenings in the square. • Ten thousand stickers to be distributed in the community. • Seventy Parades. • Seventy speaker calls in municipalities.

Source: Prepared by the authors based on information provided by Prosperidad Social and BDO.

In this context three types of treatment were defined: 1) the traditional Movies in the Park, 2) text messages, and 3) graphic materials for municipal

liaisons and banking agents. All three treatments were complemented by the national communication strategy (see graph I).

Graph I. Treatment



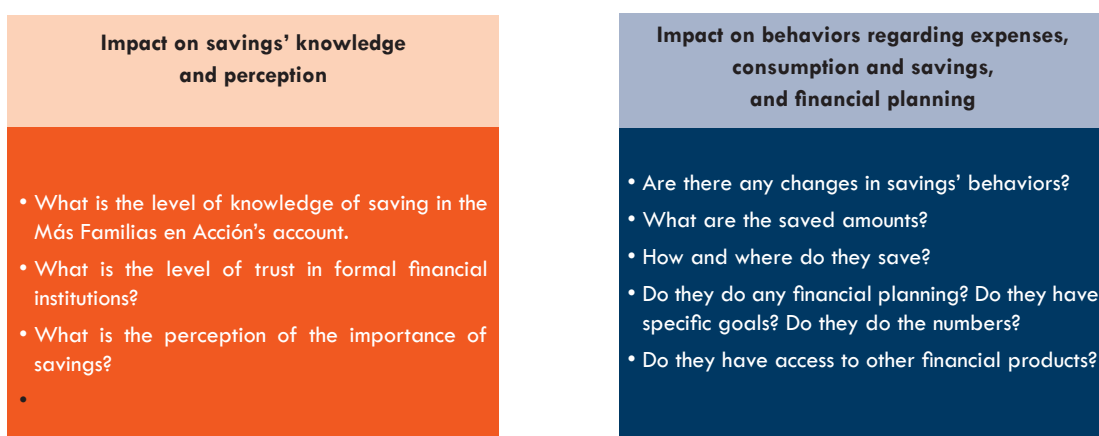
Source: Prepared by the authors.

EVALUATION

An impact assessment was carried out from the basis of the pilot program. It sought to improve the information we have about practices relative to savings and other financial services for women who use the program *Más Familias en Acción* by assessing the

impact of a financial education campaign—by means of mass media—on such practices. *Specifically, the assessment sought to evaluate the impact of financial education on users' knowledge and perception of savings as well as their behaviors with regards to their expenses, consumption, savings, and financial planning (see graph 2).*

Graph 2. Research Questions



Source: Prepared by the authors

In this evaluation two *quasi-experimental methods* were combined: the Propensity Score Matching method and the Difference-in-Differences method. The employed information was gathered through surveys—via telephone calls—applied to women selected from the sample. In addition, t-tests (differences in means) were applied to a group of women who held accounts in Banco Agrario and Davivienda to determine if there was any influence of the program in the savings variables. These tests were also carried out for each treatment and control group's savings objectives, both in the baseline and in the follow-up (See graph 3). It should be noted that the evaluation's user sample only included 21 municipalities,³ instead of 70, as the strategy

