



Citi Financial Education Strategy

Increasing Financial Capability Conference

**- Dara Duguay, Director
Citigroup Office of Financial Education**



Financial Statistics- Global

- 2006 personal savings rate in the U.S. of **-1%** was the lowest since the Great Depression. 43% of Americans spend more than they earn.
- In 1985, the average Canadian socked away 15.8% of their take-home pay. By 2003, the average Canadian saved just 1.4%.
- In Asia, the number of people living in extreme poverty (on less than US\$1 per day) is almost 690 million – representing almost 21.5 percent of developing Asia's population.



Financial Statistics- Global

- In Columbia, less than 28% of the population has a savings account, and less than 4.5% has a checking account.
- 85% of Brazilians spend more than they earn. Further, 60% of them are in default for lack of proper budget control.
- In the United Kingdom, two in three consumers feel that financial matters are too complicated for them to understand.



April 7, 2004 Launch

- Creation of the Office of Financial Education (OFE)
- 10-year, \$200 million grant commitment towards financial education programs globally (funded by the Foundation & the Businesses).
 - \$32 million spent in 2006 in 67 countries
 - \$85 million spent to-date
- Policy that each employee will be given a “day off” (8 hours) to volunteer.
 - Employees will be encouraged to volunteer in FE, but it will not be required.



Focus Areas

- **Personal:** to help individuals and families spend, save, earn, and manage debt wisely in order to achieve personal financial goals.
- **Institutional:** at the macro-level. Assistance provided to governments and institutions around the world to implement economic controls, support transitions to a free market and establish the foundations of a healthy economy.
- **Small Business:** focused on helping entrepreneurs to save, borrow, invest, and secure financing for their business. Includes microfinance programs that have a financial education component.



A Financially Literate Customer...

- Is more confident
- Establishes good relationships with financial institutions
- Develops financial goals
- Balances their checkbook
- Is concerned about their credit rating
- Lives within their means
- Follows a budget
- Is a home owner
- Saves for their retirement
- Loyalty factor



Small Business Guide

Guide 1 - So You Want To Be An Entrepreneur?

Guide 2 - Developing Your Small Business Idea

Guide 3 - Building a Business Model for Success

Guide 4 - Financial Management Essentials

**Guide 5 - Marketing Matters For Your Small
Business**

Guide 6 - Basic Business Operations

Guide 7 - Basic Human Resources

**Guide 8 - Creating A New Business Plan That
Works For You**

Guide 9 - Funding Your New Business

Guide 10 - The Life Cycle Of Your New Business

The cover of the first guide, "So You Want To Be An Entrepreneur?". It features a photograph of a smiling man in a dark suit and tie. To the right of the photo, the text reads "Guide 1: So You Want To Be An Entrepreneur?". Below the photo and text are several horizontal grey lines. At the bottom right, there are three small square images: a yellow pencil on a notepad, a woman in a green jacket, and a stack of papers. The "citibank" logo is in the bottom right corner.

Guide 1:
So You Want To Be
An Entrepreneur?



