



MEDIA RELEASE

Financial literacy training by Citi-SMU programme leads to increased financial knowledge and induced positive behavioural change, study shows

Developed and implemented with Citi's funding since 2012, the Citi-SMU Financial Literacy Programme for Young Adults has benefited over 30,000 young adults.

SINGAPORE, 18 July 2019 (Thursday) – A recent study on the effectiveness of the Citi-SMU Financial Literacy Programme for Young Adults shows that almost half of the participants started a regular savings and one in three were able to use the basic financial management tools within three to six months of completing the Programme. The study conducted by a team of researchers at Singapore Management University (SMU)'s **Sim Kee Boon Institute for Financial Economics** showed that young adults who have gone through the Programme last year demonstrated better financial knowledge and taken steps to increase their level of savings.

The Programme is the first structured peer-to-peer financial literacy programme for pre-tertiary and tertiary students to equip them with essential personal finance knowledge and skills. Since its inception in 2012, more than 30,000 youths have benefited from it. The Programme has also trained and certified 284 student trainers from SMU and 228 affiliate student trainers from the Institute of Technical Education (ITE) and Polytechnics.

For this study that was conducted between January and November 2018, customised pre-programme and post-programme quizzes were administered to test participants on the content covered in the Programme to ascertain if the learning objectives had been achieved. Two asynchronous surveys were then deployed to track the effectiveness of the programme. The first survey collected demographics and data on the financial decision making of participants prior to attending the Programme. The second survey, conducted three to six months after the first survey, tracked changes in the behaviour of the participants' management of their personal finances. The two surveys elicited information on the participants' use of simple tools on financial planning and investment activities. 250 respondents participated in both surveys, more than 1,100 responded to the first survey.

The study found that:

- (1) 60% of the participants in the Programme expanded their basic understanding of personal finance and increased their financial literacy.

The primary beneficiaries of the Programme are tertiary students from low to middle income population who might not have sufficient exposure to basic concepts of financial planning such as budgeting, saving, insurance and basic investment. Therefore, this figure shows the Programme has been useful in adding depth beyond the basic understanding of basic concepts.

- (2) Over 70% of the participants have increased or kept their understanding of financial concepts measured by questionnaires from the World Bank Group's Global Financial

Literacy Survey. As a comparison, a 2015 S&P Global Financial Literacy Survey found Singaporean adults scored 59% in financial literacy – the highest in Asia.

As the main beneficiaries of the Programme are the young adults who might not be in the job market yet, they constitute the less financially-included segments of the population. It is worthwhile to note that nearly 35% of the respondents increased their scores in the Global Financial Literacy Survey three to six months after the Programme.

- (3) More than 29% of the respondents were able to use basic financial management tools such as keeping record of financial transactions and increasing their savings (spending less than they earned) three to six months after the programme.
- (4) As many as 44% respondents started a regular savings account three to six months after attending the Programme, which is about 10% more than before they attended the Programme.
- (5) Three to six months after completing the Programme, 32% felt they were investing their savings prudently, compared to 16% at the time of the Programme.

The study further found that the participants were twice as confident in their ability to invest prudently after learning the basic concepts of investment in the Programme.

- (6) After completing the Programme, about 8% more respondents felt they have adequate insurance coverage compared to before they started the Programme.

SMU Assistant Professor of Finance Aurobindo Ghosh, author of the survey report and Principal Investigator for the Citi-SMU Financial Literacy Programme for Young Adults, observed, “Two of the biggest challenges in deploying financial literacy programmes effectively are delivery and timing. Academic literature has been sceptical on the effectiveness of general financial literacy programme mainly because unlike conventional literacy, financial literacy is a life skill and is needed at the point of use. Therefore, “just-in-time” delivery of the content in an interactive peer-to-peer format with both synchronous and asynchronous game-based environment might be the best way to promote and deploy financial literacy knowledge. Going forward, the research, conducted under the auspices of the SMU Institutional Review Board (IRB), aims to address these challenges by evaluating long term changes of behaviour in financial decision making through more scalable and accessible delivery systems.”

