

HARNESSING EMOTIONAL CONNECTIONS TO IMPROVE FINANCIAL DECISIONS: EVALUATING THE IMPACT OF FINANCIAL EDUCATION IN MAINSTREAM MEDIA

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Abstract

Responsible financial habits are important for economic welfare, yet it remains unclear whether they can be effectively taught. Entertainment media offers a unique and cost-effective channel of reaching millions of viewers with financial education messages that resonate. This paper uses random and symmetric encouragement methodology to study the economic impact of targeted messages on debt management and gambling scripted in a popular television soap opera in South Africa. The results show treated viewers score significantly higher on financial knowledge, are more likely to borrow from formal sources and for productive purposes, and are less likely to enter into retail credit or gamble. Quantitative and qualitative analyses of mechanisms show strong recall of messages conveyed by the lead character, which supports theories of psychological and emotional influences on decision-making. (JEL: C93, D03, D14, O12, O17)

Keywords: Financial Education, Financial Literacy, Debt Management, Entertainment Education, Persuasion, Emotions, Psychology and Economics, Encouragement Design, Randomized Evaluation.

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