

Promoting Innovations and Transformation in Financial Capability

OECD-Spain Conference on Financial Education
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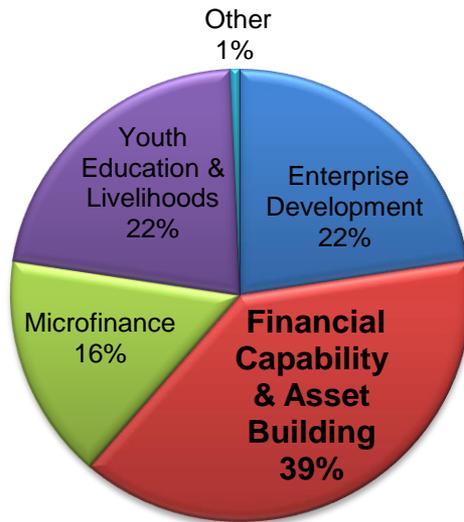
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Citi Foundation



The Citi Foundation supports the economic empowerment and financial inclusion of low-income individuals and families, globally

2011 Total International Giving by Focus Area



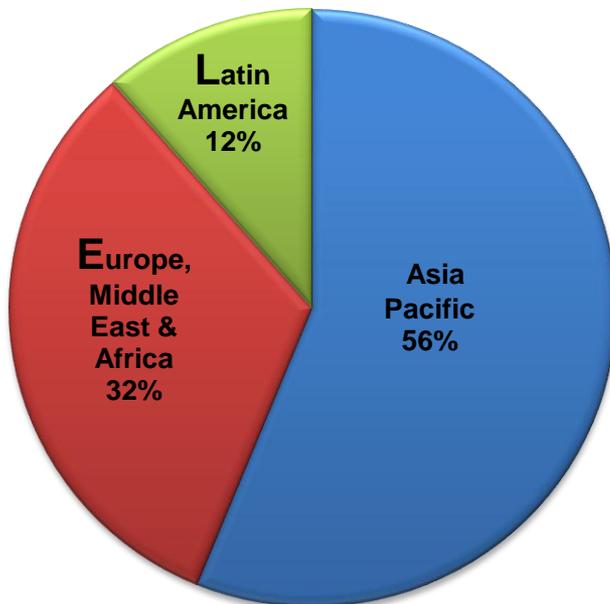
The Results We Seek

- **Financial Capability and Asset Building** – Increases in the number of low- to moderate-income adults and/or youth who adopt positive financial behaviours and accumulate and preserve financial assets
- **Microfinance** – Increases in the supply of financial products that improve and accelerate the financial inclusion of low- to moderate-income individuals
- **Enterprise Development** – Increases in the number of micro or small enterprises that provide new income generation and/or employment opportunities for low- to moderate-income individuals
- **Youth Education and Livelihoods** – Increases in the number of low-income youth, ages 13–25, completing secondary school, so they can become employed in a living wage job, start their own income-generating business or obtain postsecondary education

Our “More than Philanthropy” approach maximizes grant investments and leverages the expertise of Citi and its employees so we can fulfill this mission and drive thought-leadership and innovation.

The Foundation has invested in Financial Education over the course of a decade

Financial Capability & Asset Building
2011 by Region



2004: Launched a 10-year, \$200MM (USD) commitment to financial education

- Classroom-based education, training of trainers, youth
- NGO partners served millions of low-income people, yet little to no data on tracking behavior change or impact

2009: Evaluation and refreshed strategy

- Subject-matter expert and stakeholder interviews
- Commissioned white paper on state of the industry
- Analysis of Foundation giving and impact led to

2010: Fulfilled \$200MM commitment ahead of schedule

- Launched new focus on *innovation* and *thought-leadership*
- Increased support for programs that build **Financial Capability** of low-income people through savings, reducing debt, etc.

Achieving Financial Inclusion through Building Financial Capability and Assets

New Aim: *Increase the number of low- to moderate-income adults and/or youth who adopt positive financial behaviors and accumulate and preserve financial assets.*

- **Support Research to Expand Knowledge & Practice**

- Identify what works and what does not
- Lessons learned to inform best practices in financial education programs

Example: **CSR Europe** – financial capability assessment as well as financial information and advise systems available for youth and those approaching retirement

Toynbee Hall and Britain's National Centre for Social Research – a Financial Well-Being Measurement Tool for use by UK social service organisations.

- **Innovation through Product-Linked Financial Education**

- Microfinance Product Development (i.e. design and effective distribution channels)
- Model the Business Case

Example: **Opportunity International** – microfinance institutions test delivery of microcredit & financial education in five countries in Africa.

- **Getting to Scale**

- National financial education strategies, including Czech Republic, India, Poland, Brazil, Turkey
- Television, Radio, Technology (mobile messages), and Social Media (e.g. Facebook)

Example: **Kronenberg Foundation & Think Foundation** – national, yearlong campaign to promote increased household savings in Poland.

Citi Foundation



Financial Capability & Inclusion Programs in Spain

- **Tomillo Foundation** – *The Adventures of Agent Penny*
1.000 young people from 11 schools in Madrid participate, learning about savings and budgeting. Since 1997 we have attained **9.500** kids between 10 and 11 years from more than **90 schools**



- **ONCE Foundation** – *Finance course for Non-Financiers*
Created and adapted the financial education and coaching program for people with disabilities to help them earn, manage, and save their available resources



Some 100 people with intellectual disabilities who were looking for work participated in the program

- **Exit Foundation** – Developed a handbook “Economy and an Introduction to Banking Services”. Citi volunteers give a course to the young at risk of exclusion. To date, the program is benefiting 600 youth since 2006



Summary

1. **Financial capability and Asset Building** is a central pillar of financial inclusion and economic empowerment
2. **Financial education** is a cornerstone for strengthening one's capability to manage their finances and grow assets
3. **Financial education** helps people take control of their finances and make informed decision about the use of financial products and services

In order to achieve the above three, financial services industry, central banks, regulators and NGO's need to work together