

Full Length Research Paper

An impact assessment of a prototype financial literacy flagship programme in a rural South African setting

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This article applies experimental research to investigate the impact of the Bubomi financial literacy flagship programme developed by Absa Group Limited, one of South Africa's largest financial service organizations. The programme aims to improve essential financial literacy skills, habits and behaviour of South Africans. The impact of the programme is measured by comparing the level of financial knowledge, confidence, attitude and accountable management practices of statistically representative experimental (people exposed to the Absa training) and control (people not exposed to Absa training) groups residing in village areas surrounding the Giyani town in the Limpopo province located in the north-eastern parts South Africa. By accepting the test hypotheses that the financial knowledge, confidence, attitudes and accountable management of the experimental group exceed that of the control group at a statistically significant level, the article investigates the immediate and intermediate impact of a prototype training programme that can effectively improve the basic financial skills, habits and behaviours of consumers. The research findings is even more pertinent when considering that a prototype skills development programme has been evaluated and found to be most applicable to skills improvement in poor village communities where financial literacy are at acute low levels. The programme evaluation research represents the first of its kind in a rural setting and outlines unique elements of a prototype training programme that indisputably contributes to the urgent need for improved money management skills in South Africa.

Key words: Financial literacy, financial behavior, money management.

INTRODUCTION

Since the late 1990s, the importance of financial literacy in South Africa has been well recognized with various financial literacy programmes being introduced by the government, financial industry, non-profit organizations and private companies (Finmark Trust 2004:18-31). However, with low levels of financial literacy still visible in most developing countries and South Africa in particular (FinScope, 2008; OECD, DFID and the World Bank Group, 2009 and Old Mutual, 2010), disbelief on programme success is still prevalent. International estimates on adult literacy rates (percentage aged 15 and above) published by the United Nations Development Programme (UNDP) in 2009 show that South Africa is rated at position 129). In fact, a deeper analysis by FinMark Trust in 2004 of some initiatives labeled 'financial education' in South Africa showed that most

were focused on product specific information and intended to penetrate the market rather than focused on client education. These findings further augment general perceptions of inadequate financial education by the South African marketplace (OECD, DFID and the World Bank Group, 2009 and Eighty 20, 2009) and unacceptable low financial literacy levels particularly among rural poor communities. Internationally and nationally it has been acknowledged that a lack of financial literacy can result in poor financial choices that can be harmful to both individuals and communities. Without a certain level of financial knowledge, consumers can have difficulty making wise decisions in today's complicated financial marketplace. This lack of financial knowledge underscores the need for educating people in basic financial issues so that they may make wise consumer decisions

and become financially successful in society. For that reason, financial education is an important life skill for people across all socioeconomic levels but particularly for rural communities. Also, because rural people's comprehension of formal financial services is generally limited, the need for focused financial literacy education becomes even more apparent. Fortunately, commitment to the latter has been most recently evidenced in the financial sector of South Africa.

In this regard commitment to the development of financial consumer literacy among especially financial institutions is clearly encapsulated in the following citation from the 2003 Financial Sector Charter - FSC (BASA, 2010):

"Each financial institution commits to annually invest a minimum of 0.2% of annual post tax operating profits in consumer education. Consumer education will include programmes that are aimed at empowering consumers with knowledge to enable them to make more informed decisions about their finances and lifestyles".

Giving actual effect to the FCS commitment, Absa Group Limited has been on the forefront of introducing various financial literacy flagship programmes with one of the most recent labeled the Bubomi (meaning 'That's Life') Financial Literacy Programme. Bubomi aims to educate South African consumers (predominantly LSM 1 - 5 groups¹) about how they can better manage their financial affairs through hosting interactive workshops. The Bubomi programme has been running since the end of 2007 and involves creative story-telling techniques to describe financial mishaps and personal triumphs and, in the process, encourages audience participation to extract practical learning. Overall, the classroom-based training approach used in Bubomi aims to improve the basic financial management skills of consumers by simulating role-play featuring typical community-base settings and day-to-day consume behavioural activities familiar to course participants. Basic financial concepts taught include a focus on individual and family needs and wants; spending patterns and budgeting; saving and planning for the future; understanding the banking system and why bank costs should be paid as well as rights and duties of bank customers (Absa, 2007). Participants are able to take part in the programme in the language of their choice and the training is aligned with the South African Qualifications Authority (SAQA) unit standards.

