

**Summary of Presentation by Roy Thomasson, CEO, OAS Young Americas Business Trust
International Conference on Financial Education - May 8, 2008, 2:30 pm
Panel VII: Youth Financial Literacy: Development, Delivery, and Execution of Programs**

Financial education – including broader aspects of economic education – is a fundamental survival skill for young people of the 21st Century. Rapid globalization with its inter-dependent trade, worldwide emphasis on entrepreneurship, and increasing pressures for national competitiveness, make these skills essential to surviving and thriving in this changed environment.

For the almost 70% of the population of the Americas under age 35, understanding to manage their resources, how economies work, how to be entrepreneurial, will largely determine whether their future offers possibilities for overcoming the traditional challenges of poverty and unemployment. Governments and the private sector both recognize that increasing the relevance of education to work and to skills in demand in the marketplace is necessary for broad based economic and social development.

The Young Americas Business Trust is a private sector initiative that works to support the work of the General Secretariat of the Organization of American States, particularly in the creation of employment opportunities for young people through entrepreneurship. Over the past ten years, we have learned that business skills training and access to resources is not sufficient to prepare young people to the challenges of starting and managing a business. Also needed are the entrepreneurial spirit that comes from personal development as well as leadership, business social responsibility, financial education, and technology.

Our program emphasize engaging young people in experiential learning to reinforce academic lessons, provide opportunities to apply lessons learned in the community and market place, and to enable them to readily see the application of principles. These are not exactly new ideas, but what we have found is entrepreneurship is more of a process than a project. An integrated program offers additional benefits of follow-up, links to on-going related training, and ways to continue to maintain the young person's interest in learning.

YABT's entry into financial education began with the realization that the current push to expand microcredit, though very much needed, could lead to an emphasis on borrowing rather than saving or managing money. For entrepreneurs, as it is with individuals and families, this can create a distorted approach and perspective that would be detrimental to their long-term business survival and success.

With pilot funding provided by the Permanent Mission of Canada to the OAS, YABT developed and pilot tested a basic introductory curriculum in the English-speaking Caribbean. This training has been integrated into our experience-based Business Labs training that provides an introductory entrepreneurial experience to young people in business startup. It is now part of a wider curriculum that includes business social responsibility, financial education, personal and leadership skills, and follow-up resource centers.

We have also learned that it is not sufficient to simply translate materials from one language and culture to another, based on the obvious fact that young people in different countries live in different realities. For example, credit cards and internet banking may be appropriate for some, it may not be for others and it would be a mistake to broadly apply materials and content without recognizing this. And technology needs to be a key component to attract the interest of young people. However, technology alone is not enough and a blended approach that combines technology with human contact works best to maintain their motivation over time.

At the same time, the focus should not be entirely on school materials and curricula as this misses the large numbers of out of school young people and those who may not be "youth" since they are in their thirties. Quite simply, financial education should not be limited to young people but part of life-long learning. The recent financial mortgage debacles in the US demonstrate there is still very much a need for this among the adult population, too. This needs to be a crosscutting issue that is integrated into education and workforce training at all levels.

Finally, there has been substantial recognition of the benefits of financial education by the banking community, particularly larger institutions – since in large part this directly affects their customers, or in the case of young persons, their potential customers. Greater engagement among smaller banks, credit and microcredit programs, business education programs, and employers is necessary to realize the potential for positive impact that financial education offers. In the end, everyone benefits from financial education.