



# Innovations in Behavioral Design & Delivery Channel for Financial Management Training

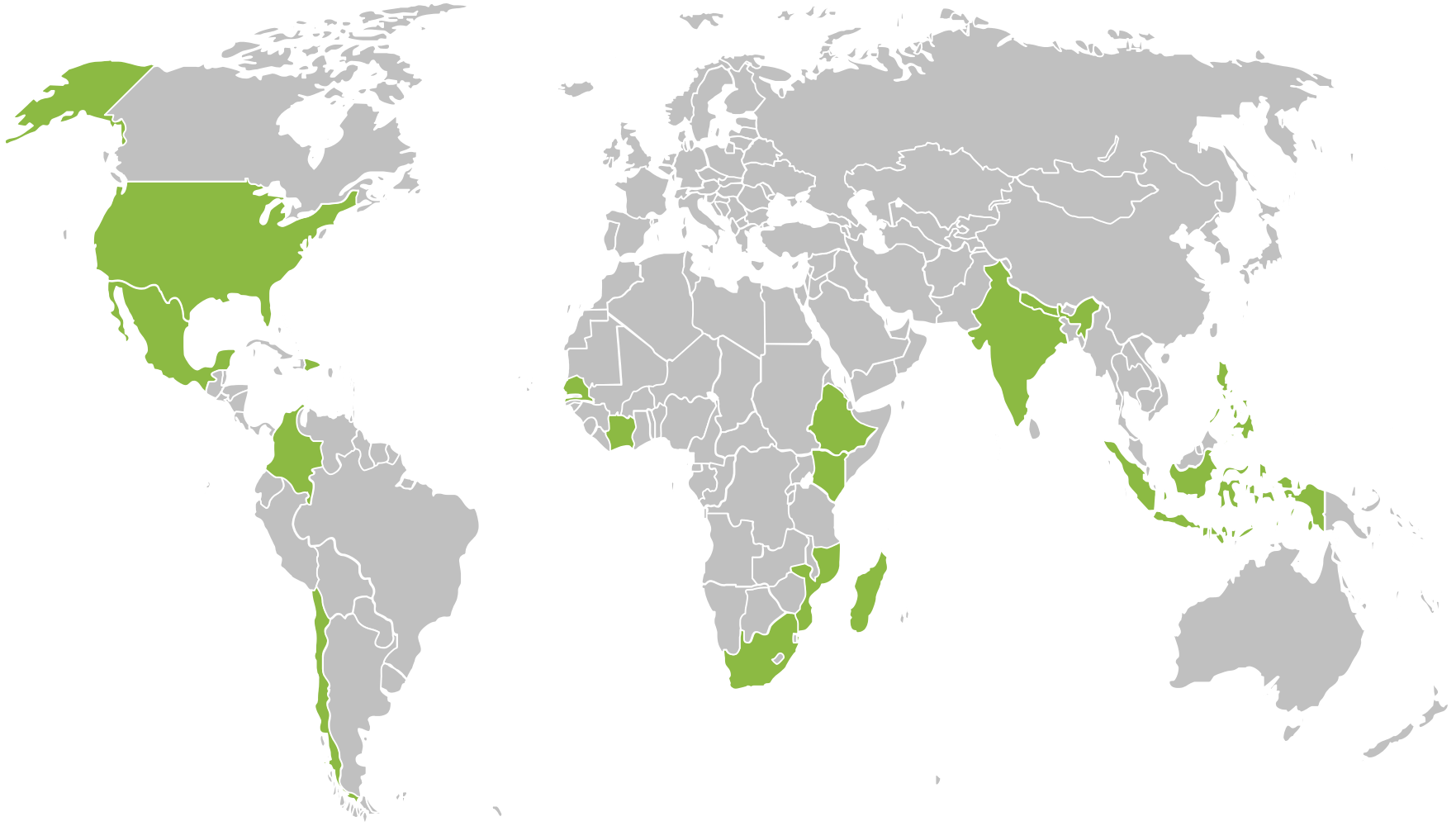
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Asia Pacific Financial Inclusion Summit, October 29, 2015

What is **ideas** 42 ?

**We use the theories of behavioral science to design solutions to some of the world's most persistent social problems.**

# Across domains, across the globe



# Traditional financial products are designed to meet people's expressed needs...

1. **If you build it, clients will come:** J-PAL / IPA meta analysis found lower product take-up rates than anticipated by MFIs, at 13-31%.
1. **Sign up doesn't automatically mean usage:** Our work with CARD Bank found that 58% of newly opened savings accounts are dormant.
1. **Usage doesn't automatically mean good results:** Over-indebtedness has become an important issue for the microfinance industry.

