

Index

Special Program	04
Capacity Development and Workshops	05
Events and Activities	06
Humanitarian Response	07
Publications	08

Photo: Internet

Cover Story

Financial Literacy and Education

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Without an understanding of basic financial concepts, people are not well equipped to make decisions related to financial management. Financially literate people can make informed financial choices regarding payments, savings, investment, borrowing, insurance and more. Financial knowledge is especially important in the present time when increasingly complex financial products are easily available to a wide range of the population. For example, with the government pushing to boost access to financial services, the number of people with bank accounts and access to credit products is rising rapidly. In a growing economy, financial ignorance carries significant costs. The 2014 S&P Global FinLit Survey shows that only 19 per cent of the adults in Bangladesh are financially literate. Further, financial literacy rates differ in important ways when it comes to characteristics such as gender, education level, income, and age.

No doubt, the poor people in Bangladesh use many creative, sometimes complex, strategies to manage their money, which often emerge through a trial and error process rather than by design. The poor often tend to be more reactive than

proactive. Unfortunately, for the poor who operate at the margin, reactive money management strategies can have severe repercussions when they deplete assets and/or place a future claim on income flows. In the context of few resources, persistent inequality and socioeconomic pressures, and complex financial landscapes, financial education can be critical in helping the poor people manage and preserve the few resources they have and work towards economic betterment. However, to date, not much opportunity has been created for financial education for these groups. A good financial education helps people to make sustainable budget plan which might later on help them to overcome many disastrous situations of life.

Creating a well-informed and literate customer base and ensuring adequate protection is critical to financial inclusion for all, especially for expanding financial inclusion to un-served and underserved markets. Since financial education and client

protection are relevant to a broader area of development, the framework for providing financial knowledge and client safety should be conceived within a holistic approach. The framework should focus on strategies to:



Moreover, the approach to financial education should explicitly recognise the diversities of socioeconomic conditions and differential financial needs of various groups of population and enterprises. The key concern should be to develop internal capacity of the consumers to act in their best financial interest, covering knowledge, literacy, attitudes, skills and behaviour with respect to understanding, choosing and using financial services, and ability to access the right financial services that fit their needs. The priority should be to promote financial capability seeking to ensure beneficial financial inclusion to ensure financial stability and functioning financial markets.

For moving forward, the key is to adopt multiple strategies for designing appropriate actions in regard to promoting financial literacy and education:

Adopt financial education strategy and action plan to address key challenges, develop and implement a wide range of programmes (including mass media, trusted intermediaries, comic books, etc.) to enhance financial knowledge, financial product awareness and change attitude and behaviours; combine financial capability-enhancing programmes with available financial products and services; and encourage financial institutions to develop products with design features tailored to meet client requirements.

Develop effective partnerships and collaborative approaches among all relevant stakeholders to initiate and sustain actions, maximise effective resource utilisation, and broaden the effective reach of financial education and consumer protection activities. The efforts should also focus on institutionalising the collective and individual responsibilities across all relevant stakeholders.

Utillise a flexible approach towards developing and delivering financial literacy and education programmes keeping in view the differential needs of different groups, expanded requirements of technical and core competencies in financial transactions, and adopting effective capacity building activities through sharing resources and good practices.

Explore, keeping in view the diversity of the financially excluded population groups and enterprises, pragmatic and differentiated approaches and delivery mechanisms, new and innovative methods and techniques as well as

print, electronic and other media to disseminate materials for achieving comprehensive financial literacy and education covering all relevant dimensions including awareness, attitudes, behaviour and skills.

Install a comprehensive framework for monitoring and evaluation of financial education and consumer protection programmes in terms of their efficiency, effectiveness and impact in improving financial knowledge and well-being of the population.

Develop fair and ethical norms, standards and practices for observance by different stakeholders in implementing financial education and consumer protection programmes.

For effective financial education, umbrella programmes are needed for economic and financial education consisting of different types of learning sessions targeted to specific audiences, such as school children, secondary and tertiary students, informal sector participants, small farmers, CMSEs, overseas workers, microfinance clients, and different excluded groups. One of the key objectives of these programmes should be to promote greater public awareness on economic and financial issues and provide information to enable households and businesses to make well-informed economic and financial decisions.

The government, Bangladesh Bank, IDRA and MRA will have to oversee financial education; covering microinsurance and microfinance issues as well. Similarly, the providers of financial services e.g. banks, insurance companies and MFIs should be encouraged to conduct financial education training, seminars, workshops and use well-designed financial education modules covering relevant aspects, such as rights and responsibilities; prudential, market conduct and good governance requirements; and other aspects of finance and microinsurance markets.

In particular, the banks should take a greater interest in financial education to help expand outreach, improve the quality of financial services and devise new and innovative financial products and services designed for specific groups. For effective delivery of financial education to a wider audience, all feasible delivery structures including the school system, MFIs network and other channels should be used.

