

SPEECH FOR FINANCIAL INFORMATION MONTH 2009
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Fellow Anguillians,

The Eastern Caribbean Currency Union member governments have for the last seven years designated the month of October as Financial Literacy Month. It is a time when the Eastern Caribbean Central Bank in collaboration with commercial banks, other financial institutions, Ministries of Finance, Ministries of Education and media houses in our region implement initiatives aimed at preparing citizens to make the type of financial decisions that can result in not only an improvement in their quality of life but eventually the stability of the Union as a whole.

The thinking behind this initiative is that by teaching the basic elements of financial management to individuals and families we can develop a strong culture of responsibility in financial matters. This year, the theme for the month is “*Save and Invest Today ... Enjoy Tomorrow*”.

The theme seeks to emphasize savings, wise investments and long term financial planning as key concepts in building a secure future. It is also in keeping with the ultimate objective of the Financial Information Month

initiative, which is to empower all persons to make the type of investment and spending choices that will allow each individual to build wealth, become financially secure and retire in comfort.

The focus is developing a culture of financial prudence in the member states of the Currency Union through a series of activities planned to highlight the importance of healthy money management practices. The ultimate aim is to condition our citizens to the critical importance of cultivating both the day to day skills that can lead to proper debt management and savings strategies as well as techniques which can lead to the achievement of long-term personal and family goals such as acquiring a home; financing higher education and preparing for retirement.

As I continue to stress every year when I launch the program of activities for Financial Literacy Month “the way we manage our money can impact both the way we live today and the quality of our life tomorrow”. And it also points to the need for individuals and families to pay close attention to their spending, saving and investment patterns, or lack thereof, to ensure that they get the best long term benefits from their earnings.

We are all at sometime guilty of being excessive in our spending and occasionally tardy in the handling of our commitments. While there will be times when we may feel the need to indulge ourselves we should always do so in the context of a calculated decision and fully conscious of our priorities.

Clearly if we do not take responsibility for our financial life the other aspects of our life can be negatively impacted. Fortunately, the reverse is also true - -- if we make the right financial choices then our life circumstances can be positively improved.

Financial Literacy Month 2009 contemplates a series of public education programmes spearheaded by the ECCB in collaboration with the Ministries of Finance and the Ministries of Education of each member territory; the Eastern Caribbean Securities Exchange as well as other financial institutions based in the Currency Union, the media and other entities in the public and private sectors.

As you follow the events, publications and presentations under this theme you will notice a logo portraying a royal blue piggy bank promoting three focal concepts:- regular savings; prudent spending guided by a savings plan, and; investing for the future. Royal blue which is synonymous with hope, will power and strength, represents the financial success available if everyone adheres to the aforementioned principles.

While programmes may vary from territory to territory the broad categories will include:

Community Projects

1. Discussions with community groups and business institutions.
2. Active participation in the services of a church this month.
3. Exhibitions at public libraries.

School Projects

1. Primary Schools Short Story Contest – “Adventures of the EC\$5.00.
The contest provides the opportunity for students to explore and examine good spending and savings habits through the creative medium of story telling
2. Visits to Primary and High Schools – Representatives from financial institutions will engage students in discussions on savings, wise use of money, budgeting, financial planning and entrepreneurship.
3. Presentations at Parent Teachers Meetings – Recognising that teachers and parents can benefit significantly by learning how to make smart spending, savings and investment decisions, financial institutions will make presentations at these for a. School officials identify the appropriate schedules when these visits can best be accommodated by the school.

Media Projects

1. Financial Information Month theme song promoted on radio stations.
2. Daily tips on money management and investing.
3. Newspaper Articles on financial matters.
4. Media Programmes with discussions on financial matters.

Promotional Projects

1. T-shirts sporting the theme and logo
2. Street banners promoting the theme and logo
3. Media Programmes and discussions on financial matters

It would be extremely important if all Anguillians could “listen out” for the dates and times of these activities and seek to participate in the discussions, read the articles or listen to the programmes.

Today, the economic and financial crisis, which has affected the international community, serves as a stark reminder of the need to manage and make wise spending and investment decisions.

Unfortunately, this current period is also fraught with stories of people losing valuable resources by responding to unbelievable offers on the internet.

Many persons receive on a regular basis personal emails informing them that they have won special lotteries, come into inheritance of huge fortunes, and a range of schemes which promise an opportunity to increase ones personal wealth. We should adopt a basic principle that if something is too good to be true there is a very good chance that it is too good to be true.

These unconventional means of accumulating wealth should not be pursued. While the internet is a useful tool it can also be a deadly weapon when employed by persons with evil intentions. One should not be afraid to seek advice on offers received through this medium from more knowledgeable authorities, like your bankers, the Financial Services Commission, the Ministry of Finance and other credible financial experts before we pursue such offers. Many Anguillians have suffered considerable losses to their personal savings by sending money and/or their personal financial

information to promoters of many of these “get rich quick” schemes found on the internet.

Another basic principle one should adopt is: “Why would a perfect stranger who I have never met or even seen want to share his or her fortune with me ... or make me rich?” The Ministry of Finance stands ready to provide advice to anyone who has any doubts about any offers they have received electronically and will continue to issue alerts when such offers become known. Any investments in such schemes are not to be considered prudent by any stretch of the imagination or definition.

But even outside of these informal and unconventional offers there can also be attractive offers made by established financial institutions. All investments involve a certain level of risk. We may have heard about the various scandals on Wall Street and even in our region where many individuals and entities have lost tremendous fortunes in stocks, bonds and other financial instruments.

How does the ordinary Anguillian in making investment decisions which involve attractive offers protect him or herself? We would suggest that another basic principle should apply. “We should always seek advice on all our investments from credible and reliable sources and like the old adage says we should not place all our investments in one basket”. While this is good advice one can always identify established plans where the risk profile is lower and as a consequence recommended for persons who can ill afford to lose their investments. This kind of advice will be the subject of a number of the programmes, publications and presentations held during this week.

With the pressures of consumerism even in this period of challenge we sometimes have a tendency to overextend ourselves or live often way beyond our means. While we should continue to be ambitious and aspire to the best that life has to offer we must be prepared to make the adjustments which can lead to the realization of those dreams and aspirations. In many cases, the fact that we overextend ourselves may not necessarily relate to the amount of our income but to the inefficient management of that income.

The ECCB as the guardian of our currency union is simply guiding us back to those basic principles which enabled our ancestors to weather the storms of drought, famine and hard times to secure a future for us. That future can only be sustained by continuing to be wise and smart in the management of our financial resources. Sound money management is a key part of that wisdom.

In the current situation globally, it is even more urgent that we begin to pay more attention to these tried and proven practices of managing our finances. Anguilla is not immune from the effects of these global realities. There is a saying that “when America sneezes the region catches a cold”. The import of this metaphor requires that we must be even more conscious of the global context in making decisions about money matters.

The Government of Anguilla is pleased to be associated with Financial Information Month and invites all non-government organizations, the private sector and community groups to partner with the ECCB in this campaign. I take this opportunity to declare this Financial Information Month 2009 open --- and to hopefully set the stage for the creation of an environment

conducive to cultivating and inculcating those tested practices of sound financial management among Anguillians thereby ensuring the enhancement of the life experience here in Anguilla as well as the lives of our brothers and sisters in the wider Currency Union. We can all live our dreams if we equip ourselves with these skills --- and better yet we can ensure a great legacy of prosperity if we expose our children to these positive practices now.

It is with great pleasure that I declare the start of Financial Information Month, 2009. I thank you all very much for your kind attention.