Children, Youth & Finance
From Momentum to Action
Acknowledgements

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The Child and Youth Finance Team
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Executive Summary

The vision of the Child and Youth Finance Movement is that all children and youth realize their full potential as economic citizens. It proposes that financial education, social education, livelihoods education and financial inclusion are the building blocks of empowerment and financial capability that underpin economic citizenship for children and youth. It herein encourages the creation of systems in which the interest of children and youth are pushed to the forefront, in which children and youth are recognized as important stakeholders whose financial safety must be secured, and in which their risks of financial exploitation are minimized. Guided by these principles, endorsers of the Movement will work jointly to achieve the Movement’s goal of facilitating financial inclusion and Economic Citizenship Education for 100 million children and youth in 100 countries by 2015. Child and Youth Finance International remains committed to coordinating the movement and serving all partners and stakeholders, thus ensuring that the movement is capable of reaching this initial goal.

Over the past two years more national strategies have been implemented; an increasing number of initiatives have incorporated different components of economic citizenship into their programs; the Movement has gained momentum and hereby exceeded its initial goal of reaching children in a 100 countries as the movement is now present in 125 countries. Despite these momentous first steps, outreach has shown lower than expected. Having assessed the progress made within the Movement, it becomes clear that products for children and youth have not significantly improved and initiatives have not been able to reach scale and therefore have had difficulties impacting the individual child. Moving forward to 2015, the Movement will have to have a clear focus on reaching those children that are unbanked, developing child and youth friendly products, scaling economic citizenship education programs and listening to youth themselves.

This publication aims to document the global progress of financial inclusion, education and entrepreneurship in the CYFI Movement, as assessed by financial institutions and regulatory and governmental bodies, reported by non-governmental organizations working in economic citizenship education and as analyzed by academics. The publication focuses on uncovering barriers to early financial access and education and the disenfranchisement children and youth face as minors and into their adulthood and aims to propose opportunities to stakeholders for having the greatest impact.

As a disproportionate number of young people are living in extreme poverty, youth unemployment is rising and youth have insufficient access to formal financial institutions, globally, children and youth remain the most vulnerable population confronted with difficulties in a landscape marked by economic instability and financial uncertainty. Global youth unemployment has continued to grow to 12.6% in 2013 according to the International Labor Organization. By 2018 the global youth unemployment rate is projected to rise to 12.8%. Furthermore, 15.37% of 15-25 year olds are saving at a formal institution. In Eastern Europe and central Asia, these rates are as low as 3.98%.

Research increasingly shows the benefits of access to finance for children and youth, such as with economic and financial well-being, financial knowledge and skills, health and mental health, reproductive and sexual health and academic and educational achievement. Furthermore, financial education programs have been found associated with higher financial literacy, savings, understanding of how to avoid debt, how to write a check, and plan a budget. Moreover, recent studies have indicated the significant impact that combining access with education on financial literacy and savings behavior. Lastly, recent evidence shows that complementing financial education with social education or livelihoods education positively affects a child’s feeling of control over their actions and decisions and the likelihood of youth to obtain a job. However, as most studies show only short-term gains and self-reported changes in financial behaviors and few studies available are randomized or represent all the regions, more evidence is necessary on both the individual and combined pillars of CYFI’s model of economic citizenship, all of which have been highlighted by the CYFI Research Committee in its recent publications.

CYFI finds that national strategies, financial products and education programs have been developed to target youth, and aim to provide them with the skills necessary to interact with the financial system and give them the opportunity to build a livelihood, but have difficulties translating this progress into reach or scale. Having assessed the programs and levels of impact of current initiatives in the CYFI network, it can be concluded that some factors play a key role in the low level of impact that they have had, such as: a remaining disconnect between education providers, government agencies and financial institutions, lack of programs targeting children and insufficiently robust education programs that only incorporate small pieces of ECE.
However, stakeholders have - and are gradually exploiting - a set of diverse opportunities available to innovate and improve current practice. First, in most countries, for children to have access to appropriate financial products and control of those financial products means a fundamental alteration of the legislative landscape. Policymakers and legislative institutions should insure that appropriate changes to national regulatory frameworks are enacted to effect such changes. Second, technology based financial services could offer a gateway for youth financial inclusion, especially regarding the exponential growth of usage of mobile phones. Mobile banking has the potential to reduce the operating costs of serving youth and text message reminders can have significant effect on the gross amount saved every month and has impact on uptake of the account. Third, the collaboration between stakeholders in both the public and private sector can provide the path towards a cost-efficient an integrated approach to economic citizenship. This may include inter-sectorial awareness raising - through for example, Global Money Week-锚, anchoring cooperation into national and sector plans, and engaging local stakeholders and local communities.

The global effort to establish economic citizenship among children and youth can best be undertaken with a solid theoretical model supported by empirical evidence and impact evaluation. Although many new programs and products are available, progress is rarely measured. In order to show best practices, institutions need to keep track of the impact their programs have on the actual child to ensure they are achieving what they set out to do. Are they reaching vulnerable populations? Is there an outreach strategy for those youth in rural areas? Are innovations providing the benefits they intend to generate? Is financial knowledge translated into behavioral change? It is imperative that national authorities, non-governmental organizations and, most importantly, financial institutions contribute resources to define and assess their outreach. A second recommendation to major institutional players that are into the practice of data collection is therefore also to include dedicated child and youth finance indicators, such as minimum age to open bank account, or measuring the number of accounts per age bracket, in their data collection.

Financial inclusion policies should extend the opportunity to save to millions of young individuals. Social, financial, and livelihoods education will give children and youth the knowledge to manage money and the motivation to seek social and economic advancement. There have been great steps forward by organizations within the CYFI Movement, but if we wish to see systems change these two tactics need to be jointly adopted by national platforms, to promote transparency and longevity of the initiatives, these two paths need to be jointly adopted by national platforms, to promote longevity of the initiatives. By leading international collaboration on the economic citizenship of youth and leveraging existing participation in the Movement, CYFI hopes to steer the Movement towards a uniform and a sustainable global system.

Moreover, while CYFI works with a number of stakeholders, institutions, and organizations across various sectors, CYFI emphasizes the participation of children and youth. As such, not only are children and youth a component of the CYFI Movement, but rather they are the core of the Movement as CYFI places a significant and ever more focus on children and youth themselves in the framing of the Movement’s agenda. It is the voices, opinions and ideas of children and youth that lay the foundation of the Movement’s framework, and which will transform existing momentum into action, and reshape the future of finance.
Children Youth & Finance: The Movement

The Child and Youth Finance Movement was established to address this crucial global issue. It is a Movement which listens to the concerns of children and youth, and works with policymakers, education providers and a wide variety of global stakeholders to undertake a unified global effort in reshaping finance as we know it. In effect, the goal is to create financial markets which:

- Provide holistic financial education for all children and youth.
- Facilitate access for children and youth to appropriate financial products, primarily savings accounts.
- Ensure that the interest of the child is placed at the forefront, and that the risk of exploitation is minimized.
- Allow for equal opportunities for employment and entrepreneurship for all children and youth.

By responding to the needs of children and youth in this manner, the Movement, through its multi-stakeholder approach, aims to increase the financial knowledge and capability of individuals at an early age and create an ecosystem surrounding the individual child which is conducive to this. The positive benefits for the individual child are great: they will develop the knowledge, skills and opportunities to become ‘Economic Citizens’. This means that they are able to:

- Reduce income poverty and asset poverty.
- Increase their economic and social engagement.
- Develop sustainable livelihoods.
- Augmentation their economic and social well-being.
- Recognize their rights and responsibilities to self, family and others.

Building these capabilities will further the socioeconomic advancement of millions of individuals, their families and their communities. At the national and global levels, the effects of these translate into healthy and stable financial systems.

‘Financial awareness of consumers, young and old, is an urgent need... The question arises of where it is best to start with enhancing financial awareness? The answer to this question is clear cut. That is with the children. Adult behavior often goes back to behavior learnt as a child. This is just as true for, say, doing household chores as it is for handling money. Research also shows that adults who had received a sound financial education at younger age were better at managing their money than those who had not. So to be clear on this, to prevent future financial failures and problems, financial education with a special focus on children is needed.’

Mr. Nout Wellink, Ex-Chair of the Basel Committee on Banking Supervision and Ex-President of The Dutch Central Bank at the 2010 Child Finance Experts’ Meeting
Children, Youth & Finance: Moving Momentum into Action - The Publication

As a key step towards creating impactful and systematic change, this publication has sought to investigate the status quo for the system surrounding children and youth’s financial issues. It seeks to understand the factors underlying the global financial challenges for children and youth; determine a theory of change; study innovations; assess the impact on the child and to determine the systems that need to change so that today’s negative trends can be reversed.

This publication is the first in what will become an annual series of publications documenting the state of the Movement and providing analysis of current trends and gaps which need be addressed. Future publications will expand on research and findings in tandem with the progress of the Movement.

Children, Youth & Finance begins in Chapter 1 with an introduction and a brief history of the Child and Youth Finance Movement and its international Secretariat. It explores how the Movement was born in response to the concerns shared directly by children and youth. It outlines the Movement’s target of reaching 100 million children and youth in 100 countries by 2015.

CHAPTER 2 outlines the methodology in collecting the data which is used to inform this publication. It details the two key surveys distributed to National Authorities and to NGOS. It also highlights the key data limitations faced in the creation of this document – namely, that there exists a distinct shortage of data available on financial indicators for children and youth.

CHAPTER 3 focuses in detail on the global issues facing children and youth, particularly unemployment, underdevelopment, social exclusion and poverty. The chapter then presents the link between the adversities facing youth, and the acquisition of skills necessary to be the foundation of how these adversities can be addressed.

CHAPTER 4 lays out CYFI’s Theory of Change and the evidence available from rigorous research. The Theory of Change stresses the importance of creating the necessary systems to support the building of financial capabilities among children and youth and proposes that financial education, social education, and financial inclusion are the building blocks of empowerment and financial capability that underpin economic citizenship for children and youth.

CHAPTER 5 describes the findings of CYFI’s assessment of financial institutions, education providers and national authorities in the network. It shows the connection between education on finance and experience in finance; the extent to which programs incorporate all three components of Economic Citizenship and the connection between stakeholders that are involved in financial capability initiatives.

CHAPTER 6 highlights the best practices and continuing innovations that have shaped successful programs, such as in technology, education and regulation. Each addresses the different components involved in increasing holistic financial education and financial access for children. The chapter shows that while such efforts are important, they are often independent and uncoordinated.

CHAPTER 7 provides a set of recommendations to the stakeholders, based on the findings of the assessment. It emphasizes collaboration, integration and the inclusion of youth participation.
Chapter 1

Introduction to Child and Youth Finance International
Chapter 1

Introduction to Child and Youth Finance International

1.1 About Child and Youth Finance International

Child and Youth Finance International (CYFI) leads the world’s largest Movement dedicated to enhancing the financial capabilities of children and youth. Launched in April 2012, the Movement has already spread to over 100 countries and has reached more than 18 million children.

The Movement leverages expertise and innovation from within its network of global organizations. Its partners and supporters include financial authorities and some of the world’s leading financial institutions, international NGOs, multilateral and bilateral organizations, foundations, renowned academics, and without a doubt, children and youth.

The Movement has one central objective: increase the economic citizenship of children and youth. This means giving all children and youth aged 8-18 the knowledge to make wise financial decisions, the opportunity to accumulate savings, and the skills to find employment, earn a livelihood and ultimately break the cycle of poverty.

1.1.1 Rationale

Children and youth are the future economic actors whose financial decisions will dictate the future of world economies. Providing young people with economic knowledge and skills and a social environment to prosper and the competences (financial, social and livelihoods education) to thrive has a meaningful impact on the lives of individuals and the communities in which they live.

Communities will benefit as a new generation of financially capable children and youth grow up to be responsible investors and entrepreneurs. Such important skills and experiences of managing financial resources at an early age can allow for lessened financial vulnerability thereby reducing the risk of poverty caused by debt.

The recent financial crisis has highlighted the need for savings and prudent financial management for all persons. This is especially true for children and youth, who are a particularly vulnerable age group. Promoting a positive financial culture in children and youth is essential to ensuring a financially literate population, capable of making well-informed decisions and of lowering financial vulnerability and risk.

“Access to financial and social assets is essential to helping youth make their own economic decisions and escape poverty.”

UN Secretary General Ban Ki-Moon in his letter to the First Annual Child and Youth Finance International Summit
1.2 The Movement’s Roadmap

Through a consultative process with the world’s experts in their respective fields, Child and Youth Finance International created a strategic roadmap to guide it towards fulfilling its goals and achieving its mission.

At the core of this roadmap are the different focus areas of the Movement. These reflect the Movement’s combined macro and micro levels focuses: building the necessary financial knowledge, skills on an individual level, and on reshaping systems on the macro level—systems including the financial, regulatory, educational, technological or otherwise.

The focus areas and the goals of each focus area are as follows:

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<th>Global Platforms</th>
<th>Regional Platforms</th>
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<td>Place children and youth’s economic rights and economic citizenship on global agendas.</td>
<td>Hold bi-annual regional meetings in order to increase collaboration among regional stakeholders.</td>
<td>100 countries have an action plan for Child and Youth Finance activities in their countries, and celebrate Global Money Week.</td>
<td>Ensure the voices of children and youth are heard, and when possible, that their voices are spread through new and Existing technologies.</td>
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**Economic citizenship Education and Financial Inclusion**

**Goal:**

100 million children and youth have access to EconomicCitizenship Education and appropriate financial products by 2015.

To ensure that these goals are achieved, partners of the Child and Youth Finance Movement have committed to create the necessary programs, provide necessary services and/or re-examine policies.
1.3 Activities within the Movement

1.3.1 Global Platforms
Global platforms refer to the activities of the Movement to coordinate global efforts and disseminate knowledge and expertise throughout the network, and leverage partnerships to reach maximum impact.

1.3.1.1 The 2013 Global Summit
Every year, Child & Youth Finance holds an annual Summit to bring together partners and stakeholders of the Movement. At these Summits partners share experiences, create joint strategies and help shape the future direction of the Movement. The 2013 Child and Youth Finance Global Summit & Awards Ceremony was held in Istanbul and provided the Movement’s partners with the opportunity to reconvene and celebrate their accomplishments. 514 participants from 102 countries attended the Summit, including 101 children and youth.

The Summit served as a platform to explore emerging trends from the various regions, examine good practices, and develop collaborations that can drive the Movement forward. Crucially, the Summit provided a space for children and youth to voice their opinions on the financial issues most important to them, both in dialogue with each other and to policymakers. The Summit therefore proved to be an important milestone for the Movement, as it ensured the collaborative action and input necessary for the Movement to continue innovating to meet the needs of children and youth globally.

Key highlights of the 2nd annual Child and Youth Finance Summit and Awards Ceremony in Istanbul, Turkey included a letter of support from UN Secretary General Ban-Ki Moon, and speeches from distinguished leaders including the Deputy PM of the Republic of Turkey, H.E. Mr. Ali Babacan, the MasterCard Foundation’s Ms. Reeta Roy, and the Executive Secretary of the UN Capital Development Fund Mr. Marc Bichler, and UN Envoy on Youth, Mr. Ahmad Alhendawi.

In addition, young representatives of the Movement presented their recommendations to policymakers, and six categories of awards were presented to youth, organizations, and countries doing outstanding work in child and youth finance. Notable outcomes of the Summit included many commitments by participants in support of the Movement and its principles, as well as the sharing of best practices in Economic Citizenship Education, financial inclusion and Livelihood skills. Technological opportunities in the sector were discussed by experts, and the state of the Movement worldwide was presented by regional stakeholders. Regional sessions were held to allow for the sharing of experiences and joint strategy formulation by stakeholders from the same region. Regional meetings were planned as venues for the development of multi-stakeholder country and region platforms.

Crucially, international policy makers and leaders stressed the importance of supporting financial literacy and entrepreneurship to help both children and their communities.

1.3.1.2 Children and Youth’s Participation
Linked to the annual Summit was the Children and Youth Meeting, which brought together 101 young people aged 8 to 18 from over 40 countries. Through a series of games and activities, they were able to share views about the financial issues that most mattered to them. They also had the opportunity to offer their own financial policy recommendations directly to leading policymakers.

The recommendations are outlined below:

1. Provide free financial education
2. Schools and governments should help youth find appropriate work
3. Follow existing models to promote savings
4. Enable children and youth to save via mobile technology
5. Support youth entrepreneurs
1.3.1.3 Global Money Week

Global Money Week is a series of activities organized nationally and coordinated globally by the Child and Youth Finance Secretariat. The events raise awareness as to the importance of Economic Citizenship and actively engage children and youth on these issues.

In 2012, 21 countries participated in Global Money Week, reaching 33,000 children. In 2013, the number of countries taking part rose by 281% to 80 countries, reaching over 1 million children. 403 organizations were involved in organizing Global Money Week events. For many of the participating countries, the Global Money Week provided a platform for multi-sectorial national stakeholders to collaborate—many for the first time—on developing financial education and inclusion initiatives and policies in their countries.
Global Money Week Celebrations

Examples of activities that took place across the world during Global Money Week are described below:

**Ringing of the NASDAQ stock exchange** – Child and Youth Finance International was twice invited to ring the NASDAQ opening bell to celebrate Global Money Week in 2012 and 2013.

**Visits to banks** – Children and youth visited banks and other financial institutions to learn about how they work.

**Visits to the stock exchange** – Children and youth visited the stock exchange, with some of them ringing the opening bell to signal the beginning of trade!

**Workshops and lessons in schools and centers** – Children and youth enjoyed financial education lessons in schools and universities.

**Talking to Central Bank Governors** – Children shared their recommendations and opinions with the governors of their central banks.

**(Web) Chat with policy makers** – Children had the chance to discuss financial education and financial access with global policymakers.

**Global web chat** – Youngsters connected via web chats to share their experiences.

**Debates** – Debates on financial education, employment and enterprise took place in schools.

**Visit to money museums** – Money museums opened their doors to youngsters to teach them about money and its history.

**Publications** – Various publications to encourage children to learn about finance were made available in schools and libraries.

**Contests and competitions** – From poster-making contests to football competitions, children engaged in fun contests on topics of financial education and inclusion.

**Theatre** – youngsters expressed themselves through theatre and the arts on financial issues.

**Financial education games** – Team games took place for a fun way of learning about finance.
Radio talk shows – Radio was used as a medium to share about financial education and inclusion.

Book bank – Special book banks were set up to share publications on finance for children.

Folk Stories – Telling stories has always been an effective means of teaching. It was no difference with teaching financial matters.

Exhibitions – Youngsters had the opportunity to display their artwork and projects in interactive exhibitions.

Cartoons – Cartoons and comic books were used to communicate key messages to children and youth.

Youth budget to parliament – Children and youth presented their recommendations and input into the youth budgets of their countries.

Ensuring inclusion – All children were included in financial education activities – no matter if they were street children, children in juvenile correctional centers or children from care homes.

Learning from the market – Children and youth carried out their own enterprises, with some presenting them to the central bank governor.

Other innovations and fun activities from across the world included jigsaw puzzles of banknotes, money magicians, face painting, financial mimes and famous bands singing about the importance of saving.

“I have just realized that owning an account is not just for adults but for everyone who wants to have a secure future. I am going to open one so I can save all my coins for investment after school.” School-aged youth during Global Money Week

“I couldn’t believe that we were talking to children in a different country who were doing the same things we were doing here! Even though I didn’t understand some of their words, I realized that they were learning about saving and money and that kind of stuff just like us here. I liked that we looked like we were on a TV show.” 6th grade girl, referring to the videoconference with children from Peru
1.3.2 Research and Policy

1.3.2.1 Support from the UN Secretary General
The Child and Youth Finance Movement has enjoyed the support of the UN Secretary General. In his letter to the CYFI Annual Summit 2013, the UN Secretary General wrote: “Access to financial and social assets is essential to helping youth make their own economic decisions and escape poverty. I join you in celebrating the milestone of the Child and Youth Finance International movement now operating in 100 countries. I encourage you to exceed your target of providing 100 million children and youth with financial services that are both responsive to their needs and protective of their rights.”

1.3.2.2 Working with the G-20
The Movement has also worked closely with the Mexican G20 Presidency on emphasizing the importance of financial access for children and youth. Paragraph 53 of the G-20 leaders declaration states "We recognize the need for women and youth to gain access to financial services and financial education.”

CYFI also played a facilitative role at the Y20 event in which children and youth also expressed their desire for increased financial education and financial inclusion.

1.3.2.3 Children, Youth and Finance
Children Youth and Finance is the organization’s annual flagship document. It compiles data gathered from within the network to document the state of the Movement and provides an analysis of current trends and gaps which need be addressed. In its first edition for 2011, the document provided the baseline upon which the Movement’s outreach and impact will be measured in future years. In this first ever compilation, the data gathered showed that the Child and Youth Finance Movement partners had reached 18 million children and youth in 2011.

1.3.2.4 Academic Documents
In April of 2012 the Secretariat launched the academics led review of literature examining the links between economic citizenship education and inclusion and how these impact empowerment of children and youth and their financial capability. The results of the review were encouraging and outlined the areas of work where further academic review and research must be undertaken. Successively, CYFI and the Centre for Social Development (CSD) published two research briefs on the Conceptual Development of the CYFI Model of Children and Youth as Economic Citizens and on Research Evidence on the CYFI Model of Children and Youth as Economic Citizens, highlighting a clear mandate for moving forward the area of child and youth finance and recommending areas of future academic research.

1.3.2.5 Creating an Online Platform
CYFI’s website was launched in 2012 and serves as a hub of information on activities, organizations and resources on financial topics for children and youth. The website currently houses over 600 resources ranging from academic papers, policy documents, discussion papers and news articles. Over 120 organizations are listed on the website, with details on the programs and services they offer which are designed to increase financial education and inclusion for children and youth. The website also features country pages. Displayed on each country page are CYFI’s partnering organizations who are working in that specific country, as well as information on the country’s policies on financial inclusion and education.

Recognition of the Movement
- Child and Youth Finance International spread the messages of the Movement by ringing the NASDAQ opening bell for two consecutive years to mark Global Money Week. This year’s bell-ringing ceremony was celebrated in collaboration with UNCDF.
- In 2012, Child and Youth Finance International’s Managing Director Jeroo Billimoria was awarded by the Union of Arab Banks for the achievements of the Child and Youth Finance Movement. Among the other awardees was Managing Director of the IMF Christine Lagarde.
- Child and Youth Finance International was listed in the Top 100 NGO list published by the Global Journal. It was also given the honor of “most promising NGO”.
- CYFI was a semi-finalist of the Mexico G20 Financial Inclusion Challenge: Innovative Solutions for Unlocking Access in the G20 competition. CYFI’s proposal, Schoolbank, was among the top 12 of 257 entries from 62 countries. As a semi-finalist, CYFI was invited to attend the high-level delegation meeting organized by G20 to mark the conclusion of Mexico’s Presidency of the G20.
1.4 Regional Platforms

From October to December 2013, Regional Meetings were held at the request of participants of the Child and Youth Finance Annual Summit. The meetings served to bring together diverse stakeholders from within each region to exchange expertise, form collaborations and bring forward regional-specific child and youth finance issues. Three regional meetings were held in Africa, Europe, and the Americas. In total, the Regional Meetings brought together over 800 senior level participants from 105 countries in the different areas of the world. The Meetings took place in Zambia, Germany and Colombia. Youth representatives were present at all the meetings and shared their feedback directly with the participants.

1.4.1 Americas and the Caribbean

The Second Child and Youth Finance International (CYFI) Regional Meeting for the Americas and the Caribbean was held in Bogotá, Colombia, on 10-11 October, 2013, and was held in combination with the IV Latin American Congress on Financial Education CLEF Felaban 2013. This event was co-organized by the Colombian Banking Association (Asobancaria), the Federation of Latin American Banks (FELABAN), the Colombian Federation of Insurance Companies (Fasecolda) and Child and Youth Finance International, hereby becoming the largest event dedicated to financial education in the region and the only one with a special focus on child and youth finance issues.

This conference provided an opportunity for the CYF Movement to strengthen its foundation in the Americas and the Caribbean, facilitated dialogue across different stakeholders and discussed initiatives that could inform policy makers at national and regional levels. It brought together high-level government officials, experts from public and private institutions, financial regulatory and supervisory authorities, representatives from academia and research institutions, regional bodies and non-governmental organizations (NGOs). 281 participants from 19 countries attended the meeting.

