

# Evaluation of National Strategies for Financial Literacy



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# Foreword

Evaluation and monitoring are essential elements of assessing the effectiveness of public policies, benchmarking against desired outcomes and helping to enact evidence-based actions to improve these policies. National strategies for financial literacy are complex, multi-year, multi-stakeholder public policy projects that can strongly benefit from comprehensive evaluation designs. Evaluation generates valuable evidence to steer the direction of the entire strategy, as well as individual programmes within the strategy. It provides measures of success that may help to bring more resources and attract stronger leadership support. It helps to build the policy case for conducting a long-term financial literacy intervention and contribute to the strategy's sustainability in the long term. It can also encourage the use of data and evidence-based approaches throughout the financial literacy community by creating a culture of evaluation. Ultimately, it may elicit broader support and international partnerships through the sharing of evidence and knowledge.

This *Evaluation of National Strategies for Financial Literacy* summarises and draws lessons from the evaluation approaches and activities of 29 countries and economies that are part of the OECD International Network for Financial Education (OECD/INFE). It provides implementation guidance on the evaluation of their national strategies for financial literacy, accompanied by concrete examples gathered through a series of interviews and a survey conducted in 2019 and 2020. The report also discusses the reasons for evaluating national strategies, good practice approaches and methodologies, associated challenges and benefits, funding the cost of evaluation, as well as post-evaluation communication plans.

The report reflects inputs and guidance from members of the OECD/INFE, and especially from members of the OECD/INFE Working Group on Standards, Implementation and Evaluation. The OECD wishes to thank the 29 countries and economies that provided their experience and data for their support in making this report possible.

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## Executive summary

Stated goals, undertaken approaches, and resources committed to the evaluation of national strategies for financial literacy vary greatly. Policy makers that have executed more than one national strategy and then actively evaluated their strategies, however, experienced common steps that helped them achieve success. When designing evaluation plans, they used elements of evaluation methods and approaches already embedded in their national strategies. They looked at a multitude of sources of evidence that were collected throughout the lifetime of the national strategy, as well as data specifically collected with an evaluation of the strategy in mind. In some cases, they engaged professional external evaluators to help design the evaluation plan and lead the implementation of the evaluation process.

Key lessons that emerged about implementing an evaluation suggest that a comprehensive evaluation approach is the most likely to deliver good results. This means that evaluation will need to be embedded into the national strategy in the first place, to provide guidance and motivation to stakeholders. The national strategy governance mechanism design needs to be done with transparency and feedback in mind, to facilitate information flows that will feed into an evaluation.

When it comes to designing the evaluation plan for the national strategy, engaging professional external evaluators can help with linking the strategy's goals to data gathering and research tasks. When implementing the evaluation plan, a participatory approach has been used where stakeholder involvement is clearly defined and encouraged. The implementation process should be one of cooperation with stakeholders but also the entire financial literacy community in the relevant jurisdiction (and often the international community). Such an approach helps to create an acceptance of the evaluation results, which can then be used to re-define the goals of the national strategy and to instil evidence-oriented work among the stakeholders. In other words, it would be beneficial to create a culture of evaluation and research across the entire financial literacy community. As this process is lengthy and resource-intensive, earmarking dedicated resources early on is strongly encouraged.

This report provides selected case studies to illustrate lessons and outlines a model template for structuring the process of designing an evaluation of a strategy by using a mapping of outcomes and a theory of change. These elements are aimed at providing guidance to policy makers interested in evaluating their national strategies for financial literacy, with the caveat that all cases will have some differences and some adaptation to specific goals and resources will be needed.

# 1 Introduction

Evaluation and monitoring are essential elements of assessing the effectiveness of public policies, benchmarking against desired outcomes and enacting evidence-based actions to improve these policies.

The 2020 OECD Recommendation on Financial Literacy recommends that countries establish and implement national strategies through a policy approach that “incorporate monitoring and evaluation to assess the progress of the strategy and propose improvements accordingly”<sup>1</sup>. The Recommendation sums up earlier work on evaluation of national strategies and programmes. The 2012 OECD/INFE High-level Principles on the Evaluation of Financial Education Programmes defines a set of principles and actions for effective evaluation and monitoring of financial literacy and education programmes. The High-level Principles also highlight the importance of having a strategic approach to financial literacy and education with defined objectives, and of identifying ways of assessing the impact of the strategy. Annex A describes in detail the OECD/INFE work on the evaluation of financial literacy and education policies and programmes to date.

Assessment or evaluation of an overall national strategy is essential from an accountability perspective, to provide valuable evidence to improve financial literacy policies and contribute to their sustainability in the long term. Furthermore, effective evaluation can be a powerful source of evidence for the positive impact of national strategies on the financial knowledge and financial behaviour of citizens. It can encourage broad stakeholder support at a national level and foster the development of similar approaches in other countries.

The OECD International Network on Financial Education (OECD/INFE), through its Working Group on Standards, Evaluation and Implementation, has been working towards synthesising good practices for the evaluation of national strategies for financial literacy. This report aims to provide implementation guidance on the evaluation of national strategies along with concrete examples gathered through a series of interviews of OECD/INFE Members, as well as a survey conducted over 2019 and 2020. This report also discusses the reasons for evaluating national strategies, the approaches and methodologies used and the difficulties and benefits associated with them, funding the cost of evaluation, as well as post-evaluation communication plans.

## Purpose of this report

This report discusses issues to consider in evaluating national strategies for financial literacy. It was approved by the OECD/INFE in May 2021 and is developed in accordance with the plan of work of the OECD/INFE Working Group on Standards, Evaluation and Implementation. It builds on a number of existing OECD/INFE documents, including the OECD/INFE Policy Handbook on National Strategies for Financial Education and the 2020 OECD Recommendation on Financial Literacy<sup>2</sup>.

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<sup>1</sup> The Recommendation of the Council on Financial Literacy, adopted by the OECD Council on 29/10/2020 can be consulted here: <https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0461>

<sup>2</sup> OECD/INFE Policy Handbook on National Strategies for Financial Education  
<http://www.oecd.org/finance/National-Strategies-Financial-Education-Policy-Handbook.pdf>



This report summarises the results from a stocktaking questionnaire, which gathered information on evaluations of national strategies; information obtained through interviews with OECD/INFE Members; the peer review of the UK’s “What Works Fund”, and information gathered through the meetings of the OECD/INFE Working Group and Technical Committee. It also builds upon the broader OECD literature on policy evaluation conducted largely on education policy, regional development and governance policies, and in development assistance work.<sup>3</sup>

The following section in the chapter provides a synthesis of the issues around the need to evaluate national strategies. Chapter 2 describes examples of the evaluation approaches that OECD/INFE members take. Chapter 3 draws out a number of good practice lessons and proposes a blueprint for evaluating national strategies for financial literacy. Chapter 4 provides concluding remarks and summarises the main lessons learnt. Annex A provides more details about previous OECD/INFE work on evaluation programmes, about the differences between evaluating programmes and strategies, and the challenges involved.

## Advantages and challenges in the evaluation of national strategies

National strategy coordinators, intended as one or more public authorities coordinating or leading a national strategy for financial literacy, recognise the need for an evaluation when they decide to renew, revamp, or start anew their strategy. An evaluation can guide a renewal process by suggesting which approaches have been effective. It can provide evidence of success or areas in need of improvement. Not least, through the evidence it generates evaluation can help policy makers support the agenda of financial literacy. Monitoring the activities held under the ‘umbrella’ of the national strategy can provide regular supply of evidence and short term tracking of progress that eventually feed into the evaluation process. Box 1 lists the OECD definitions of the terms national strategy, monitoring, and evaluation, as used for the purposes of this report.

However, policy makers coordinating or leading a national strategy face a variety of challenges in planning, budgeting and selecting appropriate evaluation methods. They may also find it challenging to prepare appropriate communication strategies and avoid the negative consequences of highlighting possible policy failure.

In some cases, coordinators may have no mandate to evaluate, or may be working on strategies that offer little guidance in terms of their intended outcomes or impact. If the national strategy does not contain evaluation targets or revolves around broad statements such as improving the financial decision making of citizens, it can be difficult to translate these into evaluation targets. As a result, some evaluation approaches may rely on existing data-gathering structures, such as national financial literacy surveys, and report on improvements in measured outcomes without any specific mention of intended outcomes.

When a national strategy does have specific objectives/targets, however, there can be significant political and reputational pressures to meet them, and negative evaluation findings may be particularly sensitive. Such considerations may minimise the impact of an evaluation process, impede it, or push coordinators to forego it altogether.

The more open an evaluation is, the more useful it is as a learning tool. Openness, however is often dependent on political good will. The disquiet of illustrating possible policy failures can often be a barrier

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<sup>3</sup> See below some key examples of broader evaluations work conducted by the OECD:

- OECD’s Development Assistance Committee (DAC) and their extensive work on evaluation: <https://www.oecd.org/dac/evaluation/daccriteriaforevaluatingdevelopmentassistance.htm>
- OECD’s evaluation work on public policy and governance: <https://www.oecd.org/gov/improving-governance-with-policy-evaluation-89b1577d-en.htm>
- OECD’s evaluation work on education policy: <https://doi.org/10.1787/9f127490-en>
- OECD’s evaluation work of regional development policy: <https://doi.org/10.1787/c9bb055f-en>

to effective evaluation. It is also a reason why the majority of evaluation results may not be communicated publicly or actively publicised.

There is a realisation that a comprehensive national strategy can also be evaluated in terms of its governance structure. It is well-understood that governance that is effective, transparent and accountable to an evaluation, is a must. The choice of a governance model can be difficult and sometimes it is not a choice but “inherited” as part of an institutional arrangement. The same model, furthermore, may not apply to each country and its national strategy. Thus evaluating the governance structure and its characteristics may prove politically sensitive and meet institutional resistance. Nevertheless, coordinators have experimented with different methods of communication with their stakeholders. Feedback from stakeholders who implement the strategy is a key part of this type of evaluation. Often, there is a formal structure that encompasses all the relevant stakeholders to ensure wide backing - for instance a Coordination Board that splits into Working Groups. Others have a smaller group of key stakeholders that are constantly in discussion and have precise responsibilities of implementation aspects.

Effective evaluation is also reliant on appropriate funding for the strategy and the evaluation process itself. Different funding arrangements and streams for evaluation exist. In some cases, funds are provided by partners external to the national strategy and its stakeholders (such as donors for example), or are allocated to be spent on implementation. Thus it is often a challenge to ensure the availability of funding directly earmarked for evaluation, as well as evaluating the effectiveness of the funding model due to sensitivities in the relationships with donors and/or funding bodies.

To ensure that an evaluation process is objective and transparent, the evaluators would ideally be fully independent from the coordination and implementation stages of the national strategy. At the same time, the evaluators need to be knowledgeable about the objectives of the strategy, the implementation methods and the difficulties to be overcome. In practice, it is often difficult to ensure that an evaluator is both independent and possess in-depth knowledge of the implementation process.

### Box 1. Definitions and descriptions

For the purposes of this report:

- **National Strategy** for financial literacy is defined as “a sustained, co-ordinated approach to financial literacy which:
  - recognises the importance of financial literacy - through legislation where appropriate - and agrees its scope at the national level, taking into account identified national needs and gaps;
  - is coherent with other strategies fostering economic and social prosperity such as those focusing on financial inclusion and financial consumer protection;
  - involves cooperation with relevant stakeholders as well as the identification of a national leader or co-ordinating body/council;
  - includes the establishment of a roadmap to support the achievement of specific and predetermined objectives within a set period of time;
  - provides guidance to be applied by individual programmes implemented under the national strategy in order to efficiently and appropriately contribute to the overall strategy; and
  - incorporates monitoring and evaluation to assess the progress of the strategy and propose improvements accordingly.”
- **Monitoring a national strategy** can be thought of as the set of activities that track the implementation of a national strategy. It provides answers to such questions as whether it is reaching enough people or whether the resources are being used as intended. Monitoring data feeds into the management process and into the overall evaluation of the national strategy.

Monitoring may run continuously in the background, with little or no input from individual programme delivery staff or participants (for example, very large education programmes may be monitored almost entirely by automated management information systems that track enrolments, drop-outs and contact hours), or may include distributing questionnaires to collect information about the types of people participating in the education initiatives of a strategy.

- **Evaluation of a national strategy:** a process that is seeking to assess if, and how, the national strategy is adding value, whether it is meeting its objectives and what impact it is having on the stated aims. It is considering whether the national strategy is leading to a change that would not have occurred otherwise.