The Bubomi initiative has a clear non-commercial intent of transformation and empowerment of which the actual impact on actual behavioural changes has not been measured to date. In fact, for many of financial literacy programmes offered in South Africa by the government, financial industry, non-profit organizations and private companies since the late 1990s, financial literacy behavioural impact studies in South Africa has largely been lacking. On a programme level, past international

research has accessed the impact of programmes in terms of comprehension and ultimately changed behavior. The latter assessments are particularly relevant to programmes with a very narrow content focus (that is, indebtedness, retirement savings) where learning is mostly action oriented. However, even internationally, it is not known to what extent the observed changes in behaviour reflect a permanent or merely a temporary change. Clearly, the methodology and approach to the assessment of financial literacy and impact of financial education still requires much refining. To partially contribute to this, this article presents some research benchmarks that could be useful for accessing the impact and success of financial education and inform further financial literacy programme development. In fact, the empirical research presents a prototype programme suited to effectively address financial literacy and socioeconomic development in rural South Africa.

AIM AND SCOPE

The article aims to determine the potential of a newly designed financial literacy programme (Bubomi) to succeed over the long-term in building new universal beliefs and value systems in especially poor rural communities of South Africa. Such ideal programme could ultimately result in an increased national level of financial health and wellbeing. The need for financial skills development in especially poor rural areas also provided sufficient reason for investigating the impact of the Bubomi financial literacy programmes in a rural village test environment. Rural village areas surrounding the Giyani town in the Limpopo province that were used as test environment included Muyexe, Khakhala, Thomo, Muhlava Willeme, Mininginisi, Gawula, Altein and Giyani. Because some residents of these areas were exposed to the Bubomi programme and others not, made the Giyani village areas ideal for comparing the financial behaviour of a representative sample of Bubomi and non-Bubomi participants. To support such investigation this article tests the following hypotheses:

H1: The perceived financial knowledge of Bubomi participants (experimental group) and non-Bubomi participants (control group) are similar. This hypothesis is statistically presented as follows: $H_{01} = \mu_{BPK} = \mu_{NBPK}$

H2: The confidence of Bubomi participants (experimental group) to perform certain basic financial activities is similar to than non-Bubomi participants (control group). This hypothesis is statistically presented as follows: $H_{02} = \mu_{BFC} = \mu_{NBFC}$

H3: The financial attitudes of Bubomi participants (experimental group) are similar than non-Bubomi participants (control group). This hypothesis is statistically

¹ LSM 1-5 groups include lower-end income earners.

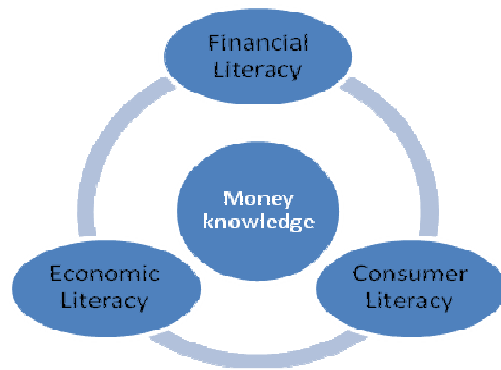


Figure 1. Money management defined. Adapted from Jacob et al. (2000).

presented as follows: $H_{03} = \mu_{BFA} = \mu_{NBFA}$

H4: The accountable financial management behaviour of Bubomi participants (experimental group) are similar than non-Bubomi participants (control group). This hypothesis is statistically presented as follows:

$H_{04} = \mu_{BAFM} = \mu_{NBAFM}$

DEFINING FINANCIAL LITERACY AND FINANCIAL CONSTRUCTS

Financial literacy

This multidimensional concept is one of three categories concealed within the broader definition on money knowledge and skills as captured in Figure 1. More specifically, Jacob et al. (2000) differentiate between the three categories of money management are as follows:

Economic literacy

The concepts include scarcity, prices and the interactions of supply and demand, market structure, inflation, unemployment, price controls, the stock market, government regulation, monetary policy and international trade.

