



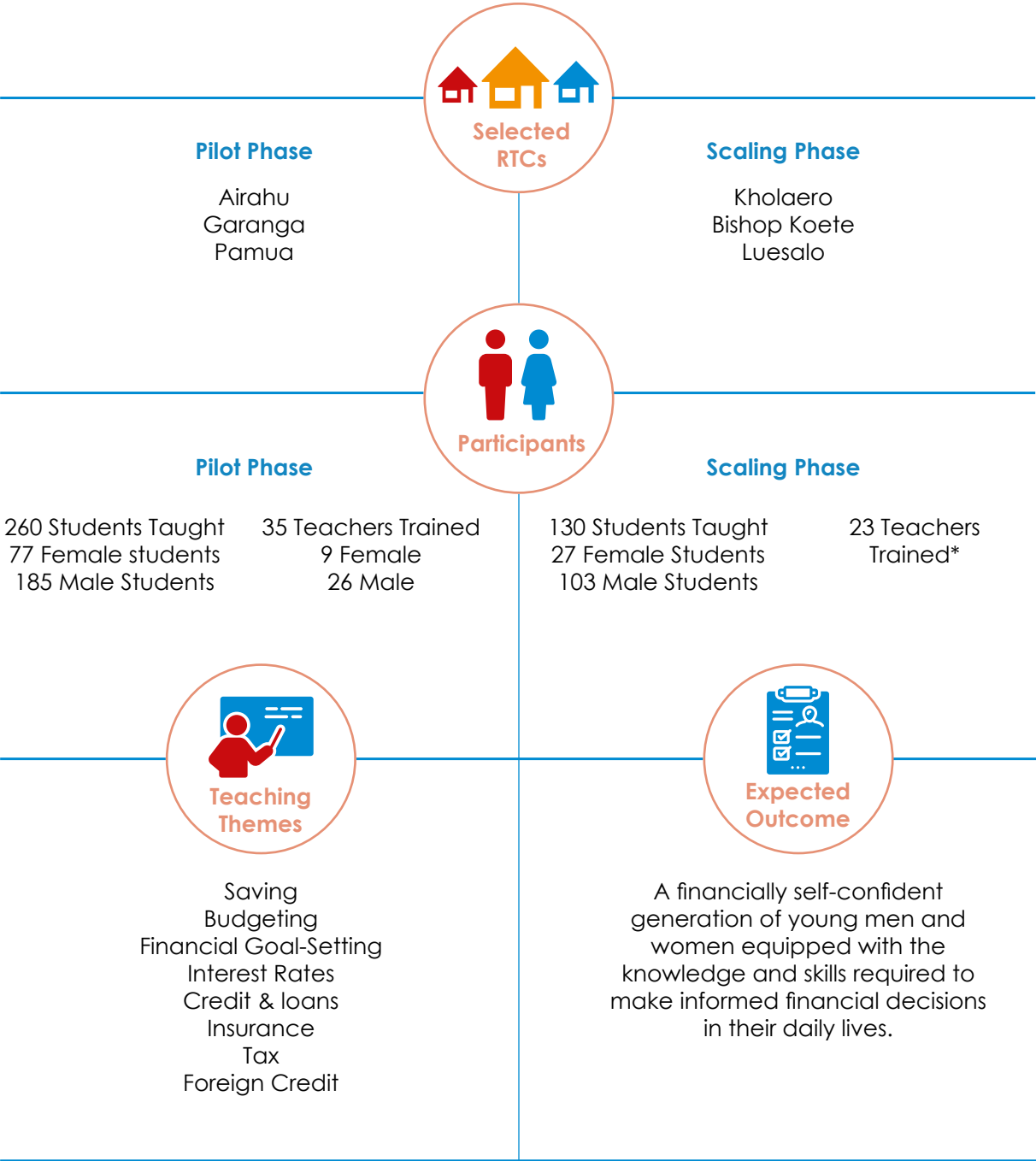
Pacific Financial
Inclusion Programme



SCHOOLING THE NEXT GENERATION: LESSONS LEARNT IN FINANCIAL EDUCATION IN THE SOLOMON ISLANDS



Project Factsheet



*Gender of teachers not available for the scaling phase of the project

The Pacific Financial Inclusion Programme (PFIP), a joint UNCDF and UNDP programme, is a Pacific-wide initiative that aims to increase the number of low-income consumers who adopt formal financial services. PFIP has been active in Solomon Islands since 2008, supporting government efforts to create an enabling policy environment for financial innovation and promoting initiatives that aim to build financial know-how and facilitate wide-spread access to formal financial services.

