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# Youth Livelihoods Financial Literacy

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# Youth Livelihoods: Financial Literacy



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# Youth Livelihoods: Financial Literacy

## Introduction

### Three related youth livelihood topics

There are three manuals in the Youth Livelihoods series: Employability, Financial Literacy, and Entrepreneurship. All three of these courses are designed to be delivered by Peace Corps Volunteers and their counterparts worldwide who are helping young people develop knowledge, skills, and aptitudes for improving their employability, their financial literacy, and their economic independence.

While all three of these can be delivered as stand-alone courses, they also work together well in a series. The following diagram provides a suggested approach, should you choose to offer two or all three.

#### **Employability**

- Self-Awareness: Knowing Your Skills and Qualifications
- Learning About the World of Work
- Setting Goals
- Preparing Job Search Documents
- Interviewing Skills
- Application writing skills
- Networking skills

Participants will benefit by engaging in a certain amount of self-exploration and job search activities before launching into a detailed discussion of money matters.

#### **Financial Literacy**

- Basic Money Management
- Personal Money Management
- Financial Services
- Earning Money

Participants need both an understanding of employability (working for someone else) and money management prior to contemplating their own business ideas.

#### **Entrepreneurship Module**

- Your Business Ideas
- Basic Business Concepts
- Business Plans
- Customers
- Marketing



# Using the Financial Literacy Manual

The following sections should help you determine if the youth with whom you work can benefit from the training sessions in this manual. All training sessions need to be reviewed for appropriateness and modified as necessary. There are notes within the sessions to help you do that.

## Target Audience and Prerequisites

The audience for the course includes youth and young adults (between the ages of 16 and 30) who have little to no exposure to—or knowledge about—financial literacy. All topics are directly related to each participant’s individual experiences.

Other assumptions about the target audience include the following:

- *Literacy skills:* able to read and write in local language at least at the sixth-grade level.
- *Numeracy skills:* include a basic understanding of addition and subtraction. Participants should be experienced with handling money and able to use a calculator to determine percentages and perform other basic mathematical functions.

## Length of Training

There are 23 hours of classroom-based learning in this manual. This estimate does not include time needed for homework and field assignments. Depending on the audience, trainers may choose to moderate the pace by allowing extra time for each session. Homework may take 15–30 minutes and field assignments may take 2–3 hours each, depending on the location and the assignment.

Assessment methods are included in each session. Optional periodic review sessions (included within the course) help reinforce learning and allow for self-assessment and reflection. No formal testing or other evaluation method is used in this training.

## Training Environment

The course is a highly interactive facilitator-led training. The recommended class size is from 12 to 18 participants, but the course can be used with fewer or more participants.

To make the training accessible worldwide, the assumption was made that typical classrooms have little to no access to technology. Thus, sessions are designed for settings where only a pen and paper are needed for each participant, along with a chalkboard, flip chart, or whiteboard, and colored markers or chalk for the trainer.

For room setup, it is preferable for participants to have worktables to conduct their small-group discussions and other activities, although the sessions can be adapted to allow for situations where this is not possible. In general, there should be ample space to configure small groups and teams around the room as needed.

## Instructional Techniques/Methodologies

This course uses a range of methodologies that align with the principles of the experiential learning approach. With an emphasis on interactivity among participants, the course incorporates the following techniques and methodologies:

- Stories and scenarios
- Small- and large-group discussion questions
- Activities, games, story problems, and exercises
- Role-playing exercises
- Team projects and presentations
- Individual exercises and reflections

## Trainer Prerequisites

This course assumes that trainers have some expertise in classroom management, creating effective learning environments, and facilitation skills. The following Peace Corps publications offer effective tools and advice for developing these skills:

- *Peace Corps Nonformal Education Manual* [ICE M0042]
- *Peace Corps Classroom Management Idea Book* [ICE M0088]

While Volunteers may not have specific experience teaching financial literacy, the concepts are fairly basic. It is impossible to foresee every contingency in the classroom, but the manual is designed to provide all the necessary materials to carry out the sessions.

## Structure of the Sessions

Each session has the following:

- Cover sheet with title, rationale, trainer expertise, time, and any prerequisites
- List of trainer preparation, materials, equipment, handouts, and any trainer references
- Learning objectives of the session
- Instructional sequence written in detail within these divisions: motivation, information, practice, application, and assessment
- Any related materials
- All handouts





## Language Considerations

Although participants are not expected to have English fluency, all materials are provided in English. It is up to the instructor to provide translation or to include an interpreter, if needed. An effort has been made to reduce the amount of text in the handouts. Even so, trainers may need to translate anything with text prior to making copies of handouts. Exercises use U.S. dollar monetary amounts. The instructor will help participants with conversion to the local currency. More information on translation and currency adaptations are included as trainer notes within the session.

## Other Considerations

### Course Length

The course is designed to be delivered in the sequence provided, using all sessions unless they are indicated as optional. In some cases, trainers may not be able to deliver all the hours of instruction. After the overview of the full course, below, there are some suggested sequences for shortening the course.

