

Household Economic Strengthening through Saving and Budgeting: Evidence from a Field Experiment in South Africa

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Using data from a randomized field experiment with 552 households in South Africa, we examine the impact of a financial literacy and savings training that was integrated into a broader psychosocial parenting intervention. We document significant improvements in financial behaviors, including higher savings and lower borrowing rates. We also see wider implications for household economic welfare, expressed in reduced financial distress, better resilience to economic shocks, and a greater capacity to securing basic needs. We further find that program effects are non-differential for ultra poor participants and tend to be higher for those who reside in rural locations and live without a male partner or spouse. Overall, our findings suggest that "hybrid" program curricula that offer combinations of financial and psychosocial components might be more successful than stand-alone financial literacy training.