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—NEWSLETTER—  
ISSUE #1



# MONEY MATTERS:

## The Path to Financial Literacy!





# Have a look!





**BANKERS  
ASSOCIATION**  
OF TRINIDAD AND TOBAGO

# BATT's Mission

The Mission of the Bankers Association of Trinidad and Tobago is to play a core role in the growth and stability of the financial sector, through advocacy and representation; and to facilitate the provision of the most competitive banking products and services to our customers, with integrity and transparency.





# Executive Director's Welcome



It's no exaggeration to say that juggling limited finances can be challenging, and in current times, they may seem even more impossible to get a handle on. The past couple of years have shown us that financial fundamentals like budgeting, having a robust emergency savings fund, making a plan to pay down debts, and investing are essential to protect your financial health and build your financial resilience. Taking time to prioritize financial literacy empowers you to improve your financial situation right now and in the future.

With this in mind, we welcome you to this quarter's newsletter **Money Matters: The Path to Financial Literacy**. In the coming pages, you will find a number of articles and tips to help you reduce your financial stress and increase your financial resilience.

Are you retirement ready? Here's the thing. It's misleading to think you can start getting ready when you hit the golden years. This month's edition will help you to start thinking about some immediate to longer-term planning to retirement to ensure you can sustain the life you want to live on the income you will be collecting. We have a brilliant contribution in our ***Straight Off the BATT*** from one of our member banks on one's retirement readiness and what should be done if you are not there yet.

Questions about your credit card statement and payment dates? We've got you covered in this newsletter having put together some important information on credit cards use to avoid unnecessary charges or even debt.

Also, find out how to recognize and avoid investment fraud in our Anti-Fraud Awareness Feature. After reading that piece by our guest contributor, you will be in a better position to learn the key warning signs of a fraudulent investment proposal.

Like many things, the way we did transactions today looks much different than it did a decade ago, or even a year ago. From passbooks to online banking and now to **electronic cheques**, it can be hard to stay on trend with the evolution of banking transactions. So, we will take a closer look at electronic cheques and how it can work for you.

The week of March 23 – 27 was Global Money Week, a global campaign promoting youth financial literacy, which this year was themed **Plan Your Money - Plant Your Future**. This year BATT shifted gears having launched its GMW commemoration aboard a visually appealing GMW branded bus themed **Take Care of Your Money**. Running through the eastern districts of Tunapuna, El Dorado and the eastern arterial corridor, BATT's mobile campaign together with James Saunders, media personality; Renata Girod, Investment Advisor JMMB; Shedron Collins, General Manager, Youth Business of Trinidad and Tobago and staff of the BATT secretariat, were warmly received by Forms 4 and 5 students of Tunapuna Secondary School, St. Augustine Secondary School, Hillview College and North Gate College. The activities which were structured to have optimal impact among the students included a thought-provoking talk by Renata Girod on wealth management and a youth entrepreneurship competition adjudged by Shedron Collins. In this issue you will find all of the highlights of the Global Money Week event.

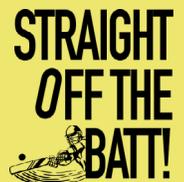
Also in March, BATT, together with FLOW, recognized and celebrated International Women's Day 2023. Convened under the theme **Embrace Equity**, the morning's couch conversation welcomed empowering contributions from a diverse range of voices including guests Thema Williams, national gymnast; Faye Ann Lyons-Alvarez, soca artiste; Simone Martin-Sulgan, Cable and Wireless Communication/FLOW Trinidad VP & General Manager; Richard Downie, President of BATT and Managing Director RBC Royal Bank and Joel Martinez, Mayor of Port of Spain. They provided multiple perspectives, experiences and accounts faced by women in a myriad of contexts. Be inspired by the highlight of the morning's events in the coming pages.

And hence begins this quarter's newsletter as we journey with you on the path to financial literacy.

Happy reading, and learning.