Sources:

OECD (2020) Recommendation of the Council on Financial Literacy (<https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0461>)

OECD (2012) OECD/INFE Policy Handbook on National Strategies for Financial Education (<http://www.oecd.org/daf/fin/financial-education/National-Strategies-Financial-Education-Policy-Handbook.pdf>)

OECD (2013) Evaluating financial education programmes: OECD/INFE Stocktake and Framework ([https://www.oecd.org/daf/fin/financial-education/TrustFund2013\\_OECD\\_INFE\\_Evaluating\\_Fin\\_Ed\\_Programmmes.pdf](https://www.oecd.org/daf/fin/financial-education/TrustFund2013_OECD_INFE_Evaluating_Fin_Ed_Programmmes.pdf))

## 2 Evaluation landscape: Summary of evaluation practices across OECD/INFE Members

To understand the types of goals and objectives of national strategies, the evaluation methodologies and practices set up to assess how effectively these have been met across institutions overseeing and coordinating financial literacy and education activities globally, the OECD Secretariat ran in-depth interviews with seven volunteer OECD/INFE Members (Armenia; Hong Kong, China; Indonesia; Peru; the Netherlands; the United Kingdom; and the United States) and conducted a stocktaking survey across OECD/INFE Members, in 2019 and 2020. The 29 jurisdictions and authorities that provided responses are listed in Annex B, together with a table that illustrates the types of responses to the key questions on goals, objectives, evaluation plans and funding sources.

It appears that the most common evaluation approach, where it exists, is a mix of methodologies of both quantitative and qualitative nature. Most often, national strategies appear to have overall goals that are linked to a broad set of quantitative indicators (such as access to financial services, participation in financial literacy and education activities and change in financial knowledge of participants). Less common, a number of national strategies have aspirational goals (such as, for example, improving the relationship of their citizens to finance and helping them achieve their financial goals) that are not directly linked to measurable quantitative objectives. Some approaches do not have overall goals but include limited and specific objectives that are measured on a regular basis by financial literacy surveys. A number of approaches that include quantitative objectives combine a number of indicators into a tracker, such as Armenia's or New Zealand's Financial Capability Barometer for example, which explores sentiments and behaviours. Qualitative approaches tend to revolve around gathering stakeholder feedback and engaging stakeholders into discussions.

While there is a conceptual difference between monitoring and evaluation approaches (and the data they may use), it seems that often in practice these are mixed. The data or evidence collected via monitoring tends to feed directly into research and evaluation, as is the case in the Netherlands. Annex A, at the end of this report, describes in greater detail the conceptual differences between monitoring and evaluation, as well as between evaluation of financial literacy programmes and national strategies.

A difficulty appears in linking aspirational goals to directly measurable objectives, or in other words of pinning down the direct impact of financial literacy activities. This is especially true when discussing goals that go beyond improving financial knowledge and access to finance, such as economic and financial stability goals for example.

Funding for evaluation activities comes overwhelmingly from the resources of the institutions in charge of financial literacy in the respective jurisdiction. Few jurisdictions (less than 30% of the respondents) have dedicated budgets for evaluation activities. There is an important number of jurisdictions (some 16%) that rely on ad hoc financial sources or on donors external to the groups of stakeholders under the national strategy.

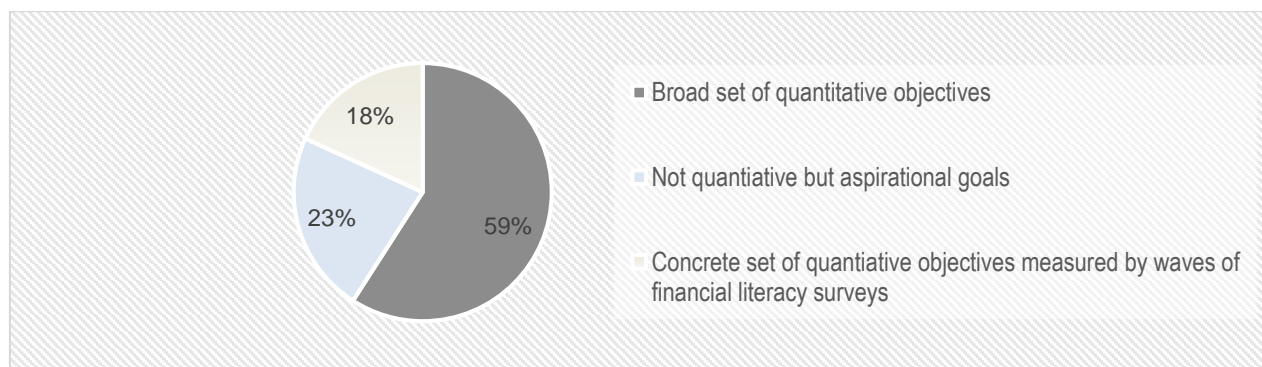
## Setting goals of national strategies

The majority of the OECD/INFE Members that provided information for this stocktaking exercise (about 60%) have a broad set of quantitative goals either drafted directly into the national strategies or presented separately into accompanying action plans. A large number (about 23%) have a set of aspirational goals or mission statements that signify the purpose of their national strategies but are not directly linked to measurable objectives. The smallest fraction (about 18% of respondents) report having goals made up of concrete set of quantitative objectives they are working towards, which are then measured by waves of financial literacy surveys. See Figure 1.

Stakeholder roles and activities are an important part of the goals of the national strategy. About 40% of the national strategies have goals that aim to integrate stakeholders into the work of the national strategy and/or define the role stakeholders would play.

### Figure 1. Goals and objectives of national strategies

Percentage of national strategies with various goals and objectives from the jurisdictions that took part in the OECD/INFE stocktaking survey.



Note: This figure is based on 22 responses.

Source: OECD/INFE stocktaking survey.

The examples below illustrate the types of strategies some jurisdictions have and their motivations and goals. While this is not an exhaustive list of all existing national strategies, it provides background information for the case studies presented in the rest of the document.

- **Chile's** national strategy has a vision “to have citizens that understand financial concepts, products and services in such a way that allows them to make good decisions for their current and future well-being”. The mission is “to motivate, mobilize and involve public and private actors of the society to promote a better understanding of financial and pension products and services and its associated rights and duties”. Additionally, the national strategy aims to encourage the development of abilities and attitudes that enhance personal, familiar and community welfare.
- **Hong Kong, China's** current Financial Literacy Strategy is prepared and governed by the Investor and Financial Education Council (IFEC). It has two purposes – to support more financial education activities and to promote better quality financial education activities in Hong Kong. This strategy, which was launched in 2019, is the second one and is built upon the first financial literacy strategy of 2015-2018. The goal is to create a conducive environment for different stakeholders to deliver more quality financial education which can help raise the financial literacy level of Hong Kong people. There are three strategic focuses:

- Awareness - Increase the public's awareness of the benefits of financial education to their financial well-being.
- Advocacy - Raise the awareness of policy makers and stakeholders of how raising financial literacy level can support their policy areas and works.
- Collaboration - Support collaboration amongst stakeholders for delivery of more and higher quality financial education.
- **Japan** has had two national strategies for financial education that started in 2005 and in 2007 and were revised in 2013 and in 2016 respectively. The goals of the first one was “to promote financial literacy of the population, consequently to improve the life of individuals, to improve the quality of financial products supplied in the market and to contribute to the economic growth through the increase of the inflow of money to growing industries”. The overall goal of the second strategy of 2016 is to promote financial education in schools.
- **Peru** is currently implementing a Second National Strategy for Financial Inclusion: the National Financial Inclusion Policy (PNIF), launched in 2019 to last until 2030. There are a number of policy measures related to improving financial literacy within this strategy. Peru’s first strategy was launched in 2015 with the purpose of promoting the responsible use and access of reliable, efficient, innovative and suitable financial services for the population.

The PHIF was created by the Multisector Commission for Financial Inclusion (CMIF) with the technical advice of the National Center for Strategic Planning (CEPLAN). The PNIF has a vision “Improving the economic well-being of the population through the benefits generated by its inclusion in a formal financial system, considering intercultural, territorial and gender approaches.” The PNIF has five priority objectives: (1) Generate greater confidence of all segments of the population in the financial system, (2) Have sufficient and suitable financial services for the needs of the population, (3) Mitigate the operational frictions of the market, (4) Develop telecommunications infrastructure and digital platforms to increase the coverage and use of financial services and (5) Strengthen mechanisms for articulating institutional efforts.

The PNIF is being implemented through a Multisector Strategic Plan. It includes thirty policy measures, with objectives in the short, medium and long term, as well as indicators. The plan aims to implement actions that guarantee the financial inclusion of the population, considering intercultural, territorial and gender approaches, as well as the perspective on disability. There is an important digital component in order to enable a secure offer of digital financial services and promote the use of these digital financial services. The key and overarching goals are by 2030, to boost the penetration of the financial system to 100% of the districts of the country and to have 75% of the adult population in possession of an account in the financial system.

The financial literacy component of the PNIF is defined in nine out of the total of thirty policy measures that will be implemented from 2021 to 2030. Each of the financial literacy policy measure includes specific indicators that will allow monitoring the results of the PNIF.

- **New Zealand’s** new National Strategy for Financial Capability (launched in April 2021) has a purpose to unite the financial capability community in the country (the stakeholders that comprise government, industry, iwi – the Māori tribal organisations and the non-for-profit sector) to work together towards a vision of New Zealanders understanding money. There are three goals:
  - Consistent Content – ensuring messaging and language is consistent across the sector, wherever you encounter it.
  - Work Together – fostering and supporting collaboration and communication, understanding what works and where the gaps are, developing a baseline shared framework for evaluation and impact assessment.

- Demystify Money - ensuring New Zealanders know how to talk, learn and plan about money through cross-sector initiatives and campaigns.
- **Portugal** has developed a National Plan for Financial Education (which is the Portuguese National Strategy), led by the three financial supervisors (Autoridade de Supervisao de Seguros e Fundos de Pensoes; Banco de Portugal; Comissao de Mercado De Valores Mobiliarios) because all three assume financial education as a component of financial consumer protection and recognise its importance for the financial system stability. The Portuguese National Plan was initially launched for the period 2011-2015 and then revised for 2016-2020. The mission statement of the national strategy is the following: “The National Strategy intends to contribute to increase the level of financial knowledge of the population and to promote the adoption of appropriate financial behaviours, through an integrated vision of financial education projects and through the combination of the efforts of the stakeholders, thus contributing to increase the wellbeing of the population and the stability of the financial system”. Aspirational goals are:
  - To improve financial knowledge and attitudes
  - To deepen knowledge and skills in using digital financial services
  - To support financial inclusion
  - To develop saving habits
  - To promote the responsible use of credit
  - To create precautionary habits
  - To strengthen financial knowledge in the area of enterprises
- **Spain**, through its National Securities Market Commission and Central Bank (CNMV and Banco de España), is currently implementing its third national strategy (2018-21), having completed two already (2008-12 and 2013-17). The overall aspirational goal is to improve financial literacy of Spanish citizens according to the following principles:
  - Inlusiveness: It does not exclude any segment of the population and covers all financial products and services.
  - Cooperation: It entails the commitment of both financial supervisors to engage in close cooperation with each other and to encourage the participation of other agents and institutions, in a public-private partnership model.
  - Continuity: It is intended to be permanent.
  - Diversity: It should reach every segment of the population, taking into account their characteristics, their needs and the appropriate channels of access for each group.
  - Knowledge and accessibility: It must seek to give all citizens access to the information and tools they may need to strengthen their skills.
  - Measurement and evaluation: The work done must be evaluated to ascertain its effectiveness and to identify areas for improvement.
  - Coordination: It must be effective and efficient, avoiding the overlapping of efforts.
  - Responsibility: It is made possible due to the cooperation with stakeholders, such as the authorities and public and private institutions that share the commitment to carry it out and to achieve its objectives.

The aspirational goals of the current national strategy (2018-21) are:

  - Promotion of the “Finanzasparatodos” brand and creation of an effective communication strategy
  - Pursuing digitalisation of financial education
  - Consolidation and promotion of the key event “Financial Education Day”

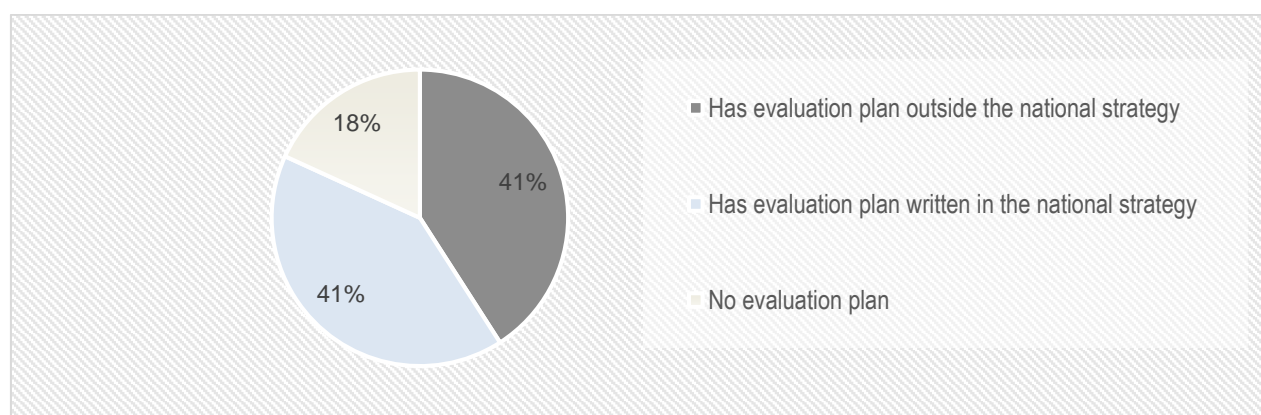
- Knowledge of the public and of their financial education needs
- Reinforcement of the role of stakeholders seeking to promote financial education among specific social groups
- Promotion of financial education among schoolchildren
- In **Turkey**, a Financial Stability and Development Committee developed a two-pronged National Strategy in 2014 entitled: “Financial Access, Financial Education and Financial Consumer Protection Strategy and Action Plan”. This strategy covers the Financial Education Action Plan and Financial Consumer Protection Action Plan originally developed for a three-year period, from 2014-2017. The overall objectives of the Strategy include elements of inclusion, education and literacy, and aim to:
  - Extend financial products and services to all segments of the society, include outsiders of the financial system and increase the quality and use of existing products and services by increasing knowledge and awareness.
  - Ensure that efficient measures are taken by the leading agencies for the protection of financial consumers

### Quantitative objectives, qualitative approaches and research work as part of the evaluation plans of national strategies

The majority of responding jurisdictions have evaluations plans, either written into their national strategies or existing as a separate plan (that for example involves the evaluation of the activities of the institution). Only about one fifth of the respondents with national strategies reported that they have no evaluation plans. See Figure 2.

