

Expanding Access to Financial Education: Adolescents and Young People

Why Financial Education?

A critical part of adolescence, a time when many young people shift from economic dependence to economic independence, is learning how to manage money. This might involve, for example, setting financial goals, tracking expenses, making a budget, or saving for the future. Until recently, there has been little attention paid to these topics in development programs for young people or in financial service programs for the poor.

What is Financial Education?

Financial education teaches the knowledge, skills and attitudes that people can use to adopt good money management practices. It develops a broad range of basic skills that are relevant to anyone who makes decisions about earning, spending, saving, and borrowing money. Financial education helps individuals use scarce resources effectively and choose the financial services and products that meet their needs. It provides the knowledge, skills, and attitudes that enable people to shift from reactive to proactive decision-making and work towards their financial goals.

Young People: Your Future, Your Money

Through the Global Financial Education Program (GFEP), Microfinance Opportunities and Freedom from Hunger, with support from Citi Foundation, have developed a financial education module targeted at adolescents and young people.

Young People: Your Future, Your Money is designed specifically for youth. It prepares adolescents and young adults for the financial responsibilities of adulthood. Armed with new knowledge and skills, they are more able to not only manage day-to-day expenses and risks, but also to plan ahead for life cycle needs, enter the workforce and take advantage of economic opportunities. The youth module is targeted at young people, both female and male, ages 16-22 in diverse circumstances: married or unmarried; with or without children; and in school or working.

Originally designed in partnership with the Binti Pamoja Center in Kenya, the module was cross-tested in Peru, Bolivia, Nepal, and Morocco. It covers four themes: Managing Money; Financial Services; Financial Negotiations; and Earning Money. Each theme represents one chapter, divided into action-oriented lessons. Guidance is provided to adapt content and delivery to local contexts.

Managing Money	<ul style="list-style-type: none"> Want to Manage Your Money? Start by Saving The Savings Plan Making Spending Decisions Money In/Money Out: The Art of Budgeting Develop Your Own Budget Challenges to Savings
Financial Services	<ul style="list-style-type: none"> So You Need a Lump Sum of Money? Savings Options - To Bank or Not to Bank? Your Own Money vs. Someone Else's Money Borrow Wisely Sources of Loans
Financial Negotiations	<ul style="list-style-type: none"> What is Financial Negotiation? Communicate with Success Resolving Conflicts about Money Prepare to Negotiate Share Financial Negotiation Skills with Parents or Guardians
Earning Money	<ul style="list-style-type: none"> Exploring Options for Earning Money Match Personality and Skills to Work Options Pathways to Self-Employment Pathways to Wage-Employment Gender Stereotypes and Career Choices How Do I Learn More?

The GFEP course development process follows a well-defined sequence of steps. Market research serves to identify content areas of the learning sessions that are most relevant to the local context and also the adaptations needed to fit the local context as well as the most appropriate channels for delivering the education. This might range from broad outreach using channels such as radio and posters to in-depth classroom training or personal counseling.

Innovations in Designing Financial Education for Young People

Experience has shown that teaching methods must be tailored to the needs and learning styles of young people. Numerous platforms for delivering the education are possible, including marketing games, cell phone games, after school programs and youth clubs, self-help groups, religious youth groups, community organizations, and health programs. As the GFEP expands the outreach of *Young People: Your Future, Your Money*, the participation and leadership of adolescents and young people will continue to be crucial in the design and implementation of innovative programs and delivery channels.

Your Future, Your Money prepares adolescents and young people by:

- *Building* an understanding of basic principles of good money management
- *Promoting* awareness of personal financial issues and choices
- *Developing* knowledge, skills and behaviors to manage day-to-day expenses, prepare for life cycle events, set financial goals, and develop strategies to achieve them
- Introducing the concepts of assets, capital formation and wealth creation
- *Equipping* young people to be more informed financial decision-makers as they move into adulthood.



Microfinance Opportunities is a hub for the development of creative ideas and solutions related to poor people and their money. We increase poor people's access to high-quality financial services through action-research, training, and technical assistance. A non-profit established in 2002, Microfinance Opportunities has led the way in promoting a consumer perspective to financial inclusion and sound financial practices among the world's poor. Activities range from development and delivery of financial education, to market research for product development, and to the measurement of the impact of microfinance innovations using cutting edge methods such as financial diaries.

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