Kind regards,

*Kelly Bute Seaton*





# Straight Off the BATT Burner



## Are you retirement ready?

**Question:** You know what they say about timing: It's everything. Well I am 40 years old, and I am carefully considering my ideal retirement date. Sure, I have about 20 more working years to go, but after careful analysis of my current finances, I feel that I may need to work another 40 more years! Any advice you can give on helping me ensure that my finances and assets are adequate to support my "impending" retirement?

**Answer:** Currently, life expectancy in Trinidad & Tobago is 74 years. With an average retirement age of 60, this means it would be wise to ensure you have sufficient funds set aside to support your retirement years. A rule of thumb is you will need 70-80% of your current salary to maintain a similar lifestyle when you retire. Below are some steps you can take today to work towards making that a reality

- **Start investing now:** "The best time to plant a tree was 20 years ago. The second best time is now." The best time to start saving for retirement is when you receive your first pay cheque. However, if that is not the case, start investing in a retirement savings portfolio today, regardless of the current economic outlook.



- **Be mindful of inflation:** "Inflation is like an acorn. It starts out small, but given enough time, can turn into a mighty oak tree". Inflation, the rate at which prices rise, erodes your portfolio value over time. Based on this, in order to maintain your purchasing power during your retirement years, your retirement savings portfolio should generate returns that outpace





● **Consider your time horizon and risk profile:** The longer the duration until you retire, the higher the level of risk your portfolio can withstand. If you have more than ten years to retirement, you can consider investing a large portion of your retirement savings in stocks as they have historically provided greater investment returns. As you get closer to your retirement age, you may consider adjusting your investment objectives towards the generation of income and the preservation of capital. This would require a higher allocation towards less volatile securities such as bonds and other fixed income securities.



● **Seek tax shelters:** Contributions into approved deferred annuities for example- the RBC Future Cash Tax Savings and Retirement Plan are fully tax-deductible provided the contributions, together with your other contributions to other approved retirement savings plans, do not exceed TT\$60,000 per year (less 70% of your NIS contributions). In addition, at the maturity date, you will have the option to receive a tax-free lump-sum in addition to monthly income for life. That way, not only would you benefit from having retirement savings, but you will also enjoy lower taxes during your working years.



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# Understanding Credit Card Statements & Payment Dates

Having a credit card can be a convenient way to pay for things. If you're responsible with your money, it can also help you build a solid credit history. However, if you don't understand how credit cards work, it can end up being harmful to your financial health. This article will explain everything you need to know about credit statements and payment dates so that you can make smart financial decisions with your credit cards.

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## Credit card billing cycle

Credit card statements are mailed to you monthly, typically 30 days after the end of each billing cycle. However, some banks also enable their customers to access their credit card statements digitally (view online). Credit card statements show what charges have been made to your credit card and when they are due for payment.

The billing cycle determines when your payment is due. For example, if your bill is sent out on the 15th of each month and there are only 28 days between this date and the next one, then you will be charged interest from day 1 until it's paid off or until 30 days have passed without payment being made in full by then.

## Credit Card Payment

You must pay all charges on your statement within the timeframe indicated on your statement. If you don't, your bank will send you a notice and may adjust or report your account as delinquent. This could result in additional fees and charges, including late fees. A late fee is charged if you don't pay at least the minimum amount due by the payment due date. You can set up automatic credit card payments with your bank, before the due date on your statement arrives.





**You may be charged interest on your account if you do not pay the entire balance on your statement by the due date.**

- Interest is charged on unpaid balances from the date of purchase.
- Interest rates vary depending on the card.
- Interest is compounded daily, so interest charges can add up quickly.
- Cash advances and balance transfers will also attract interest charges from day one. If you're late making a payment, you'll be charged a fee as well as additional interest!
- When signing up for a credit card, be sure to learn about your interest rates and speak with your banker to ask any questions you may have about the card and its charges.

If you think that charges were made to your account that were not authorized, contact your bank immediately. Banks have security measures in place for detecting fraud and will usually cancel the transaction once they've been notified.

Credit card statements are a great way to keep track of your spending and make sure that you pay all charges on time. You should always pay attention to the due date listed on your statement so that you don't miss any payments and get charged interest on top of it all!



