A PUBLICATION OF THE
CITI-FT FINANCIAL EDUCATION SUMMIT 2010

Influencing Positive Financial Behavior

The Minds Behind Financial Education

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This publication is a companion to the Citi-FT Financial Education Summit 2010, held in Sydney, December 1–2, and attended by more than 300 financial education experts and advocates from around the world.

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Introduction

Influencing Positive Financial Behavior

Citi's commitment to Responsible Finance is underscored by our long-term support for financial education around the world and our recognition that increasing knowledge is not always enough. We must also strive to help people adopt positive financial behaviors and achieve financial capability.

Financial capability can be defined as having the competency and confidence to make short-term and long-term financial plans, attain those goals, understand and select suitable financial products, and implement strategies for dealing with financial adversity.

At Citi, we have learned that these elements are critical to achieve financial inclusion and for people to enjoy economic security over the course of their lives.

In 2010, we invested nearly US$20 million globally in Financial Capability and Asset Building programs through the Citi Foundation, and our businesses also led a wide range of consumer education initiatives.

In Asia Pacific, promoting financial capability is our corporate citizenship priority, and we support financial education programs in almost all of our 18 markets.

By partnering with nonprofit organizations, we are able to reach many disadvantaged groups, including underprivileged youth, women and older people, microentrepreneurs, low-income families, or other marginalized communities. Hundreds of Citi employee volunteers also make a significant contribution to their local communities by helping to develop and deliver financial education.

The Citi-FT Financial Education Summit started in 2004 as a way for us to bring together many of our partners and other financial education stakeholders from around this region and the rest of the world, share our knowledge and experience, and find ways to become even more effective at influencing positive financial behavior.

We are delighted that over the years this event has become the most established international financial education forum, and it is Citi Asia Pacific's signature financial education program.

We received very positive feedback about the seventh Citi-FT Financial Education Summit held in Sydney, Australia, in December 2010. This inspired us to go beyond the theme – "Mind Over Money: Influencing Positive Financial Behavior" – and develop this publication to highlight some of the incredibly talented and dedicated financial education "minds" who participated in last year's Summit.

We are looking forward to holding the 2011 Citi-FT Financial Education Summit in Jakarta, Indonesia, on November 28–29, and to continuing our much-valued partnership with the Pearson Foundation and the Financial Times.

JONATHAN LARSEN • Head of Consumer Banking, Citi Asia Pacific

CITI-FT Financial Education Summit 2010

The Citi-FT Financial Education Summit in Sydney in December 2010, the seventh gathering in the annual series and one of the most fascinating so far, broke new ground by focusing on the psychology behind personal financial decision-making and how the application of behavioral economics to financial education could lead to more positive outcomes.

The financial crisis and global recession underscored the need to better educate people – especially the most vulnerable – on how to spend, save, invest, borrow and manage debt wisely. Despite the proliferation of financial education programs in many parts of the world, vast numbers of people have low financial literacy levels. And it is still unclear to what extent current programs effectively engage people and change their financial behavior.

The Summit in Sydney brought together distinguished and experienced practitioners and policy-makers from Asia Pacific and beyond to explore the psychology of groups targeted for financial education, the significance of social, cultural and other demographic factors, and the steps that need to be taken to make financial education more effective over the next 10 years.

We showcased examples of behavioral finance research and financial education initiatives that seek to demonstrate positive behavioral change across a range of focus areas, including savings and investment, insurance, remittances, home ownership and retirement.

We discussed the importance of increasing financial capability among vulnerable groups like women and youth, and how financial education can boost financial inclusion. We also looked at savings-linked conditional cash transfers as a potential alternative route to financial capability.

This Summit pushed the boundaries, and the quality and breadth of the discussion was extraordinary. Feedback indicated that many of the participants agreed, and some felt this was the best conference they had ever attended. Australia, which has the largest and most advanced financial education community in Asia Pacific, was an ideal venue.

We would like to thank the Citi Foundation and the Pearson Foundation for continuing to spearhead these very successful and significant conferences, and for co-sponsoring this publication, which extends the learnings from the Sydney Summit to look at the financial educators themselves, what drives them and how they keep their students engaged. Enjoy.

DAVID PILLING • Asia Editor, Financial Times

The Minds Behind Financial Education

Last year, the Pearson Foundation was again honored to sponsor and co-host the Citi-FT Financial Education Summit. The theme in Sydney, “Mind Over Money: Influencing Positive Financial Behavior,” was intensely relevant as, perhaps now more than any time in recent history, economic challenges require that all of us do our part to ensure everyone has the financial education and tools they need to navigate – and thrive.

To inspire and inform you about essential and innovative solutions to meet this challenge, this publication – “Influencing Positive Financial Behavior: The Minds Behind Financial Education” – examines the careers, motivations and techniques of 12 individual financial educators who attended that 2010 gathering. Together, they represent a diversity of backgrounds and approaches, reaching and teaching audiences around the world with meaningful impact.

In these pages, you’ll see through the eyes of these innovative educators who often work with the economically and educationally disadvantaged, helping them to understand the fundamentals of financial literacy – and, ultimately, empowering them to transition to a life of stability and economic promise. Whether it be about educating women at risk in Thailand, helping the disadvantaged buy and keep homes in New Mexico, teaching Pacific Islanders how to save family funds, or assisting older people in England as they prepare for retirement, these stories document and share strategies and tactics of some the world’s most successful financial educators.

We at the Pearson Foundation are again looking forward to participating in the Citi-FT Financial Education Summit, this year in Jakarta, Indonesia. And once again, we’d like to thank the Citi Foundation and the Financial Times for their continued commitment to bringing together the most impactful lessons and practices in financial education.

To learn more about the educators profiled here, as well as others making a difference in the field, please visit http://financialeducationsummit.org/2010.

MARK NIEKER • President and CEO, Pearson Foundation

Financial Education in Australia – Putting People First

Paul Clitheroe – Chairman, Australian Government Financial Literacy Board, Australia

Paul Clitheroe is a director of ipac securities, chairman of Money *magazine, and a leading Australian author and media commentator on financial issues. In 2004, the federal government appointed Paul chairman of the Financial Literacy Foundation, charged with establishing and implementing a national strategy to improve the financial skills of all Australians in schools and the workplace. In 2008, a new government announced the transfer of Financial Literacy to the Australian Securities and Investments Commission (ASIC), reappointing him chairman of the Financial Literacy Board.*

It's always a good idea to ask a few simple questions whenever you're receiving information: Where's the data coming from? Who does the messenger represent? Are they most concerned with your interests, or their own? The answers to these questions can sometimes expose motivations that call into question the integrity of the information itself. Paul Clitheroe learned this firsthand when he worked for a commission-based Australian investment firm. It was a notion that would become a critical driver for how he would deliver financial education throughout his career.

Paul was 25 when he joined the firm, and fairly new to the financial industry. His role was to generate research to support its commission-driven sales team. But the process "didn't quite sit right" with him. "It was pretty obvious that the team was not really focused on consumer needs," he recalls. "Rather, they were biased by the commission paid for selling particular products. I just couldn't see how this process was ever going to result in accurate and appropriate advice to consumers."

Along with four like-minded colleagues, Paul acted upon a radical idea. They quit their jobs in 1983 to open Australia's first purely fee-based investment firm – one that would not accept product commissions. Called ipac securities limited, the firm billed itself as representing its clients' interests ahead of the interests of product providers, which was a new concept in the industry. The idea was so fresh, he says, that "the media took a big interest, and in 1992 I was asked to host a new Australian television program called *Money*."

The show would become one of the nation's highest-rated broadcasts. Every Wednesday night for 11 years, Paul appeared in the homes of millions of Australians – about 20 percent of the population – offering financial education and tips for handling money. It was a transforming experience, he says, because he quickly learned that the problems faced by most of his ipac customers hardly reflected the experiences of so many of his less-well-off countrymen and women.

"I began by talking about shares, property investments, mortgages, credit card negotiations – that kind of thing," he says. "But I started getting lots of letters – millions by the time the show ended – that really changed the way I looked at things. At ipac, most of the problems I encountered in terms of financial literacy sounded like, 'Paul, how do I invest a million dollars?'

"But those letters changed my perspective. People wanted to know, 'Where do I get a blanket for my baby? She's cold and I need money to feed her,' or, 'I can't pay my electricity bill and my electricity has been cut off,' or, 'My marriage split up because we argue about not having enough money.' I realized that all my high-level issues had nothing to do with real people and, in fact, weren't real problems at all."

The People's Advisor

Paul began to focus his show on basic financial education and how to achieve practical goals. Hitting the street to present information, he became the "people's advisor," using tactics such as visiting a pizza place to explain what shares are, walking into retail shops to demonstrate how much money can be saved by using cash on more expensive items, and parachuting out of a plane to show the value of lowering interest costs. *Money* became the number one series in Australia.

"It put me in touch with the reality about financial literacy. It is always done by well-meaning people, but a lot of us have had quite privileged backgrounds. Until you actually get out into the world and see what a basic lack of financial literacy means, you run the risk of becoming very academic and very policy driven, but probably not really relating to the people you're trying to speak to."

The show reached the end of its run in 2003. That same year Paul sold ipac (which was by then looking after roughly US$9 billion in investment funds) to AXA for about a quarter-billion U.S. dollars. Then, adding to the eventful year, "the government came calling."

In February 2004, the government appointed Paul as chairman of the Financial Literacy Foundation, with the charge of establishing a national strategy to improve Australians' financial skills and implementing that strategy in the schools and the workplace. The organization would work in partnership with industry and community groups to raise awareness and provide information, in part through its "Understanding Money" media campaign and educational website. Paul took the job on one condition: "I told them that I'd do it if I could volunteer my time, because that would remove any potential appearance of conflict of interest, which would be critical to doing what's right for the people."

To date, more than one million people have visited the website – called "MoneySmart" – or requested a hard copy of its "Understanding Money" workbook. The site is billed as being "for all Australians – young or old, rich or poor, investing or paying off debt," and offers free, independent guidance designed to help people make sound money choices. In line with Paul's philosophy, the website states: "We are not selling you anything ... when life puts your finances under stress, MoneySmart is here to help you ride the storm. We have smart tips on dealing with the ups and downs of life: losing your job, having a baby, divorce or separation, buying a home, losing your partner and many more."

As the foundation's leader, Paul has placed a particular focus on younger Australians. "If you want to change things, you need to work very heavily in the school system – so this has been a major focus for us," he comments. "In fact, I believe that we are currently the

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"We've even got parents around the country ringing up schools and saying, 'Our children are coming home asking about the family budget – how do we do a family budget?' This led to our also offering classes for adults."

