

# The Benefits of Combining Financial Education and Accounts

**Eastern Regional Conference on  
Reaching Unbanked People**

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# Major Findings

**The research:** First research effort to systematically and comprehensively document the relationship between financial education and accounts, and the impacts of combining them. However, more research is needed.

- Combining financial education with an account appears to further an individual's movement towards greater financial stability
- Research shows that individuals who receive education and an account tend to:
  - Actively use their accounts
  - Maintain stable account balances
  - Acquire other financial products
  - Take more financial education
  - Demonstrate acquisition of financial knowledge
- Likely due to action and goal oriented aspects of the combination

# Major Findings

- The relationship between financial education and accounts is iterative
  - The practical experience and application of an account is key
  - Accounts make financial education more tangible
  - Accounts appear to be a gateway to other financial services
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# Major Findings

- Stable maintenance of balances in accounts
- Take more financial education and engage in personal planning and budgeting
- Share knowledge among family members
- For youth, financial education and accounts provides a tangible application for new skills and knowledge.

# Lessons for Practitioners

1. Financial education is most effective when timely and relevant, and builds on the direct experiences of participants.
2. Identifying and capitalizing on “teachable moments” are critical.
3. Education providers must adapt content and services to meet the needs of the target population.
4. Aligning content to goals is crucial in motivating consumers.
5. The best financial education programs are highly interactive.

# Lessons for Practitioners

6. 10-12 hours may be the optimal amount of financial education.
7. Financial institutions need to offer accounts with responsive products and policies.
8. Success requires understanding where the individual is and what s/he is ready for.
9. Need to offer the right product with the right features at the right time and make the transaction easy.
10. Matching funds for accounts can be a powerful incentive to attract participants into a program.