Trainers have flexibility in configuring the course. It could be delivered as an intense full-week course or as one or more sessions per week over several weeks. Participants will benefit most from configurations that keep a certain momentum going, ensuring the course does not drag out too long.

### Adaptation

As is often the case with any Peace Corps experience, it is critical that trainers take some time to adapt sessions to reflect the local situation. Adaptations may reflect appropriate names, scenarios, choice of language or jargon, cultural expectations, gender considerations, monetary units, etc. In addition, trainers may choose to emphasize certain topics or examples and de-emphasize others. This need may arise as a way to accommodate varying literacy levels, participants from particular sectors, and gender sensitivities.

It is also important to adapt the materials to the developmental and cultural needs and priorities of the participants. If the facilitators have not already done so, it is recommended that they conduct some sort of participatory assessment method, such as using the PACA tools, with the participants prior to implementing the course. This will enable scenarios to be adapted to realities and the context of the young people with whom the facilitators are working. While each young person is unique, factors that may influence the relevance of the course may include gender, educational or school status, whether they are from an urban or rural context, parental expectations, whether they would be considered “highly vulnerable,” and cultural norms.



## Session Plan Summaries

### **Introduction—Getting Ready (60 minutes)**

Participants need to understand and be able to manage money effectively; to that end, this introductory session will allow participants to introduce themselves and discuss their experience with managing money. As they review the course outline, participants will identify what they would like to learn, discuss as a group positive or constructive behaviors to adopt for the training, and identify examples of how financial literacy could affect their lives.

### **Let's Talk About Money! Functions of Money (Optional) (90 minutes)**

This session provides participants with knowledge about the functions of money in the economy and challenges them to examine the limits of money in their lives—money cannot do or buy everything. By the end of this session, participants will have come up with an example for each of the four functions of money, discussed things that money can't buy, and will have identified the four functions of money in a case study.

### **Sources of Income (Optional) (70 minutes)**

In this session, participants identify different types of income and become aware of deductions and taxes that may apply. Participants will identify sources of personal income and, using a case study, point out sources of income, types of deductions and taxes, and calculate the difference between gross and net income. Additionally, each participant will calculate his or her personal net income, identifying all taxes and deductions.

### **Time Value of Money: Time is Money! (Optional) (90 minutes)**

Participants will learn that time affects the value of money; and money received or payments made at present are worth more than the same amount in the future. During the session, participants will explore the time value of money by identifying the benefits and opportunity costs associated with when financial payments are received. Reading a case study, they will also compare and contrast opportunities and risks of lending.

### **Spending: Needs and Wants (90 minutes)**

This session enables participants to distinguish between needs and wants and prioritize their spending in a spending plan. Given a scenario, participants distinguish between needs and wants;

then they review a list of expenses in a case study and identify them as either needs or wants, developing a list of prioritized expenses.

## **Setting Financial Goals (Optional) (90 minutes)**

Young people have dreams and this session provides an opportunity for participants to define their dreams in terms of achievable goals and to analyze the cost implications of their goals. Participants learn to develop a SMART (Specific, Measurable, Achievable, Realistic, and Time-bound) goal and, using a case study, develop a plan with a list of goals, date completed, and estimated cost for each. Finally, participants will individually create a plan with goals to help them achieve their dreams.

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**Note:** This session is similar to goal-setting sessions in other Youth in Development materials, with the addition of the financial dimension of goals. If you have covered goal-setting in a previous course, this session could be omitted.

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## **Savings: Pay Yourself! (80 minutes)**

This session prepares participants to make savings decisions and, given a savings scenario, they will develop a savings plan. Participants will also use a worksheet to set personal savings goals over a four-week period. As a group, they will identify challenges to saving and strategies to overcome those challenges.

## **Developing a Personal Budget (90 minutes)**

This session enables participants to distinguish between needs and wants and prioritize their spending in a spending plan. Participants will be given a scenario and must calculate whether their income will cover their expenses and list at least two reasons for using a budget. Following that, participants will prepare a budget based on a two-part case study that includes fixed and variable incomes and create their own personal weekly budget using a template.

## **Life Happens! Dealing with Life Cycle Events (90 minutes)**

Participants consider unexpected events that may affect their financial situation and explore ways to deal with them. By playing a board game, participants will evaluate potential financial implications of at least a dozen unexpected life events. They will categorize unexpected life events with positive and negative financial repercussions, as well as recommend ways to address each. Participants will also journal about actions they may take for unexpected events that account for financial gain or loss.



## **Where to Save—My Bed or the Bank? (90 minutes)**

After committing to save, participants will decide where to save their money. Participants will identify places where young people can save money and give criteria for choosing where they want to save. They will also be given a case study and a savings criteria matrix and use them to compare savings options and make a recommendation of where they would save.

## **Wise Use of Loans (60 minutes)**

This session gives participants the opportunity to analyze when to borrow money. Participants will also learn about advantages and disadvantages of utilizing loans compared to the use of savings. They will identify advantages and disadvantages of borrowing money, analyze needs for money, and given different situations, will recommend whether it would be better to borrow or use savings.

