BANK OF JAMAICA

PROMOTING FINANCIAL LITERACY

BUILDING AN INCLUSIVE ECONOMY

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EMPOWERING JAMAICAN BUSINESSES THROUGH FINANCIAL LITERACY AND MICRO INSURANCE
National Financial Inclusion Strategy and Micro Insurance

- Development of a Micro Insurance Regulatory Framework key project activity under the NFIS
- Part of Responsible Finance Pillar
- Intended outcome was creating greater access to insurance products for the financially vulnerable population
- Part of the work of the NFIS Consumer Protection and Financial Capability Working Group, chaired by FSC
- Complemented by the project activities on Financial Literacy
- NFIS partners on the CPFC Working Group are MOEYI, MOFPS, MIIC, PIOJ, JDIC, CAC and BOJ.
Micro-Insurance and Financial Inclusion

- Financial Services Commission’s Frame-work Policy Paper (March 2017) adopted the IAIS definition of micro-insurance as:

- “Insurance that is accessed by the low-income population, provided by a variety of different entities, but run in accordance with generally accepted insurance practices (which should include the insurance core principles”

- FSC has developed policy proposals on micro-insurance which are designed to achieve a proportionate regulatory approach to this product, while ensuring consumer protection mechanisms are in place.

- Key ways in which financially vulnerable persons can benefit from micro-insurance as a risk management tool are:
  - Management of funeral expenses
  - Management of medical expenses
  - Recovery from disasters which impact farms and agricultural crops
Identifying factors which impede insurance coverage
Creating enabling regulatory environment
Timely financial literacy interventions
Work done to date

- A2ii/IADB Project on Micro-Insurance
- FSC Partnership with IAIS, A2II and Toronto Centre on Micro-Insurance Training Programme
- FSC Framework Paper for Micro Insurance Published in 2017
- FSC Micro Insurance Consultation Paper published in 2019
- Ongoing work on Legislative Process
- Ongoing stakeholder consultation
How does Financial Literacy Impact micro insurance?

Financial inclusion focuses on teaching and allowing lower-income demographics of society to gain access to the products and services that enable them to protect their life, health and assets, through the savings and loss compensation processes which are an inherent part of insurance products.
Financial Literacy Challenges and Micro Insurance Utilisation

- Lack of understanding about insurance generally
- Lack of awareness about role of insurance to manage risk
- High levels of informality
- Perception of financial service providers (“rich people use dem tings”)
- Challenges in meeting the requirements to pay premiums for existing products
- Limited skills in money management, planning for the future and using financial products
- Limited understanding of existing consumer protection mechanisms
- Challenges heightened by beneficiary group’s limited exposure to financial literacy content
Development of a National Financial Literacy Action Plan

**WORKING GROUP**
Sub-group formed under the Consumer Protection and Financial Capability Working Group

**LEADERSHIP**
Led by the Ministry of Education, Youth and Information and Bank of Jamaica

**MEMBERS**
Members included MOFPS, MOEYI, FSC, CAC, JDIC, JSE, DBJ, PIOJ

**ACHIEVEMENT**
Work began in October 2016 and was completed in May 2018 with IDB funding
Goals of the National Financial Literacy Action Plan

- Empowerment of youth as economic citizens
- Behavioural change among youth and parents
- Life-cycle planning
- Understanding financial concepts
- Targeted messages using new communication channels
- Motivators of change
- “What’s in it for me?” – The perspective of the consumer
Enabling environment – Financial Literacy

Policy Context

Existing Financial Education initiatives

Existing infrastructure and capacity of stakeholders
Key stakeholders

- Youth
- Women
- Micro-entrepreneurs
- Financial Institutions
- Financial Regulators
- Ministry of Education, Youth And Information and its agencies
Implementation of National Financial Literacy Action Plan

a. Reconvening the sub-working group

b. Baseline survey

c. TOR development

d. Market research
BOJ Financial Literacy Survey of Youth

- Survey Instrument Developed in July 2021
- Survey will be completed by end-December 2021
- Input received from NFIS Consumer Protection and Financial Capability Working Group Members
- Targeting In-School Youth and At-risk Youth (12 – 18 years)
- Sections of Questionnaire measure Financial Knowledge, Confidence and Behaviour with Money, Use of Financial Services
- Includes specific questions to measure the Financial Knowledge on
  - Use of Insurance
  - Use of Life Insurance
  - Where to get more information about financial services
NEXT STEPS FOR FINANCIAL LITERACY

◦ SHARING REPORT WITH NFIS FINANCIAL PARTNERS, INCLUDING
  FINANCIAL INSTITUTIONS

◦ IMPROVING EXISTING FINANCIAL LITERACY CONTENT ON KEY FINANCIAL
  CONCEPTS

◦ FINANCIAL EDUCATION IN HIGH SCHOOLS

◦ COMPLEMENTING LEGISLATIVE PROCESS FOR MICRO-INSURANCE
Bank of Jamaica – Financial Literacy Initiatives

BOJ Real Talk
The Real Talk series is an animated financial literacy series where we discuss a range of topics including savings, budgeting, consumer protection, debt management and more.

Financial Literacy Tips
BOJ started airing 30-second financial literacy tips via radio, on IRIE FM, Love FM and Mello FM, to reach a wider audience covering an array of topics including budgeting, saving and credit.
Bank of Jamaica – Financial Literacy Initiatives

**Under the Law**

This radio series dramatizes real life scenarios and identifies the relevant law to inform and educate consumers about financial services and financial regulation. The series reinforces the key messages about BOJ’s role as regulator of financial services.

**Outdoor Radio Broadcasts and Town Halls**

In 2019, BOJ conducted Town Halls in 6 parishes to educate consumers on their legal rights and responsibilities in relation to financial services offered by financial institutions. FSC, CAC and JDIC partnered with BOJ in providing content.
THIS IS BANK OF JAMAICA’S FLAGSHIP TELEVISION AND SOCIAL MEDIA PROGRAMME, DESIGNED TO EDUCATE THE PUBLIC ABOUT KEY FINANCIAL CONCEPTS AND THE WORK OF BANK OF JAMAICA. AIRED ON TVJ EVERY THURSDAY AND IS AVAILABLE ON BOJ’S YOUTUBE CHANNEL

@CENTRALBANKJA – TWITTER, FACEBOOK AND YOUTUBE
LESSONS LEARNED IN NFIS IMPLEMENTATION

PUBLIC EDUCATION TO EMPOWER CONSUMERS – CULTURE MATTERS

• Use Market Research to identify communication channels
• Keep the message simple
• Use the language of the people
• National Financial Inclusion Outreach (Hit the Streets)
• Use jingles, animation, music
• Town Halls
• Outdoor Broadcasts
• NFIS Brand Ambassadors
Thank You!

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