> “People wanted to know, ‘Where do I get a blanket for my baby? She’s cold and I need money to feed her,’ or, ‘I can’t pay my electricity bill and my electricity has been cut off,’ or, ‘My marriage split up because we argue about not having enough money.’ I realized that all my high-level issues had nothing to do with real people and, in fact, weren’t real problems at all.”

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only country that’s actually integrated financial literacy into the school curriculum from kindergarten. Financial literacy is now integrated into our mathematics, English, science and history classes. It’s part of the fabric of our learning process.”

“The teachers were very cynical to start with because they felt the curriculum was already crowded and financial literacy was going to be just one more thing to do,” Paul says. “But we said, ‘This is going to make teaching more relevant and more fun,’ and we set up a two-day training program for them, which, they told us, basically taught them to be more financially literate themselves. Now they think this is fantastic, and we’ve even got parents around the country ringing up schools and saying, ‘Our children are coming home asking about the family budget – how do we do a family budget?’ This led to our also offering classes for adults.”

In 2008, a new government transferred the functions of the foundation, now called the Financial Literacy Board, to the Australian Securities and Investments Commission (ASIC). And – in an extremely rare occurrence during a change of political leadership – Paul was asked to stay on as chair. Meanwhile, he maintains his role as a leading media commentator and financial author. In recognition of his work, Paul was appointed a Member of the Order of Australia in the Queen’s Birthday Honours “for service to the financial sector through the promotion of financial literacy, and to the community.”

For Paul’s presentation at the 2010 Citi-FT Financial Education Summit:
http://financialeducationsummit.org/2010/programme.php

For more information about the Financial Literacy Board:
www.financialliteracy.gov.au/financial-literacy-board

TIPS FOR CHANGING FINANCIAL BEHAVIOR

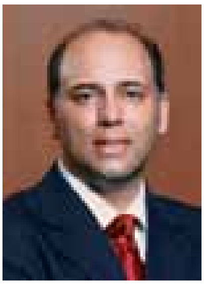
1. "Do what you can to **personalize your message**. I always have success when I customize what I'm teaching to the people I'm teaching it to. I learned from hosting *Money* that people respond best when you plug real-life information and challenges into your curriculum – basics people can relate to, such as food, rent and travel."

2. "It's best to **deliver information in an everyday, anecdotal way** so your audience can relate to you and not feel like you don't understand their problems. When I did things like teaching from a pizza place or going into people's homes and chatting in front of the camera, I got terrific feedback – and high ratings."

3. "Never forget to **focus on youth and the household**. Money is still too much of a taboo topic around the dining table, and financial literacy is not being shared in the home. When kids ask, 'Can we afford to take a vacation?' don't just say yes or no. Explain: 'Hey kids, we'd like to do that this weekend, but right now we've got this two thousand on our credit card on which we're paying 19 percent interest. Let's go to the park and use that weekend money to get rid of our credit card debt.'"

A Holistic Approach to Financial Education in Thailand

John DaSilva – Project Development Manager, Kenan Institute Asia, Thailand



John DaSilva is the project development manager for Kenan Institute Asia (K.I.Asia), where he is responsible for designing programming activities in Thailand, Laos, Cambodia and Vietnam for USAID (U.S. Agency for International Development), the European Union and New Zealand AID project activities, and for working with corporate donors such as Citi, Boeing and Microsoft to design and improve corporate social responsibility programming. John has designed four projects with Citi Thailand that have received Citi Foundation funding, including the Citi At-Risk Women Financial Literacy project.

Growing up in New York State, John DaSilva developed an interest in public service. As an undergraduate at The State University of New York at Oswego, he majored in political science and history before moving on to Washington, D.C., where he took an internship with the office of U.S. Senator Tom Harkin (Iowa) on Capitol Hill that focused on foreign affairs; John subsequently became a junior legislative assistant dealing with banking and small business issues.

He continued to "move around" the Hill, he recalls, and developed additional skills that would benefit him in delivering financial education later in his career. "I went to work at the House [of Representatives] on the International Relations Committee and on banking subjects," he says, "and then went back to the Senate and worked for Senator John Kerry [Massachusetts], who was the ranking member, and eventually chairman, of the U.S.

Senate Committee on Small Business and Entrepreneurship."

Despite enjoying his work, John took some time off to travel; eventually landing in his now-beloved Thailand, where he decided it was time to suit up once again and "get back to business." One of his friends told him about Kenan Institute Asia, which, says John, "had a unique perspective."

Founded in 1996, the Kenan Institute Asia (K.I.Asia) evolved from a project funded by the USAID mission in Thailand and is now a leading, Thailand-based nonprofit organization serving the sustainable development needs of Thailand, Cambodia, Vietnam and Laos. It was established on the understanding that "the challenges facing Southeast Asia could be best addressed through free enterprise mechanisms, boundary-spanning partnerships and expertise gained through practical development experience" and "serves clients in five main areas: entrepreneurship, business and economic development; public health; youth education and vocational training; sustainable tourism; and Corporate Social Responsibility (CSR)."

The Right Skills at the Right Time

K.I.Asia couldn't have been a better fit for John. Like him, they believed very strongly in bringing government and the private sector, academia and other nongovernmental organizations to the table – together – to pursue a more holistic approach to development. "And it touched on many of the areas I had expertise in," he recalls. "When I joined them, I started off working in business and economic development. This included work with SMEs and entrepreneurs." At the time, K.I.Asia was reorganizing to put one person in charge of business development, and John was the ideal candidate.

"My job became business development across all of our units – financial education, SME development, SME financial management, public health, education," he says. "It was a huge learning curve for some of these areas, but I got a sense of the nature of the operation. Now I deal with all the international donors, whether it's for projects here in Thailand or in the region."

“I find that it’s really engaging and fulfilling to work with the slum women on an ongoing basis because of that sense of community. And most important, they’re getting skills they need to create a better life.”

Since 2006, John has worked on a number of projects, some funded by Citi. These include Financial Skills Capability for SMEs and a Community Microsavings program.

John is particularly proud of K.I.Asia’s “Financial Literacy Training for At-Risk Women” project, an extensive Citi-sponsored program now in its fourth year. The program conducts training sessions in Bangkok, enabling Citi employee volunteers to further leverage Citi Foundation grant support, provide financial expertise and assist with trainings. Much work is done in the city’s slum areas, providing basic financial life skills to women who have low incomes, high-risk jobs (such as jobs in the night-life industry) and little formal education; or, most recently, who are in prison for nonviolent offenses. For some of these people, the word “disadvantaged” is an understatement.

“These are women living in very bad circumstances,” says John. “We’re talking about some of the worst areas of Bangkok, where things like domestic violence, abuse and drug addiction are not abstract concepts. Their daily lives include dealing with absentee husbands, the struggle for money, loan sharks and worse. What we try to do is teach the financial basics they need to survive – things that the rest of us probably learned in home economics in high school.”

Participants are recruited to K.I.Asia’s programs by the government or by local support organizations, and many in these close-knit communities come to the program through word of mouth. Program training begins with a personal life assessment. As John puts it: “What’s my debt? What’s my savings? What’s my potential?” The curriculum includes fundamental topics such as how to save, how to budget, how to put money aside for emergencies, why it’s such a bad idea to borrow from a loan shark and the true cost of interest when paying something back. To aid the women in this assessment, they’re given a ledger to track their transactions and expenses.

Much work is done in the city's slum areas, providing basic financial life skills to women who have low incomes, high-risk jobs… and little formal education; or, most recently, who are in prison for nonviolent offenses. For some of these people, the word "disadvantaged" is an understatement.

"Especially for at-risk women, the training has to be really fun and engaging," John notes. "The more games the better. We give them prizes that are important to them, but that the rest of us would take for granted, things like laundry soap and other household items."

At predefined intervals, K.I.Asia follows up with trainees, calling and/or surveying them to find out how they're doing and how their behavior has changed. Are they continuing to budget and save? How much do they have in the bank? "Personally," says John, "I find that it's really engaging and fulfilling to work with the slum women on an ongoing basis because of that sense of community. And most important, they're getting skills they need to create a better life."

John's work with K.I.Asia weaves together his business and life skills in a way that benefits a great number of people across gender, class and cultural lines. This experience also reinforces his philosophy that development is most effective when funders, programs and educators are as diverse as the regions and people they serve. With the contributions of people like John, such collaboration offers a welcome holistic and coordinated approach to financial education.

For John's presentation at the 2010 Citi-FT Financial Education Summit: http://financialeducationsummit.org/2010/programme.php

For more information about Kenan Institute Asia: http://www.kiasia.org

TIPS FOR CHANGING FINANCIAL BEHAVIOR

1. "**Training should be interesting, engaging and fun**, no matter whether you're dealing with the underprivileged or small-business owners. For example, women in the At-Risk program are given play money and presented with an array of spending choices they may face in real life – shoes, new mobile phones, etc. – in order to teach them how fast money can be spent and the concepts of needs versus wants."

2. "**Make information relevant** to people's lives. Think in terms of getting them information they need, rather than information you might guess they need. Listen and respond. We accomplished this by getting to know the neighborhoods and challenges of the people we work with, including those elements of society who would take advantage of them."

3. "**Prove that you can improve lives.** We bring in people who have gone through our programs to show that sticking with what's being taught can have a tangible and long-lasting impact."

Getting Women in Victoria to Talk About Money

Samiro Douglas – Chief Executive Officer, WIRE (Women's Information and Referral Exchange), Australia

Samiro Douglas has been CEO of WIRE since 2002. Her career has focused on a commitment to human rights that has been especially notable for work in preventing violence against women and children, including time as a counselor for those who have experienced sexual abuse and domestic violence, and in the area of community development. She applies this experience and her philosophy of empowerment in policy development, organizational management and advocacy. Apart from her management role at WIRE, she uses the stories of clients to advocate for broad structural change around stopping violence against women and children, reducing barriers to employment and housing and improving women's financial security in retirement. She holds a Bachelor of Social Science degree and graduate diploma in organizational change and consultancy.

The daughter of a "modest, stay-at-home mother of a typical pastoral family" outside Melbourne, Samiro Douglas didn't exactly come from a background where being outspoken was encouraged. Nevertheless, as she prepared to enter the workforce in the late 1960s, she had become "really curious" about national and state politics. She recalls, "There was a lot of action in Australia around the Vietnam War, and it was a time when there was some serious questioning and challenging of boundaries about the role of women in society."

