

EXPLORING THE SOCIAL AND ECONOMIC EMPOWERMENT OF CHILDREN AND YOUTH

SIX EVIDENCE BASED STRATEGIES





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EXECUTIVE SUMMARY

When a young person is socially and economically empowered they have the skills to determine their own future and can address the multitude of health, education, employment, and societal challenges that face them. Youth often report optimism about the future but the overall picture is concerning. The financial literacy of 15 year olds in the wealthiest countries stands at only 56%. Meanwhile, globally just over half (54%) of 15-24 year olds have a bank account, leaving many financially excluded as they begin the transition into adulthood.

Young people have to navigate through an ever changing world. One in three children living in least developed countries are involved in the worst forms of child labour and 145 million young people are still living in poverty. Each year 82,000 15-19 year olds die from violence and 260,000 are infected with HIV. 58 million children remain out of primary school, with an additional 61 million out of lower secondary and 138 million out of upper secondary school. Many current issues, like these, are social and economic in cause, and their multi-layered solutions can be strengthened by expanding their remit to focus on social and economic empowerment.

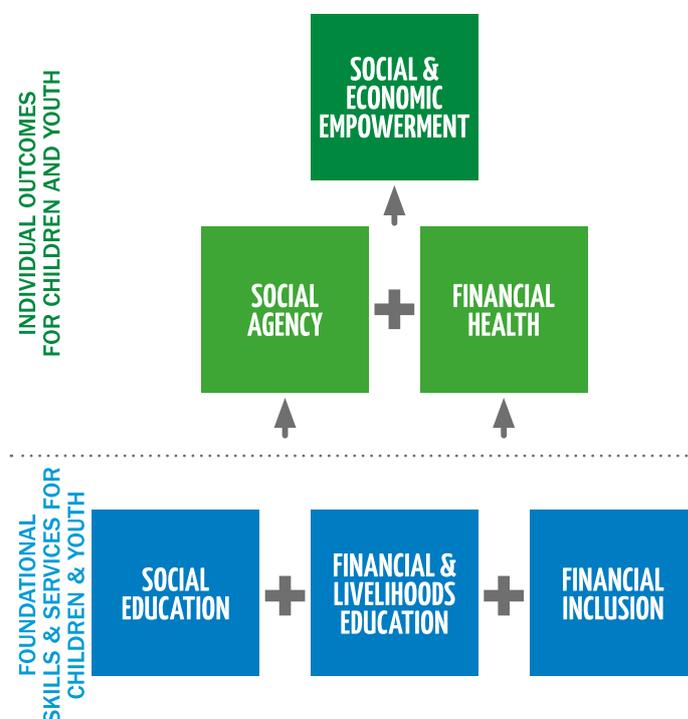
When young people are socially and economically empowered they will be more likely to complete their education, reduce health risks, avoid exploitation and secure a sustainable livelihood.

The empowerment children and youth receive through greater social agency and financial health can augment the impact of global development efforts. This is important for those working to advance the well-being of young people, including national governments, non-profits, private sector entities and international organisations. A complementary relationship exists between social and economic empowerment and other important development issues affecting children and youth, such as quality education, sexual and reproductive health and rights, violence reduction and peaceful societies, sustainable livelihoods and displacement.

Studies have shown the positive impact that a combination of social, financial and livelihoods education, along with access to appropriate financial services can have on young people. Girls and young women take leadership opportunities, young people become active citizens, children stay in education or training, and young people's sexual and reproductive health and rights are strengthened. The key factors are the individual's confidence, their capabilities to manage their economic circumstances, and their access to the right kind of financial and educational services.

This report is about helping young people take control, to self-determine, and to achieve their goals. A pathway to social and economic empowerment is presented below. The application of social, financial and livelihoods capabilities, when combined with access to appropriate financial services, provide the foundational skills which contribute to a young person's social agency and financial health. When young people fully develop these two elements, they enhance their social and economic empowerment.

Pathway to Social and Economic Empowerment of Children and Youth



When a young person has the foundational skills and services their empowerment is enhanced ultimately allowing them to have greater influence over the social, financial and livelihood decisions that immediately affect them. To take hold of economic opportunities and navigate the complexities of modern society, children acquire social, financial and livelihood competencies as they mature into adulthood, including essential skills, positive attitudes and responsible behaviours.

To enhance children's social agency and financial health resulting in greater empowerment **six evidence-based strategies** are examined. These translate into specific recommendations for national policy makers, private sector entities, educators, international agencies and civil society/NGOs. The success of these solutions requires that children and youth are involved in all stages of their design, implementation and evaluation.

1 INTEGRATE A SOCIAL AND ECONOMIC DIMENSION TO DEVELOPMENT AND HUMANITARIAN PROGRAMMES: For programmes that traditionally focus on health, nutrition, education, or child protection, the introduction of a social and economic empowerment dimension can serve as a pathway to achieving their development goals.

2 ENHANCE NATIONAL POLICY ENABLERS TO SOCIALLY AND ECONOMICALLY EMPOWER YOUNG PEOPLE: When a policy environment is conducive to accessing quality social, financial and livelihoods education and services, young people's empowerment is enhanced.

3 EMBED SOCIAL AND ECONOMIC CONTENT IN CURRICULA AND TEACHER EDUCATION:

Integrating social, financial and livelihood education into national curricula, and ensuring educators have the required knowledge and skills to teach the topic, helps children and youth develop foundational skills and responsible behaviours.

4 ENCOURAGE SOCIALLY AND ECONOMICALLY RESPONSIBLE BEHAVIOURS THROUGH CAMPAIGNS:

Campaigns can utilise a creative mix of educational messaging and fun activities to capture the hearts and imaginations of children and youth, allowing them to become socially and economically empowered citizens.

5 EXPAND ACCESS TO CHILD AND YOUTH FRIENDLY FINANCIAL SERVICES:

Children and youth require access to safe, fair and age appropriate financial services, which can come through formal and non-formal service providers.

6 DESIGN TAILORED SOCIAL AND ECONOMIC EMPOWERMENT INTERVENTIONS FOR MARGINALISED YOUNG PEOPLE:

Programme content should be adapted and efforts should harness new partnerships, new technologies and new pathways to empower all members of society in ways that are most meaningful and relevant to their needs.



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INTRODUCTION

Children and youth today are more educated, more digitally connected, have a greater understanding of their rights¹, and have more concern for people and planet than ever. At the same time, inequality, unemployment, violence and barriers to political, social and economic systems threaten their burgeoning potential. In many parts of the world they are at risk of being forced into child labour, exploitation, early marriage and childbirth, and face negative health outcomes including contracting HIV/AIDS. These threats affect their future plans, seriously diminishing their career opportunities and perpetuate the intergenerational cycle of inequality and poverty. There is increasing recognition that social and economic factors are critical components of each young person's journey to determining their own future.

this report outlines how child and youth development can be enhanced through greater attention to their social and economic situation. It shows how this breaks down barriers and empowers young people in many aspects of life. Economic limitations are frequently referenced as a barrier to a child or youth's social mobility. To this end, a set of specific actions are proposed which are both a pathway to greater child social and economic empowerment and a set of enablers to help address the economic barriers in health, education, social protection and numerous other sectors' programmes.

The intended audience of this report are people and organisations engaged in children's well-being including national governments, non-profits, private sector entities and international organisations.

1 [Lisney, J. & Krylova, P. \(2018\)](#), *Youth Progress Index 2017: Measuring Young People's Social Progress*. Globally, European Youth Forum, Brussels.

Increasing understanding of how to improve social and economic capability in children and young people and increasing major decision-maker's awareness of social and economic actions that can be taken are the aims.

In short, this report is about helping young people take control, to self-determine, and to achieve their goals.

The objectives of this document are to:

- › Call attention to the importance of social and economic empowerment of children and youth
- › Provide an overview of the current state of children's and young people's empowerment
- › Present a set of strategies which can improve the social and economic empowerment of children and youth
- › Set forth recommendations for policy makers, private sector entities, educators and international organisations.

Why now? With the Sustainable Development Goals a third of the way through there is now evidence to see how they are progressing making this a suitable moment to consider alternative means to accelerate achievement toward these goals. This report provides a platform for this by developing a consensus on the policy changes and increased resources required to give children and youth the tools to determine their own path.



DEFINING A CHILD, YOUTH AND A YOUNG PERSON

In accordance with the UN Convention on the Rights of the Child (UNCRC) a child is an individual under the age of 18. Youth are persons between the ages of 15 and 24, as defined by the United Nations². This document also uses the term young people to describe children and youth.

2 [United Nations \(2018a\)](#), *Youth 2030: The United Nations Youth Strategy*

SOCIAL AND ECONOMIC EMPOWERMENT OF CHILDREN AND YOUTH FOR DEVELOPMENT

Integrating social and economic improvement across sectors can help address some of the most pressing development issues affecting children and youth.

EDUCATION

Access to quality and relevant education remains one of the major development challenges. While more children than ever before go to school, the reality is that many do not complete their education. For those children and youth who have been fortunate enough to complete their education, many find a mismatch between what they have learned and the skills they require to find employment. The majority of young people in low income countries are also financially illiterate. They do not understand the basics of money, and therefore, are ill-equipped to make decisions related to financial management.

Including social and economic components in education makes learning more relevant to the needs of this generation.

Including social and economic components in education makes learning more relevant to the needs of this generation. It also demonstrates their capacity to sustain livelihoods and become changemakers in their community. For example, Aflatoun's social and financial education programme for 14-18 year olds, *Aflateen*, has reached over two million people in 75 countries. Participants have more positive attitudes towards school and develop practical skills and responsible behaviours that help them overcome challenges, capitalise on economic opportunities and prepare for their future³.

SEXUAL AND REPRODUCTIVE HEALTH AND RIGHTS (SRHR)

There is evidence that programmes aimed at improving the health of children and youth have a greater impact when combined with the acquisition of social and economic skills. BRAC's *Empowerment and Livelihoods for Adolescents* programme supported 11-21 year old girls in Uganda by creating safe spaces and providing training to help them



better manage their finances and begin saving for their future. The young women who were provided with social and financial skills in combination with regular health interventions had much better outcomes than their peers who only received the health intervention. Teen pregnancy fell by 26%, and early entry into marriage fell by 58% compared to the SRSH only group. The share of girls reporting sex against their will dropped by 50% and the ages at which girls aspired to get married moved forward⁴.

VIOLENCE REDUCTION AND PEACEFUL SOCIETIES

A high risk of violence is a daily reality for young people across the world, yet children and youth also play a central role in the construction of secure and peaceful societies. Economic and social factors contribute to both the causes and solution to this issue. When young people have social and economic skills, their ability to deal with the risks is increased. In Honduras, USAID's *Empleando Futuros* programme targets 7,500 at-risk youth that live in cities and neighborhoods that are dominated by organised crime. It provides job training and placement through a comprehensive and inclusive multi-pronged approach. Working with at-risk youth, the project offers soft skills development and mentoring, along with market-oriented vocational training and targeted job insertion developed through private sector alliance, lowering regional violence⁵.

3 Aflatoun International (2017), Effectiveness and Sustainability of Social & Financial Education for Youth.

4 Bandiera, O., Beuhren, N., Burgess, R., Goldstein, M., Gulesci, S., Rasul, I. & Munshi, S. (2018), *Women's Empowerment in Action: Evidence from a Randomized Control Trial in Africa*. CEPR Discussion Paper

5 YouthPower (2019), *Workforce Development: Creating Employment Opportunities for At-Risk Youth in Honduras*, USAID.



LIVELIHOODS

The livelihoods of children and youth improve when they receive social and financial education as they grow through adolescence. This makes young people aware of their rights and provides an understanding of healthy and decent enterprise. It also increases self-confidence of young people, giving them an opportunity to safely practice enterprise and job interviews, to save money and other resources, and participate in the community. CAMFED invested in a network of female entrepreneurs aged 16-25 in rural Zambia, providing them with social and financial training and financing to start businesses. Participants in turn facilitated financial education sessions in the community to reach additional youth beneficiaries. The majority of participants became successful entrepreneurs with reported benefits including higher household savings and spending on health/education, increased social agency and local philanthropy⁶.

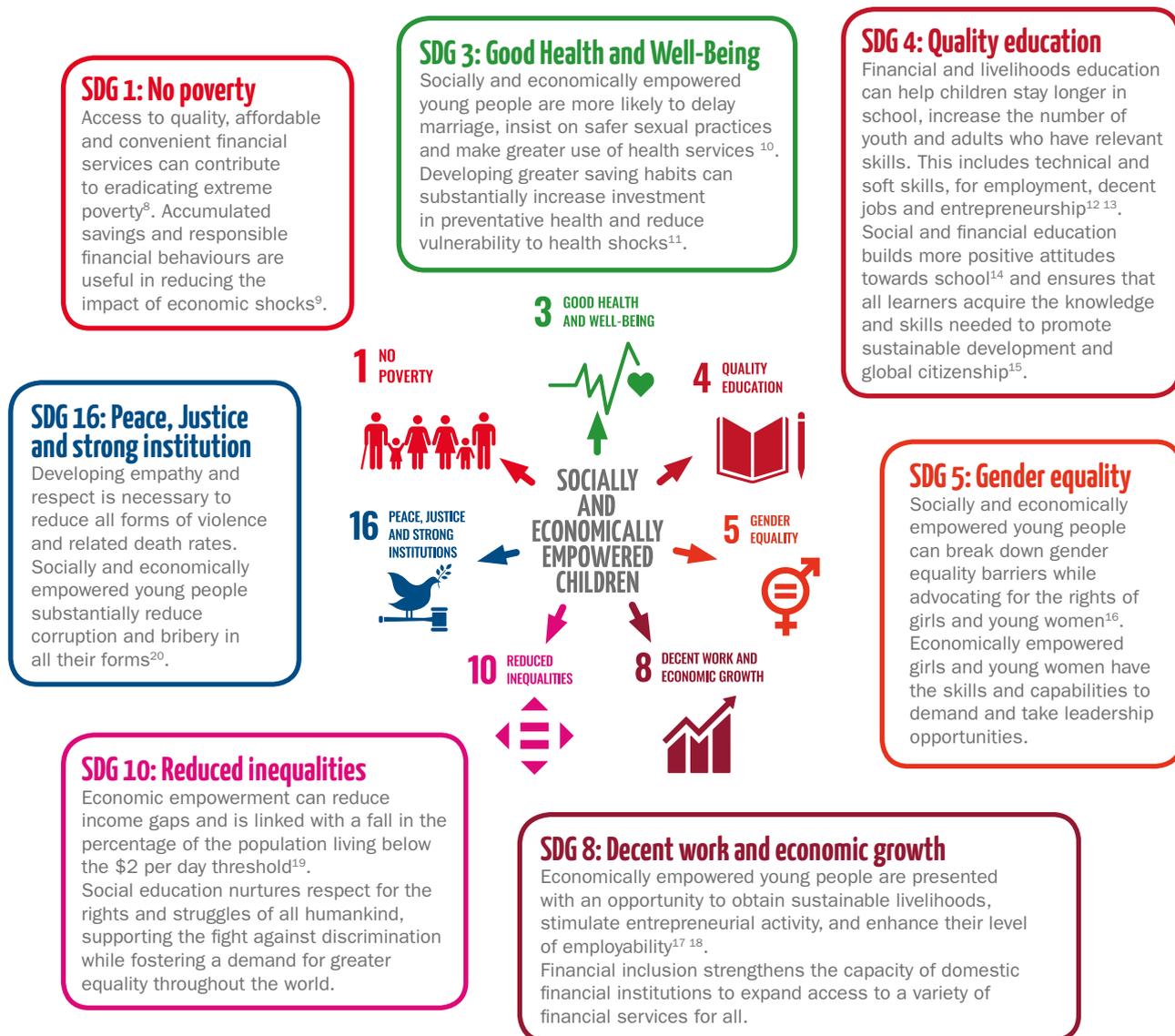
6 [GIA \(2016\)](#), *Global Inclusion Awards Report*.