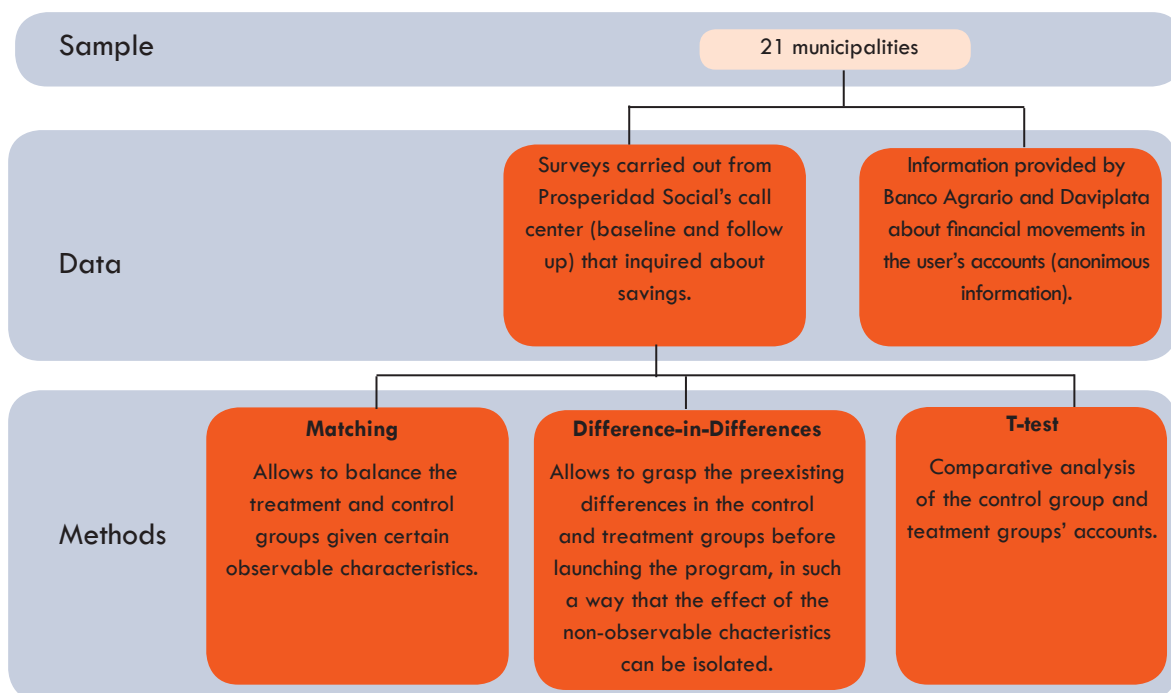
had already been implemented in 49 municipalities before having a baseline. Only municipalities where the program had not been implemented before the baseline study was ready were taken into account.

Finally, the evaluation had to deal with some *challenges* that arose during the implementation of the strategy and the collection of data that affected the initial randomization carried out when selecting the control and treatment groups. Thus, the results shown in the next section do not have external validity. This means that they can only be analyzed in relation to the population that had been effectively surveyed. These challenges arose from the changes made in the strategy, the implementation of the strategy prior to the collection of any baseline information, sample loss, sample contamination, and variations in the measuring instrument (see graph 2).

³ 21 municipalities in each of the three treatments and the control groups. 84 municipalities in total.



Graph 3. Methodology



FSources: Prepared by the authors

Table 2. Challenges When Implementing the Strategy and Gathering Data

Type of Challenge	Challenge	Description
When implementing the strategy	Changes in the strategy's design.	The theatre play was replaced by Movies in the Park.
	Implementation of the strategy without having gathered the baseline.	This implied estimating the sample in several occasions and the loss of randomization in the initial municipalities sample as the evaluation was carried out in municipalities where the strategy had not yet been implemented, reducing the sample to 21 municipalities.
When gathering data	Sample loss	Not all women selected for data collection took the survey. A loss of sample or attrition analysis was carried out that identified which factors, such as poverty, influenced this loss.
	Sample contamination	When gathering baseline and follow-up information, women in the control group and in each of the treatment groups stated they had received treatments. In addition, some women reported not having heard about the strategy In your account every peso counts, but they did state having been exposed to at least one of the treatments ¹ .
	Variations in the measuring instrument	Changes in the answer options between baseline and follow-up and changes in additional questions in the follow-up.

1 In order to tackle this problem, two calculations were carried out: in calculation 1: the answers of women who responded having received the treatment that corresponded to the group to which they were assigned to. In calculation 2 the following were considered: 1) the hypothesis that many women possibly received messages but did not remembered them when answering the survey; 2) women in treatments 1 and 3 did not receive text messages for sure; and 3) the hypothesis that the women did see the graphic materials in the bank agents' locations but they did not remember them during the survey. In this document only the results corresponding to calculation 1 are presented.

Source: Prepared by the authors

RESULTS

Survey results

Overall, the impact assessment showed that the strategy *In your account every peso counts* had positive and significant results, especially in relation to the *Movies in the Park* treatment. However, the generated effect was true for only a small number of variables, related both to women's perception and savings practices. The most relevant results of the impact assessment were:

