

Ewart S Williams: Infusing financial literacy into the school curriculum

Opening remarks by Mr Ewart S Williams, Governor of the Central Bank of Trinidad and Tobago, at the presentation of certificates for participant of the workshop “Infusing financial literacy into the school curriculum” hosted by the National Financial Literacy Programme and the Ministry of Education, Port-of-Spain, 7 August 2009.

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I am truly delighted to be part of this ceremony which, for me, **represents the formalization of a strategic partnership between the Ministry of Education and the Central Bank** – a partnership dedicated to raising the level of financial literacy in the country.

As you know from its inception, the National Financial Literacy Programme (NFLP) **initiated a schools programme** which ran concurrently with our regular work-place and public programmes. Under our schools programme, the NFLP undertook financial literacy sessions in almost every primary school in Trinidad and Tobago. For this school year, we did 488 primary schools covering 27,860 students. Also, as part of this programme we have just concluded a **secondary schools pilot programme** with seven (7) secondary schools involving 930 students.

The completion of the Train the Trainer Teachers’ Workshop initiates a bold new phase in our programme as it (hopefully) signals the formal inclusion of financial literacy as a permanent part of the secondary schools curriculum.

As you may know ladies and gentlemen, the ongoing international financial crisis has brought home to countries all over the world the critical importance of financial education in schools. In the U.S. there is a growing consensus among policy-makers (and educators) **that country’s lack of financial sophistication was one cause of the current economic problems**. These policymakers point to the fact that the economic recession found **too many households buried in debt, stuck with unaffordable mortgages, with far too-little savings and stung by huge investment losses**.

Back home, while we in the Bank were always convinced of the benefits of financial literacy to our people and to our national aspirations, the severe economic slowdown with which we are now confronted, as well as the recent challenges in our financial sector, have underscored to us **the need to ramp up the financial literacy programme – in fact, to make it more of a crusade**.

Current economic circumstances for example, **have forced families to make ends meet, to plan and budget their incomes**, and generally to make difficult consumer choices – a situation for which many people are not prepared.

As for our own financial crisis, if there is one thing that Fantasy Tours, HCU, CLICO and CIB had in common, it is that **“if it is too good to be true, it is, and may probably be fraudulent**.

Any institution that offers you rates of return that are way out of line with the market, is more than likely taking you for a ride.

And while, through our NFLP, we will continue our work with adults to shift how they think about personal finance and to help change their habits, the **benefits of working with young people and in their schools are overwhelming – the rationale is simple “catch them early and change their path going into adulthood”**.

It is clear for instance that we need to start early to help our children understand the **relationship between risk and return**.

Our schools are an **excellent place to teach our children how compound interest works** – that it is great for depositors, but will extend the life and cost of your loan if you are the borrower.

Our schools should teach our children the **basics of debt and credit; how dangerous your credit card could be, about the importance of paying your bills on time and the implications of having bad credit.** Teaching these concepts in school will save our children considerable hardships in adulthood.

We must recognize ladies and gentlemen, that **financial literacy is a life skill** and we usually learn life skills from our parents or through the school system. But **in many cases our parents lack the financial education themselves.** Thus the important role for our schools.

Teachers I would like to commend you, **the teachers**, who have participated in these workshops, for sacrificing a week of your vacation in the interest of your pupils and **hopefully in your own interest** since, I hope, you became more financially literate yourselves. I am grateful that you opted to spend the week with us. I am told that from the moment the notice was published in the newspapers, there was an immediate and enthusiastic response and that you continued to demonstrate that enthusiasm throughout the workshops by your active participation and by your advice and your input all of which helped to make the programme more meaningful. The dedication that you have shown in this initiative puts a lie to the notion that our teachers lack commitment. **All of you are a credit to your profession.** We at the Central Bank are grateful to **the principals** of the four schools which were the venues for the workshops – San Fernando East Secondary; Chaguanas North Secondary; Valencia High School and St. Joseph's College, St Joseph; we are grateful to **Petrotrin**, who has been one of our strongest supporters and sponsors from the inception of the programme. Our gratitude also to **Mr. Lloyd Ince and the staff of the Consulting Interface Ltd (TCIL)** who trained and managed the volunteers as well as to our regular facilitators, without whom the NFLP would be hard pressed to meet the demand for sessions in communities and to the public. To **the four facilitators** who conducted the workshops over the past two weeks, I say a special thank you.

My sincere gratitude also to **the Ministry of Education** which has been a fervent supporter and active participant in our programme. If the Central Bank's NFLP currently enjoys any success in the schools, it is as a result of the unstinting collaboration of the Ministry, principals and teachers.

Ladies and gentlemen, we in the Bank have always seen our role as initiating, and nurturing the National Financial Literacy Programme, then passing it on to others to guarantee the programme's sustainability. Accordingly, **the infusion of the programme into the secondary school curriculum** is indeed a step in the right direction. Let me assure the Ministry of Education of our continued support and collaboration in an expanded programme to infuse financial literacy into the school curriculum at every level.

Ladies and Gentlemen, I thank you.