Samiro began a career in community work focused on violence against women and children, with a philosophy of "encouraging the development and empowerment of the

individual, rather than going in and actually 'doing' on people's behalf." In New South Wales near Byron Bay, she worked with indigenous communities, establishing a public housing neighborhood center that offered counseling and program development aimed at helping women improve their practical skills and emotional strength. "It wasn't long before I wanted to turn my attention to policy development and training," she recalls. "So I joined the Northern New South Wales Health Department in 1995, where I began writing domestic violence policy and training health service workers to respond to abuse."

In 2002, after 10 years in New South Wales, Samiro heard of an opportunity back home in Melbourne. The Women's Information and Referral Exchange (WIRE) was looking for a new CEO. This 21-year-old free information, support and referral service serving all of Victoria was run by women for women and dedicated to listening and giving a voice to women's experiences. It was right up Samiro's alley. "Because WIRE was a not-for-profit, government-funded organization, I knew there was a lot I'd be able to do to bring about structural change."

Today, WIRE answers more than 13,000 requests for information and assistance each year through its phone support service, at its drop-in Women's Information Centre, and via email. It offers a range of gender-specific training programs and also researches and advocates for women's issues, such as out-of-school-hours childcare, work-life balance and ending violence against women. But when Samiro arrived, there was one thing WIRE didn't do.

"At the time I took the job, my daughter was 18 – she was at university and I'd completed that particular parenting stage," Samiro remembers. "So I was starting to think about managing my own money differently. I knew I didn't have very much, like many friends my age, and I also knew that we just didn't talk about it. And when I looked at WIRE's existing data, I found that no one was talking to us about their financial future. I thought, 'This isn't good,' so I started talking broadly with my staff and with other colleagues and asked the question: 'Why don't women talk about money?'"

Starting the Conversation

In 2006, Samiro and WIRE initiated a national survey on personal finance through various women's networks, aimed at reaching 1,000 participants representing a wide range of Australian women. This was followed up by a research project – called the "Women's Financial Literacy Research Report" – that included focus groups with more than 100 participants and an online survey to explore basic questions about women's relationships with money issues. The results got Samiro's attention: "It really didn't matter what a woman's education level was or how much money she was actually earning – she wasn't thinking about her future, and she hardly understood anything about financial products and markets," says the CEO. "Moreover, she felt overwhelmed and anxious because there was that sense that she didn't have enough. This was backed up by government research, which also told us that Australian women had very low superannuation [pension program] balances."

Using the survey findings and other proprietary research, along with information provided by other women's groups and the national government, WIRE determined that women experience "structural" disadvantages due to their gender. This includes a gender pay gap (women in Australia still on average earn 18 percent less than men); the marginalization of women's issues by mainstream services; an adverse effect on career progression due to necessary care for children and other family members; and significantly lower superannuation savings than men, leading to a greater likelihood of a disadvantaged retirement.

"There was no real discussion about these issues," Samiro recalls. "The good news, though, was the government, which had seen our data, was becoming very concerned about the retirement future for women. So they were ready to make some money available to deal with problem – A$1 million [US$993,000] in education money to Victoria over four years. Meanwhile, at WIRE, we knew that women were most likely to trust ideas and information that comes from other women. In fact, we understood from our survey that they wanted to learn about money in groups with their peers. They wanted to be able to talk, like a book club to which they could return again and again."

So in 2008, WIRE "converted the research," says Samiro, into the Women & Money Program – a partnership project between the Queen Victoria Women's Centre, the Victorian Government through the Office of Women's Policy (Victoria) and WIRE. The program consisted of a series of individual seminars on select financial topics, a four-week "Securing Your Financial Future" workshop, and group-based support. The seminars featured trained women facilitators offering practical planning information based on real-life situations.

> "The message is: 'You've got to start thinking about this.' I think every woman who's attended one of our workshops is doing the same sort of thing. I'm happy to say, we've started the conversation."

The workshops covered money management information and included tools, activities and resources, delivered by local community facilitators. The groups brought together up to 18 women meeting two hours each week.

The impact of the program since its inception has been documented by an outside research group. An overwhelmingly high percentage (around 80 to 90 percent) of participants say that not only has their knowledge of financial planning and issues increased, but their behavior has changed, as well. From savings to spending and investing, many of the thousands who've experienced the seminars and workshops are "running their financial lives differently," Samiro notes. "They're feeling empowered to make decisions for themselves – and we're helping to make sure they have the right information to make the right decisions."

Next for WIRE's financial education effort will be addressing younger women, though Samiro says they will need to seek additional funding for this work as the government is now specifically targeting money toward immigrant and low-income groups rather than toward the support of women in general.

The philosophy behind Samiro's efforts remains the same today as when she began working with women suffering from domestic violence 30 years ago. "It's about providing information that brings about choices and options, while continuing to work to bring about structural change," she comments. "Financial literacy isn't the only area that we are working in, but it's integral to so much of what we focus on, such as employment and career path issues."

"Just talking about money has an important ripple effect," she adds. "Since I've been involved in this, I've talked to my daughter about her financial security, and she's talked to her sister and her sister-in-law. The message is: 'You've got to start thinking about this.' I think every woman who's attended one of our workshops is doing the same sort of thing. I'm happy to say, we've started the conversation."

For more information about WIRE:
www.wire.org.au

TIPS FOR CHANGING FINANCIAL BEHAVIOR

1. “It’s critical that you **get to people as early as possible**. In our case, we let women know that a man is not a financial plan and that they need to think about their own financial security and future well before retirement. I also think it’s really important to talk to kids about money.”

2. “Encourage people to **just start taking the first steps**, because once they do, they’ll reduce the ‘overwhelm.’ That can mean simply having the conversation – one person (in our case, one woman) to another.”

3. “Make sure to **focus on the payoff**. Small steps over time make a big difference. Develop techniques to show your audience how that works. Saving just A$10 (US$9.93) a week can add up to achieving big goals over time.”

Teaching About Remittances in the Pacific Islands

Kim Hailwood – Manager, MoneyPACIFIC, New Zealand

Kim Hailwood is the project manager of MoneyPACIFIC, a multi-agency project jointly supported by the Reserve Bank of New Zealand, the New Zealand Ministry of Foreign Affairs, the Ministry of Pacific Island Affairs and AusAID, in cooperation with the World Bank. MoneyPACIFIC incorporates a broad range of initiatives to improve Pacific peoples' financial knowledge and awareness, along with efforts to increase the range and availability of low-cost financial products and services. One of the key programs is the New Zealand-Pacific Remittance Project, specifically focusing on reducing the transactional costs of sending money from New Zealand to Pacific Island countries.

Kim Hailwood was raised in Auckland, New Zealand, where she witnessed a Pacific Islander population boom due to regional migration in the 1970s. "They came for factory jobs and to do work other people wouldn't do," she says. "They were often poor and at the financial mercy of corporate institutions regarding everything from their work and pay to their ability to share their earnings among themselves and their families back home. I was acutely aware of the predatory lending and financial schemes targeting these disadvantaged people."

While Kim did entertain thoughts of being a teacher, at 17 she decided not to attend university and instead entered the job market, where she explored a variety of positions. Eventually, in 1998, she took a job as executive assistant to the head of the Treasury, and then worked for the governor of the Reserve Bank of New Zealand. It was then that she felt

"...cultural shifts take time and considerable and consistent effort. So we have to keep going – we can't just do a little bit and stop. The most important thing about financial education is its long-term impact."

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the timing was right to attend university and – after nine years of working 10-hour days and studying extramurally at night – she had attained both her bachelor's and master's degrees from Massey University, with a focus on education and social anthropology.

"To complete my master's in education, I had to choose a thesis subject," she recounts. "My work at the bank dealt with economics, and I had learned a lot informally that way, so financial literacy came to mind. No one in New Zealand had written much about that topic, so I focused on 'Why Financial Literacy Matters,' with an eye on teaching it to school children between the ages of 5 and 15."

But putting her new skills into practice was a problem. "Financial literacy was not part of the school curriculum in New Zealand, and I had basically written about why it needed to be," she says. "When I finished my degree, I left my job and was supposing something would come up. Then I got a call out of the blue from the [Reserve] Bank. They were looking for help doing work with 'remittances.' I had never heard that term before."

Making Money Move Across Borders

The Reserve Bank is New Zealand's central bank, and one of its primary functions is to maintain the country's financial stability. By remittances, the bank was referring to the process by which Pacific people working in New Zealand would send money back to their families in the Islands. While costs for this kind of transaction had declined in many parts of the world (to somewhere between 1 and 5 percent of the amount sent), they remained extremely high in the Pacific (an astonishing 15 to 25 percent). "For someone who has a very low income and is sending a portion of earnings to his or her family – say, [NZ]$200 – the impact of losing $25 in fees is devastating," explains Kim.

The bank had decided to address this problem by creating the New Zealand-Pacific Remittance Project, funded by the bank itself along with the Ministry of Pacific Island Affairs, the Ministry of Foreign Affairs and the World Bank. Kim was brought on as project manager. “I felt so lucky to find a job in my area, and working on behalf of Pacific Islanders was a great motivation,” she says. “But the learning curve was huge; I realized how much there was to understand about these cultures – Samoa is quite different than Tonga, and Tonga is so different from Vanuatu.”

Kim developed a two-step approach to attack the issue. The first objective was to lower the cost of transaction fees. To do this, she set out to obtain a regulatory change from Parliament with the goals of reducing the cost of transactions to between 5 and 7 percent and creating competition in the marketplace. “We went straight to the government and, well, the timing was right. The government was keen to assist, and we quickly got the regulation that we needed through. They recognized the fact that these people were losing unacceptable amounts of money – at the time, the World Bank estimated that the Pacific region as a whole was losing up to [US]$90 million in remittance fees each year.”

The second phase of the project was delivering financial education with the goal of behavior change. In 2009, Kim developed a brand called MoneyPACIFIC, with a mission to fill the “gap in the provision of relevant, easy-to-access financial information to help Pacific peoples, which is impartial, jargon-free, not geared to selling products and tailored to their personal circumstances.”

In 2010, she first produced what has become the project’s flagship communication tool, the MoneyPACIFIC Calendar, 35,000 of which were distributed through churches, schools and community groups in Pacific communities in New Zealand, Samoa and Tonga. Each month features a beautiful Pacific picture and financial/budgeting tips. Also incorporated in the calendar is a table comparing remittance costs. The success of the effort is evidenced in part by increased demand for the 2011 calendar: 70,000 were distributed, this time with bilingual copies in Samoan/English and Tongan/English and photography drawn from a competition among Pacific photographers.

