

Barry Whiteside: Promoting Fiji’s youth to “be Money Wi\$e”

Address by Mr Barry Whiteside, Governor of the Reserve Bank of Fiji, at the “be Money Wi\$e” Nasinu Schools Competition, Nasinu Financial Inclusion Exposition, Nasinu Town, 23 July 2015.

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Ladies and gentlemen, girls and boys,

Good morning to you all and a special bula vinaka and welcome to our students and teachers who have come here today. I hope this will be a fun-filled day for all of you. I can still remember the joy I got taking time off school for special visits or other activities outside of the normal everyday curriculum.

Introductory comments

First, let me say how delighted I am to be here with you this morning to mark the start of some very exciting and competitive events which we have planned for your benefit.

All this activity is part of our “be Money Wi\$e program” organised by the Reserve Bank and our capital markets colleagues, to help you learn more about money matters. This event is really for you. So I must thank your principals and teachers for bringing you out here today.

However, before we get into the excitement of the competitions, I would just like to share a few messages which I hope will help give you some idea in planning for a successful financial future.

Be Money Wi\$e – what the students can do for themselves

At the Reserve Bank, we run a campaign which we call the “be Money Wise program”. It is part of the Capital Markets Awareness platform, targeting school students. Its objective is to promote the importance of acquiring good money management skills with a particular focus on understanding the concept of investing and all the various investment products available here in Fiji.

So girls and boys, “be Money Wise” is designed to teach you, and all the children in Fiji, “money smart” principles. This is done through creative, fun-filled activities, some of which you will get to do over the course of today. We envision, that over time, such activities will lead to the development of a culture of financial prudence (smartness), preparing you well for your adult working life.

Relating money to future goals

So let’s first talk about money, and how important it is in our everyday lives.

Many people, unfortunately, feel it is the only thing in life, while others think the opposite and feel they have no need for it at all, and many sayings have developed around these opposing views.

I feel there has to be a balance. It is clear that money does play an important role. Without it, you would not be able to attend school and we would not be able to host today’s events for you.

At this stage, it is your parents or guardians that have the responsibility to earn money for you and your family’s needs.

While it is their responsibility at this time to earn money, you also have the responsibility to use the money that they give you wisely. Within a few years, you will finish Secondary

School and will either need to progress further through tertiary level education or find a job, or even start up your own small business. Whichever path you choose for yourself, it is never too early to start setting your goals and planning for your future. .

The importance of saving

Savings, or setting aside a portion of your earnings for some future goal in life is a further concept that you should know about. This is an important skill that you will need and it is important that you learn to do it now whilst still at school. I encourage you and your teachers to start small savings schemes amongst yourselves and friends to help you learn the habit of saving. There is a saying by Brigham Young which states that ...“A fool can earn money; but it takes a wise man to save and dispose of it to his own advantage.”

Introducing the concept of the capital market

Another important concept that you should know about is the capital markets.

When you need money, where do you go? As children, most of you would probably go to your parents. (More than likely you would know which parent would give in to your request for a few dollars to go to the movies or just hang out at Damodar City!). As a boy I always knew which parent would accept my story, though it would have meant a few extra chores to do about the house.

Schools and communities that need money go to their members or the public to raise funds. People and businesses usually go to a bank to borrow when they need money. Our parents and even your teachers may have taken loans to buy a house or a car.

But for businesses there is an alternative place where they can go to raise funds and this place is called a capital market. Capital markets are similar to the market where we go to buy food and vegetables, because this is where people gather to buy or sell things. However, instead of buying and selling food and vegetables, in a capital market they buy and sell “financial instruments”.

Financial instruments are pieces of paper that provide evidence of a financial obligation or promise to pay the buyer at some future date. The buyer is known as an investor. The sellers of these instruments are usually businesses who want to raise long term funds for their various projects.

Investments can earn the investor a regular income in the form of interest or dividends. It is also possible that the value of the investment may increase over time so that when the investor decides to sell, there would be some additional income over and above what he or she initially paid.

In Fiji, we have a small and developing Capital Market and currently there are three main types of financial instruments that are sold. These are Equities or stocks (though more commonly known as shares), Bonds, and Units. As I had mentioned earlier, investing in these instruments can earn you a regular income.

You will get to know a little more about these instruments over the course of the day through Mervin and our team here and I understand there may be some pop quizzes to keep you on your toes. Also if you want more information, please talk to our team members or the representatives of the various financial institutions. I understand there are a good number of financial institutions represented in the various booths here today, so let this be a great learning experience!

Closing

Ladies and gentlemen, girls and boys, I have spoken for far too long, and this is meant to be a fun day!

To all the students and children here today, now that you have learnt a little about the capital markets, I have got to say that it is never too early to start saving and forming a savings habit. By doing this you will be able to set yourself goals that can positively impact on your financial future and that of your family and future family. We want you, even as students, to start thinking about how you can use the capital markets to help achieve your future goals.

I congratulate the students from the Nasinu Schools who have entered the contests and wish them well in their time on this stage. I urge you all to take part in these competitions which will be organised over the course of today. This is an opportunity to have fun, win great prizes and all the while learning new skills.

Finally, I thank all those who have put this program together, the Ministry of Education, the sponsors, the principals and school teachers and I wish you all a fun-filled learning day.

Vinaka vaka levu.