DISPLACED CHILDREN AND YOUTH

In all contexts young people can experience migration into cities, across borders, to seek new opportunities or to flee persecution. The participation of refugee children and youth in host communities is considerably eased when they and the host communities are given the opportunity to develop a set of social and economic skills. These skills include a sense of tolerance, leadership, capacity for inclusion, and ability to use available resources and opportunities wisely. The *Education Programme for Syrian Refugees and Host Communities (BILSY)* targets Syrian refugee children and youth in Turkey, helping to foster trust, empowerment and a sense of community through social and financial skills. BILSY has reached over 160,000 Syrian and Turkish children and youth through local activities initiated, planned and implemented by youth volunteers. The programme developed a new set of young leaders who act as peacemakers and problem solvers in their communities, espousing greater tolerance, open-mindedness and mutual understanding.

SOCIAL AND ECONOMIC EMPOWERMENT AND THE SUSTAINABLE DEVELOPMENT GOALS (SDGS)

Focusing on the social and economic empowerment of children and youth advances the achievement of the SDGs⁷ as shown by the graphic below.



7 [United Nations \(2018b\)](#), *World Youth Report: Youth and the 2030 Agenda for Sustainable Development*, New York.

8 [Klapper, L., El-Zoghbi, M., & Hess, J. \(2016\)](#), *Achieving the Sustainable Development Goals. The role of financial inclusion CGAP and UNSGSA*, Washington.

9 [MasterCard Foundation \(2015\)](#), *Financial Services for Young People: Prospects and Challenges*.

10 [Bandiera, O. et al. \(2018\)](#)

11 [Dupas, P. & Robinson, J. \(2013\)](#), *Why Don't the Poor Save More? Evidence from Health Savings Experiments*, *American Economic Review*, 103(4), 1138-1171

12 [Florez, A., Jayaram, S. \(2016\)](#), *Bridging the Skills Gap*, FHI 360, R4D. Washington, D.C.

13 [OECD \(2015\)](#), *Skills for Social Progress: The Power of Social and Emotional Skills*, OECD Skills Studies, OECD Publishing, Paris.

14 [Aflatoon \(2019\)](#), *Evidence from 100 Social and Financial Education evaluations*, Publication Forthcoming.

15 [CYFI, \(2016a\)](#), *CYFI Landscape Series: Economic Citizenship Education for Children and Youth*.

16 [CYFI \(2016b\)](#), *Economic Citizenship and the Sustainable Development Goals*, Network Brief, Amsterdam.

17 [World Bank \(2014\)](#), *Global Financial Development Report 2014: Financial Inclusion*.

18 [Klapper, L., El-Zoghbi, M., & Hess, J. \(2016\)](#).

19 [UN DESA \(2016\)](#), *The Sustainable Development Goals Report 2016*.

20 [CYFI \(2016b\)](#).

WHY WE NEED TO SOCIALLY AND ECONOMICALLY EMPOWER CHILDREN AND YOUTH

THE CURRENT SITUATION

As societies become increasingly complex, new social and economic challenges require a new lens to understand child and youth development, one that includes policy and programmatic solutions with greater emphasis on social and financial capabilities. This is particularly relevant for young people living at the margins of the modern world.

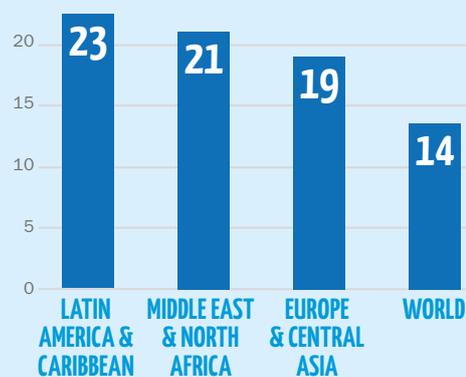
There are 1.9 billion children under 15 and 1.8 billion young people between the ages of 10 and 24 around the world, with developing countries making

up 87% of this global youth population^{21, 22}. The global population of young people has never been so high. While the global youth population is expected to level off at 1.3 billion by 2050, the population in least developed countries is projected to grow from 207 million in 2019 to 336 million in 2050²³.

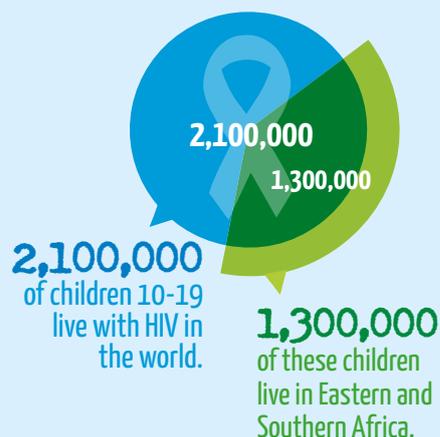
Children and youth are experiencing a world of rapid change and many contrasts, each of which affects their opportunities and vulnerability.



UNEMPLOYMENT RATE OF ADOLESCENTS (15-19)³³



Almost one in three children in least developed countries are engaged in **worst forms of child labour**³⁶



Extreme poverty has been reduced²⁴ and there has been a decrease in the mortality rate of children under five. This decrease is particularly striking in least developed countries²⁵ where in 1990 the mortality rate of children under five was more than two and a half times greater than in 2016.

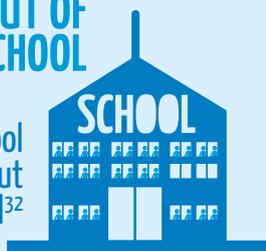
Children and youth are far more likely to be literate than ever before. Fifty years ago, almost one-quarter of youth between the ages of 15 and 24 could not read or write a simple sentence compared to 10% today. Youth literacy has been improving due in part to increasing primary school attendance rates²⁶. Technology has also had a crucial impact as young people in recent years have become highly connected by mobile phone and almost half of the world's youth population use the internet²⁷.

Yet, there are persistent barriers to the development of children and youth which limit their passage to adulthood. Globally, only 70% of children complete lower secondary school and these enrolment rates are highly unequal among regions. Many children are still engaged in the worst forms of child labour²⁸.

Young people are also particularly vulnerable to unemployment and are over-represented in the informal labour market²⁹. A significant number are not in education, employment or training and this particularly affects young women³⁰. Child marriage, domestic violence and new HIV infections among children and adolescents hinder their complete development, especially in a context in which only one out of two people in the world are covered by at least one social protection system³¹.

58 MILLION CHILDREN ARE OUT OF PRIMARY SCHOOL

Primary school aged children out of school³²



8% of male and 10% of female primary school aged children in the world are out of school³³



A LARGE NUMBER CHILDREN ARE OUT OF SECONDARY EDUCATION³⁵



71% of males and 69% of females complete lower secondary school

160,000 
new HIV infections among children under 5

260,000 
new HIV infections in adolescents 15-19³⁸

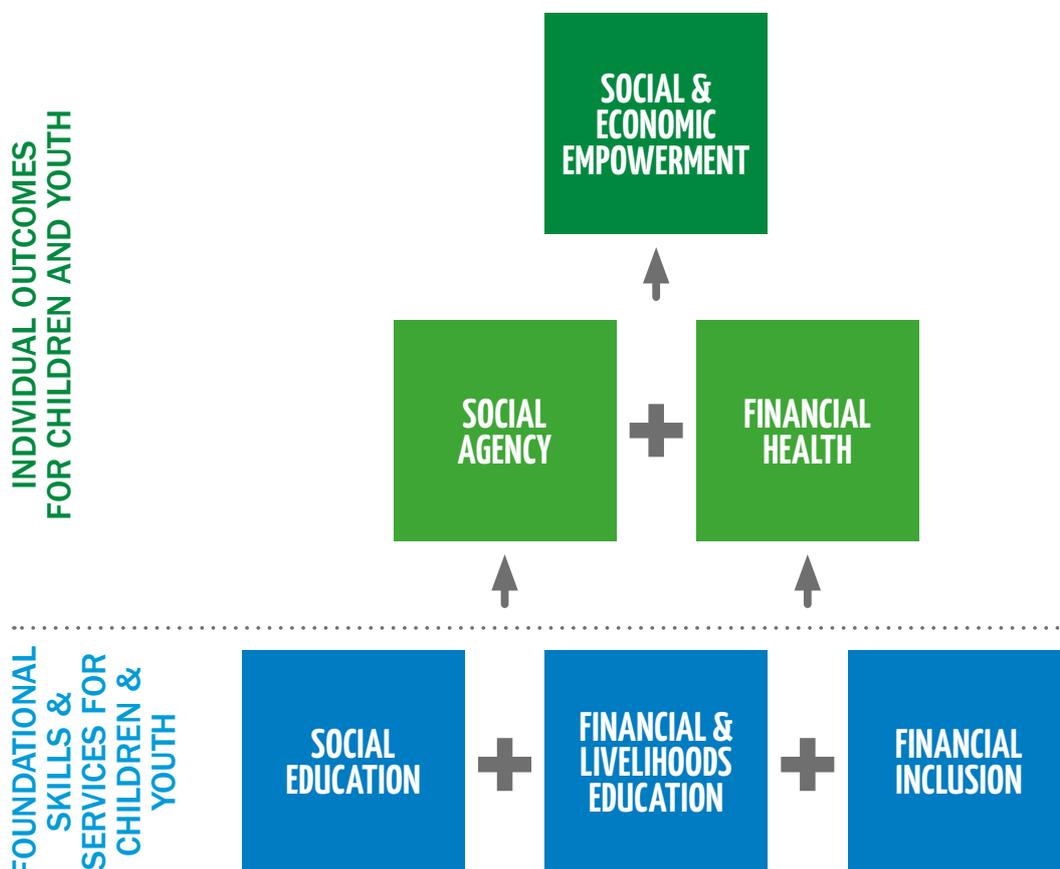
21. UNFPA (2014), *The State of World Population 2014: The power of 1.8 billion adolescents, youth and the transformation of the future*.
22. UNDESA (2016), *The Sustainable Development Goals Report 2016*.
23. UNDESA (2019), *World Population Prospects 2019 Highlights*, New York.
24. UNICEF & World Bank Group (2016), *Ending Extreme Poverty: a focus on children*, New York.
25. This refers to low-income countries confronting severe structural impediments to sustainable development. They are highly vulnerable to economic and environmental shocks and have low levels of human assets (UN, 2019).
26. UNESCO Institute for Statistics (2017), *Literacy Rates Continue to Rise from One Generation to the Next*, Fact Sheet No. 45, FS/2017/LIT/45.
27. UNICEF (2017), *The State of the World's Children 2017: Children in a Digital World*, New York.
28. UNICEF (2019), *The State of the World's Children 2019: Children, Food and Nutrition*, New York.
29. ILO (2014), *World of Work Report*.
30. United Nations (2018b).
31. UNDESA (2016).
32. UNICEF (2013), *UNICEF Annual Report*, New York.
33. UNICEF (2019).
34. World Bank (2018) *Poverty and Shared Prosperity 2018: Piecing Together the Poverty Puzzle*, Washington, DC, License: Creative Commons Attribution CC BY 3.0 IGO.
35. UNICEF (2019).
36. UNICEF (2019).
37. UNICEF (2019).
38. UNICEF (2017).

A PATHWAY TO EMPOWERMENT FOR CHILDREN AND YOUTH

The application of social, financial and livelihoods capabilities, when combined with access to appropriate financial services, provide the foundational skills which contribute to a young person's social agency and financial health. When young people fully develop these two elements, they enhance their social and economic empowerment. They will be more likely to complete their education, reduce health risks, avoid exploitation and secure sustainable livelihoods.

The pathway described below should be viewed as an equation leading to a level of social and economic empowerment. If a child has low social well being, poor financial and livelihoods capability, and poor financial access they'll consequently have low levels of social agency and financial health, which in turn equate to low social and economic empowerment. In contrast, when the foundational skills & services of a child are good, they'll equate to greater individual outcomes.

Pathway to Social and Economic Empowerment of Children and Youth



The impacts of social and financial education programmes have been enhanced through complementary elements, such as learning while doing (saving, enterprise) and the development of soft skills^{39 40 41 42}.

39 O'Prey, L. and Shephard, D. (2014) *Financial Education for Children and Youth: Systematic Review and Meta-Analysis*, Aflatoun Working Paper 2014.1C.

40 Aflatoun (2019) *Evidence from 100 Social and Financial Education evaluations*, Publication Forthcoming.

41 Jamison, J., Karlan, D., & Zinman, J. (2014), *Financial Education and Access to Savings Accounts: Complements or Substitutes? Evidence from Ugandan Youth Clubs*. NBER, Working Paper No. w20135.

42 Corporation for Enterprise Development (CFED) (2014), *Financial Education & Account Access Among Elementary Students*, USA.

INDIVIDUAL OUTCOMES FOR CHILDREN AND YOUTH

SOCIAL AND ECONOMIC EMPOWERMENT⁴³ is the combined effect of social agency and financial health. A young person with high empowerment has a profound sense of belonging and identity within a community. This means they can influence the social, financial, and livelihoods decisions that immediately affect them and those around them.^{44 45}

SOCIAL AGENCY⁴⁶ is the meaningful engagement within one's community and with relevant political and economic entities⁴⁷. By developing leadership skills and actively participating in political procedures and social activism, young people contribute to the change they want to see in the world around them. Good social agency requires that children and youth understand their rights and claim them.

FINANCIAL HEALTH⁴⁸ is a measure of one's financial well-being through the financial knowledge and skills they have acquired, the services they have access to, and the personal financial behaviours they have developed⁴⁹. Good financial health means that they have sufficient knowledge and capabilities to make appropriate and informed financial decisions from a variety of options. They are able to secure and sustain a meaningful livelihood in order to provide for their own needs and those of their dependants.

