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Communication on Pension Issues & Financial Education

Regional Workshop
Nairobi, Kenya
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Agenda

- FSB Mandate for CFE
- Financial literacy levels and
- National coordination
- National Strategy
- FSB Consumer programmes and themes
- Trustee education
- Funding
- Monitoring , evaluation and research

FSB CFE Mandate

- Mandated by the 2000 amended **FSB Act No. 97 of 1990**, to

*"Promote programmes and initiatives by financial institutions and bodies representing the financial services industry to **inform and educate users** and potential users of financial products and services".*

- Established CED and developed C**E strategy** which was approved by the FSB Board in 2001.

Strategic Components

- Effective saving and debt management (short and long-term)
- Knowledge of what products and services are available and which might be most applicable to their circumstances
- Ensuring consumers have a cautious approach to purchasing financial products and a knowledge of their rights and responsibilities and recourse options in this regard

CE for Whom

- In SA the target market for CE is all people in SA
- The idea is to inform and educate consumers so that they can make effective choices; also, to attract new consumers of financial products and services

From ……

To…

Why consumer financial education?

- More complex financial products
  - Lack of transparency (hidden costs, etc.)
  - Low levels of understanding of financial terminology
- Regulatory changes (Twin Peaks)
- Financial crisis
- BBBEE – Financial Sector Codes
- Association with International organisations

Financial literacy levels and a national coordination

National Strategy – A dream for South Africa

Young people	Grown ups	The aged	Communities
Financially literate Responsible and self-aware Want to improve their lives and communities	Financially adept Avoid poverty traps (e.g. debt spirals) Plan, invest and create wealth	Financially secure Not victims of scams and fraud Plan and control finances	Economically and financially Inclusive Entrepreneurial Developing and prospering

Strategy: Vision, Mission and Objectives

VISION

To increase the financial capability and thereby the financial well-being of all South Africans

MISSION

All South Africans, particularly those that are vulnerable and marginalised, are empowered to participate knowledgeably and confidently in the financial marketplace and to manage their financial affairs, deal with their day-to-day financial decisions and make good choices about allocating their incomes from school-going age, during working age and through to retirement.

OBJECTIVES

Financial control

- In five years South Africans achieve a baseline study score of 58 or more
- In ten years South Africans achieve a baseline study score of 70 or more

Financial planning

- In five years South Africans achieve a baseline study score of 53 or more
- In ten years South Africans achieve a baseline study score of 65 or more

Product choice

- In five years South Africans achieve a baseline study score of 45 or more
- In ten years South Africans achieve a baseline study score of 60 or more

Financial knowledge

- In five years South Africans achieve a baseline study score of 56 or more
- In ten years South Africans achieve a baseline study score of 70 or more

In five years financial literacy will be embedded in the school curriculum

FSB's Consumer programmes and themes

Resources

FSB
FINANCIAL SERVICES BOARD
What you need to know about a last will and testament
This brochure provides basic guidelines regarding Wills and the administration of deceased estates. It does not substitute any applicable laws and should not be used as a legal reference.

THE PENSION FUND SURPLUS
FINANCIAL SERVICES BOARD
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Are you ready to retire?
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Know your retirement rights
Retirement
What is a Retirement Fund?
It is wise to save from a young ag
Plan for retirement while you are young

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Unclaimed Pension Benefits
You could be entitled to pension Benefits.
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Multi-faceted approach and Integrated programmes

Trustee Education

- **PRINCIPAL OFFICERS**
  - **Content and assessment bank for qualification developed by POA**

- **TRUSTEES**
  - **Trustee Toolkit – Online learning tool www.trusteetoolkit.co.za**
  - **Trustee Qualification**

Funding

- The FSB's Discretionary Fund
- The Foundation
- Partnerships

Monitoring , Evaluation and Research

- **Monitoring**: On-going observation of project implementation (pre- & post-tests, 3-month updates, etc.)
- **Evaluation**: Processing evaluation data to determine effectiveness of interventions
- **Research**:
  - OECD Pilot
  - Baseline study - Levels of Financial Literacy in SA
  - SASAS Survey - Annually

Thank you

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