



In support of **The Improving Financial Awareness & Financial Literacy Movement in Ghana** built around the strategic venues of

- *Financial Literacy Month (April)*
- *Estate & Gift Planning Awareness Month (October)*

This feature column contains some very important messages

<http://ugbs.ug.edu.gh/association>

Improving Financial Awareness & Financial Literacy Feature Column Series 001 Issue | Vol 1| 2021

## Organization & Planning are YOUR KEYS to Financial Success

Managing personal finances today is more complicated and more important than ever. We are living longer, but saving proportionately less. Scores of us feel less secure in our jobs and homes than we did in the past. We see our money being drained by the high cost of housing, taxes, education, health care, while dealing with the uncertainty of investments and our economy. We worry about the future, or unfortunately in many cases, simply try not to think about it.

### TODAY'S THOUGHT

*“Great things are not done by impulse, but by a series of small things brought together”* ~ Vincent Van Gogh

The average life expectancy in Ghana according to the World Bank is 64 years as of 2020, but with advances in healthcare and nutrition many people around the world are living into their 70's, 80's, and beyond. With so many people on the path to or verge of running out of money before their life expectancy, many families burdened with large amounts of student loans and other forms of debt, and more than half of our adults not having up-to-date estate and financial plans to protect themselves and their families, we have a serious problem. This lack of financial awareness and financial literacy places a HUGE growing amount of pressure on families and friends, employers, nonprofits; as well as the government. During the COVID-19 partial lockdown in Ghana for instance, the government of Ghana, aside free water and 50% electricity subsidy for residential users, provided hot meals to some vulnerable. It is estimated that the government spent GH¢54.3 million (\$9,383,487) on cooked food to some 470,000 families. That aside the Ghana COVID-19 Private Sector Fund roll out FEED-A-KAYAYO Project that provided a total of 145,746 packs of food during the period April 1 2020 to 12 April 2020. This was estimated at a cost of GHS906,541.

This government and private sector led support to individuals and families in the wake of the COVID-19 lockdown gives evidence that the habit of savings for emergency and building up financial investment for the future has been relegated to the background by many in our society.

There is a real solution to this lack of financial awareness and financial literacy epidemic that revolves around

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**Alert:** We believe sharing financial awareness and financial literacy can be highly contagious!



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better educating the general public, financial service and nonprofit professionals to the **essential principles to smart personal financial management** while motivating them to take appropriate actions. People need access to better personal financial management tools and information, to communicate and work more effectively with their financial advisors, and to make better every day informed money decisions.

Sensible financial management means much more than budgeting and putting money away for retirement. It is being equipped to handle a lifetime of financial challenges, needs and changes, figuring out how to build assets and staying ahead of inflation, taking advantage of deflation, and choosing wisely from a constantly widening field of savings, investment and insurance options. When it comes to finances, people are faced with more pressures and more possibilities than ever before. More so, as our financial market is increasing becoming competitive and complex on a daily basis.

The good news is that as complex as today's financial world is, there is no real mystery to sound personal money management. You do not need a master's degree in finance or accounting to get ahead.

What you do need are the solid basic principles of **organization, personal finance, and decision-making**, plus the **willingness** to put them into action. Anyone with a fundamental education and the desire to handle money wisely can do it.

Effective financial management does involve certain procedures that you do not automatically learn from your parents or associates – and they certainly are not taught in our schools. The current curricula in our basic schools makes no effort or little effort at providing this knowledge. It is more than just a matter of gathering enough information and then making a logical decision. In fact, for many people, the constant bombardment of economic news, fragmented financial information and investment product advertisements in the newspapers, on radio, on television and on our smart phones, is part of the problem. Information overload can be a major obstacle to sorting out choices and making wise decisions.

**To save time and money, and help you to better manage your finances, over the years** we developed a personal financial management system called Your *financial* PARTNER. It is a clear, step-by-step process designed to save you time and money and puts all the essential areas of personal finance in front of you with their core principles.

The process centers on helping you to get organized, on staying aware of your money issues, and on making deliberate choices about the ways you spend, save and invest instead of following your emotions or simply "going with the flow." Figure 1, represents the Your *financial* PARTNER System, an 11-part process that is divided into two phases: Getting Organized and Financial Planning.