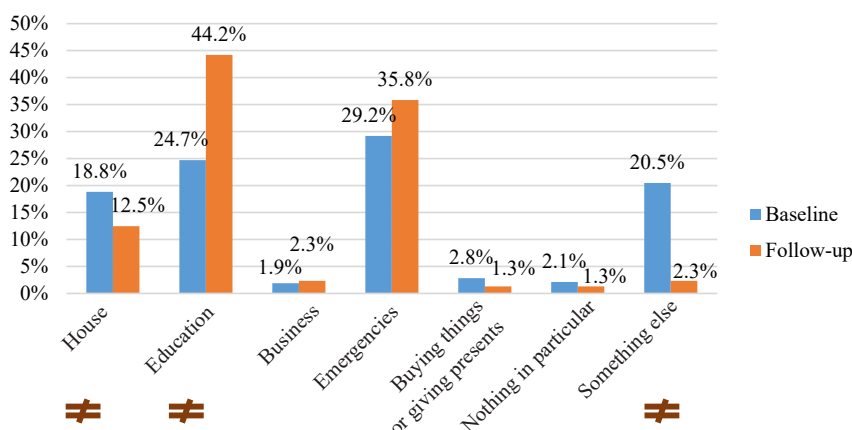
- *Movies in the Park* and text messages produced a positive effect among women's belief in their ability to save in their MFA account.
- *Movies in the Park* diminished women's belief that if they save, their MFA incentive will be taken away. It also had a positive effect in the use that these women make of their MFA account.
- The group of women exposed to the graphic material treatment does not present any significant changes with regards to any variable.

Likewise, when applying a t-test of differences in means within each of the bank groups, the results were *heterogeneous depending on the type of bank* in which the participants had their accounts (see table 3).

Another type of analysis, carried out with data obtained through surveys, was linked to the calculation of descriptive statistics and tests of difference in means in a series of questions in which women in the control group and women in the treatment groups (all women who received different treatments) are compared. In relation to the perception of the campaign, it was found that 84.6% women who received treatment reported that they thought it was good, 6.7%, regular, and 8.8% did not know what the campaign was about.

Finally, differences were observed between the control group and the treatment group (in general, women who had received one of the treatments) regarding *savings objectives*. It was found that before starting the program, most of the women's answers—both in the control and treatments groups—to the question about their main savings objective was that they saved for emergencies (29.2% in the treatment group and 28.6% in the control group) and education (24.7% in the treatment group and 29.4% in the control group). After the intervention, the prevailing response among the women in the treatment group was education, with 44.2% (see graph 4). Instead, in the control group, education is still prominent but the percentage of women who stated this item as their main savings objective is 37.9 (see graph 5).

Graph 4. Savings objectives of women who received treatments



Note: The \neq sign means that statistically significant differences exist between the baselines and follow-up.