Financial literacy is a core life skill to be able to fully participate in society and allowing people to take charge of their own financial future. While Solomon Islands currently has one of the lowest rates of financial inclusion in the region at 34%¹, inclusion rates are gradually improving as financial service providers increase their national presence and invest in digital financial products. However, a recent UNCDF Country Assessment¹ found that financial literacy rates and the degree of familiarity with financial concepts are extremely low, especially among women. Expanding access to financial services is one of PFIP's core mandates, but for access to have a meaningful positive impact it's necessary to ensure that people are also equipped to use financial products and make informed decisions.

Financial Education (FinEd) at school level plays an important role in improving financial literacy and familiarity with financial products, especially in cases where parents and the wider community are ill-equipped to offer guidance on financial matters. A national survey conducted by the OECD found that “young adults have amongst the lowest levels of financial literacy” which led to an “inability to choose the right financial products and often a lack of interest in undertaking sound financial planning.”² A key recommendation was that FinEd be incorporated into curriculums as early as possible, to allow children the time to develop the necessary tools and skills that will allow them to ensure their financial future. In 2009, PFIP successfully advocated for FinEd to be incorporated into the Money Pacific Goals³ with the aim of ensuring that financial education is incorporated into core-curriculums region-wide and is also made available to adults.

In 2017, PFIP signed a Letter of Exchange with the Anglican Church of Melanesia (ACoM) to launch a FinEd pilot programme in Solomon Islands. Three Technical and Vocational Education and Training (TVET) institutions, known as Rural Training Centres (RTCs) in Solomon Islands, were selected to have FinEd incorporated into their curriculum. On successful completion of the pilot phase, a scale-up project was implemented that extended FinEd to the three remaining ACoM administered RTCs. This focus note presents the findings and lessons learnt of the programme. It aims to inform practitioners engaged in the wider roll-out of FinEd in the Pacific.

¹PoWER Women's and Girls' Access and Agency Assessment: Solomon Islands

²oecd.org/daf/fin/financial-education/FinEdSchool_web.pdf

³<http://www.pfip.org/our-work/work-streams/regulation-policy/money-pacific-goals/>

Context

Solomon Islands remains a predominantly rural country, up to 80% of the population remains reliant on subsistence agriculture. While the population is relatively evenly distributed across nine provinces, financial service providers have focused their operations in Honiara, the capital city. Reports commissioned by Solomon Islands National Financial Inclusion Strategy 2016 – 2020 found that 85% of the population remains financially excluded.

Literacy and fluency in English are two key factors limiting increases in financial inclusion levels: formal financial inclusion correlates strongly with higher education levels. Despite middling rates of school enrolment, functional literacy levels are very low. The persistent gender gap in school enrolment, which widens progressively, results in women consistently underperforming men. Functional literacy rates for women stand at 14% compared to 21% for men; only 28% of people who completed primary school were found to be functionally literate. The knock-on effect is that only 36.8% of women and 48.9% of men feel at ease reading in English.⁴

The national government's investment in education, supported by foreign donors, has resulted in consistent incremental improvements in literacy and numeracy. Solomon Islands performed strongly in the recent Pacific Islands Literacy and Numeracy Assessment (PILNA). The Ministry of Education and Human Resources (MEHRD) is currently in the process of updating the entire national curriculum to bring it in line with current global standards.

Religious institutions have traditionally played an important role in education in Solomon Islands; many of the first schools were established by missionary groups of various denominations. Over a quarter of schools are managed independently by church groups. The Anglican Church of Melanesia (ACoM) is particularly active in the education sphere and manages schools in most provinces. While church schools do have flexibility regarding curriculum, especially in TVET institutions, they nonetheless rely heavily on the national curriculum to provide core modules.