#### Figure 2. Evaluation plans

Percentage of jurisdictions with national strategies that report on their evaluation plans



Note: This figure is based on 22 responses.

Source: OECD/INFE stocktaking survey.

The aspirational and high-level goals tend to translate into more concrete objectives that can be operationalised for evaluation purposes. These provide a focus for a variety of evaluation or monitoring research work that involves data, indicators and regular analysis. The most common objectives are financial education and literacy ones, which are present in all the national strategies of respondents. About half of the national strategies have financial well-being (50%) and financial inclusion (45%) related



objectives. Fewer respondents suggest their national strategies have financial stability objectives (35%) and economic growth ones (25%).

The most common evaluation approach, where it exists, is a mix of methodologies of quantitative nature and some qualitative elements. Commonly, the quantitative approach involves conducting a financial literacy survey at regular intervals, as well as monitoring a broader set of quantitative indicators (such as access to financial services, participation in financial literacy and education activities, and change in financial knowledge of participants). More advanced quantitative approaches combine a number of indicators into a tracker, which explores sentiments and behaviours. Qualitative approaches tend to revolve around gathering stakeholder feedback and engaging stakeholders into discussions or focus groups.

While there is a conceptual difference between monitoring and evaluation approaches (and the data they may use), it seems that in practice these are often mixed. The data or evidence collected via monitoring tends to feed directly into research and evaluation.

A number of respondents reported the difficulty in translating often aspirational goals into measurable indicators. Furthermore, a number of jurisdictions state objectives that are only indirectly related to financial literacy, such as economic growth (25% of respondents with national strategies), or conduct evaluation measurements and research outside of the domain of objectives stated in their national strategy. The reasons for this is that sometimes evaluation research has goals of its own that may go beyond the needs to evaluate a national strategy, for example to create an environment of data gathering and evaluation.

The following examples illustrate the mix of quantitative objectives jurisdictions set for their national strategies:

- **Armenia, Hungary, India, Indonesia, the Netherlands, the Palestinian Authority, Paraguay and Peru** all report a mix of quantitative objectives that are defined in their respective national strategies. There are a number of commonalities between these approaches. Peru, India, Indonesia and the Palestinian Authority have national strategies focused on financial education and financial inclusion and their key measurable targets are related to increasing the percentage of the population covered by the financial (or rather banking) system. India plans to have periodic monitoring of the implementation, as well as mid-term evaluation after the first three years of the National Strategy for Financial Education (2020-2025) and a comprehensive national survey at the end of the strategy period. Armenia, Hungary, the Netherlands and Paraguay appear to have a mix of objectives broad enough to cover financial education, literacy, consumer behaviour and well-being. These are related to expanding the provisions and uptake of financial education, boosting financial literacy across the population and across specific target groups, changing consumer behaviour (uptake of certain financial products, prudent attitudes to debt, others) and improving financial well-being.
- **Portugal** and its national strategy are pursuing long-term objectives (reported above), which are very ambitious and involve many stakeholders and several target groups, making it difficult to quantify the short-term outcomes. In the medium- and long- term the level of financial literacy of the population is measured via waves of national financial literacy surveys every five years, however these are used more as guiding trends than hard evidence. This is because it is difficult to isolate the impact of the financial education initiatives conducted as part of the national strategy from other economic or policy factors also influencing changes in financial literacy levels.
- **Spain** reports that the latest national strategy does not have quantifiable objectives written into the document, but that these are being planned for the future. Current priorities include designing an online portal, developing financial education programmes in schools, developing a collaboration agreement between the stakeholders and a code of conduct for financial education activities. Developing an evaluation and monitoring plan will become a priority once these are achieved. Nevertheless, Spain has a set of long term objectives for its national strategy. It reports quantifying

and measuring at least one of them – financial knowledge of the public and its financial education needs is ascertained through surveys of financial capabilities.

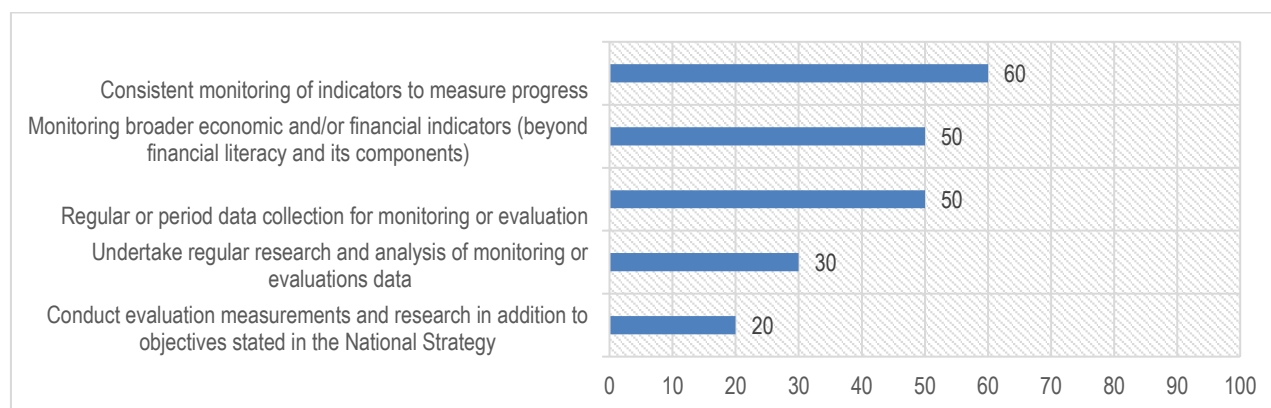
- **Turkey** has designed its National Strategy to include comprehensive, tangible action plans of defined activities with specific deadlines. These are created with the aim of flexibility, instead of defining precise and quantifiable objectives. The rationale is to report achievements of the national strategy in terms of tasks completed and not in terms of quantitative goals that may prove difficult to achieve. The outcome of the action plans under the umbrella of the National Strategy is reported to relevant institutions.

Collecting data and monitoring various financial and/or economic indicators is common across half of the jurisdictions that provided information (see Figure 3). Some 60% of them report consistent monitoring of indicators listed in their national strategies. Half of the responding jurisdictions periodically collect data for monitoring and evaluation purposes, but only 30% undertake regular research and only 20% conduct research that goes beyond their immediate national strategy objectives.

A number of coordinating institutions have defined indicators, have collected quantitative data for the purposes of monitoring and evaluation (for instance participation rates in financial literacy and education programmes/activities or financial literacy surveys), and undertake analysis using this data for the purposes of understanding the effectiveness of their activities. Others also monitor financial or economic indicators as part of their evaluation work, even if these do not tend to be seen as direct outcomes or event directly affected by financial literacy activities.

### Figure 3. Evaluation research work that involves data, indicators and analysis

Proportion of jurisdictions with national strategies reporting on the type of evaluation and monitoring they do on a regular basis. More than one answer was possible and the sum of the proportions is greater than 100%.



Note: This figure is based on 22 responses.

Source: OECD/INFE stocktaking survey.

Jurisdictions that have a broad approach to data collection and analysis include:

- **Japan:** While the Central Council for Financial Services Information (CCFSI, hereafter) whose secretariat is located in the Bank of Japan, the coordinator and overseer of the national strategies, has not formalised indicators, they collect data from financial literacy surveys, gather the feedback and test the knowledge of participants in their financial education activities. The Bank of Japan monitors several economic/financial indicators. The CCFSI also conducts surveys on household finances and money matters related to children. They consider the results of surveys and analytical work related to them, but they do not link it directly to financial education outcomes or try to look for causality between the two. Committee for the Promotion of Financial Education, whose

secretariat is located in the CCFSI, follows various indicators such as the number of participants of financial education events, the number of students of university lectures and the number of subscribers of the educational materials, etc. at its biannual meetings.

- The **Netherlands'** national strategy has goals that are translated into project/programme objectives and annual objectives. These are included in project/programme plans and annual plans, and are evaluated accordingly. Data are collected on a continuous basis. For core projects, quantitative surveys and evaluations are conducted, while for other projects, such as those related to improving financial behaviour and pension awareness for example, bi-yearly monitors are executed. A broad range of financial and economic indicators are also monitored, such as trust, financial attitudes, financial behaviour, financial problems of individuals, financial well-being. Analysis of these data is performed on a project-by-project basis. An integrated analysis of the outcomes of the national strategy is also performed by looking at the various indicators for financial well-being.
- The **UK's** national strategy is focused on evidence and is drafted as an evidence-based document. The evaluation plans involve a mix of quantitative and qualitative data collection approaches to populate a theory of change, the methodology of change and improvement of the national strategy. Quantitative data is gathered through a bi-annual financial literacy survey, while qualitative evidence is gathered through surveys with stakeholders, in-depth interviews with stakeholders and working through documents produced in the framework of the national strategy.

More details of UK's theory of change and the efforts to create a culture of evaluation across the stakeholders of the national strategy and financial education professionals are provided in the next section.

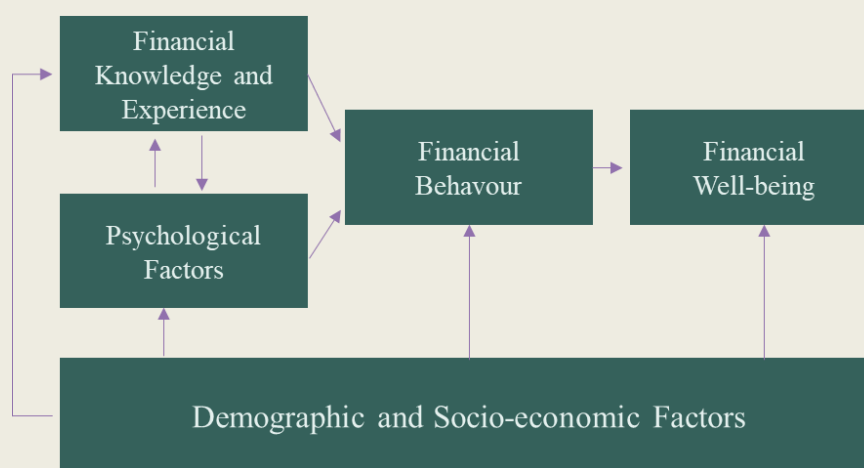
Jurisdictions that look at broader economic or financial indicators include the following examples.

- **Chile:** As part of its plans to monitor and evaluate its activities, the CMF (Comision para el Mercado Financiero) monitors indebtedness and delinquency rates.
- The Ministry of Finance of the **Czech Republic** is in the process of developing and enacting an evaluation plan. It aims to monitor and gather data on economic and financial indicators that may be impacted by the national strategy for financial education, such as: responsible financial behaviour; use of financial services; management of personal and family financial resources; regulatory burden of consumer protection; the numbers of resolution of disputes; indebtedness and over-indebtedness levels; the numbers of insolvencies; the numbers of people dependent on social benefits; the rate of economically active people.
- **New Zealand's** national strategy has aspirational goals that jointly aim to improve the financial literacy of the population. While there is no formalised evaluation plan, data is collected to feed into a Financial Capability Barometer, which 'takes the pulse' of New Zealanders' perceptions of their own money situation. The barometer asks about individuals' financial well-being, thoughts, worries and ambitions. This monitoring measure is akin to a business confidence survey or a consumer confidence survey rather than being a set of quantitative financial/economic indicators.

## Box 2. New Zealand's Financial Capability Barometer

To understand the financial behaviours, attitudes and experiences of New Zealanders the Te Ara Ahunga Ora Retirement Commission (previously the Commission for Financial Capability) has been running a Financial Capability Barometer survey since 2017. Data that emerges from these surveys informs the work of the National Strategy for Financial Capability of New Zealand.