1.4.2 Europe and Central Asia

The Second Annual Regional Meeting for Europe and Central Asia, hosted and organized in collaboration with the European Central Bank (ECB), was held on November 4th and 5th in Frankfurt, Germany. ECB Vice-President Constancio commenced the meeting which also featured closing remarks from European Central Bank President, Mario Draghi. During the 2 days event, 24 youth delegates from 12 European countries engaged in dialogue with policy makers about how best to ensure a financially positive future for Europe’s young people. Youth participation in this event helped focus attention on the national and regional policy objectives in Europe they found most relevant.
The 2nd Annual Regional Meeting for Europe and Central Asia provided a much needed space for adult and youth stakeholders from across Europe and Central Asia to come together to ensure that future generations have the opportunity to become financially included economic citizens of their countries.

1.4.3 Africa
The Second Child and Youth Finance Regional Meeting for Africa took place on September 19 and 20, 2013 at the Zambezi Sun Hotel in Livingstone, Zambia. It was jointly organized by CYFI and the Bank of Zambia with support from the Pensions and Insurance Authority (PIA), the Securities and Exchange Commission (SEC) and CareersExpo Zambia. Over 150 delegates and 46 youth participants from 15 sub-Saharan African countries attended the event. The delegates included the leadership of central banks, ministries of finance, education, youth, women and children affairs, and their affiliate institutions. There was also representation from international and regional bodies, academia and research, the IT sector, civil society groups and non-governmental organizations (NGOs).

The Second Child and Youth Finance Regional Meeting for Africa in Zambia followed the success of the maiden edition in Abuja, Nigeria n 2012. It built on the momentum created in Abuja towards attaining the CYFI Movement’s global agenda of reaching 100 Million children and youth in 100 countries with ECE and access to safe and secure financial services by 2015.

1.5 Country Platforms
CYFI facilitates collaborations between national stakeholders with the aim of creating national policies for advancing the financial capabilities of children and youth. As Economic Citizenship encompasses different groups of stakeholders, areas of expertise, and initiatives, developing a comprehensive approach which encompasses the various stakeholders involved is a difficult task for any government.

To help governments respond to these concerns, Child & Youth Finance International has developed the National Implementation Plan. This is the world’s first comprehensive plan on good practices of economic citizenship for children and youth, drawn from the experience of CYFI and CYFI partners. It offers a structured approach, in which objectives are set, concrete building blocks are chosen and a detailed implementation plan is developed to meet country-specific needs and circumstances for children and youth.

A National Implementation Plan ensures a centralized approach for the provision of Economic Citizenship. The Plan is also instrumental in involving multiple stakeholders and streamlining vision, efforts and resources. Examples of these collaborations in different countries include:

**Chile** - Prior to working with CYFI, representatives from various stakeholder groups in Chile were conducting separate efforts to address the different areas of financial education and financial inclusion for children and youth. During the CYFI Regional Meeting for the Americas the different stakeholders saw the opportunity to combine their efforts. They successfully carried out a joint Global Money Week event and created a national working group. The purpose of this working group is to create national and coordinated efforts for financial inclusion and access for children and youth in Chile.

**Latvia** - Representatives from the Central Bank of Latvia and the Financial and Capital Markets Commission decided to collaborate when they met at the CYFI regional meeting for Europe. They joined forces to reach out to the Ministry of Education and Science. Today, all are working collaboratively to create a national strategy for financial education and inclusion for children and youth.

**Morocco** - Representatives of national authorities in Morocco attended the first CYFI MENA Working Group Meeting and were inspired to include Child and Youth Finance topics into their national strategy for education and inclusion. They formed a multi-stakeholder committee and organized Global Money Week activities. They went on to create a dedicated foundation for the development of a national strategy for Economic Citizenship Education.
Nepal - The Central Bank of Nepal attended the CYFI Annual Summit in 2012, where they had the opportunity to explore the activities of other countries in the region. As a result, the Central Bank of Nepal, in collaboration with UNICEF and UNCDF, organized a national multi-stakeholder meeting to address Child and Youth Finance issues. Children and youth were also invited to this meeting. The stakeholders launched a project to collect data on all banking products available to children and youth in Nepal.

Zambia - In Zambia, the Financial Sector Development Plan was developed by the Central Bank and the Ministry of Finance to address financial education and inclusion for youth. In collaboration with Child and Youth Finance international, they also organized a national Global Money Week event which will become a yearly celebration in Zambia.

“What some of us don’t notice is that some parents aren’t even trying to teach us about money. I think 8 is the right age for a child to have money. If a bank teaches a child to save that will grow our economy.”

Child aged 16, participant at the Child and Youth Finance Annual Summit

1.6 Innovation

1.6.1 Child and Youth Engagement

As a Movement dedicated to children and youth, CYFI ensures that youth are offered a platform through which they can offer their inputs on the strategic direction and priorities of the Movement. The participation of children and youth is ensured through their attendance at the Annual Summits, as well as through CYFI’s dedicated platform financeandme.org. Through this, they are able to share their stories on entrepreneurship, employment and the other manners in which finance affects their day.

“What some of us don’t notice is that some parents aren’t even trying to teach us about money. I think 8 is the right age for a child to have money. If a bank teaches a child to save that will grow our economy.” Child aged 16, participant at the Child and Youth Finance Annual Summit.

Through social media platforms, they are also invited to share their opinions and thoughts, through direct interaction, polls and surveys. In 2012, children and youth offered feedback to the Basel Committee’s Core Principles on Banking Supervision through the online consultation process. This involved youth from 12 countries.

1.6.2 Technology

Through technology, CYFI is examining how existing, new and innovative technology can be used to disseminate Economic Citizenship Education and facilitate financial access for children and youth. One such initiative is CYFI’s SchoolBank project. The project aims to provide safe, low cost and structured ways of saving for children and youth. It advocates applying mobile banking technology or branchless banking technology in creating access to formal channels of saving and using schools (or community centers, non-formal education organizations, etc.) in facilitating the provision of financial access and financial education.
1.7 Education and Inclusion

Financial inclusion and Economic Citizenship Education are two themes which run across all the activities of CYFI. Financial inclusion refers to the Movement’s efforts to increase access to appropriate financial services for children and youth. Economic Citizenship has been defined by Movement partners as an education which combines social, financial and livelihoods components. CYFI places a great emphasis on ensuring that financial education and financial inclusion are simultaneously provided to young individuals in order for them to gain both the knowledge and experience of financial realities.

1.7.1 Child and Youth Friendly Banking Products

CYFI brought together representatives from financial regulatory authorities and financial institutions to create the criteria for Child and Youth Friendly banking products. From these criteria, a product prototype can be created, which can be further modified by interested financial institutions. To date, 12 financial institutions have used these product criteria to create financial products for youth, mostly savings accounts.

The criteria are also used to assess the levels to which financial products are child and youth friendly. Those products which meet the criteria can be provided with a Child and Youth Friendly Banking Product Certification.

Additionally, via the Schoolbank project, CYFI is working with telecommunication agencies and mobile operators to explore the creation of web-based products that will allow the Movement to reach out to even the most marginalized child.

1.7.2 Economic Citizenship Education

As a result of working group input, Economic Citizenship Education is defined by the Child and Youth Finance Movement as an education which combines:

- social education
- financial education and
- livelihoods education

The term “Economic Citizenship” emerged as a suggestion from members of the United Nations Committee on the Rights of the Child.

This concept evolved with the active participation of over 50 NGOs and Education Service Providers. Members of the CYFI Education Working Group, chaired by UNICEF and OECD, pooled their knowledge and shared their expertise to create the concept of Economic Citizenship Education. They have also created the Economic Citizenship Education Learning Framework which details key learning outcomes that should be seen in various life stages of children and youth. This framework is used to:

- Guide governments, NGOs, schools and other service providers who wish to create curricula and programs of social, financial and livelihoods education.

- Allow for organizations that have existing programs to map their learning outcomes against those which are set out by the framework.

With these efforts, the Movement is ensuring a coordinated collaboration and a unified approach to Economic Citizenship Education globally.
1.8 Publications

In collaboration with partners within its network, CYFI has created a series of publications that help inform and guide the different efforts within the Movement.

1.8.1 National Implementation Plan

A National Implementation Plan for Economic Citizenship for children and youth helps national stakeholders design the implementation of a joint strategy to increase Economic Citizenship for children and youth at the national level. The value of the Plan lies in its emphasis on initiative actualization at the national level, creating a multiplier which extends the scope of its benefits. Through a 6-step approach objectives are set, concrete building blocks are chosen and a detailed implementation plan is developed to address country specific needs and circumstances for children and youth.

1.8.2 Economic Citizenship in Your Country

This manual acts as a guiding toolkit for national authorities, governmental bodies, Ministries of Finance, Ministries of Education, Central Banks, NGOs or concerned citizens to engage and collaborate with other stakeholders in the effort to ensure that every child and youth becomes an empowered economic citizen. The document offers inspiring stories and examples from CYFI Partners and Network Participants from around the world about how they came together to create regional and national platforms that raise awareness and change policy and regulations to ensure no child is left behind.

1.8.3 A Guide to Economic Citizenship Education

This guidebook features the Economic Citizenship Education Framework to guide the creation and assessment of education programs and curricula which are designed to increase the social, financial and livelihoods skills of youngsters. This Guidebook was created for governments, NGOs, schools and other service providers to create curricula and programs of social, financial and livelihoods education.

1.8.4 Child and Youth Friendly Banking Discussion Paper

UNICEF and CYFI co-produced a discussion paper entitled “Beyond the Promotional Piggybank: Towards Children as Stakeholders.” The paper outlines some of the key challenges, opportunities and risks that major retail financial institutions in OECD countries can encounter when dealing with the segments of children and youth. The paper uses case studies to highlight the various facets of how a child rights approach can be integrated in retail banking could look like.

1.8.5 The Child and Youth Friendly Banking Product Certificate

The Child and Youth Finance Movement advocates for increased access to appropriate financial products for children and youth. This Certification Guide describes how to obtain a Certificate and is a guide for the individual(s) within the financial institutions who are involved in the creation and dissemination of products.

This manual was developed with the assistance of Deloitte, Houthoff Buruma and KPMG. The guide provides an introduction to the Certificate and its potential benefits, outlines the Certificate Criteria and Control Framework, outlines the certification process and provides more details on the use of the Certificate.
Chapter 2

Compiling Children, Youth and Finance
Chapter 2
Compiling Children, Youth and Finance

In compiling Children, Youth & Finance, CYFI used both primary and secondary sources. The primary sources include surveys that were distributed to education providers, national authorities and to financial service providers. The secondary sources consist of demographic databases of multilateral institutions used to complete global, regional and local overviews of populations. The report emphasizes information provided by partners in the CYFI network.

2.1 Introduction

Children, Youth and Finance is the annual compilation of data from industry stakeholders, CYFI partners and academics. This year’s report is published to document the global progress of financial inclusion, education and entrepreneurship, as assessed by financial institutions, regulatory and governmental bodies, reported by non-governmental organizations working in economic citizenship education and as analyzed by academics. The publication focuses on uncovering barriers to early financial access and education and the disenfranchisement children and youth face as minors and into their adulthood.

This second edition of Children, Youth and Finance focuses on the progress of the Movement on a global level. It will elaborate on the evidence for the Child and Youth Finance Theory of Change established in 2011, highlighting a clear mandate for moving forward the area of child and youth finance and recommending areas of future academic research. This publication will additionally provide empirical data and case studies on the youth financial products that financial institutions in the CYFI network are offering, the content of youth programs that are implemented and on the variation in economic citizenship education programs that education providers in the CYFI network are currently working with. A particular focus in this issue will be the progress of economic citizenship strategies on a national level and the implementation of such strategies. The data compiled in this document is, as a collection, unique and it is regarded by the movement as being an opportunity for breaking new ground when dealing with the agendas and business plans of government institutions, NGO’s and financial institutions as it draws focus and attention onto the financial and social rights of children and youth around the world.

2.2 Process for Compilation

2.2.1 Theory of Change

Children, Youth & Finance is structured according to the Child and Youth Finance Movement’s Theory of Change. In 2011, the CYFI Research Working Group, comprised of leading academics in the fields of financial literacy and children’s rights, combined their expertise to develop CYFI’s Theory of Change in the form of a detailed model of economic citizenship. The model poses that financial education, social education, livelihoods education and financial inclusion are the building blocks of empowerment and financial capability that underpin economic citizenship for children and youth. The Theory of Change is further expanded upon in Chapter 4 of this document.

2.2.2 Surveys

With the Child and Youth Finance Movement’s Theory of Change serving as a starting point, surveys were created in 2012 through feedback gleaned from, and in direct consultation through a participatory process with hundreds of partners and stakeholders within the CYFI network. These initial iterations were then extensively reviewed, modified and rewritten by the Research Working Group and the Education Working Group to ensure relevant data are being collected and indicators measured, which will allow for gauging the impact of the Movement over time. Children, Youth & Finance
is based upon data gathered from partner organizations and stakeholder organizations throughout the CYFI network, primarily through these surveys, as elaborated upon in Section 2.3.1.

2.3 Methodology

2.2.3 Primary Sources

Education Survey
The CYFI Survey on Economic Citizenship Education for Children and Youth collects data of educational products for children and youth which focus on the different components of Economic Citizenship Education. The questions follow the rationale of the CYFI Education Learning Framework. Indicators that measure the state of the Movement are categorized at the global level and the national level. Global indicators serve to present the overall picture of the involvement of children in finance globally. The national indicators capture this involvement at individual country level. The indicators related to financial institutions capture their involvement with children and the level of the child-friendliness of their financial products. The indicators related to financial education capture the education component. The education survey was responded to by 59 unique organizations.

Case studies, compiled from partner NGOs, could offer further insight into how financial education and inclusion shape economic citizens. Our partners include organizations such as Aflatoun, Aga Khan Foundation, Camfed, ChildFund International, Freedom from Hunger and MEDA.

Banking Survey and Research
The CYFI Survey on Banking Products for Children and Youth collects data on banking accounts which are currently being offered to children and youth and explores their features as they relate to the Child and Youth Friendly Banking Product criteria. Indicators that measure the state of the Movement are categorized at the global level and the national level. Global indicators serve to present the overall picture of the involvement of children and youth in finance globally. The national indicators capture this involvement at individual country level. The indicators related to financial institutions capture their involvement with children and youth and the level of the child and youth friendliness of their financial products. The indicators related to financial education capture any education component that may be related to the product. In addition to the survey, CYFI has assessed banking products on their child and youth friendliness through desk research assessing the product specifications as provided by banks’ websites and service desks. The banking survey was responded to by 31 organizations, though only 12 gave enough information that could be used. Through desk research at CYFI, 135 products of financial institutions were researched and assessed.

Country Survey
The Country Survey on Economic Citizenship Education and Financial Inclusion of Children and Youth collects data on national level efforts and activities relating to Child and Youth Finance issues. This survey was distributed to national authorities such as government bodies, central banks and supervisory authorities. Indicators that measure the state of the Movement are categorized at the global level and the national level. Global indicators serve to present the overall picture of the involvement of children and youth in finance globally. The national indicators capture this involvement at individual country level. The indicators related to financial institutions capture their involvement with children and youth and the level of the child and youth friendliness of their financial products. The indicators related to financial education capture the education component. The country survey was responded to by 57 different national authorities.

2.2.4 Secondary Sources
The secondary data in Children, Youth & Finance was obtained from reports published by international organizations such as OECD, UNICEF, UNCDF and the Worldbank. The organizations’ databases provide regional and country level indicators, such as Gross National Income per capita (in USD), percentage of the population (aged 15 or older) making mobile payments and percentage of the population with formal bank accounts. Furthermore, Children, Youth & Finance incorporates expertise and case studies from published reports such as ILO’s Global Employment Trends for Youth 2013. A generation at risk, The UN Millennium Goals Report 2013, UNDP’s Human Development Report 2013, The Rise of the South: Human Progress in a Diverse World, UN’s World Youth Report, The Worldbank’s 2014 Financial Inclusion Report 2014, OECD’s Financial Literacy And Inclusion Report, stating the Results Of OECD/INFE’s Survey Across Countries and additionally looks into year reports and conference reports of its affiliated organizations such as Making Cents International.
CYFI’s network of academics and experts (The CYFI Research Working Group) collaborated on a document called *Children & Youth as Economic Citizens: Review of Research on Financial Capability, Financial Inclusion, and Financial Education*¹ to establish academic advocacy for the Child and Youth Finance Movement. The report, which is written by 16 leading academics who have synthesized findings of myriad academics, defines the Theory of Change and explores existing literature that demonstrates the benefits of the Theory’s three key components: financial inclusion, financial education, and financial capabilities. In addition, the report provides evidence on the impact on not only children and youth’s economic well-being (income, savings, assets), but also on their health (including reproductive and sexual health), emotional well-being, academic achievement (high math scores), and expectations for the future.

In 2013, two follow up articles were written by core members of the CYFI Research Working Group and the Centre for Social Development (CSD) on the Conceptual Development of the CYFI Model of Children and Youth as Economic Citizens² and on Research Evidence on the CYFI Model of Children and Youth as Economic Citizens, highlighting a clear mandate for moving forward the area of child and youth finance and recommending areas of future academic research. The documents indicated several priority areas for research in the field of child and youth finance, which include the role of technology in creating financial access and education for youngsters; insights into the perceptions and experiences of youth concerning financial services and financial education from different local contexts; social experiments conducted in laboratory or applied settings, designed to help answer several pressing research questions regarding financial access, education, knowledge, skills, and abilities.³

### 2.3 Limitations

The section below outlines the limitations of this iteration of Children, Youth & Finance. Though, it should be recognized that this is only the second iteration of the document and CYFI regards the collection process for this document as a learning experience for the entire movement. As a network, we are collecting data which has, for the most part, not been tracked by organizations thus far. This is a rather momentous undertaking the network has committed itself to, thus this foundation laying process should be seen as a learning one, which gives the entire network the chance to reflect on what we are collectively doing well and where there are opportunities for greater collaborations and improvements.

Children, Youth & Finance compiles data from various sources, present indicators demonstrate limited internal validity and fall short in measuring the short-term and long-term impact of financial products and financial, social, and livelihoods education on children and youth. The lack of sharp impact measurements corresponds to two shortages: the number of programs that provide both financial inclusion and a holistic education program and the number of such programs that conduct M&E. In addition, some institutions might not be eager to share their data.

The first shortage results from the lack of organizations that have existed long enough to have implemented comprehensive, multi-faceted financial programs and tested their effectiveness. The leading organizations in financial education might provide a variety of programs, but they are implemented separately and may not mirror the CYFI Education Framework. The latter shortage results from the lack of financial service providers (FSPs) that monitor children and youth’s savings behavior. Even those that provide savings and current accounts to minors have not documented its usage well enough to accurately understand how their usages are shaping children’s money management attitudes and behaviors. A large part of the data on children’s savings has therefore been acquired from financial education programs that have savings components, which don’t accurately measure the current state of financial inclusion of children and youth. Impact evaluation systems have been overlooked because they are either too costly or institutions have not collected sufficient outputs to analyze. This shortage presents challenges in understanding which program components are the most progressive.

The secondary data used to measure the reach of financial education programs created by governments and other national data on savings is limited because a large portion of these analyses does not focus on children and youth. This was the motivation for CYFI to generate a survey for government agencies and financial authorities. The number of

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government initiated financial education programs, their educational components, reach of children and youth, and impact can only be accurately measured from the direct responses from educational ministries and policy makers around the world. Even though CYFI used the initial version of this survey in the compilation of the document, it is still in its initial stage of design and will be revised in the following years, with consultation of members of the CYFI Research Working Group.

The main limitation of all CYFI surveys is the small sample size of respondents. Possible reasons for the limited response to the surveys is that institutions are either unaware of the vision of the Movement or have insufficient information to answer CYFI surveys. In addition, the survey is prone to self-selection bias in which those that responded to the survey are those institutions that have monitored and evaluated sufficient, positive outputs to share resulting in a more positive snapshot of the Movement’s starting point. An additional goal of the publication is to convince potential collaborators that their participation in the Movement is urgent, valuable, and integral to the future of children, youth and their societies. Further metrics and records of children and youth’s financial activities and education must be developed to accurately assess the progress of the Child and Youth Finance Movement. Proof of progress and impact, in turn, will encourage others to join the Movement that serves and empowers children and youth.
Chapter 3
Economic Citizenship
Issues Facing Children and Youth
Chapter 3

Economic Citizenship

Issues Facing Children and Youth

Currently, there are 2.2 billion children (aged 0-17) and approximately 1.2 youth (aged 15-24) living across the globe. Given the growing number of children and youth taking part in today’s society, it is imperative that authorities give due attention to not only the development of youngsters, but also the role young people can play in, and for, society themselves. As children and youth are the economic citizens, employees, social entrepreneurs and leaders of tomorrow, they must be engaged as key stakeholders in their own future development. This demands an approach that not only focuses on the economic and financial challenges they face, but also the social and community challenges they encounter on a daily basis. This section focuses on the issues facing children and youth today, divided into income and asset poverty, economic and social well-being and engagement, sustainable livelihoods and rights and responsibilities.

3.1 Introduction

As the number of children and youth grows even higher globally, the consequences of inaction loom large- poverty, debt, unemployment, all stand on the horizon. There exist a wide number of theories and possible approaches towards tackling these issues. All have their merits and are many are founded on undeniably strong arguments and foundations. The approach that is taken by the Child and Youth Finance Movement, however, is one which has not been the focus of other organizations or bodies to date. The Movement’s approach draws from the experiences of organizations working in the field of children’s right and empowerment. It is a values-based system which draws upon the voices of children through the calls received by child helplines and reports from these civil society organizations.

The Child and Youth Finance Movement’s theory, (further discussed in Chapter 4), posits that a combination of financial inclusion and holistic financial, social and livelihoods education is crucial to developing the economic citizenship of children and youth. The Movement further maintains that to strengthen the impact and the reach of these, the necessary legal and regulatory systems must be put in place to facilitate the process. For the Movement, Economic citizenship means:

- Reduction of income and asset poverty
- Increase of economic and social engagement
- Development of sustainable livelihoods
- Augmentation of economic and social well-being
- Recognition of rights and responsibilities to self, family and others

As the Theory of Change created by the Research Working Group presented in the next chapter is crafted based upon these desired outcomes, the following sections of this chapter will highlight the current state of these global issues as they are currently affecting children and youth.

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3.2 Poverty and Development

As there is no overall indicator, or combination of indicators, to measure adversity in children, the number of children who are not fulfilling their development potential is the most commonly cited measure available. There are few national statistics on the development of young people in developing countries. However, two factors with available worldwide data have been identified to portray an image of underdevelopment in children — defined as the prevalence of early childhood stunting and the number of people living in absolute poverty. 5

Poverty is perhaps the most deeply rooted and widespread problem facing young people. Income poverty is a fundamental indicator of financial insecurity and instability. If an individual’s or a family’s total income is below the poverty threshold, then they are considered poor. 6 Asset poverty is an economic and social condition that is more persistent and prevalent than income poverty. This measure expands the notion of poverty to include how much of a financial cushion a household has to weather financial crises such as a job loss, medical emergencies or unexpected repairs. Three months’ of living expenses at the poverty level is a conservative cushion for a family that loses its income, and asset poverty includes durable assets, such as a home or business or savings that would need to be liquidated to cover day-to-day needs. 7 As an example, of how prominent this problem is for families, according to the CFED 2013 Assets & Opportunity Scorecard, 44% of households in the United States are living in liquid asset poverty. 8

Even though the United Nations 9 and the Worldbank report that the number of people living in extreme poverty around the world has, in fact, declined over the past three decades, in 2010 the number still included roughly 400 million children. A recent Worldbank report found that 721 million less people lived in extreme poverty in 2010 – defined as under $1.25 USD a day – compared to 1981. The report also concluded, however, that a disproportionate number of children were among this statistic from 2010. Children accounted for one in three of those living in extreme poverty, compared with only one in five of those living above the poverty line. In low-income countries, the percentages were worse, with half of all children living in extreme poverty 10, defined as living under $1.25 USD a day. Looking at savings as an indicator for asset poverty, in the OECD countries a surprising 69% of youth were saving in 2011, whereas in Africa and Latin America, on average less than 31% of youth were saving. In the Middle East and South Asia these numbers are as low as 17 and 15%, respectively. 11

Looking at stunting, a health indicator of both poverty and child development, UNICEF reports the global percent of children who are stunted is still as high as 26%. The stunting percentage is here defined as the percentage of children aged 0–59 months who are below minus two standard deviations from median height for age of the WHO Child Growth Standards. Early childhood stunting is caused by lack of food or poor nutrition. 12

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7 Ibid
8 Ibid
Researchers have estimated that over 200 million children under 5 years worldwide are not fulfilling their developmental potential. Most of these children live in South Asia and sub-Saharan Africa. Both development indicators are closely associated with poor cognitive and educational performance in children.  