SMU President Professor Lily Kong said, “The results of this study into the effectiveness of the Citi-SMU Financial Literacy Programme have been encouraging. The study showed how the peer-to-peer, interactive and experiential pedagogical model adopted by the Programme has enabled young Singaporeans to achieve better financial well-being by maintaining good financial habits. The Programme has made good progress since its inception. SMU will continue to work closely with Citi to expand the scope and reach of our Programme, so that more young adults in Singapore will be able to benefit.”

Mr Amol Gupte, ASEAN Head and Singapore Citi Country Officer, said, “Citi’s partnership with SMU addresses a gap in the community to impart a life-long skill amongst the youth. With an understanding of personal finance, we empower young people to better plan for their future. This programme underscores Citi’s mission and value proposition to enable progress for our clients and within communities where we do business.”

Highlighting the achievements of the Programme, Assistant Professor Ghosh commented, “Based on the survey data collected from the beneficiaries three to six months after the Programme, we have three major takeaways. First, budgeting is a key concept taught in the Programme, so a nearly 30% increase in financial record keeping and budgeting is a significant improvement. Second, a precursor to better financial health is the habit of savings.

Our findings show the students had absorbed this essential concept of financial literacy and are well on their way to being more financially included. Finally, insurance adequacy improved marginally by about 10% three to six months after participating in the Programme, this means that more need to be done to educate participants about benefits of adequate insurance.”

In 2018, the Citi-SMU Financial Literacy Programme for Young Adults reached out to over 4600 beneficiaries from the 3 ITE colleges, and 5 Polytechnics, SMU freshmen and other organisations including Babes Pregnancy Crisis Support, Chinese Development Assistance Council and School of the Arts through its peer-to-peer train-the-trainer programme. Another 7200 polytechnic students also benefited from the MyMoney@Campus activities organised by the Programme.

The full study is available at <https://tinyurl.com/citismuresearchreport2018>.

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About the Citi-SMU Programme for Young Adults

Launched in April 2012 by Citi Singapore and Singapore Management University with the support of the Citi Foundation, the Citi-SMU Financial Literacy Programme for Young Adults is Singapore’s first structured financial literacy programme for young adults.

Through lectures, workshops and course curriculum, the programme seeks to equip young adults between the ages of 17 and 30 with essential personal finance knowledge and skills applicable to their life stage to give them a firm foundation in managing their money and a financial head-start early in their lives. A train-the-trainer model is adopted in which selected students from SMU are trained to deliver the financial literacy outreach curriculum to the young adult community, with the focus on reaching the low to the moderate income.

Since its launch, the programme has engaged over 30,000 young adults on a wide range of topics including basic money and credit management, financial and retirement planning, home and car ownership as well as principles of investment. For more information, visit our website: www.skbi.smu.edu.sg/citi-smu, Facebook page: www.facebook.com/cs.flya and Instagram account: @citismu_finlit.

About Citi

Citi, the leading global bank, has approximately 200 million customer accounts and does business in more than 160 countries and jurisdictions. Citi provides consumers, corporations, governments and institutions with a broad range of financial products and services, including consumer banking and credit, corporate and investment banking, securities brokerage, transaction services, and wealth management.

Additional information may be found at www.citigroup.com | Twitter: @Citi | YouTube: www.youtube.com/citi | Blog: <http://blog.citigroup.com> | Facebook: www.facebook.com/citi | LinkedIn: www.linkedin.com/company/citi

About Citi Foundation

The Citi Foundation works to promote economic progress in communities around the world and focuses on initiatives that expand financial inclusion. We collaborate with best-in-class partners to create measurable economic improvements that strengthen low-income families and communities. Through a "More than Philanthropy" approach, Citi's business resources and human capital enhance our philanthropic investments and impact.

For more information, visit www.citifoundation.com.

