

# Expanding Access to Financial Education: Adolescents and Young Adults

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 managing day-to-day expenses and risks, for example, tracking expenses, prioritizing spending, and making a budget, or saving for emergencies. Managing money also involves planning ahead for life-cycle needs, preparing to enter the workforce and earn income, and being able to take advantage of economic opportunities.

## Role of Financial Education for Youth

Financial education equips young people with the knowledge and skills, and strengthens attitudes and belief in themselves to make informed, confident and timely money management decisions. It develops a broad range of basic knowledge and skills about earning, spending, saving, and borrowing money. Financial education helps young people to use scarce resources effectively and choose the financial services and products that meet their needs. It helps shift them from reactive to proactive decision-making, allowing them to work towards their financial goals. By taking small steps towards managing their money in the present, young people can develop wise financial habits that they will use throughout their lives and help transform their future goals into reality.

Together with opportunities for education, supportive social networks, access to youth-oriented financial products and services, and link to market opportunities, financial education can be a strong catalyst in preparing young people for the social and economic roles they will play as adults.

Microfinance Opportunities, a global leader in financial education, understands the significant impact that financial education can have on improving the economic livelihoods of youth, and it has worked with many partners through various platforms to provide this service.

## Young People: Your Future, Your Money

Through the Global Financial Education Program (GFEP), Microfinance Opportunities (MFO), in partnership with Freedom from Hunger, developed a financial education module targeting adolescents and young people ages 16-22 in diverse circumstances: married or unmarried, with or without children, in school or working. Young People: Your Future, Your Money educates young people on financial concepts through engaging sessions that incorporate discussion, stories, games and role plays. The module prepares adolescents and young people for the financial roles they will assume 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, and
- Making young people, overall, more informed financial decision-makers as they move into adulthood.



## Innovations and Experience 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 mobile applications, games, comic books, e-learning, as well as opportunities to integrate financial education into existing groups or programs. These can include after school programs and youth clubs, self-help groups, religious youth groups, community organizations, and health programs. In using such delivery channels, organizations can be sure to inform young people about basic money management skills outside of a traditional classroom setting.

Through the years, MFO has worked with organizations to create programs and tools that are designed to engage young people and provide them with the basic knowledge, skills, and attitudes they need to manage their new responsibilities. Examples of our work with youth include:

***Integrating Financial Education with Access to Financial Services and Social Support:*** MFO collaborated with partner organizations in Kenya, Uganda, Mongolia, Burundi and the Dominican Republic to develop financial education programs for adolescent girls and young women. The objective of the project is to increase economic opportunities for girls through financial education integrated with access to tailored, youth-oriented savings products and social support. The financial education, delivered through face-to-face training and other channels such as comic books, prepared girls with the knowledge, skills and increased confidence to become effective money managers and informed users of financial products and services available.

***Adolescent Girls, Nigeria:*** MFO adapted its youth financial education content for adolescent girls ages 16-19 years old, the majority of whom have limited literacy skills. The financial education program is geared for both girls who are enrolled in school and those who are not. MFO developed a curriculum and a set of posters for trainers to use in face-to-face training with girls. MFO is also developing a series of financial education SMS messages that correspond to the weekly training that the girls attend. The SMS messages provide an opportunity to reach and influence girls outside of the classroom with reminders to keep them on track with their financial plans, provide encouragement on their set goals and reinforce key messages from the direct training.

***Vulnerable Youth, India:*** MFO collaborated with MAMTA, Health Institute for Mother & Child, a NGO based in New Delhi, India. Their Meri Life Meri Choice project, funded by the Elton John AIDS Foundation, targets adolescent boys and girls ages 10-19 in Uttar and Madhya Pradesh, two states with some of the highest HIV/AIDS rates in India. MFO performed a needs assessment in villages to learn more about the financial literacy constraints facing girls with high risk for HIV/AIDS, and developed 5 modules for girls ages 15-19. The financial education focused on savings, budgeting and financial negotiations to encourage and prepare girls to become effective managers of their finances.

***SMS Campaign, Colombia:*** MFO partnered with the YouthSave Consortium to design an SMS campaign that delivers financial education to low-income youth in Colombia. The messages are aimed at increasing savings behavior among youth who open a bank account designed especially for youth. MFO provided technical assistance to design 13 SMS messages to be delivered via cell phones on a monthly basis. The messages provide concrete, practical tips on how to save as well as motivational messages to help youth reach their individual savings goals.

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