Consumer literacy

This is the knowledge of rights and responsibilities of economic actors and the skills of comparing price and quality to make purchasing decisions.

Financial literacy

It involves the ability to understand financial terms and

concepts (that is, saving, earning interest, budgeting, buying insurance, managing credit and loans, and how to work with financial service institutions) and to translate that knowledge skillfully into behavior.

Of the three categories of money knowledge outlined in Figure 1, financial literacy is the most critical. Finmark Trust (2004) views financial literacy as a certain skills-set of a person to make optimal decisions in his/her specific environment. It is not a skill that is acquired in a once-off training programme but involves a process that starts with basic education and evolves over time as a person's level of understanding improve. Mandell (2006) presents a similar definition and refers to this concept as what people must know in order to make important financial decisions in their own best interest. Both Finmark Trust and Mandell support the notion that financial habits (or behavior) only change when financial concepts are well understood. The experimental research design applied to measure the impact of the Absa financial literacy programme closely aligns with the Finmark Trust and Mandell definitions by exploring immediate and intermediate behavioural changes following initial programme exposure.

Financial constructs

The various financial construct included in the experimental design are outlined as follows:

(1) The financial knowledge construct was defined to measure an individual's self-assessed ratings of knowledge about financial matters related managing personal finances managing personal finances, personal needs and wants, family needs and wants, setting financial goals, budgeting, interest rates, finance/bank charges, managing debt, credit cards, savings, spending patterns, bank accounts, bank products and services, insurance and investing.

(2) The financial confidence construct was defined to include confidence in carrying out selected financial activities such as writing savings and spending plans, constructing budget plans, controlling of spending, paying bills on time, planning for one's financial future, saving money, providing for one's self and family, managing money to achieve goals, provision for retirement and protecting life and assets through insurance.

(3) The financial attitudes construct was defined to include views on general experience in dealing with money (boring, stressful and overwhelming), financial sustainability, relevance of financial planning across different income groups, changes in money management over time, satisfaction with current financial situation and savings for retirement, financial stability, financial difficulties, income adequacy to meet living expenses, savings, financial planning to live comfortably, frequency of consulting financial advisor(s), paying credit bills on

Table 1. Sample size per village area.

Area	Experimental group (Bubomi)		Control group (Non-Bubomi)		Total	
	n	(%)	n	(%)	n	(%)
Muyexe Village	201	51.1	170	35.9	371	42.8
Khakhala Village	59	15.0	61	12.9	120	13.9
Thomo Village	60	15.3	60	12.7	120	13.9
Muhlava Willem Village	-	-	40	8.5	40	4.6
Block 2 (Mininginisi)	-	-	40	8.5	40	4.6
Gawula	-	-	40	8.5	40	4.6
Altein	-	-	62	13.1	62	7.2
Giyani Town	73	8.4	0	-	73	8.4
Total	393	100.0	473	100.0	866	100.0

time or credit card bills in full to avoid finance charges, debt, financial readership and thoughtfulness in financial judgment.

(4) The accountable financial management construct was defined to include involvement in financial practices with specific reference to writing out a spending and savings plan, collective financial planning, planning for shopping and considering affordability and best buys; setting financial goals and priorities, considering family needs; borrowing money (debt), everyday expenditure, credit purchases, verification and record keeping, promptness of account/debt payments, access payments, gambling; purchasing take-away food; social pressure on purchase decisions; disciplined budgeting, bulk purchase planning, financial advice, savings, interest earnings and financial risks.