# Financial Literacy Statistics

The Central Bank of Trinidad & Tobago conducted a national financial literacy survey in 2022 in Trinidad and Tobago and these were some of the key findings:

- Persons with the lowest literacy level scores are between 19 and 24 years.
- 70% of students spend their money on snacks.
- Persons with the highest financial literacy scores are over 35 years.
- 35% of respondents showed high levels of financial literacy, while 21% showed low levels of financial literacy.
- 19% of adult respondents are unbanked.
- 50% of respondents are not satisfied with their present financial situation.
- 27% of respondents indicated they are in too much debt.
- 20% of respondents are not achieving their desired goals.
- 29% of respondents live month-to-month.
- Only 40% of SME's prepare financial statements.
- 35% of adults' respondents have fallen to financial fraud.

The sample size for the survey was 1090- adults, 151 students and 160- students.





# Anti-Fraud Awareness Corner

Living in a time and age where “Investments and Financial Management” can be heard or seen anywhere you turn; it is critical that you identify the legitimacy of every “Investment Opportunity.” The **Reality** is that not every “Investment Opportunity” is geared towards you receiving returns on your **investment**. Instead, you may be giving away your hard-earned money to a **fraudster** for their **benefit**. As such, you may wish to consider the following before engaging in an Investment Opportunity:

1. If it sounds **“too good to be true”** most likely it is.
2. Is this “Investment Opportunity” from a licensed Professional or Organization, then it should be.
3. Promises of high returns or great wealth with little or no risk.
4. Urgent requests to invest immediately with aggressive sales pitches.
5. Fake testimonies or videos of persons who invested and benefitted.

Be wise in your investments and verify the legitimacy of the investors and investments that you intend to engage in. Not every “investment” is an opportunity for you to receive returns.





# What you should know about Electronic Cheque Processing

## WHAT IS THE ELECTRONIC CHEQUE CLEARING SYSTEM?

An image-based cheque clearing system that replaces the current process of manual exchange and settlement of physical cheques, with electronic submission and settlement of truncated, imaged local TTD denominated cheques between participant banks in Trinidad and Tobago. It was launched in February 2023 and is an on-going project.

### Benefits Include:

- a) Cheques are processed electronically.
- b) Increased monitoring capability and efficiency by the Central Bank of Trinidad and Tobago.
- d) Processing of cheques would be made more secure both via Electronic Cheque Clearings implementation and enhanced cheque security features.
- e) Reduced cheque processing costs.

## WILL THERE BE ANY CHANGE TO HOW CHEQUES MUST BE WRITTEN OR POPULATED?

### Yes. These include:

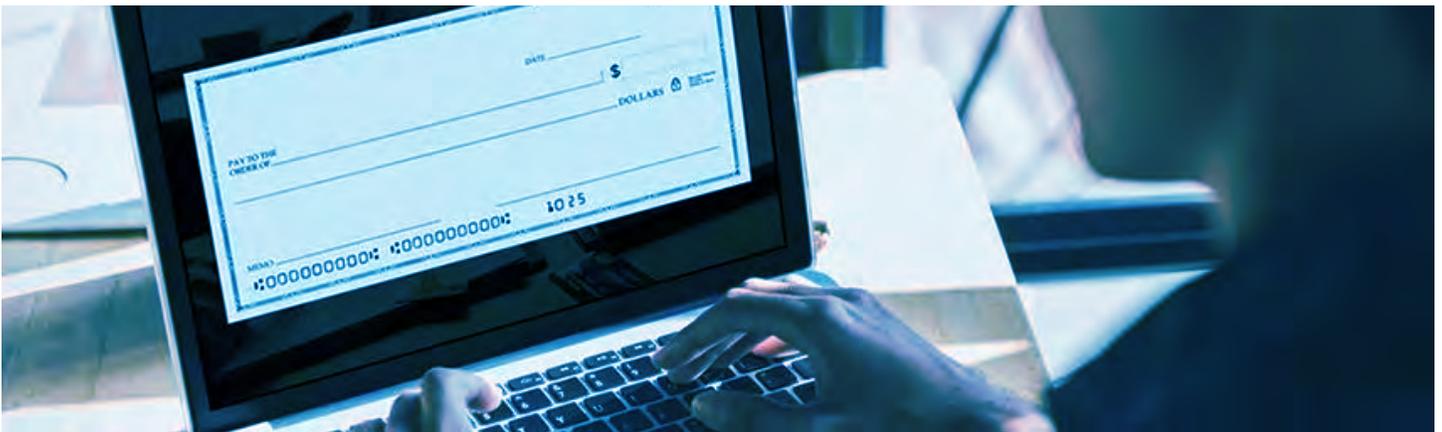
- For handwritten cheques-only use black or blue ink pens.
- Write only in specified locations- do not obscure any key fields.
- Computer filled-cheques will follow the CPA006 standards.
- Cheques with alterations in material fields, e.g. date, payee name, words and figures, and signatures, will not be allowed for processing and, as such, must not be issued to payees.

