

# Financial Education:



## A Bridge from Financial Dependence to Financial Responsibility

### *Panelists:*

**Veronica Torres**, Save the Children

**Karen Austrian**, Binti Pamoja

**Rossana Ramirez**, Freedom from Hunger

### *Facilitator:*

**Candace Nelson**, Microfinance Opportunities



# A key piece of the puzzle

Economic Empowerment for vulnerable youth is commonly promoted through:

- Vocational skills training
- Entrepreneurship/business development
- Financial Education

Financial education supports the transition from economic dependence to independence.

# Financial Education will:

- promote awareness of personal financial issues and choices;
- develop knowledge and skills that enable young people to manage day to day expenses, prepare for life cycle events, manage risk, and take advantage of opportunities.
- introduce the concepts of assets, capital formation and wealth creation;

# Why is Financial Education important for poor youth?

- Assumption of financial responsibilities at young age
- Emerging child-headed households
- Vulnerability of adolescent girls

# Sample FE topics for Youth in Developing Countries

- Earning money
- Employment options, interview skills
- Setting financial goals
- Budgeting
- Saving
- Wise use of credit – risks/responsibilities associated w/borrowing
- Introduction to formal and informal financial institutions
- Building assets
- Anticipating life cycle events
- Dealing with special challenges (illness, death in family)

# Training Youth: Pedagogy, Process and Place

Financial Education, as practiced by the Global Financial Education Program, pays equal attention to *content* and *delivery*, adapting widely accepted principles of adult education to youth.

# Principles & Practices of Youth Learning

- Immediacy
- Relevance
- Simplicity
- Acknowledgement of developmental stages
- Self-exploration
- Respect for learners
- Dynamic and active
- Media influence
- Location
- Participation in design
- Family engagement
- Guidance
- Fun!

# Delivery Strategies and Channels

- Start with a focus on the young person and work forward.
- Start with a specific savings product and work backwards to young people

# Delivery Strategies and Channels

- Schools
- After-school programs/youth clubs
- MFIs
- Vocational institutes
- Health programs
- Religious youth communities

# Using Market Research with Youth

**Veronica Torres**

Senior Specialist

Economic Opportunities, Youth

Save the Children

# Some assumptions on Young People and Money

- Most don't have money
- If they have money, they should start a business
- For those that don't have money, they need credit
- No young person has the ability to save
- Girls do not save nor do they work in conservative environments

# Source and Use of Money Based on Market Research

<i>Country</i>	<i>Type of Current Economic Activity</i>	<i>Other Sources of Money</i>	<i>Use of Money</i>	<i>Factors for Success in a new activity</i>
Bolivia Gender: Male and Female Age: 14-18	Food Vending Selling Mobile Phone time	Parents Savings	Computer games Movies School Fees	Moral support from parents, improved management of money
Malawi Gender: Female Age: 14-19	Sex trade	Relatives (very few)	Gambling	Having more livelihood options and money management skills
Bangladesh Gender: Female Age: 13-19	Tutoring Embroidery Raising poultry Raising goats	Savings from school fees Parents Elders	Cosmetics Paying for schooling of younger siblings	Moral support from parents Market linkages Improving money management skills
Morocco Gender: Male and Female Age: 18-24	Part time vending	Parents	Migration	Planning skills and commitment, access to financial services

# Importance of Market Research for Financial Education Design

- Requires building on excellence in demand-driven market research
- Requires a multi-disciplinary approach
- Requires drawing on our expertise but ensuring young people are the experts
- Requires an openness to surprises