RESEARCH METHODOLOGY

Quantitative research model design

This article follows an experimental research design to measure the immediate and intermediate impact of the Absa Bubomi training programme in rural Giyani. The experimental concepts and constructs used include the following:

- (1) Test units.
 - (a) Experimental group: Giyani village residents exposed to Bubomi training programme.
 - (b) Control group: Giyani village residents not exposed to Bubomi training programme.
- (2) Treatment effect: Bubomi financial literacy training programme.
- (3) Test constructs: Financial knowledge, confidence, attitude, accountable financial management.

This experimental design presupposes more advanced financial knowledge, confidence, attitude and accountable management among Bubomi participants when compared with non-participants. Kinnear and Taylor (1991:274) refers to this design type as a static-group comparison using two groups (experimental and control group) with one group (experimental group) being exposed to a treatment effect (financial literacy programme training) and the other group (control group) not. In this design type both groups are observed only after the treatment effect has been presented. Symbolically this design can be presented as follows:

Group 1: Experimental (Bubomi) group: T ► MA
Group 2: Control (non-Bubomi) group: M

Where:

T = Treatment (financial literacy training)
MA = Post-measurement (done on the dependant variable after the introduction of the independent variable)
M = Measurement (done on control group without being subjected to treatment).

Sampling and data collection

To support the experimental design a statistically significant sample of 866 Giyani residents were surveyed of which 45.4% (or 393) comprised the experimental group and 473 comprised the control group. The survey respondents originated from surrounding villages in the Giyani area and included Muyexe, Khakhala, Thomo, Muhlava Willeme, Mininginisi, Gawula, Altein and Giyani. The number of respondents included in the experimental research by area is shown in Table 1.

A stratified probability sampling approach was used to systematically select Bubomi and non-Bubomi participants. The 393 Bubomi participants were sampled from the 2009 Bubomi programme attendance list supplied by Absa. The Bubomi sample was proportionally spread across the various survey areas. As noted from Table 1, most Bubomi respondents were sampled from the Muyexe village where more people have been trained in 2009 when compared to other areas. Also, a systematic route sample was used to sample 473 non-Bubomi participants from each nth residential household addresses. Furthermore, population estimates provided by the local chief of Muyexe was used as basis for sample stratification by survey area. All 866 respondents were interviewed by locally recruited and trained interviewers who interviewed respondents through face-to-face in Xithonga (local language in Giyani). The same research instrument was used for both sample groups to allow for direct comparisons.

Research instrument design and composition of financial constructs

The various financial constructs (financial knowledge, confidence, attitude and accountable management) included in the study, as well as the number of research variables comprising each of the constructs, are shown in Table 2. The exhibit also reflects on the Likert-type response scales used to measure the various financial constructs under investigation. Based on the number of variables