“The whole operation expanded quickly,” says Kim. “We were able to promote ourselves on the radio in New Zealand, where we have a couple of dedicated Pacific stations. It ended up being a whole public awareness campaign, talking about remittances and other financial messages, and always directing people back to the calendar.”

“I felt so lucky to find a job in my area, and working on behalf of Pacific Islanders was a great motivation… But the learning curve was huge; I realized how much there was to understand about these cultures – Samoa is quite different than Tonga, and Tonga is so different from Vanuatu.”

Kim has now received increased funding, thanks in part to the fact that the project caught the attention of the Pacific Islands Forum economic ministers, who decided to use MoneyPACIFIC as an umbrella concept under which the financial capability of Pacific peoples and their individual effective use of money could be addressed. A set of MoneyPACIFIC goals were agreed upon by the economic ministers in 2009 to strengthen financial capability in the Pacific region over the coming decade. With the extra money, Kim says she hopes to develop an accurate impact measurement system and expand the project to the other Pacific Island countries, such as Vanuatu and the Solomon Islands.

Today, Kim couldn’t be more passionate about her work – even if it isn’t a pursuit she envisioned from an early age. “I think it’s really important that financial education is embedded in Pacific Island culture in the same manner as ‘buckle up your seatbelt’ or ‘don’t smoke’ or ‘put sunscreen on,’” she asserts. “But I realize that cultural shifts take time and considerable and consistent effort. So we have to keep going – we can’t just do a little bit and stop. The most important thing about financial education is its long-term impact.

“I always remember when I started the project and this lady, a Pacific Islander, said to me, ‘We don’t mind you doing this, but it will be like everything else. They come in for a year and it’s all ‘rah, rah, rah,’ and then it stops and the Pacific people are left with nothing.’ This is what happens, not just in financial education but with a lot of projects aimed at helping these people. We’re really determined to continue what we started and, thankfully, we’ve been getting the funding we need to do so.”

For Kim’s presentation at the 2010 Citi-FT Financial Education Summit: http://financialeducationsummit.org/2010/programme.php

For more information about MoneyPACIFIC: www.moneypacific.org

TIPS FOR CHANGING FINANCIAL BEHAVIOR

1. “Remember that **one size does not fit all** – every culture you’re trying to reach has unique challenges and needs. Get to know what these are and choose a few key topics relevant to the lives of your audience, as we did by focusing on remittances. Use those to start making changes in the way they think about financial matters.”

2. “Make sure to **offer access to financial tools or products**. When you start talking about budgeting, you’re going to turn a switch off, because it’s boring unless you can bring to the table tangibly useful things like savings accounts that go hand in hand with financial literacy.”

3. “Always look for and try to **leverage teachable moments**. Find what’s particularly poignant or relevant to people’s day-to-day financial lives and struggles, and use that as a doorway to teach a broader message. For example, for us the remittance issue was a golden opportunity to reach Pacific people with general financial education messaging, because it’s something they’re doing on a regular basis.”

Financial Skills to Help Women Age Successfully in Singapore

Susana Concordo Harding – Assistant Director, Interagency Collaboration Division, Tsao Foundation, Singapore

Susana Concordo Harding currently oversees and acts as program director for the Citi-Tsao Foundation Financial Education Programme for Mature Women. In 2010, she was appointed by the ASEAN Secretariat as a technical expert to help develop a new five-year strategic policy framework on social welfare and development. She has presented papers at the UN Regional Workshop on Gender Responsive Health Security for the Elderly, at the ASEAN Forum for National Strategy on Population Ageing and Establishing Services for Older People, and at the Southeast Asian Countries Meeting on Active Ageing.

Susana Concordo Harding grew up in the Philippines with a front-row view of socio-economic diversity. By the time she entered the University of Santo Tomas in Manila, where she would receive her bachelor's degree in economics, she was acutely aware of gender, age and class issues. After graduation, as a community organizer for rice and sugarcane farmers in Luzon, she worked with women to help them with business and budgeting, finding that "they had very different challenges than men – from health care and lifespan issues to educational differences and counterproductive cultural expectations." She says, "I began to realize the importance of financial education to the lives of women."

Susana left the Philippines for Singapore in 2000 to work with the Canadian International Development Agency (CIDA) on its Southeast Asian Gender Equity Program (SEAGEP). Hired as a consultant on regional women's financial empowerment issues, she worked on the program's concluding phases and authored a final report for the Canadian government. Through this experience, she learned firsthand about program measurement techniques and saw the impact life-skills education could have on female populations.

One of the SEAGEP partners in Singapore was the Tsao Foundation. This not-for-profit organization is dedicated to enhancing the quality of life for older people by alleviating the hardships of aging through its community health services; promoting successful aging; and pioneering new approaches to aging and eldercare throughout Singapore and the region.

"It's a family-funded foundation with an annual trust fund of about S$1.5 million [US$1.23 million] that's leveraged to develop additional funding and resources from government and other organizations," explains Susana. In 2002, she joined the Tsao Foundation with the main goal of developing and driving their "women and aging program."

Susana's timing couldn't have been better. The foundation had just marked its 10-year anniversary and was looking to reenergize its work with elderly women. In fact, the organization was founded to serve this demographic, and hiring Susana would bring renewed focus to this area.

"When it comes to aging issues, women are more disadvantaged and vulnerable," Susana says. "Among the most important questions we can ask is, 'How can we help women adjust to become more financially independent?'"

Turning Concepts into Realities

Susana describes her role with Tsao as a "program concept developer" who provides managerial support and team supervision. "But," she clarifies, "a lot of what I do is really thinking about issues and potential partners and opportunities, and how to move things forward until they become institutionalized." This is not an easy job, given the realities of the region.

"When I came to Singapore, gender was a word you could not utter in public," she remembers. "There was no recognition – from ordinary citizens to the policy-making level – that there is a difference between men's and women's experience of aging. Even some of my colleagues didn't make these distinctions.

“We’re creating pilot programs and advocating for other organizations to adopt them and for the government to help make them available for the rest of the society. When this happens, I know we’re succeeding.”

“We started with initiatives and awareness building that zoomed in on the most visible differences. For example, women often end up poor because we live longer and suffer from related chronic conditions, often debilitating in nature and requiring long-term care.

“Then we point out that a lot of women have not worked at all, and therefore they don’t have any savings. We don’t have a social pension in Singapore; we have a provident fund system that is employment based. If you are working, then part of your earnings goes into your individual account. The employer contributes to that as well, and then at the end of your work life you’re supposed to get it back for your retirement. So a lot of women won’t have that money because they have not worked. We focus on basic issues like these and show how financial education can make a difference.”

One of the foundation’s most important initiatives is the Citi-Tsao Foundation Financial Education Programme for Mature Women. Launched in 2008, the program targets low-income women above 40 years of age whose family income ranges from S$1,500 to S$3,500 (US$1,235 to US$2,880) a month. The initiative aims to provide practical suggestions for understanding how money works and how women can take charge of their finances to become more financially independent and secure as they grow older. The curriculum, developed in part from information gleaned from focus group discussions with about 300 women, covers five modules in 20 weekly sessions of three hours each. Through these sessions, participants are taught about savings, budgeting, investing and planning for the long term.

“When we first started, everybody told me nobody will sign up because I am asking them for five months of their life, particularly in Singapore where everybody is very busy, especially women who play multiple roles,” Susana notes. “Even though we run classes in locations where people will come – in community centers and in mosques for the Malay women – this was a big challenge.”

From the start, Susana made awareness a priority. First, she says, she made sure to get high-profile personalities and outside scholars and experts involved to promote the

program to those in government and among prospective participants. The former senior minister of state for Finance and Transport, Mrs. Lim Hwee Hua, was a guest of honor at the launch, for example, where a drama about realistic family situations faced by Singaporean women was performed to garner additional media attention. Prior to this program, Susana also brought in Dr. Estelle James, who was at the time a senior economist for the World Bank, and opinion leaders from the World Health Organization to promote the idea of the need to look at the situation of women and their financial security in old age at policy level.

Another of Susana's major efforts centers on what she calls "mainstreaming." This means elevating the issue not only through her classes and the media, but also through area women's organizations.

"There are a lot of women's organizations in the region, yet there's hardly any awareness of the fact that actually they are going to be living longer than men," she says. "We have to get the word out: 'You're not going to die at 65. You're looking at another 20 years of your life that you have to prepare for.'"

A recent impact study on the Citi-Tsao Foundation Financial Education Programme, conducted by the National University of Singapore's Department of Sociology, shows that participants are significantly altering their behavior. The study reported that "more than a quarter of those who previously had no emergency savings, now had either reached their goal or were on their way to build up their savings as a result of increased financial literacy." Also, one-third of respondents were "now more financially prepared for unexpected crisis such as illnesses or accidents," and more than 50 percent of survey respondents who did not have a retirement plan prior to attending the program "now have a clear financial plan that guides their decisions."

Susana's hope going forward with this program is for replication and institutionalization: "We're creating pilot programs and advocating for other organizations to adopt them and for the government to help make them available for the rest of the society. When this happens, I know we're succeeding."

For Susana's presentation at the 2010 Citi-FT Financial Education Summit: http://financialeducationsummit.org/2010/programme.php

For more information about the Tsao Foundation: www.tsaofoundation.org

TIPS FOR CHANGING FINANCIAL BEHAVIOR

1. "Take the time and do the research to deeply **understand your target audience**. Know their needs and the dynamics of their situations, and what it is that they really want to get out of your program. Our focus groups, for example, told us that our audience is credit averse, but not planning for old age. They save mostly for their children's needs, are very prudent and live within their means."

2. "As an organization, you have to **be clear about your end goal**. For us it was very clear – we want these women to have the financial awareness, confidence and empowerment to plan for their old age. This means helping them understand the particular challenges about how women age differently than men, how this impacts them financially and how to save."

3. "**Make your program practical**. From a development perspective, you don't always have to create something altogether new. Use volunteers, leverage community resources, work with partners. From the participants' perspective, this means making sure they can get something out of it and apply it easily to their daily lives by making the right choices about purchases and saving."

Planting the Seeds of Financial Capability in New South Wales

Norman Holmes – Team Leader, Community Partnerships, Mission Australia

Norman Holmes leads the Mission Australia team that delivers financial education in the community and facilitates training with partner community groups. Having worked full time in financial education for more than three years, Norman brings with him a background in alternative education and a passion for social justice.

As a teenager growing up in New South Wales, Australia, Norman Holmes was fascinated by how rapidly children learn. So great was this interest that he dedicated his University of Wollongong education to becoming an early childhood teacher.

