

Brian Wynter: Financial literacy for Jamaica

Opening remarks by Mr Brian Wynter, Governor of the Bank of Jamaica, at the stakeholders' forum on financial literacy for Jamaica, Financial Services Commission in association with Caribbean Regional Technical Assistance Centre (CARTAC), Kingston, 18 August 2010.

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Honourable Audley Shaw, Minister of Finance and the Public Service;

Senator Basil Waite, Opposition Spokesman on Education;

Honourable Emil George, Chairman of the FSC;

Mr Rohan Barnett, Executive Director of the FSC;

Keynote Speaker Dr Adele Atkinson, Policy Analyst, OECD Financial Affairs Division;

Panellists from Canada, the Eastern Caribbean, Trinidad & Tobago, the United Kingdom and Jamaica;

Ladies and Gentlemen:

It gives me great pleasure to participate this morning in the opening of the stakeholders' forum on **Financial Literacy for Jamaica** organized by the Financial Services Commission and the Caribbean Regional Technical Assistance Centre. The Bank of Jamaica partnered with CARTAC and the FSC in January this year to launch CARTAC's Regional Financial Literacy Programme Website and Public Education Programme at the Jamaica Conference Centre. We are indeed pleased that today the process has moved one step further and we have gathered here to examine a proposal for a national financial literacy programme.

This programme, aimed at formalising and coordinating an approach to achieving financial literacy throughout the length and breadth of the country, is timely. In fact, it may even be overdue. We have seen the successful implementation of a national financial literacy programme in Trinidad & Tobago and the maintenance of a similar 27-year programme in New Zealand.

Inflation has been trending down, the exchange rate has been stable in recent months and interest rates in general are declining. As the global economic recovery begins to take shape, Jamaica must seek to expedite her own recovery through savings and investments ultimately to achieve strong growth and sustainable development. It is a financially literate people who can, in partnership with established and new institutions, enhance the social and economic development of a country.

The proliferation of local Ponzi schemes a few years ago is a recent reminder that in Jamaica, like everywhere, people have an appetite for high returns on their investments. Unless allied with prudence and caution, however, the appetite can lead to personal and social catastrophe. But prudence and caution are themselves easily overwhelmed except in the presence of knowledge and understanding. So, for example, an informed populace is less likely to make impulsive decisions on financial matters.

Through its website, its money museum, its many publications, media advertisements, press briefings, public appearances and other channels, the Bank provides an enormous volume of information and explanations relating to the economy and also virtually every aspect of its operations. We will continue to work on improving our accessibility in this regard. But receiving information is not the same as being able to understand what it is, whether it is important and how it may be relevant to your own circumstances. Achieving this is, in part, the purpose of improving financial literacy.

The Bank of Jamaica has been doing its part in financial literacy over the years, for example with its long-running schools programme. But we recognise that there is a lot of work to be

done in training persons right across all ages and strata of society to manage their money well and to establish a lifelong financial plan to achieve this. In the words of my colleague Governor Ewart Williams of the Central Bank of Trinidad & Tobago, “teaching people how to save, spend, borrow and manage their finances wisely, improves an individual’s financial well-being and quality of life.” We know that financially strong families build financially strong communities and, by extension, wealthy nations. It is against this background that the Bank of Jamaica welcomes this initiative today to establish a formal financial literacy programme for Jamaica and we pledge our continued support to this necessary and worthy effort.

Thank you.