FOUNDATIONAL SKILLS AND SERVICES FOR CHILDREN AND YOUTH

Children and youth will develop social agency and financial health if they learn foundational skills and access financial services.

SOCIAL EDUCATION⁵⁰ covers an individual's learning through family, community, and school in pursuit of knowledge and skills that encourage deeper personal exploration and an understanding and awareness of rights and responsibilities towards self and others. Social education also incorporates important elements of gender equality, environmental stewardship, conflict resolution, positive lifestyles and child protection⁵¹. Social education equips young people with the practical life skills needed to think critically and compassionately about the world around them.

FINANCIAL AND LIVELIHOODS EDUCATION^{52 53} covers an individual's learning through family, community and schooling in pursuit of knowledge and skills about money, personal resources, and work. Children and youth are encouraged to save, budget and develop responsible financial behaviour. Financial education also incorporates important elements of financial decision-making, risks and rewards, smart consumerism, financial markets and investment⁵⁴. The livelihoods side includes career mapping and the development of employment and entrepreneurial attitudes and the future skills needed for a changing labour market.

Evidence suggests that financial education programmes, complemented with a life skills component, have a greater effect on the financial behaviour, health and empowerment of girls^{55 56}.

43 Reduced income and asset poverty; Increase in economic opportunities; sustainable livelihoods; enhanced abilities and greater self efficacy; self confidence and optimistic future outlook.

44 Social empowerment emphasises the importance of a global understanding of citizenship that connects communities, and upholds universal values, while respecting diversity, pluralism, and a common humanity.

45 UNESCO (2014), *Global Citizenship Education. Preparing Learners for the Challenges of the Twenty-First Century*.

46 Public participation; social/political activism; active support network; communication & collaboration; global citizenship.

47 This is consistent with the UNCR's position that children are human beings with rights to participation, autonomy and self-determination, along with the necessary guidance in their evolving capabilities as social agents (UNCR Art. 12 and Art. 13).

48 Financial capability; uptake and usage of appropriate financial services; effective resource management; informed decision making.

49 Over the past five years, leading organisations such as the [World Bank's Consultative Group to Assist the Poor \(CGAP\)](#), the [Center for Financial Services Innovation](#) (now the [Financial Health Network](#)) and [Innovations in Poverty Alleviation \(IPA\)](#), worked to establish this more inclusive term for the various components of financial well-being, recognising the important role of behavioural economics in improving financial health.

50 Personal exploration; rights & responsibilities; life skills (cognitive, personal, interpersonal); child protection; environmental stewardship; peacebuilding; positive lifestyles.

51 Aflatoun, along with UNICEF's [Lifeskills Education Framework](#) and UNESCO's [Global Citizenship Education Framework](#), provides guidance on the development of learning resources for social education.

52 Money & transactions; planning & budgeting; risks & rewards; financial landscape.

53 Social & financial enterprise; career mapping; employability skills; future skills.

54 OECD (2014), *Core Competencies Framework for Financial Literacy for Youth* provides guidance on the development of learning resources on financial education and provides the basis for the *PISA Financial Literacy* assessment.

55 O'Prey, L. and Shephard, D. (2014), *Financial Education for Children and Youth: Systematic Review and Meta-Analysis*, Aflatoun Working Paper 2014.1C.

56 Austrian, K. & Muthengi, E. (2013) *Safe and Smart Savings Products for Vulnerable Adolescent Girls in Kenya and Uganda: Evaluation Report*, Population Council.

Livelihoods education allows young people to experiment with enterprise within a positive learning environment, equipping them for success in starting their own business or securing desired employment.

FINANCIAL INCLUSION⁵⁷ refers to the level of access to financial products and services that are affordable, safe and appropriate to one's age and needs. While participation in non-formal financial services (such as savings clubs or voluntary savings and loan groups) may encourage positive financial behaviours, full financial inclusion implies that one is engaged with a formal financial institution that is regulated (and therefore offers protection) by an appropriate financial authority⁵⁸. Young people access these financial services so they can put into practice more positive financial behaviours.

THE FOUNDATIONAL SOCIAL, FINANCIAL AND LIVELIHOODS COMPETENCIES

There are considerable benefits to introducing financial education while young people are still formulating personal financial behaviours. These results are strengthened when young people have the ability to put their learning into practice through individual or group enterprise or through access to appropriate financial services.

Results indicate that, even by the age of seven years, "several basic concepts relating broadly to later 'finance' behaviours will typically have developed"⁵⁹.

Alongside financial education, young people can examine the disparity between rich and poor, resource conflicts, the role of marketing and consumerism in modern society, the human and environmental impact of corporate irresponsibility, and the reality that moral behaviour and economic success are not mutually exclusive. When social and financial educational components are combined,



it can help combat societal pressures to increase consumerism as a way to enhance self-worth. As a result, financial education should not be limited to simply teaching children and youth how to master financial systems, earn returns on investment, or start successful businesses, but should be also grounded in ethical and responsible behaviour.

What are the skills or competencies children need at different points in their childhood? The following table outlines the key competencies young people need. The more competent they are in these areas the stronger their foundational skills which translate into stronger social agency and financial health. The table represents a variety of key competences across ages but it is not comprehensive for each age progression.

As a result, financial education should not be limited to simply teaching children and youth how to master financial systems, earn returns on investment, or start successful businesses, but should be also grounded in ethical and responsible behaviour.

⁵⁷ Savings and current accounts, payments, cash transfers, loans; school banking; integrated financial and educational services.

⁵⁸ Both the *Child and Youth Friendly Banking Principles* (Mastercard Corporation & CYFI, 2014) and the *Children's Rights and Business Principles* (UN Global Compact, 2012) ensure that financial institutions keep the best interests of young people in mind when designing and marketing products and services for their benefit.

⁵⁹ Whitebread, D & Bingham, S. (2013), *Habit Formation and Learning in Young Children*, The Money Advice Service, UK.

Desired Social, Financial and Livelihood Competencies for Children and Youth

SOCIAL COMPETENCIES	6 years	12 years	15 years	18+ years
Cognitive Skills	Able to identify emotions	Understands basic children's rights	Seeks information for independent thought	Articulates and defends rights
	Understands consequences of bad behaviour	Respects diversity		Shows commitment to social justice and community outlook
Personal Skills	Cares for precious items	Can follow a daily plan	Appreciation for lifelong learning	Takes initiative in the pursuit of goals
	Respects basic health and safety	Accepts responsibilities	Demonstrates anger management	Demonstrates time management
Interpersonal Skills	Expresses feeling	Shows respect for rules/guidelines	Expresses opinions	Effective relationship building
	Demonstrates compassion	Demonstrates listening skills	Active in planning and teamwork	Acts as a leader and mediator
FINANCIAL COMPETENCIES	6 years	12 years	15 years	18+ years
Resources and Use	Understanding the value of money, saving and sharing	Recognizes monetary symbols	Recognizes different denominations	Confidence in financial negotiations
			Understands importance of being an informed consumer	Understands purchasing power
Planning and Budgeting	Understanding prices and purchases of things they want	Understands needs and wants and can follow a savings plan	Able to budget for expenses	Can calculate spending capacity
			Differentiates between short vs. long term planning	Sets financial goals
Risk and Reward	Recognizes consequences of carelessness	Appreciates the necessity of saving and rewards of sharing	Understands risks and rewards of various financial products	Understands the risk of default, the impact of interest rates
	Appreciates benefits of saving special items			Recognises the danger of illicit activities
Financial Landscape	Recognizes money in the community	Recognizes banks and financial services in the community	Knows where to seek financial information	Is aware of financial crimes and avoids them
	Appreciates belongings		Understands the effects of advertising	Can evaluate FSPs and engage in mobile banking
LIVELIHOOD COMPETENCIES	12 years		15 years	18+ years
Career Exploration	Expresses career interests		Assesses skills and interests in related vocations	Sets career goals
	Understands professions			Understands wages, benefits and professional networking
Entrepreneurship	Identifies entrepreneurs in community		Identifies opportunities and develop action plans	Appreciates difference between entrepreneurship and employment
	Shows creativity in achieving goals			Understands capital needs and personal marketing
Securing Employment	Takes initiative in performing tasks, problem solving		Shows self-discipline	Can draft CVs and carry out job interviews
			Understands paths to employment	Is able to cope with professional changes
Retaining Employment	Demonstrates teamwork Seeks and follows advice, avoids hazards		Shows perseverance, attention to detail	Demonstrates customer service and management skills
			Demonstrates good communication skills	

source: CYFI (2016a), OECD (2014), UNESCO (2014)



TOWARDS A PICTURE OF SOCIAL AND ECONOMIC EMPOWERMENT FOR CHILDREN AND YOUTH

Indicators of social agency and financial health help build a picture of young people's social and economic empowerment. For the purposes of this report, a series of data sources are used to examine this, the details of which are outlined in Annex C. The current level of social and economic empowerment varies from country to country, as well as within each country, providing a mixed picture of the global situation.

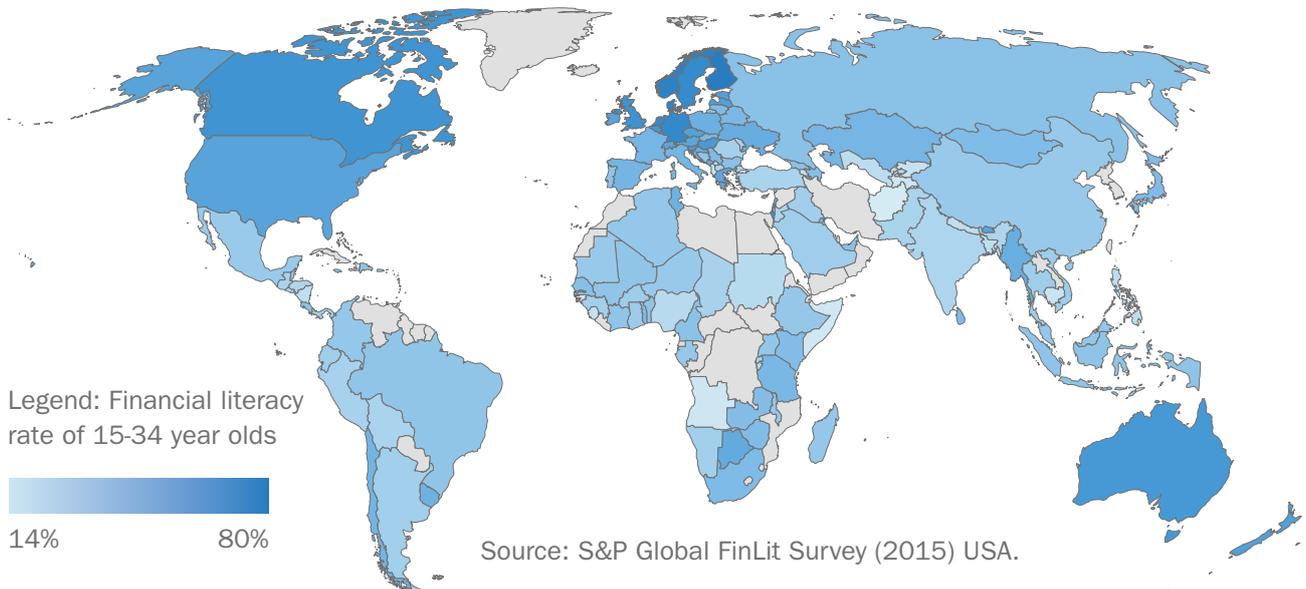
Only 35% of 15-34 year olds are financially literate in the world

Financial literacy, the outcome of good financial education, is a useful, albeit incomplete, indicator of financial health. According to the S&P FinLit Survey⁶⁰ only 35% of people aged 15-34 are financially literate in the world. This survey was carried out in 143 countries and based on the results of four questions on the themes of risk diversification, inflation, numeracy (interest) and compound interest. The 15-34 year olds from high income countries are more financially literate than those from low income countries. For instance, in Finland, Denmark and

⁶⁰ based on the author's calculations on S&P Global FinLit Survey (2015), young people aged 15-34 answering correctly 3 out of 4 of the financial literacy questions, are considered financially literate.

MOST CHILDREN AND YOUTH DO NOT UNDERSTAND MONEY

Financial literacy in the world⁶¹



Children living in high income countries are more financially literate⁶²



Germany, financial literacy rates are 80, 76 and 72% respectively, compared to Afghanistan, Angola and Haiti, where they are 14, 16 and 16%⁶³.

OECD's PISA test is the most comprehensive study on financial literacy on 15 year olds⁶⁴. Its 2015 edition provided a limited picture of this indicator collecting data from only 14 countries, although this is expected to increase in the coming years. Among 15 year olds the OECD average financial literacy

rate is 56%. Notable country rates include the US at 55%, Australia at 60% and Brazil at 24%. Data for low income countries is not available. Students from high income countries are more financially literate than those from middle income countries. In Belgium, The Netherlands and China, 15 years olds are the most financially literate, whereas in Brazil, Chile and Peru they are the least⁶⁵. Inequalities are also present within individual countries. Indeed, the bottom socioeconomic quartile tends to be less financially literate than the top quartile⁶⁶ (see Annex C table 2).

61 OECD (2017a), *PISA 2015 Results (Volume IV): Students' Financial Literacy*, PISA, Paris. Based on the author's calculations.

62 Klapper, L., Lusardi, A. & van Oudheusden, P. (2014), *Financial Literacy Around the World*, World Bank Development Research Group, The George Washington University and S&P Ratings Services.

63 S&P Global FinLit Survey (2015) USA.

64 OECD (2017a)

65 OECD (2017a) based on the author's calculations; 15 years olds are considered financially literate if they perform level 3 or more in PISA financial literacy test.

