

Plenary Panel Discussion: Who Needs the Most Help? Prioritising Financial Education Resources

Summary:

Following the recent economic downturn, there is greater recognition than ever before of the value of financial education. However, the need far exceeds the funding and other resources being allocated to tackle this issue. Policymakers, donors and financial education practitioners share perspectives on which groups to prioritise and how best to reach them, allowing for current organisational or government resource constraints.

Key Takeaways:

- While low-income groups have lower financial literacy, this does not mean that the most disadvantaged people are bad at money management, or that disadvantage is *because* of bad money management. Lower education levels, limited access to services and options and limited understanding contribute to vulnerability for these groups.
- Different strategies/partnerships are required to reach different vulnerable groups
- Strategic partnerships (governments, NGOs, financial services sector, media) are important to maximise use of available resources and reach vulnerable populations more effectively

Presentation synopsis:

Moderated by: **Mark Nieker, President, Pearson Foundation**

Christina Tan, Representative, MoneySENSE, Singapore

At each stage of life, people have different priorities in terms of the accumulation and use of money. At each of these stages, you need financial education.

MoneySENSE works with government and other agencies to develop relevant programmes for different groups of people in Singapore. Programme content focuses on basic money management, financial planning and invest know-how.

Typical resource concerns relate to availability of funds, effective outreach, access to expertise to deliver training content, logistics and management of events and research and evaluation. MoneySENSE focuses on maximising resources and partnering strategically with other organisations and the media.

Christina Tan indicated that working adults should be given priority when developing financial education initiatives.

Kathy Landvogt, Social Policy Researcher, Good Shepherd Youth & Family Service, Australia

Good Shepherd Youth and Family Service delivers diverse programmes including microfinance, foster care, youth housing, family counselling, domestic violence support, financial counselling, and community development.

Surveys shows that low-income groups have lower financial literacy, but this does not mean that the most disadvantaged people are bad at money management, or that disadvantage is *because* of bad money management. Lower education levels, limited access to services and options and limited understanding contribute to vulnerability for these groups.

Research conducted by Good Shepherd on groups seeking material aid shows that single mothers, single men who are unemployed and socially isolated and the disabled are the most vulnerable. In addition, life

transition points (such as marital breakdown, unemployment and illness as well as becoming parents, students or entering retirement) can be vulnerable times for low income groups.

Good Shepherd approaches include:

Learning together – reaching vulnerable people before crises through partnerships with organisations within the community

Learning by doing - microfinance and asset building for low-income groups incorporating financial education with action

Learning from our mistakes - counseling at times of financial crisis, with a focus on problem-solving initially

Corin Mitchell, Africa Director, Financial Education Fund, South Africa

The Financial Education Fund is a challenge fund which supports innovative projects that increase financial literacy and capability for low income and young adults in Africa.

FEF organises competitions and funds the best projects. Focus areas include budgeting, savings, investments and loan management and projects. Indicators review changes in knowledge, skills, attitude and behaviour.

Types of programmes funded so far include workshops, programmes using media based partnerships and one-to-one services.

The projects are being monitored and evaluated to determine their impact on society.

Jeroo Billamoria, Executive Director, Aflatoun

Aflatoun provides social and economic education for children. Children are seen as a priority since they bring a bigger return on investment and children educated in finance will do better things in the future. Most of the children that save when they are young will continue saving when they are older and they also tend to continue with their studies.

Session Q&A:

How can you scale up financial education programmes?

- Partnerships and the use of media are important ways in which to scale up programmes

Poverty brings a lot of social problems like drinking. How can financial education help solve these problems?

- The question was answered with an example from the Aflatoun experience. In some communities where children are saving money, some of the mothers send money with them in order to hide it from their husbands, that way the husbands will not go drinking. The teachers in this schools try to help the mothers in order to open a bank account