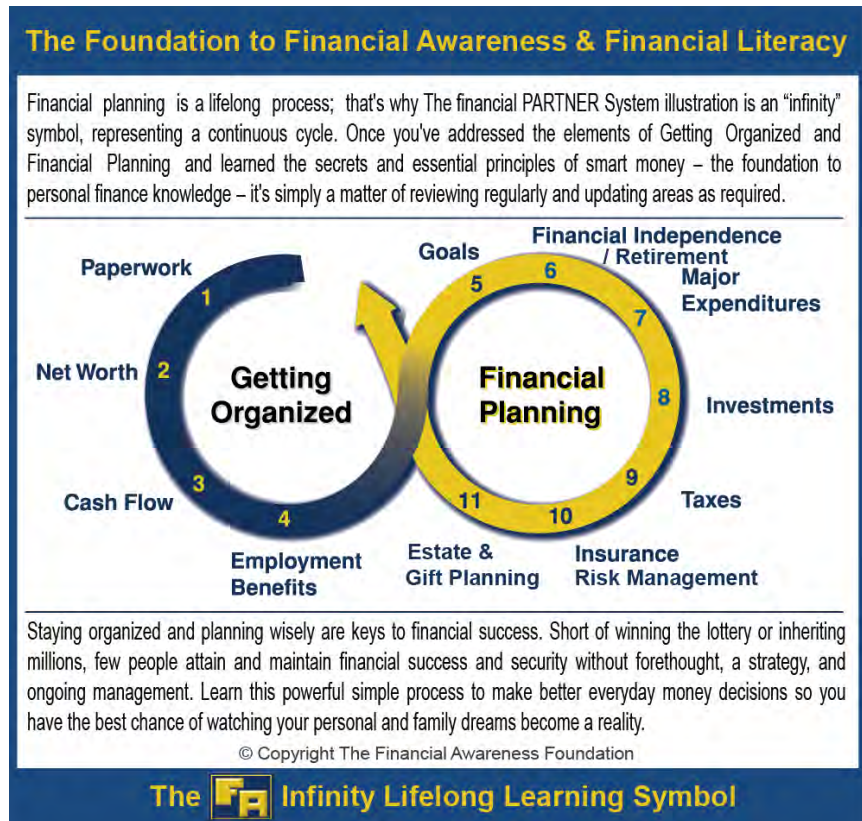


Figure 1: Your Financial Partner 11-Part Process.

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## GETTING ORGANIZED

**1. Paperwork:** Everyone has some primary financial documents – bank and brokerage statements, retirement plan statements, tax returns, insurance policies, passwords, digital paperwork, etc. Keep this information in a secured central location and tie it into your filing system.

**2. Net Worth:** Know where you stand by inventorying what you own and what you owe. Do this at least annually so you can evaluate your progress. Now is a great time to do this and it is simple to do.

**3. Cash Flow:** Gain control of your cash flow by spending according to your plan, not impulsively.

**4. Employment Benefits:** For those employed understand and utilize your employment benefits fully; they can improve your cash flow. Any amount your employer contributes toward your health insurance, life insurance, retirement and other benefits is money you do not need to spend.



## ANNUAL FINANCIAL CHECKLIST

- 1. Keep an updated Things To Do list
- 2. Keep a financial calendar for action
- 3. Organize your paperwork
- 4. Get an accurate picture of your net-worth
- 5. Use a workable cash-flow plan
- 6. Save money with cost-cutting/ strategies
- 7. Make the most of your employment benefits
- 8. Define what really matters to you
- 9. Understand the planning processes
- 10. Invest for your financial independence / retirement
- 11. Begin planning for major expenditures
- 12. Develop / implement a tax-reduction plan
- 13. Review your risk management; purchase only the insurance you and your family need
- 14. Create or update your estate & gift plan to protect yourself and your family.

## FINANCIAL PLANNING

**5. Goal Setting:** To begin your financial planning, ask yourself what is really important to you, financially and personally. Where do you want to be in 2 years, 5 years, 10 years, 20 years? These are key elements of planning your future; it affects your decisions and choices.

**6. Financial Independence and Retirement Planning:** A comfortable retirement, perhaps at an early age, is one of the most common reasons people become interested in financial planning. Determine a reasonable “nest egg” to reach and maintain your level of financial independence, and how to make it a reality.

**7. Major Expenditures Planning:** A home, a car and your child's college education – these are all “big ticket” items that are best planned for in advance. Develop financial strategies early on for effectively **achieving the funding needed for those “big bills” down the road.**

**8. Investments Planning:** For most of us, wise investing is the key to achieving and maintaining our financial independence, as well as our other financial goals. Investing is expanding money, time or assets with the expectation of achieving a return. As in life achieving a return from investing is never for sure. Establish your investment goals, assess your risk tolerance, and then select an asset allocation model that best fits you.

**9. Tax Planning:** Your financial planning should include tax considerations, regardless of your level of wealth. Proactively take advantage of opportunities for minimizing you tax obligations.

**10. Insurance / Risk Management Planning:** Decide what to self-insure and what risks to pass off to insurance companies and at what price.

**11. Estate & Gift Planning:** Develop or update your estate & gift plan. If you get sick, or die without an up-to-date estate and gift plan, rich or poor or somewhere in-between the management and distribution of your assets can become a time-consuming and costly financial challenge for you, your loved ones and survivors.

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## Introducing...

