



# Consumer Financial Education Project

in Partnership with the  
Department of Public Works through the EPWP

5<sup>TH</sup> Expanded Public Works Programme Summit

*"See, feel and experience the EPWP"*

16 November 2016



public works

Department:  
Public Works  
REPUBLIC OF SOUTH AFRICA



EXPANDED PUBLIC WORKS PROGRAMME

# Overview

- The FSB
  - Consumer protection
  - FSB – Legislative Mandate for CFE
  - Why consumer financial education
  - FSB's programmes and themes
  - FSB projects
- FSB & EPWP Project
  - Objectives of the project
  - Themes/ Topics for the workshops
  - The Role of the FSB
  - The Role of the Department of Public Works
  - Statistics
  - Way Forward

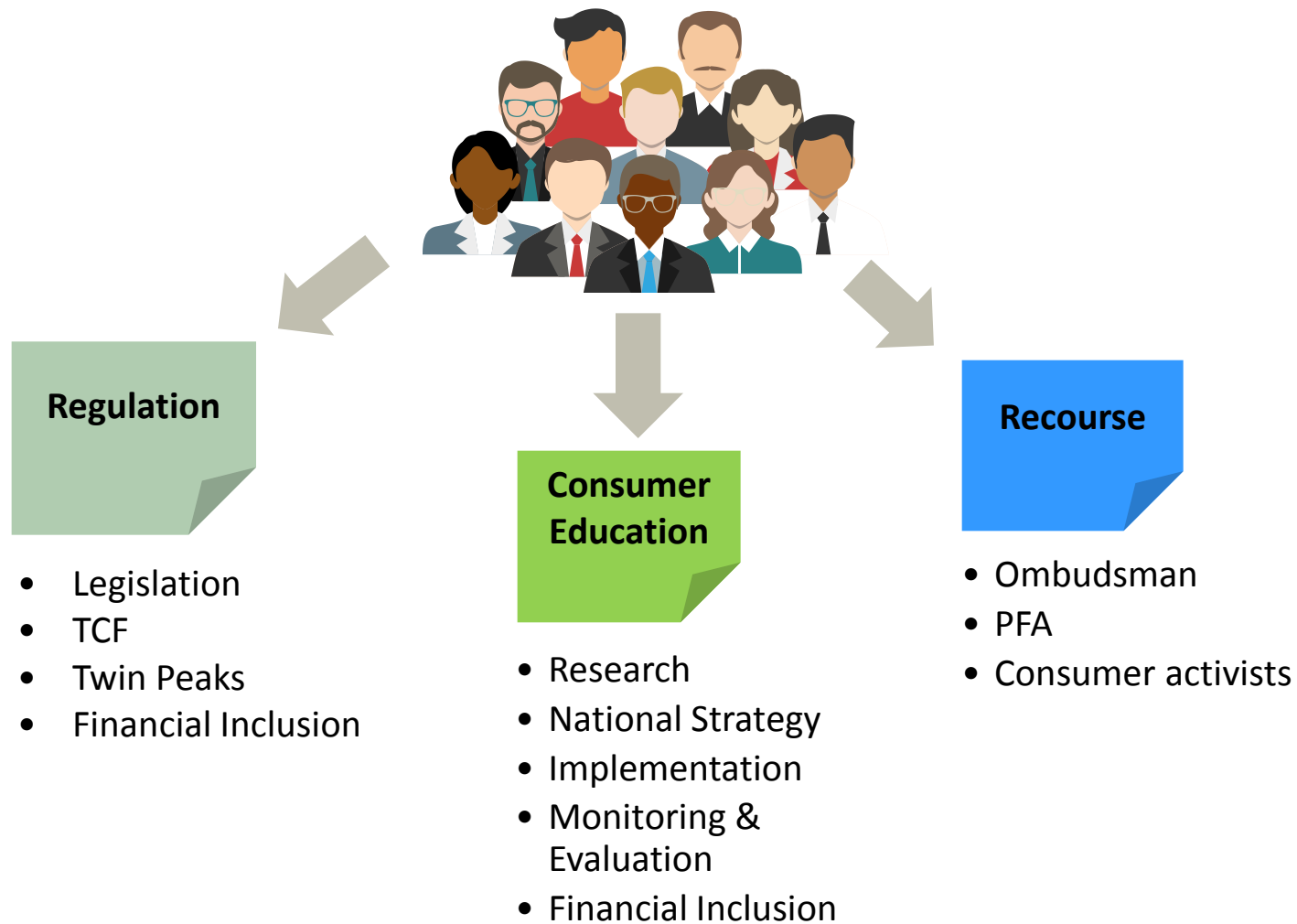


The FSB was established through **The Financial Services Board Act No. 97 of 1990**, to oversee primarily the non-banking financial services industry in South Africa in the public interest



“FSB’s mission is to promote fair treatment of consumers of financial services and products”

