



Welcome to the Reserve Bank of Fiji's Public Awareness column. Over the next few weeks we will cover a series of articles on financial education in Fiji and how it contributes to financial inclusion, as a lead up to the Reserve Bank of Fiji co-hosting the annual Alliance for Financial Inclusion Global Policy Forum in September.

Building Community Resilience through Financial Education

What students are learning from Financial Education

First introduced only to a select number of “champion schools” in 2011, today Financial Education (FinEd) is taught widely throughout all primary and secondary schools in Fiji. In essence, it is learning how to make better financial choices and manage money: its value, how to earn it, save it and make it grow.

Trying to introduce FinEd as a standalone subject into an already full school curriculum would have been a near impossible task. As a result, Financial Education has been cleverly integrated into a number of core subjects. Students start in the earlier years of primary school, building on the learning as they go.

Launching the Financial Education programme in January 2011, then Minister for Education Mr. Filipe Bole said: “Financial Education is not the sole responsibility of the family or community. Perhaps in an ideal world that would be sufficient. The reality is that there are many families and communities who struggle financially and who don't have the knowledge to make good choices and therefore can't teach their children to make wise ones either. The management of money is an important life skill and where better to teach this, than in a dynamic learning environment – the classroom.”

Since 2013, each year around 197,000 students have been taught Financial Education at all class levels from Year 1 through 12.

Saving is an easy entryway

For the majority of students, saving is the easiest entryway into Financial Education. Once students have learned to save, it is easier for them to grasp other areas of learning such as differentiating between needs and wants, and setting budgets and financial goals. While the vast majority of primary school students interviewed were saving with material goals in mind, a large number of high school students are actively saving towards their tertiary education and their futures.

Investment is the next step

More and more, students in Fiji view investments as a medium to long term means of saving. Thanks to Financial Education, they are able to critically look at and choose from a variety of investment options such as term deposits, units and shares offered by reputable financial institutions. For example, a growing number of students are taking



advantage of Unit Trust of Fiji's Children Investment Plan, which allows school children under 18 to buy units at \$1 per unit. In July 2016, there were a total of 3,228 school children enrolled in the plan, which paid annual, tax-free returns of 3.28% in 2015. This investment option was made possible through an agreement between the Ministry of Education and Unit Trust of Fiji.

Students embrace entrepreneurship

Students are learning to use both the resources around them and their creativity to earn extra money. Labasa College student Daniel Bull started a neighbourhood grass-cutting service to supplement his weekly allowance. Likewise, Year 10 Yat Sen Secondary School student Tegumailagi Toganivalu has been banking \$1000 every six months from babysitting, baking and tutoring.

Rural students are undeterred

With few chances to earn additional income, and without easy access to banking or investment facilities, rural students are at a disadvantage compared to their urban counterparts. However, many rural students are undeterred and are making strides with Financial Education. Year 9 Namosi High School student Stella Vadrakula, makes and sells sasa brooms to teachers, using the resources around her, and "banks" the takings with her Commercial Studies teacher since the nearest bank is some 30km away.

Supporting learning at home

For many students, their parents play an important role in supporting what they learn from Financial Education at school. After Year 9 Xavier College student Zaeisha Raniya learned about saving in school, her mother encouraged her to open a bank account. She now has \$180 in her bank account. Also at Xavier College, when Year 11 student Avikash Kumaran decided to start a small business, his father gave him an area of land on the family farm to grow vegetables for sale and money to buy his first lot of seeds. He now has cabbage, bean, french bean, tomatoes, coriander and chillies. He earns a monthly income of \$800 from the sale of his produce.

Flow on effect to families

Financial Education may start in the classroom but it can benefit the whole family. Students are taking the learning back to their homes and communities, and in some instances, it is starting to spark a change. By growing vegetables for sale, Yash Singh, a Year 6 Gram Sangathan student in Tailevu, has inspired his mother to start raising ducks to sell. Similarly, through her thriving little business selling homemade chocolate balls, Year 11 Adi Cakobau student Veronica Tawake has inspired her mother to better manage the family finances.



A way out of poverty

For a number of disadvantaged students, learning about Financial Education and putting the principles into practice have helped improve their lives. Year 11 All Saints Secondary School student in Labasa, Abishek Shivam, started a milk ice block business from home that's helped him become less dependent on his grandmother who receives a social welfare benefit of \$90 a month. Likewise, his classmate Paulini Wati is also improving her circumstances by making money from face painting at festivals. Both students are saving towards better futures.

Learning practical life skills

Financial Education teaches all students practical life skills around personal money management and investment. As a result of FinEd, many students are now leaving school better able to set financial goals, budget, save, spend wisely and invest their money for a sound financial future. These students are also learning that running their own small businesses can be an alternative livelihood to formal employment.

Tackling noncommunicable diseases

While not a core focus of the programme, a happy by-product has been healthier choices emerging from Financial Education activities. Many students have started backyard gardens to grow fresh fruit and vegetables to sell and earn extra income. The gardens also help supply their household needs and minimise expenses. Students watching their spending are also curbing their junk food consumption. Primary school students Merewai, Asenaca and Solomone Dilevulevu at Nasekula District School in Labasa, were able to help their mother save up for their own family home by growing food for their needs and selling surplus produce for extra income.

Funded by the Australian government, FinEd Fiji 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 behaviours to enable them to interact confidently with the financial economy and to contribute positively to their families, the community and the country.

Reserve Bank of Fiji