

WELCOME-ED PROJECT ON THE SAVINGS ROUTE

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The Welcome-ED project

Welcome-ED is the project launched by the Museum of Saving to respond to the financial education needs of migrants.

- Financial education is a tool that promotes **social integration**. Knowledge of the functioning of the economic system of the country of arrival can be extremely important to **consciously manage money** in order to **live a dignified life** and **assist the family in the country of origin**.
- Financial education allows you to acquire **transversal skills** such as: improvement in knowledge of the **local language**, ability to **calculate**, plan and define **priorities and objectives**, **time and deadline** management.



**KEY SKILLS TO FOSTER SOCIAL
INCLUSION**

The Welcome-ED project

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2017

- 1) Design of two basic financial education training modules aimed at migrants.
- 2) Development of a pre- and post-treatment questionnaire to **evaluate the effectiveness of the initiative**, in collaboration with the University of Turin
- 3) **Meetings with local authorities and associations** to find the user base.
- 4) Signing of **the Protocol with the National Network of CPIA.**

2018

- 1) Delivery of training modules.
- 2) **Analysis of data** collected through evaluation questionnaires.
- 3) **Design and implementation of a national survey**, in collaboration with IPSOS and Intesa Sanpaolo, on the relationship between migrants and financial education in Italy.

Welcome-ED: the target

The project is aimed at migrants, ideally already in possession of an intermediate knowledge of Italian.

In Italy, financial education initiatives aimed at migrants are still **fragmented and few in number**.

Financial education is particularly important for migrants because:

- It allows you to understand the functioning of the **economic reality** of the host country
- It helps you make informed and conscious **spending and consumption decisions**
- Promotes **social inclusion** (i.e. positive insertion into the context of arrival)

SAVINGS = PROJECTION INTO THE FUTURE

Welcome-ED: THE TARGET

Over **300 beneficiaries** were involved in the period September 2017 - November 2018



Numerous local associations working with migrants and the Adult Education Centers (CPIA) of Turin and its province were involved.



Welcome-ED: where we started

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ANALYSIS OF ALREADY EXISTING PROJECTS AND RELEVANT LITERATURE



- **The focus must not be limited to the use of remittances, but must consider the aspects of managing expenses, savings and debt.**

“The Impact of Financial Literacy Training for Migrants”, Cream Discussion Paper Series, CDP No 16/12, John Gibson (University of Waikato), David McKenzie (World Bank) e Bilal Zia (World Bank)

- **It is important to take into account, both in the content and the distribution methods, the cultural differences between the various ethnic groups involved.**

“Financial inclusion. Policies and instruments for migrants in Italy”, Savings and Development, Special Issue - UMM Master Awards 2015

- **For the initiatives to be effective, it is necessary to take into account logistical aspects (flexibility in choosing the day in order to respond to the needs of different groups) and motivational aspects (combining financial education interventions with broader educational projects, which include personal well-being and basic education).**

“Financial education and the long-term integration of refugees and migrants. Responses to the refugee crisis”, OECD, 2016

Welcome-ED: the contents

MODULE 1: Learning to build a family budget (2 hours)

- Why financial education is important
- Meaning and functions of savings
- Basic elements of financial planning (what is it for and what are the steps to implement it)
- Definition of spending objectives, time horizon, quantification of income and expenses
- How to organize your budget and build a simple financial plan
- Practical exercises on budget management.
- Mention of the role of financial intermediaries and main payment and money transfer instruments

MODULE 2: ABC of investing (2 hours)

- Concept of interest-bearing savings.
- Simple and compound interest rate.
- Concept of risk and return.
- Concept of diversification.
- Illustration of the most basic types of financial instruments.

Welcome-ED: the teaching methodology

- In line with the effectiveness evaluations of already existing financial education programs, we chose to use a **participatory and interactive methodology** (guided discussion, group exercises and games, sharing of experiences and points of view).
- In fact, a **direct approach** tends to be more effective than remote learning in transmitting financial education. It allows you to obtain a **significant increase in knowledge of basic financial concepts and an improvement in concrete management, planning and saving skills**.

Yoko Doi (World Bank), David McKenzie (World Bank) and Bilal Zia (World Bank),
"Who you train matters. Identifying complementary effects of financial education on migrant households", The World Bank, 2012








Welcome-ED: the materials

Short-term objectives

Medium-term objectives

Long-term objectives

OBIETTIVI A BREVE TERMINE	OBIETTIVI A MEDIO TERMINE	OBIETTIVI A LUNGO TERMINE
		
		

Use of graphically pleasing, colorful and fun materials.