Table 2. Financial constructs and response scale anchors

Financial constructs	Financial variables		Response scale anchors
	No.	Description	
Financial knowledge	15	Managing personal finances, personal needs and wants, family needs and wants, setting financial goals, budgeting, interest rates, finance/bank charges, managing debt, credit cards, savings, spending patterns, bank accounts, bank products and services, insurance and investing	No knowledge □ A fair amount (5-point Likert scale)
Financial confidence	12	Write a savings plan, Write a spending plan, Set up a budget plan, Control spending, Pay bills on time, Plan for financial future, Provide for myself and family, Save money, Managing money to achieve goals, Control over personal finances, Provision for retirement, Protection of life and assets through insurance	Low (No confidence) ⇒ High (Extremely confident) (10-point Likert scale)
Financial attitude	18	Dealing with money is boring, Dealing with money is stressful and overwhelming, Financially I'd like to live for today only, Financial planning is only important for the wealthy people, I have made improvements to the way I managed my money during past 12 months, I am satisfied with my present financial situation, I am satisfied that I am saving for retirement, I have control over my personal finances (financially stable), I am always in financial difficulties, My income is adequate for me to meet my monthly living expenses, I save more than I spend, I have tried to determine how much I need to live comfortably, I have consulted with financial advisor(s) during the past 12 months, I pay credit bills on time, I pay credit card bills in full to avoid finance charges, I worry about how much money I owe (debt), I read a lot about finances and money matters, I spend a lot of time thinking about financial information before making final decisions	Strongly disagree ⇒ Strongly agree (5-point Likert scale)
Responsible financial management practices	47	Write out a spending plan, Write out a savings plan, Family members participate in financial planning activities (plan together), Plan my shopping/prepare shopping list, Plan on how to afford to buy things, Plan how much to spend/only take enough money to shop for items planned, Compare price and quality before purchasing, Only buy items on shopping list that I plan for, Impulsive shopping/buy anything I see in shops/overspend, Plan ahead for expenses/set future financial goals, Set financial goals/priorities based on own and family needs, Set financial goals/priorities based on own and family wants, List own/family needs and wants and prioritise them, Think of family needs (food, clothing, water) first before spending money, Cut down on 'unwanted' items (luxury foods, take-aways, cigarettes), Cut down on variable (changing) expenditure, Borrow money from friend/family member, Borrow money from the bank, Borrow money from Mashonisa, Borrow money without considering pay-back amount, I keep list of people I owe money to, I keep a list of people owing me money, Buy lunch every day, Purchase on credit, Pay credit cards on time, Review credit card bills and loan statements for accuracy, Keeping good record of credit, Paying off new charges on credit card, Paying accounts/bills on time, Pay off debt early, Pay back more than minimum required, Buy take-away food, Gambling (casino, horse, sports betting, etc), Buy items due to social pressure by family, friends, etc, Set up a budget/keep record of income and expenditure, Keep track of fixed expenditure, Keep track of variable (changing) expenditure, Stick to a budget, Update personal/family budget, Budget for unexpected expenses, Budget for day-to-day finances, Set money aside for big purchases or spending, Seek advice from financial consultants at banks, Seek advice from financial consultants not employed by banks, Earn interest on savings account, Saving money/spending less than I earn, Consider risks and returns before choosing investment	Not considering/practiced at all ⇒ Practiced all of the time (5-point Likert scale)

and scale anchors used to measure the different constructs, the research model was designed to allow for the construction of a composite score for each financial construct. The constructs,

number of variables comprising each construct, the minimum and maximum scores and their meaning for interpretation purposes are reflected in Table 3.

Table 3. Composite scores for financial constructs.

Construct	No. of variables	Scale type	Minimum score	Maximum score	Score interpretation
Financial knowledge	15	5-point	15	75	Scores closer to 15 reflect a lower level of perceived financial knowledge and scores closer to 75 reflect higher levels of financial knowledge
Financial confidence	12	10-point	12	120	Scores closer to 12 reflect lower levels of financial confidence and scores closer to 120 reflect higher levels of financial confidence
Financial attitude	18	5-point	18	90	Scores closer to 18 reflect poorer financial knowledge and scores closer to 90 reflect better financial attitudes
Accountable financial management	47	5-point	47	235	Scores closer to 47 reflects less accountable financial management and scores closer to 235 reflect more accountable financial management

Table 4. Composite scores for selected financial constructs by survey group.

Construct	Bubomi	Non-Bubomi	ANOVA-test	
	Mean score	Mean score	F	Sig (p)*
Financial knowledge	51	33	516.066	0.000
Financial confidence	82	60	208.510	0.000
Financial attitude	57	49	138.780	0.000
Accountable financial management	143	113	243.864	0.000

* Significant at a 95% level of confidence.

Qualitative research design

Besides personal face-to-face interviews, 10 focus groups with 154 Bubomi participants were conducted to qualify their experience with the Bubomi training and to measure the extent to which the programme has resulted in changed behavior since attending the programme. This qualitative research approach largely served to supplement the findings of the quantitative study among the 866 respondents.