66 OECD (2017a).

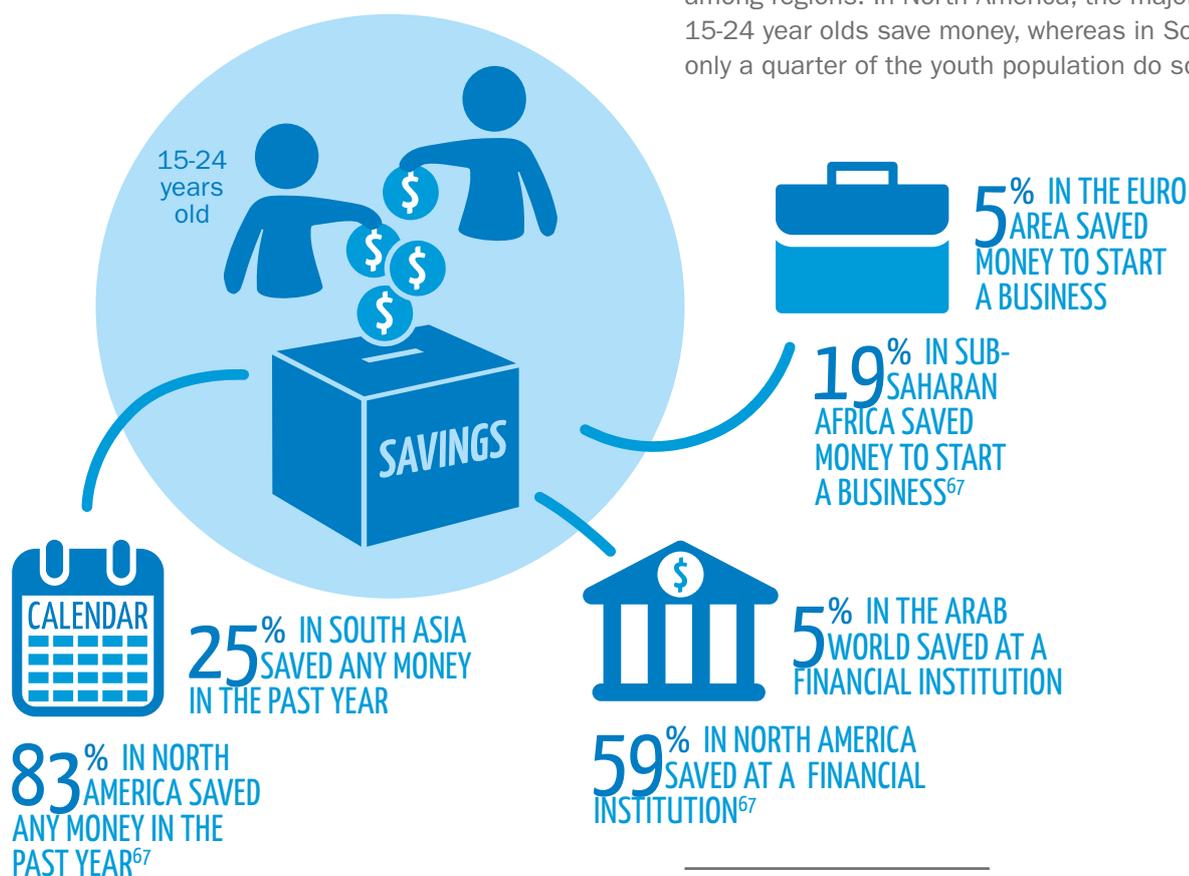
MORE THAN HALF OF YOUNG PEOPLE DO NOT HAVE ACCESS TO FINANCIAL SERVICES



Financial inclusion is crucial to the achievement of financial health. Just over half (54%) of 15-24 year olds in the world (in over 140 economies) have an account at a financial institution according to World Bank's Global Findex⁶⁸. However the distribution

is not even across regions. In the Arab World, for instance, only 20% of young people have an account at a financial institution while in North America the figure sits at 88%⁶⁹ (see Annex C table 2). In most regions, 15-19 year olds have more or equal access to formal financial services than to informal financial services⁷⁰. However, in Sub Saharan Africa, this trend is reversed with 11.5% having access to informal financial services and only 3.2 % having access to formal financial services⁷¹. Data also suggests that young people tend to be more financially included once they're in their twenties. Indeed, the financial inclusion rates put forward by PISA 2015⁷² showing the financial inclusion of 15 years old is significantly lower than the rates displayed by *Global Findex Database 2017*⁷³, which measures these levels for young people aged 15-24.

The financial behaviour of young people is central to measuring financial health. Only 43% of 15-24 year olds reported to have saved money in the last year. The saving behaviour of young people is uneven among regions. In North America, the majority of 15-24 year olds save money, whereas in South Asia only a quarter of the youth population do so⁷⁴. Young



67 Demirgüç-Kunt, et al. (2018), *The Global Findex Database 2017*, The World Bank.

68 Demirgüç-Kunt, et al. (2018).

69 Demirgüç-Kunt, et al. (2018).

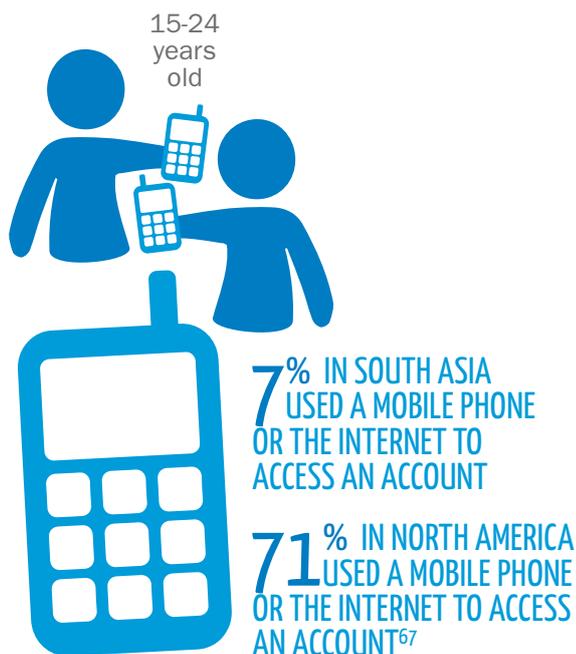
70 Sykes, J.; Elder, S.; Gurbuzer, Y. and Principi, M. (2016), *Exploring the linkages between youth financial inclusion and job creation*. International Labour Office, Geneva, Work4Youth publication series No. 42

71 Sykes et al. (2016).

72 OECD (2017a).

73 Demirgüç-Kunt et al. (2018).

74 Demirgüç-Kunt et al. (2018).



people that save money are not always doing so at a financial institution. In East Asia and the Pacific, 57% of people reported to have saved in the last year, but only 29% used a financial institution (see Annex C table 4).

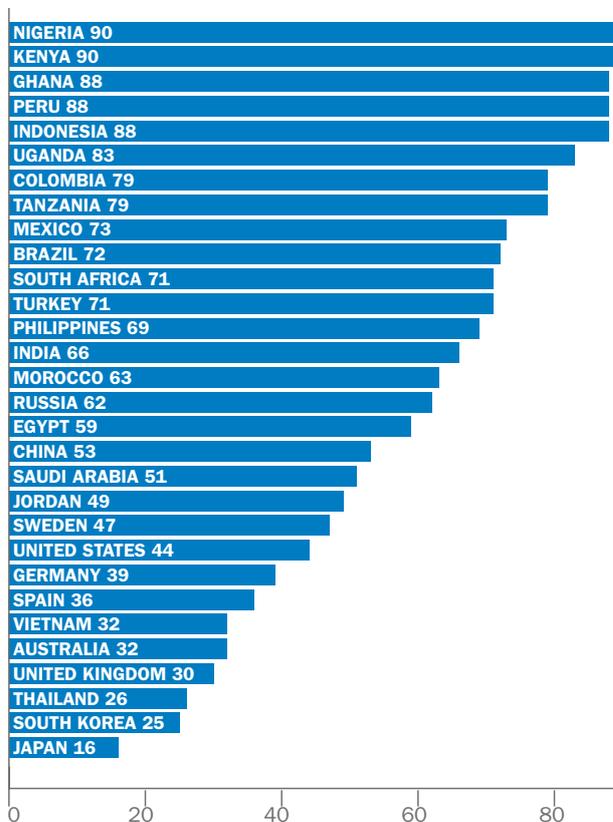
Only 54% of young people in the world have an account at a financial institution.

A MIXED VIEW ON SOCIAL AGENCY

In order to capture the degree of social and economic empowerment of children and youth, it is important to complement the picture of financial health with indicators of social agency. Unfortunately, there is very limited internationally comparable data. Social agency is specific to the local context and difficult to evaluate.



How positive are youth about their future quality of life?⁷⁵



Source: Global Millennial Viewpoints Survey in Sharma, R. et al. (2017)

According to the *Global Youth Wellbeing Index*, based on data collected in 29 countries⁷⁶, children and youth are increasingly hopeful across the world and are willing to contribute to change in society and become socially engaged. In low income countries, such as Niger and Kenya, young people think that their living standards will be better than that of their parents, while this is not as prevalent in high income countries, such as in Japan where only 16% believe it to be the case⁷⁷. *PISA 2015* found that 15 year old students are mostly satisfied with their lives⁷⁸. While this cannot provide a definite picture of the global state of youth satisfaction around the world, evidence does suggest that young people are optimistic and hopeful about their future.

⁷⁵ Sharma, R. et al. (2017), *Global Youth Well-being Index*, International Youth Foundation (IYF).

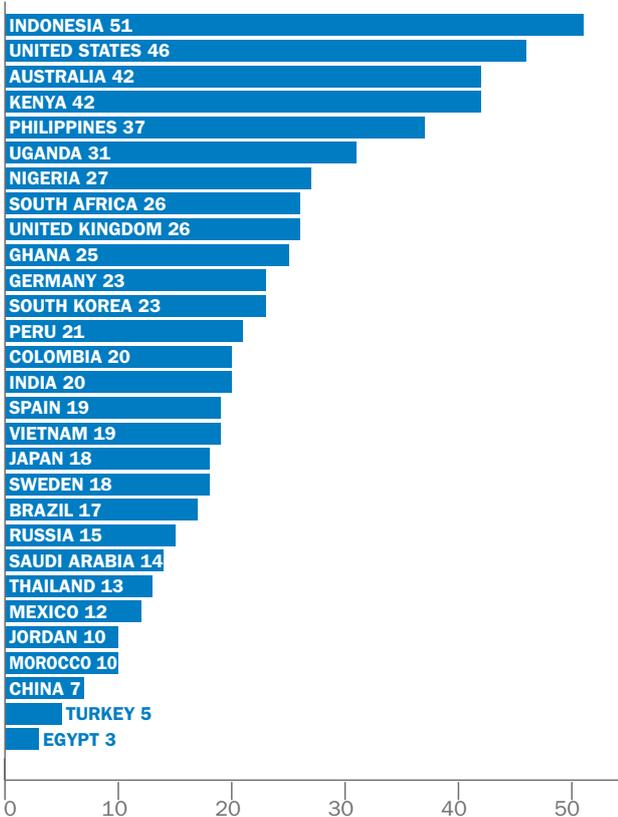
⁷⁶ Sharma, R. et al. (2017).

⁷⁷ Sharma, R. et al. (2017).

⁷⁸ OECD (2017b), *PISA 2015 Results (Volume III): Students' Well-Being*, PISA, Paris.



How many youth are volunteering?⁷⁹



Source: Gallup World Poll in Sharma, R. et al. (2017)

⁷⁹ Sharma, R. et al. (2017).

The MiSK Global Youth Index 2018, collected data on 25 countries on 5 domains, including global citizenship. This study shows that “only about one in four (27%) participated in an event to raise awareness of a local, national, or global issue and less than a third donated their time (29%) or money (31%) to a local organisation”⁸⁰. Volunteering is an important component of social engagement. Currently, only 22% of the world’s youth population are engaged in volunteering activities⁸¹. These rates vary significantly across countries. In Indonesia, more than half of young people are volunteers, whereas in Egypt it’s 3%. While there is limited quantitative data on this issue, qualitative insights state that with increased access to digital networks and the world around them, the ways in which young people are becoming socially or politically engaged is evolving. Lisney & Krylova found that, “young people are as politically active as ever, as they are at the forefront of many global cause-oriented movements. They engage politically in different, unconventional ways that are often not captured by the traditional political system”⁸². A good example of this is the climate strikes movement launched in 2018 and led globally by young people.

⁸⁰ Hamidaddin, S., Almoamar, O. & Alkhedheiri, S. (2018) *The Global Youth Index: An Assessment of youth development*. MiSK Foundation

⁸¹ Sharma, R. et al. (2017).

⁸² Lisney, J. & Krylova, P. (2018).

WHAT DOES THIS TELL US ABOUT SOCIAL AND ECONOMIC EMPOWERMENT GLOBALLY?

The financial health of children worldwide, especially in the least developed countries, is in an alarming state. This is shown by the financial literacy rates of 15 year olds in countries with the most invested education systems in combination with the concerning number of children worldwide without access to formal and non-formal financial services. With low global child and youth financial health, their ability to plan spending, budget for expenses, understand financial choices, and access services is poor. This means children are unlikely to make wise and informed choices in the use of their available resources, no matter how meagre they may be. Children from less economically well-off households have lower than average financial literacy rates, and no country can confidently state that their youth population are financially literate, although some countries have much further to go than others. Young people that have a bank account are more likely to be financially literate, supporting the argument that they become economically empowered due in part to the coupling of financial education with financial inclusion. While a concerning picture of child and youth financial health is evident, it's difficult to draw confident conclusions on the global state of children and youth social agency, although data does show increasing youth social activism and youth hopefulness.

DATA GAPS

There is limited data available to measure the social and economic empowerment of children, especially social agency. This occurs despite the effort of the *Global Findex Database*⁸³ to measure the financial inclusion of young people and the incorporation of financial literacy as part of the PISA 2015 survey. In addition, the inclusion of social and financial education indicators will strengthen UNESCO's continual efforts to evaluate progress towards SDG target 4.7⁸⁴, contributing to the understanding of the state of social and economic empowerment of children in the world.



There is also a shortage in data available to provide insight on the financial health and social agency of marginalised youth. Equally important, children are under-represented in the data available. Indeed, most data sets target the 15-19, 15-24 or 15-34 year old population, but this does not shed light on the specific situation facing the global population under the age of 18. In regards to the data available to measure the financial literacy of young people, *PISA 2015* still remains limited in scope as only a handful of countries participated in the 2015 study. Indeed, children and young people living in lower income countries are not well represented. The shortage of data of these two indicators also hinders regional and country comparisons across these dimensions.

83 Demirgüç-Kunt et al. (2018).

84 SDG target 4.7: By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development ([United Nations \(2018b\)](#)).



IMPROVING THE SOCIAL AND ECONOMIC EMPOWERMENT OF CHILDREN AND YOUTH

The previous sections described what social and economic empowerment means for young people and examined indicators that measure progress across the world. This section describes strategies to enhance the empowerment of children and youth.

1. INTEGRATE A SOCIAL AND ECONOMIC DIMENSION TO DEVELOPMENT AND HUMANITARIAN PROGRAMMES

Providing children and youth with social, financial and entrepreneurial skills can be seen as a missing link towards providing the next generations with a sustainable future.