# Consumer protection



# FSB – Legislative Mandate for Consumer Education

- Mandated by the **FSB Act No. 97 of 1990**, as amended in 2000 Consumer protection

*“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”.*

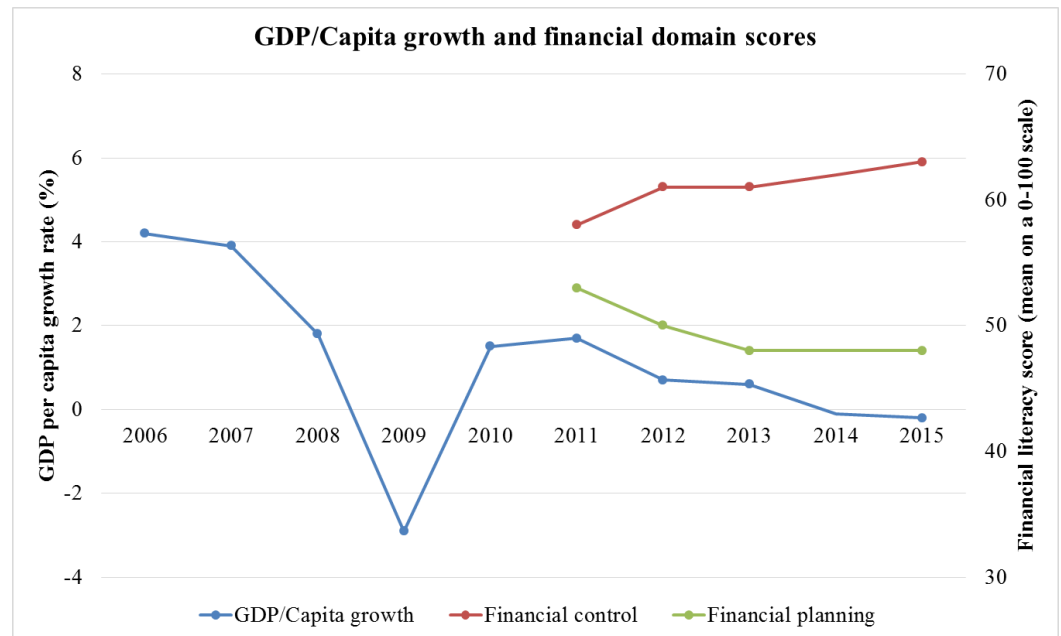


- **Financial Services Laws General Amendments Act, 2013**

*“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”.*

# Why consumer financial education?

- More complex financial products
  - Lack of transparency (hidden costs, etc.)
  - Low levels of understanding of financial
  - Terminology
- Financial crisis
- High levels of indebtedness
- Low savings levels



# Programmes

## *Community Education*

**Aim: To create and promote public awareness of financial products and services regulated by the FSB**

- Budgeting
- Saving
- Debt management
- Fraudulent schemes
- Rights & responsibilities
- Recourse

## *Formal Education & Youth*

**Aim: To promote the integration of financial consumer education into the formal education system**

- FSB regulatory areas:
  - Insurance
  - Retirement
  - Investments
  - Financial advisory & intermediary services

