



## **PRESS RELEASE**

### **CONSENSUS ON FINANCIAL LITERACY INITIATIVE**

There is consensus on the need for a financial literacy initiative to be implemented at different levels of the educational system. This was the agreement at a Breakfast meeting hosted by the Jamaica Bankers Association at the PSOJ on Thursday, October 15. This event was one of several activities hosted by the JBA during its first ever National Bankers Week which was observed October 12-16, 2009. The theme for the week was: **“Saving Our Country Through Savings And Sound Investments”**.

Endorsement for the programme came from JBA members headed by the Association’s President Ms. Minna Israel, Bank of Jamaica Governor the Hon. Derick Latibeaudiere, OJ and Opposition Spokesman on Education Senator Basil Waite, the Financial Services Commission’s Executive Director Rohan Barnett, Mrs. Audrey Sewell, Permanent Secretary in the Ministry of Education and the Jamaica Teachers Association’s President Michael Stewart.

Outlining the importance of finding a way to get young adults and children to embrace a culture of savings, Ms. Israel noted that the World Economic Forum’s 2009 – 2010 Global Competitiveness Report ranked Jamaica 127<sup>th</sup> out of 133 countries in the area of the national savings rate. She called for the commitment of all stakeholders towards the implementation of the financial literacy initiative in a manner that will ensure its sustainability.

BOJ Governor Latibeaudiere opined that there is a need for a balanced approach towards consumerism. He also expressed the necessity for an understanding of basic financial principles and an appreciation of the fact that Jamaica is experiencing major resource constraints. This level of understanding would help to foster a shift in the public’s approach to spending.

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He reminded the group that the Bank of Jamaica has been engaged in a school education programme that targets 5<sup>th</sup> and 6<sup>th</sup> form students for approximately 20 years. The Governor emphasised that a financial literacy programme could only be implemented within a context of a parallel general literacy programme in order to realise the benefit of the initiative and maximise its effectiveness.

According to the FSC's Rohan Barnett, the Commission would also be contributing to the initiative as it was in the process of developing the parameters of a broad based, national financial literacy programme targeted at various levels of the Jamaican populace, including children and young adults. The objectives of the program would be to emphasise the benefits of savings and increase overall awareness of financial products including investment products, insurance products and retirement savings. Mr. Barnett also added that an additional benefit of greater financial education would be investor avoidance of fraudulent schemes due to better awareness of potential red flags rather than reliance on promises of irrational returns.

Senator Waite suggested that the financial literacy programme should also be offered at the training college level to prepare teachers to deliver the relevant knowledge and skills to students. In addition, he underscored the "clear need to re-capitalise the Student Loan Bureau" and to re-engage the private sector towards this end through the offer of incentives. He also shared his proposal for the implementation of the Child Equal Opportunity Trust where a trust would be opened for each Jamaican child. This initiative would require parents to match the contributions of the Government and this fund would only become accessible to the child at the age of 18 years.

Both the JTA and the Ministry of Education pledged their support for a financial literacy programme in schools. It was agreed by all that despite the literacy challenges that face some members of our population there are several creative methods that can be used to facilitate understanding of the relevant material.

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