

Research and Evaluation Subcommittee Areas of Focus

Subcommittee Members:

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Background

Ongoing and rigorous financial education and financial access research and evaluation will lead to better understanding of the barriers to widespread financial capability, and of the effectiveness of interventions that aim to address them. More information is needed to help policy makers and practitioners determine which programs and practices should be established, scaled up, or discontinued, and how financial education and financial access efforts can best keep pace with the changing, increasingly complex, high technology financial system.

This subcommittee is exploring several themes in both research and evaluation to leverage existing knowledge to improve, enhance, and measure the impact of financial education and financial access ranging from extremely localized efforts to widespread national programs. The subcommittee also is working to develop recommendations based on the gaps it is identifying in these fields.

Considered Areas of Focus

Key areas of importance identified by subcommittee members include:

- General
- The need for a defined leadership group: leverage existing leaders and identify what else is needed in the area of research and evaluation.
- Gaining a better understanding of the Financial Literacy and Education Commission (FLEC) and Consumer Financial Protection Bureau research and evaluation efforts to avoid duplication and encourage cooperation.
- Identify the drawbacks of “one-size-fits-all” approaches to financial capability and how to overcome them.
- The need to address weaknesses in distribution systems.
- International linkages and models for innovation and effectiveness.
- Evaluation of programs that incorporate nationally-identified core competencies.
- Sharing knowledge of existing resources and studies to help inform the subcommittee’s recommendations.
 - Already many sources have been identified and shared, including resources from the Federal Reserve, the Financial Literacy Research Consortium, Financial Industry Regulatory Authority, FLEC members, the Library of Congress’ Federal Research Division, the Pension Research Council, Learning Point Associates, National Endowment for Financial Education, and the Center for Financial Services Information, in addition to numerous universities.
 - The subcommittee gathered several key academic researchers in Washington, D.C., in March to provide summary briefings and discuss research priorities and gaps to help frame the subcommittee’s work.
- Sharing information on research and effective strategies, including rigorous evaluation of successful models/programs, using a “What Works”-style website like one the Department of Education maintains for education (but modified for financial education). Establishing this

type of knowledge channel also addresses facilitating a practical and actionable link between academics and practitioners.

- Evaluation
 - The need for a clearer understanding of existing assessment standards in financial education evaluation, and addressing the need for assessment standards and models customized for financial education.
 - The need for a definitive study on financial education effectiveness: a large-scale, longitudinal, experimental evaluation of financial education programs across the country. This study is necessary because there is a need to identify a baseline in this area.
 - Widespread and sustained usage of rigorous evaluation, including experimental and quasi-experimental designs, to determine not only what works and what does not, but why it does or doesn't work, and implications to improve instructional practice
 - The need to develop and use return on investment measurement for pre-purchase and loss-mitigation financial education counseling beyond anecdotal studies.
 - Expanding evaluation scope to include wider range of financial education programs (most programs evaluated serve K-12).
 - Evaluation of interventions that involve both financial education and financial access elements.
- Research¹
 - Focusing on the importance of independent research that is directed/targeted and linked to practical application.
 - Distinguishing effective and rigorous research.
 - Focusing on behavior and decision making.
 - The need for consumer protection research to provide individuals with the means to resist fraud and protect their assets.
 - The benefits of coordination within the research and funding communities: identifying overall priorities, addressing lack of funding and cooperative funding, and identifying highest and best use.
 - Public/private opportunities and benefits.
 - Gaps in research: audience segmentation, pros/cons of evaluation, certification, accreditation, etc., informal vs. formal learning.
- Topic gaps
 - Include revisiting the published research priorities of FLEC in 2008.
 - Elder Americans and the variety of wealth distributions (retirement savings, life insurance, etc.) and opportunities for fraud.
 - Elder Americans and the role diminished capacity will play in financial capability.
 - Financial decision-making related to investing in postsecondary education, including college student loans and student debt.
 - Integration of financial education (skills and access) with “teachable moments” such as starting a new job, getting a student loan, getting a mortgage, etc.

¹ According to the USDA, the difference between research and evaluation is the purpose of each. While research serves to “produce generalized knowledge based on inference from a sample to a population,” evaluation serves to “judge the merit or worth of something.”

http://www.fsis.usda.gov/orlando2002/presentations/tshuster/tshuster_text.htm

Action Items

Subcommittee members recognize the large scope of themes of interest they have identified and now are working to identify a core group of priorities and more fully explore the landscape for each of those opportunities.

The subcommittee will emphasize:

- The need for efficiency in avoiding duplication of work and resources
- The importance of linkages to the FLEC's National Strategy for Financial Literacy and Core Competencies, and practitioners (including educators, curriculum designers, and researchers)
- The benefits of a well-defined leadership to coordinate these efforts