Source: Prepared by the authors Elaboración propia



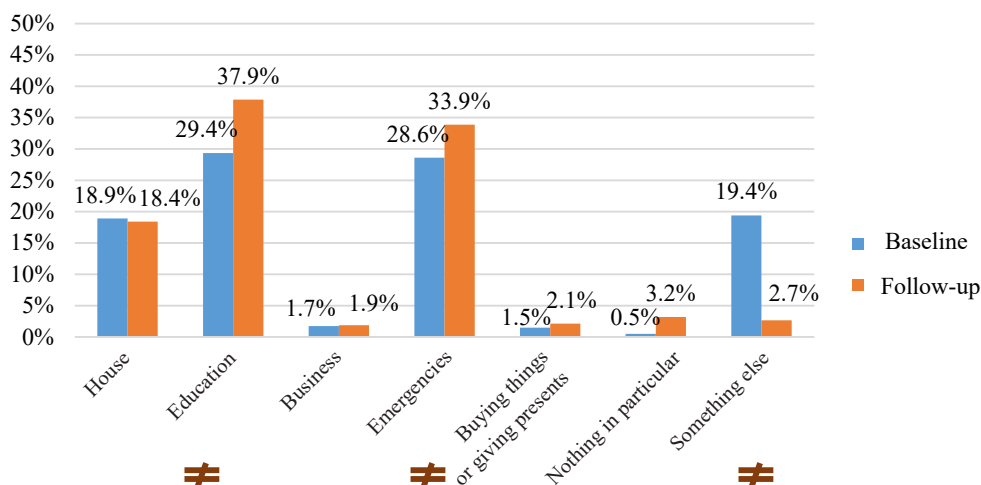
Tabla 3. Survey Results

Treatment	Results referring to	Impact Assessment	T-tests per bank	
			Davivienda	Agrario
Movies in the Park (N=552 women)	Perception	<ul style="list-style-type: none"> • More women think that “One can save in the MFA account” and they “make the most” of the MFA account. • Less women think that if they save, their incentive is taken away. 		<ul style="list-style-type: none"> • Significant favorable difference regarding the belief that “the whole incentive must be spent on the children”.
	Behavior	<ul style="list-style-type: none"> • More women use the account or wallet where they receive their incentive to save their money. 	<ul style="list-style-type: none"> • Favorable significant difference regarding financial planning. 	<ul style="list-style-type: none"> • Unfavorable significant difference regarding the preference in saving in a bank.
Text messages (N=736 women)	Perception	<ul style="list-style-type: none"> • More women know that one can save in a MFA account. 	<ul style="list-style-type: none"> • Favorable significant difference regarding the belief that they can save in a MFA account. 	<ul style="list-style-type: none"> • Unfavorable significant difference regarding the belief that if they save, their MFA incentive can be taken away. • Unfavorable significant difference regarding trust in banks.
	Behavior		<ul style="list-style-type: none"> • Favorable significant difference in the use of the account or wallet where the incentive for saving money is received. 	
Graphic materials (N=629 women)	Perception			
	Behavior		<ul style="list-style-type: none"> • Unfavorable significant difference regarding the preference in saving in a bank. Favorable significant difference in financial planning. 	<ul style="list-style-type: none"> • Favorable significant difference regarding financial planning. • Favorable significant difference regarding having other financial services.

Note: Favorable (positive) or unfavorable (negative) significant difference is always in relation to the treatment group.

Source: Prepared by the authors

Graph 5. Savings objectives of women in the control group



Note: The ≠ sign means that statistically significant differences exist between the baselines and follow-up.

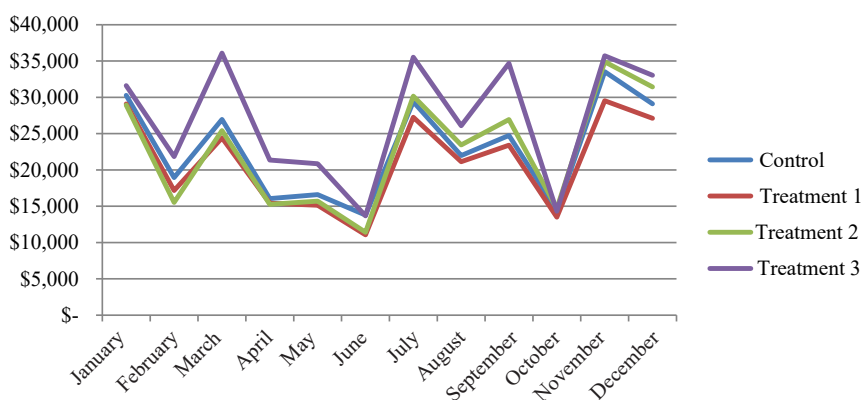
Source: Prepared by the authors

Colombia's Financial Superintendence's database results

The results stemming from the Colombian Financial Superintendence's (Superintendencia Financiera) database only refer to descriptive statistics. In that sense, logically, it was registered that the average balance in the accounts is higher in the months when more deposits were made into the accounts. Nevertheless, in some months, such as March and September, high balances were registered even

if the amounts deposited into the accounts were small. This can be interpreted as a savings behavior during said months (see graph 6). Specifically for March, this behavior seems to respond to a seasonal effect as the same trend can be observed in 2014. However, the case of September does not respond to a cyclical behavior of the economy. Therefore, it is possible that the campaign *In your account every peso counts* influenced women's decisions not to withdraw all the money from their accounts.

Graph 6. Average monthly balances of treatment and control groups
Year 2015



Source: Prepared by the authors with data from the Superintendencia Financiera de Colombia

POLICY IMPLICATIONS

Understanding the savings capacity and strategies of the most vulnerable populations—especially poor women—is crucial for developing effective policy targeting financial inclusion and poverty reduction. The results stemming from the strategy *In your account every peso counts* led to a reflection about policy recommendations. These a few:

- *Demystifying the belief that one cannot save in the MFA account could be the beginning of different savings practices*, which would not be affected in an immediate way.
- *An attractive strategy that uses everyday language and that recreates everyday situations—such as Movies in the Park*, in spite of being expensive and the difficulty to summon people—affects more the perception of savings among these women in vulnerable situations.
- *In cases where the lack of telephone signal is not a problem, it is suggested that the text messaging strategy be reformulated taking into account the target populations' characteristics* so that the language, the frequency and the context of the messages are defined accordingly.
- *Graphic materials and other mass strategies can have a bigger impact in savings behavior when complemented with strategies focused on the vulnerable population* that allow them to fully understand and appropriate the message sought to be transmitted, so they can apply it to their everyday lives.

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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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