Pianifica

Descrizione degli obiettivi:
 Entro quando raggiungerli:

Verifica le entrate/uscite programmate

SOLDI IN ARRIVO			SPESE PROGRAMMATE		
paghetta mensile, regalo compleanno, compenso lavoretto ecc.			figurine, ricarica cellulare, abbonamento streaming tv, bikesharing, gaming online ecc.		
DATA	VOCE	€	DATA	VOCE	€
TOTALE			TOTALE		

OGGETTIVO DI RISPARMIO MENSILE €

SOLDI IN ARRIVO - SPESE PROGRAMMATE - OGGETTIVO DI RISPARMIO MENSILE = CQ CHE RIMANGE PER ALTRE SPESE



Welcome-ED: critical issues and strengths

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CRITICAL ISSUES

- Language barrier
- Very heterogeneous groups in terms of skills
- Difficulty in involving significant numbers
- Difficulty in completing the evaluation questionnaire

STRENGTHS

- High level of satisfaction
- Improvement of the level of starting skills
- Experience of socialization and interaction outside of school

Welcome-ED: impact assessment

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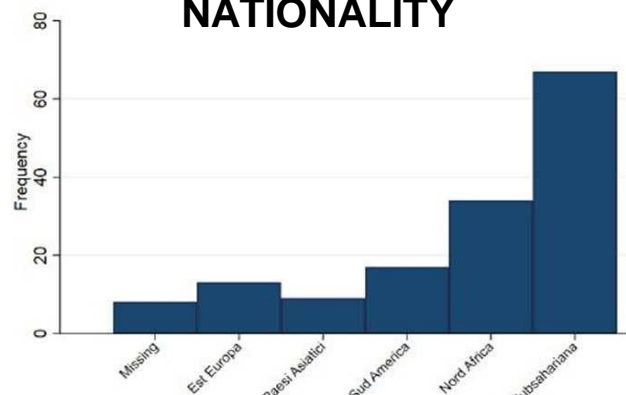
Participants and characteristics of the sample

- The impact assessment was carried out by the **University of Turin** (Alessandra Venturini and Samuel Nocito).
- The survey was conducted on **148 participants** of foreign origin who participated in the entire project and on whom the analysis was carried out (Module 1 only). The participants were selected through the involvement of intercultural associations, cooperatives and provincial centers for adult education (CPIA) operating in **Turin and its province**.
- Migrants from **Eastern Europe, South America, Asia, North Africa and Sub-Saharan Africa**.
- The sample is very heterogeneous in terms of ethnicity and cultural factors, however these characteristics are more homogeneous within the groups defined by the associations of origin.
- Structure of the experiment:
 1. **Step 1:** Pre-module 1 questionnaire
 2. **Step 2:** activities at the Museum of Saving
 3. **Step 3:** Post-module questionnaire 1

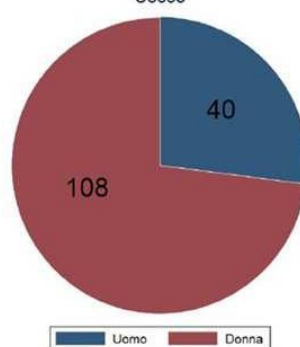
Sample characteristics

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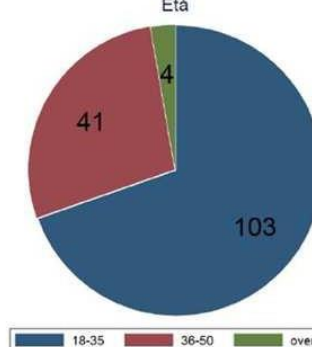
NATIONALITY