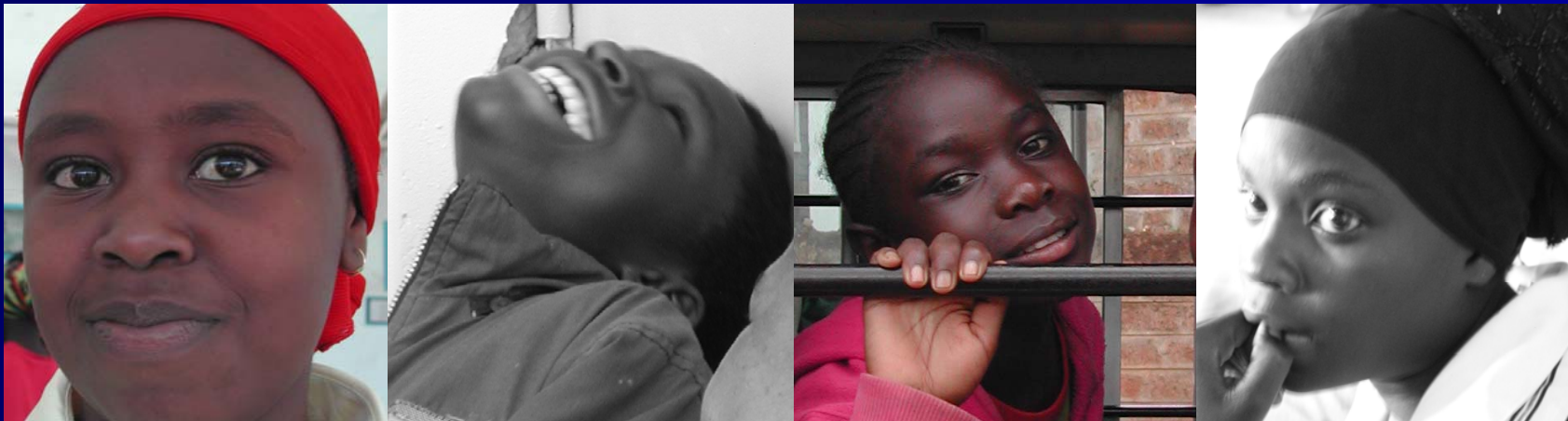


# Techniques Applicable to Market Research with Young People

Age	Most Effective Techniques
11-13	Use of third person, narration, drawings, ranking activities that enables girls to move items, probing for examples
14-16	Use of third person and games, real life community experiences, letting them facilitate each other, probing for clarification
17-19	Use of third person, games, letting them facilitate each other, real life experiences

# Lessons From the Field:

Designing and Implementing a Financial Literacy Curriculum in a Safe and Supportive Space for Adolescent Girls in the Kibera Slum of Nairobi, Kenya



Karen Austrian  
The Binti Pamoja Center  
2007 Youth Microenterprise Conference



# Why Financial Literacy for Adolescent Girls?

- Have few and dangerous livelihood opportunities
- Are vulnerable to forced sexual relations, and/or economically driven exchanges of sex for gifts, money, and shelter
- Living in social isolation – with neither or only one parent
- Girls have few places to gather in their communities; few friends
- Are in rapid transition: in their bodies, living arrangements, sexual lives, risk scenarios





# Situation of Girls in Kibera

## Link between Economic Vulnerability and HIV/AIDS

Strong link between economic/social vulnerability and HIV/AIDS for adolescent girls:

- Girls are often forced by circumstances to transactional sex
  - 21% of sexually active girls aged 15-19 reported exchanging sex for money or gifts
- HIV prevalence in girls 15-24 years old in Kenya is 5 times higher than boys
  - Twice as high in urban areas as compared to rural

**Binti Pamoja** was focusing on RH education and life skills training – began to realize that girls had economic needs that we weren't addressing



# The Binti Pamoja Center



- Women's rights and reproductive health center for 12-18 year old girls
- Programming includes:
  - health discussion groups
  - life skills and peer education training
  - a drama and newsletter group
  - educational speakers and trips
  - family events
  - community outreach program for other youth in Kibera
  - scholarship fund



# Introducing Financial Literacy

- Partnership with Global Financial Education Program
- Total process took 6 months
- Market Research
  - Focus groups with adolescent girls in Kibera
    - Found that these girls had money, even if they didn't consider it enough to save
    - Decisions that they make on what to do with this money are very important – financial literacy can help to use these small amounts of money well
  - Interviews with parents and financial institutions



# Introducing Financial Literacy – cont'd

- Curriculum adaptation/drafting
  - Sections on budgeting, savings, banking services, and earning money
- Pilot Testing
  - Participant evaluation, facilitator debriefing and evaluation
- Training of Trainers
  - 18 alumni members trained
- Practical Phase
  - Staff observed their facilitation and gave feedback
  - Constant conversation with alumni about the different topics and how they can better adapt the curriculum to their groups