To be effective, consumer protection should be taken as an essential element of the country's inclusive financial system; first, to ensure that current users of formal financial services get transparent and fair treatment in the market; and second, to instill overall confidence regarding formal

financial services and providers among potential consumers. The important objectives of consumer protection should include:

Transparency consumers understand prices, terms and conditions, and risks associated with intended use of financial services.

Fair treatment financial products offered in the market are not deceptive or unsafe and the conduct of financial service providers and their employees and agents is not abusive or aggressive, reflects appropriate ethics, and is respectful of consumers' rights.

Risk mitigation financial service providers take reasonable steps to identify, monitor and mitigate customer risks such as fraud or inadequate handling of customer data, which evolve with innovations in products and business models and with the entry of new market actors.

Effective recourse when customers have queries, complaints or other problems, financial service providers have access and effective systems in place to address them.

The measures to achieve effective consumer protection and develop responsible financial markets fall under three broad categories:

1 *The regulator(s) would frame and enforce the rules of the game to safeguard financial consumers' welfare and ensure the fulfillment of the above objectives through consumer protection regulations and supervision;*

Retail financial service providers would contribute to responsible market development by offering appropriate services and observing standards of business conduct;

2

3 *Industry associations and private standard-setting bodies would take the lead in setting collective 'self-regulatory' measures, such as codes of conduct or technical service standards.*

In this respect, the consumers also have an important role to play e.g. by choosing the providers and products carefully, taking action to self-protect such as handling of PINs carefully, and meeting their obligations for which financial education will play important roles. Further, interventions to improve consumers' financial capability and interests would contribute to an enabling but protective environment and stronger client value from use of formal financial services. The efforts should also put emphasis on developing responsible digital finance and framing consumer protection regulation and supervision that would respond to rapid innovations in financial

inclusion products, channels, and business models.

In addition, there should be appropriate strategies for financial advocacy which would be applied in designing and implementing different financial advocacy programmes to encourage. On the one hand, financial and related institutions to increasingly come forward to provide appropriate financial products and services to the financially excluded while, on the other, encourage the financially excluded to access formal financial services through raising awareness regarding rights and benefits and developing public-private partnerships on financial inclusion issues.

For the purpose, several strategies are important

Adopt social marketing techniques to promote and popularise financial inclusion as a key development issue with significant potential of providing benefits to the financially excluded groups and transforming the society at large.

Identify and implement programmes, targeting policy makers, providers and excluded groups and sectors, for raising awareness on financial inclusion and designing products and services to meet the wide range of financial needs of the excluded groups, especially the poor households and marginalised sectors (e.g. MSMEs) in the economy.

Create partnerships and institutional arrangements among the government institutions (especially the local government units), financial institutions, civil society organisations (including NGO-MFIs), and private sector stakeholders to design and implement innovative advocacy programmes.

Develop institutional mechanisms for designing and implementing advocacy programmes disseminating knowledge products based on solid evidence and using proven techniques of knowledge sharing.

In an environment where the range and the complexity of financial products are continuously deepening the financial market in Bangladesh, it is imperative that individuals have a good understanding of the world of finance in order to make better choices that are most appropriate to their financial goals and needs. Research shows that inadequate financial literacy raises serious concerns about the ability of individuals to secure their financial well-being. In this context, the term financial literacy is interpreted as 'the ability to make informed judgments and to take effective decisions regarding the use and management of money' while personal financial literacy is taken as 'the ability to read, analyse, manage and communicate about the personal financial conditions that affect material wellbeing'.

Financial education is therefore 'the process by which financial consumers/investors improve their understanding of financial products and concepts and, through information, instruction and/or objective advice, 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.' Where, Information includes providing consumers the facts, data and specific knowledge to make them aware of financial opportunities, choices and consequences. Such a concept highlights the need for continual updating of financial literacy across all age groups because of the dynamic nature of financial products and services as well as the changing needs and circumstances of individuals with time. In particular, exposing young people to financial concepts is particularly important as they are vulnerable to the temptations of taking excessive debt.

In short, the importance of financial literacy and education cannot be overruled, especially in the context of financial inclusion for all. Financial literacy and education is of particular relevance to Bangladesh in its fight against poverty, in providing decent employment opportunities, in helping to improve the financial well-being of the people through sound financial decision making, in assisting to understand the risk and return related to the funds invested in different financial products, and in looking into financial investment from various angles, and evaluating various alternatives.

In recent years, innovations in financial products and service delivery especially through digital financial services have dramatically increased the availability of financial services for the poor and unbanked in Bangladesh. Yet, low financial literacy and education limits their ability to fully access these services. It is also seen that low financial literacy is associated with poorer financial decisions about cash, asset, and debt management. This shows the urgency of investing in training programmes that aim to improve financial knowledge and skills among the poor and those with low financial literacy. Such training could potentially allow these individuals to benefit from the available financial services, and in turn boost their economic opportunities.