⁴PoWER Women's and Girls' Access and Agency Assessment: Solomon Islands

Development of the Project

The FinEd pilot project was the first attempt to formally provide financial education in Solomon Islands. Given the realities on the ground, specifically the lack of up to date textbooks and the general lack of familiarity with financial concepts, it was necessary to develop the course from scratch to ensure that the content was culturally relatable and was suited to the requirements of both students and instructors.

PFIP commissioned the Waikato Institute of Technology (Wintec) to develop a stand-alone module that would include 80 hours of instruction: four hours a week across two terms. Course materials were developed and printed in two books, one for each term of instruction. The books cover the full range of FinEd topics: saving, budgeting, financial goal setting, interest rates, insurance, tax and foreign exchange. To encourage a high level of student participation, the course material focuses on topics drawn from the daily life of Solomon Islanders. The course was designed to encourage student-centered teaching methods, with a heavy reliance on practical activities, games and discussions.

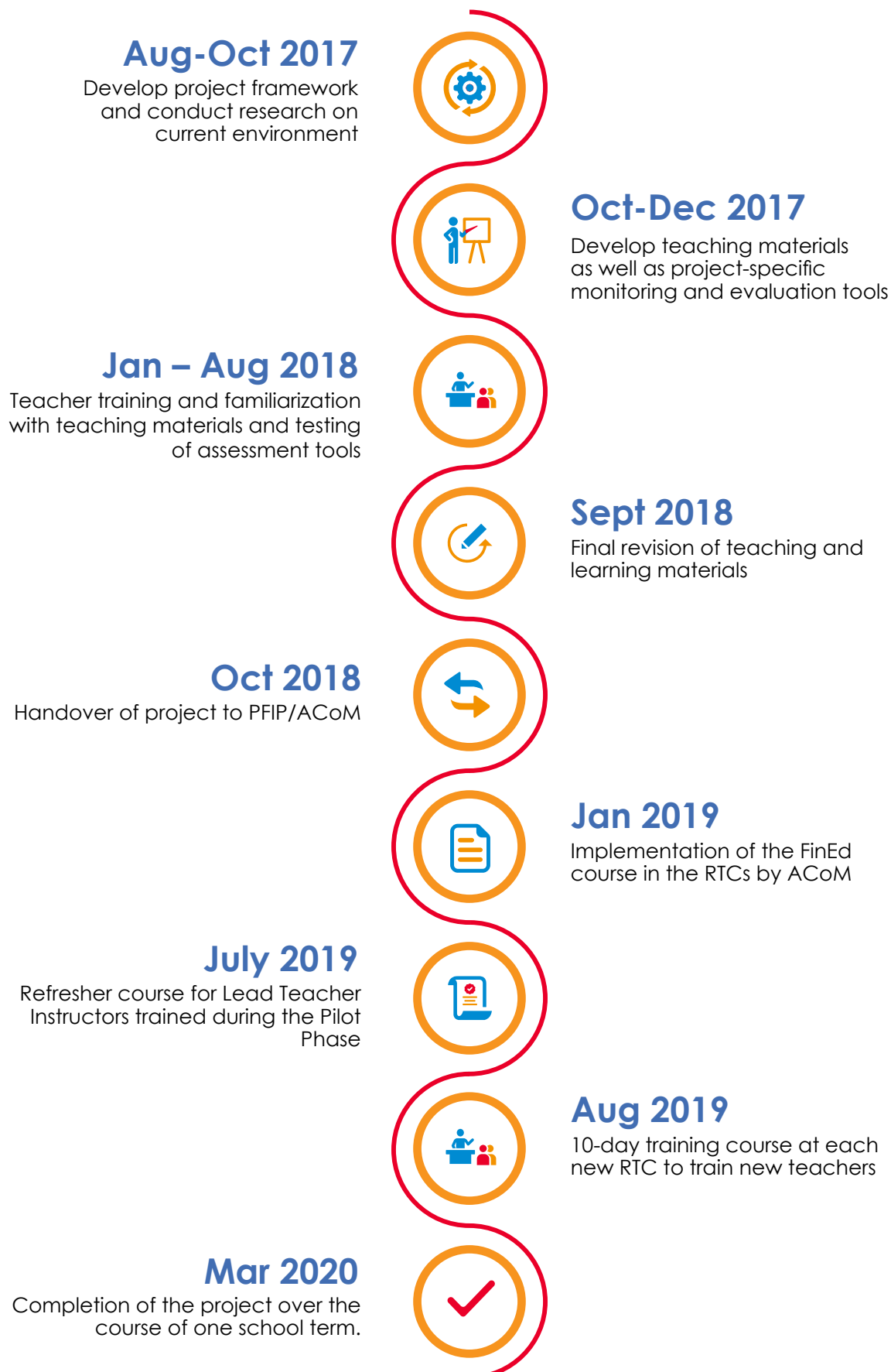
The anticipated outcome of the project was a generation of young women and men equipped with the relevant financial knowledge, skills and confidence to be able to make responsible financial decisions, in keeping with their circumstances. The course was intended to enable students to capitalize on economic opportunities and contribute to the economic growth and resilience of their communities.