## **Record It! Keeping Financial Records (75 minutes)**

In this session, participants develop their own system for keeping their financial records and personal documents. They will identify reasons to keep financial records and which documents are important to keep. Working with a scenario, they will identify financial documents that can be used to verify expenses made, products purchased, and income received.

## **Let's Meet Financial Institutions! (110 minutes)**

Participants identify financial services that may be useful to youth in their community and meet with financial institutions that provide these services. Participants will map different types of financial institutions and associations, as well as basic financial services that exist in their community. They will also work to prioritize the top four financial services youth need, select the institutions that best provide these services to youth, and give reasons for their selections.

## **Financial Negotiations (130 minutes)**

In this session, participants develop a financial negotiation plan and practice their negotiation skills. Participants will describe situations where financial negotiations are needed. Given a scenario, participants will practice negotiating. They will also create a negotiation plan for their own (or a given) situation.

## **Tell Me What You Know! (Optional) (45 minutes)**

This modular session enables participants to assess what they have learned during each session by playing a jeopardy game. In teams, participants will correctly answer at least two of three questions asked about the financial literacy content included.

## **Money Management: Review and Simulation (2 hours, 10 minutes)**

Participants review and synthesize the information that they have learned about effective ways to manage money. Each participant will draw a picture that represents practices of effective use of money. Then, working in groups, participants will identify reasons to save, set financial goals, spend carefully, and budget. In a simulation, participants will prepare a budget, monitor monthly income and expenses, and undertake financial negotiations for loans.



## Financial Literacy and Food Security

Food Security is an economic, financial, and social problem. It affects billions of people throughout the world and is linked to poverty, disease, and conflict. As one of the most basic human needs, a sustainable, nutritious, and regular availability of food is an important issue for Peace Corps Volunteers to address.

Being financially literate can help families determine ways to generate or increase their income. This can help them increase their food security. The material in this training manual will help participants develop useful skills for saving, managing, and borrowing money, which in turn may enable them to use that money to buy more food and more healthy foods and to increase productivity or infrastructure to support growing, harvesting, or storing food.

In the urban context, food can usually only be purchased. With the skills learned from this manual, people have the opportunity to increase the amount of money they can spend on food and overall health. In a more rural or agricultural setting, knowledge of loans and credit management can be critical to economic success and enable people to improve their agricultural techniques and ensure more wholesome nutritional practices. The knowledge gained by participating in these sessions will allow attendees to better manage their funds and maximize their ability to increase economic resilience, which can lead to improved nutrition, new and improved agricultural practices, and more opportunities to enhance their overall food security.

The sessions talk about general financial literacy concepts. In sessions with cases or scenarios, there is often a scenario with a food security focus.

## Schedule Variations

Following are some training sequences based on the time available. It is worth mentioning that these scenarios are only suggestions. The decision to use any of these training scenarios or any combination of sessions of this module should result from an analysis of the training needs of participants and an informed judgment concerning their existing competencies in money management (based on their profile and the context of the community).

### Less than a day

Sessions	Time
Introduction <b>Note:</b> Do only the following activities: Welcome and Learning Objectives	10 min
Spending: My Needs and My Wants!	90 min
Savings: Pay Yourself!	80 min
Wise Use of Loans—It Is Not My Money!	60 min
	<b>4 hours (240 min)</b>

### Eight hours

Sessions	Time
Introduction <b>Note:</b> Do only the following activities: Welcome and Learning Objectives and Good Behavior	15 min
Spending: My Needs and My Wants!	90 min
Savings: Pay Yourself!	80 min
Developing a Personal Budget	90 min
Where to Save – My Bed or the Bank	90 min
Wise Use of Loans—It Is Not My Money!	60 min
Money Management Review and Simulation <b>Note:</b> Do only the following activities: Tell a Friend and Wheel of Effective Money Management	40 min
	<b>Less than 8 hours (465 min)</b>





## 16 hours of training—over the course of one or two weeks

Sessions	Time
Introduction <b>Note:</b> Do only the following activities: Welcome and Learning Objectives, and Good behavior	15 min
Spending: My Needs and My Wants!	90 min
Setting Financial Goals	90 min
Savings: Pay Yourself!	80 min
Developing a Personal Budget	90 min
Life Happens! Dealing with Lifecycle Events	75 min
Where to Save – My Bed or the Bank	90 min
Wise Use of Loans—It Is Not My Money!	60 min
Let's Meet Financial Institutions <b>Note:</b> Time includes 70 minutes to visit a financial institution	180 min
Financial Negotiations	150 min
Money Management Review and Simulation <b>Note:</b> Do only the following activities: Tell a Friend and Wheel of Effective Money Management	40 min
	<b>16 hours (960 min)</b>

# Introduction—Getting Ready

## Session Rationale

Participants introduce themselves and discuss their experience in managing money.

## Time

60 minutes

## Session Learning Objectives

1. In a large group discussion, participants will list at least two positive or constructive behaviors or attitudes they agree to adopt during the sessions.
2. In a large group discussion, participants will identify two examples of how financial literacy could affect their lives.