In order to be effective, financial education training courses should be comprehensive and designed to improve participants' financial knowledge and skills, target common misconceptions about money management and financial institutions, and improve participants' ability to understand financial concepts. The training should cover different financial products and services, financial planning, budgeting, debt management, and investing, digital financial services and other relevant issues.

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Project Udhya 2021

KKF has designed its Qurbani/Udhya Project to enable those who can afford to offer the sacrifice but prefer it to benefit the poor, to donate their Qurbani to the poor and needy. This project can be performed in the first three days after the Tenth Day of the month of Dul-Hijah.

This project provides an opportunity for those people who cannot afford to purchase meat products to receive the nutritional benefit of KKF Qurbani Meat Parcel. The project involves the distribution of fresh meat

parcels to the most vulnerable people - women, children, the elderly, disabled, widows, refugees, orphans and so on.

For the last two years, KKF has been successfully taking this initiative of distribution of 100% halal meat of Qurbani for needy and disadvantaged families. As well as ensuring protein for vulnerable people through meat consumption from Qurbani sources. In order to achieve these objectives, KKF intends to slaughter cows, goats and distribute meat among needy people.



Special Program

This year total 09 number of cow and 13 goats were sacrificed. All the arrangements were completed from the Uttara Program Office. The clients gave their positive feedback and thanked organization for this wonderful program.

The donated portion by the clients were distributed among three orphanage, two old age shelter house, low and middle income people of Hajaribag, Dhaka, Uttara, flood affected people of Gaibandha district and underprivileged people of Dhaka city.

Training help the employees to allow employers to pinpoint the **knowledge and skills** that a particular organization looks for. This can educate employees about new skills or provide updates on existing skills to enhance productivity. Considering this in mind foundation has launched

a new program specially designed for its staffs named **Skill Up by Simple Learn**. Under this program on a regular basis foundation is going to develop the skill of its employee as per need. The following trainings were conducted under this program:

Fire Safety Training and Fire Drill



Foundation organized a day long training session on '**Fire Safety and Fire Drill**' as a part of its safety net program on June 14, 2021. Mr Saiful Islam, Bengal International Agency was the lead trainer of the program. Along with the basic fire safety lessons and fire drill he also enlightened participants about electric short-circuit, gas pipeline leakage and risks of cylinder gas. He also trained how to use fire extinguisher step by step. All the staffs and the children were trained under this program efficiently.

Technical Workshop on Creating Magazines



moderator was Ms. Sifat -E-Azam, Executive Director, KKF.

All together 18 participants joined the workshop. The main objective of the workshop was to develop the latent talents of the children and increase their reading and writing creativity. In the workshop how the magazine layout, content, design, naming and other things are prepared in a systematic manner were discussed in detail. At the end of the session certificates were given among the participants.

A workshop based on creating magazine step by step was organised on July 22, 2021. The workshop was conducted by Ms. Farhana Hasna Tuli, co-founder of Bookland Library and the

Workshop: SMART Goal



Expert says appropriate trained people are the assets for the company and rest are the liabilities. In both business and personal affairs, it is significantly proven that setting clear and actionable goals make substantial and meaningful changes for all.

The word **SMART** in this workshop depicts systematic goal setup for an organisation. In general, goal should be **Specific, Measurable, Achievable, Relevant** and **Time-Bound**. For a better output from the staffs and senior children of Joy Shokol Shishur program foundation arranged a workshop named 'SMART Goal' on July 10, 2021.

Ms. Rafia, Admin & HR, KKF moderated the session. Along with the basic ideas some relevant activities were also given in the workshop. Participants appreciated both the trainer and foundation for arranging such kind of training for the employee.

Youths' and Entrepreneurs' Capacity/Skills Development Program

Introduction to MS Excel Training

Microsoft Excel is one of the common and popular feature of Microsoft Office. In our daily professional life, this is one of the most essential applications to make professional life easier. Foundation jointly with Thought organized a two days long training on Microsoft Excel, "Introduction to MS Excel" under "Youths' and Entrepreneurs' Capacity/Skills Development Program" on dated 6-7 August 2021.



The facilitator Mr. Md. Golam Kausain Joarder, an experienced accountant professionals conducted the session. The trainer teaches basic Ms Excel, how to create a cash book, salary sheet, stock sheet and basic formula of Ms Excel. At the end of the session certificates were given among the participants.

Events and Activities

National Mourning Day 2021



National Mourning Day was observed as a public holiday in Bangladesh on August 15 across the country. To observe the National Mourning Day 2020 in a befitting manner, Shelter House organized five days long activities.

August 11 "Tungipara'r Miya Bhai" a biographical feature-length film had been screened among the children. The film is based on the historical context featuring about the childhood and adolescence of the Bangabandhu Sheikh Mujibur Rahman.