Annie, a current student at the Pamua RTC, earns a living by selling beans, capsicums, tomatoes and cabbages that she sources from her home garden. Previously, she used to sell the vegetables within her school's compound and at the community market twice a week, from which she earned SBD \$150 (USD \$18) a day. After studying FinEd, Annie decided to try and increase her earnings by increasing the number of days that she works. She saves this extra money in a recently opened savings account.

"I realize that I used to spend money recklessly, but now I have set savings goals and my ultimate objective is to save for my sons's education. FinEd has definitely changed my mindset towards proper money management and now I am in a position to put into practice what I learned," Annie stated.

Three-year Project Timeline



Teaching and Learning FinEd in Solomon Islands

Impact on Teachers.

The framework developed between PFIP and ACoM aimed to provide teachers, who were largely unfamiliar with FinEd, with the necessary structures and professional development necessary for the course to achieve its goals. During the pilot project's six-month training and familiarization phase, 35 teachers (26 male & 9 female) were trained. The Teacher Guidebooks that were developed for the project contained comprehensive notes and lesson plans to ensure that the RTC instructors had the tools necessary to feel comfortable within the course structure.

The pilot project adopted a team-teaching approach during FinEd classes. Team-teaching, where two or more teachers are responsible for teaching a course to a group of students, allows teachers to collaborate or co-teach and is especially useful where one or both of the instructors are new to the material. The approach produced a number of positive outcomes, such as:



More teaching ideas and approaches were shared between teachers – they were able to complement or pool ideas.

Class energy levels were higher as students enjoyed the interactive approach to their normal lessons and the chance to work with different teachers.



When teachers were absent or sick, they had 'back-up' and the financial education classes could continue.

Pamua RTC grouped all students together and used four instructors simultaneously, led by the Principal and the Deputy. They found this approach to be very beneficial: students saw the intersection of each teacher's specialty subject and they were able to learn from teachers whose teaching style matched their own approach to the subject matter. The result was a more enjoyable atmosphere for both students and teachers.



Teachers could support each other when they had difficulties with the content

Teachers continued to develop their familiarity with FinEd during the course of the project, building their comfort level with the concepts as they taught the students. The enthusiasm that came from applying FinEd knowledge to everyday life situations resulted in teachers and students establishing their own savings group at Garanga RTC⁵.



Saving is no easy task. It takes goal-setting, planning and discipline but can profoundly impact people's quality of life. The students and teachers at Garanga RTC in Isabel province were inspired by their FinEd course to get together and start a savings club.

"Students and teachers now trust and feel safe to join the canteen savings group, because they know that FinEd is the reason behind its transformation. Our teachers and students are really working hard to put into practice their FinEd learning," said Mr Reisa Misael, recently retired Principal of Garanga RTC.

