

## AGBOOK ARTICLES JULY 2020



### **GROW SAVINGS – IN THE BANK, NOT THE GROUND**

As I was growing up, my parents and grandparents never saved any money, we just lived day by day, harvesting cocoa and selling other crops when we needed money to buy essential household items. When it came time for school fees, we became busy harvesting our cocoa blocks to raise the required money. We never really thought about saving and the positive impact it could have made on our lives.

I have now learned that savings are really important to everyone. The COVID-19 issue has been an incredible burden to many of us and has clearly demonstrated how vulnerable we are without savings. In East New Britain, we saw an increase in stealing because people were hungry, and the main markets were closed preventing an ability to earn income in the traditional way. If we had savings, we would be able to better withstand the financial pressures of not being able to earn during this time. No of us can predict the future so having savings is the only way to weather any financial storms.

Saving money can also be fun. We all like to spend money on ourselves, friends and family, but sometimes we go overboard and spend everything and not have enough money for the immediate future. By setting yourself savings goals, you can make sure you have enough now, and also spend on the things you enjoy.

Have you ever been stressed about how you are going to pay for bills that keep coming in? How many times have you gone OMG, the gas has just run out, or the school needs additional project fees, or your wantok needs money, or a family member needs to go to haus sick? Have you wondered how am I going to pay for this? You can eliminate all this stress by saving money.

I know from experience many of our farming families do think about saving money, but they don't know how. AgBook has been running a series of programs called "Talking about Money" and during these sessions families have told us of stories of hiding money in the house or even burying it in the ground hoping it might grow like a cocoa tree. They have been scared about putting money in the bank because of so many questions and requirements they don't understand. Unfortunately, many families have been robbed from their homes and lost all their money, rather than putting it in the bank where it is safe.

I have been privileged to be part of the farmer owned PNG Agriculture Company (PNGAC) team, providing awareness to farmers about their business model which supports them to begin farming as a business and increasing their income by following a professional system. My role has been to discuss the importance of financial literacy and opening bank accounts. Bank accounts are a mandatory part of the business system that farmers must use. PNGAC have partnered with MiBank and are supporting the establishment of a bank agency in every ward they buy cocoa from, meaning farmers can easily accept payment by bank transfer and have the ability to make purchases and withdraw cash right in their own communities. No more expensive PMV fares to the nearest town bank, no more waiting in long queues. They now have a bank in their own community. It has been amazing to see the smiles on so many people's faces when they realise the importance of saving in a bank.

AgBook is for farming families. We provide them the opportunity to learn financial and business concepts that will put more money in their pockets. It's a program that will keep more money in their own communities and provide employment opportunities for young people.

I encourage everyone to share the message of using your bank account. Its not enough just to open an account because someone suggested it was a good idea. Let's work with companies like PNGAC which are integrating a business system to the lives of their farming family shareholders and actually enabling a savings culture that will lead to greater control over their financial resources and increased wealth.

Until next month.

Nic

*AgBook Articles are a regular commentary on relevant issues that affect the economic development of our nation, particularly from a young person's point of view. The opinions are meant to stimulate positive discussion and encourage decision makers to embrace youth's unique skills and experience to solving long-standing and complex problems that prevent our nation taking advantage of the tremendous opportunities for development.*

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