

Citigroup offering finance education to the poor

Business and Investment - December 07, 2006

The Jakarta Post, Jakarta

As part of a global strategy to empower the disadvantaged, Citigroup has picked Indonesia as the third country where it will introduce its financial education for the poor project, which started in Peru and the Philippine two years ago.

The project, which basically provides training for trainers, is costing some US\$5.3 million worldwide.

As part of the project, a one-week workshop, which started Tuesday, is being held in Jakarta, with around 30 participants taking part from Cambodia, Mongolia, Sri Lanka, Vietnam and Indonesia.

Shariq Mukhtar, Citibank country business manager, said that teaching good money management practices would help people understand money management and financial law, thereby hopefully helping them to improve their well-being.

"This is a model I feel very proud of because it educates the consumers.

"When you have an educated consumer, it will result in a stable banking industry as people will pay back their money at the right time and the money will then go to the next eligible family," explained Mukhtar.

The project kicked off two years ago with a study to identify the needs of clients around the globe and identify key learning objectives. After the creation of modules and pilot programs, the team came up with a generic module design, which in turn can be localized and adapted to the needs of specific countries.

The module covers such areas as budgeting, savings, debt management, banking services and financial negotiations.

For the preparation of the module, Citibank spent about \$3.9 million out of a total of \$5.3 million. The remainder of the money is now being used for the dissemination of the curriculum around the globe through in-country training.

"There is a long way to go, and many things to do regarding this program, such as how to localize and adopt the module's materials to enable it to be implemented in Indonesia," said Danielle Hopkins, Citibank's financial education manager responsible for microfinance opportunities.

Six educational institutions and microfinance institutions with good track-records in microfinance sector in Indonesia have been selected as dissemination partners by the bank. They will now be trained as service providers for the program.

Ditta Amahorseya, senior vice president and country corporate affairs head of Citigroup Indonesia, said Citigroup would be targeting the members of 75 different institutions from around the country to receive training in 2007.