Presentation Abstracts

Actions Speak Louder Than Words: Designing Educational Programs That Change Behaviors

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We know that for consumers to act on a disclosure or information—that is, to change their financial behaviors in some way because of the disclosure or information—they need to be exposed to it, be aware of it, comprehend it, remember it when they need it, and be able to use it in their decision-making. Marketing and policy are often targeted at the exposure and awareness end of this process. Document design and consumer testing target the comprehension and, to some extent, the "memorability" of the information. But the cognitive processes that go into utilizing that information in decision-making fall squarely in the realm of education. Thus, in many cases, providing information and well-designed disclosures alone is not enough—consumers may need additional education in order to use that information to change their behaviors.

Designing learner-centered financial education programs that are likely to result in behavior change requires taking into account at least five distinct elements:

- The topics—does the learner need information and education about general cash flow management, credit, saving, investment, retirement planning, estate planning, or some combination of those topics?
- The audience—is the program targeted to the general public, youth, low-income, first-time home buyers, pre-retirees, employees of a particular firm, or someone else?
- Learning styles—is the pedagogy set up for visual, auditory, and kinetic learners?

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- Behavior stage—what is the learner's current stage of behavior change? Are most target learners in the precontemplation, contemplation, preparation, action, or maintenance states? (See Prochaska et al., 1992; Prochaska et al., 1994; Xiao et al., 2004.)
- Level of intervention—are the learners in crisis, in need of general or highly specific information, or do they need help from an expert or specialist?

With such granularity in the possible combinations of these elements, it is no wonder that there are so many players in the financial education arena, including public, private, and nonprofit agencies, organizations, and firms. And although at the macro level concerns remain about levels of bankruptcy and consumer debt and lack of long-term saving and investment, there is some evidence that financial education programs can and do help to change behavior. But it is also becoming evident that education is a complement to, not a substitute for, information and policies designed to promote financial security.