The success of the pilot project led PFIP to extend its partnership with ACoM and commit to a follow up scaling project for FinEd. This was developed and began training teachers in June 2019, with the aim of extending FinEd to the three remaining ACoM RTCs: Kholoero in the Isabel Province, Bishop Koete in the Central Province and Luesalo in the Temotu Province. Six teachers from the pilot phase were selected to become Lead Teaching Instructors (LTIs). They were provided with comprehensive refresher training on the content covered by the programme, as well as training on teaching and structuring the 10-day block course they would deliver in the new schools. This phase of the project was supported by the contract implementer, but the training in the schools was to be done without external supervision.

The new FinEd teachers trained in the scale-up project reported high levels of comfort with the materials and techniques in the course. However, through the evaluation process, it became apparent that many new teachers, and even some of the LTIs, struggled with more advanced concepts such as taxation and interest. As such, it is advisable to conduct refresher courses at regular intervals to ensure that gaps in teachers' knowledge are addressed. The Central Bank of Solomon Islands has indicated that it would be willing to conduct refresher courses if needed.

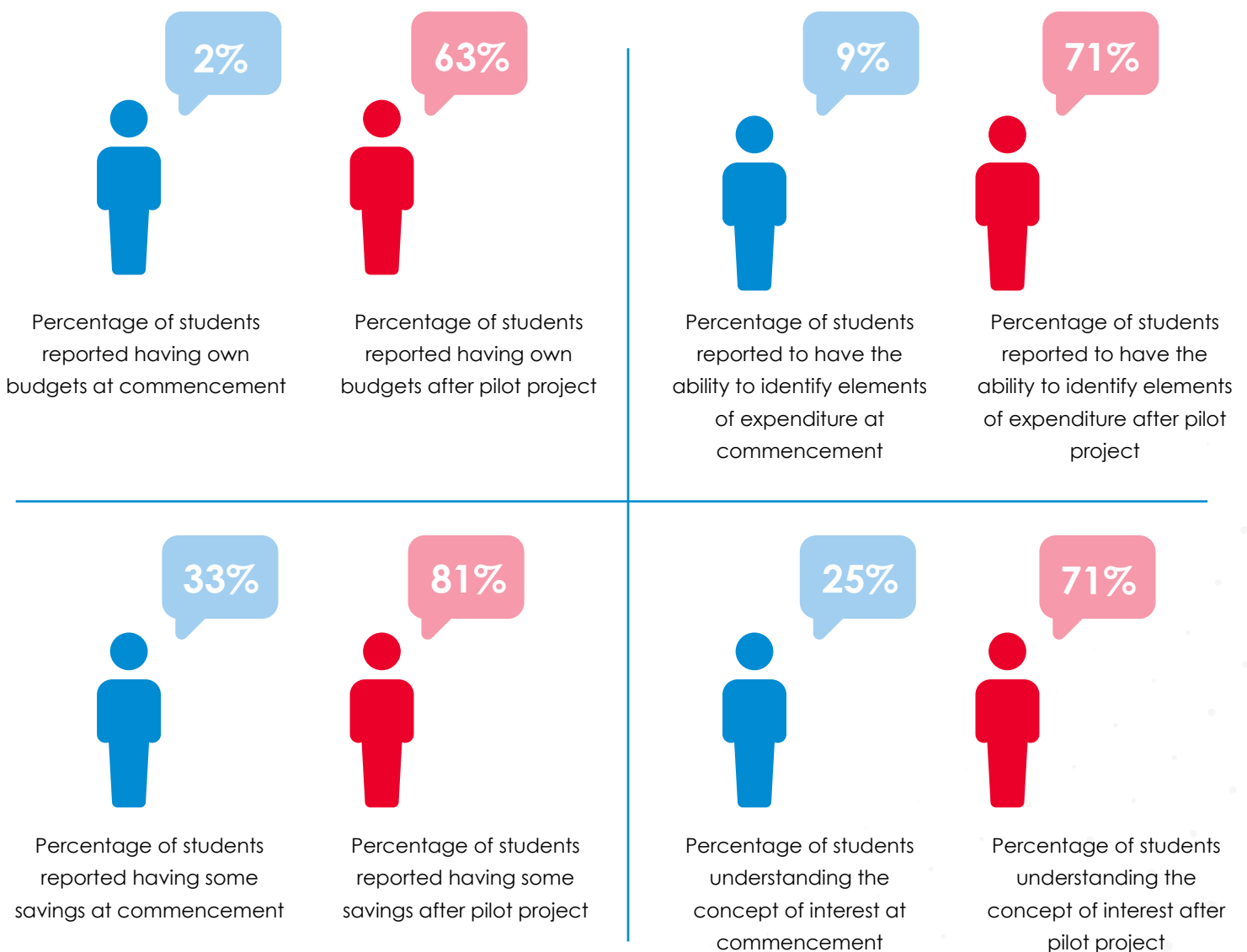
⁵"Financial Education supports Garanga Community to bring back life into its school canteen", Garanga Community Impact Story