Developing positive financial practices and economic opportunities alongside other healthy behaviours and life skills contribute significantly to young people's development. For programmes that traditionally focus on health, nutrition, peace, literacy

There is increasing recognition that while many child and youth developmental challenges are economically driven, there is limited response focused on their social and economic empowerment. Integrating a social and economic dimension to programmes across many sectors can increase impact.

and numeracy, or child protection, the introduction of a social and economic empowerment dimension can serve as a pathway to achieving their development goals. This could include the incorporation of savings clubs in school classrooms, introducing personal finance discussions in mathematics and science classes, visiting local entrepreneurs or financial institutions in peacebuilding projects or exploring

income generating activities alongside SRHR lessons. The inclusion of a social element can help young people improve their critical thinking, self-esteem and social connectedness. USAID's YouthPower Initiative found that the introduction of economic empowerment elements to health programming had a positive impact on their SRHR, gender equality, asset building, cognitive skills and agency⁸⁵.



LIVELIHOODS

Silatech is partnering with UNHCR to provide marginalised Somali youth with sustainable livelihood opportunities, especially in the construction and service sectors. The programme involves vocational skills training, small-scale business and entrepreneurial skills training and good agricultural practices. It has also established business hubs that act as one stop shops for information sharing, learning and social development in the community⁸⁶.

HIV/AIDS

The Meri Life Meri Choice project targets boys and girls aged 10-19 years in Uttar and Madhya Pradesh, two states with some of the highest HIV/AIDS rates in India. Microfinance Opportunities performed a needs assessment in villages to learn more about the financial literacy constraints facing girls with high risk for HIV/AIDS, and developed 5 modules for girls aged 15-19 years. The financial education focused on savings, budgeting and financial negotiations to encourage and prepare girls to become effective managers of their finances⁸⁷.

BUILDING PEACEFUL SOCIETIES

Mobaderoon⁸⁸ works to promote active citizenship and youth development within Syria. Through a number of financial and social activities, many with peacebuilding themes built in, children can see how they can play a role in the achievement of a more peaceful society. Their programmes take place through community gatherings on the street and involve the organisation of social campaigns, saving

schemes, enterprise development and marketing and community leadership.

SOCIAL PROTECTION

In Tanzania, the Productive Social Safety Net (PSSN)⁸⁹ programme has improved school enrolment rates and health outcomes for low income households. Cash Plus complements the PSSN with a package of adolescent-focused interventions to strengthen productive, human and health capital, promoting sustainable and healthy livelihoods. Financial education increases the confidence of participants to make responsible decisions about the use of money transferred.

2. ENHANCE NATIONAL POLICY ENABLERS TO SOCIALLY AND ECONOMICALLY EMPOWER YOUNG PEOPLE

When a policy environment is conducive to quality social, financial and livelihoods education and services, young people's empowerment is enhanced. International agencies can contribute by establishing conventions, refining policy frameworks, providing direct funding to initiatives that support sustainable programming, and investing in data collection. These can streamline efforts to increase awareness on the importance of young people's social and economic empowerment, expand the reach of policy and programme interventions, and keep governments, businesses and NGOs accountable for their actions.

The OECD, UNESCO and the Global Partnership on Education, along with alliances such as the Alliance for Financial Inclusion and the Global Partnership for Financial Inclusion, work closely with nation states. Together they coordinate policy, regulatory and programming reforms that can enhance access to quality, affordable and non-exploitative educational and financial services for populations throughout the world.

Recent UN ECOSOC *Declarations on Financing for Development* further support efforts to reduce gender inequalities, increase financial and digital

85 Alvarado, G., Skinner, M. and Kapungu, C. (2017), Systematic Review of Positive Youth Development in Low- and Middle-Income Countries, YouthPower Learning, Making Cents International.

86 Silatech (2019), Youth livelihood initiatives for enhanced economic inclusion and peaceful coexistence, Somalia.

87 Microfinance opportunities (2014), Expanding Access to financial education: adolescents and young adults.

88 Mobaderoon (2019) Programs.

89 The Transfer Project (2018), Tanzania Youth Study: Productive Social Safety Net (PSSN) Impact Evaluation: Endline Report. Research Brief 07. Tanzania Social Action Fund (TASAF), UNICEF Office of Research, Italy.

literacy and expand overseas development assistance that can all contribute to the social and economic empowerment of young people⁹⁰.

National strategies for financial education and inclusion can provide a framework to reach young people or to reduce regulatory or social barriers. These are often led by government bodies in partnership with the private sector and civil society so as to encourage broad innovation and development in line with economic or educational targets. They can take a coordinated approach to the setting of objectives, target groups, activities, timelines and resource mobilisation. An overview of country tables with national strategies for financial education can be found in Annex D.

A practical example of a regulatory restriction to financial inclusion of children and youth can be seen in the minimum age at which children can open and operate their own bank accounts, and the identification documents required for this. Given the flexible living arrangements of many children worldwide, lots are at a disadvantage because an adult, often a parent, needs to be present to open and manage their savings. 70% of children in the least developed countries lack a birth certificate or registration document⁹¹. When children cannot present a birth certificate or national identification document, they are often able to provide a birth notification, a baptism card, school registration certificate or a letter from a municipal administration or local leader in the form of a character reference. These flexible forms of identification are often accepted by a financial institution and endorsed by the central bank. It is important that regulatory and supervisory bodies are aware and accept this as being compliant with *Know Your Client regulation*.



GHANA AND KENYA

Clients at microfinance institutions in both countries are able to use teachers or siblings as co-signatories on accounts in lieu of parents⁹².

MONGOLIA

The Bank of Mongolia (BoM) increased the national rate of financial inclusion from 78% in 2011 to 92% in 2014, partially by lowering the minimum age to open bank accounts to 14 years and by easing regulation to having child accounts at birth⁹³.

UGANDA

Parents in Uganda are allowed to open accounts in their children's name by providing a letter of reference or a school identification document as alternative identification.

URUGUAY

The minimum age in the country has been 12 and 14 for girls and boys, respectively, since 2012. These minimums are meant to account for the difference in mental development.

3. EMBED SOCIAL AND ECONOMIC CONTENT IN CURRICULA AND TEACHER EDUCATION

Embedding social and financial education into national curricula and ensuring educators have the required knowledge and skills to teach the topic helps children and youth develop the foundational social and financial competencies described earlier. Offering this content through formal school systems ensures that young people are exposed to accurate, balanced and standardised information and learning experiences.

"Building financial education into curricula from an early age allows children to acquire the knowledge and skills to build responsible financial behaviour throughout each stage of their education"⁹⁴.

90 UN ECOSOC (2019), *Report of the Economic and Social Council Forum on Financing for Development Follow Up*.

91 YouthSave Consortium (2015), *YouthSave 2010-2015: Findings from a Global Financial Inclusion Partnership*.

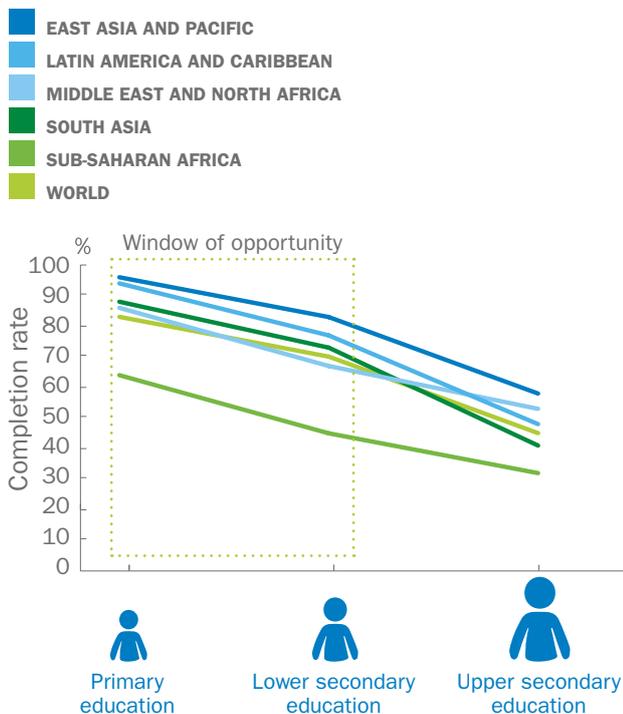
92 New America Foundation (2014), *Regulatory Environments for Youth Savings in The Developing World: Executive Summary*.

93 World Bank (2015), *The Global Findex Database 2014: Measuring Financial Inclusion around the World*.

94 OECD & INFE (2012), *Financial Education in Schools*.

As indicated below, given the alarming drop out at lower and upper secondary levels, social and financial education should be introduced in primary school to ensure that the maximum amount of children benefit.

Declining school completion rate of children and youth



Source: UNICEF (2019)

Introducing additional financial, social or livelihoods content to an already loaded curriculum is a challenge facing many government authorities and education providers. There are two main approaches that can help. The first is through existing courses as transversal content, such as mathematics, social studies and health. The second, and less frequently used approach, is to create a stand alone subject that can be offered during regular school hours.

Governments are encouraged to develop comprehensive learning frameworks on financial education in schools, introduce learning platforms for knowledge exchange and assess improvements in the financial knowledge and behaviours of student⁹⁵.

95 OECD (2015).



JORDAN

The Central Bank of Jordan developed a National Financial Inclusion Strategy which is led by the Socio-Financial National Committee. One of the strategy's key components is the development and implementation of a national financial and social education programme⁹⁶. Grade-specific curriculum has been developed and introduced over a number of years, starting in 2015 with a focus on grades 7-9 and culminating in 2020 with complete content for grades 10-12. Textbooks, supplementary guides and teaching tools have been developed by INJAZ and Aflatoun International to allow instructors to customise their classes and learning experiences. In total, 650,000 students are expected to receive the new lessons by 2020 in 3,400 schools⁹⁷.

PERU

Peru revised its national curriculum for basic education, focusing on identity, autonomy, citizenship and entrepreneurship, where the capacities were explicitly social and financial in nature. One of the competencies outlined in the module for citizenship was; “act responsibly with respect to economic resources”. This component is comprised of three capabilities; a) understanding the relations between various elements in the economic system, b) being aware of one’s place in the economic system and c) managing resources responsibly⁹⁸.

UGANDA

The Ugandan Ministry of Education and the National Curriculum Development Centre (NCDC) took an infused integration approach to social and financial education at the primary and secondary school level, grafting content onto existing entrepreneurship, mathematics, social studies and life education modules.

Integrating these concepts into teacher/educator professional development systems can improve the quality of financial, social and livelihoods teaching in classrooms. This can involve adapting teacher

96 Ahia, H. & Engelhardt, H. (2016), *Financial Education Initiatives in the Arab World: A stocktaking report*. GIZ.

97 Aflatoun International & INJAZ (2019), *National Financial and Social Education Programme in the Hashemite Kingdom of Jordan*, publication forthcoming.

98 Aflatoun International (2015), *Social and Financial Education: Documenting National Cases and Processes of Curriculum Integration*.

education (including accredited courses), teacher support systems, teacher assessment, and increasing overall investment in continuous teacher learning⁹⁹. These courses also need to ensure teachers have the foundational knowledge of this topic.

Teachers tasked with bringing financial education to students often have insufficient financial knowledge themselves¹⁰⁰.

The goal is to help teachers enhance their capacity to introduce this confidently and effectively. In general, the greater the support and training provided to teachers, the greater the improvement in students' capabilities. There is also a greater likelihood that teachers can tailor their lessons to the specific needs and characteristics of their students, evaluating the effectiveness of the classroom experience in the process¹⁰¹. The collaboration of government authorities and civil society ensures the outreach to the most marginalised children with appropriately adapted training materials (e.g. teacher guides, templates, learning manuals).



TOGO

As Togo revised its national curriculum in 2015, social and financial education were introduced broadly across public schools throughout the country. This integration came with the need to train teachers in the new educational content as well as introducing more active teaching methods. With technical support from Aflatoun, FESEN¹⁰² is expanding its reach to trainers within the network of Togolese teacher training institutes.

USA

Jump\$tart's *Financial Foundations for Educators (J\$FFE)* aims to provide teachers with effective and standardised professional development to ensure a consistent level of competence for teachers in financial education across US states regardless of their professional discipline (e.g. social studies, consumer science, mathematics). The training is complemented by the *Jump\$tart Clearinghouse*, an online repository of financial education resources for primary and secondary school students. Evidence showed that teachers retained their knowledge after six months, made positive changes in their personal financial behaviours, and integrated what they learned into their classroom¹⁰³.

TRANSITIONING INTO WORK SUPPORT

Children and youth require practical entrepreneurial and employability skills that make it possible to secure paid work in the near term and provide financial stability in the long term. This requires applicable skill based training for young job seekers that is linked with genuine employment or income generating opportunities. 89% of youth surveyed in the MiSK's Global Youth Index 2018 have indicated to have started, or might have some interest in starting their own venture (for profit or not), but only about a third indicated that they have had training around entrepreneurship (37%) and only about one in four (27%) had finance/accounting courses as a part of their education¹⁰⁴.

Tailored integration to work programmes are especially important for disadvantaged, vulnerable and/or most marginalised youth and require close collaboration between education authorities and private sector representatives to be able to meet the growing demand. Technical and Vocational Education and Training (TVET) centers play an important role in the school to work transition process. TVET's help young people "to combine learning and working, to sustain their employability, to make informed choices and to fulfil their career aspirations"¹⁰⁵. Successful TVET programmes capitalize on strategic partnerships with the private sector and maximize the potential of young entrepreneurs through business hubs and incubators.

99 Compen, B., De Witte, K., Schelfhout, W. (2019), *The role of teacher professional development in financial literacy education: A systematic literature review*, Educational Research Review 26 16–31.

100 Compen et al. (2019).

101 *Young Money UK* (2018), *What Works for Financial Education*.

102 Togolese Federation of Syndicates of National Education (from French "Fédération des Syndicats de l'Éducation Nationale") represents all of the 16,000 primary education teachers in the country, working on pedagogical and training approaches with the Ministry of Education.

103 *Jump\$tart* (2019), *Jump\$tart Financial Foundations for Educators*.

104 Hamidaddin, S. et al (2018)

105 *UNESCO (2015) Recommendations Concerning Technical and Vocational Education and Training (TVET)*



GHANA

The *MASO programme* focuses on creating employment opportunities for the youth in Ghana's cocoa communities. It is a collaboration between the Mastercard Foundation, Solidaridad, Aflatoun, Ashesi University, Fidelity Bank and the Ghana Cocoa Board. 11,000 youth (aged 15-25) have completed training in social and financial education, leadership, entrepreneurship and best practices in cocoa farming. They are supported with linkages to inputs, land, finance and mentorship.

4. ENCOURAGE SOCIALLY AND ECONOMICALLY RESPONSIBLE BEHAVIOURS THROUGH CAMPAIGNS



Local or national campaigns can help encourage children, youth, parents/guardians, and their wider community to adopt progressive social and economic empowerment behaviours. These campaigns can utilise a creative mix of educational messaging and fun activities to capture the hearts and imaginations of children and youth.