"I was always inspired by watching a child learn 'the little things,'" he notes. "Watching a knowledge seed take root, and knowing its importance as a building block for what's ahead, is thrilling. The work I do in financial education today is based on that same idea – providing fundamentals and helping people understand how they can translate small bits of knowledge into success over time."

Norman began his career working in childcare centers and helping disabled young people transition from school to the workforce. It became clear that not every young person was on track. From the challenges faced by the disabled to the lack of resources available to the poor, the education world that Norman encountered was anything but a level playing field.

Mission Australia, he says, was a natural place for him to address those challenges. A conglomeration of City Missions around Australia, the nonprofit officially "came together" in 1996 as a "single, unified organization to provide an integrated approach to meet Australia's changing social needs." Today, Mission Australia employs more than 3,000 people and provides hundreds of family and community services across Australia, affecting the lives of over 300,000 people each year.

Norman joined the organization in 2005, working in its residential programs addressing drug and alcohol rehabilitation for adolescents. Helping these young people enter and navigate recovery, he got a firsthand look at the broad scope of key life skills they lacked. One of those missing skills, just as critical as interpersonal skills, was a working knowledge about how to conduct and lead financially stable lives.

"I ran the education program," Norman explains, "and as part of that job, I came across the need for financial education for the first time. These kids lacked so many basic skills which prevented them from 'accessing' society. From a purely functional standpoint, they didn't even know how to meet their own financial needs on a day-to-day basis. It was clear to me that financial education had to be part of their transition, not just in terms of getting [them] off government support, but in terms of being able to experience what life could be like if they actually got out there and found a job and achieved some goals."

Delivering the Basics

Understanding just how important it is to have a fundamental grasp of one's financial world made a strong impression on Norman. It wasn't long before he moved into a new role at Mission Australia that concentrated solely on financial education – a new area of focus for the group.

"During that first year [2009], we had a number of outreach targets that we wanted to meet, but I was keen to make the program about engaging young people in a topic that doesn't usually get a lot of buy-in from them," Norman recounts. "Participants were asked to rate themselves in certain skill and knowledge areas before and after the training, and we were able to see that we were having an impact."

A turning point in this effort, he says, was starting a partnership in 2010 with Citi. This helped Mission Australia to "focus on client outcomes and behavioral change rather than simply on participant numbers."

"Citi funded the setup of a social enterprise in the form of a thrift store, the 'Campbelltown Community Hub' in western Sydney," he describes. "What we do is get new and second-hand clothes and sell them to the public. We draw income through this store to operate and pay staff, and people in this economically hard-hit community can buy reasonably priced clothes. It's a fair deal. But there are other services attached where financial education comes into play."

For example, at the Campbelltown location, Mission Australia provides shoppers with access to a general counselor and a financial educator; or conversely, others who come seeking counseling find that they also have a chance to do some affordable shopping.

Last year, Mission Australia began to offer more extensive financial education with a focus on behavior change. "We targeted 350 participants, which was a manageable number to measure behavior change," explains Norman. "The idea was to go out into the community and help people with simple and real tasks like identifying their income and expenses, and setting and working towards a financial goal. We also survey participants at three-month intervals after completing the training using a data collection tool. We have been doing this not only to track the effectiveness of what we are doing, but also to inform the next stage of our program."

Norman's team offers these services in a number of venues, including community centers and in the thrift shops themselves. Training is delivered via a workshop approach that includes some one-on-one instruction, and incorporates train-the-trainer efforts to develop deeper reach into the community. Groups are small and represent a variety of age levels.

"By going through an exercise where they literally hold onto their soft drink money and can see it add up in their hands, participants begin to realize the effects that small behavior changes can have on their lives… For people who know what it means to live on A$380 [US$400] a fortnight, this is a very powerful exercise."

Norman says that the workshop approach is critical. “A lot of the people we work with have had negative experiences with formal education. So we try to avoid lectures in favor of engagement activities that involve working with people’s real-life, day-to-day experiences in order to get enthusiastic participation.”

Norman does all this with a small team comprised of himself and two financial educators (one full-time and one part-time), along with a “general counselor” who also provides some financial education. The members of this team conduct workshops themselves, but also train others in the community to do the same. Next year, Norman hopes to boost participation to a “still manageable” 500 and increase one-on-one mentoring activities.

“One of the big challenges we face is that we’re working with people who have really low incomes and a lack of hope and sense of control as to what happens to them and their money,” Norman states. “It’s also difficult because with these people, on the face of it, financial education isn’t necessarily a really exciting topic. So we have worked hard to make financial education hopeful and engaging. For example, one tactic we use is to photocopy currency (being very careful not to break any laws) and use ‘stacks of cash’ for budget training.

“By going through an exercise where they literally hold onto their soft drink money and can see it add up in their hands, participants begin to realize the effects that small behavior changes can have on their lives,” he comments. “For people who know what it means to live on A$380 [US$400] a fortnight, this is a very powerful exercise.”

Norman remains motivated by the same sensibilities that drew him into education in the first place. “My sense of fulfillment still comes from my early childhood background – watching those seeds take root,” he says. “I’ve kind of carried that through to working with young people and am now doing financial education in ways that really celebrate those tiny little achievements.”

For more information about Mission Australia:
http://www.missionaustralia.com.au/

TIPS FOR CHANGING FINANCIAL BEHAVIOR

1. “It’s important to **make training different from what participants expect** from financial education – namely that it’s boring and has little to deal with their day-to-day lives. If they realize in the first few minutes that their experience is not going to be what they expected, there’s a great window of opportunity to quickly build rapport and engagement.”

2. “It’s easy to think that we need to give people lots and lots of information, but I think it’s important to **focus on just one message at a time**, such budgeting or saving. This can be far more effective because it keeps things specific. Also, keep in mind that if you’re working with economically disadvantaged members of a community, you’re more than likely up against negative experiences of formal education.”

3. “I think it’s really important to tailor your message to **make it personal** to a participant’s world. Work with participants to understand what realities they face every day, from living expenses to short- and long-term purchasing goals. Relevance is key; remember that the people you’re educating are the experts on their own situation.”


homewise

Financial Tools for Home Ownership in New Mexico

Michael Loftin – Executive Director, Homewise, Inc., United States

Michael Loftin has been the executive director of Homewise since 1992. The mission of Homewise is to help working New Mexicans become successful homeowners in order to achieve greater financial security, strengthen families and increase the economic and social vitality of the community. During his tenure, Homewise has created thousands of new homeowners and rehabilitated the homes of hundreds of low-income families in high-cost Santa Fe, New Mexico, USA.

Michael Loftin's career began to take shape in 1976, when, after spending his childhood living in "1950s tract housing" in Albuquerque, New Mexico, he moved to Chicago to study history at Northwestern University. While there, he took an internship working in underprivileged-community development and began to see firsthand the relationship between home ownership and neighborhood success. "It quickly became clear to me that people take care of what they own," he says. "When people feel invested in their community, they do whatever they can to protect and develop that investment."

In the late 1980s, Michael went to work for five Catholic parishes in one of the city's oldest Mexican immigrant communities (Pilsen) and created a new community development corporation, now called The Resurrection Project. By then, he was sure that the key to keeping people committed to the area was home ownership. For many of the local renters, however, the concept of a mortgage was completely alien – and not only in terms of being able to get one, but also because some lacked even the most basic knowledge of what a mortgage was. In fact, he recalls, some residents had no fundamental financial literacy – from budgeting and bill paying to the importance of savings. So Michael embarked on his first foray into financial education.

“We started to do home buyer education and one-on-one financial counseling,” he says. “But to be honest, I didn’t know anything about the subject. The closest I got to banking and borrowing was when I bought a car with a loan. I just went out and talked to bankers and people and said, ‘All right, tell me how this works.’”

It turned out that many of the people in the area were qualified to buy a home – and real estate agents started paying attention. Soon the area was filling up with homeowners. “What was thrilling was that this quickly translated into a much healthier neighborhood,” Michael notes, “particularly for the kids, in terms of schools and safety, and not having to spend all their time on socialization because of transient lifestyles.”

Finding a Home

In 1992, Michael found his own life circumstances facing considerable change. About to get married and start a family, he was now the one looking for a community to call his own. On a visit home to New Mexico, he decided that returning to his roots could be the answer. Around that time he got a call from a “little organization” called Neighborhood Housing Services (NHS) of Santa Fe, a nonprofit engaged in home improvement and rehabilitation of the city’s poorer west side. “They had three people working for them, they were in financial trouble and the director had just left. I took the job.”

Michael began by surveying the organization’s existing clients and found that homeowners were complaining that their grown children could not afford to buy a home in the area. “It was an old neighborhood that was becoming gentrified,” he describes. “It still had some bad homes in it that could use rehabilitation, but prices were climbing a lot. The

“Having financially educated buyers became even more important because now we’re on the hook… If they don’t make it, we’re not going to make it. But we know that if people do this in the right way, and learn good financial habits, they’re not any more risky borrowers than anyone else.”

circumstances were different from my work in Chicago, but the principle was the same – I wanted to keep people in and dedicated to their community by helping them purchase homes, and I knew education would be the key. So I called up my buddies in Chicago and said, 'Send me the curriculum so I can teach this stuff."

Over the next decade, Michael and the staff of NHS-Santa Fe, now called Homewise, grew into "a full-service agency promoting affordable homeownership through financial counseling and educational classes designed to help Santa Fe's moderate-income residents become homeowners." Their mission is to "help working New Mexicans in Santa Fe and the surrounding area become successful homeowners in order to achieve financial security, strengthen families and increase the economic and social vitality of our communities."

Homewise accomplishes this in many ways, including offering free financial literacy and homebuyer education classes and financial counseling. The agency also offers low-interest, fixed-rate mortgages, as well as home improvement and refinance loans – even helping buyers to focus on energy and water conservation measures and engineer their homes for energy efficiency.

Homewise provides financial education primarily through one-on-one counseling, but some classroom instruction is also available. The goal, says Michael, is to start with basic behavior change. "We don't care if people don't really understand compound interest," he comments. "We want people to focus on things like establishing savings and debt-reduction goals, and simple ways to improve credit. We talk about the path to financial security for working-class people as being a three-legged stool of having enough discretionary income, liquid assets or savings, and a long-term asset, which in this case is the home."

A big obstacle, says Michael, has been the "conventional wisdom that homeownership is impossible for working people in Santa Fe." But through diligence, his group has disproved that notion, creating 2,311 new homeowners since 1992.