August 12 A Quiz Competition based on Bangladesh, Bangabandhu and National Mourning day was

organized for the children of age group 9-12. Total participants were 15



Sumaiya, 1st



Bristy, 2nd



Suraiya, 3rd

August 13 An Art Competition based on Bangabandhu and Bangladesh was arranged along with the older children belongs to 13-17 years. In total 13 children participated in the program.



Bina, 1st



Rubi, 2nd



Shantona, 3rd



August 14 Poem recitation competition was on the 4th day. 15 participants from 5 to 8 years participated in the competition.



Anika, 1st



Sufiya, 2nd



Rashed, 3rd

August 15 Life story of the Bangabandhu Sheikh Mujibur Rahman was discussed through a workshop and a posters and presentations were given by the children.

Celebration of Modhu Mash 2021 with Project Mamar Bari



The bengali month **Jaistho** is well known as the '**modhu mas**' which means the month of sweets or honey as most of the summer fruits of Bangladesh are available during this period. As a part of foundation's

food and nutrition program it has arranged ten days long program from July 03 -13, 2021 for the children of



Joy Shokol Shishur program. Children named the program as **project mamar bari** and enjoyed mango, litchi, jackfruits, blackberries, wax apple and other summer fruits as a part of the project activities.

Eid Card Competition

On the occasion of Eid ul Adha a card competition was organized by the children of Joy Shokol Shishur. The children were divided into three groups as per their age and

prepared Eid cards as the requirements of the competition. Prizes are distributed among the winners at the end of the competition.



Campaign of Vitamin A capsule

July 20, 2021 children of Joy Shokol Shishur program received Vitamin A Capsule.



International Labor Day



International Labor Day was observed in KKF on May 1, 2021. An in-house workshop was arranged and all the children and staff participated in the workshop. Mr. Rifat Tanvir, Shelter in Charge, KKF discussed numbers of relevant issues like workers' rights, labour rules, labour exploitation and its impact in his speech.

Eid-UI-Fitr & Eid-UI-Azha Celebration



World Day against Child Labor



The World Day against Child Labor was observed in KKF on July 12, 2021.

This year, the theme was '**Act Now: End Child Labor**'. Amid the coronavirus pandemic and global crisis, there has been a drastic surge in child labour across the world due to people facing employment woes. Foundation



aware it's children regarding child labour through a day long activity based workshop.

Humanitarian Response

Project Birkonna: Celebrating the Golden Jubilee of Independence



On 25th July, 1971, Pakistani soldiers massacred an entire village, namely **Sohagpur** and killed 187 men, **leaving 62 women as victims of brutal torture & claws of widowhood**. At present, only **24 'Birkonnas' are still alive**, facing all the hardship a distressed soul can face, in the village situated in **Nalitabari upazila of Sherpur district**. Commemorating the **50th year of independence**, KK Foundation shared a gift box to make their Eid a bit more special than usual during the pandemic.

The **key objective of the event** is to remind the fellow Bangladeshis about the sacrifices and the things we lost in the independence war, by honouring those 24 brave souls. Foundation handed over **two gift boxes; one Eid Special Gift Box and a Care Package**, as a token of empathy and love to 24 'Birangonas' (Women of War) of Sohagpur.

The distribution was held on May 8, 2021 and a team from KKF visited Sohagpur Village and presented the gift box among the twenty-four Birkonna.



Photo Credit : Fahad Antar

Humanitarian Response (at a glance)



Project Eid

More than
200 Eid Gifts Package distributed
among under privileged Children



Cooked Food Distribution

👤 400 Person
📍 Gaibandha



Munda Community

👤 50 Family
📍 Koyra, Khulna



Cobbler Community

👤 40 Family
📍 Kuptola, Gaibandha



Fire Disaster Family

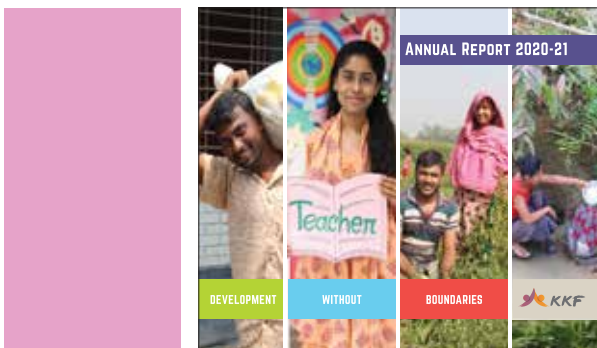
👤 Ration - 17 Family
📍 Majpara, Satmera Union
Sadar Panchagarh



Cyclone Yash

👤 Dry Food - 1950 Family
👤 Ration - 100 Family (7-10 Day)
📍 Maharajpur, Koyra

Publications



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