



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 008 Issue | Vol 1| 2021

Financial Advisers / Product Providers Can Make Your Difference

Many people mistakenly believe that since they are not "rich" they do not need to do any financial or estate and gift planning. This attitude can be financially harmful and can be avoided with proactive action.

In support of The Movement, we thought an article on selecting "your right" financial advisors and right financial product providers would be interesting and helpful.

TODAY'S THOUGHT

"Teaching is more than imparting knowledge; it is inspiring change. Learning is more than absorbing facts; it is acquiring understanding."

~ William Arthur Ward

Financial decisions you make today will have a major effect on how you will be able to live out your lives.

It's important that you carefully select qualified advisers to guide you through life's changes and challenges. If used properly, the right financial adviser (s) can save you time, money and heartaches.

There are many types of financial advisers and financial product providers to choose from. These many include attorneys, accountants, bankers, credit counselors, financial planners, investment advisers, life insurance brokers and agents, money managers, realtors, wealth managers, registered representatives, stockbrokers, trust officers and private fiduciaries.

Who and how you choose depends on your specific needs.

Many financial advisers and financial product providers offer more than one service. For example, some law firms provide tax preparation services and function as financial advisers. Accounting firms may go beyond the scope of tax preparers and serve as mortgage brokers, insurance agents, money managers and/or financial advisers. A number of life insurance agents and stockbrokers are also qualified as financial planners.



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



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HOW FINANCIAL ADVISERS & FINANCIAL PRODUCT PROVIDERS ARE COMPENSATED

Financial advisers and financial product providers are usually compensated either with commissions or fees, some are compensated by both.

1. COMMISSION-BASED ADVISERS—FINANCIAL PRODUCT PROVIDERS: These will not charge any direct fees, provided that you buy your financial products through them. The advantage is that you do not pay directly for services. The disadvantage is that your provider might lose objectivity or provide you with financial products that you don't need but that provide the person with excessive commissions.



Commission-based providers are usually found through brokerage houses, insurance companies, banks and credit unions and financial planning firms.

2. FEE-BASED ADVISERS: These advisers charge you for their time. They work on an hourly or project basis or charge a fee based on a percentage of assets managed. The advantage of this type of arrangement is maintaining the adviser's objectivity and independence. The fee adviser may also direct you to no-commission or low-commission products.

The disadvantage of fee-based advisers is you pay direct fees even if you do not follow their advice. If financial products are involved, you may still end up paying commissions along with the fees.

Fee-based advisers are usually found through accounting firms, law firms, trust departments and financial planning practices.

3. COMMISSION-AND-FEE-BASED ADVISERS: These advisers / financial product providers receive compensation both ways. Some charge a flat fee or hourly for services rendered, then receive commissions if you buy financial products through them. Others offset charged fees with their commissions, while others rebate commissions back to the client.

These advisers are in a position to "double dip", receive double fees. They are also in a position to reduce their clients' overall costs for financial products and services depending on their skill set and professional ethics.

These types of advisers are usually found in accounting firms (CPAs in Ghana may sell financial products to their clients or refer them to associates who do the selling and receive commissions), some law firms, independent brokers and financial planning practices.

FINDING THE RIGHT ADVISER

Choosing the right financial adviser for your particular situation is an important decision. Selecting a financial adviser is a lot like choosing a doctor, dentist, family counselor or other trusted professional. Start by asking your current professional contacts and your peers for quality referrals. Then check them out further.



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If you do not get satisfactory input, check with professional associations for adviser referrals.

MEETING WITH A FINANCIAL ADVISER

Before meeting with a prospective financial adviser or financial product provider, sit down and outline your goals and your current and future needs. Determine what services or financial products you require: a financial review, investing advice, tax planning and/or preparation, insurance planning, estate and gift planning, business accounting services, etc.



When interviewing financial professionals, evaluate them according to personal compatibility, expertise / experience, degrees / certification, professional references / reputation, ability to understand your needs, size of their firm / and their fee / compensation structure.

You should feel free to ask a prospective financial professional direct questions such as:

- What is your background? Your firm's background?
- What is your area of specialization?
- Do you have expertise in (an area specific to your needs)?
- Will you be working on my account or will your staff? If staff, will a specific staff person be assigned to me?
- How do you get paid: fixed fee, hourly or commission?
- How much will I be charged?
- Will you quote a fixed fee per assignment and provide a letter outlining our relationship?
- How many of your clients have situations similar to mine?
- Have you ever been sued for professional reasons? If so, why? What was the outcome?
- Will you provide a list of professional references and/or current clients?

For existing financial professionals, ask yourself:

- Has my professional completed tasks requested in a timely manner?
- Has the professional worked within the fees quoted?

Does the professional contact me with information valuable to me?

If you are not satisfied with an adviser's / product provider's performance or attitude, give them feedback and see if they are willing to meet your needs. If you remain dissatisfied, it's time to find another.

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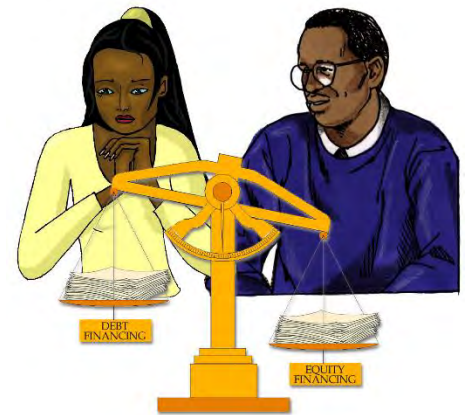
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USING THE TEAM APPROACH AND GETTING A SECOND OPINION

If you are faced with making a significant financial decision and you are not clear about your options, do not hesitate in bringing your financial professionals together for a joint call(s) or meeting(s), or at least seeking a second opinion from another qualified professional.

CAUTION: never buy or be sold a financial service or product you do not understand to your satisfaction.



Over the years, financial advisers and their firms can play a very important role in helping you reach and maintain your financial goals. By following the above guidelines you should improve your chances of selecting and working successfully with advisers appropriate for your situation.



Visit The FA Association's website to learn more.

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



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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
- <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
- Initiate Professional Certification & Training Programs for financial service professionals.

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- 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 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**



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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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