While a severe lack of goods and services hurts every human being, it is most threatening to children as it affects their rudimentary basic rights such as survival, health and nutrition as well as social rights such as education, participation, and protection from harm and exploitation. These children are likely to do poorly in school and subsequently have low incomes later in life, and provide poor care for their children, thus contributing to the intergenerational transmission of poverty. For developing countries, the impact of poverty and malnourishment on the ability to raise a productive workforce can last for generations, while in the shorter term rising food prices can exacerbate inequality and lead to conflict and political instability. To tackle poverty-related issues it is therefore in the interest of all pillars of society to provide individuals with the knowledge, tools and opportunities to escape poverty at a young age. It is for this reason that CYFI works with network partners and stakeholders to advocate for early financial, social and livelihoods education implemented in primary schools coupled with other appropriate nutritional and health interventions. It is only through a coordinated effort, reaching all aspects of the child’s development that we can break the cycle of poverty and give children and youth the knowledge, skills and abilities to take the necessary steps.

### 3.3 Economic Well-being

A household’s economic well-being can be expressed in terms of its access to goods and services, however, to capture the full extent of a household’s economic well-being, it is desirable to look at a number of different aspects of their economic situation, including not only the household’s income, but also their levels of wealth, changes in the value of that wealth and access to services. There is a considerable difference between the penetration rates of financial services in high income countries (90.5%) compared to the Middle East and Sub-Saharan Africa (24% and 17% respectively). In total, 2.5 billion adults lack even a basic bank account. The seemingly simple opening of an account for receiving a salary or social benefits has a transformative power that will ultimately enable people to manage their day-to-day lives.
day life more productively, shield more against risks, and provide support in achieving major life goals such as education, home ownership and the accumulation of other assets.  

Furthermore, a factor that contributes to the economic well-being in high income regions is the high level of debt experienced by households. While it is often thought that debt is merely a problem of low-income households, the reality is somewhat different. In high-income households, debt levels have increased significantly as a study of 18 OECD countries from 1980 and 2010 show. (See Figure 3) In 2010, the ratio of household debt to gross disposable income (GDI) was far higher than the average of OECD countries, in Denmark, the Netherlands, Ireland and Norway, or countries of relatively high incomes. Mexico, in contrast, had the lowest debt ratio at 9.4% in 2009.

### Table 2  
**Economic Well-being**

<table>
<thead>
<tr>
<th>Component</th>
<th>Year of Estimation</th>
<th>World</th>
<th>Developing (or Least Developed) Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Formal Bank Accounts Youth (%)</strong></td>
<td>2011</td>
<td>37.9</td>
<td>12-26</td>
</tr>
<tr>
<td><strong>Net Enrollment Ratio Primary School (%)</strong></td>
<td>2008-2011</td>
<td>Male 92</td>
<td>Male 82</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Female 90</td>
<td>Female 78</td>
</tr>
<tr>
<td><strong>Net Enrollment Secondary School (%)</strong></td>
<td>2008-2011</td>
<td>Male 64</td>
<td>Male 49</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Female 61</td>
<td>Female 45</td>
</tr>
<tr>
<td><strong>Share of Household Income (%)</strong></td>
<td>2013</td>
<td>17</td>
<td>19</td>
</tr>
</tbody>
</table>

* Youth here defined as those between 15-24. Source: Worldbank  
** Number of children enrolled in primary or secondary school who are of official primary school age, expressed as a percentage of the total number of children of official primary school age. Because of the inclusion of primary-school-aged children enrolled in secondary school, this indicator can also be referred to as a primary adjusted net enrolment ratio. Source: UNICEF  
*** Percentage of Income received by the 40 per cent of households with the lowest income. Source: UNICEF

Furthermore, a factor that contributes to the economic well-being in high income regions is the high level of debt experienced by households. While it is often thought that debt is merely a problem of low-income households, the reality is somewhat different. In high-income households, debt levels have increased significantly as a study of 18 OECD countries from 1980 and 2010 show. (See Figure 3) In 2010, the ratio of household debt to gross disposable income (GDI) was far higher than the average of OECD countries, in Denmark, the Netherlands, Ireland and Norway, or countries of relatively high incomes. Mexico, in contrast, had the lowest debt ratio at 9.4% in 2009.

### Figure 3  
**Household Debt as percentage of GDP for OECD Countries**

Source: OECD Factbook 2013: Economic, Environmental and Social Statistics

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A family’s economic circumstances are linked to the current and future well-being of children. Economic security is therefore also a fundamental condition for the healthy development of children. The deprivation of opportunities in the early years of life, such as school attendance, have been associated with a well-cataloged variety of negative outcomes for individual children, their families, and communities.  

A study that examined the extent to which parents’ financial assets and debt influence their children’s chances of graduating from college found that family income is positively related to college completion; debt and lack of assets may decrease the probability that youth will graduate from college. The researchers found the same effect of parents’ general economic resources during early childhood and early adolescence. They advise public policy to strengthen regulation of fringe financial services and to increase access to quality credit and access to mainstream financial institutions to mitigate these negative effects. On average 37.9% of youngsters aged 15 - 25 have accounts at a formal financial institution. Unfortunately, the formal bank account saturation numbers among youth in the Middle East, South Asia and Sub-Saharan Africa fall as low as 25%, 17% and 12% respectively. Not one institution has, thus far, explored these realities for children younger than 15 years old.

Given the current status of households’ economic well-being and therefore the lack of opportunities for the younger household members, the provision of safe, secure and responsible financial services would support young people greatly. With thought leadership coming from leading academics within the Research Working Group, it is theorized by CYFI that by providing these services this support would not only take the form of accumulating assets, but would provide youngsters with the opportunity to receive an income, take loans to pursue those other goals such as education or take on entrepreneurial ventures, in order to be able to sustain in their own livelihood.

### 3.4 Sustainable Livelihoods

Many of the adversities facing youth today are linked to their inability to find employment or the ability to generate a sustainable livelihood for themselves, including the inability to set up a business. Global youth unemployment has continued to grow to 12.6% in 2013 according to the International Labor Organization, with few countries escaping this discouraging rise in unemployment rates. By 2018 the global youth unemployment rate is projected to rise to 12.8%.

The youth unemployment rate in 2012 is estimated at 18.1% in the Developed Economies and the European Union, the same rate as in 2010 and the highest level in this region in the past two decades. Youth unemployment rates were highest in the Middle East and North Africa, at 28.3% and 23.7%. However, these figures only refer to official unemployment figures and do not give a complete picture of the volume and percentage of youth actually out of work or out of schooling.

This global trend affects children and youth in an adverse manner. Evidence shows that those unemployed tend to be unhappier, more likely to experience a range of health issues, and face difficulties in integrating back into the labor market after a period of not working. For young people, the effects of unemployment may be particularly damaging, as the evidence suggests that a spell of youth unemployment increases the likelihood of poorer wages and unemployment in later life.

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22 Ibid
It is critical to provide youth with quality education so they can develop the skills that will allow them to build the necessary capabilities to find employment, create their own economic opportunities and manage their assets effectively. However, as both youth literacy rates AND financial literacy rates are low, young people often find themselves in a position where they struggle to secure a livelihood and manage their financial future.

The results of the study conducted on financial literacy and inclusion by the OECD International Network on Financial Education (INFE) corroborate this argument. The study shows that respondents with high scores on all three components of the test, being financial knowledge, financial attitudes and financial behavior, were most likely to be aged around 30-60. Conversely, it was common for the proportion of people with no high scores in either of the categories to be higher amongst the youngest and oldest respondents.26 See Figure 5 for an overview of some of these results. The data was segmented according to whether respondents gained a high score in 0, 1, 2 or 3 of the components of the financial literacy test.

The study also indicated that low test scores might not just have to do with lack of learning opportunity, but simple lack of interest. For example, in the Netherlands inquisitiveness about money and financial issues – and therefore financial motivation – appeared to generally be very limited among young people. Research found that, on average, no more than a quarter of youths aged from 12 to 18 expressed a desire to learn more about financially-related issues such as savings accounts, taxes, insurance and borrowing money.27

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27 Ibid
Aside from the financial knowledge necessary to plan for setting up a business or make responsible investments, youth often lack the ability to plan for future well-being and the skills that help them secure a sustainable livelihood. According to UNICEF, livelihood skills can assist children with “income generation and can include vocational skills, research skills, interview skills, business management skills, entrepreneurial skills, as well as skills in managing money.”

An important step forward in recent years has been a global consensus in support of education for all people around the world. Beyond the Millennium Development Goal (MDG) of universal primary education by 2015, there is increasing understanding that the aim must be, at least, basic education for all – primary plus two or three years of secondary education. The reasoning behind this is to guarantee that youth enter the workforce with the basic skills required to pursue a working life. Nevertheless, global school attendance rates are still low, at an average of only 47%. In addition, research shows that a staggeringly high number of 115 million children are still exposed to exploitative work, defined as “worst forms of labor,” “hazardous work” and “unconditional worst forms of labor.” Furthermore, according to the ILO Global Estimate of Forced Labor published in 2012, children account for 26% of the forced laborers around the world (see Figure 6), further decreasing their chances to attain a meaningful and sustainable livelihood.

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To help fight against these and other forms of child labor, initiatives such as the Global Jobs Pact were created to contribute to creating an emphasis on the importance of increasing equal access and opportunities for skills development, quality training and education to prepare for recovery (pertaining to child labor). An example of such a program would be the ILO-EAST (Education and Skills Training for Youth Employment) in Indonesia is a four-year project funded by the Government of the Netherlands that aims to improve the employability and entrepreneurial capacity of young people through education and skills-training opportunities, thus contributing to the elimination of child labor.

Although a slight shift towards the creation of relevant skills and knowledge among young people is present, the increasing unemployment, forced labor and remaining illiteracy numbers speak for themselves. There is a need to build soft skills among young people, and to strengthen youth entrepreneurship, while also increasing their awareness of labor rights and social well-being. CYFI promotes livelihoods education as an essential component of Economic Citizenship Education for children and youth as it allows them to develop the skills and experiences necessary to sustain a livelihood through entrepreneurship or worthwhile employment. Livelihoods education provides young people with the opportunity to explore various career options and opportunities to generate income, while bolstering their own level of employability. Livelihoods education also develops a sense of social responsibility amongst young people, allowing them to pursue social entrepreneurship and civic engagement ventures that have a positive impact in their local communities.

![Figure 6](image-url)

**Global Estimate of Child Forced Labor**

Source: International Labor Organization (2012)

### 3.5 Social Well-being and Engagement

Children and youth are considered empowered when they can exercise age-appropriate influences not only over their own lives and resources, but also over their communities and society. For CYFI empowerment therefore refers not only to a child’s ability to be included in, or interact with, a community, but also to a child’s engagement with society. Youth should therefore be given opportunities to be part of society and take part in such engagement. Social well-being and participation metrics are difficult to attain as it is challenging to find indicators which are suitable proxies, however, several indicators and correlations have been found over the years.

Basic definitions of social well-being and social inclusion include an economic/structural dimension. This includes basic human needs characterized by equal access to, and delivery of, essential services (such as water, food, and shelter), the provision of primary and secondary education, the return or resettlement of those displaced by violent conflict, and the

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restoration of social fabric and community life. It generally also includes a socio-cultural component, including participation and integration. As already discussed in previous subchapters, basic human needs are not always met for youth, both in developing countries as well as in developed countries. Looking at some of the basic indicators on well-being, (See Figure 7), many children and households are still struggling to gain access to needs such as shelter and access to safe water.

**Figure 7**
Social Well-being and Engagement

<table>
<thead>
<tr>
<th>Component</th>
<th>Year</th>
<th>World</th>
<th>Developing (or Least Developed) Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Children not registered at birth (%) *</td>
<td>2012</td>
<td>51</td>
<td></td>
</tr>
<tr>
<td>Children who lack shelter (%) **</td>
<td>2008</td>
<td>-</td>
<td>32.6</td>
</tr>
<tr>
<td>Displaced Children (%) ***</td>
<td>2012</td>
<td>0.6</td>
<td></td>
</tr>
<tr>
<td>Access to Safe Drinking Water (%) ****</td>
<td>2010</td>
<td>89</td>
<td>63</td>
</tr>
</tbody>
</table>

* Children whose births are not registered (aged 0–4). Source: USAID
** Children who lack adequate shelter (aged 0–17). Source: USAID
**** Percentage of the population using any of the following as the main drinking water source: drinking water supply piped into dwelling, plot, yard or neighbor’s yard; public tap or standpipe; tube well or borehole; protected dug well; protected spring; rainwater; bottled water plus one of the previous sources as a secondary source. Source: WHO

The Youth Development Index (YDI) is a measure designed to assess youth development with a strong social and participatory focus. Its assessment was conducted in 170 countries and is based on five domains: Education, Health and Wellbeing, Employment, Political Participation and Civic Participation. This definition of youth development is in that sense closely related to the definition of empowerment and social well-being as described above as it includes an economic as well as a socio-cultural dimension.

The YDI has generated some interesting findings. For example, a country like Sierra Leone (see Figure 8) has high teenage pregnancy, low levels of education and high youth unemployment, yet it appears to have higher levels of civic participation than high-income countries such as Australia, Canada and New Zealand. For the purpose of the study, civic participation was assessed by measuring - through a questionnaire – the youth volunteering rate and a percentage of youth who help strangers. This suggests that although youth have limited education and employment opportunities, they find opportunities for active engagement elsewhere.

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The results also showed that there is a close relationship between income and youth development (see figure 8). The income groupings used in the YID report are based on the Worldbank’s classifications (GNP) per capita in U.S. dollars, Low income being $1,025 USD or less and High Income being $12,476 USD or more. 

Source: Commonwealth Youth Development Index (2013).

38 Ibid
It is widely recognized that social exclusion, in whatever form, produces deep and long-term damage to the living conditions, social and economic participation, emotional life, and health status of young people. The UNDP, defining social exclusion as the process where someone is left out of mainstream society and deprived of opportunities for development, reports that it also contributes to the intergenerational transmission of poverty. Almost one out of three young persons between the ages of 18 and 24 is at risk of poverty or social exclusion in the European Union. The UNDP also states that on average, 42% of children (aged 0-15) and 35% of youth (aged 15-29) live in households that are socially excluded in the region. In addition, there has been found an urban-rural divide. The probability of being excluded from society for a young person (age 15 to 29) with a secondary education living in a rural community is more than three times higher than for a young person with a primary education living in a small town.  

Social well-being is a wide-ranging and complex issue, especially pertaining to youth and it is therefore not easy to represent it with a single figure. However, social knowledge and aptitude play an important role in steering children and youth away from behaviors and attitudes that may negatively affect not only personal economic well-being, but also that of the child’s and youth’s wider community. CYFI therefore stresses that in order for children and youth to exercise age-appropriate influences not only over their own lives and resources, but also over their communities and society, they must be empowered and given the opportunity and ability to engage with society.

3.6 Rights and Responsibilities to Self and Others

Globally, millions of children do not have access to education, work under hazardous conditions, or might be forced into labor or to serve as soldiers and languish in institutions where they endure inhumane conditions and assaults on their dignity. Young and immature, they are often easily exploited. In many of these cases children and youth are abused by those individuals responsible for their care. In many other cases, such as domestic violence, data shows that adolescents themselves approve of such violence in the household. UNICEF’s global database on violence currently contains data from 83 countries on women’s attitudes towards wife-beating and data on men’s attitudes towards wife-beating. Almost half of women aged 15–49 years in developing countries think that a husband is justified in beating his wife under certain circumstances. 

### Table 10
Rights and Responsibilities to Self and Others

<table>
<thead>
<tr>
<th>Component</th>
<th>Year</th>
<th>World</th>
<th>Developing (or Least Developed) Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Child marriage (%) *</td>
<td>2007–2011</td>
<td>37</td>
<td>2</td>
</tr>
<tr>
<td>Justification of wife beating among adolescents (%) **</td>
<td>2002-2011</td>
<td>49</td>
<td>55</td>
</tr>
<tr>
<td>Births by 18 (%) ***</td>
<td>2007-2011</td>
<td>28</td>
<td>20</td>
</tr>
<tr>
<td>Children who have experiences severe physical punishment at home (%) ****</td>
<td>2005-2006</td>
<td>-</td>
<td>17</td>
</tr>
<tr>
<td>Children who have experiences sexual abuse (%) *****</td>
<td>2002</td>
<td>Girls: 14</td>
<td>Boys: 6</td>
</tr>
</tbody>
</table>

* Percentage of women 20–24 years old who were first married or in union before they were 15 years old and percentage of women 20–24 years old who were first married or in union before they were 18 years old. Source: UNICEF

** Justification of wife beating – Percentage of women and men 15–49 years old who consider a husband to be justified in hitting or beating his wife for at least one of the specified reasons, i.e., if his wife burns the food, argues with him, goes out without telling him, neglects the children or refuses sexual


relations. Source: UNICEF

*** Percentage of women aged 20–24 who gave birth before age 18. This standardized indicator from population-based surveys captures levels of fertility among adolescents up to the age of 18. Note that the data are based on the answers from women aged 20–24, whose risk of giving birth before the age of 18 is behind them. Source: UNICEF

****Age 2-14. Source: UNICEF. Child Disciplinary Practices at Home. 2010


Many have advocated to complement citizenship programs with knowledge on human rights in order for children and youth to gain a thorough understanding and active acknowledgement of the rights of and responsibilities he or she not only has to self, but also to family, and others. Some have argued that children’s rights education has value because it fulfills the obligations of countries to respect the rights of the child and implement the provisions of the UN Convention on the Rights of the Child. But beyond this fulfillment of a legal obligation, children’s rights education can have an actual value for children.

Research has suggested that human rights education can be expected to affect children and youth with not only the provision of knowledge on basic rights, but also the attitudes, values, and behaviors consistent with the understanding of rights, thereby empowering to use them to protect themselves and others from violations. Children would thus be more likely to take a stand in preventing or redressing abuse. Human rights education became a widespread concept in the 1990s with the resolution of the United Nations Organizations (UNO/UN) General Assembly in 1994 on the UN Decade for Human Rights Education from 1995 to 2004. In addition, the Council of Europe has embraced the idea that an understanding of human rights is in fact an essential part of citizenship. It aims to “equip learners with knowledge, skills and understanding to empower them to exercise and defend their democratic rights and responsibilities in society .... with a view to the promotion and protection ... the rule of law”. 

Research also shows evidence that human rights education does in fact have an attitudinal and behavioral effect on children. Compared to children who have not received this type of education, children who have received children's rights education are more likely to have a correct understanding of rights, have a better understanding that rights and responsibilities are related to each other, and therefore display more socially responsible behavior for the rights of others. CYFI therefore advocates for this social education component as children and youth who are equipped with these skills and knowledge show more responsible behavior towards their friends and family and make financial decisions taking not only themselves into account, but they also are more likely to consider how their decision will affect those around them.

3.7 Conclusion - Starting Young: The Acquisition of Skills and Youth Development

Research on the impact of adversities facing children and youth has, over the years, emphasized the importance of dealing with them at an early age. Stress experienced early in life—such as poverty, abuse or neglect, and exposure to violence—can have a cumulative toll on an individual’s physical and mental health. The more adverse experiences in Childhood, the greater the likelihood of developmental delays and other problems later in life. Figure 11 provides an impression of this relationship. Millions of children and youth throughout the world are dealing with these types of adversities and live under conditions of serious deprivation every day. Children and youth who experience violence or who are exploited, abandoned, or severely neglected (in or out of families) face threats to their survival and well-being as well as profound life cycle risks that have their impact on human, social and economic development. These children and youth include those who are trafficked, participating in armed groups, and exploited for their labor.

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Furthermore, there is a notable statistical link between multidimensional poverty and youth development. (See Figure 12) There is a strong correlation of almost -0.7 between the YDI and Multidimensional Poverty Index (MPI) compiled by the Oxford Poverty and Human Development Initiative. The MPI is a measure of key indicators of acute poverty, measured by child mortality, nutrition, years of school and children enrolled in school. This link implies that countries with high levels of youth development are associated with the low levels of multidimensional poverty. Conversely, countries with high levels of poverty are associated with low youth development. These results indicate that, once again, poverty, development and youth are intimately related. Furthermore, a large youth population coupled with underdevelopment, caused by unemployment, and social exclusion have been associated with civil conflict.

Source: Commonwealth Youth Development Index (2013).

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46 See 37, Commonwealth (2013).
Of course, the economic, social and cultural rights of youth to development enshrined in international and regional human rights instruments are legally binding and member states have a legal obligation to respect, protect and fulfill these rights. The nature of states’ obligations in this respect has been established principally in relation to the International Covenant on Economic, Social and Cultural Rights (ICESCR). The Convention on the Rights of the Child recognizes and protects the economic, social and cultural rights in relation to children. However, children and youth can be the agents of change themselves only if they are provided with the right skillset to engage with the world around them.

In the modern labor market “identity capital”—comprising educational, social, and psychological resources—is key in entering and maintaining employment. A consequence of this is the additional duration of education and training where young people acquire the qualifications and skills that will improve their employability chances. This places particular pressure on those young people from disadvantaged circumstances who are lacking support, especially when attempting to transfer from school to work. It is concluded from several UK based studies that special care should therefore be given to training young people avoiding the damaging effects of underdevelopment and a successful transition to adult life. Longitudinal studies have assessed the relationship between the acquisition of basic literacy skills and numeracy and the lack of participation in the main domains of modern living: education, employment, community life and citizenship. They concludes that interventions are not just needed for vulnerable populations, but, generally, is needed in different stages of life and should be targeted at these particular spheres in the social lives of youth: school, youth training and early employment. The results highlight that it is the role of policy makers to move the whole youth network towards positive influences, strengthening aptitudes and capabilities and converting negative attitudes and behavior into more positive orientations.

Finally, social inclusion and financial inclusion have been found to be closely linked a market based society. The same groups of people are generally excluded from both social and financial goods, including many who are unemployed, or who face language or cultural barriers. Reducing social exclusion among youth therefore includes increasing youths’ capacity to participate in the financial system through access to affordable banking, to fair and reasonable credit, and to some provision for a future livelihood through insurance or savings.

Through the integration of life skills - including knowledge on rights and responsibilities- livelihoods skills and financial capability — including access to the financial system — the Child and Youth Finance Movement proposes a way that children and youth attain a solid foundation for a secure future of social and economic well-being. By increasing financial capability, children and youth are better equipped to benefit from formal financial inclusion and economic opportunities. By increasing the financial and business knowledge of children and youth, young people are presented with an opportunity to obtain sustainable livelihoods, stimulate entrepreneurial activity, and enhance their level of employability. Finally, rights education and empowerment can improve self-esteem and make young people more aware of their unique and important role in society. Through the unique theory of change model highlighted in the next chapter, CYFI proposes a way in which the different outcomes highlighted throughout this chapter can be integrated into one comprehensive model.

Chapter 4

Building the Case for Economic Citizenship
Chapter 4

Building the Case for Economic Citizenship

This chapter lays out CYFI’s Model of Economic Citizenship for children and youth. It provides a summary of the latest research evidence on Economic Citizenship as a concept and of its individual components of financial inclusion, financial, social and livelihoods education. The chapter additionally provides an overview of the effect of access to finance and access to holistic economic education on several different aspects of child well-being.

4.1 CYFI’s Model of Economic Citizenship

In June 2010, 126 experts from 40 countries gathered for the first Child and Youth Finance meeting in the Netherlands to share their insights and expertise in developing the Movement as well as the organization’s Theory of Change. Over the course of June 2010 – July 2011, they came together in dedicated working groups for each of the key strategic areas of the Movement. The CYFI Research Working Group, comprised of leading academics in the fields of financial literacy and children’s rights, combined their expertise to develop CYFI’s Theory of Change in the form of a detailed model of economic citizenship.

