

Financial Education Showcase – Tailoring Programmes for Groups Experiencing Greater Economic Hardship

Concurrent Session A: Equipping Disadvantaged Youth with Financial Survival Skills

Summary:

Establishing good money management values and habits at an early age helps improve the financial capability of current and future generations, and can be transformational for young people from underprivileged backgrounds. This session will examine innovative ways to provide children and young adults from poor urban or rural neighbourhoods with the financial knowledge and skills that can reduce their vulnerability later in life.

Key takeaways:

- Financial literacy programmes targeting youth require a balance of competency and behavioural outcomes - teaching financial literacy is not enough if behaviour doesn't change as a result
- A component of the program should involve the youth/children learning about themselves so they can make informed financial decisions, i.e. what values are important
- Youth need to be engaged in the concept of financial literacy and it needs to be relevant to them. Toynebee refers to the AIDA approach- getting the Attention, Interest, Desire and finally Action of youth

Presentation synopsis:

Moderated by: **Brian Tucker, Regional Project Manager, Learning Society, Singapore**

Wilfredo Dimamay, Chief Operations Officer, National Confederation of Cooperatives (NATCCO), Philippines

Aflatoun aims to provide a better future for children and youth (aged 6-14). It is a curriculum with five core elements- three of those elements are related to financial education. Programme expectations include both competency outcomes and behavioural outcomes.

The program has permission from the Department of Education and works in partnership with local schools so there is a formal vehicle for implementation in the Philippines. It is currently being implemented in 14 out of 80 provinces in the Philippines. A key challenge relates to implementing the program in a country which is geographically and ethnically diverse.

Core element one focuses on personal understanding and exploration - children learn about themselves and social responsibilities and the environment so that they have a better understanding of who they are and what they do.

Core element two focuses on rights and responsibilities where children are taught how to express themselves and share ideas to develop their talents.

Core element three focuses on saving and spending - every class works like a bank. The class elects a treasurer to receive deposits on a weekly basis. This is a practical component and the teaching is done by classroom teachers. Someone from the cooperative comes to collect deposits and take them to the local cooperative. The children like to see their savings recorded in a passbook and see how this impacts budget and planning.

The most expensive part of the project is to engage teachers- the training takes place outside of the school so they are equipped to teach within the school.

There is strong desire to scale up to more locations so more change can be brought about in communities. NATCCO has 340 cooperatives located all over the Philippines so there is potential to reach many more students through this network of cooperatives.

Mark Allan, Director of Services, Toynbee Hall, UK

Toynbee Hall is a charity based in London with 125 years of experience in tackling poverty in London and the United Kingdom. They work with young people, health and social care for older people, and vulnerable women.

The “That Money Thing” project aims to support young people from low income backgrounds transition from school to further education.

People tend to get into financial difficulty at transition points, for example finishing schooling, redundancy, having children. There are lots of transition points which involve a drop in income or additional expenses. For young people, moving from a situation where parents take care of them to managing money themselves can be a challenge.

The overall aim of the project is to empower young people to use skills that they have developed to make informed choices and to try to stop people getting into unmanageable debt.

A significant challenge is engaging people as financial education seems a boring topic. The framework is linked to a marketing/sales technique and operates on the AIDA principals (Attention, Interest, Desire and Action).

Step one is to get young peoples **attention** and this is done through bright, stimulating resources. People at the end of their school life have a lot to think about so getting their attention to talk about money is a challenge. The project uses direct marketing methods or referrals from teachers to get young people to come along to a workshop. At the start of the session, they need to start thinking about why they are there- what they need/want to achieve.

The next step is gaining their **interest**. The attendees break into small groups and discuss ideas with each other. They are given a series of statements related to personal finances and asked to determine what may be true or false. Statements may use statistics that seem unbelievable and the answers are startling enough to gain the young person’s interest.

Then comes **desire**- when we have their attention and interest, the next thing to do is tailor the sessions based on real life situations, global facts and interesting things that relate to their life and their situation at this point in time. We offer incentives to get young people to come along- provide give-aways etc.

One example offered in the workshop is to give people a scenario. For example how much could you save by making lunch at home rather than buying it everyday. Then come up with examples of what they could achieve with the savings, e.g. a trip to New York or weekend away. Alternatively they could also calculate what they could have earned in interest. This introduces the idea of prioritising your expenditure- budgeting and making cuts and planning. This helps to engage young people in what saving can mean to them.

Finally there is **action**- working with young people to take ownership. This involves the young person using the knowledge they have gained to make informed choices.

Session Q&A:

For the Aflatoun program how do you manage to transport the funds collected from the children in schools?

- A collector from the coop goes to the school regularly to collect the money and take it to the coop for banking. Coops look at it from a social responsibility angle but also a marketing angle

Could you clarify the age at which the students start entrepreneurial activity in Aflatoun and how old are the upper age students?

- Entrepreneurial activities start at age 6 up to 14. This is from kindergarten up to second year high school. The upper age students are predominantly 10 year old

Given the role of parents in influencing young people's behaviour, what role do parents have in these programs?

- Aflatoun- the role of parents is very important. We have activities where we can invite parents to engage and see how the program is helping their children. They can see the children are really saving. They are invited to become members of the co-op, parents really support the kids and encourage them to save more
- Toynbee- it is very difficult to engage with families. We did one piece of work with young mums, however to get them to come along, we had to pay for their taxi, had to give them free nappies and lunch. But in saying that we would welcome the opportunity to engage with families

You are asking the young people what they would like to do, how they would like to spend their money. How do you influence their opinion or decision to save?

- The approach is not about trying to change opinions but rather to make informed decisions, to get them thinking about what they want to spend money on. The idea is not to change what they are thinking but to work out what it is that they want and how to get there. For example, going to New York does not seem possible but the program shows them what is possible rather than changing opinions.