About the Sim Kee Boon Institute for Financial Economics

The Sim Kee Boon Institute for Financial Economics (SKBI) is the premier Asian institute for applied financial research and training in financial economics. It is the think-tank within SMU that spearheads cutting-edge research in financial markets that is driven by industry and societal needs in Singapore and the region.

Over the last 10 years, a diverse portfolio of financial research, outreach and training initiatives has been built. In the coming 10 years, while further expanding that traditional financial economics portfolio, the Institute will focus our efforts on the areas of financial inclusion and literacy, sustainable finance, financial technology, and data and governance. To maintain our relevance to finance practitioners and policy-makers, SKBI also adopts a view on Asian and global economic trends.

Supported by SMU faculty and in collaboration and partnership with industry experts, relevant government bodies, and other world-renowned research agencies, the Institute conducts fundamental and applied research which aims at solving real-world issues. Besides research, SKBI also actively engages in outreach, executive training and research dissemination through organising courses, seminars and conferences. Our purpose-oriented activities are designed to bridge the gap between theory and practice and to act as accelerators with regard to financial policies and regulations.

SKBI is led by an Advisory Board that consists of prominent leaders of local and international organisations in the finance industry that have footprints across Asia, and of government agencies.

For more info about SKBI, please visit <https://skbi.smu.edu.sg/>.

About Singapore Management University

A premier university in Asia, the Singapore Management University (SMU) is internationally recognised for its world-class research and distinguished teaching. Established in 2000, SMU's mission is to generate leading-edge research with global impact and to produce broad-based, creative and entrepreneurial leaders for the knowledge-based economy. SMU's education is known for its highly interactive, collaborative and project-based approach to learning

Home to over 10,000 students across undergraduate, postgraduate professional and post-graduate research programmes, SMU, is comprised of six schools: School of Accountancy, Lee Kong Chian School of Business, School of Economics, School of Information Systems, School of Law, and School of Social Sciences. SMU offers a wide range of bachelors', masters' and PhD degree programmes in the disciplinary areas associated with the six schools, as well as in multidisciplinary combinations of these areas.

SMU emphasises rigorous, high-impact, multi- and interdisciplinary research that addresses Asian issues of global relevance. SMU faculty members collaborate with leading international researchers and universities around the world, as well as with partners in the business community and public sector. SMU's city campus is a modern facility located in the heart of downtown Singapore, fostering strategic linkages with business, government and the wider community.

Quotes by beneficiaries and student trainer of Citi-SMU Financial Literacy Programme for Young Adults

1. Ms Jeslene Lim, year-3 student, Singapore Management University

"As the President of the Citi-SMU Financial Literacy student club, I have gained many useful lessons and skills such as leadership and stakeholder management, but most importantly an opportunity to learn and share important financial literacy knowledge to young adults. We explore innovative ways to impart the knowledge, such as through carnival games, mobile games, competitions and workshops. It is indeed personally rewarding and satisfying to know that I am working on a skills-based volunteering initiative which creates a sustainable impact on society."

2. Mr Axel Wong, year-3 student, Temasek Polytechnic

"After completing the Citi-SMU Financial Literacy Train-the-trainers programme which taught me about investment fundamentals, managing insurance, budgeting and fintech, I am more confident about my ability to manage my finances. For example, I make sure I set my daily budget at \$7. I have also started investing by contributing to a regular savings plan. More importantly, the programme has helped me realise there are many people, including my close friends and family, who lack these necessary life skills. I am thus determined to impart financial literacy knowledge to others."

3. Mr Ameer Rahimi, year-2 student, ITE College West

"As a certified Affiliate Trainer, I co-teach financial literacy workshops in ITE alongside SMU students. It has been a great experience to share the knowledge with my fellow peers. At the same time, it helps me to build up my portfolio and improve my standing when I apply to the Polytechnic. I am also a member of the Citi-SMU Financial Literacy Student Council, a platform where SMU, Polytechnic and ITE student trainers discuss about various financial literacy initiatives for the nation. Through the meetings, I realised that I can work well with all of these students. It has boosted my confidence level and I know I can achieve great things in life!"