The model poses that financial education, social education, livelihoods education and financial inclusion are the building blocks of empowerment and financial capability that underpin economic citizenship for children and youth. Financial education includes instruction and/or materials designed to increase financial knowledge and skills. Social education is the provision of knowledge and skills that change individuals’ understanding and awareness of their rights and the rights of others. It also involves fostering of life skills. Financial inclusion is access to appropriate, quality, and affordable financial services. Empowerment is the sense of confidence and efficacy experienced by children and youth through controlling their own lives, claiming their rights, and having empathy toward others. Financial capability has individual and structural components. It combines a person’s ability to act with the opportunity to act. To be financially capable, people must have financial knowledge and skills as well as access to appropriate financial services to enhance social and economic well-being. While empowerment is portrayed as a separate construct in the CYFI model of economic citizenship, financial capability actually incorporates empowerment at the individual level and access and opportunity at the structural level. Essentially, financial capability occurs when children are personally empowered and simultaneously experience financial inclusion, or real access to appropriate financial products and services along with the opportunity to practice using those services. Figure 13 lays out these pillars and its effects in more detail.

At the center of the Theory of Change lies the ultimate beneficiary, the individual child. When developing the CYFI Theory of Change, the Research Working Group used as its base the UN Convention on the Rights of the Child. The Convention outlines the child’s right:

- To survival,
- To develop to the fullest,
- To protection from harmful influences, abuse and exploitation, and
- To participate fully in family, cultural and social life.

States’ parties to the Convention recognize that poverty and unemployment severely restrict, if not completely deny, children and youth these fundamental rights. In order to reach the goal of economic citizenry, the group concluded that a concentrated effort of intertwined development interventions is necessary. The CYFI Model states that holistic financial,

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Social and livelihoods education when done in concert with financial inclusion can lead to greater capability and empowerment, thus helping children and youth to become thriving economic citizens.

Figure 13
Model of Children and Youth as Economic Citizens

4.2 Research Evidence on Economic Citizenship

This chapter aims to provide a summary of the most recent evidence on the different components of economic citizenship: financial education, social and livelihoods education, financial inclusion and the combination of these components. A large part of the studies discussed in this summary were reviewed by the CYFI Research Working Group in two research briefs published in 2013. This publication will only discuss results of those studies conducted after 2009.

4.2.1 Financial Education

Financial education is the provision of instruction and/or materials designed to increase financial knowledge and skills of children and youth. Tailoring financial education to children and youth—the next generation of economic citizens—is essential for individual and societal well-being, but the outcome of financial education—financial literacy—remains poorly defined and imperfectly measured. Comprehensive and effective strategies for educating children and youth to be successful managers of money and navigators of a complex financial marketplace have not yet emerged. While classroom-based financial education is a common strategy in higher income countries, an extensive variety of methods and materials are being used around the world. For example, a recent study found that high school students in the US who received video instruction and lessons in the Financing Your Future (FYF) program experienced significant and consistent gains in knowledge of money management, financial decision making, earning and income, saving and investing, credit scores, and use of financial services. Furthermore, financial education programs have been found associated with higher financial literacy, savings, understanding of how to avoid debt, how to open a bank account, how to write a check, and plan a budget.

54 See 2 and 3 Sherraden and Ansong (2013).
In addition, randomized control trials conducted in this field have shown that financial education has a significant short-term effect on savings attitude and savings behavior in Ghana and have shown positive effects on financial knowledge in Italy. However, a follow-up study to the Italian case suggested that results might be attributed to students adapting to repeated financial literacy tests rather than conceptual learning. A large-scale study conducted in Brazil in 2012, found a significant impact of financial education programs on students' financial proficiency. Both attitudes and new forward-looking indices of intentions to save and financial autonomy improved significantly. In the study, the financial autonomy index aggregated a series of questions designed to measure whether students feel empowered, confident, and capable of making independent financial decisions and influencing the financial decisions of their households. In addition, the study showed an impact on parents, with improvements in parent financial knowledge and savings and spending behavior.

However, there were some limitations to the studies presented here. The majority of studies with mixed evidence on the benefits of financial education or weak evidence were found to use more rigorous research methods than studies that find these positive consistent benefits. Overall, individual studies that report benefits of financial education generally use non-experimental research designs—which lack control or comparison groups—or, like the Ghana, Brazil and Italy studies, measure only short-term gains in financial knowledge and self-reported financial behaviors. In sum, rigorous evidence on long-term outcomes of financial education is lacking, and it is therefore difficult to draw conclusions from these reports. These results mirror other reviews of financial education outcomes for children and youth and those conducted for adults.

### 4.2.2 Access to Finance and Youth

#### 4.2.2.1 Financial Inclusion

Financial inclusion involves access to basic financial services as well as provision of quality, affordable, and convenient services. Truly inclusive financial services promote a sense of dignity for all clients without regard to age, social standing, or economic status and provide a secure place to keep money and accumulate assets. The studies on financial inclusion that were reviewed by the CYFI Working group suggest that initial evidence shows positive economic, social, and health outcomes related to financial inclusion for youth. Outcomes associated with financial inclusion appear to fall into the five categories, including Economic and financial well-being, Financial knowledge and skills, Health and mental health, Reproductive and sexual health and Academic and educational achievement. First, studies suggest a positive relationship between the ownership of a savings account and higher levels of economic and financial well-being such as savings, income, and assets. Second, a positive relationship was established between youth savings, financial knowledge and skills. In addition, a relationship was established between access to savings and psychological health as well as reproductive and sexual health. A vast group of studies confirm the positive relationship between savings and academic achievement such as math scores and reading scores as well as educational attainment and expectations. Furthermore, in a recent study by Innovations for Poverty Action there appears to be a link found between children and youth who participate in savings clubs and lower school dropout rates.

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64 Amin et al., 2010; Bell, Gorin, & Hogarth, 2009; Gray & Chanini, 2010
65 See Cole & Shastry, 2009; Peng, Bartholomae, Fox, & Cravener, 2007; Mandell & Klein, 2009
69 Scanlon and Adams (2009), Sherraden, Johnson, Guo, and Elliott (2010).
70 Ssewamala, Han, & Neilands, (2009), Scanlon and Adams (2009).
74 http://www.poverty-action.org/project/0079
In addition, a study conducted by the Center of Social Development in 2011 examined the impacts of Child Development Accounts (CDAs) on account holding, saving, and asset accumulation for children, using data from the SEED for Oklahoma Kids experiment (SEED OK). SEED OK, a policy test of universal and progressive CDAs, provides a 529 college savings plan account to every infant in the treatment group with automatic account opening and an initial deposit. On average, the treatment group had saved significantly larger amounts in participant-owned accounts, although a difference in savings amount was modest between the two groups ($47 USD vs. $13 USD). A difference in total 529 accounts of $1,040 USD is estimated between the treatment and control groups. These early findings from SEED OK suggest that CDAs have positive effects on savings and asset accumulation for children’s future development. More recent results of this study also show a strong impact of child development accounts (CDAs) on educational expectations. Building assets for children appears to have an effect on the reported socio-emotional development of children. If these results hold, the empowering effect that building assets has, can be more important than money itself.

More recent results on the impact of youth savings and assets have confirmed that access to savings does in fact show a significant effect on improving savings behavior. Furthermore, a key question on account uptake among youth was asked in the YouthSave project, a savings initiative implemented in four developing countries targeting young people ages 12 to 18 from predominantly low-income households. The question was posed if youth in developing countries would participate if they were given an opportunity to save via formal financial services. In less than one year, youth saved $519,127 USD across all four countries. The banks accounts in the four project countries were tailored for young people in different ways; some had reduced or eliminated initial deposit requirement; some had lifted lifting withdrawal restrictions and fees; some used incentives such as a free piggy bank or wallet; most had very low minimum initial deposit schemes. Overall, these initial results suggest that low-income youth will use formal financial savings products which have been tailored to their needs.

4.2.2.2 The Business Case for Child and Youth Savings

The growing number of children and youth taking part in today’s society provides a clear imperative for financial institutions to give due attention to the role of youngsters in their business. Youth indeed play a key role in corporate social responsibility policy, as they are children of current employees and customers and are perhaps lifetime value clients themselves. Moreover, they are young workers, small entrepreneurs and future business leaders. If the future of youth financial inclusion remains limited to an elite market sector or subsidized by governments or donors as part of social policy, the sustainable future of youth access to formal bank products is very discouraging. CYFI, like many other international organizations, seeks to generate research that will move child accounts beyond “the promotional piggy bank” and make a business case for youth accounts.

Several studies have recently been conducted to assess the business case of small savings and child saving accounts. Findings in a study conducted by Friedline and Elliott provided some supporting evidence of demand for children’s savings accounts. The study showed that while children may have limited savings to invest initially, they are financial actors who may increasingly invest money into different types of savings products over time. The study used propensity score weighted, longitudinal data from the Panel Study of Income Dynamics to examine the types of financial and nonfinancial assets owned by young adults and whether or not they are more likely to own these assets when they had savings accounts as children. The most commonly owned assets in young adulthood included savings accounts (89%), vehicles (54%) and credit cards (51%). Having savings accounts in childhood was associated with being two times more likely to own savings accounts, two times more likely to own credit cards, and four times more likely to own stocks in young adulthood, compared to not having savings accounts in childhood. They concluded that policy endeavors that remove barriers to account ownership may not only be advantageous for children but also for mainstream banks.

An additional study by CGAP (see figure 14) from 2010 examined whether or not small savers—defined here as half of all savings clients of a microfinance institution (MFI) with the smallest deposit account balances—contribute to or

79 Ibid, P. 85.
81 Friedline, T. & Elliott. W. Connections with banking institutions and diverse asset portfolios in young adulthood: Children as potential future investors.
undermine the sustainability of the MFI. They aimed to quantify the major costs and revenues associated with small savers and thus estimate the profitability of this client segment, which could also include youth. In case studies of ADOPEM in the Dominican Republic and Centenary Bank in Uganda, the study confirms that the savings accounts of small savers are a very high-cost product for MFIs to offer, however, these high operating costs are more than over come by the profits generated through cross-sales of loans and other products to small savers and by the fee income derived from their savings accounts. On balance, the small savers are found to generate large profits, of just over 400% of the small-saver deposit balances in Centenary and just over 1,000% in ADOPEM. Without the small savers, these two very profitable MFIs would lose about 30% of their total profits. In line with this, the authors identified five sources of small-saver profits in ADOPEM and Centenary, (1) loans; (2) other products besides loans and savings accounts, such as life insurance (ADOPEM) and money transfers (Centenary); (3) savings account fees; (4) technology; and (5) higher loan interest rates for smaller and otherwise costlier-to-make types of loans. Under the Financial Services and Capabilities track at the 2013 Global Youth Economic Opportunities Conference CGAP presented a Business Case Framework for Youth Savings. They proposed a common framework for assessing the business case from a providers perspective and attempted to answer the question “What makes youth savings attractive - or not - for financial institutions in different contexts?” presented in Figure 14.

Figure 14  
CGAP Business Case Framework for Youth Savings

<table>
<thead>
<tr>
<th>Profitability Drivers</th>
<th>Cost and Revenue Drivers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Areas</td>
<td>Key Cost Drivers</td>
</tr>
<tr>
<td>Marketing</td>
<td>Cost of recruiting children now vs. in the future as adults banking at another institution</td>
</tr>
<tr>
<td>Products</td>
<td>May require development of unique products</td>
</tr>
<tr>
<td>Operations</td>
<td>Low cost funding</td>
</tr>
<tr>
<td>Delivery</td>
<td>May require additional processes for remote (branchless) outreach</td>
</tr>
<tr>
<td>Risk</td>
<td>Youth loans may be higher risk loans</td>
</tr>
</tbody>
</table>

Driving the Business Case for Youth Savings

Competition         | Market-Level Levers
Opportunity Cost    |
Institutional “Muscle” |
Time Horizon        | Institutional Levers
Youth Segments      | Segment Specific Levers
Cost and Revenue Drivers: Business Areas | Profitability Drivers

Source: CGAP (Presentation Youth Economic Opportunities Conference, September 2013)
A third relevant research project was recently conducted by UNCDF. The objective of the project was to assess the effort needed to achieve the profitability of youth services and recommend how FSPs can improve the pathway towards profitability of youth services. To achieve this objective, the authors analyze three FSPs (PEACE in Ethiopia, UCU in Rwanda and UFT in Uganda) that began offering youth services under the YouthStart program in 2011 and have shown promising results in terms of youth uptake and usage of savings accounts. To assess the profitability of offering youth savings, the authors analyzed if the marginal costs of serving youth are lower than the income FSPs would obtain from on-lending youth savings to other clients. The authors concluded that there is a business case for serving youth if FSPs follow three pathways to profitability of youth services, which are outlined below.

First, in the case of adult small savers, new technologies such as mobile banking have the potential to reduce the operating costs of serving youth. However, since staff salaries are essential to ensure uptake and usage and the FSPs analyzed are not using these new technologies, they should rethink their cost structure by optimizing variable costs such as marketing activities and the expenses related to the delivery. Second, the authors also found that FSPs will achieve more profitability through increasing youth average savings deposits (a key indicator of usage) than through increasing the number of youth clients (a key indicator of uptake). A key variable to increasing savings volume is to include young adults in their youth portfolio as opposed to exclusively targeting minors. This is due mainly to the fact that older youth typically have higher average savings balances than minors. Minors not only require more time to increase their savings capacity, but the regulatory constraints to open and independently transact on their accounts, result in higher costs for the institutions to reach them and to collect their savings. This cross-subsidization among youth savers will increase the savings volume of an FSP and therefore will also decrease its timeframe to break even. Last, anecdotal data gathered from the FSPs supports the idea that serving youth can generate more business around their environment, for and to build a life-long relationship with youth and their families.

4.2.3 Financial Capability: The Link between Access and Knowledge

CYFI’s definition of financial capability has individual and structural components. It combines a person’s ability to act with the opportunity to act. To be financially capable, people must have financial knowledge and skills as well as access to appropriate financial services to enhance social and economic well-being. While studies that assess the iterative relationship between financial education and financial inclusion are scarce, it has been shown that gradually the positive impact of combining financial education with access to savings is showing. A combination of access to an account and financial education has shown a significant impact on financial literacy in an RCT conducted by Berry, Karlan and Pradhan. A study on the I Can Save program in the US finds that young children are enthusiastic about an afterschool financial education “club”, partly because they like saving and depositing their savings in the bank. The same study finds that the combination may lead to a higher level of financial knowledge.

Another finding suggests that an imagined product may make financial education more effective. A YouthSave study concluded that in Ghana and Nepal, the association of participation in financial capability activities—including financial education, account enrollment, and depository services outside the branch—has a significant impact on account uptake. In these countries, the financial institution was involved in the delivery of financial education and depository services outside of the branch. Furthermore, a recent study conducted by the Worldbank and the Russia Trust Fund suggests that financial capability programs can be effective in changing both knowledge and behavior and work better when content is relevant, targeted at the right audience, and delivered at teachable moments. Especially important is the finding that programs can be effective in changing individual decision making even in cases where financial literacy of the individuals does not improve. The report concludes that this finding underscores the importance of the broad range of social and psychological aspects that—alongside knowledge—influence financial behavior.
A Note on Nudges

Financial capability demands that the individual makes behavioral changes that lead to responsible financial decision-making. In a publication by the New America Foundation, Pathak, Holmes, and Zimmerman argue that “the behavioral challenges to altering and establishing savings habits are too often understated or even, at times, neglected altogether. Specifically, discourse on the intent to save versus savings outcomes is rarely given proper emphasis.”

One should not overlook the psychological component of financial education, particularly when trying to influence behavioral outcomes. Within the context of economic development and behavioral change, there has thus been considerable discussion on the role of “nudges” in prompting behavioral change. Thaler and Sustein define a nudge as “any aspect of the choice architecture that alters... behaviors in a particular way without forbidding any options or significantly changing any of their economic incentives.”

When applied to the cognitive development of children and youth, these nudges can have a considerable effect on the aversions many young people may have to formal saving.

Prof. Dilip Soman from the University of Toronto describes a process of behavioral change in three stages:

1. Recognition of Problem and Desire to Act
2. Initiation of Action
3. Maintenance and Nurturing

Soman argues that education has a clear role in stages 1 and 3 but in stage 2 it encounters psychological barriers that require appropriate nudges to overcome. He proposes that in the case of savings behaviors, financial education may allow young people to see the importance of such efforts, but ultimately cannot force them to open savings accounts and actively save towards financial goals. This argument thus views education as knowledge delivery, rather than as training to develop beneficial skills and behaviors.

Pathak describes four types of nudges that have shown success in overcoming these psychological biases: Reminders, Peer Pressure, Automatic Default Settings, and Incentives. While behavioral economists have explored the effectiveness of these forms of nudges in influencing positive behavioral change, there remains much work to be done in determining how educators, policy makers and financial services providers can collaborate on the best strategies to build long-term financial capability for children and youth through increased savings behavior. The Child and Youth Finance Movement will use its network of academics and policy makers to further examine the developing field of behavioral economics and financial education for the benefit of young people globally.

4.2.4 Complementing Finance with Social and Livelihoods Skills

CYFI’s model of economic citizenship for children and youth – alongside financial capability - includes the understanding of the rights of and responsibilities to self, family, and others, and the creation of social and life skills. It also includes the development of cognitive, personal and interpersonal skills, preparing youth for the job market, and engaging youth’s entrepreneurial spirits, or livelihoods skills.

This rights and responsibilities component is integrated into several social education approaches. In addition, UNICEF recently published a report on social and financial education, suggesting that sustainable livelihoods – along with financial and life skills education – are in fact a necessary part of inspiring “children to be socially and economically empowered citizens”. The report confirms the importance of providing youngsters with the combination of financial, social and livelihoods education and highlights that it is an increasingly discussed topic by national governments, multilaterals, nongovernmental organizations (NGOs) and financial service providers. However, for quite some time there was little evidence that social education or livelihoods education has been included in studies of financial education. Increasingly, evaluations of the different components are made public, highlighting several positive results.

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Results of the Innovations to Poverty Action study, comparing locations receiving Child Social and Financial Education (CSFE) with ‘control’ locations not receiving CSFE, showed several results. Both programs showed positive changes in:

- saving behavior;
- saving preferences;
- risk preferences; and
- locus of control – Children felt that they had more control over their actions and decisions. Children receiving CSFE showed significant different behavior in personal investment - children dedicated more money to invest in their own future.

An impact evaluation on the Kenyan Ninaweza program was coordinated by IYF under the Global Partnership for Youth Employment (GPYE) to test a comprehensive employability skills program model including Life skills training and its impact on employability and income-generation of youth. Treatment 1 received training in ICT and life skills, along with on-job experience through internships and job placement support, Treatment 2 received everything in Treatment 1 except for the life skills training. Those in the control group received none of the interventions. Key findings from the impact evaluation showed that the Ninaweza program with life skills increased the likelihood of program participants obtaining a job and increased the weekly income of the participants. The results on the life skills test suggested that Treatment 1 participants showed the largest gains on the kinds of life skills items that pertained to workplace behavior and searching for a job and they were also more likely to attend internships than those in Treatment 2. In addition, optimism was higher for those in Treatment 1.

Finally, Women’s Refugee Commission conducted a study to understand the types of approaches taken to economic strengthening that focus on improving children’s welfare and to catalog the interventions that have been rigorously evaluated for their impacts on children, and synthesize the evidence to identify the gaps in knowledge. Economic Strengthening refers to the actions taken by governments, donors and implementers to improve livelihoods. The review looked at effects on children both from interventions engaging caregivers as beneficiaries, and those targeting children themselves and concluded that EC programs can have several positive effects on both parties such as increasing a child’s intra-household agency, educational aspirations, reducing adolescent girls’ and boys’ self-reported sexual risk-taking intentions, withdrawing their money less often and positive effects reducing adolescent girls’ and boys’ self-reported sexual risk-taking intentions.

### 4.2.5 Innovations in Reaching Children and Youth

Youth savings and youth financial education are important topics in the financial services space and there is a growing recognition that children and youth require full financial access to become capable economic citizens. It is often suggested by experts that technology based financial services could offer a gateway for their financial inclusion, especially regarding the exponential growth of usage of mobile phones among adults.

Preliminary insights into MMU’s 2013 Global Mobile Money Adoption Survey, represented in Figure 15, revealed that the mobile money landscape is becoming increasingly competitive. The majority of deployments that were launched in 2013 were in markets where there were already mobile money services available. Mobile money was deployed in nine new markets in 2013 and there are now 51 markets which have two or more mobile money services, compared to just 40 at the end of 2012 and 33 at the end of 2011. 24 markets even have three services or more. GSMA’s representative commented on the results that mobile money “represents the biggest opportunity to increase financial inclusion in emerging markets.” Initial findings underscore the critical role of mobile and mobile operators in driving the adoption of convenient and affordable financial services among unbanked and under-banked individuals around the world. Preliminary findings from the MMU 2013 Adoption Survey also show that the adoption of mobile money services by customers is rising and that an increasing number of services are reaching scale. The researchers identified three mobile money services which have passed the bar of 1 million active users between June 2012 and June 2013. Globally, 9 services already have more than 1 million active users.

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97 See 61, Berry, J., Karlan, D. and Pradhan,M. (2012),
Regarding the role that mobile can play for youth, the YouthSave project in Colombia conducted a study to compare and analyze the transactional data of two main products using reminders through mobile phones. The first account, Cuentamiga Para Jovenes is a savings account which targets low income youth enrolled in school between 10-15 years of age and Tuticuenta is a transactional account. Results from the first account study showed that, although the sample population included students from low income households, a significant difference was found between the average net savings across income groups. In addition, a significant impact was found on saving targets. The study then measured the averages between three treatment groups (a financial education message, 1 reminder or 2 reminders) and a control group. Results showed no significant impact of financial education messages, but a significant effect of a reminder on the gross amount saved every month. The sending of 2 reminders appeared to have a smaller effect. In addition, the results showed that design is crucial and has an impact on uptake of the account. The impact of financial education messages on financial decisions will be assessed in the next year. Through this study it appears that messages sent to children and youth reminding them each month about their savings commitment stimulates higher rates of savings amongst those participating in the study, and as highlighted earlier in section 4.2.3, these types of nudges seem to have generally positive effects, though much more research is needed to fully understand their impact on the choice architecture of children and youth.

### 4.2.6 Larger Trends

Amongst a small sample of researched financial institutions, it has been found that the average savings within an account of a child is $65 USD (see table below). When compared with the average value of savings of children and youth in the YouthSave project (weighted average of $52 USD per account)\(^1\), the results are quite comparable. While both of these samples are of course very limited in size and scope, if one extrapolates this, it could be theorized that if the movement is able to reach 100 million children and youth with appropriate financial products by 2015, this could represent as much as $6.5 billion USD entering the formal system, as much of this (if at all) is being saved through informal means.

<table>
<thead>
<tr>
<th>Name of financial institution</th>
<th>Country</th>
<th>No. of children’s account</th>
<th>Total saving accumulated by children (USD)</th>
<th>Average saving per child (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hatton National Bank</td>
<td>Sri Lanka</td>
<td>600,000</td>
<td>40,000,000</td>
<td>66.7</td>
</tr>
<tr>
<td>Al-Amal Microfinance Bank</td>
<td>Yemen</td>
<td>3400</td>
<td>31,000</td>
<td>9.1</td>
</tr>
<tr>
<td>Cantilan Bank</td>
<td>Philippines</td>
<td>9,100</td>
<td>303,050</td>
<td>33.3</td>
</tr>
<tr>
<td>Equity Bank</td>
<td>Kenya</td>
<td>57500</td>
<td>3,714,668</td>
<td>62</td>
</tr>
<tr>
<td>FINCA Uganda</td>
<td>Uganda</td>
<td>13200</td>
<td>340,000</td>
<td>25.8</td>
</tr>
<tr>
<td>FINANCIERA EL COMERCIO</td>
<td>Paraguay</td>
<td>350</td>
<td>18,330</td>
<td>52.4</td>
</tr>
</tbody>
</table>

\(^9\) See 87, YouthSave Consortium (2013).
\(^10\) See 75, YouthSave Consortium.
4.3 Conclusion

The global effort to establish economic citizenship among children and youth can best be undertaken with a solid theoretical model supported by empirical evidence. Even though an increasing number of institutions have long incorporated different components of economic citizenship into their programs, the evidence concerning both the individual and combined components of this theory is scarce, but growing steadily. Most studies show only short-term gains in knowledge and self-reported changes in financial behaviors. In addition, limitations of the few studies available include the lack of randomized assignment and the use of mostly U.S. based samples. Initial findings suggest that children and youth benefit from financial inclusion, especially having access to a savings account, but despite these findings of association, more research—especially experimental research that assesses impacts of financial inclusion of children and youth in developing countries—is needed. Finally, there is a dearth of evidence on the combined effects of financial inclusion and ECE as a whole, due to the scarce application of all four components combined. Within the Child and Youth Finance Movement, the Research Committee, composed of many of the top academics in the field, has highlighted these shortcomings and has begun designing studies that will hopefully cast light on some of the areas of the theory of change where there is a shortcoming of evidence. Specific attention is being paid to the emerging research highlighting in this chapter the links between ECE and financial inclusion and the positive behavioral and attitudinal outcomes found in children and youth (such as higher rates of savings, future outlook, planning abilities, educational attainment, etc.). Next to these links, the Research Committee has also highlighted the need for more studies examining the business case for children and youth friendly financial products. There is very little known about the overall costs of these accounts and how or if they can be shown to be a positive investment for a financial institution. It is expected that the Research Committee will approve studies to begin in the following year which will be able to add to the body of evidence examining the various linkages within the CYFI Theory of Change.
Chapter 5

Assessing Progress: A Scope of the Field
Chapter 5
Assessing Progress: A Scope of the Field

After having outlined the significance of developing the financial capabilities of children and youth in previous chapters, this chapter aims to give an impression of the current status of ECE programs for and financial inclusion of young people. It also provides an overview of national strategies that have been implemented or are in draft pertaining to youth. It aims to provide a glance at those factors currently supporting and hindering these efforts. To what levels is the current CYFI network supporting financial inclusion and holistic financial education? In what areas is it still lacking? Through this exercise, it becomes clear where efforts are strong and where gaps can be found. This provides the baseline and an understanding of the landscape in which the Child and Finance Movement is operating and set the course for change.