## Prerequisites

None

## Session Outline

<b>Motivation</b>	Welcome (15 min)
<b>Information</b>	Course Outline and Progress Chart (15 min)
<b>Practice</b>	Group Agreements (20 min)
<b>Application</b>	This Training and My Life (10 min)



# Introduction—Getting Ready

## Trainer preparation

1. Determine if participants will keep a journal throughout the course and what form it will take. If journals or exercise books are not practical or available, use other strategies to make connections between one session and the next.
2. Determine if you will have PowerPoint availability, and if so, the flip chart information can go on a slide.
3. Modify the outline of the course in Trainer Material 1 to match your course.

## Materials

- **Equipment**
  1. Flip chart paper and markers
  2. A ball (tossable size, even folded pieces of paper held together by tape can work)
  3. Journals/exercise books or blank paper, one for each participant
  4. Tape or glue
- **Trainer Materials**

Trainer Material 1: Flip charts

## Motivation

Time: 15 minutes

### Trainer Material:

- Ball

## Welcome

Participants are welcomed to the learning setting and are briefly told the overall goal of the training.

.....  
**NOTE:** This course may take place in various venues, such as in a classroom or other meeting area, outside under a tree, or wherever available.  
.....

1. Say: *"Welcome to you all. During the next hours or days we will talk about money, develop new skills and ways to manage our money, and also go out to visit and learn about institutions that offer financial services. Let's begin by getting to know who is who in the class."*
2. Introduce yourself by giving your name and where you are from (country, state, city, and where you currently live in the local community). Ask participants to introduce themselves briefly by mentioning only:

- Their names and what they want to be called during the training.
- Where they come from (village, town, or neighborhood).

.....  
**NOTE:** Ask them to provide only their names and where they are from. You want to avoid, at this stage, any information that could create power hierarchy in the room, such as level of education, profession, or type of job. They will have plenty of time to explore that during the training.  
 .....

If all participants live in the same community you could ask them to share what their names mean.

Ask, “*Who wants to start?*” When the first volunteer has spoken, give the person the ball and ask him or her to throw the ball to the next person to speak.

After all participants have introduced themselves, thank them.

## Information

**Time: 15 minutes**

### Trainer Material:

- Ball
- Journals or blank paper, one for each participant
- Glue or tape
- Flip chart 1: Course Outline
- Flip chart 2: Progress Chart

## Learning goals and course outline

Participants identify things they want to learn from the training, review the course outline, and determine some of the course guidelines.

1. Post Trainer Material 1: Flip chart 1: Course Outline. Review the topics that will be covered in the course.
2. Post Trainer Material 1: Flip chart 2: Progress Chart. Explain to participants that they should copy down the chart. Say, “*We are going to use this chart throughout the course. Today we are going to start by writing down the things you would like to learn. Then, as we cover the topics in the Course Outline, you may at some point realize that you understand something new.*” Demonstrate this by placing a check mark in the second column.

### Progress Chart

Things I would like to learn	I understand now	Still don't understand	Know how to use it	Will start using it
------------------------------	------------------	------------------------	--------------------	---------------------



3. Continue, *"However, maybe you hear something about what you want to learn, but you still don't understand. If this is the case, you would check the third column. Later maybe there is something you have learned that you now know how to use. If so, you would check the next column. If you are ready to use it in your daily life, then you would check the last column. As you learn more, you will see more checks in the last two columns. That's a way you can review your own learning progress in this course. We will continue adding to this chart in every session."*
4. Ask participants to take five minutes to write down questions in their journals that they would like answered or ideas they would like to know about managing money. When the majority of participants are done, invite one or two of them to share what they want to know.

## Practice

Time: 20 minutes

### Trainer Material:

- Flip chart paper
- Markers

## Establishing Group Agreements

Participants agree on basic principles that will guide behavior during the training.

1. Say: *"I want each of you to think of two guidelines or rules that the group will have to respect in order to make this training a success."*

Ask a volunteer to start by catching the ball and sharing one guideline or rule. Then he or she can pass the ball to someone else.

.....  
**NOTE:** 1) If participants are reluctant, you could give an example: *"Everyone will keep his or her Cellphone off or put it on silent mode during sessions."* Or, *"Participate fully in all activities."*  
 2) Write down the rules as they speak. From time to time, ask participants to clarify what they mean by the guideline they suggest.  
 3) This activity assesses Learning Objective 1.  
 .....

After all participants have spoken, read the guidelines and ask if everyone agrees. Say: *"Congratulations, we now have our guidelines for good behavior for a successful training."*

## This training and my life

Participants consider how their learning will be used in their personal lives.

1. Say: *"You have ideas about what you want to learn during this training and topics we will cover. How do you think this course might change your life? Write down at least two examples of things that could change."*

Ask one or two volunteers to share their answers.

.....  
**NOTE:** This activity assesses Learning Objective 2.  
.....

## Assessment

Learning Objective 1 is assessed in Practice.

