



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



MEDIA STATEMENT

MINISTER OF FINANCE ANNOUNCED AS PATRON OF MONEY SMART WEEK SOUTH AFRICA CAMPAIGN

National Treasury together with the Financial Sector Conduct Authority (FSCA) and the National Consumer Financial Education Committee (NCFEC)*, will in October launch an inclusive new campaign - Money Smart Week South Africa (MSW SA). National Treasury on Friday announced that the Minister of Finance, Nhlanhla Nene, will be the Patron of MSW SA. As Patron, the Minister will ensure that the MSW SA is accorded maximum support and commitment from both the public and private sector.

MSW SA is a public awareness campaign designed to promote financial literacy and educate consumers about best financial practices and management through a weeklong campaign of different activities and events. Free educational seminars and activities will be provided, aimed at raising awareness that financial education is accessible and readily available. The events will showcase to consumers that reputable institutions and individuals are available to provide informed advice, and that controlling their financial situation can have a significant impact on their future.

The MSW SA will create an “education corridor” along the M1 and N1, with key focus areas being Mamelodi, Alexandra, Tembisa and Soweto. Gauteng has been chosen as the trial province due to the fact that it is the most densely populated province and is home to South Africa’s financial hub. By making use of lessons learned from this pilot, it is envisaged that MSW ultimately becomes a national event taking place on an annual basis.

During the said week, schools, churches, businesses, government entities, NGOs and any other public groups along this route, will be encouraged to host financial education programmes relevant to their communities. Industry players and other civil society organisations will be required to support initiatives by providing the necessary activities and resources. This approach will bring education to South Africans at the places they frequent, rather than expecting them to go out of their way to attend workshops at designated



conference venues. This will ensure a significantly wider reach, both in terms of socio-economic groups and numbers.

South African financial consumers generally have limited resources and skills to understand the complexities of financial products and services. Compelling consumer issues in South Africa that have added to the sense of urgency for consumer financial education initiatives include the inability to evaluate the appropriateness of financial products in relation to personal circumstances; predatory lending practises; high levels of consumer debt; low saving rates; proliferation of pyramid schemes and financial scams; and limited knowledge of recourse mechanisms.

Central to these issues is the need for increased individual financial capability to make financial decisions. As long as people have relatively low levels of financial education, they will be prey to exploitation.

The success of the MSW SA will depend on it receiving the necessary support and the active participation of a range of stakeholders to amplify publicity and awareness amongst South Africans and ensure that high quality and un-biased information and activities are provided. Further details on the MSW SA will be communicated in due course.

Financial literacy is a necessary enabler of financial inclusion and consumer protection, empowering consumers and small business owners to meaningfully participate in the financial sector. Building trust between consumers and financial institutions cannot be achieved without consumer financial education and this is the confidence which the Minister is determined to restore in the financial system to ensure that financial literacy and capability levels are increased in South Africa.

*A multi-stakeholder National Consumer Financial Education Committee (“NCFE Committee”) was established in 2012 to secure the active involvement, collaboration and coordination of a range of stakeholders in consumer financial education. The Committee comprises representatives of the financial sector industry, government agencies (departments and regulators), academia, non-profit organisations and other civil society organisations.

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