

ChildFinance Academic Working Group Meeting Outcomes and Key Conclusions

14-15 October, 2010

Chicago, Illinois



ChildFinance



YouthFinance

ChildFinance Academics Working Group Meeting

What is ChildFinance

“The creation and strengthening of systems, structures and policies which provide children with choices, informs them of their rights, instills in them values, empowers them to make sound financial decisions, build their assets and invest in their own futures”

ChildFinance is a concept born from the experiences of organizations promoting financial education and financial access to children and youth across the world. ChildFinance stresses the importance of early financial education of a high standard supported by a financial system which promotes access to safe and fair financial products and services for children and youth.

Working Groups

In June 2010, experts from across the globe, representing the financial sector, government, multilaterals and bilaterals, children’s rights organizations, academia and the corporate sector came together to lay down the foundations for a movement for ChildFinance. Together, they set the initial strategic framework based on shared experiences and expertise. The meeting resulted in the creation of thematic working groups, tasked with further refining the strategic elements for the wider ChildFinance movement.

These working groups include:

- The Access working group which focuses on the products and services which can be offered to children.
- The Regulation/Policy working group which explores the regulatory aspects that can support ChildFinance.
- The Education working group, focused on creating and integrated and unified approach to social and financial education
- The Research working group made up of academics whose work is focused around the different elements of ChildFinance
- The Media working group which seeks to build awareness around the topic of ChildFinance
- The Strategy working group which is dedicated to creating the governance structure for the ChildFinance movement

ChildFinance Academics Working Group

The Academics Working Group is comprised primarily of those directly involved in academia, but also many researchers doing field work for a variety of civil society organizations. The work done within this group will serve as the theoretical base upon which the movement will stand and inform the strategic directions taken within the secretariat.

ChildFinance Academics Working Group Meeting 14-15 October, 2010- US Federal Reserve, Chicago, Illinois

Meeting Attendees:

Simon Bailey- Aflatoun, Jim Berry- Cornell University, Jeroo Billimoria- ChildFinance, Paul Bloom- Duke University, Josh Goldstein- Accion International, Bobbi Gray Kotara- Freedom From Hunger, Miguel Gutierrez- Central American Business Intelligence, Cindy Ivanac Lillig- US Federal Reserve, Breki Karlsson- Reykjavic University, Angela Lyons- University of Illinois, Lew Mandell- Washington University, Chris Medalis- Institute of International Education, Lata Narayan- Tata Institute of Social Studies, Annette Otto- Johannes Gutenberg University Mainz, Trina Shanks- University of Michigan, Joyce Serido- University of Arizona, Margaret Sherraden- University of Missouri at Saint Louis, Julie Tam- Student intern, University of the Pacific, Bram van Eijk- ChildFinance

Meeting Objectives

- To discuss and set working definitions that are commonly used in the ChildFinance-relevant literature
- To map a potential theory of change that academic research can be centered around and that will fit in well with the existing literature
- To discuss the literature review and come to agreement on which indicators and outcomes would be useful for measurement in the future for the various layers of the ChildFinance movement (see ecosystem mapping below)
- To determine the strategy for the academics working group and how it should fit within the wider movement

- To determine the next steps for the working group

Key Decisions and Outcomes

Definitions

Financial Inclusion/Access: A means of safely accumulating, controlling, and spending assets.

Socio-financial capability: The ability to make informed financial decisions that benefit the individual and community.

Empower: To make stronger and more confident, especially in controlling their life and claiming their rights.

Financial Education: Program or product aimed at affecting knowledge, attitudes, skills and behaviors toward financial topics and ideas.

Social Education: Program or product aimed at affecting knowledge of children’s rights, encouraging self-reflection and self awareness and respect for others and oneself.

Financial Literacy: The basic knowledge, skills and attitudes needed to make effective financial decisions and is gained through education and/or life-experience.