# The International Improving Financial Awareness & Financial Literacy Association at The University of Ghana (FA Association)



## Our Mission is to Significantly Improve Financial Awareness & Financial Literacy in Ghana. We envision a Ghana and a World where

every person is well educated and has personal finance knowledge - an essential life skill - necessary to make lifelong informed financial decisions while having access to the right financial advice and the skills and tools to manage their finances. Providing everyone the opportunity to achieve and maintain their financial stability, security, and freedom throughout their lives, while they pass on their values, knowledge and assets to future generations to make their lives and this world a better place.

## The FA Association Aims & Objects

- To serve as a forum for member students, faculty, staff and alumina for the discussion of matters relating to financial awareness and financial literacy.
- To foster close co-operation and brotherly relationship among Members of the Association.
- To assist the financial service industry in promoting financial awareness and financial literacy in Ghana.
- To organize lectures, symposia, picnics and fundraising to support the University of Ghana, and The Improving Financial Awareness & Financial Literacy Movement in Ghana, Student Scholarships, Faculty Grants, and other worthy causes..
- To promote and maintain the spirit of friendship among members of The Association.

## Headquarters

- The FA Association Headquarters are at the University of Ghana, Department of Finance within the University of Ghana Business School, P.O. Box LG 78 Legon, Accra
- Dr. Benjamin Amoah, PhD, Coordinator +233 24 759 9606 [benamoah@ug.edu.gh](mailto:benamoah@ug.edu.gh)
- <http://ugbs.ug.edu.gh/association>

## Membership

- Membership of The Association shall in general be open to all persons who are within or support the University of Ghana Community.
- At this time there will be no membership subscriptions or fees.
- Membership Application - <http://ugbs.ug.edu.gh/association>

## Preview of what we will be doing

- Leadership role in **The Improving Financial Awareness & Financial Literacy Movement in Ghana**
- Assist in developing and delivering Financial Awareness & Financial Literacy Curriculum Programs for all university students, faculty & staff, and alumni
- Establishing **The International Improving Financial Awareness & Financial Literacy Research Center at UG**. This will provide ongoing longitudinal, technical & academic research to monitor The Movement and its advancements, make improvements where necessary, and provide political leadership with valuable economic insights

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- Initiate Professional Certification & Training Programs for financial service professionals.
- Establishing Incubators / Accelerators to identify, assemble, create, and help launch and nurture / guide the successful growth of new and existing businesses.
- Develop a Network of Volunteers and Ambassadors that support **The Movement** and efforts at the University and throughout the University Community.
- Fundraising for UG & UGBS



## The Improving Financial Awareness & Financial Literacy Movement

Ghana has a population of nearly 30 million with an employment rate of about 41% and an unemployment rate near 6.8%. However this leaves over 3.9 million Ghanaians (13% of our population) so poor they cannot afford three meals a day for themselves and their family; in rural areas it is higher. Many are struggling to survive less than \$1.90 PPP (Purchasing Power Parity) US per day.



With COVID-19 this is getting worse while we are also experiencing increases in debt. We are not taught at home or school about planning for our future and why it's important to have a current financial, estate and gift plans to protect themselves and our families. We have a collection of serious problems resulting in a high percentage of poverty coupled with a lack of financial awareness resulting in a serious financial illiteracy epidemic. This places a HUGE growing amount of pressure on families and friends, employers, nonprofits; as well as the ultimate safety net the government. This is not just a local epidemic it's an international one.

Most people are not taught the essential principles to smart money management – the foundation to personal finance knowledge - at home or in school. Thus they don't have the proper tools to address everyday money decisions in an informed manner. This jeopardizes their financial and physical wellness, their ability to realistically achieve and maintain their personal and family financial dreams, let alone enjoy a financially secure debt free future.

To help address the lack of financial awareness and the financial illiteracy epidemic a team of dedicated concerned Ghana parties began taking an active leadership role to recognize organizations and their management, and individuals that are championing improving financial awareness and financial literacy. They

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began uniting them with other associations, organizations, nonprofits, educational institutions, municipalities, employers, the news media and concerned individuals to actively focus this vast community resource into **The Improving Financial Awareness & Financial Literacy Movement** with its semi-annual concentrated personal finance content media blitz around the strategic campaign venues

- **April shall be known as Financial Literacy Month in Ghana, and six months later with**
- **October being known as Estate & Gift Planning Awareness Month**

The plan is to touch everyone at least twice a year through these strategic campaign venues, with educational and motivating content, reminders and tools for making wise informed lifelong financial decisions and to get and keep your financial house in order by having current financial, estate and gift plans.



To learn more about **The Movement** and how it can benefit you and your family, your business and the Ghana economy and so much more take a look at **The Movement's Executive Summary / Overview** by clicking on the graphic or at this address

<http://www.thefinancialawarenessfoundation.org/pdf/TFAF-TIFA-FLMovement-Ghana-ExecSum.pdf>

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