This survey was run on a rolling basis over 2018 and 2019. In 2020 the Barometer introduced financial knowledge questions from the OECD/INFE adults' financial literacy toolkit and ran a rolling survey for the period January to June 2020. In 2021 a Financial Capability Survey was run between February and March, which also included the concept of financial well-being alongside financial capability.



Where financial capability and well-being is determined by:

- Demographic and socio-economic factors (such as age, income, family and housing) have an impact on the opportunities to gain financial knowledge and experience, but also impact psychological factors (for example self-control gets better with age and experience). Demographic and socio-economic factors may directly affect financial behaviour (for example income level can limit the range of possible choices and thus behaviours) and well-being (for instance, family situation and life stage will impact financial well-being).
- Psychological factors influence knowledge and experience, as well as behaviour, because they affect what a person is willing to do.
- Financial knowledge and experience can shift psychological factors, for example, acquiring financial knowledge and experience can increase financial confidence; but also impacts financial behaviour.
- Better financial behaviour results in higher financial wellbeing. For example, people who save regularly are more likely to have an emergency fund.

By repeatedly gathering data on the areas of interest of the National Strategy for Financial Capability, this type of monitoring regularly informs the work of stakeholders of the National Strategy and also provides feedback as to what matters to individuals in their daily lives as they look to achieve their financial goals

Source: <https://retirement.govt.nz/financial-capability/research/>

- The National Strategy for Financial Literacy in **Latvia** 2021–2027 outlines aims to promote sustainability and a culture of financial literacy, ensure the quality of an appropriate financial environment and improve the strategic planning and management of financial literacy involving interested parties. There are three main goals in the Strategy 2021-2027:
  - To promote the development of financial competencies in the target groups by providing the necessary preconditions and resources in families, educational institutions and work or business environment in order to create a balanced and sustainable financial literacy culture and achieve an ever higher level of financial competencies.
  - Ensure the quality of the financial environment, which creates the preconditions for the development of financial literacy and financial inclusion, in a context where digital transformation and innovation are creating ever new global product and tool offerings, as well as information and data security challenges.
  - To manage the strategic planning of financial literacy development in Latvia, which is implemented in cooperation with stakeholders, is based on world experience and research, and promotes the development of increasingly higher level financial competencies, sustainable financial literacy culture, and digital financial literacy supporting and an inclusive financial environment.

### Key performance indicators (KPIs): How national strategy coordinators translate specific approaches into evaluation indicators

A key challenge reported by jurisdictions has been to translate goals and objectives into measurable KPIs and integrate them into the evaluation narrative. This section provides examples of KPIs and draws heavily on the experience of Hungary, the Netherlands, Paraguay and Peru.

A common feature across all those jurisdictions is that while they have aspirational goals in their strategies, these are also concrete and point to specific needs and desired improvements. For example, an overall goal or mission statement of improving the financial literacy of the population can be operationalised into improving financial literacy across target groups (for instance youth and in schools), supporting prudent financial behaviour and attitudes, and supporting access to the financial system.

These are then further qualified into actionable and measurable objectives, which are often also broken into shorter time periods for delivery than the time span of the national strategy:

- *Improving financial literacy of target groups*: this has been synthesised into a more specific aim to improve the financial skills of youth and in schools, for instance in Hungary. This objective has then been operationalised into creating a framework for introducing and strengthening financial literacy within the public school education system (and all the necessary activities, such as preparing a syllabus/core competencies; training teachers; allocating class time; and others) with a view of improving the financial knowledge of young people in schools.
- *Supporting prudent financial behaviour and attitude across the adult population*: for instance, in the Netherlands, this goal, necessarily long-term as all behaviour change goals are, has been broken down into strengthening the financial resilience of adults and minimising their financial stress, as well as developing a healthy attitude towards finance and consumption. The objectives stemming from these are to steer financial literacy interventions towards boosting savings, teaching prudent borrowing and avoiding borrowing for consumption purposes. Working together with a solid financial consumer protection framework in order to improve trust in the financial system and its regulators, financial literacy policy makers' aim at providing information and teaching about the rights of consumers and how/where to access immediate help to avoid falling in financial troubles.

- *Supporting financial inclusion and the prudent use of financial products and services through supporting financial literacy:* in some cases, as in the examples of Peru and Paraguay, financial literacy strategies are part of broader financial inclusion ones. Within this framework, financial education aims to support the safe use of financial products and services. They tend to look at improving consumers' knowledge of financial products and services, especially across potentially vulnerable groups (those with low income, or those in rural or remote areas, for example, as in the case of Peru and Paraguay). Or they look into enacting policies that provide training and support the adoption of new digital technologies (like cashless payments, mobile accounts, online banking, for example in Hungary and their national strategy for financial education); and/or encourage safe banking by supporting information provision at the point of access of financial services tailored to specific groups.

Once operationalised, the national strategies and/or their action plans then have a set of indicators/KPIs developed to measure the above three goals:

- *Improving financial literacy of target groups:* indicators in this group tend to be measures of increased reach of provision of financial literacy and education and improved scores of financial literacy or knowledge of various target groups, as reported by financial literacy surveys. Indicators can include:
  - Creating, strengthening and generalising genuine financial education for students within the public education system, via boosting the availability of financial literacy training within public education institutions (in Hungary and the Netherlands, for instance).
  - Improvement in the financial knowledge of students (in the case of Hungary) or young people participating in financial literacy and education training programmes.
  - In the case of Peru, specific financial literacy targets for schools, youth, teachers are: the percentage of teachers of certain classes and programmes should be trained in the competency of financial literacy; achieving a percentage of students that are above of the level 1 in the results of PISA financial literacy assessment.
- *Supporting prudent financial behaviour and attitudes across the adult population:* indicators in this group tend to refer to changes in behaviour towards greater use of savings products, awareness and uptake of pension products, as well as indications of long-term financial management approaches by households and individuals. Measuring behaviour and attitude changes is difficult and at best provides opaque results because of the multitude of factors that affect them, in addition to financial literacy. This is an area where evaluators and researchers still struggle and as a result the indicators discussed below can be seen as best-efforts or proxies. Examples include:
  - Improved knowledge of a set of basic financial behaviour terms and basic functioning of the financial system and its products are used as indications of healthier financial behaviour and greater financial awareness. The amount of savings households and individuals hold, measured through waves of financial literacy surveys, are used as an indication, albeit imperfect, of improvements in households' ability to absorb financial stress.
  - Greater uptake of private pension products (in the Netherlands, for instance) provides indications on attitudes and behaviours related to prudent financial decisions for the long term.
  - Improvement in a broad range of constructed indicators or indexes like trust, financial attitudes, financial behaviour, financial well-being (in the Netherlands).
- *Supporting financial inclusion and the prudent use of financial products and services through supporting financial literacy:* Given the rapid developments in digital financial services and the emergence of new products in the sphere of finance, some national strategies look to prepare consumers for the advantages and the risks associated with these. This is done by providing education on financial products and services with a focus on new developments. For example:

- Knowledge of personal finance, rights and responsibilities of consumers in the financial sector, the functions of insurance and pension sectors, as well as the functions of digital financial services and digital budgeting tools (as in the case of Peru, where these elements are targets to be measured as fractions of the individuals who go through financial literacy programmes).
- Knowledge of basic financial services (as set in the national strategy of Hungary, for example) is used as an indicator of strengthening the basics of financial behaviour and the households' ability to manage financial assets.
- Knowledge of digital products and services is used as an indicator of the ability to use digital financial products safely (in Hungary).

Table 1 lists a selected set of KPIs based on the objectives they are set to measure. It can serve as an inspiration for jurisdictions looking to set measurable goals and objectives of their own.

**Table 1. KPIs used by national strategy coordinators, as reported in the submissions of OECD/INFE members**

**Part I: KPI examples related to impact: financial literacy and its elements, economic impact, financial inclusion, and vulnerable groups**

<i>Type of objective</i>	<i>Indicator</i>	<i>Countries and economies</i>	<i>How is it used</i>
<b>Financial literacy</b>	<u>Financial literacy scores (knowledge, behaviour, attitude)</u>	<ul style="list-style-type: none"> <li>• Hong Kong, China</li> <li>• Hungary</li> <li>• Japan</li> <li>• Portugal</li> <li>• UK</li> <li>• Canada</li> <li>• US</li> <li>• Peru</li> </ul>	Regular waves of a quantitative financial literacy survey are used to seek directions for the national strategies. Regular programme evaluation by measure the learning and success of participants. These scores are not necessarily used as a measure of success of the strategy in all cases, but as a guidance for its work.
<b>Economic impact</b>	<u>Indebtedness</u>	<ul style="list-style-type: none"> <li>• Chile</li> <li>• Peru</li> </ul>	In the case of Peru, the indicator (% of adults with a credit within the formal financial system) is part of the formal objectives of the national strategy. In other instances, such indicators are often used as a monitoring of the financial landscape and not necessarily used as a measure of success of the national strategies.
	<u>Poverty/Delinquency rates</u>	<ul style="list-style-type: none"> <li>• Chile</li> </ul>	Indicators used as a monitoring of the financial landscape in the jurisdiction. Not used as a measure of success of the national strategies.
	<u>Saving rate</u>	<ul style="list-style-type: none"> <li>• US</li> </ul>	Indicators used as a monitoring of the financial landscape in the jurisdiction. Not used as a measure of success of the national strategies.
<b>Financial inclusion</b>	<u>Access to financial services</u>	<ul style="list-style-type: none"> <li>• Hungary</li> <li>• Paraguay</li> <li>• Peru</li> <li>• Palestinian Authority</li> </ul>	Change in the use of bank branches, bank card/account ownership and number of banking transactions.
	<u>Access to digital financial products</u>	<ul style="list-style-type: none"> <li>• Hungary</li> <li>• Peru</li> </ul>	To monitor the uptake of digital/mobile accounts, To monitor changes in the use of cashless payment instruments.
<b>Vulnerable groups</b>	<u>Help a certain number of public and private institutions identify vulnerable groups</u>	<ul style="list-style-type: none"> <li>• Netherlands</li> </ul>	<ul style="list-style-type: none"> <li>• Define vulnerable groups (The Money Wise Platform, Netherlands considers vulnerable groups those with lower literacy levels, those distanced from the job market, those with a lower socio-economic status and their children, those on fixed-term contracts and/or with fluctuating income, the self-employed, people out of work, computer illiterates, and seniors).</li> <li>• Produce a mapping of vulnerable groups based on probability of experiencing financial trouble.</li> <li>• Providing information to public and private institutions about what leads to financial problems and creates vulnerable groups.</li> </ul>

## Part II: KPIs related to monitoring of national strategies, their reach and stakeholder engagement

Type of objective	Indicator	Countries and economies	How is it used
<b>Monitoring the achievements of national strategies</b>	<u>Tracking short term financial literacy outcomes</u>	<ul style="list-style-type: none"> <li>Armenia</li> <li>New Zealand</li> </ul>	Regular surveys of a set of trackers/indicators as part of a Barometer or short/medium term monitoring exercises.
<b>Reach of national strategies</b>	<u>Promotion of the national strategies' brand</u>	<ul style="list-style-type: none"> <li>Canada</li> </ul>	Survey of user satisfaction with financial literacy and education content as delivered by the national strategies.
	<u>Proportion of users who use national strategy content</u>	<ul style="list-style-type: none"> <li>Canada</li> <li>Indonesia</li> </ul>	Percentage of users who access national strategies' content. Percentages of users who find national strategies' content useful, easy to understand.
<b>Stakeholder engagement</b>	<u>Number of events co-organised with stakeholders.</u>	<ul style="list-style-type: none"> <li>Hong Kong, China</li> </ul>	In Hong Kong, China, Money Month is held annually in March, where a variety of financial education activities are held. This allows the national authorities to take stock of what is happening and how much financial education is out there. Record is kept of the quantity of activities (e.g. 90+ initiatives in 2018) happening in support of Money Month as an indicator of stakeholder engagement.
	<u>Number of stakeholders engaged</u>	<ul style="list-style-type: none"> <li>Netherlands</li> <li>Hong Kong, China</li> <li>Indonesia</li> </ul>	<ul style="list-style-type: none"> <li>Number of employers informed and educated on potential financial vulnerabilities of their employees. Number of regional authorities to be signed up to participate in National Money Week.</li> <li>A stocktaking exercise is conducted every few years. It is based on desk research and a stakeholder survey/interviews to have a snapshot of the FE landscape. <i>Financial Education Champions Award</i>: this is a prize to recognise outstanding FE practitioners; where those involved in financial education make a submission, assessed by certain criteria. The criteria allows the Centre to understand what is being done and how. The number of organisations that have received the award is used as an indicator of the national strategies' focus on providing the public different opportunities to learn by encouraging more stakeholders to provide quality financial education.</li> </ul>
	<u>Changes in the way stakeholders conduct financial education</u>	<ul style="list-style-type: none"> <li>UK</li> </ul>	UK's theory of change has set a number of expected changes in the way partners and stakeholders operate within the national strategies and conduct financial education activities. These are observed and noted.