Learning Objective 2 is assessed in Application.

## Trainer Notes for Future Improvement

**Date & Trainer Name:** [What went well? What would you do differently? Did you need more/less time for certain activities?]



## Trainer Material 1—Flip Charts

### Flip chart 1

#### Course Outline

Let's Talk about Money! Functions of Money

Sources of Income

Time Value of Money

Spending: My Needs and My Wants!

Setting Financial Goals

Savings: Pay Yourself!

Developing a Personal Budget

Life Happens! Dealing With Life Cycle Events

Where to Save—My Bed or the Bank?

Wise Use of Loans—It Is Not My Money!

Record It! Keeping Financial Records

Let's Meet Financial institutions!

Financial Negotiations

How to Use Money Effectively

Tell Me What You Know!

The Money Management Game

### Flip chart 2

#### Things I Would Like to Learn About Managing Money

#### Progress Chart

Things I would like to learn / Questions I have	I understand now	I still don't understand	I know how to use it	I will start using it

# Let's Talk about Money! Functions of Money (Optional)

## Session Rationale

This session provides participants with knowledge about the functions of money in the economy and challenges them to examine the limits of money in their lives. Participants will recognize the importance of money and, at the same time, realize that money cannot do or buy everything.

## Time

90 minutes

## Session Learning Objectives

1. In small groups, participants will give an example of each of the four functions of money.
2. In a large group, participants will identify at least two examples of what money cannot buy.
3. In small groups, participants will identify the four functions of money in a case study.

## Prerequisites

None

## Session Outline

<b>Motivation</b>	Ideas About Money (15 min)
<b>Information</b>	Definition and Functions of Money, Limits of Money (25 min)
<b>Practice</b>	Identify Functions of Money in a Given Situation (40 min)
<b>Application</b>	What I learned about money (10 min)





# Let's Talk about Money! Functions of Money

## Trainer preparation

1. Read Handout 1: A Story of Friendship: Naomi and Mani; and Handout 2: The Story of Friendship: Birthday. Adapt the names of the main characters to reflect local names.
2. Identify participants who will volunteer to role-play and discuss Handout 2 with them.
3. If there is no access to a photocopier, be prepared to read the story aloud.
4. Gather examples of laws in the country that prohibit youth from buying certain things. For example, in some countries a person under 18 may not buy cigarettes even if he or she has the money.
5. Post flip chart or PowerPoint presentation from the "Introduction: Getting Ready" session on what participants would like to learn.
6. Prepare to tell a short story about the history of money in the host country or region. Find out what their ancestors used as a means of exchange, such as beads, shells, or salt, etc.
7. Determine which version of the handouts you will use, one is for general use and the other is designed with a Food Security focus.

## Materials

- **Equipment**
  1. Flip chart paper (or a chalkboard)
  2. Markers (or chalk)
- **Handouts**

Handout 1: A Story of Friendship: Naomi and Mani  
Handout 2: A Story of Friendship: Birthday
- **Trainer Materials**

Trainer Material 1: Flip charts

### Trainer Material:

- Flip charts
- Markers

## Ideas About Money

Participants will share their own ideas about money. They will then identify the functions of money and how money is used in their lives.

1. Say: *"All of us use money for different things. Today we are going to answer the following questions:*
  - o What is money?
  - o What can money help you do?
  - o What are things that money can't buy?

*"We will use the story of two friends, Naomi and Mani, and your own experience to answer these questions."*

Ask: *"Does anyone know how people in this country did business and paid for things before coins or paper money were invented?"*

After listening to answers, confirm any correct answers and read or tell a short story of the history of money in the country or region.

Ask: *"What can people do with money (bank notes and coins)?"*

Record the answers on a flip chart paper or a chalkboard.

Post Flip chart 1: What Can You Do With Money?

NOTE: Possible Responses:

- Buy things, get services, pay salaries; repay debt; know the value or cost of things (goods and services); save for future expenses, etc.



**Trainer Material:**

- Flip charts

**Definition and Functions of Money**

Define money by introducing the functions of money.

**1. Post Flip chart 2: The Four Functions of Money**

NOTE: Possible Responses:

- The facilitator can skip technical terms (Means of Exchange, Unit of Value, Store of Value, and Future Payment) and instead use letters (a, b, c, d) and examples of functions of money.
- The decision will be based on the level of education of the group, which may vary by country or regions of the country.

Using the notes below, explain the four functions.

The four functions of money:

**Means of exchange**—Money is a means of exchange—it allows people to exchange pieces of paper or coins for goods or services. Money allows you to buy and get things that you don't have. For example, if a man has tomatoes and wants to buy flour, he does not need to find a person who has flour and needs tomatoes. He can sell the tomatoes in the market and, with money from the sale, he can buy flour.



**Unit of value**—Money is a unit of value. Money is used to express the values of goods and services. People set the value of something by giving it a price in terms of money. Everyone understands the value and what it's worth is related to other things. Give an example.



