

RESERVE BANK OF FIJI



Welcome to the Reserve Bank of Fiji's Public Awareness column. This article continues the series of articles on financial education in Fiji and how it contributes to financial inclusion.

FINANCIAL EDUCATION TEACHES RURAL STUDENTS TO BE RESOURCEFUL

The reality for rural students at a boarding school like Namosi Secondary School in the interior of Viti Levu is very different from their urban peers. For one, they don't have easy access to cash – many of them don't get pocket or spending money. When they do manage to earn some money and save, they don't have easy access to banking or investment facilities.

But through the Financial Education they've been receiving in their classrooms, these students are learning how to be resourceful by using what's around them to earn money, set financial goals and save towards them.

Sitela Vadrakula, 14 from Waivaka is one such student. Her family grows and sells root crops and seasonal vegetables like taro and duruka for their livelihood. From the sale of this produce, they've started putting \$50 aside each week towards her tertiary education.

But it wasn't always this way. Sitela has been taking what she learns about budgeting, setting financial goals and saving in the classroom, back home to her parents. A Year 9 student, she earns money by making and selling sasa brooms as well as picking and selling fruit to teachers at school. She saves this money and "banks" it with her commercial studies teacher given the nearest bank is 33 kilometres away and rural banking services are infrequent.

For the past two years, Solomone Roserutabua has been teaching Financial Education in his Commercial Studies, Accounting and Economics classes at Namosi Secondary School. He started a "classroom bank" for students like Sitela to accumulate their savings. Both he and the students keep separate records of the amounts they bank in financial diaries provided by the Reserve Bank of Fiji. Withdrawals are limited to school necessities such as uniforms and stationery. When their savings reach \$20, an investment account is opened for the student at the Unit Trust of Fiji, which allows them to purchase units or securities at a fixed rate of \$1 per share in the trust's Income Fund. In 2015, these units or securities earned an annual, tax-free return of 3.28%, which means the money Sitela is saving is growing.

Like Sitela, students all over Fiji have been learning about personal money management and investment over the last six years through the Financial Education (FinEd) programme, which has been integrated into the Fiji school curriculum. Funded by the Australian government, the main goal of FinEd is financial competency, not just knowledge generation but behavioural change, which Sitela and her peers (as well as their families) are beginning to demonstrate.

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Studies conducted on financial competency between 2004 and 2012, have found that of all the various ethnic groups in Fiji, iTaukei in particular struggle with managing their money. Women were also found to be less financially competent. However, children like Sitela have the ability to change this status quo and are demonstrating that this change is beginning to happen.

Anarieta Lucava, 14 is also a Year 9 student at Namosi Secondary and hails from Rewa. Since taking Financial Education in school, she has started saving in earnest towards her tertiary education because her parents can't afford to pay for it.

"I didn't know how to save money in primary school but now I do. I also learnt that you can earn money through the resources you have," she says, adding: "Financial Education will help me in the future to set goals and with what I want to achieve." Rather than be taught as a standalone subject, FinEd has been integrated into existing compulsory subjects and is taught through a series of hands-on practical exercises. Says Anarieta, "I've learnt to count and give correct change in the classroom, which helps when I am selling our produce at the market."

At Namosi Secondary, Mr Roserutabua is seeing a change in his students. "After learning about saving, I've found them eager to save. They come running into my office asking me to keep their savings. They've learnt that saving is important for their future." And the benefits extend far beyond the classroom. Adds Anarieta: "Financial Education is helping my family with budgeting money for our needs." She feels more confident about her future, saying: "I have learnt that you will not only get money when you are working but you can also get money through the resources that you have."

FinEd is an initiative under the Pacific Financial Inclusion Programme, a regional effort helping low-income households gain access to sustainable financial services and to empower consumers through Financial Education. In Fiji, FinEd is led by the Reserve Bank and implemented by the Ministry of Education, who believe that through improved financial competency, young women and men will leave school with the necessary skills, knowledge and behaviour to enable them to interact confidently with the financial economy and to contribute positively to their families, the community and the country.

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