### Funding for evaluation

Funding for evaluation activities tends to be secured from the resources of the institutions (58% of the respondents suggested this), but some institutions have taken a step forward in earmarking evaluation funds: 26% of the responding institutions have a dedicated budget for the evaluation of national strategies. Other sources of funding include donor funds (11%), while more rarely there are some jurisdictions that rely on ad hoc financial sources or on donors external to the groups of stakeholders under the national strategy.

### Reporting on evaluation activities

Required reporting on evaluation activities (to a higher institutional authority) that looks at progress towards the objectives of the national strategies is done in almost half of the participating jurisdictions: Chile; Hong Kong, China; Hungary; Netherlands; New Zealand; Palestinian Authority; Peru; Portugal; Sweden; Turkey and the UK. This is done in a different manner across jurisdictions. In Chile, Hungary, Portugal, Turkey,



for example, a semi-annual, annual or bi-annual report is done towards higher authorities in the government. The financial literacy and education coordinating body of the Netherlands, the Money Wise Platform, reports on an ad hoc basis as part of the budget review and evaluation of the Ministry of Finance of the Netherlands.

On the contrary, reporting on the contributions of the national strategy towards broader economic or financial objectives is much less common. It is only required in Mongolia, New Zealand and the Palestinian Authority. For example, New Zealand's coordinating body, the Commission for Financial Capability, reports quarterly to the Minister of Commerce and Consumer Affairs on how the national strategy contributes to the delivery of the broader goals of the ministry and how the various stakeholders are themselves contributing towards the delivery of the national strategy.

# 3 Lessons, good practices and a blueprint for an evaluation of a National Strategy for Financial Literacy

This section synthesises *lessons and good practices* from the evaluation experiences surveyed. It also provides case studies as illustrations where appropriate. There are a number of common characteristics of evaluation approaches that have allowed policy makers to successfully learn and improve performance, re-design their national strategies according to changing needs and goals, provide transparency and accountability to boards/funders/the public.

These lessons allows for the proposition of a *blueprint* for the evaluation of national strategies. This blueprint is inspired by the good practices gathered from OECD/INFE Members, but also includes information from a broader evaluation literature<sup>4</sup>. Importantly, this is not meant as a template to be applied for all situations in all jurisdictions, as evaluation cannot be a one-size-fits-all task, but rather a suggested method to guide the development of an evaluation process by interested policy makers. Building flexibility in the national strategy deliverables, as needs of the population may change (for example due to rapidly changing technologies), means that there must also be flexibility built into the evaluation approach, especially as research may bring up novel and unexpected results. However certain elements, described below, can help ensure success. Among them key three pillars are:

- Mapping the financial landscape, determining the evaluation needs and priorities.
- Designing an evaluation plan for the national strategy with clearly assigned lines of responsibilities, transparent and multiple flows of data.
- Creating an engaging and inclusive evaluation process that fosters an evaluation ecosystem, with clear incentives for accountability and communicating widely the evaluation results with the aim of popularising success.

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<sup>4</sup> Where used, the sources have been quoted throughout the text. Some key sources of information on latest policy evaluation thinking have been:

- OECD's Development Assistance Committee (DAC) and their extensive work on evaluation: <https://www.oecd.org/dac/evaluation/daccriteriaforevaluatingdevelopmentassistance.htm>
- OECD (2020), *Education policy evaluation: Surveying the OECD landscape*, <https://doi.org/10.1787/9f127490-en>
- OECD (2017), *Making policy evaluation work: the case of regional development policy*, <https://doi.org/10.1787/c9bb055f-en>
- Catsambas and Franco (2019), Mapping Outcomes: Embedding evaluation in the life of an organization, <https://encompassworld.com/resource/mapping-outcomes/>.
- American Evaluation Association (AEA): *Competencies and standards*: <https://www.eval.org/About/Competencies-Standards/AEA-Evaluator-Competencies>

The rest of this section is structured around these three pillars.

### Starting the evaluation process: The need for evaluation, defining a theory of change and mapping the desired outcomes

National authorities that coordinate national strategies make considerable investments in a range of activities when designing and implementing their national strategies – gathering political support, involving stakeholders, preparing relevant knowledge and policy products, coordinating and/or directly implementing community-level/national/global programmes. They may be interested in monitoring and evaluation for a variety of reasons, such as learning and performance improvement, making informed decisions on prioritising investment of resources, accountability to political leadership or funders and to inform the public. Monitoring and evaluation activities can be expensive and are often placed low in the ranking of priorities. Effectively conducted, however, they can achieve much towards a successful national strategies. They can set the order of policy priorities, they can ensure efficiency in delivery, they can improve the knowledge generation and spread, and ultimately help publicise the outcomes of national strategies and popularise financial literacy and education among the general public.

To reap the full benefits of evaluation, it has to be done in a systemic and comprehensive manner. To achieve strategic and long term results, coordinators of national strategies need to think about evaluation as a systemic or strategic approach that is designed to enhance their own capacity to innovate, coordinate and implement, as well as support the capacity of their partners and stakeholders.

To create such a systemic evaluation approach, thinking about evaluation needs to start from the first moments of engaging in the preparation of a national strategy (or indeed any standalone financial education programme), before any data collection, analysis or assessment. A first step for any evaluation, but especially for the evaluation of a strategic and complex project such as national strategy, is to understand and define the *theory of change* of the strategy (or the organisation that is designing and/or implementing the strategy). A theory of change explicitly articulates how the strategy (or process, or intervention) should create the desired outcomes<sup>5</sup>. Box 3 presents a case study of the Money and Pensions Service of the UK and their Evaluation Toolkit for programmes. It presents a compelling case for the need of a systemic approach based on a theory of change.

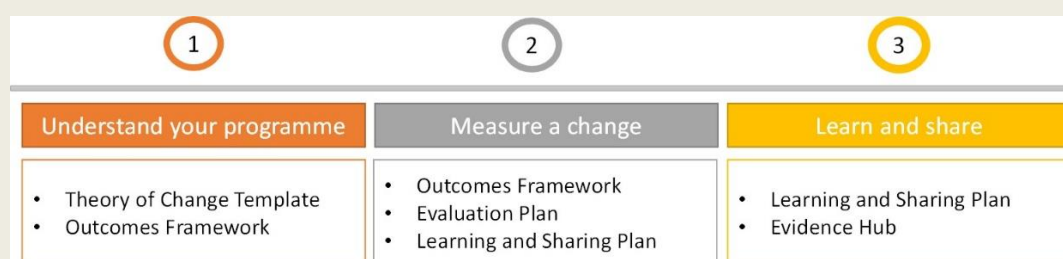
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<sup>5</sup> The definition of a *theory of change* is derived from UK's Money and Pensions Service Evaluation Toolkit (<https://www.fincap.org.uk/en/articles/evaluation-toolkit>) and from Catsambas and Franco (2019), Mapping Outcomes: Embedding evaluation in the life of an organization, <https://encompassworld.com/resource/mapping-outcomes/>.

### Box 3. UK's Money and Pensions Service and their Evaluation Toolkit

UK's Money and Pensions Service have developed an Evaluation Toolkit for the evaluation of programmes to help policy makers structure their evaluation approach. The Evaluation Toolkit focuses on measuring changes in people's financial well-being, behaviour and capability - understanding how policy makers' activities have led to those changes. It contains a useful set of resources (including templates of outcomes frameworks and a theory of change) that policy makers can adapt and use for their evaluation needs.

The Evaluation Toolkit is made up of three pillars:



- *Understand your programme*: the Toolkit encourages policy makers to develop a Theory of Change, which would describe the activities that their national strategy runs and the changes desired in the goals and objectives (for instance in financial literacy, well-being, and behaviour). An Outcomes Framework can help map out the wider characteristics and context of the financial education programme (or the national strategy) – it would note and clarify the policy approach, the target groups, and the financial education landscape.
- *Measure a change*: Deciding the evaluation question, the methodology or evaluation approach and the precise evaluation plan; using the *Theory of Change* to identify key desired outcomes and thus the focus of the evaluation plan, and the *Outcomes Framework* to determine the methods to be applied in each evaluation step.
- *Learn and Share*: Planning on how to use the results to the best effect to refine the financial education programme or strategy; and especially important for strategies is to publicise the evaluation in order to share what has been learnt and to inspire others.

The Evaluation Toolkit is part of a broader set of policy documents by the UK's Money and Pensions Service to encourage policy makers to adopt evaluation as a regular activity, part and parcel of implementing financial education strategies and programmes.

Source: <https://www.fincap.org.uk/en/articles/evaluation-toolkit>.

Every national strategy (or every institution that is in charge of a national strategy) has some theory of change, but it is often implicit or spread across multiple sources. Making the theory of change explicit by mapping evaluation needs, wants, priorities and desired outcomes, should be the starting point in an evaluation process. The start of the evaluation process should help translate the aims of the policy makers coordinating the national strategy or the national strategy itself into a clear, coherent map. Such a framing is useful because it allows the evaluators to uncover any implicit assumptions, enable linking of strategic goals to implementation objectives and objectives of financial education programmes run under the umbrella of the national strategy, especially linking the objectives of programmes to the latest strategic goals and values of the national strategy and the institution that coordinates it. During this process the evaluation activities will enable conversations between parties working on different parts of the national

strategy and seek to foster common ground or break any barriers to working together towards a common goal. Key steps in this process that have emerged through conversations with OECD/INFE members are:

- Articulating the desired high-level outcomes (goals) by the coordinators of the national strategy. This effectively means defining the changes that will signal that the strategy has been successful. Completing this step in an honest and direct manner can reveal the expectations, assumptions and strategies that the managers of the national strategy hold.
- Make explicit the links between the goals/desired changes and the activities planned or already pencilled into the national strategy, as well as those of its stakeholders. Completing this step can reveal any agreements but also divergences among the stakeholders of the national strategy.
- Seek traces of the goals and objectives on the public face of the national strategy, its website, public documents and reports. It would be useful to start considering a coherent public image where goals are matched to the desired level of ambition and also to the political objectives of the authority coordinating the national strategy. Completing this step may help avoid any negativity from changing objectives or failing to achieve them as the national strategy is being implemented – a point explicitly stated by OECD/INFE members who have had to refocus their efforts as domestic political priorities change or the economic environment makes the existing national strategy untenable.
- Make explicit the goals, definitions, assumptions, boundaries and the policy meaning of the entire national strategy, following the consultative process of the above three steps. This can be done in a process called mapping the theory of change, or the desired outcomes. Table 2 provides an example of such a process.

**Table 2. A frame of outcome mapping**

Steps taken to create a mapping of the elements within a theory of change.

	<b>Actions</b>	<b>Benefits</b>	<b>Methods</b>
<b>1. Clarify high-level outcomes, goals, or impacts</b>	Identify the high-level outcomes that would fulfil the mission of the national strategy	Revealing common ground between the stated national strategy goals and the (possibly different) stakeholders' perspectives	Review documents related to the national strategy and engage participants/implementers/ stakeholders into debate
<b>2. Articulate key areas of activities</b>	Identify and group what the national strategy coordinator does to achieve the outcomes	Provide an overview of the main activities of the national strategy	Engage the relevant parties in a debate and review key documents
<b>3. Identify and prioritise stakeholders and partners</b>	Identify groups or entities that the national strategy tries to influence with its actions, or those that are likely to provide support	Recognise the different stakeholders and prioritise their importance and the size of their likely contribution	For each activity (step 2) identify a stakeholder that could help complete it
<b>4. Articulate the targeted behaviour changes</b>	Identify specific actions and behaviours your organisation is trying to promote among stakeholders	Recognise that your success also depends on a series of appropriate actions by your stakeholders	Using a participatory process, review the national strategy action plan and ask what actions by stakeholders will help your organisation move towards its high-level goals (step 1)
<b>5. Test and prioritise stakeholder outcomes</b>	Seek to identify top priorities and apply a reality check to key assumptions, by asking common sense questions and engaging stakeholders/partners in a debate	Focus on the true value added by activities of stakeholders towards the high-level goals (Step 1)	Seek the answers to these questions: <ul style="list-style-type: none"> <li>• What are the most important actions to move us towards the high-level goals (step 1)</li> <li>• Given resources, what are the key stakeholder outcomes that we want to achieve</li> <li>• What are the assumptions about causal links between actions, about the implementation process, about external factors that affect us</li> </ul>

Source: Adapted from Catsambas and Franco (2019)

Making explicit the elements of a theory of change and mapping the desired outcomes is a participatory process where the evaluators create an internal debate within the institution that coordinates the national strategy, but also an external one with the stakeholders. For instance, the “listening phase” of wide-ranging conversations with the interested community conducted in 2019 throughout the UK by the Money and Pensions Service as they were looking to frame their novel national strategy is an example of such a participatory process. The field of financial literacy has many participants with multiple incentives and goals that may be divergent. Sometimes, there may be participants in the field, which may not have been identified as potential stakeholders, but may add value to the national strategy (for examples community leaders who have good contacts within their community, but who may not normally deal with financial matters). This is where the planning stage of evaluation can add a considerable amount of value by creating and facilitating a dialogue to discover common ground and bring clarity in the shared purpose and potential joint work.