Ask: *“What is the price of the cheapest mobile phone in town?”*

Pick one price given by participants and then ask each participant to imagine the price of that mobile phone in “cow value” (which means how many cows someone would have to trade for a mobile phone). Participants should not share answers with one another; it is an individual exercise.

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**NOTE:** Use whatever animal is relevant in the local culture. It can be offensive to use the example of cows in a culture where a cow is sacred. This is a light moment in the session. It can generate some laughs, but the point is for participants to realize the difficulty of pricing when using elements other than money.

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Ask participants to share their answers.

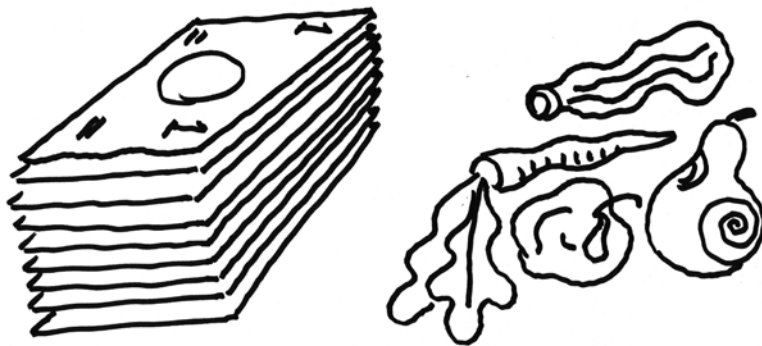
Note the differences of “price” and the difficulty of determining the price that everyone can understand and compare with the value of other things.

Say: *“The value of each of the goods or services is expressed as a price, that is, the number of monetary units needed for the goods or services to be exchanged.”*

*“For example, if there were no money, it would be difficult to give the value of a mobile phone in cows, as you have just realized. Imagine a mobile phone costing one leg of a cow (what will you do with the rest of the cow if no one is willing to exchange it for something else?) or imagine a car costing a million tomatoes. For that, all tomatoes will need to have*

*the same shape and weight and remain fresh for a long time. Also, all parts (rubber for the tires, leather for the chairs, etc.) of the car would also be priced in tomatoes."*

**Store of value**—Money stores value. Some goods cannot be stored for a long time because they are spoilable, such as tomatoes, chocolates, and some animals. Money doesn't spoil. It keeps its value so people can save it for when they need to use it to get something. Instead of keeping your tomatoes or cows, you can convert them and keep the money value instead. Since money is a unit of value, the holder of money can use his or her currency to spend later in exchange for goods and services.



Other goods might store value, such as buildings and land and jewelry, but they may incur some storage cost and may not be turned into money without losing some value. And sometimes it is hard to sell these goods right away when you need the money.

As a store of value, money can be saved in the bank, can be carried around, or even be sent via mobile phone as a money transfer, for example.

**Means for future payment**—Money can be used for future payments. It allows people to pay for things in the future. For example, an employer can pay a worker in the future for the work he or she does now. People can borrow money to use now and pay it back later.

After the presentation, organize participants into groups of four and ask each group to think about the four functions of money and come up with four examples in their own words of what money allows them to do.

Allow each group to take turns sharing their answers.

.....  
**NOTE:** Suggest the following: “*Money as [Function] allows for/to ...*.” Participants can write on the flip chart, on the floor, or the chalkboard.

This activity assesses Learning Objective 1.  
.....

Explain that we know what money can do. Now we will think of what cannot be exchanged for money.

Ask, “*What is important in your life that you cannot buy with money?*”

Encourage some volunteers to share some examples of things money can’t buy.

.....  
**NOTE:** Possible Responses:

- Money cannot buy feelings: love, loyalty, trust, etc. Money cannot buy rights: the right to vote. Use of money can be restricted by law: In some countries youth under 18 cannot buy cigarettes or alcohol.
  - This activity assesses Learning Objective 2.
- .....

Point out that these are things that are “priceless.” They do not have monetary value. If appropriate, give some examples of local laws that limit certain commercial transactions based on age or other factors.

## Practice

Time: 40 minutes

### Trainer Material:

- Handout 1: A Story of Friendship: Naomi and Mani
- Handout 2: A Story of Friendship: Birthday
- Flip chart 4: Questions about the Story of Naomi and Mani

1. Introduce the role-play about two friends—Naomi and Mani. Mention that after the role-play you will ask some questions about the use of money.

.....  
**Post Adaptation:** If you cannot find volunteers for the role-play, then read the story. In this case, you might provide each participant with a copy of Handout 2 and invite participants to read along. If the level of literacy is relatively high, the facilitator can opt for Handout 1—the story is richer in terms of examples.  
.....

After the role-play, thank the actors. Then organize participants into new groups of four and invite each group to answer the following questions (Flip chart 4):

- o Identify the functions of money used in the story.
- o Give examples from the story of things that cannot be exchanged for money.



Groups report their answers, each group building on others' reports (no repeats).

.....  
**NOTE:** Possible Responses

- Store Value: Naomi has been saving money to buy a set of paintbrushes.
  - You cannot buy friendship, Mani's artistic talent, Naomi's kindness.
  - This activity assesses Learning Objective 3.
- .....