5.1. Financial Inclusion – A Scope of Child and Youth Services

5.1.1 Little Inclusion, Scattered Data

Much of the recent work on youth savings and youth financial services has focused on economically developing countries or economies in transition, particularly on pilot programs designed to test effective models. The YouthSave and YouthStart programs, as well as work done by financial service providers such as XacBank and Al-Amal Microfinance Bank in collaboration with, for instance, Women’s World Banking, Making Cents International, Sylatech, and Microfinance Opportunities, are often quoted as good practice work in the field of child and youth savings. As YouthStart and YouthSave’s recent papers show, this is for good reason: these programs are thoughtful interventions that seek to find at once financially and socially sustainable solutions for the economic empowerment of young people.

At the same time, child and youth financial inclusion as a systemic issue in which all retail financial institutions in all countries have a stake, often receives too little attention. While the World Savings Banks Institute has previously highlighted several of its members’ work in youth financial inclusion, and Efma, a global association of banks promoting innovation in banking, held a conference and published resources on the importance of “Generation Y” for banking, attention for child and youth financial inclusion has not been ongoing or structured. What percentage of children and youth has access to financial services? What percentage of retail banks are offering child and youth accounts and what percentage of these are safe and reliable? To even begin to find an answer to these questions, it is required to broaden the scope and include an assessment of financial institutions in countries across all regions and all stages of economic development, and to move beyond pilot programs. The combined assets of all organizations mentioned in the last paragraph do not even come close to those of just one global financial bank. At the same time, several major North American and European banks are among the largest providers of retail financial services in for instance Latin America, and their internal priorities may either facilitate or hinder effective financial inclusion for children and youth.


Hard numbers on global financial inclusion of children (0-18) and youth (15-24) are currently not available. The Global Findex Database reports that globally, 44% of youth aged 18 to 25 years have an account at formal financial institutions (55% for adults), with the regional breakdown given in Figure 16. No reliable global data is available for younger youth and children. Other key data sources (e.g. Finscope) do not track this information either, or if they do, data is often incomplete (e.g. MIX Market). CYFI has commenced initial conversations with several key data source providers on inclusion of child and youth focused indicators.

5.1.2 Assessing child and youth financial products across regions

5.1.2.1 Banking Survey and desk research of banking products

CYFI strives to build global understanding of the state of child and youth financial inclusion by supporting academic research through its CYFI Research Working Group as well as through collection of data of its partners and stakeholders. The remainder of section 5.1 will present the findings of the latter data collection.

CYFI held a banking product survey in 2013 to this end, containing a range of qualitative questions regarding the characteristics of the banking products and related financial education components or programs offered, as well as quantitative questions regarding the products (e.g. number of account holders per age group, total amount saved). Disappointingly, of the 32 responses, only 12 surveys were complete, with total reported outreach at 135,000. Anecdotal feedback regarding reasons for not filling in the survey (or not completely) focused mostly on the survey having no, or a low priority alongside other activities, a realization that their own product(s) needed revision to be child and youth friendly, or competitive sensitivity and availability of, most notably, quantitative data.

Given the incompleteness of data and apparent low priority of the subject with financial institutions, CYFI decided to execute complementary desk research of banking products offered across regions by leading financial institutions to assess the state of the field of child and youth financial inclusion. This study comprised the assessment of product specifications as provided by websites and service desks of 135 banks in 69 countries across 5 regions.

For each financial institution one financial product was assessed. The product in question was always an account offered in the country of the bank’s head office. Also, when multiple accounts for children and youth were offered, the “most child and youth friendly” account would be selected – i.e. the account with the highest number of child and youth friendly characteristics (see Figure 17). The study consisted of an assessment of the characteristics of the banking products along the Standards of Child and Youth Friendly Banking Products as laid down in CYFIs Guide for Certification of

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105 http://www.mixmarket.org/

106 A full assessment of all the banks’ products falls outside the scope of this study. For several of the banks in this sample, this would require a much larger study, as they have retail operations across the globe, and may have (slightly) different product offerings in each country.
Children and Youth Friendly Banking Products\textsuperscript{107}, as well as a basic assessment of the available financial education component or program offered with, or independently from the financial product.

**Figure 27**
Overview of Child and Youth Friendly Banking Product Standards

<table>
<thead>
<tr>
<th>Standards for Child and Youth Friendly Banking Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Available and Accessible to all Children and Youth</td>
</tr>
<tr>
<td>2. Maximum Control to Children and Youth</td>
</tr>
<tr>
<td>3. Providing Positive Financial Incentive</td>
</tr>
<tr>
<td>4. Unbanked Children and Youth are Banked</td>
</tr>
</tbody>
</table>


The study did not allow the collection of structured quantitative outreach data of financial institutions to children and youth, as this information is generally not available on banks’ website or in annual reports. It is hoped that in future years this data will become available as more financial institutions understand the importance of providing this data, financial regulatory authorities make the publication of these numbers mandatory, and established global data centers add related indicators to their surveys and databases.

### 5.1.2.2 Desk Research of Banking Products – Global Scope and Potential

A total of 135 financial institutions with head offices in 69 countries across 5 regions (Table 18) were selected based on 3 criteria: 1) completion of the banking survey, 2) selected leading financial institutions per region (by asset size), 3) financial institutions in the CYFI network.

**Table 38**
Number of Countries where Financial Institutions in Sample Hold Head Office, by Region

<table>
<thead>
<tr>
<th>Region</th>
<th>Number of Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>6</td>
</tr>
<tr>
<td>Americas and Caribbean</td>
<td>11</td>
</tr>
<tr>
<td>Asia &amp; Pacific</td>
<td>9</td>
</tr>
<tr>
<td>Europe &amp; Central Asia</td>
<td>12</td>
</tr>
<tr>
<td>Middle East &amp; North Africa</td>
<td>31</td>
</tr>
</tbody>
</table>

Source: CYFI Banking Research, CYFI, 2013

Whilst no quantitative outreach data is available, it is interesting to have a sense of the opportunity that the banks in this sample alone hold to ensure financial inclusion to children and youth across the globe. Table 19 provides estimates per region of the aggregated total asset size and total number of retail customers of the financial institutions in the sample.

\textsuperscript{107} The Guide can be downloaded via [http://www.childfinanceinternational.org/publications.html](http://www.childfinanceinternational.org/publications.html)
27 financial institutions have estimated total assets of over Eur. 500bln, 49 under Eur. 25bln. The total number of retail customers was not available for half of the researched financial institutions, and is likely to be at least 50% higher than the stated number. UNICEF’s the State of the World’s Children 2013 reports that 31.8% of the global population is under 18 years of age. If, for the banks in the sample, the percentage of children and youth customers as part of their total retail customer number were an average of only a third of the available youth population (so on average 10.6% of the total population), they would reach 115 million children and youth, which is 15 million beyond CYFI’s financial inclusion target for 2015.

### Table 49
**Aggregated Total Asset Size/Retail Customer Number of Financial Institutions in Sample, by Region**

<table>
<thead>
<tr>
<th>Aggregated Metrics of Banks in Sample (n=135)</th>
<th>Africa</th>
<th>Americas &amp; Caribbean</th>
<th>Asia &amp; Pacific</th>
<th>Europe &amp; Central Asia</th>
<th>Middle East &amp; North Africa</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aggregated Asset Size (€bln)</td>
<td>365</td>
<td>7,557</td>
<td>4,515</td>
<td>25,905</td>
<td>407</td>
<td>38,750</td>
</tr>
<tr>
<td>Aggregated Total Retail Customer Number (mln)</td>
<td>92.3</td>
<td>435.4</td>
<td>289.3</td>
<td>266.6</td>
<td>6.5</td>
<td>1090.0</td>
</tr>
</tbody>
</table>

Source: CYFI Banking Research, CYFI, 2013

Table 20 provides an overview of the number of financial institutions per region that are or are not offering some kind of financial product for children and youth. Whilst a reasonably high share of financial institutions do offer some kind of child or teen account, it will be seen in the ensuing subsections that these are often not proper child or teen accounts (often entirely adult-focused), or inappropriate for children and youth in their current forms.

### Table 20
**Number of Financial Institutions offering Child and/or Youth accounts, by Region**

<table>
<thead>
<tr>
<th>Financial Institution offering child and/or youth account (n=135)</th>
<th>Africa</th>
<th>Americas &amp; Caribbean</th>
<th>Asia &amp; Pacific</th>
<th>Europe &amp; Central Asia</th>
<th>Middle East &amp; North Africa</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Does offer</td>
<td>20</td>
<td>13</td>
<td>19</td>
<td>60</td>
<td>2</td>
<td>114</td>
</tr>
<tr>
<td>Does not offer</td>
<td>3</td>
<td>4</td>
<td>0</td>
<td>10</td>
<td>4</td>
<td>21</td>
</tr>
<tr>
<td>TOTAL</td>
<td>23</td>
<td>17</td>
<td>19</td>
<td>70</td>
<td>6</td>
<td>135</td>
</tr>
</tbody>
</table>

Source: CYFI Banking Research, CYFI, 2013

The following subsections provide a preliminary insight in the state of the child and youth friendliness of a global sample of financial products for children and youth which cuts across regions and larger and smaller financial institutions, as well as those focusing more or less on children and youth. While no quantitative conclusions can be drawn as the assessment could not cover outreach numbers, the scope of covered financial institutions gives an indication of the overall prevalence (or lack of it) of child and youth friendly banking products.

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109 The larger sample of European and Central Asian financial institutions is reflective of extra research done for the European and Central Asian regional meeting with the European Central Bank on 4-5 November 2013
5.1.3 Child and youth friendliness of banking products across the globe

Figure 21 gives the findings of the assessment of child and youth banking products across five regions. The results will be shortly discussed per Child and Youth Friendliness Standard.

1. Availability & Accessibility – This represents the Standard on which products generally scored best. Depending on the local legal framework, accounts are generally made available either as joint accounts, accounts directly on the child or youth’s name, or as a custodian account. A key factor in ensuring availability and accessibility of the account is in non-discrimination. Several products (22% as depicted in Figure 21), while presented as general child and youth accounts, are implicitly geared towards (children and youth from) medium or high-level income families, with (very) high initial deposits or the requirement that to open a child or youth account, at least one of the parents need to have an account with the institution. This occurrence in the sample was most common amongst African banks, followed by Asia and American banks. A good example of a banking product that is freely available and accessible is Banco de la República Oriental del Uruguay’s X Mi Cuenta, which offers 14-17 years olds the account in their own name, not requiring parental approval.

2. Maximum Control – The ability and appropriateness of financial institutions providing degrees of control over bank account operation to children and youth is of course strongly dependent on the local legal framework. Even when the legal framework offers the possibility for larger control, however, a large part of banks (38%, Figure 21) choose not to give children and youth (any) operational control over the bank accounts. In the US, for instance, several major global banks only offer entirely parent owned and operated children’s accounts (age 12 and under) and student accounts (16 or 18 years up), but do not seem to offer an account in between. What are named as children’s accounts “teaching children about money and savings” are often higher interest or commitment savings accounts for parents saving for their children’s education with a quarterly magazine and ‘exclusive club-events’ on the side (e.g. Nigeria, Kenya, Zambia). Other accounts are limiting control by limiting withdrawals (e.g. once a quarter). Examples of joint accounts providing children and youth with a high degree of control are those where parents can set a ceiling of expenditure and children and youth can operate their account independently through e.g. a debit card. Banks in Western Europe and Australia seem to offer children and youth the highest degree of control on dedicated accounts.

Figure 21

Which CYFI Child and Youth Friendly Banking Criteria were met by the Banking Products?

Source: CYFI Banking Research, CYFI, 2013
3. Positive Financial Incentive — a wide range of positive financial incentives are seen for children and youth accounts: no opening fee, no minimum deposit and (relatively high) interest rates. At the same time, these often come in isolation, or accompanied by fees or features that cannot be considered to offer positive financial incentives, such as high transaction rates, disproportional bank statement or account closure fees. 25% of accounts allow overdraft; a range of accounts only offer interest when savings are above minimum amount (often Eur. 50 or higher). About 40% of accounts have a minimum opening deposit (Figure 22), of which 20 financial institutions ask Eur. 10 or higher as initial deposit — including banks in developing economies. As Figure 21 shows, for about 40% of products, the combination of initial deposit with opening or monthly fee, hidden overdraft possibility and related fines, or lack of interest under a minimum amount, can only be marked as not being child and youth friendly.

Figure 22
Minimum Deposit with Bank Accounts

Source: CYFI Banking Research, CYFI, 2013

4. Banking the Unbanked — Explicit and proactive strategies to reach out to unbanked communities, and children and youth in particular, are scarce (15%, Figure 21). Several microfinance banks mention this in their annual reports, as do some more explicitly social responsibility focused financial institutions. Banks in Sri Lanka and Thailand are markedly explicit on their commitment towards offering financial services to unbanked children and youth through school banks. Most financial institutions in all regions do not mention anything around the subject (Figure 23) which is surprising given the high levels of financial exclusion across regions (Figure 16).
5. **Child and Youth Centered Communication** - The communication of most banking products is directed to parents or guardians. Sometimes a half-way solution is found by presenting some ‘cool’ benefits (e.g. free t-shirts, discounts on consumer goods, customized bank pass) to children and the serious facets (e.g. fees) to parents. In many cases communication simply is unclear, incomplete and complex and essential information cannot be found. Five or ten lines of very basic product information with an animation may be followed by a link to 10 pages of complex terms and conditions and fee structures, often not even referring to the child or youth product. Ironically, a link may be provided to a short video explaining that children or youth should educate themselves about saving and finance, while no attempt is made by the bank to clarify sometimes even the most basic features of their accounts, let alone the more complicated fee structures. Only 32% of banks (Figure 21) have the most basic information, fees, benefits, and terms and conditions available in understandable language. A handful of banks go relatively great lengths to combine child and youth friendly presented account information with a dedicated child and youth website with interesting information which addresses children and youth’s needs and interests. Still, these are often focused more on encouraging children and youth to become a client (the sale) as opposed to sincere education about the product’s facets.

6. **Financial Education** – 43% (Figure 21) of financial institutions in the sample offer a component of financial education for children and youth with the financial product. This ranges from accompanying videos addressing money matters, to financial education apps, entirely dedicated websites, or magazines. As Figure 24 shows, product-related financial education seems less prevalent in the Americas (18%) and the Middle East and North Africa (17%).

A significant part of banks do offer financial or livelihoods education programs to children and youth, that are often unrelated to a specific financial product and reported on in the CSR, Sustainability, or Annual Report, sometimes as part of a larger community investment program.
Furthermore, 57% (77) of financial institutions report to offer some kind of financial education or literacy program to children and youth, often seemingly not directly connected to the financial products offered. A significant part (37%) of financial institutions provides this program alone, 20% through an NGO or social partner, and 40% reports that it does both (for 3% data is not available), although this often seems to involve banking personnel teaching a workshop, some lessons, or a curriculum in class rooms. In a handful of cases, the social partner is involved for training and accreditation of the banking volunteer’s work.

As Figure 26 shows, most (56%) of these programs or interventions are exclusively financial education. A total of 38% has a livelihoods component and 19% has a social/lifeskills component. 21% of total programs are a combination of financial and livelihoods education, and 6% a combination of social/lifeskills education and financial education. Finally, only 13% offers more holistic educational approaches, combining all three elements.

Overall, financial education seems to be offered slightly more without a direct connection with the banking product (57%) than with a direct connection (43%). The directly related financial education generally is much more superficial, offering simple videos, apps, or magazines with very basic information about saving and responsible spending, and often promotes the product directly. The indirectly related educational programs are more varied, but are rather narrowly focused on financial education only, and are often provided by financial institutions without appropriate safeguards for independence.

7. Measuring Satisfaction and 8. Internal Control – both Standards require further research. No financial institution, other than those that are part of larger youth savings pilots (e.g. YouthStart, YouthSave), is explicit about either having robust measurement of child and youth satisfaction around the offered financial product, or internal control monitoring internal processes and systems on the other seven Standards.
Overall Score (Figure 27)

The only banking accounts checking 7 or all 8 Standards (6%) for child and youth friendly banking products are those that are run by financial institutions that are part of dedicated youth savings programs (e.g. YouthStart, YouthSave). Around 13% banks in the sample have 5-6 Standards checked, either because they proactively reach out to children and youth through school savings programs, or because they have gone beyond basic financial benefits. They have invested in market research and strong communication which addresses children and youth’s interests and needs. Most children and youth accounts seem to only check 1-3 standards (45%), suggesting a low commitment to the child and youth target population. Furthermore, 9% of banks in this sample have no Standard checked.

Figure 27
Banking Products Scored Against Child and Youth Friendliness Standards

5.1.4 Children and youth: stakeholders of financial institutions?

Through the desk research done at CYFI, 135 banks with 114 banking products and (un)related CSR strategies were assessed, which provides some insights into the overall priority that financial institutions grant to children and youth. In many ways, the observations align with UNICEF’s assessment of corporate reporting on children’s rights:

- Mostly philanthropic focus
- “Systemic children’s rights risks and impacts” often remain not discussed
- Overly positive reporting with few lessons learned, or mistakes, presented

At present, only a small handful of financial institutions make their dedication to respecting and supporting children’s rights explicit, or mention children and youth as a key strategic segment for either their social responsibility or business priorities. Most will emphasize philanthropic investments in small-scale school or education projects. Let alone one or two exceptions, integrated reporting on the steps the financial institution has taken to offer child and youth financial services and quantitative data on the number of (previously unbanked) children and youth through its primary financial services is currently not seen.

UNICEF, Save the Children, CYFI, Women’s World Banking, and others have recently developed resources to support financial institutions towards including children and youth as stakeholders in their strategy, activities, services, and products. CYFI aims to work closely with financial institutions to move the thinking and practice in this field forward.

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5.1.5 Conclusion: Financial Access does not equal Financial Inclusion

Ensuring children and youth’s financial inclusion is not simply about giving them an account. While the multitude of children and youth remain unbanked, those that are banked are in fact underbanked with mostly child and youth unfriendly banking accounts (95%, Figure 27). Often they are only ‘banked’ in name, but they do not at all engage with the account at all, as it is entirely operated by their parents, such as locked savings accounts. When they do have actual access, they may not actively use it, as it turns out to be too costly, there are strong restrictions on withdrawals or transactions, the banks’ documents are incomprehensible, the branch is too far or intimidating, or it is unclear to them how it works.

In CYFIs desk research study 114 out of 135 banks offer bank account for children/youth, but only 19% of bank accounts score five or more Standards out of eight. Particularly low priority seems to be given to reaching unbanked children and youth (only 15%), measuring satisfaction (10%) and internal control (9%). Child and youth friendly communication is uncommon (32%). About half of the products seem to give a positive financial incentive (54%), and maximum control to the child/youth within the legal framework is not present in 40% of cases. Financial education, while provided by a range of banks, remains rather singularly focused on financial concepts (56% of programs), often misses the opportunity of cross-sector collaboration, and remains marketing focused.

Whilst no quantitative outreach data is available, it is interesting to have a sense of the opportunity that the banks in this sample alone hold to ensure financial inclusion to children and youth across the globe. Table 19 provides estimates per region of the aggregated total asset size and total number of retail customers of the financial institutions in the sample. 27 financial institutions have estimated total assets of over Eur. 500bln, 49 under Eur. 25bln. The total number of retail customers was not available for half of the researched financial institutions, and is likely to be at least 50% higher than the stated number. UNICEF’s the State of the World’s Children 2013 reports that 31.8% of the global population is under 18 years of age.112 If, for the banks in the sample, the percentage of children and youth customers as part of their total retail customer number were an average of only a third of the available youth population (so on average 10.6% of the total population), they would reach 115 million children and youth, which is 15 million beyond CYFIs financial inclusion target for 2015.

CYFIs 2015 target of financially including 100 million children and youth will already be realized if the banks in the study sample were to attract children and youth as 10% of their total retail customer base. To this end, it is key that financial institutions recognize that children and youth are their key stakeholders, and that more is required than a custodial account or adult account branded as a child account. Also, whenever educational programs are run, extra emphasis needs to be put on a more holistic curriculum that encapsulates social, financial, and livelihoods dimensions. Furthermore, seeking to engage NGOs, social partners or (local) government to ensure sustainable, neutral programming will work to the benefit of financial institutions and children and youth alike. Part of a commitment to children and youth is a reporting on the number of children and youth reached, and the steps taken to reach more un- and underbanked children and youth. This investment is likely to create substantive public goodwill and a new generation of loyal and empowered banking customers.113

5.2 Economic Citizenship Education (ECE) – A Scope of Programs

Many governments, multilaterals and international organizations have recognized the importance of measuring levels of financial literacy and collecting information about financial inclusion in order to accurately inform policy responses. The 2012 study conducted by the OECD on financial literacy revealed that amongst the general population there are areas for concern. In all countries that were part of the study, there is substantial room for improvement in terms of financial knowledge. This concern does not only include the general lack of understanding of everyday financial concepts such as interest and diversification, but also the difference in levels of understanding between men and women and different age groups114. The financial crisis has highlighted the significance of developing skills in financial management as well as

sensitivity to social responsibility for all persons. This is especially the case for children and youth, for whom learning values of citizenship and financial resource management at an early age can decrease not only financial but also social vulnerability, and as a result potentially reduce the risk of poverty.115

The CYFI Survey on ECE for Children and Youth aims to add to the general data available on financial literacy by collecting information from the CYFI network on educational products for children and youth which focus on the different components of ECE. The questions in the survey follow the rationale of the skills included in the CYFI Education Learning Framework, of which a summary example is provided in Figure 28.

Figure 28

<table>
<thead>
<tr>
<th>Social/Life Skills Education</th>
<th>Financial Education</th>
<th>Livelihoods Education</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 1: 0-5 years</td>
<td>Emotions, consequences, health, compassion</td>
<td>Money, price, savings, belongings</td>
</tr>
<tr>
<td>Level 2: 6-9 years</td>
<td>Children’s Rights, responsibilities, rules, listening skills</td>
<td>Needs and wants, savings plans, rewards, banks and financial services</td>
</tr>
<tr>
<td>Level 3: 10-14 years</td>
<td>Express opinions, teamwork, research skills, appreciation for life-long learning</td>
<td>Informed consumer, short vs. long term, financial risk, effects of advertising</td>
</tr>
<tr>
<td>Level 4: 15+ years</td>
<td>Social justice, time management, relationships, leadership</td>
<td>Negotiation, purchasing power, interest rates, financial crimes</td>
</tr>
</tbody>
</table>

Source: CYFI (2012). Guide to Economic Citizenship Education

Responses to the survey were received from 59 NGOs, sharing information about their education programs. Total reported outreach reported in the survey was 6.4 million children and youth, though some partners chose not to report their outreach numbers. We sought to discover how they matched against the components laid out by the CYFI Education learning framework – namely: social, financial and livelihoods education. We wanted to understand what learning outcomes were included in their curricula, what ages were targeted with the programs and whether these programs included a savings component. We examined general features of each program that was offered such as languages and target populations.