Behaviour change campaigns can also guide and encourage local organisations, businesses and religious centres to play a key enabling role in the social and economic empowerment of children and young people living in their communities. Focused campaigns delivered in combination with other strategies can be effective in positively influencing individuals' skills and knowledge which, in turn, encourage the sort of economic and socially empowered behaviours this report has described. Campaigns can blend economic issues to enhance

another cause or be specifically targeted on the economic factors. Examples of these include [World Savings Day](#), [Global Entrepreneurship Week](#) or [Global Money Week \(GMW\)](#), an international campaign involving 152 countries and territories in 2019.



BHUTAN

The Royal Monetary Authority has led Global Money Week activities, since 2013, together with the Ministry of Education. It has integrated the celebration into the national school system. Banks, NGOs and schools throughout the country have used presentations, songs and story writing challenges to encourage social and financial learning and savings account usage.

COLOMBIA

A national Global Money Week committee has been established with the annual responsibility for leading the campaign throughout the country alternating between the Central Bank and other representatives from civil society and the private sector. In 2019, an effort was made to engage conflict affected youth, including them in activities such as reading clubs, trainings, saving workshops, guided tours, conferences, games, and contests.

EGYPT

Since 2014, the Egyptian Banking Institute has led the national Global Money Week effort, coordinating comprehensive financial literacy, entrepreneurial and workforce readiness activities for youth, orphaned children, students with special needs and small business owners.



5. EXPAND ACCESS TO CHILD AND YOUTH FRIENDLY FINANCIAL SERVICES

The financial independence of children increases as they move from primary school into their teenage years and, eventually, earn their first income. Children and youth need progressively greater access to safe, fair and age appropriate financial services. These can come through formal and non-formal service providers. The timing of these milestones is contextual to the environment and the culture of the child. Nevertheless, it can be helpful to look at some of these important financial milestones in order to better understand what products and services would be most suitable to the child's needs. These products can evolve from accounts where parents save for their children, to savings accounts with parental controls, to current accounts and online payment products and, finally, to credit services¹⁰⁶. In all situations of financial access, child protection should be carefully considered.



INDIA

The Indian Kerala Gramin Bank allows children aged 10 and over to open and operate a Junior Savings

Account with a declaration from one of their parents. Account holders can use their Junior Debit Cards to access ATMs and remote points of sale throughout the country. They can also download the Little KGB app which lets them make online transactions, access online learning materials and join financial education clubs with their peers.

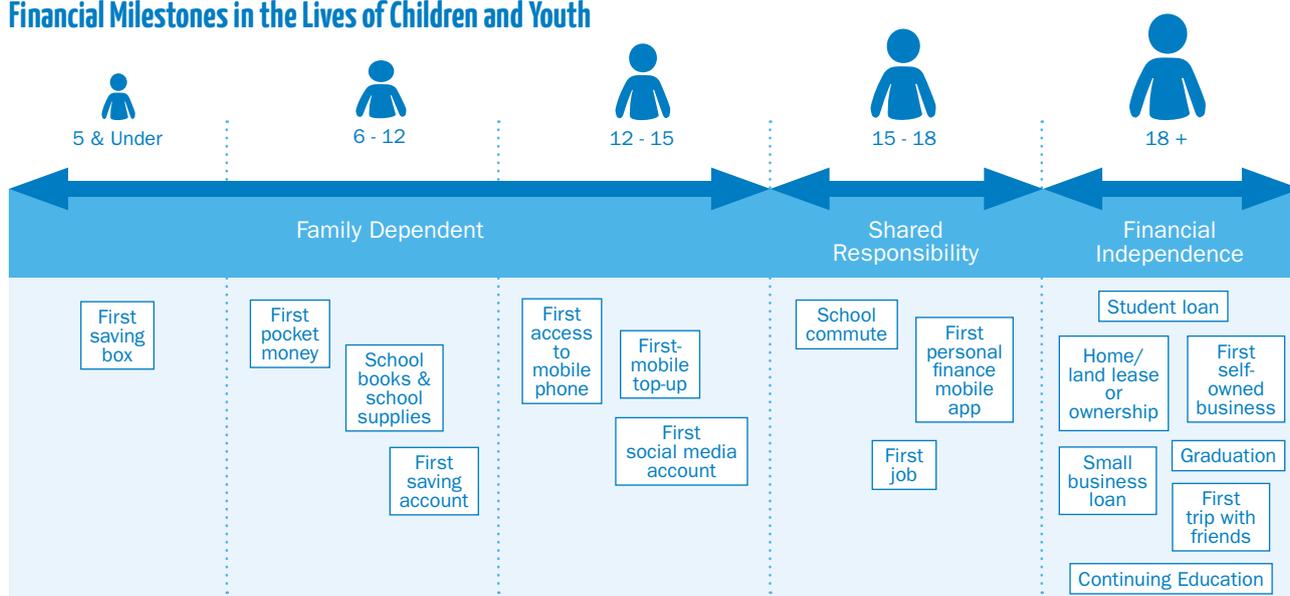
NIGERIA

The Nigerian Diamond Bank offers child and youth accounts in three development stages. The Diamond Futures account is for children 12 and under and is controlled by parents. The Diamond Cool-Teens is a low minimum balance account for 13-17 year olds where clients receive a free debit card. Diamond SWAG is available to those 18 and over, ensuring a smooth transition to a full range of services offered by the bank. These accounts are connected with financial education resources and various games and contests offered through schools.

POLAND

The Polish PKO Bank offers five to 14 years old a child savings account, with parental oversight. The product is connected to educational resources and online platforms to enhance learning and build better financial behaviours. Employees at PKO Bank Branches have been specially trained to interact with children and must follow consumer protection rules when marketing services and dealing with clients.

Financial Milestones in the Lives of Children and Youth



106 The Child and Youth Friendly Banking Principles, based on the *UN Convention on the Rights of the Child*, help financial institutions contribute to the empowerment and protection of children and youth. They cover availability, accessibility, control, costs, and education.

In addition, the Guidelines for Safer Payment Products for Minors ensure that the growing market for these online services meet the needs of young people while mitigating the risks involved with their use. Details can be found in Annex B.

MAKING THE BUSINESS CASE

While the social case for financial inclusion of children and youth is widely accepted, the financial business case is more challenging. The cost of offering savings products to children is often still higher than the revenue it generates. Banks need to have a long term view on their child and youth, and find ways to underwrite the initial costs of these products. CGAP's business case framework helps financial service providers evaluate the market, institutional and the client segment levers that influence the scale and sustainability of integrated financial and educational services for children and youth¹⁰⁷. While there are rewards for financial institutions having a role alongside parents, schools and NGOs, there is a risk that lines will be blurred between their educational and marketing activities. This can be mitigated through effective partnerships with education authorities and NGOs on the design and delivery of educational programming.

Youthstart incorporated financial and educational services including financial and life skills development. The programme encouraged 980,000 young people to save, with \$13 million USD being saved across eight African countries. The programme proved that products could be affordable, accessible and relevant to the needs of young people¹⁰⁸.

SCHOOL BANK PARTNERSHIPS

School banking provides a model that combines financial inclusion with education. The concept relies on effective partnerships between schools and financial service providers to guide young people in the development of social and financial competencies, opening a bank account, saving and using their money. The banks offer financial products while the schools or NGOs provide the financial education. School adoption programmes, such as that run by the *Bank Negara* in Malaysia, have also helped to increase outreach, requiring participating bank branches to adopt at least one school in their vicinity to offer their services. The school banking programmes that incorporate digital banking and remote points of sale let young people be financially included without having to be physically located close to bank branches.



GEORGIA

In 2016, the *National Bank of Georgia (NBG)* approved the *National Strategy for Financial Education*. A key part of this strategy was the establishment of a national school bank initiative. The Ministry of Education offered interested public schools grant opportunities to participate.

The Bank of Georgia has a sCool card for 12-18 year olds in place. It enables young clients to interact fully with the bank and engage in financial transactions. It could also be used by students to track school attendance, pay for lunch in the cafeteria and take public transportation. In 2018, an *ISET Policy Institute* evaluation found that the project succeeded at improving financial knowledge and attitudes of participating schoolchildren and also found a positive link between having a bank account and financial knowledge¹⁰⁹.

NON-FORMAL FINANCIAL SERVICES

Non-formal savings products play an important role in providing unbanked people with the means to save or borrow. 18% of young people living in low income countries save using a savings club or person outside of the family who manages their money¹¹⁰. Village savings groups, for example, are often the only financial service that promotes solidarity among members, provide a stepping-stone towards financial inclusion, and are available to young people living in remote, rural areas.

107 Kilara, K., Magnoni, B. & Zimmerman, E. (2014), *The Business Case for Youth Savings: A Framework*, CGAP/World Bank Focus Note.

108 UNCDF (2016), *Assessments of the Effects and Behavioural Changes of Financial and Non-Financial Services on Youth*.

109 National Bank of Georgia & CYFI (2019), Publication forthcoming.

110 Demirgüç-Kunt et al. (2018).

Another advantage is that they provide a network, encouragement, advice on saving and investing and sometimes access to NGO-provided training. A disadvantage is that significant sums are being accumulated that cannot be stored in a safe place and that there is a limit on the amounts that can be saved or borrowed. Furthermore, people in non-formal savings groups do not have access to the wider financial services banks can offer such as microinsurance, electronic payments, and improved credit history¹¹¹.

The Banking on Change programme from [Plan UK](#), [Barclays](#) and [Care UK](#), demonstrated that young people in a variety of developing countries could save and borrow responsibly through youth savings groups, and that these groups could prepare them to access and utilise formal financial services more effectively. Furthermore, it showed how savings groups could be a driver for social and economic empowerment of marginalised youth by providing them with practical opportunities to manage resources, plan for their future, exercise leadership and manage team dynamics¹¹².

6. DESIGN TAILORED SOCIAL AND ECONOMIC EMPOWERMENT INTERVENTIONS FOR MARGINALISED YOUNG PEOPLE

Prioritised government or civil society support is often needed to help young people who are disadvantaged, vulnerable and/or marginalised become socially and economically empowered. This broad category includes children with disabilities, those experiencing discrimination based on cultural, religious or sexual orientation, girls and young women, and those living as refugees or are internally displaced. Offering programmes that address specific social needs and that help integrate youth into the workforce are important strategies for empowerment.

National financial inclusion and education strategies should recognise that standard interventions to socially and economically empower young people through formal channels may not be sufficient to reach marginalised communities. As a result, programme content should be adapted and efforts should harness new partnerships, new technologies and new pathways to empower all members of society in ways that are most meaningful and relevant to their needs.

When it comes to the particular empowerment of young women, greater results have been achieved when financial inclusion is complemented by other economic development and gender sensitisation activities. Social empowerment has intrinsic value to the well-being of girls and young women, regardless of its contribution to their economic empowerment. However, the economic empowerment of women is not sustainable when gender-based violence, and other harmful exclusionary social norms, undermines any progress made¹¹³.



KENYA

The Population Council's *Safe and Smart Savings Programme* targeted vulnerable girls aged 10 to 19 year living in slums. It combined regular group meetings facilitated by a female mentor, financial education, and health and life skills education, with financial inclusion through individual savings accounts. Girls from the programme were more likely to have a savings plan and three-quarters of the accounts report savings activity. It found that the likelihood of sexual harassment for older girls increased when male members in the community

111 Anderson, J., Hopkins, D. & Valenzuela, M. (2019), *The role of financial services in youth education and employment*. CGAP/World Bank.

112 Barclays, CARE & Plan International (2016), *Banking on Change Youth Savings Group Model: From saving and learning to banking and earning*.

113 Rickard, K. & Johnson, A. (2018), *Women's Empowerment and Savings Groups: What Do We Know?*, SEEP Network.

discovered that they had bank accounts, but that this was lowered when the girls also received access to safe spaces and life skills training¹¹⁴.

The Aflatoun and [Cheshire Disability Services Kenya's Social and Economic Education for Children and Youngsters with Disabilities Programme](#)¹¹⁵ consisted of an early intervention involving life skills, financial and livelihood education through the delivery of the Aflatoun Non-Formal Education (NFE) Curriculum. As a result of the programme, parents and teachers changed how they viewed financial empowerment for children living with disabilities and learned the importance of saving. It also improved financial habits among participating children and youth.

UNITED KINGDOM

The [MoneyWorks and MoneyHouse programmes](#) led by MyBnk target youth that are not in formal schooling and are eligible for social housing or housing support from local authorities. The programmes help them to transition into independent living, equipping them with various skills to manage their money, make better financial decisions, become more digitally savvy, be responsible tenants and plan for their future. Sessions are taught in a fully furnished apartment, allowing young people to encounter financial and life skills with the programme leaders in a real world setting.

Volunteer instructors also provide valuable complementary support to school teachers and open up other community safe spaces for programming to be delivered outside of school hours especially for vulnerable groups. [Children International](#) uses volunteers to deliver training through community centres and libraries in Mexico in order to avoid the high rates of crime and violence in the regions in which they operate. In Tajikistan, the [Ministry of Education and Science](#) (MoES) is building social and financial education into the formal curriculum in primary and secondary schools, while UNICEF is supporting the delivery of this content outside schools through [Adolescent Innovation Labs](#) and outdoor summer camps.

LOCAL CONTEXT MATTERS

The [Credit Suisse Global Education Initiative](#) focussed on the provision of financial education and life skills to adolescent girls and provided some important insights into community engagement, safety and support for socially and economically active girls. In Brazil, the local programme's success depended on the fathers of participants understanding and being fully on board with the objectives, reflecting prevailing gender norms in society. Training methods also shifted from being purely teacher-led to a peer-led model, where girls could pass on their knowledge and skills to others in the community¹¹⁶. In India, government support helped the programme to deliver training through the formal school system. However, traditional community perceptions often prevented girls using the skills they acquire to engage in economic activity outside the home or direct community. Progressive role models in the community, as well as prior participants, were used as advocates in trying to reverse these perceptions, calling for more safety and support for socially and economically active girls¹¹⁷.

114 [Austian, K. & Muthengi, E. \(2013\), Safe and Smart Savings Products for Adolescent Girls in Kenya and Uganda](#). Population Council.

115 [Aflatoun International, Liliane Fonds & Cheshire Disability Services Kenya \(2016\) Aflatoun Pilot Project End Term Evaluation Report](#). Nairobi, Kenya.

116 [Aflatoun International, Credit Suisse and Plan International \(2017a\), Financial education and life skills for girls in Brazil: Community buy-in as an enabling factor for girl's economic empowerment](#).

