



In support of **The Improving Financial Awareness & Financial Literacy Movement in Ghana** built around the strategic venues of

- *Financial Literacy Month (April)*
- *Estate & Gift Planning Awareness Month (October)*

This feature column contains some very important messages

<http://ugbs.ug.edu.gh/association>

Improving Financial Awareness & Financial Literacy Feature Column Series 015 Issue | Vol 1| 2021

Exposing Kids to Personal Finances

It is very important for us parents, to introduce and expose our children to sound principles of personal money management. With our growing media-enriched environment, we are constantly exposed to hundreds and thousands of marketing suggestions on how to spend money, whether we have it or not.

TODAY'S THOUGHT

*"I do not work for the money.
I work for the freedom."*

~ Parenting Team

The earlier kids learn about how to earn income and manage money, the better their chances are for financial success. Today, few schools provide classes on how to earn, save, invest, buy, borrow and be an entrepreneur, and financially plan for their futures. This clearly leaves the responsibility with parents and family, or our children will enter the real world quite vulnerable.

We have developed a six-stage program for educating children about sound money management. The ages used are approximations and may vary depending on the child's maturity and what they may have already been introduced to.



STAGE 1: GETTING STARTED

(BIRTH TO AGE 5)

Set up savings accounts in your children's names soon after they are born. Give them a piggy bank as well, and encourage them to put loose coins into it. When the piggy bank is full, count out the money with them. Then, take them to a bank, credit union or brokerage firm and deposit the coins into their account.

Begin talking to your children about money and purchasing. When you go to the marketplace or store, show them how you trade money for merchandise. As your children begin to grasp these concepts, encourage them to make some financial decisions for their own purchases, such as what food, clothing, toys and sweets to buy.

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Alert: We believe sharing financial awareness and financial literacy can be highly contagious!



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Also, set up an educational savings fund and encourage grandparents and family to assist. The cost of a quality education has soared in recent years. If it continues to increase at the same rate, higher education will be available only for those who plan ahead with the entire family unit.



STAGE 2: FIRST INCOME

(AGES 5 TO 8)

Begin giving your children a regular allowance. Start with a modest allowance – GH¢ 0.50 to GH¢1 or (\$0.05 to \$0.50) for starters – on a weekly basis and increase it over time. Discuss the options for their allowance: saving vrs. buying things vrs. giving. Do not take their allowance away as a punishment, and do not link it to household chores. Allowance should serve as a money-orientation aid rather than a behavior manipulation tool.



STAGE 3: FIRST BUSINESS OPPORTUNITY

(AGES 8 TO 11)

Give your children opportunities to earn more money. If you are a small-business owner, allow them to do work for you to earn money. Also, a lot can be said for the entrepreneurship of the front-yard Ice Cream stand, lawn mowing, or an online business such as an eBay business; this can be fun and profitable for the entire family.

Encourage them to play money games such as monopoly, the game of life, monopoly junior, cash flow 101 and pay day among others that involve the buying and selling of items. Discuss how you assess the alternatives: Why would you pay this amount of money for this item? Is it a necessity? Is it better to save? Is there a better way of buying it?

STAGE 4: FIRST BUDGET

(AGES 11 TO 14)



At this age, children can begin learning to budget their own needs. Talk to them about a food and clothing allowance and saving for future cash needs like a new iPod, a computer, a bike, college, a car, home, among others. Teach them to begin defining their goals, organizing their finances, and developing strategies to reach those goals.

As taxes are unavoidable, discuss taxation with your children, and walk them through the process of filing tax returns.

Consider giving them holiday and birthday gifts of stock or mutual fund shares. This provides an opportunity to expose your children to the stock market, bonds, Certificate of Deposits, Treasury bills, among others. Take them on a field trip to visit your financial advisers – the accountant, attorney, insurance agent, financial planner *and* stockbroker.

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STAGE 5: GETTING READY FOR THE REAL WORLD

(AGES 14 TO 17)

Encourage your children to get an after-school or summer job so they better understand how money is earned and what to do with it. Have them open a checking account for their earnings and teach them to balance it. Since they are earning their own money, ask them to start paying some of their own expenses for social outings and personal expenditures.

With their new earnings encourage them, and if needed with other family members support, to set up and begin to fully fund their retirement saving account.

If they are headed for college, help them contact the schools they are considering to investigate expenses and scholarship opportunities. Now is also the time to begin exposing them to career opportunities with different earning potentials.

At this age, it is also important to help children start setting long-range objectives: the type of job they might desire (this is important to help match how they enjoy spending their time and the earning potential with that type of work), the amount of money they would like to earn, and the kind of house they would like to live in. These discussions help them understand that their first jobs and their first house will probably not be like Mom and Dad's. However, through good work, planning and sound money management, they can reach their goals over time.

STAGE 6: ENTERING THE OUTSIDE WORLD

(AGE 17 & BEYOND)



Continue to help your children with career counseling. Make sure they have a clear understanding of the choices available to them. This information should come from real-life experiences or reliable sources a parents personal experiences are important to be shared; television programs and movies often give a distorted view of life and various employment situations.

After they leave home or graduate from college, work with your children to develop their annual household budgets. Help them establish credit by getting a family credit card or other forms of digital currency. Discuss the importance of not abusing their credit or tools, such as when they should pay it off versus when they should not.

Work with them on their major expenditures –computers, phones, cars, furnishings and dwellings. Do not let them get into deep debt; help them to live within their means.