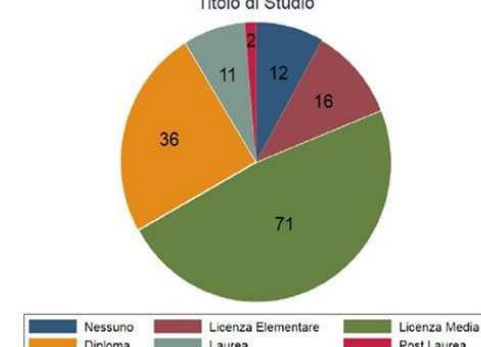
Sesso



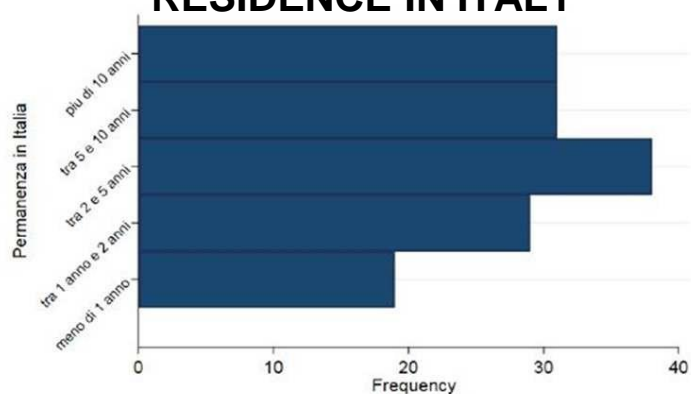
Età



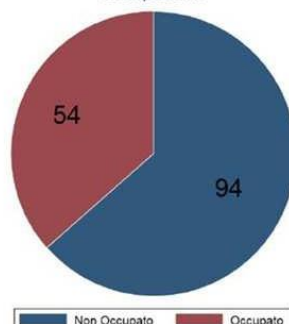
Titolo di Studio



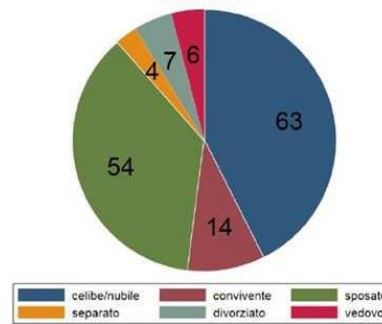
RESIDENCE IN ITALY



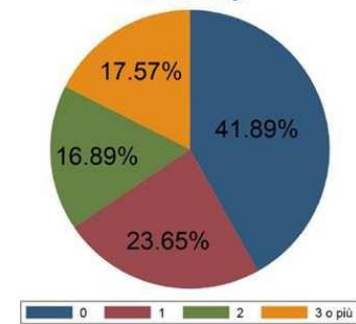
Occupazione



Stato Civile

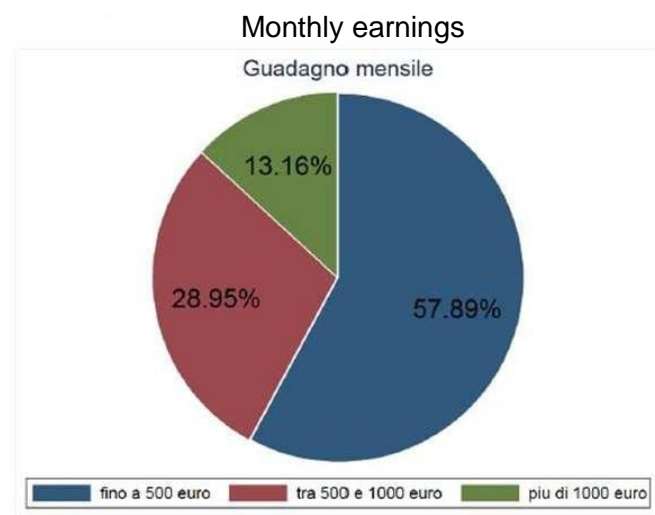


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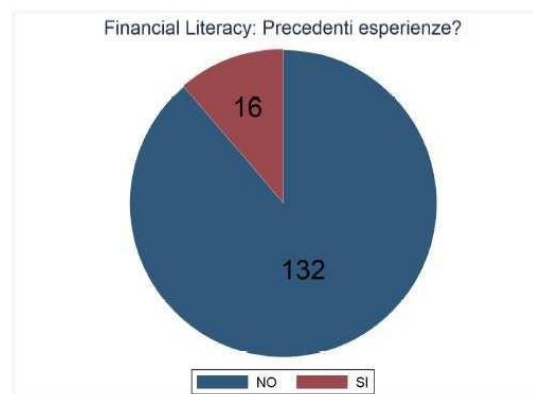