Child: Anyone under the age of 18

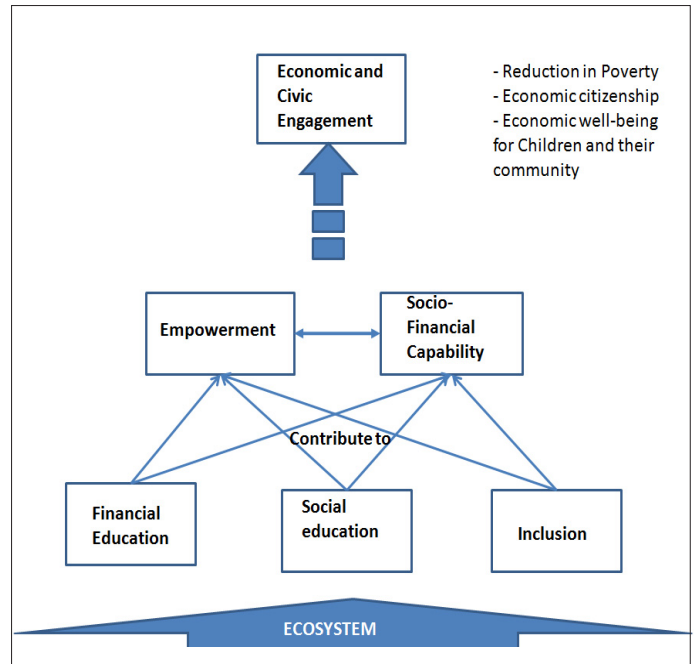
Youth: An individual between the ages of 15 and 24

ChildFinance: ChildFinance can be described as a movement to “support the creation and strengthening of systems, structures and policies which provide children with choices, informs them of their rights, instills in them values, empowers them to make sound financial decisions, build their assets and invest in their own futures.”

ChildFinance Theory of Change

The working group asserts that financial education, when coupled with social education and access to appropriate financial services will lead to empowered and socio-financially capable children which will create a more economically and civically engaged future generation. Some of the potential distal impacts of this could include lowered poverty as well as greater economic well being throughout a given community.

ChildFinance Theory of Change Model



Outcomes and Indicators throughout the ecosystems approach

The academic group looked at the potential outcomes for the ChildFinance movement within an ecosystems approach. While the intervention is targeted at the child, the group felt that success must be measured looking not only at the child, but also at the individuals surrounding the child, at the country level and at the global level.

The Child: In order to gauge success of childfinance at the level of the individual, outcomes must be measured within financial education, social education and access.

Financial Education-

Outcome-Increase in financial literacy/knowledge

Indicator- Change in objective knowledge about financial topics, improved sense of control regarding personal financial future, ability to define/describe financial concepts, improved awareness about financial concepts

Outcome- Improvement in critical thinking abilities

Indicator- more thoughtful decisions, increased time horizon, transferable skills, better use of diverse information sources about finances

Outcome-Attitudinal improvement

Indicator- more responsible attitude towards personal financial well-being, greater awareness of the connection between economy and personal financial behaviors, feeling more connected to larger community

Social/Life Skills Education-

Outcome- Socialization

Indicator- Awareness of personal rights and responsibilities, recognition that those rights apply to

others, increased ability to delay gratification
 Outcome- Increased confidence, self-efficacy, and possible selves
 Indicator- increase in entrepreneurship, articulate future personal goals, establishing interim steps towards personal goals
 Outcome- Higher self esteem
 Indicator- Ability to revise/refine goals to account for changes and setbacks
 Outcome- Increase in social capital
 Indicator- communal engagement, ability to work as part of a team, recognize strengths of others
 Outcome- Increased educational aspirations
 Indicator- Number of young people enrolled in school, amount of time spent in school

Inclusion/Access-

Outcome- Greater financial inclusion
 Indicators- Amount of savings, level of satisfaction, number of youth making use of financial products

The Individual: Gauging the change in those immediately surrounding the child would include his/her family, their peers, educators and community.

Outcome- Improved quality of life in the community
 Indicator- Health indicators in the community (death, access to health services, number of health care providers in the community, etc), Improved safety within the community (fewer crimes committed, reduction in violent crimes), Improved economic outlook (number of people working, average income level, number of new industries)

The country: When looking at the country level, the group recommended that in order to gauge success, numerous things must be examined such as:

Media-

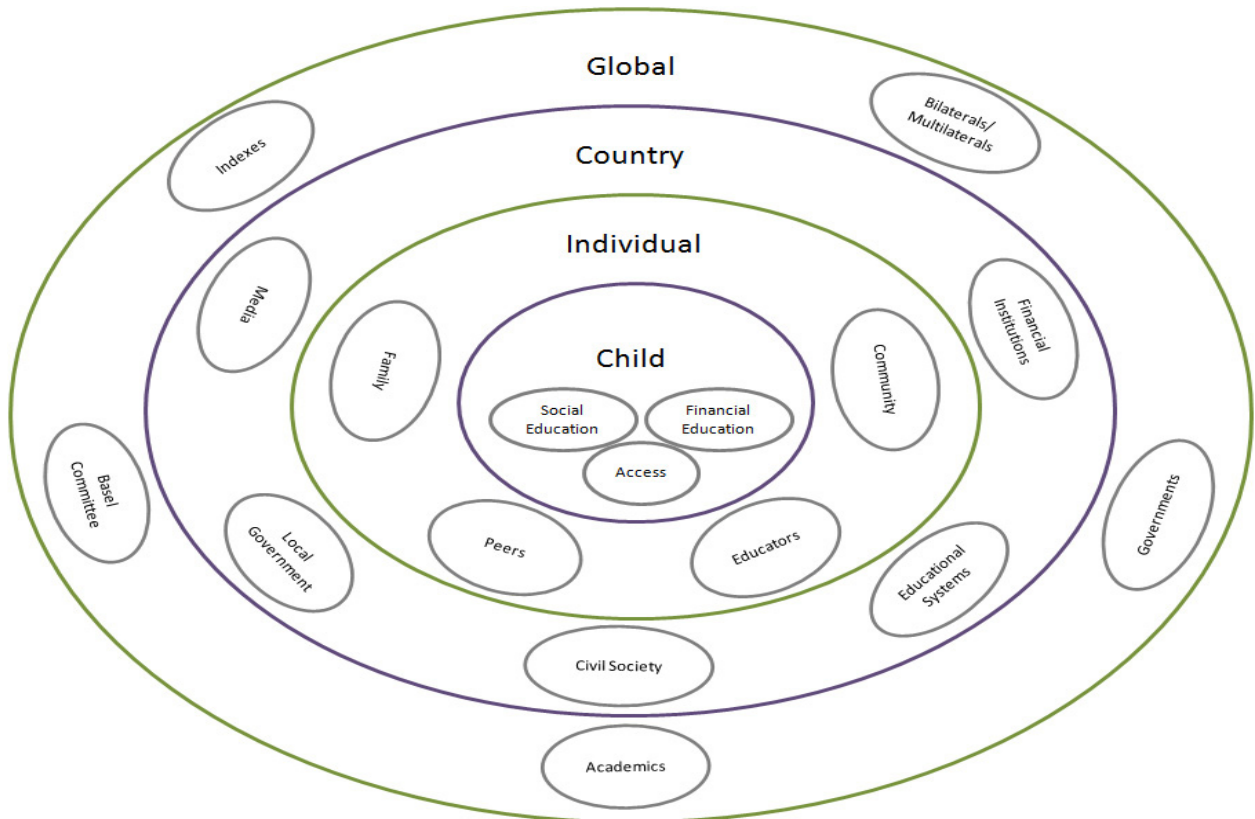
Outcome- Increased exposure of childfinance topics in the media
 Indicators- Number of campaigns, blogs, downloads, etc

Local government-

Outcome- Increase in childfinance-friendly policies of government
 Indicators- number of endorsements, new laws and regulations, social service changes

Financial Institutions-

ChildFinance Ecosystem



Outcome- Greater uptake in child-friendly banking
Indicators- involvement of central banks, policy change, level of competition for child clients, number of innovative new child-friendly products and services, measuring demand for child-friendly products and services, tracking of long term trends in private savings and debt, number of accounts

Educational Systems-

Outcome- Increase in educational systems teaching social and financial education in curricula
Indicators- Number of programs, change in policy to officially accommodate social and financial education, number of in-service training sessions for educators and pre-service curriculum training, number of teacher-workdays on financial education

Civil Society-

Outcome- Increase in civil society participation with childfinance topics
Indicators- number of people/organizations actively engaged in ChildFinance (partners, secretariat, community members, teachers, etc; within a country and aggregate)

Global: When looking at the global level the following things should be considered:

Indexes-

Outcome- Increase in childfinance topics used in global indexes of wellbeing
Indicator- Number of indexes using these