# SAVING ACCOUNTS

PLACE WHERE YOU PUT YOUR MONEY

- FORMAL: LESS RESTRICTIONS, EASILY ACCESSIBLE, NOT PROTECTED
- FORMAL: REQUIRE MINIMUM DEPOSIT, MAY EARN INTEREST

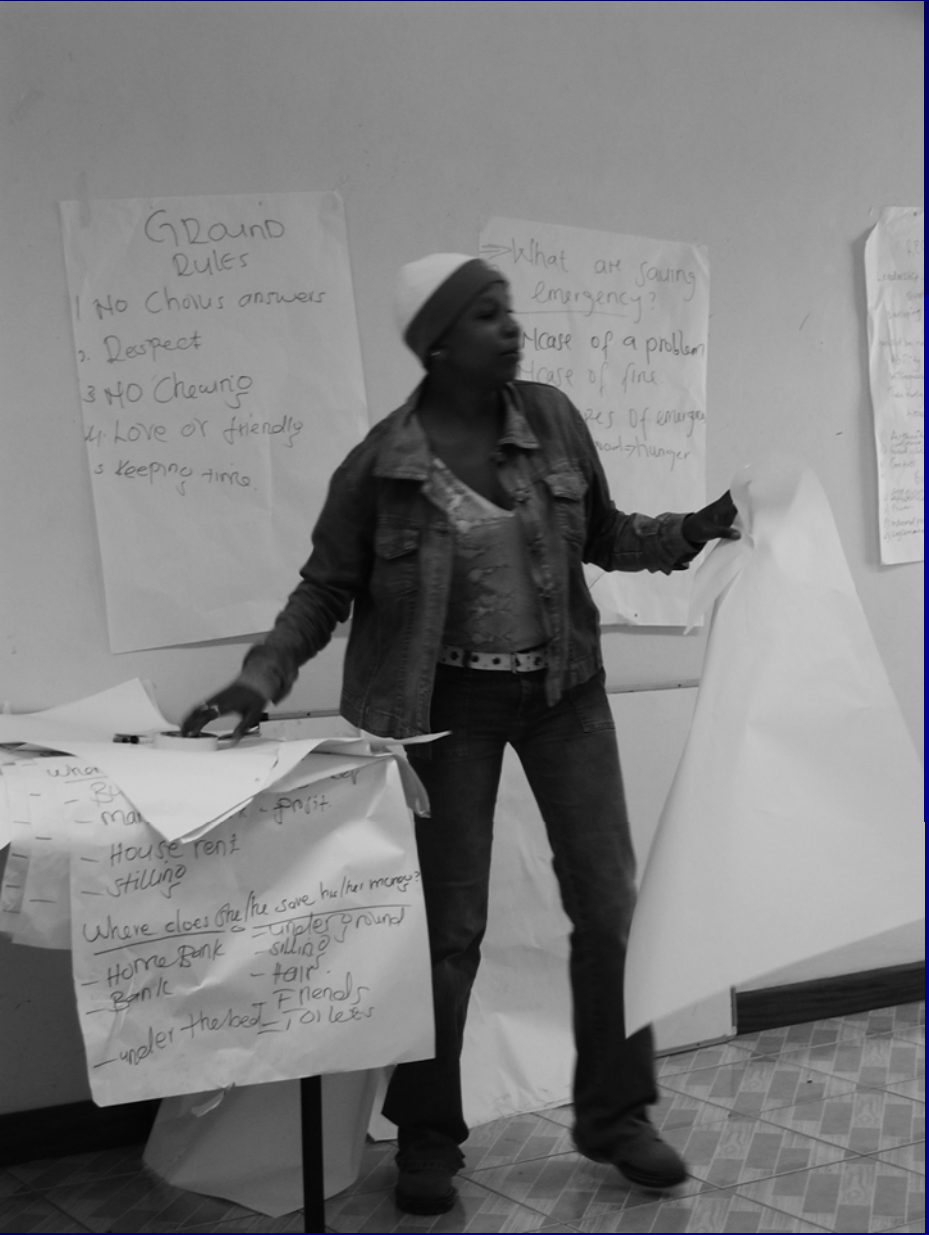
BEST TYPES OF ACCOUNTS  
FOR LONG- & SHORT TERM GOALS  
BEST RATE CHANGES WITH  
TYPE OF ACCOUNT & AMOUNT  
TIME MONEY KEPT IN ACCOUNT

BE OVER 18 YEARS TO  
OPEN → OR COME WITH

- 1 - Driving
- Start own business
- Employment - Journalist
- Kind → Any learner.
- Business
- Continue Education
- Specialise -
- Employment

- Higher
- Pilot
- Superman

A **BANK** IS A BUSINESS THAT PROVIDES SERVICES TO CUSTOMERS (LIKE A POST OFFICE). THE MAIN SERVICES IT PROVIDES ARE SAVINGS ACCOUNTS & LOANS.



Ground Rules  
1 No Chorus answers  
2 Respect  
3 NO Cheating  
4 Love or friendly  
5 Keeping time.