"We got traction when we persuaded the city to put up some down-payment assistance money," Michael explains. "But the biggest thing we did – when we figured out that people were getting turned down for loans simply because banks didn't want to focus on them – was to say to ourselves, 'Hey, this isn't rocket science. We already know all this financial information by helping them get prepared, so let's just start taking on more pieces of this. So we went into the loan business in around 1995."

This move deepened Homewise's commitment to its mission – and placed even more of an emphasis on education – as now the agency was responsible for any client defaults. "Having financially educated buyers became even more important because now we're on the hook," Michael acknowledges. "If they don't make it, we're not going to make it. But we know that if people do this in the right way, and learn good financial habits, they're not any more risky borrowers than anyone else." And the numbers prove him correct – Homewise's loan delinquency rate (a mere 2.35 percent) is far less than the delinquency rate for prime, conventional mortgages nationally.

Today, as during his days in Chicago, Michael is motivated first and foremost by community. Santa Fe is his home, and it means the world to him. "There are 9,000 folks who used to live and work in Santa Fe but have bought a home outside the county," he says. "Those people aren't spending their money in this community, even though they earned it here. I know that if we can keep our workforce families – many of whom trace their Santa Fe roots back generations – we'll continue to make a difference for all of us."

Clearly, Michael has made a big difference in Santa Fe. But his work is also being recognized further afield. The Homewise business model is now being explored in communities such as Charleston, South Carolina; Portland, Oregon; and back in his first home away from home – Chicago, Illinois.

For Michael's presentation at the 2010 Citi-FT Financial Education Summit: http://financialeducationsummit.org/2010/programme.php

For more information about Homewise: www.homewise.org

TIPS FOR CHANGING FINANCIAL BEHAVIOR

1. "**Focus on the importance of budgeting**. I tell people that there are a lot of folks out there who have plans for your money, so you'd better make your own plan or they're going to take it from you. Billions of dollars are spent in advertising every year to try to get money out of your pocket into somebody else's, so you need to have your priorities straight."

2. "Make sure you teach people to pay themselves first – **encourage the savings habit**. Show people that can be done with every paycheck, and help make it very easy for their money to go into a savings account (encourage and provide tools for direct depositing) and make it harder to take it out."

3. "You can't over-stress how important it is to **get people to pay off their credit cards**. Teach them that if they want to get a huge return on their money, this is the way to go. If I offered you an investment where you would get an 18 percent guaranteed return, you'd jump on it, right?"

Financial Access to the American Dream in California

Ben Mangan – President, CEO and Co-Founder of EARN, United States

Ben Mangan is the president, CEO and co-founder of EARN, a nonprofit that helps to open savings accounts for the unbanked and offers matched savings accounts for low-wage workers to invest in college, first homes and microenterprises. With more than 15 years of experience in public policy leadership and strategic management, he has guest-lectured at Harvard, MIT, Stanford and UC Berkeley. Ben holds a Bachelor of Arts degree from Vassar College and a Master of Public Policy degree from Harvard University's Kennedy School.

Ben Mangan grew up in a household that, as he recalls, "did not have a lot of financial resources or knowhow." He lived in public housing in western Massachusetts and then Brooklyn, New York, and making ends meet was a constant challenge for his family. But Ben's mother placed a high premium on education, and he was fortunate enough to be "a kid who really liked school." These "simple advantages," he states, were all it took to create a new world for himself: "Education – including in the financial area – was ultimately the key for me."

Ben says he always had a keen interest in "the vehicles by which we create prosperity for people who are struggling in the American economy." During graduate school at Stanford and at Harvard's Kennedy School, he studied public policy and business, developing an understanding of how double- or triple-bottom-line investing (measuring return by community and environmental impact, as well as by profit) can create opportunity and prosperity for people and communities. "Part of that," he notes, "involves financial education at the micro level. Knowledge has a way of enabling people to make their own fate."

In 2000, a business opportunity with a "dot-com" that was focused on micro-payments – combined with his love of the American West Coast – drew Ben to San Francisco. Shortly after his arrival, he met a group of people who were developing EARN, a nonprofit concept that, he says, fit right into where he wanted to go professionally. He comments, "I jumped at the chance to try to get this idea off the ground and became EARN's first employee."

EARN describes itself as an organization that gives low-income working families the power to create prosperity for generations. It is the leading microsavings provider in the U.S. and offers tools and training to achieve goals such as saving for college, buying a first home and starting a small business. Since its launch in 2001, EARN has helped tens of thousands of families in the San Francisco area with products such as matched savings accounts, checking accounts for the unbanked and financial coaching.

Ben explains that EARN's vision is to help families achieve financial success through proven strategies, fair public policy and their own hard work. He says that matched savings accounts are EARN's "core product," and that they involve two layers of match: one from the federal government, and one primarily provided by foundations or individuals (in order to secure and leverage awarded government funds).

Combining Financial Education with Products

Financial education, says Ben, has proven to be most effective when it is combined with financial products. In some cases, EARN incentivizes participants with prizes; while in others, matching funds often come with mandatory education (as well as a requirement to save every month).

EARN's model involves having staff double as both money managers and trainers. "We conduct courses that include eight hours of training over two different sessions," Ben describes. "They're normally held here at EARN. Having a connection between EARN, our products and the financial education increases trust and has proven to 'move the needle' in terms of behavior change."

“One of the powerful things about financial education is how redemptive it is. People cited that a lot when I did the training for them, saying that saving money is just a small part of the transformation they experience… This is the sort of transformation that really embodies the whole notion of making your own fate – and that’s what keeps me motivated.”

The curriculum is aligned with the goal of saving – particularly, saving regularly – and it is designed, as Ben explains, to “get at people’s relationship with money. We ask the question, ‘Why can’t you save money?’ And we get a wide array of responses that represent a variety of human experiences and the role that money plays in them. So we help people track their spending over the course of two weeks – students keep a money journal, and they leave the training with a monthly budget plus an annual spending plan, so that they can save at least US$20 a month.”

After EARN Savers complete the course, they can enroll in EARN Wealthcare, a financial planning and coaching initiative that offers 12 months of one-on-one engagement with an expert coach to help them maintain an “upward financial trajectory.”

Ben can’t say enough about the importance of having quality trainers who are “non-aligned.” A lot of his staff have direct service backgrounds, including teaching. Interestingly, none of them have backgrounds in financial services, which helps because they’re “agnostic” about recommending specific financial products. “We happen to work with Citibank because they have the best product for what we do, but we get requests all the time from financial institutions who want us to push their different products in an ancillary way – which we don’t do,” he says. “Trainers have to really want to help people and get accounts moving toward the point where they’re saving and investing in either college education or launching a small business or purchasing a home.”

Ben’s firsthand experience in training remains as strong a motivation for him today as it was when he co-founded EARN a decade ago. “There was a time in the life of this organization where it was just me and two other people,” he says. “So I taught all of our money management training classes. It was a profound experience to teach and lead people through such a critical process.”

"The dark side of the American Dream is that there are these huge structures that systemically prevent people from advancing. Our role is to help people work through those obstacles and build a better life. One of the powerful things about financial education is how redemptive it is. People cited that a lot when I did the training for them, saying that saving money is just a small part of the transformation they experience. Eighty-three percent of them continue to save even when there's no incentive and no requirement, and they have a much higher level of confidence in their ability to achieve other financial goals. This is the sort of transformation that really embodies the whole notion of making your own fate – and that's what keeps me motivated."

Ben's long-term desires for EARN depend on the scalability of its programs, which will require the organization to continue looking for ways to impact public policy and program innovation through research. To this end, the EARN Research Institute evaluates the impact of its work and publishes original data to share lessons learned and best practices.

Ben adds: "Our education efforts provide a great opportunity for us to embrace applied research with the distinction of being able to provide information and advocacy based on what's actually working with real people."

For Ben's presentation at the 2010 Citi-FT Financial Education Summit: http://financialeducationsummit.org/2010/programme.php

For more information about EARN: www.earn.org

TIPS FOR CHANGING FINANCIAL BEHAVIOR

1. "It's very important to help people **understand the difference between wants and needs**. For instance, people may have powerful emotional reasons for wanting to buy material items that are linked to their self-esteem. Understanding how to limit the urges to buy these things is key in developing the discipline required to save and invest in things that create future prosperity."

2. "Be sure to **set clear goals and create a process to achieve them**. Setting goals that are measurable and achievable, but that also require you to stretch, is a formula for success in anything you pursue. For many of the people EARN serves, they have never saved – and having a spending plan that enables them to put money aside, for the first time, is a life-changing experience."

3. "**Let people know that there are times when they'll stumble on the way** to achieving their goals – and not to let those stumbles derail them from focusing on long-term financial ambitions. Part of what we help people understand is that the challenges of saving, when you don't have a lot of income to start with, will lead to breakdowns. For instance, people may have unexpected expenses – like getting a car towed – which can cost almost $500 in San Francisco. An event like this can set people back. But the EARN staff is here to coach Savers through an experience like this, toward an outcome that gets people back on track toward their goals."


TO HONG KONG

Investing in the Future of Hong Kong

Arthur Shek – Executive Director, Associate Publisher and Head of Research, Hong Kong Economic Times Holdings Limited, Hong Kong

Arthur Shek is executive director of HKET Holdings and a founder of Hong Kong Economic Times (HKET), where he serves as associate publisher and head of research, and supervises ET Learning, ET Press and ET Business College. Arthur is also a popular economic analyst and investment guru, as well as a columnist, writer, speaker and radio host on Radio Hong Kong.

Arthur Shek describes himself as being an entrepreneur from a very young age. Born in Hong Kong and raised helping his parents run their street food stalls, in 1972 he graduated from the University of Hong Kong with a degree in education. After spending a few years teaching, he was lured by a friend into the business arena to join a manufacturing company. Meanwhile, on his own time, he was mastering the art of investing – something that would lead to his future role as one of Hong Kong's leading financial educators.

"I was mostly into U.S. government bonds," he recalls. "I became immersed and learned everything there was to know about such investments. I made some good money, but I also almost went broke, too. In the end I became highly educated about the business world, and in particular about what went into good – and bad – risk planning."

In 1983, Arthur joined a China exhibition services company that, just one month before the 1987 stock crash, made a bold decision to "switch gears" and dive into publishing. Soon, thanks to HK$20 million (about US$2.5 million) raised from property investment, the *Hong Kong Economic Times* newspaper made its debut. At the time, it seemed to Arthur to be an extreme shift of focus, but given his entrepreneurial nature, he was on board both as co-founder and deputy chief editor. “The *Economic Times* mission was to inform and educate the businessperson in Hong Kong – and I was one of them,” says Arthur. “I knew we could do it right.”