**Post Adaptation:** If flip charts are available, each group of four can write their answers on a flip chart.  
If flip charts are not available, each group can make an oral presentation.  
.....

## Application

**Time: 10 minutes**

### What I learned about money

1. Say to the whole group: *"We are almost at the end of this session about money. Who can share the new ideas they have learned about money?"*

After listening to participants' contributions, thank everyone.

Close by asking participants to take out their journals and look at their Progress Chart, checking off any new information and adding to the list any questions they still have.

## Assessment

Learning Objective 1 is assessed in Information.

Learning Objectives 2 is assessed in Information.

Learning Objective 3 is assessed in Practice.

## Trainer Notes for Future Improvement

**Date & Trainer Name:** [What went well? What would you do differently? Did you need more/less time for certain activities?]

## References:

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Velde, François R., and Warren E. Weber. "Commodity Money." *The New Palgrave Dictionary of Economics*, Second Edition, 2008. [http://www.dictionaryofeconomics.com/article?id=pde2008\\_C000235&edition=current&q=Money&topicid=&result\\_number=1](http://www.dictionaryofeconomics.com/article?id=pde2008_C000235&edition=current&q=Money&topicid=&result_number=1)





## Trainer Material 1—Flip Charts

### Flip chart 1:

#### What You Can Do With Money

What Can You Do With Money?
-----------------------------

### Flip chart 2:

#### The Four Functions of Money

1. Means of exchange—To pay for and buy things
2. Unit of value—To set price and determine cost of things
3. Store of value—To keep the value of things over time
4. Means of future payment—For future payment, such as salary, repayment of loans, etc.

### Flip chart 3:

#### Questions About the Story of Naomi and Mani

- Identify how money is used in the story.
- Give examples from the story of things that cannot be exchanged for money.

### Flip chart 4:

#### What I would like to learn

Things I would like to learn	I understand now	I still don't understand	I know how to use it	I will start using it
(This column contains the list of things participants said they wanted to learn)				

## Handout 1—A Story of Friendship—Naomi and Mani

Naomi and Mani are cousins and best friends. They share the same birthday and live in a small town called Amistad. Their mothers are sisters and very close and their fathers are great friends.



### Naomi

Naomi goes to high school and will graduate next year. She has a younger brother. Although her parents are not rich, they provide the best that they can for Naomi and her brother. Both of her parents work at the local market. Her father manages the market and her mother works in a stall at the market selling produce. Among other things, they are able to pay their car loan and monthly rent for the family's house.

Naomi is a very smart girl who dreams of becoming an accountant for a big company. Thanks to her parents, she attends one of the best schools in town; she also receives a weekly allowance to take care of her personal needs. Naomi sometimes wants things that she knows her parents will not get for her, such as extra clothes, makeup, jewelry, gifts for friends, additional books, computer gadgets, and so on.

To earn some extra money, Naomi works at the local market after school, during school holidays, and some weekends. She helps farmers sell their products and clean their stalls. Naomi also saves a small amount of money every week to buy some things she cannot currently afford or things she may need in the future.

People in the market love and admire her. People trust her, because she is honest, respectful, smart, and always willing to help. Her parents receive compliments about Naomi from their friends. They are proud of their daughter.



## **Mani**

Mani lives with his parents. He is a young and handsome boy. Mani dropped out of school after graduating from primary level. He couldn't continue his education because his parents could not afford his school fees. He has four siblings. His parents farm a small piece of land where they grow tomatoes and lettuce to sell in the local market. Despite the fact that they don't have much money, Mani's parents are devoted and work hard to make their children happy.

Fortunately, Mani is a gifted young man; he paints and sculpts well. When he was 6 years old, he was already drawing comics for friends who liked them very much. All his friends admire him for his drawing skills.

Mani makes paintings and sculptures that he sells every week in the nearest town. He sometimes sells paintings for as much as \$30, while at times they go for \$10 or less. He makes some money for some of his basic needs (clothing, medicine, paintbrushes) and to help his parents take care of his brothers and sisters. They are thankful to have such a hardworking and generous child.

Mani dreams of owning an art shop where he can paint and design sculptures to sell. The art shop he hopes to open will employ many young people.

## Handout 2—A Story of Friendship: Food Security Focus

Naomi and Mani are cousins and best friends. They share the same birthday and live in a small town named Amistad. Their mothers are sisters and very close and their fathers are great friends.



### Naomi

Naomi goes to high school and will graduate next year. She has a younger brother. Although her parents are not rich, they provide the best that they can for Naomi and her brother. Both of her parents work at the local market. Her father manages the market and her mother works in a stall at the market selling produce. Among other things, they are able to pay their car loan and monthly rent for the family's house.

Naomi is a very smart girl who dreams of becoming an accountant one day. Thanks to her parents, she attends one of the best schools in town; she also receives a weekly allowance to cover her personal needs. Naomi sometimes wants things that she knows her parents will not give to her, such as extra clothes, makeup, jewelry, gifts for friends, more books, computer gadgets, and so on.