# Projects

## National Empowerment fund



## GDE Speech Competition

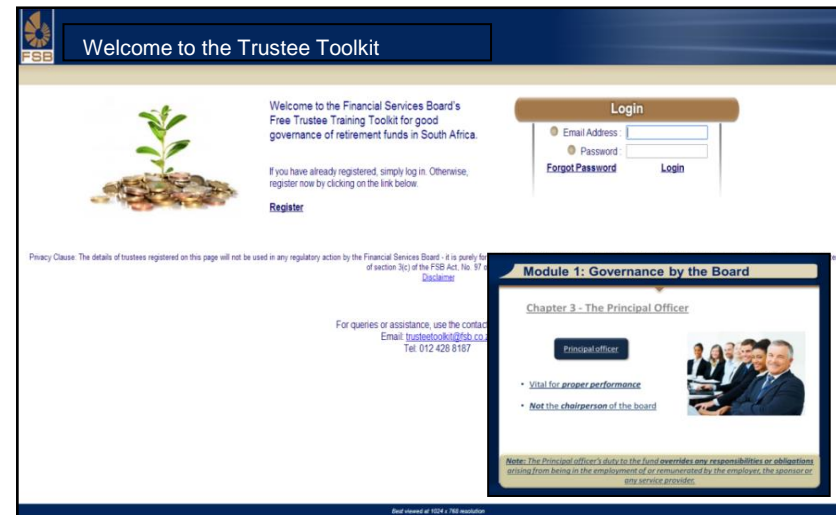


## Save Now Campaign

## SAICA



# Online, edu- and info-tainment



14 Years of Consumer Financial Education in South Africa



# FSB – EPWP CFE Project



*14 Years of Consumer Financial Education in South Africa*



# Partnership



## Purpose of the partnership

- Create awareness on financial management and retirement planning amongst the beneficiaries of EPWP projects in Gauteng, North West, Limpopo and Mpumalanga as a pilot
- Enhance financial wellbeing of the EPWP beneficiaries

# The Roles & Responsibilities



## FSB

- Source & secure funding
- Appoint service provider through a tender process (PFMA)
- Ensure implementation
- Internal & external M & E
- Draft reports

## DPW-EPWP

- Assist in sourcing appropriate venues
- Ensure that beneficiaries attend the workshops
- Organise transport to the workshop venue (where needed)
- Assist with registration of beneficiaries
- Attend workshops

# Objectives of the project

- Improve the financial skills of the beneficiaries
- Create awareness around retirement planning
- Produce well informed beneficiaries



# Themes/ Topics for the workshops

- Financial management
- Planning for retirement
  - Benefits and benefit statements
  - Other savings or investment opportunities
- Financial advisory and intermediary services
- Consumer rights and responsibilities when buying financial products and services
- Recourse mechanisms



14 Years of Consumer Financial Education in South Africa

# Methodology



- Conduct 200 workshops to the same 5000 beneficiaries
- The first 100 workshop focuses on basic financial literacy
- The second 100 workshop focusses on knowledge retention and possible behaviour change



# Statistics for first 100 workshops

Province	No. of workshops	Participants Expected	Participants attended	Percentage
Limpopo	30	1498	1481	99%
Mpumalanga	32	1396	1284	92%
Gauteng	21	1186	1170	99%
North West	17	994	1008	101%
Total	100	5074	4943	97%

# Money MANAGEMENT preliminary results

Score	Do you feel in control of finances?	Do you know how much you spend every month?	Are you able to pay your monthly expenses without borrowing money	Do you set long-term financial goals?
Yes	48%	54%	62%	56%
Sometimes	35%	19%	17%	9%
No	16%	27%	21%	35%

# Way forward

- Complete 2<sup>nd</sup> set of workshops - December 2016
- Source funding for project to be conducting in 5 provinces
- Targeting 7500 beneficiaries
- Same workshop methodology
- Implement recommendations from M & E report
- Closer collaboration with EPWP staff
- Project implementation in 2017



A black and white photograph of Nelson Mandela. He is standing, looking out of a window with vertical bars. He is wearing a light-colored, long-sleeved shirt. The text is overlaid on the image.

No country can really develop unless  
*financially*  
its citizens are educated.

^ Nelson Rolihlahla Mandela

# Thank you for your attention



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