Today, the *HKET* is the leading financial daily in Hong Kong, with a circulation of about 100,000. It specializes in business reporting and information, as well as political and economic analysis. As success mounted, Arthur began to see the organization’s potential to play a key role in what he saw as the future of Hong Kong by delivering financial education to the city’s younger population.

“My background as an educator told me that if Hong Kong is going to prosper, we need students to have some financial knowledge – or at least business sense,” he states. “Hong Kong is no longer a manufacturing center, and we don’t do agriculture. What we are is a business and trading center. We have to train our population from a young age to be able to participate in that industry.”

Educating the Next Generation

In 1998, Arthur launched an ongoing series of special editions focused on secondary school students, ages 12 to 18. Delivered directly to Hong Kong schools (and also available online), the “School Paper” edition has four main sections: English, Chinese, Liberal Studies and Economics, the last of which offers a breadth of financial education. “We want to teach the basics of personal wealth management while people are still young,” Arthur comments. He goes on, “We talk about their pocket money, which might not seem much to us adults, but the principles of saving money and being prudent are important habits to learn for a lifetime.”

Of the various activities and information offered in the “School Paper,” Arthur is particularly excited about a Citi-sponsored “stock competition” called the Citi Youth Investment Education Program. Co-organized with the Hong Kong Education Bureau, the game is based on text and audio workshops that lay the groundwork for an online stock-trading simulation competition. More than 7,000 students from Hong Kong and mainland China participated in the first go-around in 2004. As evidence of the program’s success, more than 10,000 competed when the competition was again offered in 2007.

“We have an online system that allows real traders to buy and sell stocks when the market is open, so we figured, ‘Let’s permit students

"Of course, retirement planning seems like it's a topic for older-age people, not for kids in school. But the parents of many of these young people are at risk, and if we can get to them through their kids, then we should do so. As for the students themselves, developing a sense of retirement planning very early is a positive thing – and even if we don't get their attention on that specific issue, we're talking about developing lifelong habits which will impact more immediate issues like saving for their education."

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to use the system during downtime to learn about financial planning and the financial world,'" Arthur explains. "The way it works is that students can trade stocks every day based on the news and market developments. So they're fighting the battle on the real battlefield. The only thing is that they cannot do it with real money in real time. And we don't judge based only on who makes the most money. We ask students to give us a reason for their decisions to buy or sell, and we also look at who gives us the best analysis for risk control.

"The best part is that based on the education and training we provide, 85 percent of the students actually outperform the Hang Seng Index [Hong Kong's stock market index]," says Arthur. "And approximately 70 percent of the students understand stocks clearly as an investment tool after joining the program."

Such success is a big motivator for Arthur. "When some kid of about 14 or 15 tells you that the market is fluctuating, that he's uncertain, that he prefers not to invest – I think that the effect is burned in his mind for later in life. What I want the students to know about is risk aversion, which is so important not only in investing, but for every aspect of what we do financially. It may not be within our power to chase profit, but managing risk is something we should and can do. So we help them learn what the signals for risk are."

Aside from the special student editions of the newspaper and the stock competition, Arthur oversees a number of other financial education projects for young people. Representatives

“The best part is that based on the education and training we provide, 85 percent of the students actually outperform the Hang Seng Index [Hong Kong’s stock market index]. And approximately 70 percent of the students understand stocks clearly as an investment tool after joining the program.”

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from the corporation are often invited to lecture to students of all ages at their schools, covering topics as diverse as basic savings techniques for the youngest to retirement planning for the older students. Arthur would like to see all of the group’s programs begin to involve parents as well, and in particular get across the message of how wealth management and risk aversion play an important role in planning for the future and retirement.

“In Hong Kong, we do not have social security, and so many people here do not have a retirement fund,” Arthur notes. “Of course, retirement planning seems like it’s a topic for older-age people, not for kids in school. But the parents of many of these young people are at risk, and if we can get to them through their kids, then we should do so. As for the students themselves, developing a sense of retirement planning very early is a positive thing – and even if we don’t get their attention on that specific issue, we’re talking about developing lifelong habits which will impact more immediate issues like saving for their education.”

Today, Arthur serves as the corporation’s executive director as well as associate publisher and head of research, and he supervises the ET Learning, ET Press and ET Business College operations. His knack for delivering education is well recognized, making him a popular economic analyst, columnist, speaker and radio host. What he offers people is a lot more than the tea he “hawked” at his parents’ street stall way back when. But, he says, the principles are the same: “Know your marketplace. Manage your wealth. Control your risk.”

For Arthur’s presentation at the 2010 Citi-FT Financial Education Summit: http://financialeducationsummit.org/2010/programme.php

TIPS FOR CHANGING FINANCIAL BEHAVIOR

1. "You must **make sure that the information you're offering is relevant**. Ask yourself what the real-life needs of your audience are – savings? investment? retirement planning? – and give them something they can use. Our students might not be thinking about retirement, but they're already thinking about making money. We teach them to understand the marketplace they live in."

2. "When you're asking someone – in our case, young people – to do something, **make sure goals are reachable**. Don't tell people to do things that are beyond their reach. Our program is a kind of blended learning, with both onsite seminar and Web-based self-learning. To facilitate the process, a well-organized online workshop was introduced, where the students explore the knowledge themselves with guidance from their teacher."

3. "**Always offer rewards** when goals are achieved. These incentives should recognize and reinforce good performance. Under the New Senior Secondary Curriculum of Hong Kong, students should participate in learning outside the classroom. This is known as the Other Learning Experience [OLE], and they need to complete 405 hours. Under our system, reports are generated and sent to schools for assessing the learning outcome of an individual student. Schools can then apply the learning hours of students to OLE."

The Road to Retirement Planning in the U.K.

Jackie Spencer – Project Manager, Work and Later Life Division, Money Advice Service, United Kingdom

Jackie Spencer leads the U.K.'s Money Advice Service efforts to develop later life strategy and education. She also represents the Money Advice Service in leading a collaborative venture for Europe's retirees supported by Citi and CSR Europe. Jackie is a certified financial planner and holds a master's degree in finance.

When Jackie Spencer stepped off the plane in Mumbai in 1999, she had no idea what to expect. Having earned her undergraduate degree in commerce at the University of Saskatchewan in Canada, she was on her way to begin an internship on a microcredit project, 600 kilometers north of Bangalore. Soon she would be, as she puts it, "as far away from home" as she "could possibly be."

The position marked the beginning of her journey toward becoming a financial educator. It entailed working with rural, self-help groups of women who collected dues and deposited them in a bank account so the funds could be lent back to members. This way, they wouldn't have to turn to unauthorized money lenders to meet basic needs that were otherwise beyond their means.

Though she was recruited because of her business acumen, she was immediately confronted by the training needs of the women. Soon, she was being asked to develop engaging materials and seminars. "It wasn't so much the quantitative work I was doing that began to motivate me," she says. "It was the qualitative – interviewing and talking to the women about their situations and coming up with ideas to best reach them."

After India, it wasn’t long before Jackie was traveling again, this time to Kenya for a four-month stint teaching marketing at Kenya Polytechnic in Nairobi. “Even though I wasn’t teaching finance specifically, marketing was another piece of the financial education puzzle.”

With her broadened worldview, Jackie returned to Canada in 2001 to work as a financial planner for a major bank in Saskatoon. During this time she encountered a new audience to which she could apply her skills – and, ultimately, devote her entire career. “I was responsible for all of the clients who wanted retirement plans,” she explains. “It was my first step into working with older people and later life issues. It was challenging at first, because often they just wanted someone to talk to. In the end, they taught me a lot about patience, service, time and respect.”

In 2006, Jackie left Canada to earn her master’s degree in international finance at London Metropolitan University. While in London, she continued her engagement with older people securing part-time work at Age Concern (now Age UK) to help with a pension education project. In this role, she conducted pre-retirement seminars. By the time she finished her degree, Jackie knew she wanted to focus her work entirely on this period in people’s lives.

“Instead of returning home, I took a job as an associate with the Adult Strategy and Development team at the U.K.’s Financial Services Authority in a division that was set up to deliver the national strategy on financial capability. This was later made into an independent organization called the Consumer Financial Education Body (CFEB) and eventually rebranded as the Money Advice Service.”

The Money Advice Service has an objective to help people manage their money better and also to provide education about financial systems. The organization’s goal is to deliver “clear, unbiased money advice to help people make informed choices.” It’s a free and independent service, set up by the government and funded by a levy on the financial services industry. Advice and information are available in many formats, including print, online, over the phone and face-to-face.

Tackling Later Life Issues

Jackie's expertise eventually led to her current role as project manager of the Money Advice Service's Work and Later Life Division, which has conducted research showing gaps in financial information for people nearing retirement, for those dealing with bereavement issues and in long-term elderly care situations.

"These are all subjects that people usually don't want to face until they have to," she says. "And sometimes that's too late from a planning perspective. With this in mind, we developed our primary educational effort in the form of a publication called 'Your Guide to Retirement.' It's updated annually and currently has a distribution of about 170,000. The guide aims to demystify moving from work into retirement, and it offers information and tools to navigate critical issues, such as pensions, entitlements, money management and taxes."

The biggest challenge was and remains distribution, Jackie acknowledges. "We did testing on this, too, and people said things like, 'I only want this guide six months before retirement because if I have it much before then, I won't look at it and it will just scare me.' And we had other people saying, 'I need this guide five years before retirement.' It's difficult determining the right distribution time to get people to act on the information. It turned out that the best way was to go through employers and unions to catch people who are right at that cusp of their first decision regarding retirement."

"It's about having people take action… We interviewed close to 900 people, giving everybody a standard set of questions to create a baseline of where people were at. We then gave 600 of them the guide before going back again and speaking to everyone. Those who received the guide said they had better peace of mind about their finances and are better organized with their savings and investments."

Jackie's group also promotes the publication at trade shows across the U.K., as well as through consumer panels where people are invited to attend question-and-answer sessions. They've even done a piece for the BBC television show *Rip Off Britain*, in which Jackie offered "top tips" from the retirement guide.

As a finance person who's always looking beyond the numbers, Jackie notes: "It isn't just about the distribution. It's about having people take action. So we tested to see if we could truly make an impact on behavior. We interviewed close to 900 people, giving everybody a standard set of questions to create a baseline of where people were at. We then gave 600 of them the guide before going back again and speaking to everyone. Those who received the guide said they had better peace of mind about their finances and are better organized with their savings and investments. These people also reported taking actions such as working out their state benefits and creating a retirement budget, as well as taking time to consider the tax implications."

