

# Teaching financial inclusion in a rural Jamaican high school

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## Introduction – why financial education?

Within the blue Caribbean Sea sits the isle of Jamaica. Its population of almost 2.7 million, like others within the global village, has been affected by economic challenges. Hence, attention has been given to the importance of integrating within the education system the skills and knowledge that will make Jamaica's youth better prepared to succeed in adulthood. There is growing necessity for this since the number of youth living below the poverty line has been increasing.

With the increasing national economic challenges comes the number of loan facilities, alongside the escalating debt-incurring habits of Jamaicans. It was stated that of the population in 2009, ten per cent used credit cards to fund their daily activities. The 148 government secondary schools with large numbers of students – from 201,524 in 2009–10 to 198,985 in 2011–12 (MOE, 2012) – are an opportunity to implement a financial education programme and effect a 'tipping point' of awareness. For society at large, no less for young people, 'yuh spread yuh bed hard, yuh afe lie down in it' – in other words, 'bad decisions come with bad consequences'.

## The case of financial education at Black River High School (St Elizabeth, Jamaica)

The Financial Services Commission (FSC) Jamaica, which monitors the country's financial institutions (except banks and credit unions), sponsors the Junior Achievement Jamaica's Personal Financial Education in conducting the Personal Financial Education programme. Over the years, students at Black River High School have been among the 630 participants of the programme across the island.

Black River High School is a rural secondary school in the western parish of St Elizabeth. For many in the locality, employment lies in government offices/institutions; others are self-employed, many in street vending, stores, restaurants, farming, fishing and the boat tours along the river. Some students of Black River High School travel from other rural and remote areas within St Elizabeth, as well as from the nearby parishes of Manchester and Westmoreland. The school offers programmes in Business, Liberal Arts, Science and Technical Vocational Education.

In 2010, the school's administration accepted Junior Achievement Jamaica's offer to conduct the Financial Services Commission-sponsored Personal Financial Education programme. This involved five weeks of two-hour sessions, engaging about 27 students (aged 13 to 17 years) each year. Female participants far

outnumbered male, reversing the trend in the general norm of females having lower financial education. To ensure students were informed about the programme, classroom visits were made, announcements were given at general assemblies, and word was spread via the teachers and students. In order to complement and not interfere with regular classes, sessions were held outside of class time. The school operates two five-hour shifts each day, thus students made the effort to either come before or stay after their regular school day.

The main aims of the programme were to encourage students to examine the role money plays in achieving lifelong goals, and to help them make informed financial decisions and protect themselves against pitfalls. Each session had games that encouraged student participation and sparked their interest while bringing real life experiences to the concepts taught. Attractive components included field trips, an essay competition and, for 2013, a learning conference.

One of the main points was that while the content is important, so too is the use of a channel to captivate the students and better facilitate the success of the teaching-learning experience. In teaching, PowerPoint presentations were used. This methodology allowed for the comfortable inclusion of individuals from various academic levels at the same time. Since financial literacy is often associated with the better-off and higher achieving students, a strategy was employed to reduce the gap in knowledge between the students. In addition, a FSC staff member attended each session to share enlightening experiences.

Cultural relevance was of great importance since the material received from Junior Achievement was largely American in its references. Hence, the Jamaican element had to be deliberately introduced. So, for example, translations of quantities of money and references to our central bank (Bank of Jamaica) and financial entities such as local banks were mentioned. Creativity in students' presentations during evaluation exercises through drama/role-play, singing, dub poetry and games added an element of heightened interaction as it gave them the opportunity to demonstrate the concepts learned. FSC's donation of a free bag and stationery also encouraged the involvement of students in the programme. The venue for the sessions was outside of the typical classroom and the change in setting was appreciated.

## Course content

Session one, entitled 'A Month in the Life', focused on budgeting and saving. Students were always able to identify how people acquire money, saying it could be from working or borrowing,

relating their own experiences: for example, babysitting jobs. Most student spending was on food, clothing and bus fares. Saving for social events, sports day and mobile phone use was common. But there were cases where students were not in the habit of creating budgets or saving as they did not see its relevance. For students from largely agricultural or fishing communities, which often experience periods of low income, it may prove even more beneficial to save so that they can maintain their lifestyle.

Emphasis was placed on the importance of budgeting. In addition, in setting the long-term goal for budgeting, the common factor was that of education. If people learned how to budget carefully, Jamaica would have less personal debt being incurred and its citizens would be more financially prosperous. Another point highlighted in this first session was the attention that must be paid to those with whom relationships are entered. The importance of being educated and employed with regards to family planning was clearly understood. At the end of the first session, there was already a change in outlook among the students.