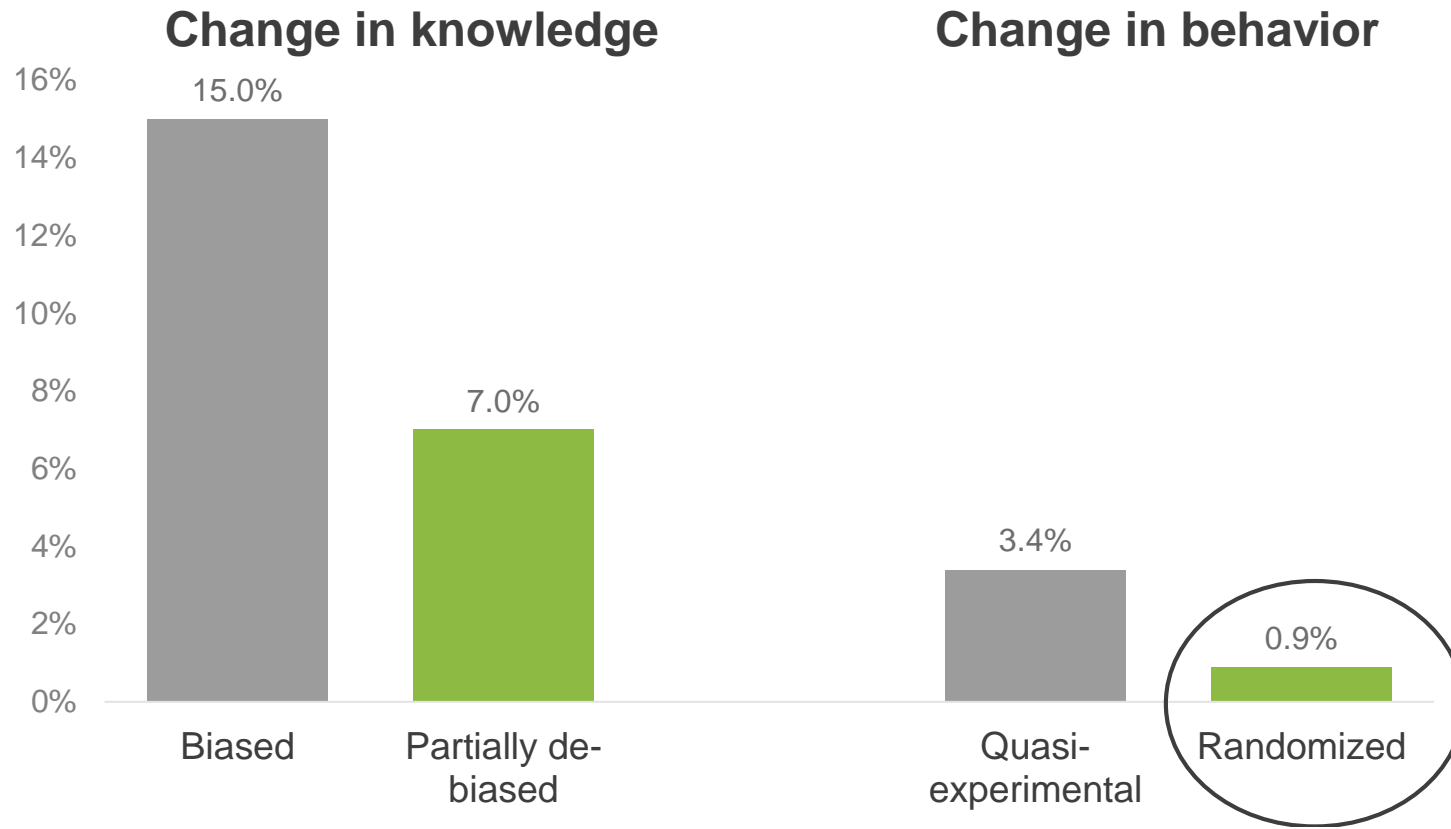
# What does this have to do with behavioral science? People are inconsistent