DATA ANALYSIS APPROACH AND RESULTS

Data analysis

All data collected during the quantitative survey were centrally edited, coded and finally captured in the statistical software programme SPSS that was used to conduct one-way analysis of variance (ANOVA) and chi-square tests. The ANOVA-test was ideally suited to allow for comparisons of statistically significant differences between the overall financial construct means scores for the experimental and control groups. These test outcomes was used to finally conclude on the formulated hypotheses. The decision rule applied for constructs showing significant group differences was to reject the hypotheses of equal means. Consequently, for rejected

hypothesis significant differences in financial behavior between the two groups were assumed. Closer investigations into the actual descriptive statistics (mean scores) were finally used to investigate superior financial behavior between the two survey groups. For individual variable comparisons and to test for significant survey group differences in respect of the 92 financial variables investigated in the study, chi-square tests were conducted based on the measurement scale reflected in Table 2.

The analyses approach outlined above was finally used to support final conclusions on the success of the Bubomi programme. The conclusions on the survey findings were further supplemented by the outcome of the qualitative focus group research conducted among 154 Bubomi participants. This supplementary research allowed for tracking immediate and intermediate financial behavioural changes experienced by those who already participated in the Bubomi programme.

RESULTS

Firstly, Table 4 reflects the composite mean scores for each of the financial constructs investigated. Notably from the ANOVA-test result, the mean scores for all

financial constructs are significantly different and higher for the Bubomi group ($p > 0.05$). Based on the F-ratio and p-values displayed, the table also shows that the mean scores for the two survey groups are significantly different at a 95% level of confidence.

The following observations are clear from Table 4 and the additional descriptive and non-parametric analyses of the survey data are:

(1) The overall perceived financial knowledge levels of Bubomi participants are significantly different and higher than non-Bubomi participants ($p > 0.05$). In testing for statistical significant differences between the two survey groups for each individual financial knowledge variable investigated by the research, the chi-square test result also showed statistically significant differences between the two survey groups for all 15 money management variables ($p < 0.05$).

(2) The financial confidence levels of the experimental group (Bubomi participants) are significantly different and higher than non-Bubomi participants for all listed financial activities. From the non-parametric test results, Bubomi participants seem significantly more confident than non-Bubomi participants in carrying out especially the following activities: saving money, controlling personal finances, providing for themselves and family, managing money to achieve goals, planning for financial future and paying bills on time.

(3) Except for two of the 18 statements (financially I did like to live for today only and financial planning is only important for wealthy people) the financial confidences of Bubomi participants are significantly different and higher than non-Bubomi participants. Notable differences between the two survey groups are that approximately 70% of Bubomi participants claim to pay credit bills on time (as opposed to 43.8% of the non-Bubomi group), read a lot about finances and money matters (as opposed to 48.2% of the non-Bubomi group) or consult with financial advisors (as opposed to 12.3% of the non-Bubomi group). An additional important point to highlight from the attitudinal information resulting from the research is that a significantly different and higher proportion of Bubomi participants agreed that they had made improvements to the way in which they managed their money during the past 12 months. This finding also is a positive reflection of the impact of the Bubomi training.

(4) Bubomi participants are more accountable in managing their financial matters. In clustering the survey results emerging from the financial management practices thematically, the following comparisons between the experimental and control groups are notable: (a) Bubomi participants are overall better at financial planning (figures for Bubomi participants are significantly different and 20 percentage points higher for writing out saving plans, planning by taking account of own and family needs, keeping track of expenditure, budgeting daily and sticking to a budget all the time).

(b) Bubomi participants plan shopping expenditure better all the time (figures for Bubomi participants are significantly different and 25 percentage points higher for planning their shopping, only buying items on the shopping list planned for, only taking enough money to shop for items planned and planning on how to afford to buy things).

(c) Bubomi participants are more cautious when it comes to borrowing money (figures for Bubomi participants are significantly different and almost 20 percentage points higher for keeping track of people owing them money or people they owe money).

(d) Bubomi participants manage their debt better (figures for Bubomi participants are significantly different and 20 percentage points higher for paying credit cards and accounts/bills on time or paying-off debt early).

(e) Bubomi participants are more sensible about saving (figures for Bubomi participants are significantly different and 20 percentage points higher for saving money and earning interest on savings account, seeking advice from financial consultants at banks and considering risks and returns when choosing an investment).

