

Preventing Financial Frauds on Credit Cards by Financial Literacy and Financial Education: A Quasi-Experimental Approach

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This study uses a sample of 400 college students from a faculty of economics to test how much financial literacy is able to preserve students from being victim of financial frauds related to the use of credit cards. At the analysis of the effectiveness of financial literacy it follows an analysis of the effectiveness of financial education.

Using a quasi-experimental approach, students were divided in a treatment group, that attended a two-hour seminar on credit cards and financial frauds, and a control group. Data from a pre-test and a post-test on financial literacy (in general), credit card literacy, and financial frauds were collected at October 2019 and used to assess the causal effect of the seminar on individual financial literacy and ability to recognize a financial fraud.

Results confirm a positive effect of financial literacy on consumer financial behavior (more the financial literacy less the likelihood to be victim of a financial fraud), while the effect of financial education requires further investigation.

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