## WHAT ARE THE OTHER EXPECTED CHANGES?

### Expected changes include:

- All cheques will follow the Canadian Payments Association (CPA) Standard 006 format and must adhere to the Trinidad & Tobago Cheque Production Standards.
- Bank Crossing stamps will now be placed on the back of processed cheques.
- Cheque images will be exchanged daily, via electronic files through the Automated Clearing House and forwarded to Participating Banks.
- The image of the cheque will also be used instead of the physical cheque where cheques are to be returned.

Welcome to a new, digitized payment system to clear and settle cheques. Contact your bank or visit [www.batt.org.tt](http://www.batt.org.tt) to find out more.



# BATT Celebrates Global Money Week

BATT visited students of Tunapuna Secondary School, St. Augustine Secondary School, Hillview College and North Gate College on 23rd and 24th March as part of the 2023 Global Money Week celebrations themed **Plan Your Money, Plant Your Future.**

Students were thrilled to learn about stocks and shares and how they could start to invest at a very young age. Students were also guided through the four elements of creating a business plan (value proposition, customer segment, resources, cost) and pitched their best business ideas around three themes: social, environmental, and agricultural impact. The competition was keen and the ideas innovative.

BATT's mobile campaign together with James Saunders, media personality; Renata Girod, Investment Advisor JMMB; Shedron Collins, General Manager, Youth Business of Trinidad and Tobago and staff of the BATT secretariat, were warmly received by Forms 4 and 5 students. The activities which were structured to have optimal impact among the students included a thought-provoking talk by Renata Girod on wealth management and a youth entrepreneurship competition adjudged by Shedron Collins.







# BATT and International Women’s Day

March 8 was International Women’s Day. BATT, jointly with FLOW hosted an event at the Hyatt Regency to celebrate International Women’s Day. Under the theme **Embrace Equity** our panel discussants, Thema Williams, national gymnast; Faye Ann Lyons-Alvarez, soca artiste; Simone Martin-Sulgan, Cable and Wireless Communication/FLOW Trinidad VP & General Manager; Richard Downie, President of BATT and Managing Director RBC Royal Bank and Joel Martinez, Mayor of Port of Spain joined in the call to address gender inequities and barriers to opportunities.

Both Flow and the Bankers Association of T&T share a common vision of empowerment, inclusion and diversity in the workplace and felt it was important to shine the spotlight on this very important topic of equity, with a focus on male-dominated industries.





## What's next in the Wicket?

- ▶ Financial Literacy Month- Public Education and Community outreach
  - ▶ Look out for exciting highlights and reviews of BATT's Financial Literacy Caravan in the Tunapuna and Belmont communities which took place on the 27th and 28th April
  - ▶ BATT's Financial Literacy Campaign heads to Tobago during the 22nd -25th May 2023
  - ▶ BATT & THA Partnership- Start-Up Programme
  - ▶ Don't forget to tune in to our Straight Off The BATT Facebook live series on every other Thursday
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