

# Securing Financial Prosperity for Cambodian Children

## Children’s Financial Literacy Program Overview (2016 – 2020)

Teachers Mutual Bank Limited (‘The Bank’) has been partnering with Cufa since 2016 to enhance the financial knowledge of Cambodian children affected by poverty. Cufa is a ground-breaking Australian NFP that helps communities across the Asia-Pacific build better lives for themselves through grassroots education, empowerment and entrepreneurship programs.

The Children’s Financial Literacy (CFL) Program takes a holistic approach to enhance the knowledge of financial literacy for children affected by poverty, and how their early financial choices will impact their future. Trained field officers monitor the program and provide educational materials, including engaging interactive games to assist the children in the retention of key information.

While the CFL Program primarily focuses on teaching kids aged of 6 to 12, the structure ensures that all members of the community gain a deep understanding of the program’s purpose, implementation, and impact. Field officers constantly maintain a high level of engagement with local educators and families over the course of the program. This approach allows the whole community to have a positive outcome on financial literacy increasing their awareness about the future; also, by training local educators, the CFL Program allows teachers to educate children once Cufa officers finish the program.

So far, the Program has educated thousands of children on the importance of money, smart savings, budgeting and long-term financial goals. For every \$1 that the Bank invests, the program creates social value of \$8.

<b>Children’s Financial Literacy Program key achievements</b>	
<b>Category</b>	<b>Impact</b>
TMBL investment	\$234,000
Social return on investment generated (SROI)	\$1,872,000
Total TMBL investment impact	\$2,106,000
Children receiving financial literacy training	24,196 children 12,387 males and 11,809 females
Financial education lessons conducted	1,719
Schools reached	70
Trained children started saving	14,736 7,051 males and 7,683 females
Teachers workshops conducted	61 with 527 teachers
Home visits conducted	1,506 visits to 5,242 people 2,094 males and 3,148 females

## **Why Cambodia?**

Despite strong economic growth in recent years, Cambodia remains the poorest country in the ASEAN region. While Cambodia has recently made great strides in reducing poverty levels, it remains very poor, with many people still living in poverty or just above the poverty line. Cambodia also suffers from a lack of high-quality teachers. During the Khmer Rouge's period in power (1975-1979) Cambodia's education system was systematically destroyed and teachers were killed, forcibly exiled or imprisoned.

In particular, Cambodia's rural areas struggle with access to quality education. More than 75% of Cambodia's population live in rural regions, and the schools in these areas are undeveloped, with poor facilities, and fewer skilled teachers. This has resulted in a considerable disparity between urban and rural areas, with urban schools outperforming rural schools by an equivalent of one year's worth of schooling.

Finally, Cambodia's financial system is underdeveloped. Only 17% of the population has access to traditional banking services and 42% of the population accesses other forms of finance including microfinance, credit unions and cooperatives. Cufa and other NGOs are improving financial inclusion in Cambodia through education, developing community banking options and helping Cambodians to move away from riskier forms of finance.

### **The Children's Financial Literacy Program**

The Program is also supported by The Australian Government Department of Foreign Affairs and Trade (DFAT).

The key objective of the Program is to equip children with financial knowledge and skills to improve their financial futures. To achieve this objective, one of the aims of the Program is for 60% of participating children to save money at home or in a community saving bank. The Program has exceeded this target so far, with 63% of children saving. Cufa expects this percentage to increase as the Program continues and community banks improve their skills and coverage.

Cambodia is a patriarchal society where there is significant inequality between men and women. In 2017, Cambodia's Gender Inequality Index placed it 116<sup>th</sup> out of 160 countries, behind other ASEAN countries. While running the Program Cufa makes a particular effort to encourage equal participation of boys and girls. In the past three years, around 12,695 girls have participated in the program, totalling 46% of all participants.

The Program uses a combination of digital technologies and print material to improve financial literacy. It incorporates stories into fun materials like the "Ronnie Riel" stories which use local images and language and a character based on the local currency 'Riel'.

The Program covers five fundamental topics:

1. Understanding Money and Savings
2. Understanding Community Savings Banks, and the benefit of becoming a member
3. Setting Financial Goals
4. Budgeting
5. Borrowing and Lending

## **COVID impact**

Cambodia detected COVID early, towards the end of January 2020. It took strict measures to control the spread, realising it would be easy for its hospitals to be overrun and the pandemic could exacerbate the already difficult living conditions of many of its citizens. While few cases have been identified so far, testing rates are very low so it's possible more cases remain undetected. In March 2020 Cambodia's schools were closed and education shifted online. This meant that Cufa was unable to provide the Program for more than a month, however as restrictions lifted throughout 2020 Cufa was able to re-start home visits and provide financial literacy lessons at a reduced level.

## **Teacher training**

After Khmer Rouge was overthrown in 1979, teachers were trained at a rapid rate, from courses lasting a week to up to a month. While this pragmatic decision quickly boosted teacher numbers it has led to a continued lack of qualified teachers, with only 693 teachers receiving pedagogical training, out of a combined 84,312 teachers nationwide. Teaching remains an undesirable job today, with teachers paid around 60% of what similarly-educated professionals would receive with little career progression.

As part of the Program, project officers not only educate children and families but also encourage local educators to teach financial literacy in their schools. This ensures local teachers can spread the important knowledge needed for Cambodian children to be mindful about savings in the long term. Since the beginning of the program, 16 schools and 215 teachers (including 114 women) have been part of the training modules, a greater achievement than was initially forecast.

## **Disability**

In the last two years, the CFL has coached 25 children with disabilities, as well as a teacher with a disability who participated in the teacher's workshop. Due to the nature of their disabilities, Cufa ensures these children receive the extra support needed for them to attend the program. On top of this, Cufa's officers also visit their families to encourage the CFL program and ensure their integration and full support into the program.

## **Practical support**

The Bank has provided about \$60,000 year.to the project. The funds are used for project costs such as;

- 6,200 Ronny Riel lesson booklets
- School materials for children (notebook, pens, pencils)
- class training material
- Copy and printing for class lessons
- Saving bank study tour
- 2x Project Officers, and 3 days training to Cufa staff to ensure they are equipped with appropriate skills and knowledge
- 1-hour workshops for teachers and school directors at each school 22 in 2020
- In-country travels and monthly monitoring of the Program.

All references contained in;

[cufa-report-cambodian-childrens-financial-literacy-programme--201620-march-2021.ashx \(tmb.com.au\)](https://www.tmbank.com.au/cufa-report-cambodian-childrens-financial-literacy-programme--201620-march-2021.ashx)