### **Designing an appropriate evaluation plan for national strategies: Articulating the theory of change**

Once framing the needs, wants and priorities is completed, or a mapping of the outcomes is completed, the next step is to create the theory of change, i.e. the document that will guide the evaluation process in concrete terms. The mapping of the outcomes should have provided priorities between the goals and objectives, a set of actions that can help working towards these. Box 4 describes the goals, objectives and actions to achieve them of the national strategy of the Netherlands. It follows a process of turning the key goals into measurable objectives, before assigning some actions to achieve them. Box 4 also illustrates how the goals, objectives and actions have been made explicit and linked to the activities of the national strategy. For the theory of change to be complete and actionable, the relationships with stakeholders and partners need to be described and an order of priorities set for these relationships.

#### Box 4. The set of objectives of the Netherland's national strategy

The Money Wise Platform in the Netherlands and its national strategy has quantifiable objectives, referred to as actions. These actions are nested within each of the main goals of the national strategy:

1. *Financial preparation for the future*: The Money Wise Platform is committed to preventing people in the Netherlands from encountering financial problems, by preparing them for unexpected expenses and life events. The objectives or actions to achieve this goal are:
  - a. The Money Wise Platform and its stakeholders are committed to ensure that all people, but especially vulnerable ones, have a financial buffer for unexpected expenses.
  - b. During an annual Pension3Days, a retirement awareness campaign in the Netherlands, half of those people above the age of 55 will take an action regarding their pension.
  - c. For each year, Money Wise will select a life event and develop dedicated interventions geared to it and measure the resulting effectiveness.
2. *Structurally promoting financial skills at school*: The Money Wise Platform is looking to make financial skills a structural part of the school curricula. The actions to be taken are:
  - a. Committing to introduce financial skills into the school curricula.
  - b. Creation and distribution of educational materials.
3. *Attention to vulnerable groups*: The Money Wise Platform considers vulnerable groups those with lower literacy levels, those distanced from the job market, those with a lower socio-economic status and their children, those on fixed-term contracts and/or with fluctuating income, the self-employed, people out of work, computer illiterates and seniors. Actions to be taken are:
  - a. Produce a mapping of vulnerable groups based on probability of experiencing financial trouble.
  - b. Providing information to government institutions about what leads to financial problems for vulnerable groups.
4. *Increasing collaboration with existing and potential stakeholders*: Actions to achieve this are:
  - a. Big employers to be engaged and informed of potential financial vulnerabilities of employees.
  - b. More municipalities/regional authorities (with a target of 100 of these authorities) will be signed up to participate in National Money Week.
5. *Innovation and research*: The Money Wise Platform has initiated and stimulated research into the effectiveness of interventions and is translating the relevant studies into practice. Planned actions are:
  - a. Development of a survey instrument to measure financial fitness. It will be used to take baseline measurements, with progress monitored twice yearly.
  - b. Continuous evaluation of the effectiveness of financial education interventions and the encouragement of sharing of knowledge.

Source: Money Wise: National Strategy 2019 "Working together for the financial fitness of Dutch citizens", <https://www.wijzeringeldzaken.nl/bibliotheek-/media/Engels/english-direction-moneywise-2019.pdf>

Figure 4 presents a visualisation of a theory of change that is set up to help guide the process of evaluation of national strategy. Again this is one example of how this process can be structured. It is not a prescriptive template, but rather a guide that needs to be adapted to the specific national, regional or local circumstances and for the specific needs of policy makers. It can be created once an outcomes mapping process has been completed. It suggests a structure of priority for the activities of the national strategy and the stakeholder relationships in terms of three spheres:

1. *Sphere of control*: the sphere of control lists all the areas of activities that are planned directly under the national strategy to be conducted (or paid for) by the coordinator of the strategy. These activities will need to be linked to the high-level goals and to the objectives (and the KPIs set to measure them), as well as the underlying assumptions.
2. *Sphere of influence*: the coordinators of the national strategy cannot aim to achieve all its goals by themselves. For example, if an objective is to improve the financial literacy of pupils and an activity is introducing financial literacy as a school subject, then the Ministry of Education and the school system in this jurisdictions will be indispensable partners, if they are not already among the authorities coordinating the national strategy. The success of this objective will depend on the good will, priorities, resources, of all stakeholders. The coordinators of the national strategy may try to influence them by building partnerships. The coordinators need to treat such stakeholders as both targets and agents of the changes the national strategy aims to achieve in this specific area.

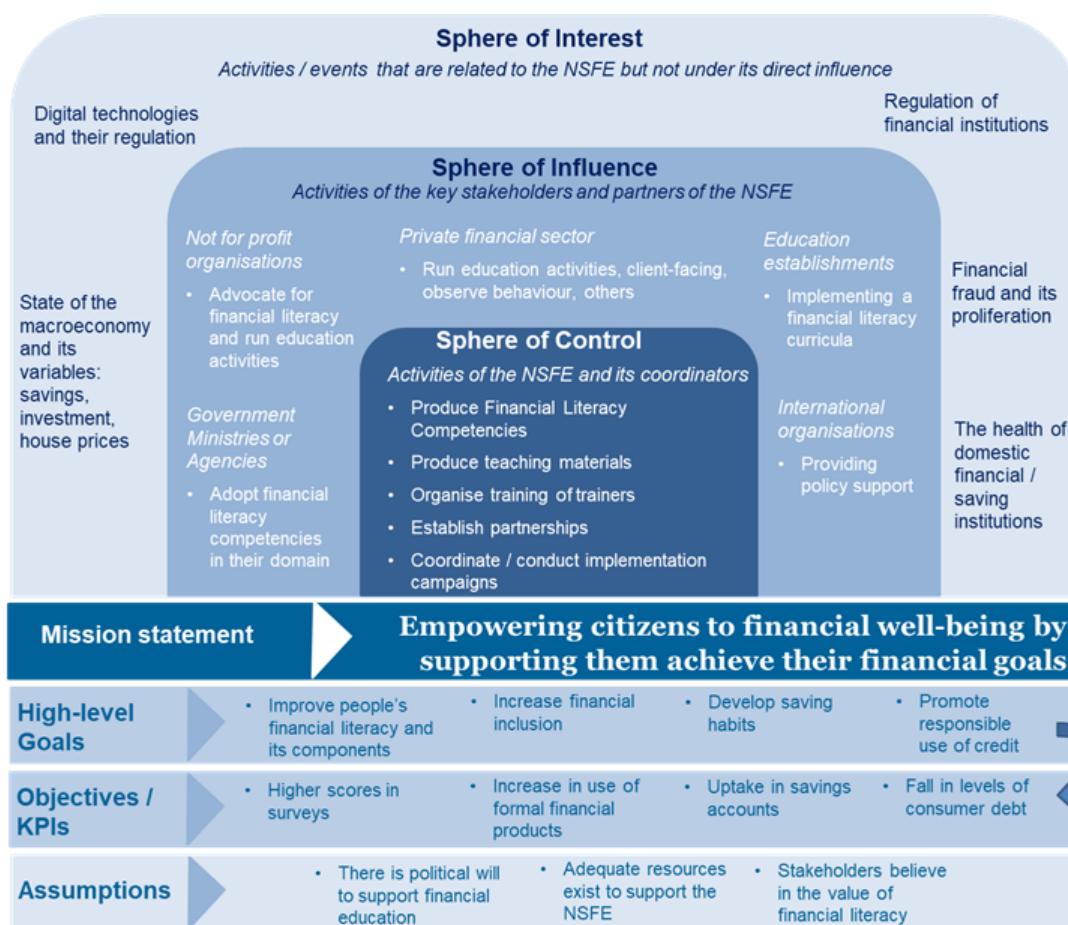
This sphere is very important because the feedback from stakeholders can provide useful insights into the effectiveness of the national strategy and a reality check of its reach and ambition.

3. *Sphere of interest*: this is the sphere of elements that will have an impact on the national strategy and the ability of its coordinators and stakeholders to implement it, however are largely beyond their direct control or influence. These elements and their likely impact on the national strategy will need to be considered when prioritising objectives and activities, re-assessing ease of implementation and the underlying assumptions.



#### Figure 4. A visual example of a theory of change

A theory of change can have many different elements and visual representations. This figure is only one simplified example. In reality, a theory of change will contain more elements and will seek to explicitly describe relationships with/between stakeholders and the links between goals, objectives/KPIs, and relevant assumptions according to national, regional and local circumstances. It will seek to assign some of the objectives and activities to relevant stakeholders. It will use the sphere of interest as a reality check on the assumptions.

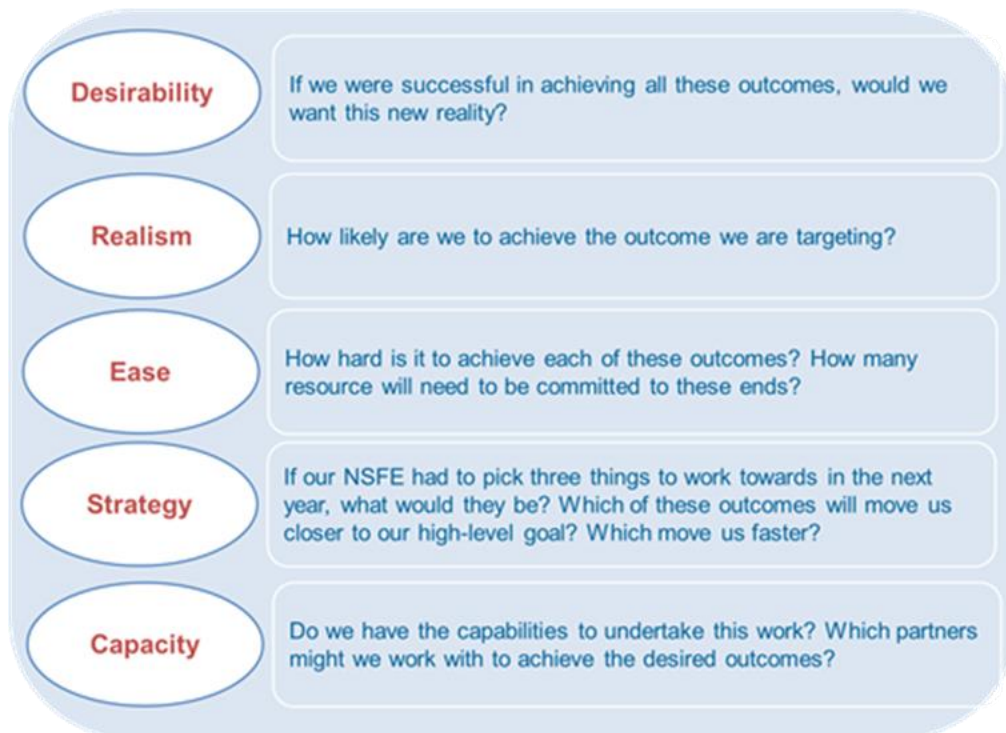


Source: adapted from OECD (2020), "Education policy evaluation: Surveying the OECD landscape" and Catsambas and Franco (2019), "Mapping outcomes: embedding evaluation in the life of an organisation for improved social change programming".

Once the theory of change has been finalised, its elements can be tested against a set of common sense questions. These will provide a reality check to a theoretical construct and help avoid the creation of an evaluation plan (and its accompanying documents) that is not set to fit local realities. The questions must be discussed together with the stakeholders and practitioners participating in the development of the evaluation framework and the national strategy itself.

Figure 5 lists five viable common sense question about: **desirability**, **realism**, **ease**, **strategy** and **capacity** that can guide discussions about developing a framework for evaluating the strategy. These have been adapted from Catsambas and Franco (2019), however they can be altered depending on the needs and desires of national strategy coordinators. What is important is to ensure that the questions do provide a reality check to the theory of change and its assumptions. The exercise of asking these questions needs to be done jointly with willing stakeholders and certainly not in isolation, because the aim is to create a debate about the suitability of the theory of change and the viability of its assumptions, as measured against the goals of the national strategy. As the UK's Money and Pensions Service and its Evaluation Toolkit suggest, the theory of change needs to be shared with stakeholders for feedback, however framing the feedback on a set of common sense questions will provide engagement and structure to this consultation.

Figure 5. Examples of common sense questions to be used as a reality check



Source: adapted from Catsambas and Franco (2019)

### Implementing an evaluation – creating an engaging and inclusive process that fosters a culture of evaluation in the financial literacy community

An important step in the evaluation process is implementing it. Stakeholders and partners should have already been engaged in the process of outcomes mapping and in refining the theory of change. A deep engagement will need to take place in implementing the evaluation itself, as this could be the **opportunity to create a financial literacy community** that is focused on learning, supports data gathering and is oriented to the goals of the national strategy.

