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### **Global initiative launched to empower children financially**

URBANA – The global economic downturn has created significant challenges for individuals and families around the world, particularly for those in low-income households. Studies have shown that it is often the children of these families that are the most affected, experiencing higher school drop-out rates, lower nutritional intake, and decreased healthcare.

As economies across the world begin to recover, financial experts are investigating ways to prevent a major financial meltdown from happening again, and how to protect children and their families from experiencing the associated hardship. Some financial professionals feel the best way to protect children is to educate them on the basic principles of social and financial responsibility.

In early June, financial “thought leaders” from around the world came together for the first time at the International ChildFinance Experts’ Meeting held in The Netherlands. They met to develop a vision and a strategy for how financial systems and policies can be modified to improve the financial security of children. Angela Lyons, a University of Illinois associate professor of agricultural and consumer economics and director of the U of I Center for Economic and Financial Education, represented the U of I and the United States at the meeting.

“The purpose of our meeting was to develop an action plan for ChildFinance, a new program designed to provide financial education and services to children and young adults throughout the world,” Lyons said. “In particular, we looked at how a savings account program could be structured to be universal across countries. The goal would be that if you financially empower children, they will be more able to have financially secure futures and will become responsible citizens within their communities.”

Sponsored by Citi Foundation and organized by Aflatoun, a global leader in providing social and financial education to children, the meeting drew together over 120 participants from 40 countries. Meeting attendees represented federal governments, financial regulators, central and private banks, savings and microfinance institutions, academia, and many non-governmental organizations.

Participants discussed how to further the ChildFinance initiative.

“We discussed the various themes of ChildFinance and how they can be developed to provide children with increased access to high quality social and financial education and child-friendly financial products and services,” said Jeroo Billimoria, executive director of Aflatoun. “This movement will empower and help children and young people to develop a sound value base, believe in themselves, be entrepreneurial, and make sound financial decisions so they invest in their futures and thereby create a more equitable society.”

According to Lyons, the U of I Center for Economic and Financial Education is identified as one of the leading centers in the world for providing economic and financial education, and for conducting research to measure the impact of those efforts. The center is housed in the

Department of Agricultural and Consumer Economics (ACE) in the U of I College of Agricultural, Consumer and Environmental Sciences (ACES).

“We strategized at the global level on finding the best method for providing financial education and services to children who live in very different countries,” Lyons said. “We have our ways in the United States, but the approach we take here may not be appropriate to fit the needs of the children in other countries.

“For example, in Africa, what’s financially important may be securing jewelry or livestock. Do we want to focus on financial services or products in the traditional western way of thinking in terms of a banking account? Or, should we make them more culturally applicable, especially in some of the remote villages?”

The group also discussed how new technologies can be used to develop the financial skills of children. Whether children reside in the United States, Africa, Asia, Europe, or elsewhere, most have access to cell phones. Applications for cell phones may be developed to help children learn about managing their finances and gain access to financial products and services. Innovative gaming technology may also be developed for use online or via cell phones to teach children basic social and financial principles.

“Today’s children are going to face a lot of economic and financial challenges during their lifetimes,” Lyons said. “We want to help them to be financially secure and socially responsible members of society. We feel we can do that by providing social and financial education and better access to child-friendly financial services. Whatever country you live in, having money and access to financial services is a key way to create safety and security for yourself.”

For more information on the ChildFinance initiative, visit <http://childfinanceinternational.org/about/>.