Impact on Students

Financial education, integrated into education and taught at an early stage, can create a strong foundation for behavioral change in people's approach to money and financial matters in general.

Many of the students interviewed for the final assessment of the project proved to have taken on board key teaching points from the FinEd curriculum and expressed their intention to apply them in their daily lives. Tangible examples included students opening bank accounts, creating budget plans and joining savings groups. Other students spoke of their intention to apply FinEd principles once they enter the workforce. The FinEd curriculum emphasizes that participants should start practicing proper money management regardless of the amount they earn: the guiding tenet is that managing one's cash flow is the first step on the path to long-term financial security.

Key figures of student impact are provided below:



One of the factors affecting the dataset produced by the scale-up project was the high turnover of students. While RTCs are run on tight budgets in order to keep costs to students low, it was not uncommon for students to be asked to leave for non-payment of fees. Enrolment numbers across the three schools evolved significantly over the course of the term, from 130 students at the start of term to 69 at the end. This was expressed in students' short-term goal setting, with a number of students aiming to ensure adequate family savings to cover their tuition fees.

Lessons Learnt

The Pilot FinEd project in Solomon Islands supplied five key lessons learnt that will help inform the design of future FinEd projects, both in Solomon Islands and in the wider Pacific.

1 The importance of providing dynamic student-centred resources

TVETs frequently have informally structured courses and are dependent on individual teachers' knowledge and experience. Lesson plans are often loosely structured and, while they may have a variety of teaching and learning resources, many have been passed down over the years and are not relevant to the current demands of the job market. In the case of ACoM RTCs, teachers previously relied heavily on their personal professional experience, supplemented by personal research done via the internet. This was not feasible for topics on which they had little personal experience. Therefore, an emphasis was placed on developing approachable, culturally appropriate and relevant FinEd resources to reduce the burden on teachers.

Our findings suggest that resources need to be student-centered, placing responsibility for learning on students rather than on the teacher. This allows students to actively participate in course activities and take on a proactive role in their personal development. Tailoring FinEd resources to the target audiences' context gave participants the confidence to fully engage with the material and extract maximum benefit from it.

2 The value of structured teacher training courses

The success of FinEd projects depends to a great extent on the training received by teachers. To prepare teachers to lead the courses it is essential to allocate sufficient time and resources for them to fully familiarize themselves with the concepts and the curriculum structure. Teachers found certain components of Financial Education curriculum difficult to absorb, specifically the complexities of taxation, insurance, interest rates and cost of credit.

Conducting teacher training on an on-going basis ensures that teachers continue to develop their understanding of FinEd as they teach it. This is critical to ensuring that they fully grasp the course content, use of materials, learning concepts, suite of classroom resources and application of assessment tools. Teacher training must also emphasize teaching approaches that are conducive to successfully delivering FinEd. For example, team teaching helped

teachers build confidence using the classroom resources and with implementing assessment tools. This allowed the teachers to see how others approached the same topics and build upon each other's ideas and experiences. The best results were achieved where teachers took ownership of FinEd and grasped the impact that FinEd could have on the lives of both students and teachers.

It is useful to make use of external expertise when developing the curriculum resources, particularly government institutions and financial service providers. During discussions with Solomon Islands Inland Revenue Department regarding the course content, it was established that certain tax interpretations in the materials needed further clarification. The Central Bank of Solomon Islands also contributed to the taxation topics in the resource guides and provided content based on current situations that they were experiencing.