Jurisdictions that have gone through more than one national strategy have gone through the steps described in the sections above. When it came to the implementation of an evaluation, they have **pursued a comprehensive approach**. Having gone through the process of mapping the desired outputs and specifying a theory of change, these policy makers were committed to a systemic evaluation approach. They designed a **governance structure of their national strategy with transparency and feedback** in mind, which in turn helped them create a **participatory approach to implementing financial education but also evaluation**, by defining stakeholder involvement in the national strategy work and also in the evaluation work. By including their stakeholders into the process of re-evaluating and re-defining the goals and objectives of the national strategy they ensured buy-in and **created a culture of evaluation and research** across the entire financial literacy community. Last but not least, implementing a comprehensive and systemic evaluation can be resource-intensive and demand skills that are not readily available within any organisation that is not professionally focused on evaluation. This may require **the engagement of external professional evaluators** to guide the design of the process and lead its implementation. Policy makers who engaged in this have tended to **earmark dedicated resources to these activities**.

An important stepping stone to implementing a good and comprehensive evaluation plan is an **existing governance structure of the national strategy that needs to be manageable, with clear lines of reporting and information flows**<sup>6</sup>. It needs to allow for transparency and also encourage regular communication with the stakeholders of the national strategy. It will thus incentivise and ensure constant and open feedback from implementing stakeholders. As a word of caution, a number of OECD/INFE members who provided information for this report suggested that the results of stakeholder feedback may be more difficult to illustrate or interpret and it may not lead to significant improvements in future strategies if institutional (or political) constraints exist. The governance structure (or even broader, the institutional structure of the authorities overseeing the national strategy), thus has to provide avenues for information flows, but also be flexible and adaptable to change if and when it is required.

**Implementing an evaluation plan in an inclusive manner** needs to be a top priority for the national strategy coordinators. This will allow the goals, objectives and actions embedded in the renewed national strategy to be seen as a result of a thoughtful process that reached out to the financial literacy community; and not a series of revisions done by a small group of insiders<sup>7</sup>. To encourage the stakeholders to actively engage with evaluation, it is useful to integrate a description of the expected approach to evaluation in the strategy with the roles of stakeholders (possibly linked to objectives and indicators and other feedback mechanisms). This, in turn, will likely lead to the creation of an evaluation-minded financial literacy community, which will help in gathering evidence, providing regular feedback and refining the evaluation process itself.

**Impactful national strategy coordinators have understood the value of a communication strategy** that is geared towards interpreting, communicating widely and popularising the necessary follow up from the evaluation results. Sharing results broadly but in a targeted manner requires a prepared strategy that takes into the account the interests of various audiences. Simultaneously, to ensure the wider public is able to easily reach and trust the information, the national strategy coordinator must be seen as the originators of such information. A public one-stop-gateway for sharing research and evaluation of the national strategy (alongside programme evaluations) has been one method of facilitating the spread of evaluation and research learning across the financial literacy community.

**Resources for evaluation must be available and earmarked if a systemic evaluation approach is to be pursued.** Conducting a comprehensive evaluation of a national strategy is expensive and it requires the specialised skills of professional evaluators who act as external consultants to the process. In some jurisdictions, funding dedicated to evaluation activities has been allocated at the very start of a national strategy implementation process and has been linked to the mix of evaluation activities. Institutional funding is usually the most widely available, but funding from external sources, for instance donor funds, can be a useful complement for under-resourced institutions). But national authorities overseeing financial education need to make the case to those who allocate their budgets that the long term benefits of comprehensive evaluation in terms of learning and efficiency gains are broader than evaluation results as a product themselves.

Box 5 illustrates the process of evaluating Canada's National Strategy for Financial Literacy "*Count me in, Canada*". It includes commentary on the points developed above. In particular, it illustrates the value of stakeholder engagement in developing a comprehensive evaluation, the mix of skills required to design and conduct evaluation based on multiple sources of evidence, and the need to focus on developing a perpetuating process of learning.

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<sup>6</sup> As OECD 2015 "National Strategies for Financial Education: OECD/INFE Policy Handbook" suggests: <https://www.oecd.org/daf/fin/financial-education/national-strategies-for-financial-education-policy-handbook.htm>

<sup>7</sup> The important point on creating an inclusive evaluation process is made by the American Evaluation Association (AEA) and its set of competencies for professional evaluators: <https://www.eval.org/Portals/0/Docs/AEA%20Evaluator%20Competencies.pdf>

### Box 5. Canada's National Strategy for Financial Literacy—*Count me in, Canada*

The Financial Consumer Agency of Canada (FCAC) is a federal government agency (established in 2001) tasked with protecting consumers of financial products and services. FCAC monitors and supervises federally-regulated financial entities and also works to strengthen the financial literacy of Canadians through education, research and collaboration.

In 2015, FCAC launched Canada's first national strategy for financial literacy. Its **goals** were:

- to mobilise stakeholders—including government, business, community, education and research sector organizations spanning the country;
- and inspire them to work together to develop and deliver engaging financial literacy initiatives for all Canadians.

The [National Strategy for Financial Literacy-Count me in, Canada](#) gave momentum to the formation of many networks across the country that are passionate about helping Canadians make responsible financial decisions for their families and their communities.

The implementation of the national strategy was guided by the Financial Literacy Leader and a National Steering Committee. **Monitoring and evaluation** has been conducted throughout the five-year period, through:

- *Feedback*, obtained by consulting with stakeholders and partners, as well as directly from Canadians through surveys and feedback on the financial literacy programs and initiatives.
- *Tracking and measuring* FCAC's efforts to strengthen financial literacy by using general population surveys and individual program evaluation, as well as by tracking the number of Canadians reached through FCAC's financial literacy initiatives and those of key stakeholders. These surveys include:
  - Monitoring overall trends in financial literacy over time by conducting the [Canadian Financial Capability Survey](#), a national survey repeated every 5 years (2009, 2014 and 2019) that uses a consistent set of indicators to assess the degree to which Canadians are informed and confident in dealing with financial matters and making financial decisions.
  - FCAC also conducts surveys on specific issues, such as a [new in-depth survey on financial well-being in Canada](#). Recent evidence points to concerning trends in Canadians' financial well-being, with rising debt levels and persisting savings gaps.
  - Thorough online surveys to assess the quality, effectiveness and impact of specific financial literacy programmes, consumer education tools and online content. FCAC's suite of free, unbiased, interactive tools and resources, and consumer information products, are used by Canadians of all ages in homes, schools and workplaces. To help inform improvements for specific programs or tools, FCAC conducts on-line surveys to monitor use and user testing. For example, in November 2019, FCAC launched the Budget Planner, an online tool that incorporates Canadian statistical data, behavioural insights and gamification.

**The process evaluating the five-year progress (2014-2019) of FCAC and its National Strategy on Financial Literacy** was led on two fronts by (1) conducting a summary evaluation of FCAC's financial literacy programmes intertwined in its National Strategy and (2) reporting on the reach and impact of the initiatives of FCAC and its financial literacy network that stem from the National Strategy's goals and objectives.

(1) FCAC's Financial Literacy Programme implements, monitors and reports on initiatives related to the National Strategy for Financial Literacy ([FCAC Business Plan 2017-2018](#)). FCAC engaged an external

consultant to conduct a summary evaluation of its Financial Literacy Programmes to assess their results and achievements. The summary evaluation considers issues such as relevance, effectiveness and efficiency and gathers evidence from internal and external perspectives using both qualitative and quantitative methods. This also develops conclusions and recommendations to inform programme strategic review and future improvement. Examples of evaluation questions include:

- Extent to which Canadians are aware of and accessing FCAC programmes and resources
- Participation results in increased knowledge, skills, confidence and behaviour
- Extent to which promotion and outreach has increased the profile of financial literacy in Canada
- Extent to which Canadians' financial literacy was strengthened
- Value or benefit of having a National Strategy
- Areas of focus/interventions are appropriate
- Financial Literacy Programme delivered in an efficient manner

(2) FCAC assessed the reach and impact of the initiatives implemented under the [National Strategy in a Progress Report](#) (2015-2019): Implementing the National Strategy for Financial Literacy – Count me in, Canada. This report provides an overview of the progress made in helping Canadians achieve the goals of the National Strategy and measures FCAC's commitment to stakeholder engagement and collaboration as outlined in the National Strategy by detailing the reach of its financial literacy networks.

Since the launch of the National Strategy, the number of financial literacy networks established across Canada has grown to 18, representing more than 570 organizations who are engaged in advancing the goals of the strategy. In addition, FCAC established the National Steering Committee on Financial Literacy (239 initiatives involving 23 organizations resulting in 1.5 million Canadians reached in learning activities) and a federal government Interdepartmental Committee on Financial Literacy (27 Canadian Federal Departments implemented over 50 initiatives to support the National Strategy) to help implement activities to support the goals of the strategy. An example of an initiative that fosters stakeholder engagement is FCAC's Canadian Financial Literacy Database (CFLD), an unbiased online resource for anyone looking to develop or encourage competencies in all aspects of financial literacy. Since 2015, 245 organizations participated in the CFLD, publishing 1,660 resources and entering 6,495 events.

**Indicators, used for monitoring and evaluation** have been:

- *Measurements of savings rate and retirement savings rate:* the 2019 CFCS found that about one-third of non-retired Canadians do not have a plan to save for retirement and more Canadians are feeling financial pressures. Many millennials, who are currently the most important consumer segment in Canada, have no retirement savings at all.
- *Scores/measurements of financial literacy and its components:* participating in international surveys, such as the OECD/INFE International Survey and Adult Financial Literacy Competencies and OECD's Programme for International Student Assessment, which includes a component to measure the financial literacy levels of 15-year-olds, provides a comparison against global benchmarks. Another indicator targeted a 5% increase in *budgeting behaviour*. An innovative pilot project using an online app (called Carrot Rewards) that rewarded points for completing small tasks or quizzes incentivized 14% of non-budgeters to start budgeting.
- *Measures of reach and usage of online surveys and tools:* Almost 112,000 individuals who accessed FCAC's Budget Planner between its launch (in November 2019) and the end of March 2020. In terms of targeting for satisfaction levels, the aim was for 80% of consumers to report that they were satisfied with this tool. Results indicated that 91% found the tool useful;

88% found instructions clear and easy to understand; and 88% found the tool is easy to use.

- *Measurements of growth and reach of financial literacy programs:* This involved tracking financial training and education in the workplace, education system and other communities; increasing collaborative partnerships; expanding the use of FCAC's online database of financial literacy resources (called the Canadian Financial Literacy Database); and conducting various workshops and seminars and tracking the number of participants attending. In the 4 years since FCAC launched the National Strategy for Financial Literacy, there have been: 13 million visits to FCAC's website to access content or interactive tools; 1.8 million Canadians reached by FCAC's financial education programs; 15 million views of FCAC's educational videos; and 2,500 resources made available to Canadians through financial literacy databases. In 2019, the Agency launched a marketing campaign called "Take charge of your finances" which resulted in a 297% increase in website visits.

**The evaluation of the whole National Strategy**, following the steps described above, a [Summative Evaluation](#), was completed in 2020. It looked at the relevance, effectiveness and efficiency of the strategy. The evaluation confirmed that there has been value in having a National Strategy for Financial Literacy in Canada. Stakeholders support the National Strategy and are broadly satisfied with the priorities and activities that have been undertaken since its implementation. The National Strategy played a critical role in fostering collaboration and cooperation among formerly unconnected players, resulting in a strengthened focus on financial literacy and an increased activity in supporting key goals. The National Strategy also effectively focused attention on gaps and unmet needs, including audiences that warrant targeted outreach.

FCAC has a policy of **publicly reporting** on the progress of its national strategy by using public-facing reports to strengthen transparency with stakeholders, partners and Canadians. For example, FCAC's [Annual Report](#) outlines the results achieved based on a set of objectives set out in the Agency's Business Plan at the beginning of each fiscal year. In 2019, a comprehensive [Progress Report](#) on the implementation of the national strategy documented outcomes for various initiatives undertaken by FCAC, its partners and stakeholders.

# 4 Conclusions

This report summarises and draws lessons from the comprehensive information submitted by OECD/INFE members on their evaluation approaches and activities as part of their national strategies for financial literacy. There is a great variety of stated needs, undertaken approaches and committed resources to national strategy evaluation. Policy makers who have gone through more than one national strategy and have actively engaged in evaluating their entire strategies, however, have gone through **some common steps** that have helped them achieve success. When it came to designing the evaluation plan, they used **elements of evaluation methods and approaches already embedded in their national strategies**. They looked at a **variety of sources of evidence** that were collected throughout the lifetime of the national strategy, as well as data specifically collected with an evaluation of the strategy in mind. In some cases, they engaged **professional external evaluators** to help the design of the evaluation plan, but also to lead the implementation of the evaluation process.

When implementing an evaluation, policy makers who successfully evaluated their strategies have pursued a **comprehensive approach**. They had the foresight to embed evaluation into their national strategy, design a governance structure with transparency and feedback in mind, link implementation to data gathering and research goals to outcomes. They have created a **participatory approach** by defining stakeholder involvement in the national strategy work and also in the evaluation work. They actively engaged in discussions with their stakeholders and the entire financial literacy community in their jurisdictions (and often the international community). They looked to the evaluation results to re-define the goals of the national strategy and to encourage all stakeholders to work towards those goals. In other words there was an aim to create a **culture of evaluation and research** across the entire financial literacy ecosystem. Last but not least, they also **earmarked dedicated resources** to these activities.