Bilaterals and Multilaterals-

Outcome- Increased involvement of organizations like Unicef or USAID in ChildFinance
Indicators- Funding levels, incorporation of ChildFinance into programs

Governments-

Outcome- Increased national government involvement
Indicators- funding levels, policies, laws

Basel Committee-

Outcome- Involvement of central banks
Indicator- Basel Committee adding the topic of ChildFinance to the agenda

Academics-

Outcome- Increase in research surrounding ChildFinance
Indicator- number of studies conducted

Potential Moderating variables that can affect the relationships within the ecosystem:

Socio-demographics, age, gender, race, ethnicity, culture, disabilities, type of education (direct, indirect/ formal, informal)

Strategy for Academic Working Group

The Academic working group agreed that a clear and coherent strategy for the future must be developed for the research aspect of the movement. To that end, the group set about to do a mapping of projects that are currently underway that are centered around ChildFinance specific topics in the hope that they can then be tracked and outcomes of these can be distributed to a greater audience through the working group. The group also decided to sketch out some key research ideas that can test unproven theories, add supporting evidence to existing ones or to simply contribute to the growing body of literature. Both of these will be expanded further in the Strategy working group.

1.Mapping of Projects

A. Aflatoun/IPA - Randomized Control Trial being conducted by IPA with Aflatoun in Ghana, a savings and education program. The project which will include 6th graders in multiple schools, is currently at the baseline survey point. IPA is willing to include more variables suggested by academic group.

B. IPA-IPA is also conducting a Randomized Control Trial in Uganda looking at school savings coupled with financial education and looking at how kids will invest with their savings.

C. Youthsave- Three year project, with the baseline taking place next summer. The project will be looking at the impact of a savings account for children ages 11-18 in Ghana (the experiment), Colombia, Nepal and Kenya.

D. Population Council- Has a few different projects currently underway. In Bangladesh they are looking at financial education coupled with life skills training and whether there is a difference between the classroom model and the personal training model. The baseline on this project has already been completed. In Kenya and Uganda they are looking at the effects of access to bank accounts coupled with financial education. This is a Randomized Control Trial and the baseline has been completed. In South Africa they are studying the

effects of financial education coupled with life skills education but without any access to financial products. The baseline of this project has also been completed.

E. Freedom From Hunger- In India they are conducting a Randomized Control Trial looking at the effects of financial education on mothers and daughters. In Ecuador and Mali they are compiling financial diaries of targeted youth program that offers access to financial services and financial education.

F. SEED OK- Project in the US testing the policy of the provision of savings accounts to children at birth. This will examine such things as patterns of saving, factors contributing to, amount of savings, etc.

G. Meljol- In India they are studying the effects of financial and social education on those that participate in their programs.

2. Key Research Ideas

A. Combining the various approaches to determine whether they have a significantly greater

impact then when done one at a time.

B. Comparing the various approaches to determine different levels of impact.

C. Determining the impact of an account on its own. Much valuable research on this topic is being conducted or will be conducted (eg.-YouthSave) but more research needs to be done in order to compare and contrast studies once they are completed.

D. Determining the impact of an account when coupled with social/life skills and financial education. This should be done through a Randomized Control Trial so that the effects can be compared with those that did not receive the education and those that received only one of the two aspects.

E. Determining the effects on asset accumulation (through an account but also looking at less formal accounts) of solely providing financial education and comparing it with a group that received both financial and social/life skills education.

Next Steps

The working group members agreed that future meetings should be held in order to coordinate research and potential projects and to generally increase inter-organizational learning. The working group formed three subgroups that will determine more potential outcomes and indicators for the child and individual levels in the movement, determine potential outcomes and indicators for the movement as a whole and further develop the strategy of the academics working group.

Activity	Process & Owner	Date
Minutes of meeting	Bram van Eijk	25 October, 2010
Working group paper	Input from members	31 October, 2010
Working group paper	Rework based on meeting and comments and circulate	05 December, 2010
Outcomes subgroup	Further determining outcomes for the individual and community levels-call to review	by 05 November, 2010
Eco-system/Movement	Determining outcomes for the greater eco-system approach/movement-call to review	By 05 November, 2010
Strategy	Further exploration of the strategy for the academics working group and how it fits into the movement- call to review	By 05 November, 2010
Next Meeting	TBD with consultation of members	Early 2011