Profile of Children and Youth Being Reached

Findings conclude that educational programs are reaching a similar number of girls and boys throughout the CYFI network. These number (presented in Figure 30) indicate that, while NGOs tend to place a greater emphasis on serving girls through educational programming, this does not necessarily translate into higher numbers of girls actually being served relative to boys. NGOs tend to target vulnerable communities, including gender based programs which today often include an emphasis on financial capability. However, according to the Findex data, women are, in most regions, still less financially included than their male counterparts, especially looking at the 15-24 age bracket.116

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The CYFI Education Learning Framework provides a detailed description of the essential attitudes, skills, and behaviors for different stages of the development of children and youth. These stages of knowledge acquisition are designed with the following age ranges in mind, to act as a frame of reference for those involved in educational programming:

- **Level 1**: 5 years and under
- **Level 2**: 6 - 9 years
- **Level 3**: 10-14 years
- **Level 4**: 15+ years

CYFI Education Survey Findings show that the majority of programs (a little over 60%) focus on levels III and IV, with half of these programs focusing exclusively on ages 15 years and up. In addition, only 13% of programs focus on all four age ranges. (See Figure 32 for the representation of age ranges). Most educational programs are clearly focused on the youth market, which suggests that children under 10 are not being adequately served through ECE related programming. This may stem from a belief that younger children are not seen as an appropriate audience for financial education or that the concept of children as economic actors makes a number of educators and policy makers uncomfortable. However, CYFI believes that the provision of financial, social and livelihoods education, can have a meaningful impact not only on youth but also on children and should therefore be included at the primary school level, allowing children to form positive financial behaviors at an early age.
Profile of Program Components

Findings on the general program features showed that a majority of education programs include a minimum of two languages. There are some exceptions, with a few programs offering twenty or even forty languages. The main languages available in the programs are English, French and Spanish, but languages such as Swahili and Amharic are also represented in programs. Figure 29 provides an overview of program languages.

Figure 29
Number and Types of Languages Available in Education Programs


Regarding the product offerings of survey respondents, CYFI’s findings suggest that the great majority of programs include educational curricula, activity books and teacher learning facilitation resources. Online games and videos are increasingly being used in the education process. The findings also indicate that a higher percentage of these non-traditional educational materials are being offered as open source resources as opposed to being available strictly on a paid basis.
Regarding the content of education programs within the CYFI network, findings show that the component most represented in network programs is financial education. A total of 87% of programs include a financial education component in their curriculum, with, 15 percent of programs focusing exclusively on financial education. 63% of programs include a life skills component included in their curriculum and 59% of programs include a livelihoods component. Finally, the results show that 47% of programs in the CYFI Education Survey include, to some degree, all three components of ECE, that is, Financial, Social and Livelihoods Education. It is encouraging to see so many programs embracing the holistic ECE learning framework promoted by CYFI, despite the fact that there is still a lot of work to be done to expand ECE compliance throughout the CYFI network.
Breaking down the three components of ECE into specific elements, survey findings suggest that education providers choose quite a wide variety of skills to include in their educational programs. With regards to financial education, the element that occurred most frequently in survey responses was savings behavior. This was followed by lessons on financial risks, prices and value, numeracy skills, purchasing decisions, and planning and budgeting. Finally, only around a third of programs include knowledge on financial service providers, taxes and wages, economic environment and financial negotiations.

The elements included in Life Skills or Social Education curricula are somewhat more evenly distributed. Generally, only self-esteem and leadership are included in most of the education programs. Approximately half of programs focus on topics such as basic human rights and conflict resolution, whereas only a quarter of programs include basic health or environmental protection.

**Figure 35**
Elements of Social or Life Skills Education

![Bar chart showing frequency of various life skills in education programs](chart)


The elements of Livelihoods Education are the most evenly distributed among programs, with two-thirds of programs focusing on almost all elements proposed by the CYFI learning framework. This focus includes topics such as entrepreneurship, business plans, responsibilities and employability skills. The two elements that were most underrepresented are respect for ethics and safety in business and types of wages.
CYFI’s Theory of Change emphasizes the link between financial education and financial inclusion. Whereas education can provide the knowledge and understanding of financial and economic rights, financial inclusion provides the experience of finance and handling money. Financial inclusion not only provides a safe place to store money, but, when distributed through formal channels, also provides access to credit, fixed deposits, insurance and remittances for young people (at various points in their development). Keeping with the Movement’s philosophy that financial education should be coupled with a practical experience of handling money, the survey also looked into which of the Educational programs included a savings component.

Of the survey respondents, we can see that there are currently 12 educational programs that include all three elements of financial, life skills and livelihoods education as well as a savings component to the program. This included formal savings at a financial institution or non-formal savings at school or in a personal money box. Compared with the findings in Children, Youth and Finance 2011, where no complete education program was found to incorporate a savings component, this is a drastic improvement. However, findings suggest that barely a third of these programs are linked to an official bank account. The modest number of savings programs and low number of official accounts might explain the low savings rates among children and youth enrolled in financial education programs.

In addition, the CYFI Education Survey aimed to assess whether teachers were also encouraged to save and whether youth were encouraged to participate in financial and social enterprises as a part of their educational programming. Findings suggest that out of 59 programs 22 students were encouraged to become more engaged in enterprise development and of those, 20 had received some sort of livelihoods education within their program. This might suggest that the livelihoods component encourages thinking about business, internships or other enterprise development. In addition, 13 of the program teachers indicated that they felt more encouraged to save themselves through the program indicating that the education not only impacts the child but also encourages positive financial behavior in the individuals engaged with the teaching materials.
5.2.1 Conclusion
Chapter 5.2 sought to discover how the features of education programs in the network matched against the components laid out by the CYFI – namely: social, financial and livelihoods education in combination with a savings component. Findings suggest that educational programs are more focused on youth than on younger children. Also, financial education is often complemented with a life skills or livelihoods component, but the inclusion of all three skills is less common. Furthermore, basic numeracy and building knowledge are the predominant focus of education programs, as opposed to behavioral change. This resonates in the finding that only a small part of education programs include a savings component and an even smaller proportion of programs include a connection to a formal bank account.

These findings suggest that education programs in the network seem to be trending towards incorporating all four aspects in their materials, teaching methods and curricula, but there is still a long way to go. CYFI believes that all three components of education as well as the savings component must be present to not only enrich knowledge, but also to cultivate an internal motivation for positive financial behavior.

5.3 Economic Citizenship at the Country Level – A Scope of National Strategies
The awareness of the importance of a coordinated response to financial literacy and financial inclusion has increased throughout the years. The African Youth Charter[^117], endorsed by the African Union Heads of States, for instance, serves as the strategic framework for governments to strengthen, reinforce and consolidate efforts to empower young people through equal partnership. In accordance with the Charter, The African Union additionally developed the Africa Youth Decade 2009-2018 (hereinafter AYD)[^118], which serves as a response to the need for strengthened national capacities that deliver effective results in aligning collaborations and partnerships for youth empowerment and development. Similar to this, the EU developed the EU 2020 strategy, which has been endorsed by the European Commission and the member states, as the framework for governments to consolidate efforts to empower young people.

Correspondingly, Article 8.2 of the Commonwealth Plan of Action for Youth Empowerment recognizes education should be given through a collaboration between sectors and it is repeatedly emphasized by the Asian regional bodies that there is a need for a more concerted collective action between stakeholders such as youth organizations, faith-based organizations, non-government organizations, governments, administrations, regional and international organizations, and donors to address the problems and challenges affecting young people in Asia and the Pacific.

This focus on collaboration and partnership has led to the drafting and implementation of national strategies across the globe. Regional bodies are making strides in the field of financial education, financial inclusion and entrepreneurship. According to a study conducted by the OECD, 15 countries have implemented a national strategy on financial literacy and 21 are in the process of drafting a national strategy. Most respondents focused on “financial education” with a minority of them preferring “financial literacy” and a few examples of countries encompassing wider concepts such as “consumer protection/education”. The OECD survey added a question on target population, in which half of the respondents indicated that their national strategy targets the whole population. Approximately 20% of respondents indicated that they have a specific focus on certain vulnerable segments of the population such as women, disabled persons and, also, youth.

To gain a more detailed oversight on this specific youth segment of global national strategies, CYFI conducted a survey among the national authorities in its network. The CYFI Country Survey on Economic Citizenship Education and Financial Inclusion of Children and Youth collected data on national level efforts and activities relating to financial issues pertaining to children and youth. The survey not only focused on financial education strategies - the key focus for most regional bodies - but also on financial inclusion strategies for youth. In addition, it focused on social and livelihoods education on top of financial education. The survey was distributed to national authorities such as government bodies, central banks and supervisory authorities. Responses to the survey were received from national authorities in 59 countries, a majority of which were from Europe, Latin America and Asia. Results are presented in Figure 39. Total outreach reported in the country survey was 1.5 million children and youth, though many were bereft to fill in a number as they were rather unsure of the total outreach.

Figure 39
Responses to Country Survey by Region

CYFI collected information on both financial education and financial inclusion strategies. The first applies to the availability of a strategy or program that provides education to promote economic citizenship, including financial, social and livelihoods education. The second applies to the availability of a national strategy or program to encourage more people to have accounts with banks or other financial institutions. Regarding youth financial inclusion CYFI aimed to assess whether among implemented national financial inclusion strategies a specific focus was included which encourages those under the age of 18 to have accounts at financial institutions. Results are presented in Figure 40. Findings show that 42% of all respondents have a strategy regarding financial access in place, and 32% are in the process of drafting such a strategy. Of this 42%, almost 75% represents a specific focus on those under 18. Interestingly, of those 30% of countries that are drafting a financial inclusion strategy, almost all (90% of the total) includes a youth focus. These findings indicate that a large number of countries in the network do not have financial inclusion on their national agenda, but of those that do, youth is, at least, part of the debate and seen as a specific segment to attend. Policy makers are acknowledging the importance of addressing the youth segment, which might be attributed to the fact that - from a demographic point of view - youth currently represent the majority of the population. This goes hand in hand with the fact that governments want to create a savings culture and see access as a major part of this.
To gain an overview of the investments made for these strategies, we looked at the amount and type of resources that were invested in these strategies. Out of 34 respondents, only a little over half indicated to have invested resources of any kind to the strategies. These findings may suggest that, even though there is interest in promoting access to finance, governments do not see the purpose, or are not yet willing, to set aside budget or manpower for the implementation of these strategies. However, looking at the current financial crisis and budgetary constraints governments are facing, this development may well be attributed to lack of resources. For this reason, in some countries, the public sector is establishing partnerships with the private sector to generate resources and coordinate activities on the topic of financial access. These collaborations are proving to be more common also based on the fact that financial institutions are in most cases direct beneficiaries of inclusive strategies.

UGANDA

The Central Bank of Uganda coordinates a consultative process with key stakeholders to introduce Economic Citizenship Education to schools in the country. This consultative process involves the Ministry of Education and Sports through the National Curriculum Development Center (NCDC), as well as national and international civil society organizations such as the German Organization for Technical Cooperation (GIZ), financial institutions, the Department for International Development (DFID), and local financial sector representatives. The NCDC invited a local NGO, Private Education Development Network (PEDN) (which implements the Aflatoun curriculum’s components of social and Economic Citizenship Education), to consult on the process of curriculum design for secondary schools. As a result of the contributions of various stakeholders, the NCDC is planning to draft a financial literacy curriculum.

Furthermore, results (indicated in Figure 42) show that only half of governments in the network included primary school students as a focus of their financial inclusion strategies, which may again suggest that younger children are not necessarily seen as an appropriate audience for financial issues or seen as economic actors. This may relate to the sensitivity of their age and due to the fact that children may be seen as too vulnerable to engage with issues relating to money. Yet, countries are already facing difficulties to include the full adult population into their inclusion strategies. Additionally, from the supply side, there may not yet be “child and youth friendly” products readily available for this younger age bracket. This may be related to a lack of consumer protection legislation focused on this younger segment.

Figure 42
Ages Targeted with Youth Financial Inclusion Strategy

Assessing the state of national strategies on ECE in the network, CYFI found different results than those found for financial inclusion strategies. In its survey, respondents were asked whether the national government has available a strategy or program that provides education to promote any form of economic citizenship. Respondents were informed about the definition of an economic citizen as being “someone who is socially and financially engaged while understanding the rights and responsibilities to self, family, and others in the larger community”. Results are presented in Figure 43.

Findings presented in Figure 43 show that, combined, almost 70% of governments have a national strategy in place or in draft. Of this 70%, only 2% did not have a specific focus on those under 18. Interestingly, all strategies in draft included a youth focus in their program. These findings indicate that, unfortunately, 30% of countries in the network do not have any form of economic citizenship education on the agenda. However, the findings also indicate that all but one country in the network that invest in this education see youth as a key segment to attend to when it comes to learning about finance and citizenship as opposed to the focus segment in access to finance strategies. This shows that policymakers are stressing education as an instrument to create the capable economic citizens of tomorrow.

Figure 43
National Economic Citizenship Strategies


Figure 44
Resources Allocated to Economic Citizenship Education Strategy

Findings on resources invested and ages targeted (See Figure 44) also seem to show a somewhat different picture of Economic Citizenship Strategies, compared to financial inclusion. Out of 39 respondents, a little over two thirds indicated to have invested resources of any kind to the strategies. Furthermore, results show that 67% of governments in the network included primary school students as a focus of their education strategies. This may indicate that governments are more comfortable teaching younger children about finance than letting them engage with money. However, even though relatively more resources are invested in education strategies than in financial inclusion strategies, not all governments have made resources available for their implementation.

Looking at the individual components of the national strategies, presented in Figure 46, virtually all strategies that focus on the youth segment in their economic citizenship strategy include at least a financial education learning component. Additionally, the majority of that group adds a social learning component to financial education. Furthermore, in total, 25 of all respondents have added a livelihoods component to their curriculum. The results then show that in total 21 governments – less than half – have combined all three components of financial, social and livelihoods in their economic citizenship education programs. A subsequent breakdown of the availability of full ECE programs across regions shows that there is a relatively even distribution of countries that have incorporated full ECE across regions, except for in the MENA region, where no ECE was found, and Europe where there was a slightly higher presence of full ECE. From these findings, it can be concluded that full ECE is far from being fully implemented in the regions. Though most governments appear to see the value of complementing financial education with a form of life skills or livelihoods, complementing finance with both is less common. This might be attributed to the fact that the concept of a combination of these skills is relatively new and because changing national education programs or curricula a very complex and time-consuming process.
An important part of a national education strategy implementation is awareness-raising on the issues of inclusion and financial education. National events are common initiatives for policymakers to include in national strategies. CYFI’s Global Money Week (GMW) proved to be such a mechanism. In only two years, involvement in this event from national governments grew exponentially, from 20 to 80 countries. More than half of responding governments reported to have been involved in the GMW celebrations in 2013. A preliminary consultation within the CYFI network showed that next year over 100 countries will organize activities to create awareness on the importance of economic citizenship during the week. Organizing GMW activities is an excellent way for policymakers and governments to engage in dialogue with youth. Furthermore, the collaboration with other national stakeholders on the organization of the activities proves to set a framework for national partnership and institutional collaboration.

COLOMBIA

During Global Money Week 2013 in Colombia, more than 41,000 children and youth in 29 cities participated in a wide variety of educational and recreational activities related to saving, such as workshops, theatrical plays, storytelling, graffiti art, music and dance, film, and savings competitions. Events were held across the country, in schools, shopping centers, private sector banks branches, and cultural agencies of Banco de la República. Children and youth had the opportunity to open bank accounts with a 0 pesos minimum initial deposit, guaranteeing their commitment to financial inclusion. A School Savings Bank was opened in classroom; at this bank, 9th grade students...
started saving coins daily and receiving a certificate for each deposit. Rodolfo, the mascot of Banco de la República, also took part in the celebrations by teaching children and youth about counterfeit money.  

The CYFI Country Survey also aimed to assess whether particular task forces were engaged in evaluating the existing strategies on a national level. Findings show that only two thirds of all governments that have a youth strategy of any kind (either financial education or inclusion or both) are coordinating impact evaluation on the programs at hand. This may be attributed to a lack of resources, but can also be related to the fact that research on these topics is relatively new and discussions are held on what outcomes variables truly indicate progress. Aside from the number of children reached with a national strategy, on an individual or community basis, what indicates impact? Findings suggest that some of the research that is being conducted is handed over to local academic institutions; in other cases governments have their own research institutions in place. CYFI encourages and supports governments to continuously evaluate those programs that are implemented on a national level, because it can function as an objective assessment of reach and quality of these programs. In addition, the fact that public funds are generally used to implement national strategies also demands an objective evaluation.

**Figure 49**

Academic Evaluation

![Bar chart showing Evaluation and Total Youth Strategy of Any Kind](chart.png)


**UNIVERSAL KINGDOM**

The efforts of PFEG (a CYFI partner organization) and other government and sector stakeholders represent an outstanding model of how collaborative efforts between key actors can achieve long-term social development objectives. In the UK, a consultative and advocacy focused process involving National Authorities and stakeholders from civil society led to the approval of Economic Citizenship Education integration in the national curriculum.

Since 2010, a broad array of UK Stakeholders such as PFEG and MoneySavingExpert.com started, together with the All Party Parliamentary Group (APPG) on Economic Citizenship Education for Young People, a sustained campaign to include Economic Citizenship Education in the National Curriculum. The size and strength of the group made a powerful impression on policymakers and helped to raise the profile of Economic Citizenship Education in the UK, enabling PFEG to coordinate the campaign with government, opinion leaders, and key bodies nationally.

The group performed two major research studies, which mapped the Economic Citizenship Education programs in schools and other educational institutions across England. The reports produced by these studies were presented to the Department for Education and were crucial to the decision to include Economic Citizenship Education in the national curriculum.  

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125 Ibid
5.2.1 Conclusion

Chapter 5.3 assessed the scope of national strategies on financial inclusion and economic citizenship for youth. Even though some progress is showing, findings indicate discrepancy within and between strategies and suggest there is ample room for improvement. First, findings indicate that it is not a given that financial inclusion and economic education are linked and that social and livelihood skills are seen as an essential part of economic citizenship. For example, of those 39 strategies that include the youth segment, only 30 focus on both financial inclusion and on ECE. In addition, the availability of a national strategy does not always translate into the availability of invested resources or evaluation. Also, there is still a lack of focus on those children of primary school age.

Governments’ emphasis on education shows that equipping people with knowledge is seen as a prerequisite when exposing young people to access and credit. CYFI in turn emphasizes the interdependence of inclusion and education in an integrated strategy for economic citizenship. Furthermore, a more coordinated response, which incorporates all aspects of economic citizenship that CYFI proposes, is necessary in order to reach all youngsters in need of the opportunity and the ability to interact with the financial system. The existing efforts are the first step in creating both national and regional strategies that will reshape financial landscapes around the world. It is only through collaboration and knowledge-sharing among national stakeholders that the necessary frameworks can be built that will educate and empower entire generations.

5.4. Conclusion

National Strategies, financial systems and education programs are currently falling short of having the impact needed to systematically provide financial inclusion and a holistic financial education to children and youth. Total outreach throughout the network found through the CYFI surveys was around 8 million children and youth. Factoring in a couple of partners that chose not to fill in their outreach numbers this year, the total outreach in the network would be roughly the same as it was in the previous year. Having assessed the levels of outreach and impact of those governments and institutions in the network, the shortcomings of these systems are a key factor in the financial issues facing children and youth. These shortcomings include a remaining disconnect between education on finance and experiencing finance, both in products, strategies, and education programs. This is especially prominent in the low number of young people experiencing finance in a formal setting. The latter is likely to be attributed to the insufficient availability of products that are not only user friendly for youth but simultaneously protects their rights within the financial system. Second, the target age segment is still predominantly secondary school youth, which may be caused by a presumed sensitivity or vulnerability of younger age. Third, there appears to be a detachment between stakeholders that are involved. Not only does this show in a lack of alignment within government, or a lack of association between education and inclusion strategies, but also in a lack of alignment with other stakeholders, such as between government and research or financial institutions. While there has been much discussion in the past two years about financial inclusion for children and youth, CYFI has found very little evidence showing that this has been anything more than discussion. CYFI believes that the only path towards an efficient an integrated approach to economic citizenship is a collaboration between government, financial institutions and civil society to redefine policies and activities so that the entire youth segment can benefit from a transparent financial system that supports the development of financial capabilities for all.
Chapter 6
Innovations, Opportunities and the Youth Financial Landscape
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Innovations, Opportunities and the Youth Financial Landscape

Recently, a number of initiatives from various sectors have designed products and programs that help to build the financial capabilities of children and youth in a particularly innovative or effective manner. Not only has the role of technology in providing access to youth been thoroughly explored in the past year, but various delivery channels within education programs have also been a point of attention. This section illustrates the best practices and continuing innovations that have shaped successful programs. First, we begin by providing an overview of a number of the best practices in the education sector in the form of case studies. Second, we look at recent developments in the field of technology related to access and education. Lastly, we look at examples of recent innovations within regulatory frameworks, which have facilitated financial inclusion for children and youth across the globe. Building from these noteworthy models of financial education and financial inclusion, future CYFI stakeholders and partner organizations are given the foundation to design and improve their own programs to benefit children and youth.

6.1 Innovations in Banking Products and Channels of Distribution

_The emerging tech-savvy generation demands choice and a high degree of personalization and customization of financial products and services._

- World Economic Forum publication “Technology and Innovation in Financial Services: Scenarios to 2020”

Recent developments have seen emerging innovative trends within the realm of child and youth banking. The idea of child and youth banking products is no longer confined to a traditional deposit account that comes along with a paper passbook. Rather, nowadays, from product design and communication to distribution channels, financial service providers are increasingly applying innovative and creative elements to child and youth banking products and services. In doing so, child and youth friendly products are becoming more and more tailored and appealing to the needs of the young generation.

Children and youth of today’s world are early adopters of technology. In fact, a preliminary finding of the 2013 CYFI Global Youth Survey shows that children and young people have a high preference for banking products that are able to combine the latest technological trends with product features and distributions - an important implication for financial service providers. In favor of technically driven children and youth of today’s generation, over the last couple of years, the financial field has seen an increasing number of innovations in child and youth banking services around the globe. Among these innovations, the application of technology is the underlying theme.
Globally, mobile banking specifically has become a gateway to financial services. According to the estimation of the International Telecommunication Union, in 2013, the number of mobile-cellular subscriptions reaches 6.8 billion, corresponding to a global penetration of 96%\(^{126}\). Whether it is mobile banking through mobile broadband, or mobile wallet via a SMS platform, in many countries, due to regulatory requirements, these services are typically only available for individuals 18 years of age and above. Nevertheless, the infrastructure built around the mobile banking ecosystem has begun to transform the way banking services are delivered to children and youth.

XacBank, the fourth largest bank in Mongolia, launched a mobile banking pilot in May 2013 to introduce AMAR, a bank-based mobile banking solution, to students in Ulaanbaatar. The pilot provides these students with a savings account that is linked to a mobile banking platform\(^{127}\). Students can access their accounts on their mobile phones to make payments, check the account balance, transaction history, deposit and withdraw money at school cafeterias and nearly 400 bank agents across the country. This pilot is part of CYFI’s SchoolBank Project.

Furthermore, students can apply to open a savings account at a XacBank branch. When the application is complete, XacBank will activate the AMAR mobile banking services for the account. The student will obtain a debit card to be used at ATMs and branches. In the pilot schools, student can pay for their purchases at the school cafeteria with their mobile phones, using a SMS based payment system. Furthermore, students can conveniently cash-in and cash-out from their savings accounts with the help of the cafeteria staff. The students simply need to make a request through a text message. When a transaction is processed, the student will receive a text message notification with the summary of the transaction. As such, staff at school cafeterias play the role of bank agents to take deposits from the student clients.

In 2011, the Central Bank of Philippines, the Bangko Sentral ng Pilipinas (BSP) collaborated with the 12 largest financial institutions in the country to launch the Kiddie Program, with the aim of improving savings rates for children in the Philippines. The PondoKO Account, offered by BPI Globe BanKO, makes it easy for children and young people to access their account through mobile phones and the BanKO partners’ outlet network, where children and youth can apply for the account. Mobile banking service will be activated upon opening. An ATM card will be provided for children and youth to use at over 11,000 ATMs nationwide. They can also easily cash-in to and cash-out from their account at over 2,000 BanKO partner outlets. Currently there is one partner outlet located in a small school in Manila, facilitating the transactions of the students in the school.

