



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

FINANCIAL EDUCATION – A WAY OUT OF POVERTY

Sixteen-year-old Abishek Shivam, a Year 11 student at All Saints Secondary School in Labasa, sees Financial Education as a way out of poverty. Since his parents divorced some years ago, he went to live with his elderly grandmother, who struggles financially. A widow, her only source of income is the \$90 she receives each month from her welfare payment. At times, this is supplemented by financial help from relatives.

After learning about Financial Education in school three years ago, Abishek started a small home-based business selling milk ice-blocks after school, in Valebasoga, an area with few shops nearby.

Today, Abishek has managed to save \$1500 in a bank account. He uses the money towards his stationery, school uniforms and living expenses. Abishek plans to continue with the business in years to come, to help him meet his expenses and to become financially independent.

Paulini Wati has also had a difficult past. Now a Year 11 student at All Saints Secondary School, she remembers going to primary school on many a day without lunch and no money to buy food.

Paulini's mother, a single parent, struggled to make ends meet, taking cleaning jobs during the day and looking after other children in the evenings, so she could send her children to school.

Their maternal grandmother has been their saving grace. She taught Paulini traditional art and craft at an early age and has encouraged her granddaughter to use those artistic skills in a contemporary way and start a face painting business. Paulini has been accompanying her grandmother to festivals where the older woman sells masi sourced from her village in Lau, while Paulini does face painting.

She made \$40 on her first outing and hasn't looked back since. While it's not all smooth sailing, things have improved. Her grandmother has stayed with the family to help and together they've started a family savings account. Paulini has been learning about saving, budgeting and setting financial goals at school. "My parents never saved. They spent everything," she says. "I'm saving for my family's future because you never know when you will need money."

All over Fiji, students like Abishek and Paulini are reaping the benefits of a Financial Education programme (FinEd) funded by the Australian government and taught as part of English, Mathematics, Social Studies, Commercial Studies, Accounting and Economics. FinEd addresses learning around personal money management and



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investment. The main goal of the programme is financial competency, not just knowledge generation but behavioural change, which many students are already demonstrating. Rather than be taught as a standalone subject, Financial Education has been integrated into existing school subjects (ensuring long-term uptake) and taught over consecutive years at both primary and secondary school level.

Through his Financial Education learning in Year 9, seventeen-year-old Nishal Prasad was inspired to start a free-range poultry business three years ago. With money he borrowed from his parents, he bought 12 chicks, raised them for six weeks and sold them, before repeating the cycle. The following year, he doubled the number of chickens he looked after. Nishal spends about \$15 raising each chicken and sells them for \$30, making a profit of \$15 per bird.

With Labasa predominantly organised around the sugar cane industry, Nishal ran into a roadblock during the cane crushing off-season, when his chickens wouldn't sell locally. Through his uncle he found a new market for his free-range chickens in Suva. "My family is poor," says Nishal. "I never used to have money to buy things." Not anymore. In February, he opened a bank account and currently has \$800 in it. "You don't have to be dependent on your parents," he says. "You can be independent."

Rajendra Narayan teaches Financial Education at All Saints Secondary School, where many of his students come from disadvantaged backgrounds. A number of students do not finish high school, whilst others are unable to pursue tertiary education.

With fewer opportunities for formal employment in Labasa, the school places extra emphasis on teaching literacy, numeracy and Financial Education – equipping students with practical skills for life after school. And Mr. Narayan and other teachers at All Saints Secondary School have observed that their students are grasping literacy and numeracy lessons better when Financial Education (with its hands-on and activity based learning) is interwoven into these lessons.

Having seen poorer students struggle, he encourages them to start small businesses using the lessons taught in Financial Education. Over the last four years, he has seen positive changes in students' behaviour around money management. When he first started teaching FinEd, few students had bank accounts, now most do. He now also sees many of his students selling produce at Labasa Market on Saturdays to raise funds for their school and living expenses. Mr Narayan is encouraged by these changes, saying Financial Education is helping weaker students develop alternative livelihoods to paid employment.

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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