Introduce them to estate and gift planning and help them to put together their first set of documents. This usually will include a will, power of attorney for asset management, and a power of attorney for healthcare sometimes known as an Advance Healthcare Directive.

By following these suggestions and incorporating your own real-world experiences, you can give your children a very valuable gift – a true head start on ‘smart money management.’

Share this information with your friends. If their kids are older, suggest they move through the stages more quickly.

Visit The FA Association’s website to learn more.

<http://ugbs.ug.edu.gh/association>



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Introducing...

The International Improving Financial Awareness & Financial Literacy Association at The University of Ghana (FA Association)



Our Mission is to Significantly Improve Financial Awareness &

Financial Literacy in Ghana. We envision a Ghana and a World where every person is well educated and has personal finance knowledge - an essential life skill - necessary to make lifelong informed financial decisions while having access to the right financial advice and the skills and tools to manage their finances. Providing everyone the opportunity to achieve and maintain their financial stability, security, and freedom throughout their lives, while they pass on their values, knowledge and assets to future generations to make their lives and this world a better place.

The FA Association Aims & Objects

- To serve as a forum for member students, faculty, staff and alumina for the discussion of matters relating to financial awareness and financial literacy.
- To foster close co-operation and brotherly relationship among Members of the Association.
- To assist the financial service industry in promoting financial awareness and financial literacy in Ghana.
- To organize lectures, symposia, picnics and fundraising to support the University of Ghana, and The Improving Financial Awareness & Financial Literacy Movement in Ghana, Student Scholarships, Faculty Grants, and other worthy causes..
- To promote and maintain the spirit of friendship among members of The Association.

Headquarters

- The FA Association Headquarters are at the University of Ghana, Department of Finance within the University of Ghana Business School, P.O. Box LG 78 Legon, Accra
- Dr. Benjamin Amoah, PhD, Patron Coordinator +233 24 759 9606 benamoah@ug.edu.gh
- <http://ugbs.ug.edu.gh/association>

Membership

- Membership of The Association shall in general be open to all persons who are within or support the University of Ghana Community.
- At this time there will be no membership subscriptions or fees.
- Membership Application - <http://ugbs.ug.edu.gh/association>

Preview of what we will be doing

- Leadership role in **The Improving Financial Awareness & Financial Literacy Movement in Ghana**
- Assist in developing and delivering Financial Awareness & Financial Literacy Curriculum Programs for all university students, faculty & staff, and alumni
- Establishing **The International Improving Financial Awareness & Financial Literacy Research Center at UG**. This will provide ongoing longitudinal, technical & academic research to monitor The Movement and its advancements, make improvements where necessary, and provide political leadership with valuable economic insights

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- Initiate Professional Certification & Training Programs for financial service professionals.
- Establishing Incubators / Accelerators to identify, assemble, create, and help launch and nurture / guide the successful growth of new and existing businesses.
- Develop a Network of Volunteers and Ambassadors that support **The Movement** and efforts at the University and throughout the University Community.
- Fundraising for UG & UGBS



The Improving Financial Awareness & Financial Literacy Movement

Ghana has a population of nearly 30 million with an employment rate of about 41% and an unemployment rate near 6.8%. However this leaves over 3.9 million Ghanaians (13% of our population) so poor they cannot afford three meals a day for themselves and their family; in rural areas it is higher. Many are struggling to survive less than \$1.90 PPP (Purchasing Power Parity) US per day.



With COVID-19 this is getting worse while we are also experiencing increases in debt. We are not taught at home or school about planning for our future and why it's

important to have a current financial, estate and gift plans to protect themselves and our families. We have a collection of serious problems resulting in a high percentage of poverty coupled with a lack of financial awareness resulting in a serious financial illiteracy epidemic. This places a HUGE growing amount of pressure on families and friends, employers, nonprofits; as well as the ultimate safety net the government. This is not just a local epidemic it's an international one.

Most people are not taught the essential principles to smart money management – the foundation to personal finance knowledge - at home or in school. Thus they don't have the proper tools to address everyday money decisions in an informed manner. This jeopardizes their financial and physical wellness, their ability to realistically achieve and maintain their personal and family financial dreams, let alone enjoy a financially secure debt free future.

To help address the lack of financial awareness and the financial illiteracy epidemic a team of dedicated concerned Ghana parties began taking an active leadership role to recognize organizations and their management, and individuals that are championing improving financial awareness and financial literacy. They

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began uniting them with other associations, organizations, nonprofits, educational institutions, municipalities, employers, the news media and concerned individuals to actively focus this vast community resource into **The Improving Financial Awareness & Financial Literacy Movement** with its semi-annual concentrated personal finance content media blitz around the strategic campaign venues

- **April shall be known as Financial Literacy Month in Ghana, and six months later with**
- **October being known as Estate & Gift Planning Awareness Month**

The plan is to touch everyone at least twice a year through these strategic campaign venues, with educational and motivating content, reminders and tools for making wise informed lifelong financial decisions and to get and keep your financial house in order by having current financial, estate and gift plans.



To learn more about **The Movement** and how it can benefit you and your family, your business and the Ghana economy and so much more take a look at **The Movement's Executive Summary / Overview** by clicking on the graphic or at this address

<http://www.thefinancialawarenessfoundation.org/pdf/TFAF-TIFA-FLMovement-Ghana-ExecSum.pdf>

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