

## **76, 000 Kazakhstan's citizens completed training on KMF project "Increase of financial literacy of the population".**

Recently special attention around the world is paid to financial education of ordinary citizens. The number of public financing of the programs sent on free provision to individuals of knowledge and methodologies on effective use and preserving money increases.

According to analytical data in the field of increase of financial literacy of the population, the best results show those training systems which act on the innovative basis. In this regard, projects of the Microfinance Center (MFC) were the most viable. Unlike standard high school approach to financial training, MFC developed an unique technique of increase of financial literacy of the population which promotes not only to acquisition of new knowledge, but also forming of skills of their effective application.

On the example of the MFC project Financial Education, KazMicrofinance (KMF) with assistance of parent company of KMF Fund - "Demeu" has developed the "Increase of Financial Literacy of the Population" project, unique for Kazakhstan, which is realized since December 1, 2013.

The project includes two programs: "Increase of financial literacy in family budget management" and Increase of financial literacy in business management".

The choice of these directions for training is caused by the following factors:

1. With growth of consumer goods in the market, urban residents and rural residents make expensive purchases, overestimating their financial capacities. Besides, cultural traditions and mentality force Kazakhstan citizens to make great expenses on events in the relatives circle – weddings, anniversaries and etc., that noticeably impacts on the family budget.
2. According to analytical data, at most of entrepreneurs, family finance and business finance are often not divided. Respectively, the money intended for capital investment is spent ineffectively.

Thus, the problem of insufficient financial literacy of the population of Kazakhstan is reduced to unpreparedness, general for the Post-Soviet countries, to transition to the market relations. Rapidly developing financial sector offering the available loans generates financial dependence of masses. The debt load before financial institutions, lack of savings repeatedly strengthens negative consequences of insufficient financial education of citizens.

KMF - socially responsible organization which has gained authority in Kazakhstan and beyond its borders not only due to successful work in the microfinance industry. Activities of the company are also directed to support of vulnerable segments of the population, to the problem resolution, connected with financial vulnerability of our society. In the solution of such tasks KMF is come to the rescue by KMF Fund - "Demeu".

Having studied all aspects of lack of information of Kazakhstan citizens in the field of personal and private finance and having determined the level of need for conducting the training sessions as "extremely high", KMF - "Demeu" has started project development on increase of financial literacy of the population.

The most suitable format for training within the first training program became 10 lessons of increase of financial literacy in family budget management lasting 50-60 minutes (everyone).

Distributing material has been formed and made in advance: 10 brochures on subjects: "How should i choose the best loan", "Insurance: is it necessary for me?", "What it is necessary to know before signing the loan agreement?", "Accounting of family finance" and etc.

Further, having taken wishes of KMF borrowers into account, the fund has developed the 11th module – "Loan repayment methods". Now development and other subjects depending on interests of audience is planned.

All printed material on increase of financial literacy is written in language that is easy to understand as it is provided for wide audience, that is for people of different age, with the different education level. It includes not only the theory, but also a practical advice, instructions, exercises. Brochures are distributed free of charge, so, can be used also in house conditions as guidelines and reference books.

In addition to desk studies KMF Fund - "Demeu" has prepared audio and video lessons for rotation. As well as brochures, they are based on real stories of KMF clients and are available for all comers on the company website. Audio lessons are also broadcast on the state radio stations in two languages.

Video lessons represent animated films. These small animation stories created for the purpose of achievement of learning efficiency comprise the smallest financial details and are constructed in such way so that the audience had no questions after viewing.

In November, 2015 KMF - "Demeu" has developed 5 seminars on increase of financial literacy in business management, lasting 4-5 watch (everyone) within the second educational program of the project.

Seminars subjects: "Balance sheet", "Cash Flows Management", "Sales Techniques", "Marketing for micro and small enterprises", "Human resources management". Representatives of small and medium business, clients of KMF on a free basis can visit them. For effective conduction of studies the education guidances were produced. And as information addition the posters, brochures, leaflets, etc. were issued. Handout material is focused on various consumer groups and alongside with common definitions includes more specific recommendations on own business running.

It should be noted that lessons and seminars of KMF are held free of charge. Our teachers have the certificate on the right to hold the training seminars among employees, clients of the company, and also for other citizens of the republic, persons interested to gain practical knowledge of family budget management.

Thanks to sincere desire of the KMF management and KMF - "Demeu" to help the citizens with receipt of high-quality knowledge in the field of finance, thanks to skill and professionalism of business trainers of the company, we became witnesses of serious results of the work done.

Following the results of 2015 the 76 151 persons completed lessons on family budget management. The outreach of KMF clients within this program is 50%.

From November, 2015 to March, 2016 450 KMF borrowers have passed training in the program "Financial Literacy in Business Management". 200 people have specified in feedback "The seminar has exceeded all our expectations!".

100% of company's loyal customers gave the maximum score to the handouts. 90% of them expressed a desire to visit new seminars of KMF and left very positive feedback about their last session.

**Mr. Askar Zhussupov:** (experience of more than 2 years): "Tasks in the training handouts that you have given to us are quite the same as the current situation in my business, and this lesson has opened my eyes on its weaknesses".

**Ms. Galina Plotnikova** (Shemonaikha outlet, experience of more than 2 years): "I enjoyed it. I will definitely apply it in my business and I would like to learn more".

**Ms. Irina Andreyeva** (Ridder outlet, experience of more than 3 years): "I liked training very much. Everything was clear and carefully elaborated".

We are pleased that the project on improvement of financial literacy of Kazakhstan population is so useful for the society. We are grateful to everyone who has been trained and is using the knowledge gained in life, and we also thank the international consultants Mr. Vladimir Tunitskiy and Ms. Elena Amerova for their support in the development of the project and training of KMF business coaches. Professionalism of the experts and desire of our entrepreneurs to grow and develop, help us to satisfy our citizens by using new and useful information.