The specific lessons drawn from the OECD/INFE members' submissions and from the evaluation literature, can serve as recommendations for policy makers embarking on the evaluation of their national strategies:

- **An impactful evaluation approach is a systemic evaluation approach**, which takes account of the overall goals of the national strategy and how these are translated into implementation targets for the stakeholders.
- To create long term evaluation impact and a legacy of perpetual learning, coordinators of national strategies should look **to create a culture of evaluation** in the financial literacy community in their jurisdiction.
- **Thinking about evaluation early on, while preparing and drafting the national strategy, will pay off**. Considering evaluation goals and how to achieve them allows policy makers to define the goals of the national strategy itself.
- Having defined goals of the national strategy, which are then translated into objectives that are actionable and measurable, represents an implicit theory of change. Converting this into an **explicit theory of change** through a purposeful and interactive process with the key stakeholders and partners of the national strategy is the basis of a successful evaluation approach.
- **Evaluation approaches need to be mixed**. Quantitative objectives can provide useful benchmark numbers to assess progress, however qualitative objectives that seek to foster relationships,



spread ideas and create a certain learning environment can provide opportunities to involve stakeholders in discussions about their roles, perceptions and needs.

- **There needs to be a good understanding of what the evaluation priorities are.** Even a systemic evaluation approach would need to set priorities and match resources to pressing needs.
- **Building flexibility into the evaluation approach** (as well as the national strategy deliverables) is useful because both people's needs and the financial environment change.
- It is important to create a **communication strategy** that is comprehensive and aimed towards not only communicating widely, but also interpreting, and popularising the success that stems from the evaluation results. This will provide a platform for engaging the general public with financial literacy and education, and to strengthen political support for the strategy.
- **Funding for evaluation needs to be set up front.** Unless resources are earmarked for evaluation and learning activities early on, these can easily be ignored as budgets are often tight and implementation costs may increase. Appropriate funding also allows for the engagement of professional evaluators who can ensure the quality of the evaluation process is high.
- **Engaging professional and external evaluators** to either provide guidance or complete the entirety of the process of evaluating national strategies brings relevant skills and an external perspective. External evaluators could also provide very useful in fostering a debate between various stakeholders.

# Annex A. OECD/INFE work on the evaluation of financial literacy policies and programmes

## OECD/INFE work on the evaluation of financial literacy and education programmes

Starting in 2008, the OECD/INFE has developed significant work in relation to the evaluation of financial education programmes, much of which can guide work on the assessment and evaluation of national strategies.<sup>8</sup> The OECD/INFE developed the “OECD/INFE High-level Principles on Evaluation of Financial Education Programmes” in 2011 and two “OECD/INFE Guides to Evaluation” in 2011. Further work on programme evaluation was conducted under the support of the Russia/WB/OECD Trust Fund for Financial Literacy and Education. This included the report “Evaluating financial education programmes: OECD/INFE Survey, evidence, policy instruments and guidance”<sup>9</sup> prepared for the 2013 G20 Summit in Saint Petersburg. The report collects country evidence and lessons learned in evaluating financial education programmes. It also suggests an overall framework to guide policy makers and financial educators when designing an evaluation study. Moreover, under the support of the Russia/WB/OECD Trust Fund, the World Bank developed an Evaluation toolkit on methods for evaluation financial evaluation programmes in developing countries,<sup>10</sup> and supported the evaluation of a number of financial education programmes.<sup>11</sup>

## OECD/INFE work on the evaluation of national strategies for financial literacy

Within the OECD/INFE work on national strategies there are useful elements to support more systematic work on evaluation of national strategies. These elements have been collected in the recent OECD Recommendation of the Council on Financial Literacy, adopted by the OECD Council on 29 October

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<sup>8</sup> OECD/INFE work on evaluating financial education programmes is summarised here: <http://www.oecd.org/finance/financial-education/evaluatingfinancialeducationprogrammes.htm>; There is also growing evidence of the effectiveness of various approaches to financial education and a budding literature on assessing the effectiveness of financial education programmes. An increasing amount of research is available that shows financial education, as long as it is approached properly, can contribute to explaining financial skills and help somewhat towards advancing financial behaviour. Most, if not all, of these studies are focused on individual programmes and attempt to apply a randomised control trial approach. At the same time, various meta-analyses show that financial education programmes contribute little to changing behaviour, especially if they focus on expanding knowledge. One notable example is a recent study by [Kaiser and Menkoff \(2016\)](#). A note by the Money Wise Platform “[Effective Ways to Advance Responsible Financial Behaviour](#)” (2017) provides an annex with summaries of studies of effectiveness of financial education programmes that accentuates the lack of assessments of overall national strategies.

<sup>9</sup> [http://www.oecd.org/daf/fin/financial-education/G20-Evaluating\\_Fin\\_Ed\\_Programmes\\_2013.pdf](http://www.oecd.org/daf/fin/financial-education/G20-Evaluating_Fin_Ed_Programmes_2013.pdf)

<sup>10</sup> <https://www.finlitedu.org/evaluation/wb/toolkit/>

<sup>11</sup> <https://www.finlitedu.org/evaluation/wb/pilots/>

2020<sup>12</sup>; the OECD/INFE Policy Handbook of National Strategies for Financial Education: (2015), along with various case studies developed from a survey of OECD/INFE members.<sup>13</sup> Together they provide a valuable starting point for this work.

The impact of a national strategy depends on the various components of that strategy. These could include approaches such as communication campaigns, targeted financial education and special events to motivate savings or better money management. In addition, governance is an important element of a national strategy. This includes effective resource acquisition and allocation, sharing of responsibilities among various stakeholders, correct identification of target groups and policy priorities, the implementation of appropriate learning frameworks and appropriate efforts to reach scale. It is rarely feasible to evaluate every component of the strategy, but it is nevertheless beneficial to know whether the strategy as a whole is making a difference and to have some insights into the relative benefits of various components.

The OECD/INFE Policy Handbook on National Strategies for Financial Education (hereon in, 'the Policy Handbook') distinguishes between monitoring - a process of regular tracking of the implementation process - and evaluation - the comprehensive process of understanding how the national strategy has advanced towards its objectives.

- **Monitoring**

A key element of the evaluation process is monitoring the implementation of the strategy. This usually involves developing indicators or trackers that can follow the elements of the strategy being implemented, such as the reach, the implementation process and/or time and resources spent on implementation. Such indicators tend to be quantitative in nature and they tend to be used on a rolling or regular basis, rather than at the end of the strategy's implementation.

- **Evaluation**

The evaluation proper tends to be a comprehensive (and complex) process, which may combine regular and one off activities, as well as a mix of assessment methods. The main instruments used to quantitatively assess progress/outcomes of national strategies are repeated waves of financial literacy surveys or household surveys and secondary analysis on the data collected. This allows public authorities to track progress on a population-wide scale and observe changes among specific target groups. Other quantitative tools can be higher-frequency financial literacy indicators or trackers, which differ from those used for monitoring in that they are used to track the evolution of financial literacy and behaviour variables, rather than consumer reach and implementation progress.

Qualitative methods provide an important complement to survey data. Stakeholder consultations and case studies of programme implementation can highlight specific experiences which are often lost when looking at averages. They can also highlight some success/failure stories and provide some understanding to the patterns detected with surveys.

The Policy Handbook synthesised the following key lessons on evaluation of national strategies: <sup>14</sup>

- Roadmaps, as part of a National Strategy, should include a formal timeframe for the evaluation and revision of the strategy (unless revisions are made continuously through established decision-making structures).

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<sup>12</sup> Recommendation of the OECD Council on Financial Literacy:  
<https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0461>

<sup>13</sup> OECD/INFE Policy Handbook, p. 69; See pp. 70-71 for country case studies of evaluation programmes and various methods used.

<sup>14</sup> OECD/INFE Policy Handbook, p.72

- National Strategy documents should state the objectives of the strategy and strategies should be designed with these in mind. Such objectives can be quantitative in nature, to allow for quantifiable evaluation targets, or can be qualitative in nature but with a clear directionality, again to allow for an assessment.

The development of core competencies on financial literacy can support evaluation, as they identify common financial literacy targets against which to measure progress as a national strategy is being implemented.

- Methods and tools to monitor and evaluate the overall national strategy should be designed and budgeted for when preparing the national strategy, and should be included in its roadmap and action plan.
- There are benefits in having standardised indicators and evaluation methods for programmes that are applied throughout the country. This allows comparison and analyses of more effectively evaluation and monitoring data from a variety of private and not-for-profit stakeholders implementing financial education programmes within the scope of a national strategy, to better understand the contribution that various components make to the overall strategy.
- The importance of good reporting to measure progress made in the national strategy's implementation should not be overlooked. Implementing bodies should be encouraged to provide updates on the activity conducted as well as evaluation evidence, and to report, nationally and (where relevant) internationally, other significant information necessary to track the impact of the strategy and knowledge of what works.

## Key differences between evaluation of national strategies and evaluation of programmes

Whilst the basic principles of evaluation still hold, there are fundamental differences between evaluating a national strategy and assessing a financial education programme against its objectives. The evaluation of a national strategy is more complex and could include multiple methodologies and evaluation aims that go beyond effectiveness.

Since most national strategy leaders are not the only implementers within the country, they need to rely on a multitude of stakeholders to deliver the financial education that leads to an improvement at the national level. An evaluation of a national strategy then needs to know whether the financial education programmes in combination have made enough of a difference to progress towards achieving the overall objectives of the strategy. National strategy evaluation may therefore include an assessment of the governance, coordination and monitoring mechanisms, the implementation methods, the role of stakeholders, and the effects of any communication or publicity plans.

In summary, an evaluation of a national strategy is likely to consist of at least four key components:

- A component that is *assessing institutional coordination*. It may review the governance of the national strategy by assessing roles and responsibilities of stakeholders, the communication channels with stakeholders and consumers. It may also take into account knowledge sharing practices that exist within the strategy and how successfully the strategy has avoided wastage and duplication.
- A component that is *assessing the programmes that are conducted under the umbrella of the national strategy*. This could look into reviewing all the programmes conducted under the national strategy (and any evaluation evidence from them) and their joint impact.
- A component that is *assessing the actual process or implementation*. This could include an analysis of the delivery methods used and their appropriateness for specific target groups. It may also

include an assessment of the effectiveness of implementation approaches, such as providing financial education directly or supporting stakeholders in their delivery for instance. It could look into the flexibility of delivery approaches and resource allocation, whether for instance any ineffective programmes were cancelled or changed in the course of the strategy. Assessing publicity and outward communication of the national strategy and its objectives would allow the coordinators to understand better how to manage the public image of the strategy.

- *Overall progress measures.* Quantitative data, like a financial literacy survey with national coverage, or monitoring indicators, as well as regular/repeated surveys, would bring some core evidence of overall progress. Qualitative data from interviews of stakeholders and consumer and/or focus groups will provide important nuance and allow true understanding of the issues that may be impeding the implementation.

## Annex B. Jurisdictions and authorities that provided information

Table A.1. lists the jurisdictions and authorities that provided information for this report, either through an interview or by responding to the OECD/INFE stocktaking survey on the evaluation of national strategies.

**Table A.1. Jurisdictions that provided information for this report**

Jurisdiction	Authority	Interview	Survey and/or written submission
Armenia	Central Bank	✓	
Austria	Oesterreichische Nationalbank		✓
Canada	Financial Consumer Agency of Canada		✓
Chile	La Comisión para el Mercado Financiero		✓
Czech Republic	Ministry of Finance		✓
Germany	Deutsche Bundesbank		✓
Guatemala	Superintendencia de Bancos de Guatemala		✓
Haiti	Banque de la République d'Haïti		✓
Hong Kong, China	Investor and Financial Education Council	✓	
Hungary	Ministry of Finance, Central Bank		✓
India	Reserve Bank of India		✓
Indonesia	Indonesia Financial Services Authority	✓	
Japan	Bank of Japan		✓
Latvia	Financial and Capital Market Commission		✓
Mongolia	Bank of Mongolia		✓
Montenegro	Central bank of Montenegro		✓
Netherlands	Ministry of Finance	✓	
New Zealand	Commission for Financial Capability		✓
Palestinian Authority	Palestine Capital Market Authority		✓
Paraguay	Comision Nacional de Valores		✓
Peru	Superintendencia de Banca, Seguros y Administradoras Privadas de Fondos de Pensiones	✓	
Poland	Ministry of Finance		✓
Portugal	Banco de Portugal		✓
Romania	National Bank of Romania		✓
Spain	Comisión Nacional del Mercado de Valores, Banco de España		✓
Sweden	Finansinspektionen		✓
Turkey	Central Bank of the Republic of Turkey		✓
UK	Money and Pensions Service	✓	
US	Consumer Financial Protection Bureau	✓	



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