Other interesting and significant nuances between the Bubomi and non-Bubomi groups is that respectively approximately 70% of Bubomi participants claim to pay credit bills on time (as opposed to 43.8% of the non-Bubomi group), read a lot about finances and money matters (as opposed to 48.2% of the non-Bubomi group) or consult with financial advisors (as opposed to 12.3% of the non-Bubomi group). Based on the parametric and non-parametric test results outlined and discussed above, Table 5 summarizes the final rulings on the stated research hypothesis. Based on the hypotheses judgments outlined in Table 5, it is clear that the financial behavior of the two survey groups differ significantly. In fact the experimental (Bubomi) group participants:

- (i) Display better perceived financial knowledge
- (ii) Are more confident when performing certain basic financial activities
- (iii) Have better financial attitudes
- (iv) Manage their finances more responsibly

Against this background, the study generated reliable, valid and representative empirical research that confirmed at 95% level of confidence that the Bubomi financial literacy programme was extremely successful in changing the immediate and intermediate financial knowledge, confidence, attitudes and accountable management of individuals residing in Giyani and participating in the course. The validity of the survey instrument is also reflected in Table 5 that shows the Cronbach Alpha reliability estimates (coefficients) for each financial construct included in the Absa Bubomi study. These reliability estimates were computed to measure the extent to which individual items (variables) that constitute a specific research construct (multiple scales) correlate with one another or the total for all variables (items) in each

Table 5. Hypotheses rulings.

Hypothesis		Ruling	Coefficient
The perceived financial knowledge of Bubomi participants (experimental group) are similar that of non-Bubomi participants (control group)	$H_{01} = \mu_{BPK} = \mu_{NBPK}$	Rejected*	0.904
The confidence of Bubomi participants (experimental group) to perform certain basic financial activities is similar to than non-Bubomi participants (control group).	$H_{02} = \mu_{BFC} = \mu_{NBFC}$	Rejected*	0.899
The financial attitudes of Bubomi participants (experimental group) are similar than non-Bubomi participants (control group).	$H_{03} = \mu_{BFA} = \mu_{NBFA}$	Rejected*	0.782
The accountable financial management behaviour of Bubomi participants (experimental group) are similar than non-Bubomi participants (control group).	$H_{04} = \mu_{BAFM} = \mu_{NBAFM}$	Rejected*	0.935

construct. This coefficient is widely used as an index of the internal consistency or reliability of a scale. A coefficient alpha of 0.70 is generally considered to be evident of accepted reliability. Based on this ruling, all subscales used for measure financial behavior in the Bubomi study are most reliable, which consequently bench-mark the entire research model used for the Absa Bubomi impact study as most valid.

Of significance from the above discussion is that the Bubomi programme has proven to be very successful in a poor rural community. The focus group discussions among the 154 Bubomi participants also emphasized the positive impact of the Bubomi programme. It was clear that Bubomi participants gained extremely valuable experience and lessons from the Bubomi training, ranging from realizing the importance of (i) the need to save, (ii) saving at formal banking institutions, (iii) budgeting, (iv) money wise spending planning, (v) wiser shopping and concomitant saving, (vi) a disciplined lifestyle avoiding engagement in gambling and unplanned social events, (vii) interest earning and (viii) securing financial information. It is evident from the focus group discussions that the Bubomi programme has contributed to higher awareness and actual changes in the financial behaviour of programme participants. Bubomi participants nowadays engage in saving ranging from its most simple form (save small amounts accumulating over time) to opening personal bank savings accounts. The most general forms of savings mentioned by many focus group participants were stokvels with variations ranging from stokvels to buy groceries, food and household products, and stokvels to develop small business and community projects. Burial societies and cattle and livestock were also other forms of saving mentioned in many discussion groups.

Following the Bubomi training, focus group participants claimed to be more aware of bank charges and have become more responsible shoppers. In this regard many participants had started to compile shopping lists and deliberately compare prices when shopping things that they claim to have neglected prior to the training. Besides guiding people in becoming more responsible spenders,

the Bubomi training also stimulated entrepreneurial aspirations. It is clear that the Bubomi training had a direct impact on the personal, family and financial goals of individuals. Notably, the training has assisted individuals to achieve certain financial goals such as purchasing durable and nondurable goods as a result of more responsible savings. Of major significance was the perceived ability of the programme to coach individuals on how to avoid debt. The development of such a skill is extremely relevant and important in a community faced by high levels of poverty and where individuals are often tempted to borrow money from friends, family members or even micro lenders.