Session two, entitled 'From Dream to Reality', focused on investing. It was realised that there was need to clarify the difference between saving and investing. However, there was knowledge about how money could be invested and an interest in how the best returns could be gained. The unregulated schemes for investments were well known, and students expressed scepticism about any such practices. To make students aware of the importance of first finding out as much as possible about a company they wish to invest in, the role of the FSC was highlighted as a means of ascertaining information about regulated

financial organisations and mention was made of advertisements placed by the FSC in the local media.

Session three, 'Your Credit, Your Future', brought lively discussions about the credit practices of some people within the wider community. Students were analytical about prioritising as they budget and discussed the negatives of using certain places to obtain credit. The attention given to good credit practices is of growing importance as there will soon be a Credit Bureau operating in the country. With an early introduction to the practices that foster good credit ratings, there may be less chance of young people's dreams being ruined in the future.

Other sessions focused on identity theft and on insurance. While students knew about property and car insurance, they had limited knowledge about liability and fidelity insurance (that which protects organisations from loss of money by crime); however, they were knowledgeable about the various insurance companies. Discussions brought about increased awareness of the benefits to be gained from joining insurance companies as they were previously viewed as exploitative.

Tours to the Stock Exchange, Bank of Jamaica Money Museum and Financial Services Commission Office further served to enlighten students about the institutions involved in investment and monitoring. Students expressed appreciation for the further practical exposure.

The scores attained demonstrated that sessions were not only a welcome change of environment and fun time spent for students, but that actual learning occurred. Since the start of the

## The Commonwealth and financial inclusion

Financial inclusion refers to expanding access to and promoting usage of financial services by the poor and marginalised. The World Bank's Global Findex Database estimates that in 2011 just around half of the world's population over the age of 15 held an account at a formal financial institution and less than a quarter saved at these institutions. Lack of access to financial services contributes to poverty, widens inequality and stunts economic growth and development.

In more advanced areas, individuals accept access and use of financial services as a norm and are spoilt for choice to manage their daily transaction requirements. But for those who lack similar advantages, transacting business at financial institutions appears to be an insurmountable task. Obstacles may arise from a lack of proper identification, fixed abode or defined address; funds to meet and maintain minimum balances; understanding of procedures and processes; and personal factors such as confidence and self-esteem.

The Commonwealth Secretariat has demonstrated its commitment to working with member countries to implement programmes in financial inclusion by focusing attention on the following broad areas:

- Collaborating with international development partners to promote messages

- Hosting discussion forums with national authorities to sensitise key officials on proposed standards and best practices, with the aim of spurring policy-makers into action
- Encouraging the implementation of programmes in financial literacy through a train-the-trainers model that targets individuals, volunteer workers, and groups and institutions in close contact with young people. Such focus increases the probability of onward training, particularly where countries lack firm budgets for meeting the high costs of consultants and learning resources
- Facilitating peer-to-peer learning through attachments and the placement of experts who help guide supervisory authorities on the implementation of the required policies and procedures in AML/CFT, oversight of financial institutions, consumer protection, and national programmes in financial literacy
- Conducting research to monitor gaps and guide focus

*'A mustard seed can indeed have great impact on one's life ... My initial contact with financial literacy came in 2008, facilitating in the Financial Literacy Initiative executed by the Caribbean Institute of Media And Communication (CARIMAC), University of the West Indies Mona, which was first organised by the Commonwealth Secretariat and partnered by Jamaica National Building Society. Now look at the number of lives that have been touched!'*

programme, there has been improvement in the post-test results when compared with the pre-test results.

At the end of the programme, students who attended three or more sessions were given certificates of participation. This indication of their engagement in a programme where they learned to analyse and manage comfortably their financial issues should prove useful as they move on to adulthood and seek to fulfil their long-term goals. Eventually it is expected that individual communities and the country as a whole will be empowered to make informed choices that will propel Jamaica into financial sustainability.

## Conclusion

The students who took part were from various classes within Grades 9 and 10, thus the impact of the programme is expected to be diffused among numerous students within the school population of 1,800, as well as the participants' families and friends, and, it is hoped, will eventually change the financial landscape of St Elizabeth and the wider society. Participants expressed how much they understood that their financial practices could impact their growth in education, social mobility and even future relationships. Being coached in financial literacy may give participants a more positive outlook on life. Therefore, a ripple effect is expected. In maximising the effects, there stands a challenge for financial institutions to target our youth, and design saving and investment plans that will nudge them towards good practice instead of waiting until they reach adulthood.

As a country, the inclusion of such a programme, particularly in rural areas, is significant. Students in rural areas do not readily have access to organisations, resource persons or materials, but they have dreams to be realised, too, and need guidance to achieve them. With empowered rural youth, hopefully there will be less emigration from rural communities, reduced poverty and eventually rural development. The extent of the content would not have been possible other than in a business studies programme. Thus, this personal financial education programme, which has been adopted and adapted from another culture, should be further supported. It has accommodated students of various academic backgrounds and facilitated the inclusion of rural youth, especially females.

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## Reference

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