In Africa, the take-off of mobile banking in the last decade has significantly expanded the reach of financial services to the once underserved communities. Joint partnerships among telecom operators and financial institutions are formed to better serve the target client groups based on geographies and market demand. A number of financial service providers and technology companies have also come up with innovations that enable children and youth to benefit from the mobile banking boom in Africa.

Equity Bank, one of the leading banks in Africa, launched the Junior Member Account\(^{128}\) in Kenya in 2013. The account enables parents who are current subscribers of the four largest mobile money providers in Kenya - Safaricom, Airtel, Orange, and yu-cash - to send money to the Junior Member Account of their children on their mobiles. In order for such a transaction, it is only necessary for one party to have a mobile; in this case, it is typically the parent who uses their mobile phones for money transfers. In addition to the regular service points such as bank branches and ATMs, the account can also be managed via the agent banking network of Equity Bank across the country. Accompanied by their legal guardian, children can deposit and withdraw money at the Equity Bank agents, the third party retail networks authorized to offer certain products and services on behalf of the bank.

Inspired by the success of mobile money in Kenya, CardPlanet Solutions, a Kenyan technology start-up, developed PesaCard, a smartcard with which parents can send money from their M-Pesa account to their children’s payment card. The smartcard provides a solution to enable mobile money subscribers to transfer cash to non-mobile money users, a development that can potentially benefit school children and parents. Many children in boarding schools receive cash from their parents to pay for meals and purchases while at school, but risk at losing it. To decrease the risk levels, the

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company is currently piloting a program in two schools to enable children to receive e-money from their parents and pay for expenses in schools with the smartcard.

Prepaid cards are another innovative product to highlight within child and youth banking. Prepaid cards introduce a convenient and secure vehicle for children and youth to receive money, make payments and manage their budget. Known also as a “light debit card”, a prepaid card is a payment card that has similar functionalities as a debit card. The application process of a prepaid card is usually simpler, compared to that of a regular bank account. Furthermore, prepaid cards are generally available to all ages. In this light, the prepaid card presents itself as a potential solution to markets where banking regulations prohibit minors from opening a bank account. Moreover, a prepaid card caters to parents who hope to provide their children with a money management tool, as well as to teens who demand for a simple payment product to gain a first step towards financial independence.

Various applications of prepaid cards can be found around the globe. For example, campus prepaid cards are gaining popularity in many countries. A campus prepaid card program usually involves an education institution partnering with a financial institution to offer prepaid cards to students. In Kenya, Chase Bank formed a partnership with UNISCOO (University Students Community Organization) to offer a MasterCard prepaid card to the members of UNISCOO, paid for by the students themselves. With the Uniscoo Card, students can make payments at MasterCard merchants and enjoy discounts at select shops. The card can also be used as an ATM card. In addition, students can reload their Uniscoo Card through their mobile with M-Pesa and Airtel Money. In Australia, the University of Sydney offers a Student Campus Card with Visa prepaid card functionality powered by ANZ. Serving simultaneously as a student ID card, the Student Campus Card allows students to make payments both on and off campus.

Other innovations in child and youth banking increasingly find their presence in the financial service providers’ efforts to improve the customer experience of children and youth, especially through various technological innovations. For example, in Singapore, DBS, a leading financial service group in Asia, has launched two youth-oriented bank branches - DBS Remix - beginning in September 2011. These youth-oriented bank branches aim to offer new banking experiences to young tech-savvy clients by creating a “Paperless branch” with a stylish and inviting environment. For instance, the e-queue system allows young customers to be notified of their turn via SMS, while they browse internet on tablets provided by the bank for the latest information of bank products and services available. At the branch, tablets touch screens and infotainment screens are installed to create unique banking experiences for the youth. Instead of regular paper brochures, the bank sends electronic brochures by email to clients. Young clients can also use the digital guest book available upon entrance to provide comments and feedback. In addition, the bank also engages young clients through social media, sharing latest news and activities through the DBS Remix Facebook page.

Financial institutions are also applying the idea of “gamification” in banking. Digital games and applications are created to educate young customers about money and budgeting, enhance their banking experience and encourage them to increase their banking activities. The Guaranty Trust Bank in Nigeria launched an online portal for the users of the Smart Kids Save account. On the Smart Kids Save website, children can play online games, download songs and e-books, and participate in online competitions. The website aims to create a unique experience for the children, and to engage them through various fun activities.

6.1.1 Conclusion
This section outlined a number of examples of innovations in child and youth banking products and services in an increasingly digitalized society. Mobile banking products offered by XacBank, BPI Globe BanKO and Equity Bank broke the traditional boundaries of bricks-and-mortar branch based banking by leveraging the existing mobile banking network in distributing banking products and services to children and youth. Prepaid cards, introduced by MasterCard and Visa, offer a convenient payment vehicle with the potentials of creating added value to serve the various needs of the youth segment. Emerging trends such as digitalized banking and gamification enhance the banking experience of children and youth, and add new dynamics to the ecosystem of child and youth banking.

6.2 Opportunities in Economic Citizenship Education

Introduction

Despite the fact that children and youth are often times disregarded as capable and active economic citizens, much is being done to further their knowledge, awareness and involvement in finance to bring forward a new perspective of the inclusion of young people into the financial sector.

An increasing number of national authorities, taking charge in the development of financial education strategy for youth in their countries, are currently working towards the inclusion of the various components of Economic Citizenship Education in their national curriculum. The developments in Uganda's financial literacy strategy, that included elements of Economic Citizenship Education, was much in line with a series of other initiatives worldwide that saw financial, social and livelihoods components become increasingly a focus of national education authorities.

Nepal

The Ministry of Education (MoE) of Nepal partnered with CYFI during the 3rd quarter of 2013 and since then a high level committee has been formed including several divisions of the MoE. Invitations have been extended to other local national authorities, multi-laterals and INGOs to join the committee and work on the Holistic Development of Adolescents through entrepreneurial promotion, employment and financial literacy.

Bhutan

In Bhutan CYFI partnered with the Royal Monetary Authority of Bhutan and with the Ministry of Finance. The issue of Financial Inclusion has been brought forward to the national level government in the form of an official proposal to include financial inclusion – and Economic Citizenship Education – in the national agenda.

Papua New Guinea

In April 2013, Governor Loi Martin Bakani of Bank of Papua New Guinea launched the Center for Excellence in Financial Inclusion (CEFI). CEFI is a multi-stakeholder committee including the Department of National Planning and Monitoring, the Department of Planning and Community Development, the Small Business Development Corporation, the Institute of Banking and Business Management, the Federation of Savings and Loan Societies Limited (FESALOS). Since its inception CEFI has focused on financial literacy of children and youth and financial inclusion of the unbanked. In December 2013, CEFI launched a child and youth savings campaign.

Peru

In Peru, CYFI is collaborating with a council formed by the national financial and educational authorities with the scope of focusing in entrepreneurship and economic citizenship (“ciudadanía economica”) as the two guiding themes in the curriculum development for financial education in schools.

Moldova

In Moldova, thanks to a collaboration with the National Bank, the Institute of Educational Sciences, the National Commission of Financial Markets, the Indigo Centre, and the Moldovan Communities, social and financial education is now included in the Moldovan national curriculum. The Indigo Centre implemented components of the Aflatoun Child Social and Financial Education Program and, since 2012, elements of the Aflatoun curriculum have been available via the Ministry of Education as an optional subject for secondary school students in the country. The goal is to make social and financial education a mandatory subject in all Moldovan schools.

Egypt

“Shaping the Future” is a Central Bank of Egypt – Egyptian Banking Institute (EBI) initiative creating financial inclusion and education for children and youth in Egypt. In this scenario, Economic Citizenship Education will be used as the framework for developing the financial literacy curriculum.

In addition to these national initiatives, non-government organizations across the world are adopting various methods and techniques to promote quality Economic Citizenship Education for young people from all walks of life. The following programs are from partner organizations in the CYFI network that have demonstrated innovation in reaching children and youth with financial, social or livelihoods education.

Aflatoun

Aflatoun represents a global network of education providers who are delivering a holistic social and financial education program to children in over 100 countries. The Aflatoun curriculum embodies 5 core elements including: Personal Understanding and Exploration, Rights and Responsibilities, Saving and Spending, Planning and Budgeting, Social and
Financial Enterprises. While the Aflatoun program has normally been targeted at 6-14 year olds, the program has recently been modified to include Aflatot (3-6 years) and Aflateen (15+ years). Aflateen Digital is an online, e-learning platform aimed at bringing the Aflateen experience to youth in different parts of the world. It is accessed via the internet, and offers information for users to learn from as well as interactive ways for them to contribute and participate. To do this, the platform uses a range of interactive multimedia content focusing on issues relating to youth rights and responsibilities, financial literacy, and managing social and financial enterprises. It builds on Aflatoun’s philosophy of learning by doing and uses game mechanics, known as ‘gamification’, which allows youth to be rewarded for their participation, sharing and learning.

Aga Khan Development Network
The Educational programming of the Aga Khan Development Network takes place under the Aga Khan Education Service (AKES). AKES currently operates more than 240 schools (consisting of some 507 units - pre-primary; primary; secondary and higher secondary) and advanced educational programs that provide quality pre-school, primary, secondary and higher secondary education services to more than 65,000 students in Pakistan, India, Bangladesh, Kenya, Kyrgyz Republic, Uganda, Tanzania and Tajikistan. In every setting, AKES’s programs are designed to pursue excellence in educational practice and management; to introduce child-centered teaching methods; emphasize female education; and support school-based teacher training.

CAP Youth Empowerment Institute
CAP-Youth Empowerment Institute, (CAP-YEI), is a registered non-profit organization, based in Nairobi, Kenya. CAP YEI’s programs are based on experiences and well demonstrated best practices of CAP’s Basic Employability Skills Training (BEST) model. This model is designed to help vulnerable youth develop labor market oriented employability skills and access placements to easily assimilate into the competitive job market, make informed choices for their self-directed growth and positive citizenship, access higher education and qualification, thrift and savings, peer networking and enterprise development support. CAP has a program in Sub-Saharan Africa called Learn, Earn and Save, with a financial inclusion component. This program if offered in two languages, Hindi and English, and it has reached at least 1271 children and youth aged 15 and older.

Camfed
Camfed is an organization dedicated to eradicating poverty in Africa through educating and empowering young women. The FEF-funded project’s aim was to deliver financial education to young women in the rural areas of Zambia. Over its two-year term, it successfully reached more than 10,000 people (above the original 8800 target) in eight districts, and built on the work conducted by Camfed across the country, using education to empower young women. The key channel for delivering the project was the Camfed Association (Cama), a peer network of young women school-leavers, with 2 672 women in Zambia at present. The overall aim of this project was to increase the financial literacy of rural young women. Camfed’s experience has shown that when young women are empowered with financial skills, they assume responsibility over budgeting and expenditure within their families. The project’s content thus focused on four education areas: savings, credit, financial entitlements and control of household resources. The project drew on existing training material developed by the Global Financial Education Program. It used a peer educator model, through which a core group of 16 developer trainers trained 20 women in each district.

ChildFund International
ChildFund is a child development organization, headquartered in Richmond, USA. What began as a modest effort to sustain orphanages, eventually evolved into a global force working for children internationally, offering educational programs to children aged 6 to 15+ years. These programs are offered in at least five different languages (French, Portuguese, Swahili, Tagalog, and English) and take place in hundreds of communities in 30 countries around the world. The philosophy of ChildFund is that vulnerable children in poor communities need support from birth until young adulthood so that they can participate to their fullest to their communities. One of the methods used by ChildFund is to assist children and youth by forming committees and associations aimed at developing their leadership skills that will enable them to actively participate in their communities.

127 http://aflateen.org/about/
128 http://www.akdn.org/education.asp
129 CYFI Education Survey 2013
130 CYFI Education Survey 2013
132 ChildFund – About Us - http://www.childfund.org/about_us/
133 CYFI Education Survey 2013
**Children International**
Children International prepares children and youth to escape the traps of poverty by supporting critical needs, building resilience, and engaging them in transformative activities. They accomplish this by providing crucial benefits and compassionate care through easily accessible, modern community centers. Through their comprehensive youth programs in leadership, social and financial education, reproductive health, and sports, they teach youth valuable life skills and connect them with positive mentors. Their programs have a positive impact on children, youth, families and communities; provide protection; encourage self-sufficiency; and serve as catalysts of change.

**Freedom from Hunger**
Established in 1946, Freedom from Hunger is an international organization recognized for fighting hunger with innovative self-help programs. In 2009, with a $4.4 million USD partnership with The MasterCard Foundation, Freedom from Hunger launched the Advancing Integrated Microfinance for Youth program—AIM Youth—. Through this three-year pilot program, Freedom from Hunger is designing, testing and documenting youth-focused microfinance and financial education services for 37,000 youth in Ecuador and Mali.\(^{139}\) Freedom from Hunger is also working to expand the proven *Credit with Education* program to new partners, as well as strengthen the quality and range of services provided by our long-standing partners in the country. The goal is to reach more than 245,000 families through partnerships with 24 institutions by 2014 through the implementation of these, and other, programs.\(^{140}\)

**International Youth Foundation**
The International Youth Foundation prepares young people to be healthy, proactive, and engaged citizens. The organization does that by offering a variety of programs in several countries in East Asia and The Pacific, Europe and Central Asia, Latin America and the Caribbean, the Middle East and North Africa, North America, South Asia, and Sub-Saharan Africa. The International Youth Foundation believes that young people, when educated and employed, possess the power to solve the world’s toughest problems. For that reason, the organization believes that every young person deserves the opportunity to realize his/her full potential. As a consequence, the programs offered by the foundation are catalysts for change that help youth learn, work, and lead.\(^{141}\) One example of a program offered by the International Youth Foundation is the Emploi Habilité in Morocco. This program’s purpose is to train disadvantaged youth, aged 15 to 25, in industry-demanded technical and life skills and place them in tourism sector jobs. In total, this program has trained 795 young people, and 455 youth have been placed in jobs or internships.\(^{142}\)

**MEDA**
Since 2008, MEDA has been running the YouthInvest program in Morocco and Egypt. The main objectives of the youth loan program are to help youth create and develop their own enterprise, encourage youth to practice good savings habits and open savings accounts, and to help MFIs develop tailored financial services for youth.

MEDA also encourages youth clients to develop savings habits and supports them in opening their savings account. The direct clients on the loan program are between the ages of 18 and 30, live mainly in rural areas, and are seeking to create a new business or further develop a current business initiative. MEDA provides financial education and entrepreneurship workshops that are mandatory in order to receive a loan. As per 2011 a total of 893 Moroccan youth completed a financial education training program. Of these, 651 received a loan, and 537 opened a savings account. An evaluation of the loan program conducted in July 2011 revealed that 85% youth used their loans to create and develop their enterprises.\(^{143}\)

**Making Cents International**
Making Cents International is an NGO active in the field of youth empowerment in different parts of the world. The organization has developed at least 19 educational programs (off the shelf curricula), many of which are offered to children and youth: *Business Simulation, Money Minds, Youth Agripreneurship in Afghanistan, Market Opportunities, Shake Out!, Work Out!, Break Out!, Start Out!, Try Out!, Help Out*, and *Pop Up!*. These programs cover financial education, life skills, and livelihoods education; they are offered in at least 25 different languages and have reached hundreds of children between the ages of 6 and 15+. The materials used in these programs include educational curriculum, learning materials, teacher training guides, curriculum development tools, activity books, games, and teacher

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139 Freedom from Hunger (FFH)- AIM Youth- [https://www.freedomfromhunger.org/aim-youth](https://www.freedomfromhunger.org/aim-youth)
140 FFH- Where we work- [https://www.freedomfromhunger.org/ecuador](https://www.freedomfromhunger.org/ecuador)
141 IYF Programs - [http://www.iyfnet.org/iyf-programs](http://www.iyfnet.org/iyf-programs)
training facilitation guides. Some of the elements covered contain cooperation, self-esteem, numeracy skills, saving behavior, financial risks and entrepreneurship.\textsuperscript{144}

**The Money Charity in the UK**

The Money Charity is defined as the UK’s financial capability charity. The Money Charity empowers citizens across the UK to develop the knowledge, attitudes, behaviors, and skills necessary to make the most of their money throughout their lives.\textsuperscript{145} The organization also works with young people. This works falls into two categories: the direct delivery of educational workshops in schools and colleges, and the Student Money Manual, which is an essential guide to many things related to student finance and money. These programs have already reached over 70,000 students, and the organization now aims at reaching 100,000 by 2014. The workshops specifically are suitable for young people aged 11-19 and they make learning about money fun and engaging. Additionally, each year over 400,000 students are reached with the Student Money Manual and The Money Charity estimates that, in total, this material has reached many millions of students since the beginning of their distribution.\textsuperscript{146}

**MyBnk**

MyBnk is an NGO that helps youth between the ages of 11 and 25 to manage their money and to make entrepreneurial choices by offering financial and social enterprise education programs in the UK.\textsuperscript{147} These educational programs contain a savings component, and in addition to that teachers and parents are also encouraged to save. Some of the educational materials utilized in MyBnk’s programs include open source educational curriculum, learning manuals, teacher training guides, curriculum development tools, activity books, and games. To date, it is estimated that 60 thousand children and youth have been reached by MyBnk’s educational programs and the total amount of revenues generated by these enterprises is € 1749\textsuperscript{148}.

**My Finance Coach**

My Finance Coach is an organization that operates internationally with the purpose of increasing financial literacy and awareness amongst youth. Some of My Finance Coach’s programs include class visits by a finance coach, teacher training and extracurricular activities through a website, games, and annual national finance competitions.\textsuperscript{149} Some of the trainings offered by My Finance Coach focus on topics such as shopping, planning, saving, managing risks, environment and business. The main skills that My Finance Coach wants to transfer to young people are:\textsuperscript{150} critically reflecting on personal purchasing decisions, analyzing purchasing criteria, planning personal income for the long term, calculating interest and compound interest and managing risks in everyday life. In addition to the abovementioned learning materials, My Finance Coach also offers teacher training materials on economics and finance in Germany. My Finance Coach also has extracurricular activities such as “The Money Planner”, a practical online tool for planning and saving, and educational games.\textsuperscript{151}

**NIBUD (National Institute for Family Finance Information)**

NIBUD is an independent Dutch foundation that exists since 1979. Its purpose is to promote a more rational planning of family finances. Nibud pursues this goal by offering information, advice, and education. These kinds of services are not only offered directly to households and individuals, but indirectly as well, through a range of intermediaries such as teachers, public servants, and consultants in the fields of insurance, loans, savings, and mortgage. NIBUD also gives special attention to the support and stimulation of budget and savings education in schools. Additionally, NIBUD is considered to be the main partner in a large scale bi-annual survey amongst youth.\textsuperscript{152} One example of service offered by NIBUD is the Buffer Calculator, created to provide Dutch households with a more general idea of how much money similar households have in their savings accounts. After the economic crisis in 2008 many households have changed their financial behavior, and therefore NIBUD decided to create a tool that enables households to recalculate the reference amount for households’ savings accounts in the light of the most recent data.\textsuperscript{153}

\textsuperscript{144} Making Cents International – Off the Shelf Curricula \url{http://www.makingcents.com/products_services/curriculum.php#youth}
\textsuperscript{145} The Money Charity: About - \url{http://themoneycharity.org.uk/about/}
\textsuperscript{146} The Money Charity: Our Work with Young People - \url{http://themoneycharity.org.uk/work/young-people/}
\textsuperscript{147} MyBnk, Map of who we work with - \url{http://mybnk.org/who-we-work-with/map-of-who-we-work-with/}
\textsuperscript{148} My Finance Coach - \url{http://www.makingcents.com/products_services/curriculum.php#youth}
\textsuperscript{149} NIBUD: Keeping the balance \url{http://www.nibud.nl/over-het-nibud/organisatie/about-nibud.html}
\textsuperscript{150} NIBUD: Keeping the balance \url{http://www.nibud.nl/over-het-nibud/organisatie/about-nibud.html}
Para Durumu

Para Durumu is the first financial literacy initiative in Turkey reaching out to the masses. This takes place through multiple platforms, such as TV shows, a page on the highest circulation national newspaper Posta and Hurriyet, and the highest rating radio Kral FM, a text in the monthly women’s magazine Elele, and through social media channels such as Facebook, Twitter, and a very popular blog/website (www.paradurumu.tv). Para Durumu also reaches out to university students via physical meetings. In addition to that Para Durumu organizes seminars with different profession groups such as police, teachers, and doctors, and brings about personal finance to government employees. Because of its reach, Para Durumu has become an address where citizens seek out to solve and obtain guidance for personal finance problems, saving for a house, financial product questions, budget decisions, credit card issues, and investment choices. With regards to children and youth, Para Durumu educates the teachers of Mother Child Education Foundation, a Turkish non-governmental organization that has vast research, program development, implementation and advocacy experience in early childhood, parenting education and women literacy/empowerment.\(^{154}\)

PAU Education

P.A.U. Education is an organization based in Barcelona, Spain working with public and private organizations on a European and international level. Thanks to the support from BBVA bank, the “Valores de Futuro” project was launched in 2009, in order to help kids and youth to make informed financial decisions. The program is based on participatory educational schemes, community-building processes and innovative contents. Teachers and children are encouraged to reflect critically about individual and social values related to money and its use, such as effort, responsibility, empathy and solidarity. The program provides teachers with more than 60 workshops, based on practical and creative methodologies including brainstorming, role play, theatre, year-long collaborative Savings Projects and Social Entrepreneurship initiatives. All these are designed to make young students think about the role of money in their lives. Financial education is, therefore, not only about acquiring information about financial services or learning about compound interest, but it is about children understanding their rights and responsibilities to participate actively in communities and economies.\(^{155}\)

Plan International

Plan is an international development organization that operates in over 50 countries in Africa, Asia, and the Americas that strives to promote children’s rights and to lift millions of children out of poverty.\(^{156}\) In total, Plan has reached over 84 million children in different countries.\(^{157}\) Plan provides programs in the fields of education and child participation and protection, among others. In 2012, the field of economic security, Plan focused heavily on programs aimed at helping children improve the skills they need for meaningful employment.\(^{158}\) In sum, Plan promotes the ability of young people to make more informed choices about their work and how to access financial services. Examples of Plan’s work in this field include: a program aimed at preparing young people for reliable jobs in Indonesia, a program aimed at teaching young people to learn how to manage financial and natural resources in Paraguay, and another program in Togo, aimed at promoting village savings groups.\(^{159}\)

6.2.1 Conclusion

When looking at the various projects that our partner organizations are leading, it is clear that the promotion of Economic Citizenship Education into young people’s lives is not restricted to only one method or technique. Rather, it has become evident that the work of our various partners presents a number of exciting ways for CYFI to collaborate in order to expand the reach of quality ECE for all children and youth. The mixture of learning modules, tool kits, teacher training guides, activity books, games, workshops and unique programs lays a very strong foundation for ECE for years to come. While a large part of our partners work within formal education settings, targeting young people within their teen years about healthy spending and saving, there are several programs that work beyond these boundaries, reaching out to vulnerable children and youth who have dropped out or do not have access to formal schooling. Programs are also focusing on parents and teachers in addition to young people to encourage positive savings behaviours and are going beyond healthy financial resource management to promote natural resource management as well. With such an array of quality programming and opportunities to expand the network of practitioners, CYFI is able to enhance their Movement as an organization to ensure children and youth around the world are exposed to ECE programming.


\(^{156}\) About Plan - http://plan-international.org/about-plan


\(^{159}\) Plan – Annual Worldwide review p.27 http://plan-international.org/files/global/publications/about-plan/annual-review-and-accounts-2012-english
6.3 Opportunities within the Regulatory Framework

This subchapter aims to examine the status of current child and youth friendly regulation regarding access to finance and on mobile phone regulation applied to children and youth. It provides case studies of those countries that have the most advanced regulatory framework for allowing youth to participate in the financial system and herein protect their rights. The chapter begins with an oversight of potential benefits of regulatory reform for children and youth, then moves on to the current situation of regulation, and concludes with a few case studies of best practices in the sector.

Regulatory reform is a key enabler for implementation of financial inclusion. Changing the financial regulatory framework relates to several issues that children and youth have to deal with in their financial lives. First, it relates to saving itself. In the current regulatory framework of most countries, minors are not allowed to open a savings account without parental supervision.