# Financial literacy and counseling don't seem to have much effect on behavior

## Meta-Analysis of 201 studies

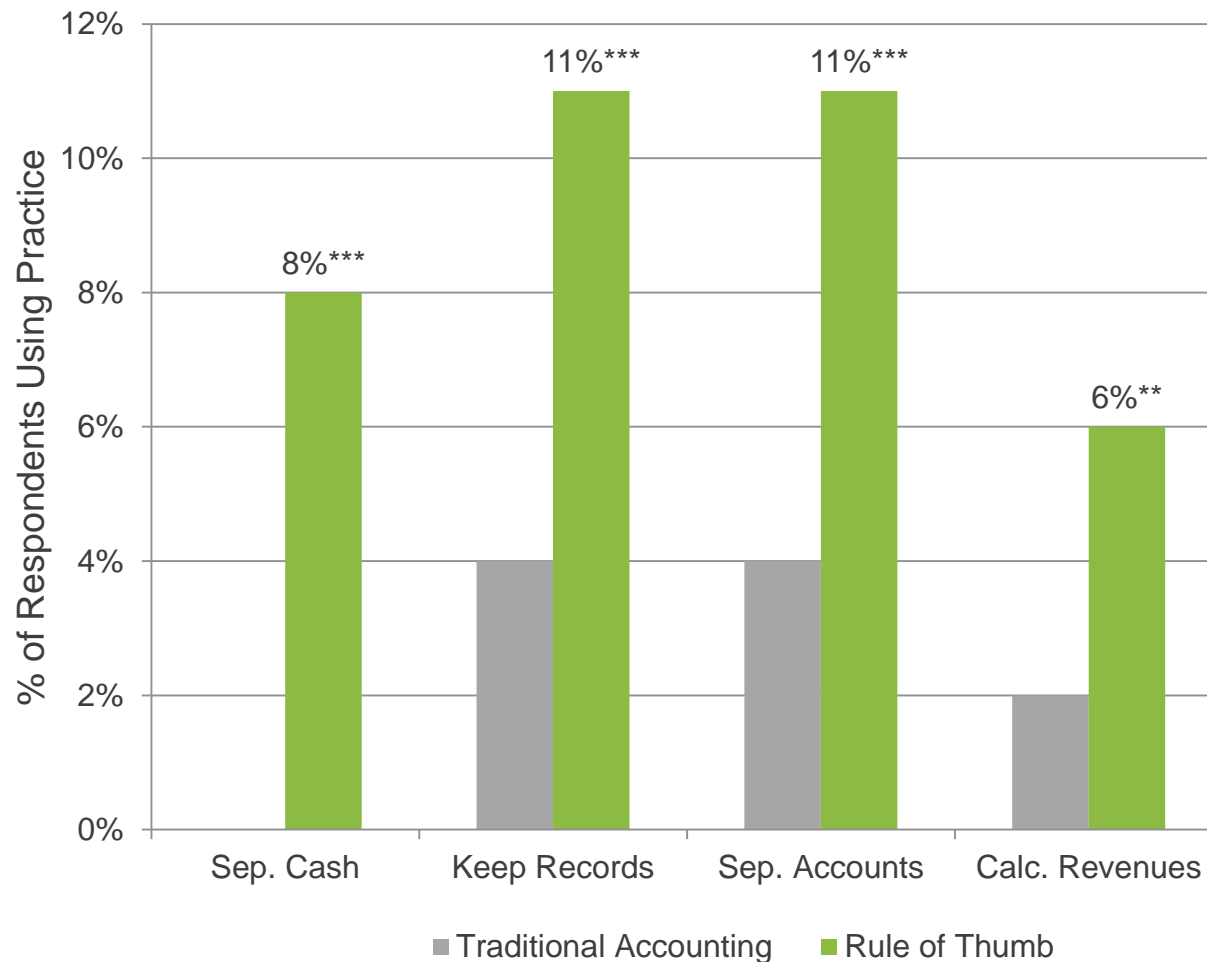


Fernandes, Lynch, and Netemeyer, 2014.

# Behavioral principles behind Financial Heuristics: Simplicity

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- Keep two “drawers” – business and household
  - Assign yourself a weekly salary
  - If you “borrow” from the business, pay it back
  - Only give credit to customers if prior credit is paid off

# Financial Heuristics affects behavior: It improves business practices...





# And more importantly, business revenues



# The solution at scale: Financial Heuristics training over mobile

## Innovations:

- **Content:** Create behavioral content that results in changes in business practices
- **Delivery channel:** Reach clients where they are, with a phone mini series



# THANK YOU

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