

Marion Williams: Launch of the National Financial Education Programme in Barbados

Welcome remarks by Dr Marion Williams, Governor of the Central Bank of Barbados, at the Launch of the National Financial Education Programme, Bridgetown, 31 August 2009.

* * *

The Honourable David Thompson, Prime Minister, Minister of Finance and Investment, Labour, Civil Service and Energy; Permanent Secretaries, members of the Board of Directors of the Central Bank of Barbados, Management and staff of the Bank, representatives of financial institutions and the education sector, members of the National Financial Education Programme Planning Committee; specially invited guests, ladies and gentlemen, good morning and welcome to the launch of the National Financial Education Programme (NFEP).

A few years ago at a meeting of the Central Bank Governors of the Commonwealth, it was recommended that central banks should take steps to enhance financial literacy in their jurisdictions. At the time, of the central banks in the Caribbean only the Central Bank of Trinidad and Tobago had an active literacy programme. The Central Bank of Barbados took steps to make this a reality in Barbados.

This National Financial Education Programme initiative is intended to educate individuals and households about how to better manage their personal finances and how to make sound financial decisions that will enhance the quality of their lives which can lead to improvements at the national level. It is therefore a very important occasion for us at the Bank and I hope that every Barbadian will find the programme useful and timely.

Throughout our 37-year history, the Bank has considered financial and economic education as a critical aspect of our corporate social responsibility and as a Public Affairs goal. Indeed, education in the areas of economics and finance is part of our *raison d'être* because we have always believed that the more informed our publics are, the more successful our policies are likely to be. So that over the years, we have hosted seminars and conferences on an array of economic and financial topics, targeting various interest groups. We have also had a vibrant schools education programme geared to educating school children about how the economy works. The National Financial Education Programme, as we have designed it, is consistent with these educational programmes and objectives.

Today we are launching the programme under the slogan “**All about managing your money**”. We hope to impact every citizen with this initiative, but especially the man-in-the street by making this Programme practical. I will give insights first about the programme for the adults.

We have designed a programme for employees, Non-Governmental Organisations, community groups and service organizations, using a series of media. We have identified at least six topics that we will be addressing on a phased basis through face-to-face interaction with these groups. We will commence with presentations on **Budgeting and Saving**. Over the next three (3) to six (6) months, the programme will promote Budgeting and Saving as key elements of proper financial management. We will then review the programme, with a view to tweaking and improving it where necessary before we roll out the other topics. Other topics we hope to address in this phase are: **Borrowing and Purchasing a Home, Credit/Debit Cards, Insurance, Retirement Planning and Estate Planning**, and **Investing and the Stock Market**. We believe that this direct intervention will be key to influencing changes in personal financial management and we therefore hope to utilise this medium extensively. We have identified several groups that can possibly benefit from these presentations. However, if you have a group or know of one that might be interested, please contact the Bank. We will seek to accommodate you where ever possible.

In addition to dialoging with you in open fora we intend to use the mass media and the Internet to spread our messages and to inform and educate you.

We are also hoping to work with the Ministry of Education to create a programme specially for school children as we believe that financial literacy is better started with the young. We recognize that education about managing personal finances should begin at an early age. Hence, we hope to place considerable emphasis on the programme for children of school age.

Let me reiterate that the National Financial Education Programme is not intended to create financial experts, but to help you improve your financial circumstances and assist you in realizing your financial goals: be they purchasing a home, planning for your kids' education, planning for retirement or insuring your home. It is designed to assist you in improving the financial decisions that affect your everyday lives.

Before crafting our programme, we conducted a survey so as to measure whether Barbadians would embrace it. We canvassed about 25 workplaces and we received responses from 250 persons, including the Bank's staff. The results of the survey show that Barbadians are receptive to the National Financial Education Programme. The respondents felt that education on such areas as **Budgeting and Investing, Coping with the Cost of Living, Retirement Planning; Purchasing a Home, Financing a Child's Education and Credit and Debit Card Management** was key. Their responses were consistent with the subject areas on which the Bank will be focusing in the coming months. On behalf of the organizing Committee, I thank persons who so kindly participated in the survey. Let me add, however, that while there is no one particular topic dealing with the cost-of-living, we hope that the overall programme will equip you to better manage this area.

The Bank hopes to partner with persons in the financial services and the education sectors to help with the delivery of the National Financial Education Programme. We are therefore inviting commercial banks, the Barbados Stock Exchange, credit unions and other financial entities to come on board to provide technical and other assistance. We have organized a comprehensive sponsorship package. If you are interested in partnering with us and you wish to obtain more details about the partnerships, please contact Ms. Sadie Dixon at the Bank. Additionally, the Committee with responsibility for developing these partnerships may be contacting you. I must add, that while we welcome the participation and involvement of partners we will not be promoting any company's products and services. The National Financial Education Programme is not about marketing products and services.

Educating the populace on matters related to finance and economics is a critical aspect of our mandate, it's a mandate that we have fulfilled for years, and this programme is yet another initiative in our education campaign. However, as the nomenclature suggests, this programme will be on the national scale and we hope to make all Barbadians financially literate.

Those of you who read the newspapers yesterday about the number of bounced cheques will agree that there is need for skills in budgeting. The result of such financial management and decisions can lead to a considerable improvement in financial decision-making. The length of the Programme will depend on its success. The more successful it is, the shorter its duration can be. We trust that the general public will benefit from the Programme. I thank you for listening.