Sample characteristics

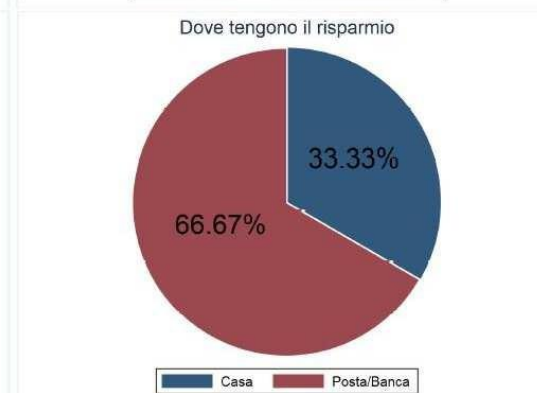
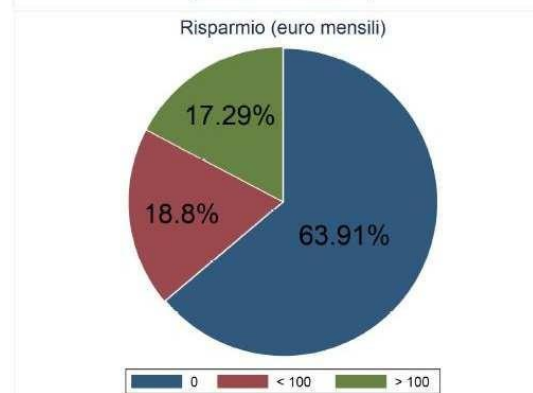
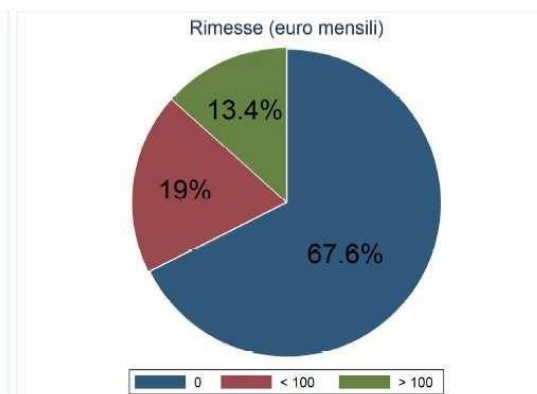
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Financial Literacy:previous experiences?



Remittances (monthly euros)



Savings (monthly euros)

Where they keep their savings

Pre-module questionnaire 1

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Question 1: What do you need to do to save money?

- have a current account
- pay with electronic cards and not with cash
- spend less than you earn
- I don't know

Question 2: Why is it useful to make a financial plan?

- to understand what expenses I can bear
- because we need a reminder
- to compare the prices of the things I buy
- I don't know

Question 3: Buying a house is normally a goal:

- Short term
- medium term
- long term
- I don't know

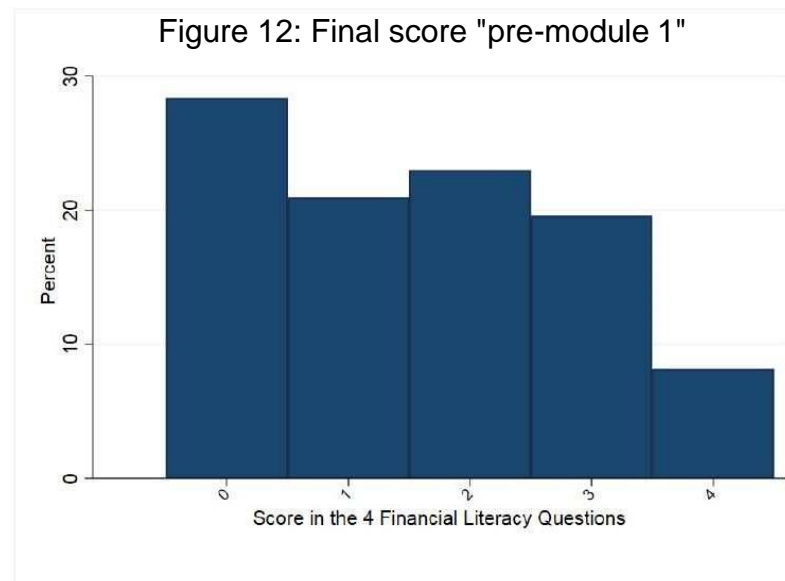
Question 4: To buy a new phone that costs 150 euros, if I earn 800 euros a month and spend 780 a month, and I already have 50 euros saved up, how much time do I need?

- 4 months
- 5 months
- 6 months
- I don't know

Initial level of financial literacy

* Questions are scored 1 point each → The total score ranges from 0 to 4 points.

