



## Who You Train Matters Identifying Complementary Effects of Financial Education on Migrant Households

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Intervention Category	Training
Sector	Migration and Remittances
Abstract	<p>There has long been a concern among policymakers that too much of remittances are consumed and too little saved, limiting the development impact of migration. Financial literacy programs have become an increasingly popular way to try and address this issue, but to date there is no evidence that they are effective in inducing savings among remittance-receiving households, nor is it clear whether such programs are best targeted at the migrant, the remittance receiver, or both. The authors conducted a randomized experiment in Indonesia which allocated migrants and their families to a control group, a migrant-only training group, a family member-only training group, and a training group in which both the migrant and a family member were trained. Three rounds of follow-up surveys are then used to measure impacts on the financial knowledge, behaviors, and remittance and savings outcomes of the remaining household. They find that training both the migrant and the family member together has large and significant impacts on knowledge, behaviors, and savings. Training the family member alone has some positive, but smaller effects, whilst training only the migrant leads to no impacts on the remaining family members. The results show that financial education can have large effects when provided at a teachable moment, but that this impact varies greatly with who receives training</p>
Gender Connection	Gender Focused Intervention
Gender Outcomes	Female vocational knowledge or skills, access to credit
IE Design	Randomized Control Trial
Intervention	<p>The intervention consisted of financial literacy training. The migrant financial literacy training included 2 days of training for 9 hours a day. The family member training was one day and 8 hours. There were six core modules on : financial management, banking services, savings, debt management, remittances, and insurance. The training was participatory and interactive with groups, games and assignments.</p>
Intervention Period	18 hours for migrants, 8 hours for family members
Sample population	<p>The sample comes from 11 job placement companies. 400 households were identified, almost all of whom were female with the median age of 29. 26% achieved primary school, 45% secondary school, and 28% senior high. The main occupation for migrant work is as</p>



	a housemaid, which accounts for 80% of the migrant work.
Comparison conditions	There were three treatment arms and one control group. The treatment arms included: financial training to migrant only financial literacy training to migrant worker's household only, financial training to both migrant and household member.
Unit of analysis	The remaining household members
Evaluation Period	February 2010 -March 2011
Results	Training the migrant worker and their family member results in increased financial awareness and applied financial knowledge for the remaining household members. While the training does not change the frequency or quantity of the remittances, training increases the chance that households keep financial records, accumulate more savings and rely less on loans. Households in which both the migrant and their family member were trained are 19 p.p. more likely to be aware of financial terms and 12.5 p.p. more likely to have saved in a bank account. Training only the remaining family has a much smaller impact.
Primary study limitations	The results of the training or only measured for remaining household members, not the migrant him/herself
Funding Source	Gender Action Plan, Trust Fund for Investment Climate and Multi-Donor Facility for Trade and Investment Climate.
Reference(s)	McKenzie, D., & Zia, B. (2012). Who you train matters: identifying complementary effects of financial education on migrant households. World Bank Policy Research Working Paper, (6157).
Link to Studies	<a href="https://openknowledge.worldbank.org/handle/10986/12009">https://openknowledge.worldbank.org/handle/10986/12009</a>
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