3 Using digital channels for monitoring and evaluation purposes

The dispersed settlement patterns and poor transport connections of many Pacific states make it challenging for project staff to undertake ongoing monitoring and evaluation of projects in person. In Solomon Islands, PFIP employed a digital survey form to collect data from the field. The form was designed using open-source software called Kobo Toolbox⁶.

While digital channels were invaluable in this instance, it should be noted that poor connectivity and low levels of digital literacy do remain a challenge. The Airahu RTC illustrates a possible way forward, Our Telecom (a local mobile network operator), in partnership with the Waikato Institute of Technology, put in place infrastructure to allow students to access digital financial education materials and to undertake the digital student impact surveys. While connectivity levels are generally improving, the experience highlighted the importance of ensuring basic digital literacy among students and teachers so as to allow projects to make use of digital tools.

4 Implementation, monitoring and evaluation is an ongoing process

To ensure that key concepts and practices take root, it is important to select an implementing partner capable of supporting FinEd projects on an ongoing basis. Institutions need to be realistic about the levels of monitoring and evaluation required to ensure the success of the project and factor it into their budgeting processes from the start. This will allow them to rapidly respond to implementation challenges that might arise on a medium to long-term basis.

The methods and materials adopted in the pilot project were unconventional but highly effective: they challenge both students and teachers to tackle novel concepts in innovative ways. However, over time, there is a risk that without ongoing evaluation teachers will revert to methods and materials with which they are more familiar. As such, clearly structured ongoing evaluation is necessary to ensure that the "FinEd culture" becomes firmly established.

⁶Kobo Toolbox is a suite of tools for field data collection for use in challenging environments.

The scale-up phase of the project presented additional challenges for evaluation given that it was done without supervision from the external project team. The results highlighted the need to further tailor evaluation forms to the situations of the students. Many students currently have no income and no access to cash. The focus of the evaluation forms was on making students feel at ease by making the assessment practical rather than theoretical but in this instance resulted in many answering questions as being “non-applicable”. This made it challenging to assess the results and has prompted a review of the questionnaires.

5 Key stakeholders and partners committing towards Financial Education

Key stakeholders and partners need to be fully engaged in delivering FinEd. To be able to sustain the momentum that will deliver meaningful change, FinEd programmes must be integrated into long term work plans and budgets. While the energy and passion of principals and teachers will play the key role in delivering FinEd, it is important for other relevant stakeholders to create the enabling environment that will allow their efforts to come to fruition.

Lessons Learnt in Scaling Phase

The scale-up phase of the projects provided the opportunity to implement the recommendations that resulted from the pilot phase. However, because the training of new teachers was implemented by local Lead Training Instructors, it also produced a number of further recommendations.

1 Scaling up FinEd in Solomon Islands

Scaling FinEd projects using instructors trained in the pilot phase has been found to be workable. FinEd could be extended to other TVETs with minimal external support, especially those close to TVETs currently offering the course. However, most RTCs are not in a financial position to cover the costs of new courses. Increasing tuition fees is not seen as a viable course of action given that many RTCs lose a good portion of their students over the course of the year because of non-payment of fees. While costs can be reduced by using previously trained teachers to conduct training courses, the schools will still require external support to cover the costs of implementation.

The Future of FinEd in RTCs

Having completed the pilot period of FinEd instruction, both students and teachers of the three pilot RTCs expressed their desire to build upon what they had achieved in their first year. Indeed, in Airahu RTC they tasked students with ensuring that student coursebooks were kept in good condition so that the following years students could use them too. The success stories, some of which are shared above, illustrate some of the ways in which the concepts and practices have been incorporated into the lives of the participants, pointing to genuine behavioural change. Overall, the results of the evaluation suggest that the RTCs were successful in building the “FinEd culture” and have continued to build on the achievements of the pilot phase by developing their own notes and materials, based on what they had success with previously, in anticipation of the course continuing.

The scale-up phase of the project represented an important step. While they will receive ongoing support from the project implementers, their real-life experiences of launching FinEd in Solomon Islands should prove invaluable in integrating the course into new schools. By fully embedding FinEd subject material into the local context, Solomon Islands teachers can promote genuine behavioural change in the realm of personal finances, significantly improving the futures of their students.



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