Regulatory reform can have a significant impact on allowing for savings and help youth build their savings on their own. This relates to the second issue at hand; the autonomy of the child. Currently, the majority of global regulatory frameworks relating to finance do not allow for children to operate an account before the age of 18. This fact not only has implications for the cultural or theoretical perception of the autonomy of a child, but also has direct practical implications as well. Around the world, there are young people heading households, providing the main income for their families or working their way through school.

The provision of more autonomy for children and youth within the financial system, and being able to control one’s own finances within certain conditions, could provide a significant benefit and additional means of survival for a great number for minors. Subsequently, this relates to a third issue: consumer protection. Regulated financial institutions are obligated to strictly comply with the know-your-customer rules that require financial institutions to conduct client identity checks and verification.  

Even though these requirements and procedures are meant to guard against abuse and fraud, for youth, they often are obstacles to financial inclusion. The current situation in financial regulation indicates the following scenario: on the one hand, an account can only be opened and managed as of the age of 18, limiting the child’s saving activity to saving in the informal sector. Research has confirmed that access to an account and to savings does in fact show a significant effect on improving savings behavior.

On the other hand, financial education is on the agenda of most national authorities worldwide. This is in line with the current focus of creating a savings culture and creating saving habits. This focus indicates that there is, in fact, a demand for young savers. This situation suggests a clear imbalance between the supply of youth products that provide the child with some level of autonomy and the demand for young savers. Regulation reforms can provide the balance between supply and demand sides of youth savers.

Several countries have already adopted child and youth friendly elements in their financial regulations. These new elements have been fundamental – being in some cases drivers – to the development and implementation of the national strategy of financial inclusion and Economic Citizenship Education for children and youth and reaching the objective of making every child and young person an empowered economic citizen.

In the Philippines, Ethiopia, and Uruguay, legal and regulatory reforms have been implemented to support financial inclusion as illustrated in the following case studies.

**PHILIPPINES**

In the Philippines, by virtue of Presidential Decree No.734 June 25, 1975, minors are authorized to deposit and withdraw money from banks. These account holders have complete control over their accounts, without the intervention of any adults. Minors at least 7 years of age who are able to read and write, and who are not disqualified by any disability, are empowered to make savings or time deposits in their own names, withdraw money, and receive interest (where applicable) from banking institutions – all without the assistance of a parent or guardian.

The Philippines’ financial education and inclusion program is a forerunner on the international scene, in which formal efforts have been made between different public and private stakeholders. Financial education has been

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institutionalized through the Department of Education of Philippines (MoE). The program is based on a holistic approach, as promoted in the Movement, where the educational efforts are complemented through the offering of child and youth friendly banking products in the form of the Kiddie Account Program. This program accepts opening deposits of as little as P100 ($2.50 USD) through 12 participating banks. These institutions own the vast majority of the bank branches in the country, which accounts for a very broad reach of the initiative. Other banks are interested in joining the program, developed under the umbrella of the Bank Marketing Association of the Philippines, to implement the "Banking on Your Future Program" launched in 2009 by the Central Bank, the Bankers Association of the Philippines, the Chamber of Thrift Banks and the Rural Bankers Association of the Philippines.

(As stated in speech by Amando M Tetangco, Jr: Governor of Bangko Sentral ng Pilipinas (the central bank of the Philippines), at the Asia and the Pacific Regional Meeting on “Child & Youth Finance”, Manila, 4 December 2012.)

ETHIOPIA

In Ethiopia, labor law recognizes “youth employment” from the age of 14, with restrictions for certain jobs (e.g., no family-based employment). The Ethiopian Civil Code allows family to provide “special authorization” to children starting at the age of 15 to take on any and all rights of “majority” age, including marrying and signing a contract. As a result of this regulatory environment, United National Capital Development Fund-YouthStart partners PEACE and ACSI in Ethiopia allow children aged 14 to 18 to open and manage an account on their own with any of the following documents: i) Kebele ID: the local administration such as village or ward councils can issue IDs earlier for “young workers” with proof of employment; ii) labor contracts iii) an official letter from parents or the local government authorizing the child to open an account.

As an example, an extract of the civil code: Article 312. — Explicit Emancipation, states:
1) Where a minor has attained the age of fourteen years, his guardian or his tutor or any interested person may apply to the court for his emancipation.
2) The court may decide to emancipate the minor after considering his conditions, the reasons applied for, and where it finds that the emancipation is in the best interest of the minor.

URUGUAY

In 2010, Uruguay’s parliament passed legislation modifying the Banco de la Republica Oriental del Uruguay (BROU, Uruguay’s commercial national bank) Articles of Incorporation. The modified Articles allow children and youth to open and manage savings accounts at BROU. This reform allows “the bank to open savings accounts for children and adolescents... who may privately make deposits and withdrawals.” In addition, “...legal representatives [such as parents] are not allowed to make withdrawals... without the account owner’s consent.”

As a result, these accounts are the sole property of the children and youth that open them, and these children are the only ones authorized to conduct transactions on the account. By empowering society’s youngsters to take charge of their own financial futures, this important reform is an example to other governments worldwide. One result of this legislation has been the development of “XmiCuenta” by BROU: a savings account directed at children between the ages of 14 to 17. The account has no minimum balance and no administrative charges. The account includes a debit card and online banking services at no extra charge. The account also offers the option of saving in both the local currency and indexed foreign currencies.

In sum, although some best practices can be outlined, the number of cases is still limited. Developing a financial regulatory framework that enables children and youth access to quality Economic Citizenship Education and appropriate financial products is a fundamental condition for an effective implementation of a financial inclusion strategy for young citizens. National authorities need to take the lead to achieve legal and regulatory reform as each country has a different legal structure. National Platforms can then create the strategic alliances and social pressure for implementing the appropriate regulatory reforms. One such alignment is with the private sector, in order to generate sufficient funding for effective implementation.

162 Art. 21 Carta Orgánica del Banco de la República Oriental del Uruguay Ley No. 9808
A coordinated response to this alignment could be through the implementation of a financial capability tax. This would entail funding which originates in the private sector and contributes to national strategies on financial capability. The UK is one example which has initiated such a tax.

**UNITED KINGDOM**
The Money Advice Service in the UK helps people manage their money. They are the UK statutory body for improving people’s understanding and knowledge of financial matters and their ability to manage their own financial affairs. In this capacity they work with, support and provide expertise to other organizations in the financial services industry, the third-sector, across government and elsewhere.

Instilling good money management habits at an early age is one of their main focus areas. The organization’s work with young people is focused on how best to support parents of young children, and on meeting the needs of young adults as they begin to make financial decisions for themselves. They are currently leading the development of a UK strategy for financial capability which will inform and coordinate the activities of the many organizations who share an interest in improving people’s financial well-being.

The MAS is funded by an allocation from the levy that the Financial Conduct Authority collects from the financial services firms that it regulates. Each year the FCA consults with industry on its proposals for the allocation of its fees across the industry, including the proportion allocated to the MAS. 163

### 6.3.1 Conclusion
Regulation is a long-lasting process, as it includes a variety of stakeholders and it is difficult to standardize, given the diversity in national procedures and regulation. However, in most countries, for children to have access to appropriate financial products and control of those financial products means a fundamental alteration of the legislative landscape. Policymakers and legislative institutions should ensure that appropriate changes to national regulatory frameworks are enacted to effect such changes.

Furthermore, there needs to be a willingness to innovate also in the regulatory field. As some of these case studies show, opportunities will emerge when the issue of financial capability is approached from an innovative point of view. As regulatory reform will impact a broad range of stakeholders, coordination and involvement of all parties involved is necessary. For the regulatory reform to work and be implemented efficiently, consumer protection bureaus and private sectors need to be in line with these changes. Policy makers, on the other hand, should sponsor policy experiments and research, and support financial institution innovations.

Martha Nussbaum, for whom the idea of capability takes into account people’s internal abilities, knowledge and skills, wrote that, “It is the policies, laws, regulations, and practices that provide opportunities for ... individuals to develop the full range of capabilities that lead to human well-being.” Regulation should therefore always be driven by the search for opportunities to increase human well-being and prioritize what is beneficial to the child.

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6.4 Conclusion

Throughout the chapter, it has been made clear that, within the financial spectrum for children and youth, there are several key sectors that can truly impact the financial inclusion of youngsters. Namely, banking products and channels of distribution, Economic Citizenship Education, and the regulation framework for “child and youth friendly” products and services all serve as key players when looking at children, youth and finance. When looking at banking products and channels of distribution, it is evident that a push in technology based products, such as apps, games and online access, lays the foundation for children and youth growing up in today’s digital age, to become financially included. A second aspect to enhance financial capability is Economic Citizenship Education. Just as technology based products are geared to children of the digital age, ECE aims to ensure that children and youth from an array of backgrounds and upbringings are reached with educational resources that are useful and relevant. As there is no single path to promote ECE, this chapter highlighted a few ways in which ECE can be taken forward through holistic learning frameworks, workshops, programs and teacher training, in order for children and youth around the world to develop integral skills for economic citizenship. The last component of this chapter emphasized the significance of financial regulation and the importance of having room for innovative opportunities within the regulatory framework, such as new research into financial issues related specifically to youth, in order for young people to take full advantage of the financial system. While these sectors each contribute their own unique impact on the financial inclusion of children and youth, it is through the collaboration between the three components that children and youth everywhere will indeed be able to develop into capable, empowered economic citizens.
Chapter 7

Conclusion – From Momentum to Action
Chapter 7

Conclusion – From Momentum to Action

National Strategies, financial products and education programs have been developed to target youth, and aim to provide them with the skills necessary to interact with the financial system and give them the opportunity to build a livelihood. However, true impact so far has been modest. The Child and Youth Finance Movement seeks to ensure that these modules become seamlessly integrated into national and international systems, particularly in the development or adjustment phases of the same systems. Having assessed the programs and levels of impact of current initiatives in the CYFI network, it can be concluded that several factors play a key role in the level of impact that they have had. This concluding chapter will summarize these challenges and propose some recommendations based on emerging innovations and opportunities from the field.

7.1 The Challenges in Reaching Children and Youth; Practice and Assessment

Millions of children throughout the world are dealing with adversity and live under conditions of serious deprivation every day. Children who experience violence, exploitation, abandonment or severe neglected (in or out of families) face threats to their survival and well-being as well as profound life cycle risks that have an impact on their human, social and economic development. Moreover, many of these youngsters are facing extreme poverty, have no prospect of finding employment and have no access to finance to build a livelihood and break the cycle of poverty. While a diverse range of national strategies, financial products and education programs have been developed for children and youth, aimed to provide them with the skills necessary to effectively and responsibly participate in the financial system and develop a sustainable livelihood, the true impact of these initiatives has so far been modest.

Some progress has been made in the increase of life skills and livelihoods skills in both education programs and national strategies. However, only rarely is a savings component added to financial education curricula and the inclusion of all three components of ECE in one program or strategy is even less common. Furthermore, findings suggest that educational programs maintain a focus on youth rather than on children, and that basic numeracy and knowledge acquisition remain the predominant focus of education programs as opposed to behavioral change. This resonates in the finding that only a small part of education programs include a savings component and an even smaller proportion of programs include a connection to a formal bank account. More specifically, CYFI’s assessment of banking products for children and youth shows that banking products of (major) financial institutions in all regions have significant shortfalls when it comes to fulfilling the criteria for child and youth friendly banking. These results are similar to last year’s assessment and indicate a clear burden for the NGO sector to carry the sole responsibility for child and youth financial capability. However, substantial scale in outreach to children and youth cannot be accomplished through civil society alone. Likewise, government financial inclusion strategies have breadth but very little depth, and can be hampered by budgetary constraints. Therefore, it is essential that the financial sector complement the public sector and civil society in order to bring financial inclusion and education for children and youth to scale.

On the one hand, due to survey limitations, the findings outlined in this document do not fully capture the current reach of the various partners and stakeholders in the Child and Youth Finance Movement and, therefore, do not give a complete oversight of the programs and initiatives present in the network. On the other hand, while it is clear that access to formal financial services for children and youth leaves much to be desired across the world, obtaining reliable access and inclusion data has proven extremely challenging as very limited data is available. Financial institutions seem reluctant
to provide these numbers directly to CYFI, and most financial access databases focus on adults and on accounts opened, not on detailed segmentation by age bracket or activity level of accounts.

Although many new programs and products are available, progress is rarely measured. In order to show best practices, institutions need to keep track of the wider impact their programs have on children and youth. Are they reaching vulnerable populations? Is there an outreach strategy for those living in rural areas? Are innovations providing the benefits they intend to generate? Is financial knowledge translating into behavioral change? It is imperative that national authorities, non-governmental organizations and, most importantly, financial institutions contribute resources to define and assess their quantitative outreach. A recommendation to major institutional players that are into the practice of data collection is to include dedicated child and youth finance indicators, such as minimum age levels to open bank accounts, or the number of accounts per age bracket, in their data collection.

“It is imperative that national authorities, non-governmental organizations and, most importantly, financial institutions contribute resources to define and assess their quantitative outreach. A recommendation to major institutional players that are into the practice of data collection is to include dedicated child and youth finance indicators, such as minimum age to open bank account, or measuring the number of accounts per age bracket, in their data collection.” – CYFI, 2013

7.2 The Opportunities Ahead

Having assessed the programs and levels of impact of current initiatives in the CYFI network, it can be concluded that several factors play a key role in the level or lack of impact that they have had. First, a remaining disconnect exists between financial education and financial experience, both in products, strategies, and education programs. Second, research on the impact of adversities facing children and youth has, over the years, emphasized the importance of dealing with them at an early age. However, the target age segment of financial institutions and education programs is still predominantly secondary school youth, which may be attributed to a presumed sensitivity or vulnerability of younger children to financial or economic topics. Third, education programs or strategies often fail to incorporate all three components of ECE and therefore inadequately focus on the creation of those skills necessary to attain work or build a business. Fourth, there is a lack of collaboration between stakeholders that are involved in building financial capability for children and youth around the world. Not only does this show in a lack of alignment within government, or a lack of association between education and inclusion strategies, but also in a lack of alignment with other government, academic, civil society, or financial stakeholders. Based on these findings, this subchapter will provide a set of recommendations to enhance collaboration and impact across the sector.

7.2.1 Testing CYFI’s Model of Youth Economic Citizenship

The global effort to establish economic citizenship among children and youth can best be undertaken with a solid theoretical model supported by empirical evidence. Even though an increasing number of institutions are conducting research and evaluations, the evidence on the outcomes of economic citizenship is still scarce, including predominantly short-term gains in knowledge and self-reported changes in financial behaviors. There is a dearth of evidence on the combined effects of financial inclusion and ECE as a whole, due to the scarce application of all four components combined. Key recommendations for future research topics include developing a better understanding of the (a) long-term outcomes of financial education, (b) discrete and summative contributions of financial education and financial services for children and youth, especially those in financially vulnerable groups, (c) effectiveness of various combinations of financial education, products, and services, (d) defining, conceptualizing, and articulating the meaning of social education within the child and youth finance movement and how it furthers economic citizenship, and (e) benefits of
financial inclusion, especially experimental research that assesses impacts for children and youth in developing countries.\(^{165}\)

In establishing these studies, the public and private partnerships need to occur in greater number in order to generate funding and resources for assessment. The systematic evaluations of programs implemented on the national level are essential, not only to generate objective assessment of reach and quality of these programs, but also to reach scale. In addition, in order for knowledge to be disseminated appropriately, academia and NGO’s need to share results on a more regular basis. As the pool of academic experts on financial inclusion, citizenship education, entrepreneurship and asset building is growing, it is essential that results are shared with practitioners and those working on the ground. Reversely, several NGOs around the globe are conducting essential rigorous research on various issues pertaining to economic citizenship that could provide a solid base for academic research.

CYFI intends to broaden and deepen the current research agenda on economic citizenship through its Research Working Group, not only by bringing studied programs and researchers together, but also by initiating and seeking funding for new projects exploring these complex interrelationships.

### 7.2.2 Coordination among Stakeholders

The collaboration between stakeholders in both the public and private sector can provide the path towards a cost-efficient and integrated approach to economic citizenship. This may include inter-sectorial awareness raising - through Global Money Week for example – and anchoring cooperation into national and sector plans while engaging local stakeholders and local communities. The implementation of a financial capability tax as described in Chapter 6 may be particularly useful in this regard.

The private sector should also step up its financial support to national strategies on financial capability. The existing efforts are the first step in creating both national and regional strategies that will reshape financial landscapes around the world. It is only through collaboration and knowledge-sharing among national stakeholders that the necessary frameworks can be built that will educate and empower entire generations.

CYFI links different industry players in a country or region together to direct energy towards formulating national strategies through national and regional platforms. CYFI assists national authorities in setting up Child and Youth Finance regional and national platforms. The objective of these platforms is to create national strategies and action plans for realizing Economic Citizenship for children and youth, as well as to facilitate efforts of various stakeholders towards achieving this goal. Since the Movement has started, many governments have started to put Economic Citizenship for children and youth on the national agenda. National strategies for Economic Citizenship are being formed and budgets are allocated to invest in related activities.

### 7.2.3 Regulatory Reform

In most countries, for children to have access to appropriate financial products and control of those financial products means a fundamental alteration of the legislative landscape. Policymakers and legislative institutions should ensure that appropriate changes to national regulatory frameworks are enacted to effect such changes.

There are several ways that authorities can start looking at regulatory reform. First, national authorities need to take the lead in achieving legal and regulatory reform as each country has a different structure. The first critical step is mapping the current status of regulation. The mapping process needs to determine the extent to which there is existing or pending legislation for the education and/or inclusion of children in the financial system. From the mapping, the areas for legal and regulatory reform can be prioritized. A national platform can create the strategic alliances and social pressure for implementing these reforms. Examples of regulation that can have a significant impact can be found in chapter 6.3 and can pertain to the encouragement of offering bank accounts to children such as through government matched savings programs, as well as lowering the minimum age to independently operate an account.

7.2.4 Youth Participation

While CYFI works with a number of stakeholders, institutions, and organizations across various sectors to promote financial inclusion and education for young people, CYFI also directly engages children and youth themselves through the CYFI network. As such, not only are children and youth a component of the CYFI Movement, but rather they are the core of the Movement as CYFI places a significant focus on children and youth themselves in the framing of the Movement’s agenda.

We therefore encourage partners to include youth voices and opinions into their program design and assessments, and to incorporate children and youth into the process of program and policy development. Particularly within the financial landscape for youth, it is the youngsters themselves who know best what measures need to be taken in order to strengthen and solidify their role as active economic citizens. However, the suggestions and propositions of young people to create a better and more accessible financial future can only be acknowledged by involving children and youth directly into the process of reshaping the finance system.

7.3 100 Million Children and Youth by 2015

Throughout this document it has been made quite clear that momentum within the movement has not necessarily translated into action. During the past couple of years, there has been much discussion about the value of promoting financial literacy for children and youth and how that can benefit the individual, his/her family, community and country. Unfortunately there has not been much progress made in actually reaching the children and youth with full ECE and financial products. Where there has been progress it has usually been on a small scale, outreach efforts that do not seem capable of reaching large numbers of children and youth.

CYFI believes that in order to reach 100 million children and youth by 2015 with financial services and ECE, a coordinated effort is needed at the country level, with a government institution taking the lead role in this effort. While civil society has led outreach efforts to this point, it has become clear that reaching scale globally can only be done if national governments are leading with NGOs and financial institutions taking a complimentary or advisory role. Highlighted in chapters 5 and 6, it is clear that national governments have become active, though in most cases it is on a small scale or pilot level. In order for the movement to reach its target, the following steps will need to be taken:

- ECE will need to be instituted through the national primary and secondary school system at the hands of the Ministry of Education, building on and coordinating with, the efforts of NGOs and pioneering financial institutions with particular emphasis placed on livelihoods and employability skills training
- Governments will need to find a way to incentivize or mandate financial inclusion for children and youth within financial service providers, as currently there seems to be very little desire on the part of financial service providers to reach out to young people with a child and youth friendly product.

With a coordinated effort being led by national governments, innovations being promoted and shared across stakeholders and sectors, CYFI believes that the momentum that has been building over the past two years can be put into action and create wide scale impact. For this to happen, national governments will need to move beyond kind words and small scale projects and make a commitment to the future wellbeing of their young burgeoning economic citizens. This commitment will require monetary investment as ECE will need to be integrated into national curricula and it will also require a strong will of legislators to work with financial service providers to either incentivize or mandate financial inclusion.

As this is a burgeoning movement with little traction coming from behind it, CYFI will continue to stand behind all of its partners and stakeholders, ready to its advice or services when requested. In order to provide examples, create linkages, track best practices and continue to be the gathering point for those interested in Economic Citizenship, CYFI remains a constant source for all of its partners and stakeholders. Furthermore, CYFI will continue to track the progress of the movement and provide all thoughtful insights needed to help the network reach its goal of 100 million children and youth by 2015.
7.4 Conclusion

By leading international collaboration on the economic citizenship of youth and leveraging existing interest in the Movement, CYFI hopes to steer the Movement towards a uniform and a sustainable global system. Financial inclusion policies should extend the opportunity to save to millions of young individuals. Social, financial, and livelihoods education will give children and youth the knowledge to manage money and the motivation to seek social and economic advancement. These two tactics need to be jointly adopted by national platforms, to promote transparency and longevity of the initiatives.

Within the Movement there have been many examples of innovations in the fields of banking products, mobile technology, “gamification” and educational products that have kicked off many small projects. Interesting learnings have occurred and the field has been enriched by these projects. However, these innovations have not translated into wide scale of outreach to children and youth. If the movement is going to effect change on a global scale, national governments and multilateral organizations are going to lead to be leaders within the movement. Multilaterals will need to signify to national governments that Economic Citizenship is a priority in order to spur greater developments at the national level, as they are often the first line within the development agendas. As the post 2015 agenda is currently being developed, now is really the time for the movement to show the world and those writing the new agenda that Economic Citizenship should be a priority.

There have been great steps forward by organizations within the CYFI Movement, but if we wish to see systems change these two tactics need to be jointly adopted by national platforms, to promote transparency and longevity of the initiatives. Moreover, while CYFI works with a number of stakeholders, institutions, and organizations across various sectors, CYFI emphasizes the participation of children and youth. As such, not only are children and youth a component of the CYFI Movement, but rather they are the core of the Movement as CYFI places a significant and ever more focus on children and youth themselves in the framing of the Movement’s agenda. It is the voices, opinions and ideas of children and youth that lay the foundation of the Movement’s framework, which will transform existing momentum into action, and reshape the future of finance.
Child and Youth Finance International (CYFI) lead the world’s most extensive child and youth finance Network, that together makes up the Child and Youth Finance Movement. We connect Ministries and Governments, CEOs, heads of NGOs, financial institutions and children. By aligning and coordinating efforts of organizations all over the world the Movement is able to share resources, model best practices and empower each other to reach the target of the Movement: Reaching 100 million children in 100 countries by 2015 with financial inclusion and financial education to make sure that every child and youth have access to a basic savings account and the financial knowledge and skills needed to operate this account. By doing this we aim to give the adults of tomorrow the tools to lead lives free from poverty and financial instability.

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Global Money Week
Global Money Week is a global celebration that is taking place in the second week of March each year. The Week engages children and youth worldwide in learning how money works, including saving, creating livelihoods, gaining employment, and entrepreneurship. Countries and organizations all over the world participate by engaging children and youth in activities such as global web chats, visits to banks, ringing the bells at the stock exchange, radio shows and cartoons and much more.

Stay connected with us
Website:  www.globalmoneyweek.org
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Finance & Me
Finance & Me is a platform initiated by Child and Youth Finance for children and youth to take action in reshaping the future of finance. It allows for youngsters to stay informed about the latest Child and Youth Finance Movement activities going on around the globe so they can remain active and involved in the Movement. Finance & Me also serves as a bridge between young people and adults as children and youth are encouraged to utilize this platform to share their experiences and voice their opinions.

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YouthTech
YouthTech is a blog where Child and Youth Finance International (CYFI) shares technological innovations around the topic of financial inclusion and education for children and youth. It provides a platform where experts within the CYFI network and beyond engage in discussions about the potentials of technology in enhancing financial capability of children and youth. Moreover, YouthTech also serves to share best practices and to document how technology is shaping the Child and Youth Finance Movement. We hope this will contribute to the understanding of what is needed for technology to make a difference in the current financial inclusion and education landscape and the ways of turning it into a reality.

Stay connected on the blog:  www.youthtech.info