→ What are saving emergency?  
- case of a problem  
- case of fire  
- cases of emergency  
- money changer

Where does one save his/her money?  
- Home Bank - water ground  
- Bank - saving  
- water the best - fair.  
- Friends - Friends  
- water the best - 10 less

# Partner Roles

- **The Binti Pamoja Center**
  - Base within the community - respected, trusted, understanding of the girls' lives
  - Brought voice of the girls into the project
  - Trainers and facilitators come from within the program
- **Global Financial Education Program**
  - Provided financial support and brought the expertise of creating financial literacy curriculums
- **Financial Institutions**
  - Girls interested in safe, trustworthy savings products TOGETHER with financial literacy training
  - Currently looking to develop savings products



# Lessons Learned – Market Research

- Strong desire to learn how to save and budget
- No emphasis on current use of credit
  - Seen as a potential future endeavor
- No formal savings options for girls under 18 in Kenya
- Market Segmentation
  - Older vs. Younger
  - In School vs. Vocational



# Lessons Learned - Safety



- Increased savings can increase and/or decrease vulnerability
- e.g. – Accessible savings can prevent transactional sex
- e.g. – Disclosed savings can lead to physical abuse by family or boyfriends
  - Need for confidential savings
  - Financial Negotiation/Communication Skills
  - Difference in vulnerability between planned/protected savings and vs. unprotected savings



# Lessons Learned – Curriculum Adaptation

- Worked with GFEP's existing adult modules – involved adding to, removing, and adapting existing material
- Adapt stories to reflect life in Kibera for adolescent girls
- Flexibility of Delivery
- Discuss equally formal and informal financial services
- Provide information that is immediately relevant – less abstract future thinking
- Girls engage in financial activities, but do not have the vocabulary to talk about it – start with concept, not vocabulary
- Address sensitive issues up front
  - i.e. getting money from boyfriends, transactional sex



# Learning Strategy

- Expand safe and supportive spaces: allows for constancy, creates ownership, program venue
  - Within that space, provide adolescent girls with three-pronged programming
    - Financial Literacy/Savings Opportunities
    - Health Education
    - Life Skills Training
- Incorporation of mentors into programming
- FL alone will not address the multitude of issues that adolescent girls face – but it is a **CRITICAL** piece of the solution



# Where are we now?

- Rolling out of financial literacy into girls groups
- Monthly supervision meetings
- Alumni facilitate trainings for the current Binti members
- FL training for other girls groups in Kibera
- Other organizations working with youth in Kibera request permission to adapt and use the curriculum
- Hired two alumni members as field staff
  - Building capacity of girls from within the community
- Satellite Offices
  - Increasing safe spaces within the community



# Six-Month Evaluation

- Conducted in January 2007
  - Focus groups and in-depth interviews with alumni, current members, safe spaces members, staff, and parents
  - Quantitative survey of 21 participants
- Overall – incredibly positive response to introducing financial literacy to program
  - Positive changes in knowledge, attitudes & behavior
  - Girls aware of benefit for current and future lives
  - Alumni want/need more training
  - Girls appreciate the opportunity to address economic issues, not just health



# Financial Literacy – Initial Responses

*“Now when you added financial literacy, it is very good - it has expanded my knowledge – this idea of savings has come into my blood. I was not saving in the first place, but now I’m thinking about tomorrow, if I’m going to have a baby, what am I supposed to do. Personally, it has really helped me. I have started to save, which I was not doing in the past.” -Alumni member, age 19*

*“[My daughter] came home and shared about budgeting – through the budgeting, I was able to pay house rent. It’s the first time in my life that I paid house rent in a month that I didn’t have work”  
-Mother of Binti Pamoja member*



# Financial Literacy – Initial Responses

*“I learned a lot in that training - how to save my money and how to budget my money. It’s a good thing because before was taking any money and using it recklessly, so, when we went for the training, I talked with my mother...she bought for me a home bank and now I’m saving. If I save until I grow up and my mother opens for me any bank and I put my money there, I will save for future use – if I save a lot of money – I will go to school” - Binti member*

*“Reproductive health messages are like background music, financial literacy is a change.” -Binti Staff*

*“Yes, I’ve changed the way that I’m planning my money, now a days I know how to plan it. Before financial literacy I was not used to save money, but now I can save and maybe if I go to the shop and bargain and I’m left with a small amount of money I can choose not to use that money and I save it. That is all because of financial literacy.” -Alumni member*



# ASANTENI – THANK YOU



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