



# NJMPF

## Empowering members and communities through Financial Literacy

Your Fund, Your Savings, Your Future

07 July 2017

"If a man empties his purse into his head, no man can take it away from him. An investment in knowledge always pays the best interest." – **Benjamin Franklin.**

This quote highlights the value of knowledge, says Sam Camilleri CEO and Principal Officer at the Natal Joint Municipal Pension/Provident Funds (NJMPF), "the NJMPF believes knowledge should be transferred to members through cost effective and innovative methods."

Low financial literacy levels are a global challenge and more prevalent in developing nations like South Africa. Coupled with this, are the surging debt levels and low disposable income for South Africans. Experts believe South



Africans are becoming more heavily indebted, with interest rate hikes and the weak economy crippling households across the country. Statistics compiled by debt management firm, Debt Rescue, show that South African consumers owe a significant percentage of their monthly salaries to creditors. This makes the exercise by the NJMPF to educate members on debt control vital and significant in the current local and global economic environment. The strategy used by the NJMPF could be a case study for other Funds.

Sam Camilleri further states; "NJMPF aims to advance financial literacy education which is practical, addresses the specific challenges of the NJMPF membership whilst aiming to change the members' mindset and behaviour on money matters."

Showcasing some of the work being done at the Fund illustrates the passion the Board, Management and Staff have for advancing members' level of financial literacy, striving for better management of their finances with the hope that those efficiencies will gradually build - resulting in more savings, proper management of debt, better allocation of investments assets and sufficient risk cover. Although some solutions can be seen as being sophisticated, the NJMPF has strategically diagnosed its membership base and understands that through innovation and creativity the future could be written today! Evidence of this creativity and innovation is the mobile app which provides financial literacy resources and tools at a touch of a button!

Sam Camilleri describes the current financial literacy project by the NJMPF, "a new way of improving member outcomes and continuing with the financial literacy programme has been partnering with the South African National Credit Regulator (NCR). The teaming up with NCR is a continuation of the NJMPF's programme of the past few years with South African regulatory bodies – starting with the Financial Services Board presenting during roadshows to their members and to Municipal HR Staff in workshops. This was followed the next year with representatives from the Office of the Pension Fund Adjudicator explaining their role and what the rights of a member are. A firm of legal advisors has also been active in working with the NJMPF during roadshows and workshop structures to provide Wills training for NJMPF members. NJMPF is the only South African retirement fund working with the NCR on a financial literacy project making the NJMPF/NCR partnership unique."

The NCR is responsible for the regulation of the South African credit industry. One of NCR's tasks is to educate and deal with the needs of historically disadvantaged and low-income persons.

Sam feels that "partnering with the regulator (NCR) allows for leveraging the expertise of NCR on debt management education and educating NJMPF members whilst also addressing the NCR's mandate of needing to visit areas outside of the city densities." The NJMPF believes communication and education is a continuous process and changing the behaviour and mindset of individuals on money topics requires skill, knowledge and creativity. The message which has been communicated by the NJMPF and NCR is; - know your credit score, reduce your debt levels, know your rights regarding credit/debt, start saving and resist temptations.

Sam further illustrates, "all these initiatives have been free of cost to the Fund and membership. The financial literacy initiative is innovative because, although National Treasury believes it is essential, retirement funds in South Africa don't have a legislative mandate to provide financial literacy programmes. NJMPF knows how important it is to have a robust strategy dealing with financial literacy. The NJMPF is in the limelight of the SA retirement industry and many funds take their cue from our initiatives and innovations."

**For more information about the NJMPF visit - [www.njmpf.co.za](http://www.njmpf.co.za).**

**You could download the NJMPF mobile app on google play store or the apple store.**

**NJMPF members and pensioners are encouraged to update their details with the Fund.**

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