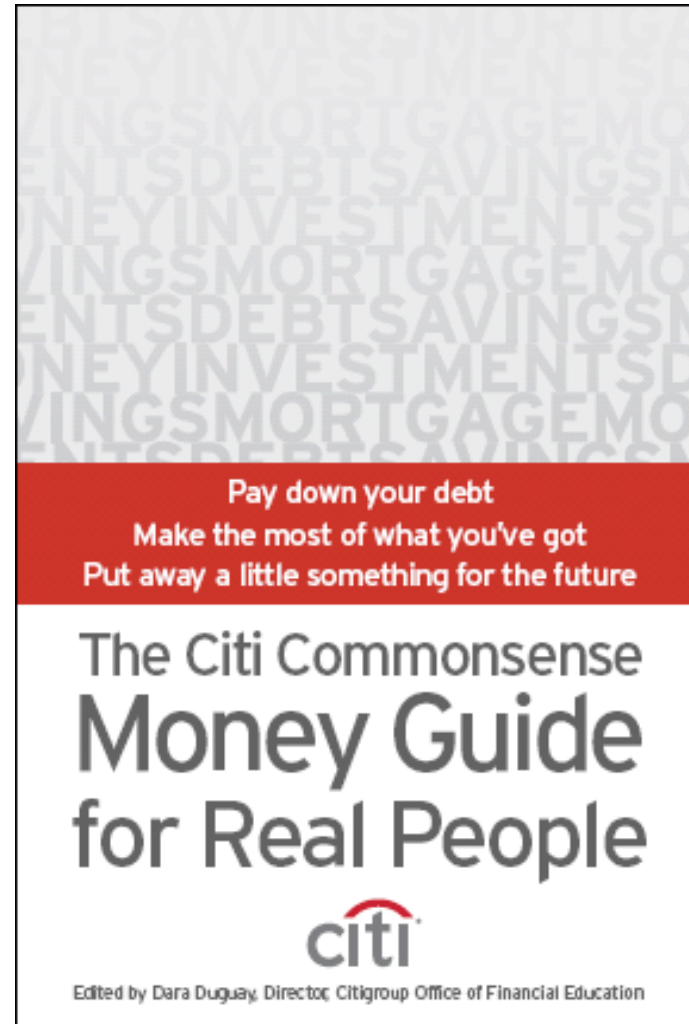
citibank

Personal Finance Book

- Global rights



- Mainstream book
- Common problems
- Easy to follow solutions
- Citi “give-away” to customers
- Profits to fund NGOs
 - Financial education initiatives





Citi's Microfinance Overview

- Over the past seven years, the Citigroup Foundation has contributed nearly \$32 million in funding to microfinance institutions (MFIs) and microfinance networks
- This support has provided long-term, sustainable impact to low-income families and communities in 50 countries
- Citi also supports the microfinance industry through volunteerism, where employees share their talents and experience in the local communities they serve



Citi's Microfinance Approach

- Expand outreach to millions more low-income borrowers by increasing the capacity of MFIs and mobilizing capital
- Build & preserve borrowers' assets via savings, housing finance, remittances, insurance, and financial education
- Increase industry commitment to transparency, standardized performance measures, and best practices
- Build global awareness of microfinance as an effective poverty alleviation tool and encourage increased access to capital markets



Citi's Microfinance Partners

ACCION International, Women's World Banking, FINCA, the Grameen Foundation, Microfinance Opportunities, the SEEP Network, the Microfinance Information Exchange, the Foundation for Development Cooperation, Integra Ventures, Sanabel, the Russian Microfinance Center, the Asian Institute of Management, the Indian School of Microfinance for Women, the Chinese Academy of Social Sciences, and the Abrinq Foundation



Microentrepreneurship Awards

- **Objective-** to illustrate and promote the effective role that microfinance plays in poverty alleviation around the world by recognizing the extraordinary contributions that individual microentrepreneurs have made to the economic sustainability of their families as well as their communities in 24 countries.
- Winner from **Poland**- Elzbieta Olszewska
 - *Interactive museum of Gingerbread*
- Winner from **Russia**- Georgiy Miron
 - *Local bus service*



NESsT Program

- Non-profit Enterprise and Self-sustainability Team
- Locations- Hungary, Slovakia and the Czech Republic
- **Program Components**
 - Developing a series of training tools
 - Hosting a social enterprise competition
 - Participating NGOs receive technical assistance
- **Goals**
 - Build capacity of local NGOs
 - Reduce unemployment
 - Promote economic development

Junior Achievement/ Young Enterprise (YE) Europe



- Program in 41 countries in Europe
 - *Citi supports programs in 17*
- Programs account for the majority of Citi volunteer opportunities in Europe- approximately 500 employees
- Nordic study of entrepreneurship in education
 - *Conducted by the Ministry of Trade and Industry and the Ministry of Education and Research*
- Evaluation found a majority of pupils strengthened their self-confidence, problem-solving skills and were more likely to launch their own business



BRAC UK

Six-month financial education needs assessment of Bangladeshi women and youth in the East London Tower Hamlets borough

Issues:

- *Financial education needs, gaps and demands*
- *Financial education and/or economic development programs currently in existence or in development*
 - *Financial aspirations of women and youth*
- *Current financial knowledge & practices (Ex: budgeting, credit)*
- *Current financial services and support provided by local NGOs, schools, authorities, and the private sector*



BRAC UK - Outcomes

- Five-year financial education plan will be developed
- Encourage Bangladeshi women and youth to improve their financial habits and behaviors
- Develop wealth-generating activities through entrepreneurship
- Increase the capacity of local, community non-profits to provide financial education



At Citi we believe that...

“Knowledge is Your Greatest Asset”