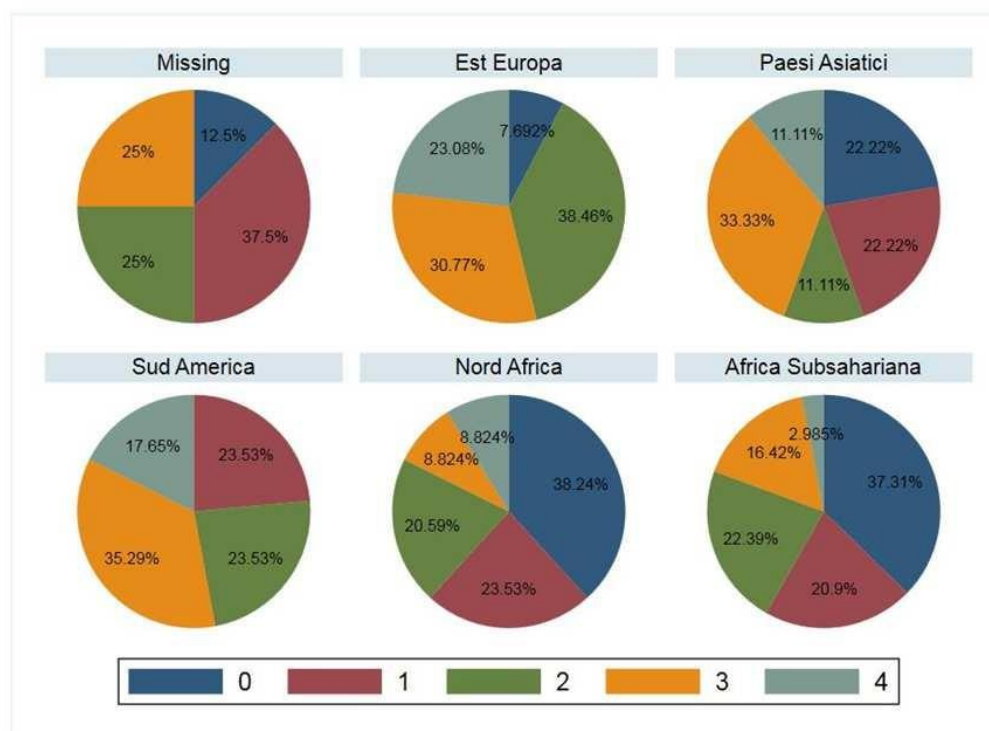
Figura 12: Final Score "pre-modulo 1"



Initial level of financial literacy

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Figure 13: Final score "pre-module 1" by area of origin
Figura 13: Final Score "pre-modulo 1" per area di provenienza



The determinants of the initial level of financial literacy

Linear regression model, estimated with the OLS method, on the basis of the observed characteristics to estimate the main determinants.

Main results:

- positive effect for **men**,
- individuals who belong to **older age groups**,
- who have a **higher** level of **education** (e.g., degree),
- who have been **in Italy the longest**,
- who **work**,
- and who come from countries in **South America or Eastern Europe**.
- marital status and number of children are less relevant.
- **Linguistic component**.
- **Ethnic and cultural factors**.
- **Strong uniformity by Association of origin**.

Effectiveness of the Welcome-ED project

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Difference-in-Differences analysis

Tabella 2: Difference-In-Differences (DID) Fixed Effects (Sampling #1)

Dep. Variable:	Final Score	Q1	Q2	Q3	Q4
	(1)	(2)	(3)	(4)	(5)
Effetto trattamento	1.216*** (0.224)	0.284*** (0.087)	0.257** (0.114)	0.351*** (0.069)	0.324*** (0.105)
Constant	1.581*** (0.056)	0.453*** (0.022)	0.331*** (0.029)	0.385*** (0.017)	0.412*** (0.026)
R^2	0.383	0.170	0.148	0.254	0.205
Observations	296	296	296	296	296
F-stat	29	11	5	26	9

Note: Clustered Standard errors sui gruppi definiti dalle associazioni aderenti all'iniziativa in parentesi. *, **, *** indicano rispettivamente una significatività statistica del 10%, 5% e 1%. La proporzione tra treatment e control è definita al 50 per cento all'interno di ogni gruppo definito dalle associazioni.

Clustered standard errors on the groups defined by the associations participating in the initiative in brackets, *, **, *** indicate a statistical significance of 10%, 5% and 1% respectively. The proportion between treatment and control is defined as 50 percent within each group defined by the associations.

Effectiveness of the Welcome-ED project

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Interpretation of results

- Diff-in-diff analysis on balanced panel
 - The overall result (**final score**) **increases by 1.2 points** on the average of 1.58 (constant) due to the **treatment effect**.
 - The probability of success in each individual question (Q1-Q4) increases on average by 25 to 35 percentage points.

Level of satisfaction with the Welcome-ED project

- Almost all the participants expressed an extremely positive opinion on the project
 - **Almost always a rating of at least 9/10**
- Feeling of inclusion and social participation
- The methods of teaching the topics covered were judged very positively, both in terms of clarity and typology.