

**SPEECH READ BY MS CATHERINE NAMUYE, AG. CHIEF EXECUTIVE OFFICER OF THE YOUTH ENTERPRISE DEVELOPMENT FUND, DURING THE LAUNCH OF THE NSE INVESTMENT CHALLENGE ON 31<sup>ST</sup> JANUARY 2014**

**Mr. Bob Karina, Vice Chairman of the NSE**

**Mr. Peter Mwangi, CEO of the NSE**

**Mr. Paul Muthaura, Ag. CEO, capital markets Authority**

**Ms. Catherine Gitonga, Smart Youth Investment Ltd**

**Distinguished guests,**

**Ladies and gentlemen,**

It gives me great pleasure to preside over the launch of the NSE Investment Challenge.

We at the Youth Enterprise Development Fund have been providing financial support and business development services to the youth for seven years. We have been training youth in entrepreneurship and have partnered with other players to provide them with financial literacy. Over this period we have realized that a vast majority of Kenyans do not have access to financial services. The situation is made worse by lack of financial infrastructure in many parts of the country, although the situation is slowly improving with the integration of financial services into mobile telephony.

Our education system has also not given prominence to financial literacy. Consequently many young people leave school without the skills required to navigate the world of finances, and to make appropriate choices and decisions.

Financial education teaches the knowledge, skills and attitudes that people can use to adopt good money management practices for earning, spending, savings, borrowing and investing. On an individual level, financial literacy helps households to use scarce resources more effectively, choose the financial services and products that best meet their needs and shift from reactive to proactive decision-making. Informed consumers play a monitoring role in the market, weeding out bad practices and providers. Informed clients are better able to put pressure on financial institutions for appropriately priced and transparent services.

I challenge our education planners to integrate financial literacy into our school curriculum so that our youth are empowered to make the right choices early in life.

**Ladies and gentlemen,**

I congratulate the NSE and Smart Youth Investment Ltd for coming with this ingenious programme.

This initiative will impart knowledge on investment in the securities and create a culture of saving and investing in youth. It will also enhance financial management and entrepreneurial skills among the Kenyan youth and create a sense of ownership, loyalty and association with the youth by reaching out to them and by creating a unifying factor. The challenge will also create an avenue of educating the youth on prudent process of investment decision making and risk management. It will also demystify investment in stocks.

The most exciting thing with the investment challenge is probably its target group. It targets college going youth, who have not started earning. They can now begin to plan their pocket money and future earnings wisely, and avoid the pitfalls that those before them have fallen into. In short, this challenge provides the youth with the compass of navigating their future.

**Ladies and gentlemen,**

The internet and the mobile phone have brought us close together. These inventions blend themselves well with the youth. I am pleased to note that the organizers of the challenge have endeavoured to harness the potential of these inventions to bring this powerful tool within reach of thousands of youth. By just picking their mobile phones the youth can become investors.

Placing the competition online gives the youth the ease to participate at the time and place of their convenience, especially using mobile phones. Indeed I can imagine a young person buying stock while travelling in a *matatu*. The registration process is also easy, fast, convenient and friendly thus appealing to youth.

That the competitors will be given starting capital, albeit virtual, is to put responsibility in their hands and to give them an opportunity to simulate making hard financial decisions. The possibility of playing as a team makes it more exciting and provides opportunity for exchanging ideas and educating one another.

It is hoped that the over 7,000 that are targeted by this programme will use lessons learnt to transform their lives and will in turn pass the knowledge and skills gained to their siblings and peers.

I challenge the organizers to document lessons learnt as well as success stories so that they can form a new body of knowledge that our country can use to promote financial education amongst its citizens.

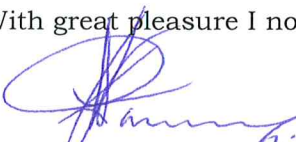
We at the Youth Enterprise Development Fund look forward to participating in this programme by way of introducing our beneficiaries so that they can gain knowledge on alternative opportunities of investing their profits, such as the stock exchange.

At a personal level I will also enroll in this challenge so that I can compete with the youth and get insights on their decision making process.

I appeal to youth to register in large numbers. I will personally recruit all those I meet to participate.

Ladies and gentlemen,

With great pleasure I now declare the NSE Investment Challenge officially launched.



CATHERINE NAMUYE