



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 IAI's 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

Achieving Micro-Insurance



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

**Existing Financial
Education initiatives**

Policy Context

**Existing infrastructure
and capacity of
stakeholders**



Key stakeholders



Youth



Women



Micro-entrepreneurs



Financial Institutions



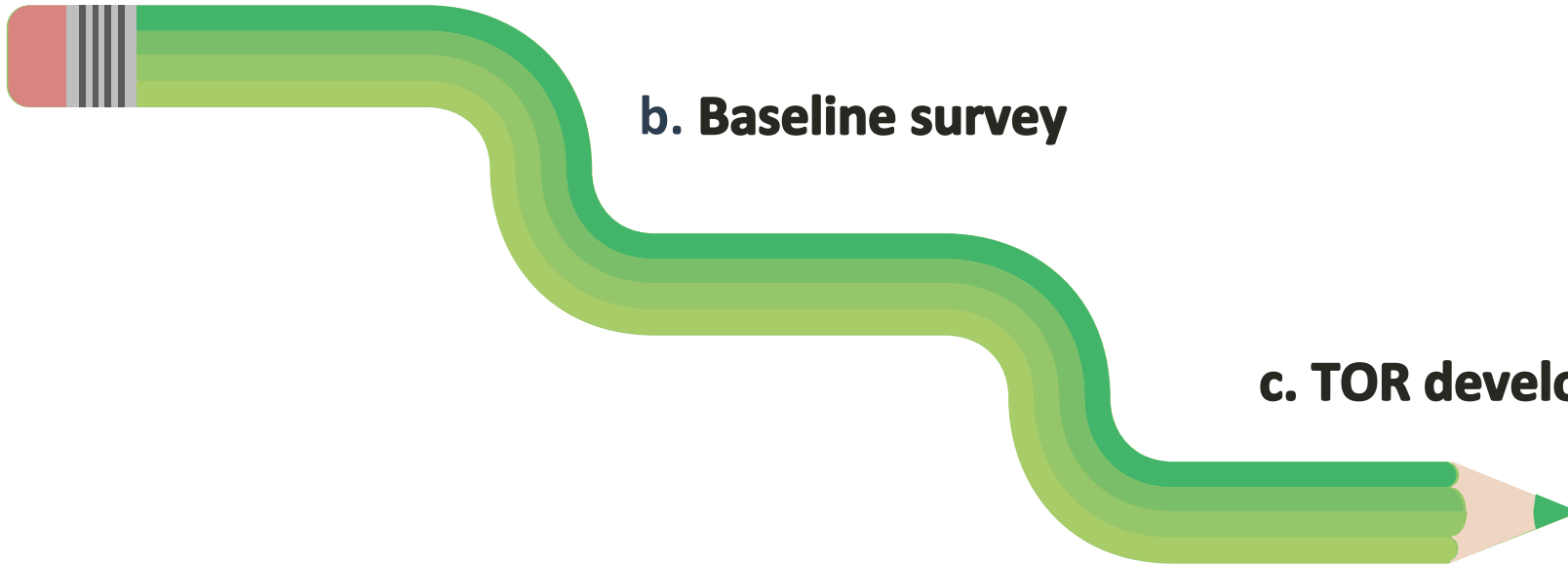
Financial Regulators



**Ministry of Education, Youth
And Information and its agencies**

Implementation of National Financial Literacy Action Plan

a. Reconvening the sub-working group



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.



BOJ'S CENTRALLY SPEAKING

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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