As part of measuring the impact of the Bubomi programme on the lives of participants and their knowledge levels, the research also aimed to measure the extent to which participants had been transformed into advocates for financial literacy. In this regard, respondents across all focus groups proudly recounted how they had told family, friends, church members, and even fellow taxi commuters about the Bubomi course and how they had benefited. Participants also related how their advice had been received and changed the lives of family and friends. It would seem that the ripple effect of the learning process has been very successful.

CONCLUSION

It is important to note that the reported financial knowledge may not be equivalent to actual financial knowledge. This reservation reflects a possible shortcoming of the study. Nevertheless, the study clearly reflected a keen interest in financial upliftment and consciousness of a need to revolutionize financial behaviour. Of particular note was the experimental (Bubomi) group's higher perceived knowledge of classical money management concepts such as personal and family needs and wants, spending patterns, savings, managing personal finances and setting financial goals. Although, the perceived knowledge levels of the experimental group surpassed those of the control group, some money

management concepts require attention. These include credit cards, investments and debt management. The fact that Bubomi participants indicated that they wish to learn more about management of personal finances, saving, budgeting and spending patterns shows that the Absa Bubomi training programme has not only improved the financial skills of participants but has also evoked interest among Giyani residents to learn even more about the topic matters currently addressed by the Bubomi training. Clearly the Bubomi training programme has created an appetite for improved and extended financial knowledge. On the other hand, the interest shown may be an indication that more in-depth training is required. Consequently, follow-up training should focus on further improving the financial knowledge of people with specific reference to the management of credit cards, investment and debt.

It is clear from the research that the Bubomi programme has not only laid a basic financial foundation, but has cultivated a financial mindset and intelligence. In fact, the Bubomi programme has evoked motivation to plan and manage for survival. Bubomi participants agreed that they had made improvements to the way in which they manage their money since attending the Bubomi training. The empirical research findings also show that the Bubomi programme has brought about more responsible shopping behaviour, forward-looking and responsible financial planning and realistic financial prioritizing based on own and family needs and wants. The study clearly showed improved financial planning, shopping behaviour and debt management. Participants are also more cautious about borrowing money and are more 'savings sensible'. Furthermore, Bubomi participants spend money more wisely, have better discipline managing personal finances and regulate spending better. Sufficient evidence of the success of the Absa Bubomi programme has been presented by the Giyani empirical research study. Without doubt, the learning approach using storyboard telling as well as the simulation of responsible financial behaviour by adopting community-based examples and roleplay that trainees could easily identify with, are dimensions that add to the value and success of Absa's Bubomi programme in rural communities such as Giyani.

From a national perspective the Bubomi training programme presents an ideal platform for a national coordinated strategy on financial education. Undoubtedly, the Absa programme presents an ideal prototype that could strengthen financial literacy programme delivery in South Africa. The major challenge is to reach more people more often throughout their lives with relevant content and through appropriate delivery mechanisms as encapsulated in the Bubomi programme. This requires improved outreach, particularly to other disenfranchised communities and vulnerable segments of communities: the poor and unemployed, rural communities, pensioners

and others. As part of a national strategy, this will require better and more efficient targeting and increased frequency recognised by both pedagogical and marketing communication practitioners as important when creating awareness, aiding understanding and refreshing knowledge. Because the financial landscape is always changing along with people's financial needs, lifetime exposure will be required to reinforce previous learning and take cognisance of the target audience's previous learning and attitudes, their environment and their financial knowledge needs. The Bubomi programme has shown sufficient evidence of a programme with appropriate context and a delivery mechanism which needs to be broadened to the government and private and non-profit sectors to address the overall objective of improved financial literacy.

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