

# Strengthening financial education and saving culture among the youth

**BY NASHON KENNEDY**

FINANCIAL education and skills are crucial elements for consumers to effectively participate in today's social and economic life.

For those who are unfamiliar with financial education it is the ability to understand how money works in the society, its importance, and how one can earn money, to take care of it and its proper use.

Every person should be fully aware of financial education, how s/he can spend money on obtaining basic needs including the implementation of his or her projects.

In order to understand clearly about money and how it works, s/he must first understand its basic principles such as financial goals, budgets, investments, pension benefits, and contract and employment system.

But primary and secondary school students need much more financial education for their better future, whereby they should know how to save, including opening bank accounts.

DSIK-Tanzania recently brought together government officials, academicians, students, religious leaders, political party leaders to the public debate on the importance of financial education to school children.

The debate was part of the commemoration of the World Savings Week that was held in Ilemela municipality that went with the slogan 'Be Smart, Save' and was officiated by Mwanza Regional Commissioner (RC) Engineer Robert Gabriel.

The debate went by a theme 'What is the community's contribution to strengthening financial education and



**THE DSIK Tanzania Country's Director Mr Stephen Safe during the climax day at Furahisha grounds in Ilemela municipality, Mwanza region.**

a culture of saving for children and Youths' was hosted by the Chairman of the Debate the Vice Chancellor of the St Augustine University of Tanzania Professor Costa Mahalu who says financial education to school children is the key for their better future.

"Financial education is very important to school children for primary and secondary schools because it has many benefits for them, the society and the nation as a whole," he says.

RC says the lack of both financial education and inclusiveness contributes significantly to the community's limited understanding of interpreting the importance of financial education and thus failure to make sound financial decisions.

Eng Gabriel says various studies which were conducted in the community and financial literacy have shown that many communities do not

have adequate education on financial related issues.

He says financial literacy is one of the most important pillars in the society, claiming that it enables people to gain an understanding of how one can earn legitimate money, how to plan, manage the best management of money and live a happy life.

He says the 2019/20 Bank of Tanzania (BoT) report showed that through the inclusive education system for the years 2018-2022, the nation has set its own goals of ensuring that Tanzanians who use financial services increase from 65 per cent (2017) to 75 per cent in 2022.

He says DSIK Tanzania saw the need to provide financial and inclusive financial education to school children so as to align with the UN sustainable development goals and Tanzania's financial and inclusive education.

"Financial education provided by DSIK Tanzania will



**ILEMELA District Commissioner, Mr Elias Massala addresses the children during the climax of the commemoration of World Savings Week that was held last year in Ilemela municipality. (Photos by Nashon Kennedy)**

contribute to Tanzania's development plan for 2025," he says, adding that given the situation, DSIK has also seen the need for communities to start involving children and youth financial education issues so that they can later become better users of money for the well-being of their lives.

He says the lack of money was a major problem, with the allegation that the government has witnessed many people in the community not knowing how to prepare to take out the right loans according to their ability and find themselves in debts that they are unable to repay back.

The DSIK Tanzania Country's Director, Mr Stephen Safe says on 30th Oc-

tober, 1924 in Milano, Italy, Savings Banks and their institutions decided to set up a World Savings awareness day to raise awareness of the importance of savings for the global and individual economy.

He says in the mobilization, teachers, religious leaders, students, cultural activists, sports, women's organizations and journalists were involved to raise awareness of financial education.

He says in Tanzania, DSIK provided financial education to students in primary and secondary schools in Karagwe district, on average 3,500 students were taught financial education since 2019.

He says in 2019, the project was expanded to the

Mwanza region in collaboration with their partners Tanzania Association of Micro-finance Institutions (TAMFI) and Akiba Commercial Bank.

"The world Savings week which is celebrated every year in October it is a big event for students, teachers, parents and community members," he says adding that in the execution of their duties youths met various challenges including of not knowing financial education and many families they do not have and own budget, instead, the heard of the family is the one who own the family budget.

He says financial education which is provided in the country, students in schools have become aware of financial issues including how best

they can save money for their better future.

"Today we are happy to say that our children have proved to us the real meaning of financial education, they have become more aware of savings and the procedure of opening a bank account," he says

In addition to providing financial education, Mr Safe says they face a lot of challenges, including the execution of their duties, the lack of financial education to the younger generation, many families do not have a financial budget and schools or colleges don't teach financial education.

The Lecturer, Researcher and Consultant in Rural Development from Moshi-Co-

operative University (MoCU) Mwanza Campus, Dr Paulin Paul says many communities have now developed a culture of not saving their money due to unethical lifestyle, financial mismanagement and short-term development plans.

"Most people fail to differentiate mandatory and essential spending against unnecessary spending, which is important but not necessary," he says.

The Ilemela District Commissioner, Mr Elias Massala praised the organization for providing financial education to school children which will help them know financial related issues for their better future.

He praised DSIK-Tanzania for being a major partner in providing financial education to many parts of the world including Tanzania.

The DSIK Project Manager, Mr Oliver Schuster says he was impressed to see how students have become aware of financial education and finance in Tanzania within a very short time.

He says financial education is the foundation that enables young teenagers who are at schools to have a vision of having a culture of saving money so that they can be self-sufficient and have a good life.

"I commend the government of Tanzania, other stakeholders for seeing the importance of our organization in providing financial education to school children," he says.

The DSIK- East Africa Regional Coordinator Mr Thomas Konitzer says he was pleased with the way in which financial education was provided to school children in Tanzania.