As for the future, Jackie says that her group wants to develop a more interactive website to go along with the publication. "We're currently going through a review that will be completed by the end of 2012. The plan is to increase the impact of our service through our website and other media. We want it to include calculators, prime rates and other tools so users can plug in their information and make it real."

Jackie sees her career in financial education as being an exercise in what she calls "picking up pieces along the way." Whether addressing the needs of the lower caste in rural India, business students in Nairobi, or the elderly in Saskatoon and London, she says, one desire has remained constant: "Working with real people on the real challenges they face in their day-to-day lives."

For Jackie's presentation at the 2010 Citi-FT Financial Education Summit: http://financialeducationsummit.org/2010/programme.php

For more information about Money Advice Service: www.moneyadviceservice.org.uk/

TIPS FOR CHANGING FINANCIAL BEHAVIOR

1. "It's important to **have a solid distribution plan** to reach your audience. The seed of your idea might be good, but you need to make sure you can actually get to the right people at the right time in their lives. So have a plan and test your channels and ask people how and when they need and want what you have to give them. That might mean surveys or focus groups or both."

2. "From a layout and content perspective, **break up information** so that it's digestible and engaging to help people develop a coherent plan. Create easy-to-use sections and at-a-glance material; don't make people read something like a book. Let them dip in and out of a communication and take what they need from it. This will make it a resource that they want to come back to."

3. "**Put people at the center of everything that you do**. Always bring your thinking back to your audience. Do a lot of consumer testing, and get as much feedback as you can. We did a lot of this work up front, and it really paid off in the long run."

Teaching Savings Habits in India – One Woman and One Rupee at a Time

Jayshree Vyas – Managing Director, SEWA Bank; Executive Director, Indian School of Microfinance for Women, India

Jayshree Vyas has been working as the managing director of SEWA Bank, Ahmedabad, since 1986, during which time she has introduced an integrated social security scheme covering more than 150,000 women working in the informal sector, as well as devising various technical and housing finance schemes that have been accessed by more than 20,000 underprivileged women. Jayshree is also the executive director of the Indian School of Microfinance for Women, a board member of Women's World Banking, a member of the Task Force on Housing Finance for the Poor and a board member of National Housing Bank.

Jayshree Vyas was raised in Ahmedabad and was fortunate enough to grow up with a father who was a banker. With an understanding of financial issues, she studied accounting and obtained her certification. In 1980, she began working as a financial analyst for the Reserve Bank of India (India's central bank), but after seven years, she says, she "felt the need to do something different – something less monotonous."

"There was a small bank in town that had been around for about 10 years," she recalls. "It provided financial services to poor women, such as vegetable growers and garment makers. These were women who were extremely active economically, but they were earning very little, maybe US$2 or so a day for working 10 to 15 hours. They were highly dependent on money lenders, so together they had started this bank to help each other come out of poverty and improve their living conditions by building savings a small amount at a time – say, 10 rupees (US20 cents) a day – and in turn providing microloans to help them grow their businesses. They were working with about US$2,000 in total savings when I joined the bank as managing director."

The bank was the Mahila SEWA Co-Operative. Established in 1974 with 4,000 contributors, the organization refers to its base as "the unorganized sector," or "workers who have no fixed employee-employer relationship and depend on their own labor for survival. Often illiterate and vulnerable, most of them have virtually no assets or working capital." Today, the number of contributors has grown to about 200,000 women. Moreover, the bank now provides an integrated set of services, including financial education.

For Jayshree, the cooperative offered anything but a monotonous environment and, most important, it was a place where she could make a difference in the lives of her countrywomen. Playing a role on the financial education side was of particular interest. "We realized that these women had a very poor instinct for savings; and when they did save, they did it 'under the mattress.' Our goal was to convince them to put their money in a bank so they could build capital and have access to small amounts of investment money when they needed it."

Research on the cooperative's base shows that its "target" demographic exhibits four key traits. First, they work, live and plan on a day-to-day basis, and tend not to think about the future. Second, they rely on local moneylenders to meet basic life needs – without thinking about repayment or interest. Third, they prefer to use credit as a product and seldom think of generating savings for needs and services. And fourth, while they are always dealing with money, they never think in terms of *managing* money.

"These were and remain significant obstacles to overcome," Jayshree acknowledges. "Beyond providing the cooperative banking services, our goal has been to educate them and break this cycle."

“When women save and share with other women, no matter how small the amount of money, I feel grateful… That’s what continues to motivate me every day. It’s about hope and planning and attaining goals. And it’s not just for the older generation. It’s about making the future brighter for the young, as well.”

Taking Financial Literacy on the Road

Over the years, Jayshree and her team developed robust financial education programs to meet the needs of SEWA’s client base. The delivery is characterized by a multiple and flexible venue approach to provide easy access, and the curriculum is delivered through fun and engaging exercises focused on illuminating and solving real-world problems.

“We offer a one-week classroom course where we focus on budgeting and saving techniques,” Jayshree describes. “We show lots of films and use games and stories to examine issues like interest and loan repayment. For people who can’t find a way to our classrooms, we send teams out in a van to get to them where they live – often in very, very poor areas – and offer quick, three- or four-hour sessions. Our subjects include titles like ‘Financial Planner vs. Non Planner,’ ‘Avoiding Wasteful Expenditure’ and ‘Productive Borrowing.’

“Another delivery method has been through what we call our Financial Literacy Campaign, where we present to very large numbers of women – for example, from 700 to more than a thousand at a time – in a theater-like situation. The people can come and sit in a cool place and see our films and games that really focus on the importance of thinking about tomorrow. We want them to think of their dreams and goals and how they change their behavior to attain them.”

Not all of SEWA’s efforts are at the group level, however. The cooperative also takes particular pride in its one-on-one success offering advice and information at their branches. One tool they use for this more personal effort is a “passbook” that is given to clients, where they write down their aspirations with advisors adding very specific information to help them plan and achieve their goals.

“Another delivery method has been through what we call our Financial Literacy Campaign, where we present to very large numbers of women… We want them to think of their dreams and goals and how they change their behavior to attain them.”

The bank’s education efforts have gained increased attention over the years, and in 2003 the Citi Foundation provided funding to SEWA to launch a new organization called the Indian School of Microfinance for Women. The ISMW focuses on the lives of women who are the primary participants in microfinance interventions. Microfinance is viewed by the school not only as a means of poverty alleviation, but also as a means for women’s leadership and the building of women’s assets. Based in Ahmedabad, the school’s Citi Centre of Financial Literacy (CCFL) was started in 2005 with the main objective of “spreading Financial Literacy amongst the poor, especially women, by building their financial awareness, knowledge and skill to enable them to manage their finances and thereby making them financially self-reliant and providing them a better and secured future.” With the support of regional centers and other partners, CCFL serves about 500,000 women.

One of its signature initiatives is the National Financial Literacy Drive, which began in Mumbai in 2008, and reached more than one million women by the end of 2009. The launch itself was an important focal point and mobilization platform for hundreds of key stakeholders in financial literacy and inclusion, including the government, banks, financial institutions, insurance and investment companies, and training, research and educational organizations.

For Jayshree, this huge rollout of what began with a very small and humble cooperative bank in Ahmedabad remains a simple, albeit far-reaching, articulation of the basic principles she and others developed a few short decades ago. “When women save and share with other women, no matter how small the amount of money, I feel grateful,” she says. “That’s what continues to motivate me every day. It’s about hope and planning and attaining goals. And it’s not just for the older generation. It’s about making the future brighter for the young, as well.”

For Jayshree’s presentation at the 2010 Citi-FT Financial Education Summit: http://financialeducationsummit.org/2010/programme.php

TIPS FOR CHANGING FINANCIAL BEHAVIOR

1. "Design programs with the understanding that **people are caught up in their daily lives**. For many people who need basic financial education, life is a day-to-day struggle. You need to stick to the basics and make sure you give options regarding how and when they can receive information. In our case, we offer classroom, mobile learning and one-on-one options. Things like providing a cool place to learn and get away from the street can be of great benefit."

2. "**You can overstress the idea of saving.** Poor women have the basic instinct to save but they need to be further motivated to actually start to save. The concept of power of compounding is one such way to convince them of the tangible benefits."

3. "**It's important to help people think in the long term and have a holistic idea of life over time**. Creating awareness around planning for lifecycle needs and availing appropriate financial services to meet them is an important part of financial education."

Summit Organizers

Citi Foundation

Citi, the leading global financial services company, has approximately 200 million customer accounts and does business in more than 160 countries and jurisdictions. Through Citicorp and Citi Holdings, Citi provides consumers, corporations, governments and institutions with a broad range of financial products and services, including consumer banking and credit, corporate and investment banking, securities brokerage, transaction services, and wealth management. Additional information may be found at **www.citigroup.com** or **www.citi.com**.

The **Citi Foundation** is committed to the economic empowerment and financial inclusion of individuals and families, particularly those in need, in the communities where we work so that they can improve their standard of living. Globally, the Citi Foundation targets its strategic giving to priority focus areas: Microfinance, Enterprise Development, Youth Education and Livelihoods, and Financial Capability and Asset Building. The Citi Foundation works with its partners in Microfinance and Enterprise Development to support environmental programs and innovations. Additional information can be found at **www.citifoundation.com**.

Citi's **Office of Financial Capability** combines the strength of Citi's business, people and partnerships to empower individuals to achieve their personal finance goals and improve their quality of life. Citi takes a holistic approach to financial capability that encompasses four elements critical to achieving sustainable results: 1) increasing financial literacy; 2) developing short-term and long-term financial plans; 3) increasing ability to select appropriate financial products or services to implement those plans; and 4) providing ongoing support that helps consumers redefine their financial goals over the course of their lives. In 2004, Citi made an unprecedented 10-year, US$200 million global commitment to support financial education. As of 2010, the company had invested over US$167 million in these efforts in 73 countries around the world. Additional information may be found at **http://financialcapability.citi.com**.

The **Financial Times Group**, one of the world's leading business information companies, aims to provide a broad range of business information and services to the growing audience of internationally minded business people.

- The FT has a combined paid print and digital circulation of 585,681 (Deloitte assured, 4 April 2011 to 3 July 2011). This is made up of the FT newspaper's daily circulation of 331,883 (ABC figures August 2011) and 229,000 paying FT digital subscribers.
- The FT has a combined print and online average daily readership of 2.1 million people worldwide (ADGA, PwC assured, November 2010).
- The FT newspaper is printed at 23 print sites across the world and has a global print circulation of 331,883 (ABC, August 2011). FT.com has over 3.7 million registered users.

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