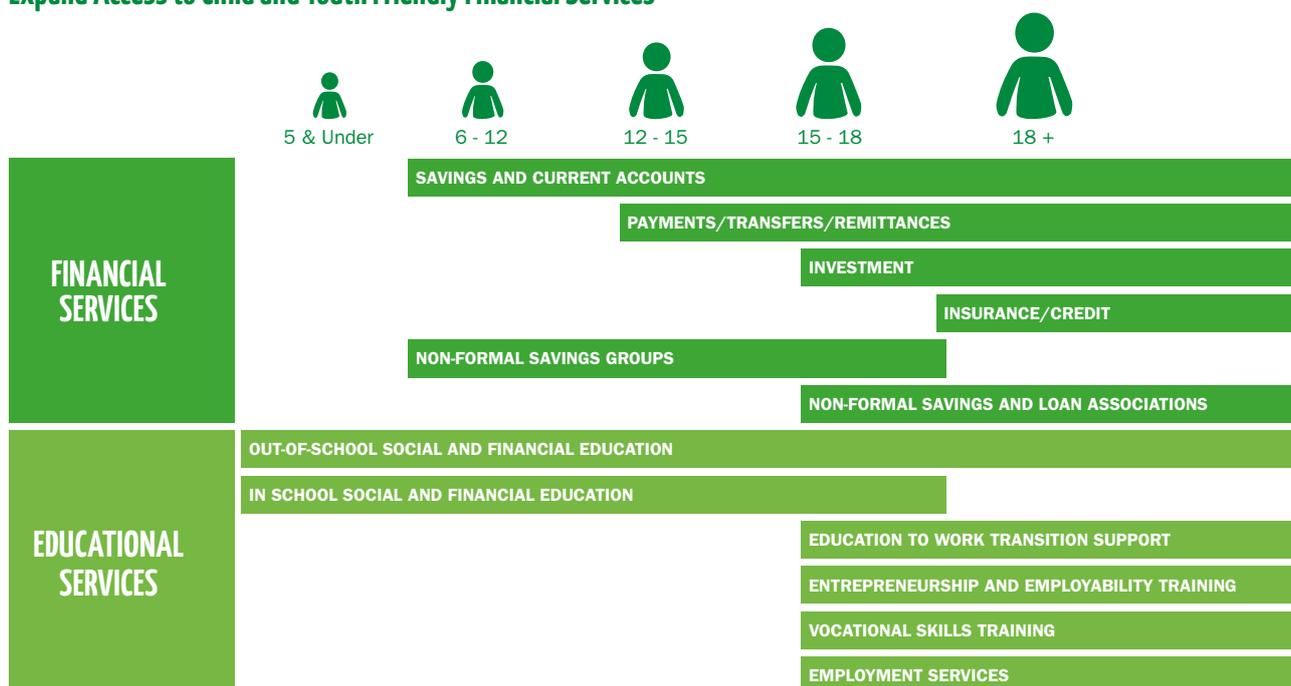
117 [Aflatoun International, Credit Suisse and Plan International \(2017b\), Financial education and life skills for girls in India: Community Perceptions as Obstacles to Girls' Economic Empowerment](#).

CONCLUSIONS AND RECOMMENDATIONS

This report has examined the state of social and economic empowerment for children and youth around the world, profiling examples of policies and programmes. In order for young people to further develop into socially and economically

empowered citizens, they should have access to quality educational, financial and livelihood support services at these different stages of their development. An overview of these services at different life stages can be seen below.

Expand Access to Child and Youth Friendly Financial Services



To maximise the outreach, effectiveness and impact, the following recommendations are made. It is recommended that for all solutions children and youth are involved in every stage of their design, implementation and evaluation.

RECOMMENDATIONS FOR NATIONAL POLICY MAKERS

- › Integrate social and financial education into the primary and secondary school curriculum with corresponding pre- and in-service teacher education.
- › Analyse the barriers to young people's social, financial, and livelihoods capability and their financial inclusion and amend regulations accordingly.
- › Support campaigns which inform the population and encourage progressive change in economic and social behaviours.
- › Work with financial service providers to enable all children to access fair, safe and age-appropriate banking services.
- › Support programmes using multiple strategies to socially and economically empower young people who are disadvantaged, vulnerable or marginalised.
- › Collect data on the effectiveness of national financial inclusion and social, financial and livelihoods education.
- › Incentivize collaborations between the private sector and civil society to enhance the social and economic empowerment of young people.

RECOMMENDATIONS FOR PRIVATE SECTOR ENTITIES

- › Work with policymakers to identify and remove legal and regulatory barriers that are preventing children and youth from accessing financial services and work based training
- › Work with governments and civil society to ensure that financial and livelihoods education aligns with the needs of the labour market
- › Partner with civil society and other education experts on the design and delivery of educational services for children and youth.
- › Invest in safe, fair, and age appropriate financial services for all children and youth.
- › Align existing financial products with youth needs and *Child and Youth Friendly Banking Principles*.
- › Expand mobile banking and payment services while ensuring that safeguards are in place to keep children safe online.

RECOMMENDATIONS FOR EDUCATORS

- › Develop contextual, relevant and applicable social and financial educational materials for formal and non-formal learning.
- › Include learning through enterprise in schools to give learners more practical work experiences in safe environments.
- › Ensure all educators have the knowledge and teaching skills to help children develop social, financial and livelihoods competencies.
- › Expand digital learning platforms to augment the educational experience for children and youth

RECOMMENDATIONS FOR INTERNATIONAL ORGANISATIONS

- › Within funding guidelines integrate a requirement to consider children's social and economic empowerment.
- › Invest in data collection to measure and better understand children's social agency and financial health which is especially needed for lower income countries.
- › Consider children's social and economic empowerment when producing frameworks, agreements, and conventions.

RECOMMENDATIONS FOR CIVIL SOCIETY / NGOS

- › Within health, education, social protection, livelihoods and other sectors integrate social and economic empowerment activities into programme designs.
- › In partnership with governments launch campaigns which inform the population and encourage progressive change in social and economic behaviours.
- › Offer targeted programmes which support the social and economic empowerment of young people who are disadvantaged, vulnerable or marginalised.



A HOPEFUL FUTURE

This report has shown how the social and economic empowerment of all children and youth is fundamental for global development and the achievement of the SDGs. Efforts to increase social and economic empowerment should be embedded across development areas related to children and youth. When this happens there are substantial benefits as shown by the examples used in this report concerning education, SRHR & HIV, violence reduction & peaceful societies, social protection, livelihoods and displacement.

When children and youth are socially and economically empowered, they have the confidence and the means to interact positively and effectively with the people they encounter at home and in the community. They also have a greater awareness of how different people and organisations interact at a national and global level. Successful child and youth empowerment initiatives hinge on strong partnerships between international and local civil society, government authorities, educational institutions, private sector entities and financial service providers.

These partnerships can provide the impetus for national curriculum integration, complemented with non-formal learning models, to enable greater sustainability and scale of outreach.

Furthermore, linking education programmes with central banks and financial service providers can provide a catalyst for financial inclusion, while ensuring that financial learning is balanced with social values.

This will increase asset accumulation, reduce poverty, facilitate lifelong learning, increase economic opportunities, reduce inequalities and promote peaceful and inclusive societies for current and future generations. It is, therefore, the responsibility of all international bodies, government authorities, corporate entities and child and youth serving organisations to pursue policies and practices that allow young people to be more socially and economically empowered citizens.

ANNEX A

ACRONYMS AND GLOSSARY

ACRONYMS

AIDS Acquired Immune Deficiency Syndrome

BOM Bank of Mongolia

CGAP World Bank's Consultative Group to Assist the Poor

CYFI Child and Youth Financial International

ESCS Economic, Social and Cultural Status

FESEN Fédération des Syndicats de l'Éducation Nationale - Federation of Syndicates of National Education

FSPS Financial Service Providers

GMW Global Money Week

HIV Human Immunodeficiency Virus Infection

ILO International Labour Organisation

IPA Innovations in Poverty Alleviation

J\$FFE Jump\$tart Financial Foundations for Educators

MOE Ministry of Education

MOES Ministry of Education and Science

NBG National Bank of Georgia

NCDC National Curriculum Development Centre of Uganda

OECD Organisation for Economic Co-operation and Development

SDGS Sustainable Development Goals

SRHR Sexual and Reproductive Health and Rights

TRECC Transforming Education in Cocoa Communities

UN United Nations

UNCDF United Nations Capital Development Fund

UNICEF United Nations Children's Fund

UNCRC United Nations Convention on the Rights of the Child

UN ECOSOC United Nations Economic and Social Council

GLOSSARY

CHILD AND YOUTH FRIENDLY BANKING: A system of financial services that promote the creation and provision of financial products and services which are designed to promote safe financial access and financial capability of all children and youth under the age of majority.

EDUCATION: Processes by which societies deliberately transmit their accumulated information, knowledge, understanding, attitudes, values, skills, competencies and behaviours across generations. It involves communication designed to bring about learning¹¹⁸.

EMPOWERMENT: Increasing an individual's confidence and ability to take charge of their lives, claim their rights and build empathy with others

ENTREPRENEURSHIP: The ability to use technical and business skills to take advantage of market opportunities to deliver products and services that generate a sufficient financial return.

FINANCIAL CAPABILITY: Combining the knowledge, skills, attitudes, and behaviors that increase financial literacy with access to financial products

and services providing individuals with the opportunity to act in their best interest

FINANCIAL EDUCATION: The process by which individuals improve their understanding of financial products and concepts; and through information, instruction or/and objective advice to develop the skills and confidence to become more aware of financial risks and opportunities, to make informed choices, to know where to go for help, and to take other effective actions to improve their financial well-being and protection¹¹⁹.

FINANCIAL HEALTH: A measure of one's financial well-being through the financial knowledge and skills they have acquired, the services they have access to, and the personal financial behaviours they have developed. Good financial health means that they have sufficient knowledge and capabilities to make appropriate and informed financial decisions from a variety of options. They are able to secure and sustain a meaningful livelihood in order to provide for their own needs and those of their dependants.

118 UNESCO Glossary accessed October 2019

119 OECD (2015), *Recommendation on Principles and Good Practices for Financial Education and Awareness*.

FINANCIAL INCLUSION: Access to financial products and services that are affordable, usable, secure and reliable.

FINANCIAL INSTITUTION: A deposit-holding institution with a license from the relevant national financial regulatory authority and providing financial services for its clients or members.

FINANCIAL LITERACY: A combination of awareness, knowledge, skill, attitude and behaviour necessary to make sound financial decisions and ultimately achieve individual financial wellbeing¹²⁰.

FINANCIAL SERVICE PROVIDERS: Organisation providing financial products, including deposits. This includes financial non-regulated organisations offering financial services.

FINANCIAL WELLNESS: The overall financial health of an individual and is sometimes used interchangeably with financial well-being.

Life skills: Psychosocial abilities for adaptive and positive behaviour that enable individuals to deal effectively with the demands and challenges of everyday life. They are loosely grouped into three broad categories of skills; cognitive skills for analysing and using information, personal skills for developing personal agency and managing oneself, and inter-personal skills for communicating and interacting effectively with others.

LIFE SKILLS: Psychosocial abilities for adaptive and positive behaviour that enable individuals to deal effectively with the demands and challenges of everyday life. They are loosely grouped into three broad categories of skills; cognitive skills for analysing and using information, personal skills for developing personal agency and managing oneself, and inter-personal skills for communicating and interacting effectively with others¹²¹.

LIVELIHOODS EDUCATION: Programmes aimed at career exploration and developing employability skills and entrepreneurial behaviour.

SOCIAL AGENCY: The meaningful engagement within one's community and with relevant political and economic entities. It involves the development of leadership skills and active participation in political procedures and social activism. Good social agency requires that one can understand their rights and claim them.

SOCIAL AND ECONOMIC EMPOWERMENT: A socially and economically empowered young person has a profound sense of belonging and identity

within a community. They have a secure livelihood and asset base and can influence social, financial, and livelihoods decisions. They are satisfied in life and optimistic about their future.

SOCIAL EDUCATION: Programmes aimed at increasing knowledge of human rights, encouraging self-reflection and self-awareness and instilling respect for oneself and others.

SOCIAL PROTECTION SYSTEM: Policies and programmes designed to reduce poverty and vulnerability by promoting efficient labour markets, diminishing people's exposure to risks, and enhancing their capacity to manage economic and social risks, such as unemployment, exclusion, sickness, disability and old age.

WORST FORMS OF CHILD LABOUR¹²²:

- a) all forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour, including forced or compulsory recruitment of children for use in armed conflict;
- b) the use, procuring or offering of a child for prostitution, for the production of pornography or for pornographic performances;
- c) the use, procuring or offering of a child for illicit activities, in particular for the production and trafficking of drugs as defined in the relevant international treaties;
- d) work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children.

NOTE FOOTNOTES: In publications that have the same author and date, a letter (a,b,c..) is included in the footnote to differentiate the different publications.



120 OECD & INFE, (2014), *Core Competencies Framework on Financial Literacy for Youth*.

121 UNICEF, (2011), *Life Skills: Definition of Terms*.

122 ILO (1999), Art. 3.

ANNEX B

GUIDELINES AND PRINCIPLES

CHILD AND YOUTH FRIENDLY BANKING PRINCIPLES¹²³

- 1** **Availability and accessibility for children and youth**
They are widely available and accessible to children and youth despite their economic, social, cultural, or religious situation, gender, age, or ability
- 2** **Maximum control to children and youth**
They provide the maximum possible control to children and youth within the boundaries of local jurisdiction and ensure financial ownership
- 3** **Positive financial incentive for children and youth**
To build confidence as children and youth enter the financial system, positive financial incentives (e.g. no overdraft and relatively higher interest rates) are important
- 4** **Reaching unbanked children and youth**
The financial institution proactively reaches out to unbanked children and youth as part of a larger financial inclusion agenda, within the boundaries of local jurisdiction
- 5** **Employing child and youth friendly communication strategies**
The communication and marketing materials around the product are child and youth centered, connecting to their needs, interests and level of comprehension, complemented by the ability of all staff within a financial institution to interact in a child friendly manner
- 6** **An education component**
In combination with the product, children and youth are offered an education component, with elements of financial, life skills and livelihoods education
- 7** **Monitoring of child and youth satisfaction**
The financial institution monitors the extent to which the product and related services satisfy the needs and interests of children and youth
- 8** **Internal control**
The financial institution has internal controls in place on all these Principles

GUIDELINES FOR SAFER PAYMENT PRODUCTS FOR MINORS¹²⁴

- 1** Restrict products and services inappropriate for minors
- 2** Promote responsible spending
- 3** Educate minors on how to use their card safely
- 4** Provide saving and payment facilities
- 5** Enable parents to choose payment types
- 6** Allow parents to set card restrictions
- 7** Provide parental access to spending behaviour
- 8** Protect client privacy
- 9** Deliver marketing initiatives for both parents and minors
- 10** Provide financial education tools to help minors manage their money

123 CYFI & Mastercard Corporation (2014).

124 CFI & Mastercard Corporation (2017), *Safer Payment Products for Minors: Guiding Minors Towards Financial Autonomy*.

ANNEX C

SOURCES AND DATA TABLES

Sources (and indicators) used to illustrate the social and economic empowerment of children and youth:

FINANCIAL HEALTH

- › PISA 2015 (OECD, 2017a & OECD, 2017b)
 - **Table 1:** Percentage of students at each proficiency level
 - **Table 2:** Financial literacy by socio-eco status
 - **Table 3:** Percentage of young people engaged in basic financial activities
- › The Standard & Poor's Ratings Services Global Financial Literacy Survey (S&P Global FinLit Survey, 2015)
- › FINDEX 2017 - World Bank (Demirgüç-Kunt et al., 2018)
 - **Table 4:** Financial inclusion & behaviour of young people (15-24 years old) by regions
 - Financial inclusion of young people by region (account ownership)
 - Saved to start a farm or business
 - Saved at a financial institution
 - Sent or received remittances
 - Mobile money account usage
 - Students saving behaviour
- › ILO datasets (ILO, 2017)
 - **Table 5:** Youth access to formal or informal financial services

SOCIAL AGENCY

- › Global Well-being Index 2017 (Sharma et al., 2017)
- › Youth Progress Index 2017 - European Youth Forum - (Lisney, J. & Krylova, P., 2018)
- › PISA 2015 (OECD, 2017b)
 - Life satisfaction of young people

124 CYFI & Mastercard Corporation (2017), Safer Payment Products for Minors: Guiding Minors Towards Financial Autonomy.

Table 1: Percentage of students at each proficiency level in PISA 2015

	Level 1 or below (below 400.33 score points)	Level 2 (from 400.33 to less than 475.10 score points)	Level 3 (from 475.10 to less than 549.86 score points)	Level 4 (from 549.86 to less than 624.63 score points)	Level 5 (at or above 624.63 score points)
	%	%	%	%	%
OECD					
Australia	19,7	19,0	24,4	21,5	15,4
Belgium (Flemish)	12,0	15,0	22,3	26,7	24,0
Canadian provinces	12,7	17,1	24,5	23,9	21,8
Chile	38,1	26,5	21,8	10,5	3,1
Italy	19,8	25,2	29,3	19,2	6,5
Netherlands	19,2	18,5	23,0	21,8	17,5
Poland	20,1	24,5	28,4	19,0	8,0
Slovak Republic	34,7	23,6	22,0	13,4	6,3
Spain	24,7	25,9	27,3	16,4	5,6
United States	21,6	23,3	25,7	19,2	10,2
OECD average-10	22,3	21,8	24,9	19,2	11,8
Partners					
Brazil	53,3	22,2	14,8	7,1	2,6
B-S-J-G (China)	9,4	13,3	20,3	23,6	33,4
Lithuania	31,5	27,3	24,8	12,6	3,7
Peru	48,2	25,8	17,9	6,9	1,2
Russia	10,9	22,7	32,2	23,6	10,5

Source: OECD, 2017a - Table IV.3.2

Level 1: Students can identify common financial products and terms and interpret information relating to basic financial concepts. They can recognise the difference between needs and wants and can make simple decisions on everyday spending. They can recognise the purpose of everyday financial documents such as an invoice and apply single and basic numerical operations (addition, subtraction or multiplication) in financial contexts that they are likely to have experienced personally.

Level 2: Students begin to apply their knowledge of common financial products and commonly used financial terms and concepts. They can use given information to make financial decisions in contexts that are immediately relevant to them. They can recognise the value of a simple budget and can interpret prominent features of everyday financial

documents. They can apply single basic numerical operations, including division, to answer financial questions. They show an understanding of the relationships between different financial elements, such as the amount of use and the costs incurred.

Level 3: Students can apply their understanding of commonly used financial concepts, terms and products to situations that are relevant to them. They begin to consider the consequences of financial decisions and they can make simple financial plans in familiar contexts. They can make straightforward interpretations of a range of financial documents and can apply a range of basic numerical operations, including calculating

percentages. They can choose the numerical operations needed to solve routine problems in relatively common financial literacy contexts, such as budget calculations.

Level 4: Students can apply their understanding of less common financial concepts and terms to contexts that will be relevant to them as they move towards adulthood, such as bank account management and compound interest in saving products. They can interpret and evaluate a range of detailed financial documents, such as bank statements, and explain the functions of less commonly used financial products. They can make financial decisions taking into account longer-term consequences, such as understanding the overall cost implication of paying back a loan over a longer period, and they can solve routine problems in less common financial contexts.

Level 5: Students can apply their understanding of a wide range of financial terms and concepts to contexts that may only become relevant to their lives in the long term. They can analyse complex financial products and can take into account features of financial documents that are significant but unstated or not immediately evident, such as transaction costs. They can work with a high level of accuracy and solve non-routine financial problems, and they can describe the potential outcomes of financial decisions, showing an understanding of the wider financial landscape, such as income tax.

Table 2: Mean performance in financial literacy, by students' socio-economic status

	Performance in financial literacy, by national quarters of the ESCS1 index								Difference in financial literacy performance between students in the top quarter and students in the bottom quarter of this index	
	Bottom quarter		Second quarter		Third quarter		Top quarter			
	Mean score	S.E.	Mean score	S.E.	Mean score	S.E.	Mean score	S.E.	Score dif.	S.E.
OECD										
Australia	454	(2,8)	489	(2,3)	521	(3,1)	561	(3,1)	107	(3,9)
Belgium (Flemish)	488	(5,1)	518	(4,7)	566	(4,1)	598	(4,4)	110	(7,1)
Canadian provinces	495	(5,9)	525	(5,3)	549	(6,2)	572	(6,4)	77	(7,9)
Chile	381	(6,2)	430	(5,9)	438	(5,1)	484	(4,4)	103	(6,8)
Italy	452	(5,3)	483	(3,7)	494	(3,9)	512	(4,3)	60	(6,4)
Netherlands	462	(7,3)	494	(4,7)	518	(4,5)	566	(4,5)	104	(9,0)
Poland	453	(4,6)	475	(4,0)	491	(4,6)	526	(5,0)	73	(6,5)
Slovak Republic	409	(9,1)	435	(4,7)	452	(5,0)	488	(6,3)	80	(10,0)
Spain	429	(4,8)	459	(4,3)	480	(4,6)	508	(4,6)	79	(5,8)
United States	445	(5,2)	469	(4,8)	499	(5,9)	542	(5,1)	97	(7,2)
OECD average-10	447	(1,8)	478	(1,4)	501	(1,5)	536	(1,5)	89	(2,3)
Partners										
Brazil	364	(4,7)	382	(3,9)	394	(5,2)	441	(7,0)	78	(8,1)
B-S-J-G (China)	500	(7,2)	552	(7,0)	580	(6,1)	632	(12,2)	132	(13,4)
Lithuania	419	(4,3)	432	(4,2)	460	(4,8)	490	(5,1)	71	(6,5)
Peru	341	(3,6)	394	(5,2)	418	(4,7)	458	(5,6)	117	(6,3)
Russia	489	(4,7)	508	(4,7)	523	(4,3)	535	(4,7)	46	(6,2)

Source: OECD, 2017a- Table IV.4.11

1. ESCS refers to the PISA index of economic, social and cultural status.

Note: Values that are statistically significant are indicated in bold

Results based on students' self-reports

Table 3: Percentage of young people engaged in basic financial activities

	Young people, 16-24 year-olds											
	Percentage of young people reporting that they do/did the following at least once a week in their job or last job						Percentage of young people reporting that they do the following at least once a week in their everyday life					
	Read bills, invoices, bank statements or other financial statements		Calculate prices, costs or budgets		Conduct transactions on the Internet, for example buying or selling products or services, or banking		Read bills, invoices, bank statements or other financial statements		Calculate prices, costs or budgets		Use the Internet in order to better understand such issues as those related to health/illness, financial matters, the environment	
	%	S.E.	%	S.E.	%	S.E.	%	S.E.	%	S.E.	%	S.E.
OECD												
Australia	29,1	(2,0)	47,5	(2,2)	21,5	(2,6)	41,2	(1,8)	52,9	(1,8)	76,0	(1,9)
Canada	26,5	(1,3)	39,8	(1,4)	17,5	(1,3)	29,4	(1,2)	45,8	(1,2)	74,1	(1,2)
Chile	21,4	(2,1)	42,5	(3,3)	23,4	(3,9)	12,6	(1,5)	37,1	(2,4)	74,9	(2,2)
Flanders (Belgium)	21,5	(2,1)	20,1	(2,1)	18,2	(2,2)	30,2	(1,4)	31,6	(1,6)	72,1	(1,5)
Italy	15,3	(2,9)	25,9	(3,5)	18,7	(4,9)	7,5	(1,4)	32,2	(2,4)	58,2	(2,7)
Netherlands	17,3	(1,5)	26,9	(1,8)	14,3	(1,7)	43,0	(1,6)	29,7	(1,6)	66,8	(1,5)
Poland	29,8	(1,1)	26,0	(1,0)	23,7	(1,4)	15,0	(0,6)	38,6	(1,2)	74,3	(1,0)
Slovak Republic	25,5	(2,2)	34,1	(2,4)	22,4	(3,1)	14,7	(1,1)	43,5	(1,7)	77,8	(1,3)
Spain	20,7	(1,9)	32,9	(2,3)	12,8	(3,0)	18,8	(1,3)	42,4	(1,5)	70,5	(1,6)
United States	23,5	(2,6)	42,1	(2,0)	28,5	(2,5)	37,1	(2,0)	58,6	(2,1)	74,9	(2,0)
Partners												
Lithuania	25,0	(3,0)	28,2	(2,9)	19,1	(3,7)	8,4	(1,1)	42,5	(2,4)	86,7	(1,5)
Russia	29,1	(2,2)	31,6	(2,0)	19,8	(1,8)	13,9	(1,5)	26,4	(2,7)	64,8	(4,3)

Note: Please note that the sample for Russia does not include the population of the Moscow municipal area. The data published, therefore, do not represent the entire resident population aged 16-65 in Russia but rather the population of Russia excluding the population residing in the Moscow municipal area. More detailed information regarding the data from Russia as well as that of other countries can be found in the Technical Report of the Survey of Adult Skills.

Source: OECD, 2017a -Table IV.2.1

Table 4: Financial inclusion of young people (15-24) by regions in 2017

	Financial institution account, young adults (% age 15-24)	Saved to start, operate, or expand a farm or business, young adults (% age 15-24)	Saved at a financial institution, young adults (% age 15-24)	Saved any money in the past year, young adults (% age 15-24)	Main source of emergency funds: savings, young adults (% able to raise funds, age 15-24)	Main source of emergency funds: family or friends, young adults (% able to raise funds, age 15-24)	Main source of emergency funds: money from working, young adults (% able to raise funds, age 15-24)	Main source of emergency funds: loan from a bank, employer, or private lender, young adults (% able to raise funds, age 15-24)	Main source of emergency funds: sale of assets, young adults (% able to raise funds, age 15-24)	Main source of emergency funds: other, young adults (% able to raise funds, age 15-24)	Sent or received domestic remittances in the past year, young adults (% age 15-24)	Received domestic remittances in the past year, young adults (% age 15-24)
Arab world	20%	7%	5%	30%	11%	66%	16%	3%	2%	2%		
East Asia & Pacific	68%	17%	29%	57%	29%	31%	36%	1%	1%	1%		
Europe & Central Asia	63%	7%	22%	44%	24%	54%	14%	6%	1%	1%		
Euro area	79%	5%	32%	52%	34%	48%	6%	11%	0%	0%		
High income	82%	15%	43%	65%	36%	38%	16%	6%	2%	1%		
Latin America & Caribbean	38%	16%	11%	46%	16%	48%	24%	6%	3%	2%		
Low income	20%	17%	9%	43%	16%	37%	30%	4%	9%	2%	34%	25%
Lower middle income	47%	10%	12%	35%	17%	52%	27%	2%	1%	1%	24%	20%
Developing	50%	13%	15%	41%	19%	46%	28%	2%	2%	1%	28%	22%
Middle East & North Africa	33%	9%	9%	35%	13%	62%	17%	2%	3%	2%		
Middle income	54%	12%	16%	40%	19%	47%	28%	2%	1%	1%	27%	21%
North America	88%	28%	59%	83%	36%	21%	32%	5%	4%	2%		
South Asia	59%	7%	11%	25%	17%	56%	25%	1%	1%	1%	18%	15%
Sub-Saharan Africa	26%	19%	12%	51%	19%	38%	28%	4%	8%	2%		
Upper middle income	65%	15%	23%	48%	24%	40%	30%	3%	2%	1%	32%	25%
World	54%	13%	18%	43%	22%	45%	26%	3%	2%	1%		

Source: Demirgüç-Kunt, Asli, Klapper, L., Singer, D., Ansar, S. and Hess, J. (2018) - Findex World Bank 2017

Table 5: Youth (15-19) access to informal or formal financial services

	World	East Asia	South Asia	Eastern Europe and Central Asia	Latin America and the Caribbean	Middle East and North Africa	Sub-Saharan Africa
Formal services	5,8	4,7	18	10	6,8	1,2	3,2
Informal services	8	4,8	16,1	9,9	3,2	1,2	11,5

Source: Sykes, J.; Elder, S.; Gurbuzer, Y. and Principi, M. (2016) - ILO

ANNEX D

OVERVIEW OF NATIONAL STRATEGIES

List of countries with financial education strategies with a focus on children and youth^{125 126 127}

- › Armenia
- › Australia
- › Azerbaijan
- › Belarus
- › Belgium
- › Brazil
- › Burundi
- › Canada
- › Chile
- › Colombia
- › Côte d'Ivoire
- › Croatia
- › Czech Republic
- › Denmark
- › Dominican Republic
- › Ecuador
- › El Salvador
- › Estonia
- › Ethiopia
- › France
- › Georgia
- › Ghana
- › Hungary
- › India
- › Indonesia
- › Ireland
- › Israel
- › Italy
- › Japan
- › Jordan
- › Kazakhstan
- › Korea
- › Kyrgyz Republic
- › Latvia
- › Lebanon
- › Malaysia
- › Mexico
- › Moldova
- › Mongolia
- › Morocco
- › Netherlands
- › New Zealand
- › Nigeria
- › Palestine
- › Paraguay
- › Peru
- › Philippines
- › Portugal
- › Poland
- › Romania
- › Russian Federation
- › Saudi Arabia
- › Senegal
- › Serbia
- › Slovakia
- › Slovenia
- › Singapore
- › South Africa
- › Spain
- › Sweden
- › Tanzania
- › Turkey
- › Uganda
- › Ukraine
- › United Kingdom
- › United States
- › Zambia

126 OECD & INFE (2015), *National Strategies for Financial Education: Policy Handbook*.

127 OECD (2016), *Financial Education in Europe: Trends and Recent Developments*.

128 CYFI (2015).



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