To earn some extra money, Naomi works at the local market after school, during school holidays, and some weekends. She helps farmers sell their products and clean their stalls. Naomi also saves a small amount of money every week to buy some things she cannot currently afford or things she may need in the future.

People in the market love and admire her. People trust her, because she is honest, respectful, smart, and always willing to help. Her parents receive compliments about Naomi from their friends. They are proud of their daughter.



## Mani

Mani lives with his parents. He is a young and handsome boy. Mani dropped out of school after graduating from primary level. He couldn't continue his education because his parents could not afford his school fees. He has four siblings. His parents farm a small piece of land where they grow tomatoes and lettuce to sell in the local market. Despite the fact that they don't have much money, Mani's parents are devoted and work hard to make their children happy.

Fortunately, Mani is a fantastic gardener and farmer, and at a very young age he took over the cultivation and maintenance of his family's home garden. He has become so good at tending the vegetables and fruits in their small plot that he grows enough to sell at a local market, in addition to what his family grows for food already. Every week he goes to the market to sell produce. Sometimes he makes only \$5 selling his produce, but other weeks he makes up to \$30. He uses some of the money to pay for basic needs, such as clothing, medicine, and gardening tools, and to help his parents take care of his brothers and sisters. They are thankful that they have such a hardworking child.

Mani dreams of owning his own farm where he can grow whatever he likes to feed his family and sell the rest at the local market. He wants to learn more about farming and how to be a more efficient and environmentally-friendly farmer. He hopes to use new farming methods and technologies to make his farm one of the best in the area that will employ many young people.

## Handout 3—The Birthday

*Today is Naomi's and Mani's birthday. Every year, the two cousins meet to celebrate and share gifts. They both enjoy this day.*



**Mani:** Happy birthday, Naomi! You look beautiful.

**Naomi:** Happy birthday to you, too. I am so happy to see you. That smile tells me that you have a surprise.

**Mani:** Yes, indeed! Here, take this and open it.

*Mani gives Naomi a nicely decorated package. Naomi opens it.*

**Naomi:** Oh my gosh! This is so cool. I can't believe you did this. Thank you!

*Mani has painted a beautiful portrait of Naomi and put it in a lovely frame he bought at the local market. She is so excited. With a smile, she says:*

**Naomi:** My turn.

*She pulls a large package from her bag and gives it to Mani with a smile. Mani excitedly opens the package. To his surprise, it is a magnificent set of paintbrushes.*

**Mani:** How did you know? I have been saving money for the past few months to buy one of these sets. At one point, I even thought of borrowing money to buy these. Thank you so much. You are so kind to me.

**Naomi:** I am happy you like them. I thought of buying you chocolates, but I knew that the paintbrushes would come in handy. I still can't believe you are able to draw my portrait. You have a true gift. I wish I were as talented as you.

**Mani:** Come on! I can't give you my talent, even if I wanted to; but I will create as many paintings for you as you want.

**Naomi:** Thank you. I truly admire your talent.

**Mani:** I also wish I were as respected and loved as you are by everybody. People trust you so easily. You have such a good personality.

**Naomi:** Thank you. There's a quality in each of us that cannot be given away no matter what. It is the friendship between us that is special and nothing can take that special bond from us. I am happy to be your cousin and friend.

**Mani:** You are so smart. I am happy too.

*On that note, they hug and walk toward the park where their friends have organized a small birthday party for them. It is a beautiful sunny day.*

## Handout 4—A Story of Friendship: The Birthday, Food Security Focus

*Today is Naomi's and Mani's birthday. Every year, the two cousins meet to celebrate and share gifts. They both enjoy this day.*



**Mani:** Happy birthday, Naomi! You look beautiful.

**Naomi:** Happy birthday to you, too. I am so happy to see you. That smile tells me that you have a surprise.

**Mani:** Yes, indeed! Here, take this and open it.

*Mani gives Naomi a nicely decorated package. Naomi opens it.*

**Naomi:** Oh my gosh! This is so cool. I can't believe you have done this. Thank you!

*Mani has given Naomi a beautiful flower that he grew in his family's garden. He put it in a decorated pot he bought at the local market. She is so excited. She smiles.*

**Naomi:** My turn.

*She pulls a large package from her bag and smiles as she gives it to Mani. He excitedly opens the package. To his surprise, it is a collection of quality gardening tools.*

**Mani:** How did you know? I have been saving money for the past few months to buy one of these sets. At one point, I even thought of borrowing money to buy these. Thank you so much. You are such a kind person.



**Naomi:** I am happy you like them. I thought of buying you chocolates, but I knew that this would come in handy. I still can't believe you are able to grow such lovely plants. You have a true gift. I wish I were as talented as you.

**Mani:** Oh, come on! I can't give you my talent, even if I wanted; but I will give you as many flowers as you want.

**Naomi:** Thank you. I truly admire your talent.

**Mani:** I also wish I were as respected and loved as you are by everybody. People trust you so easily. You have such a good personality.

**Naomi:** Thank you. There's a quality in each of us that cannot be given away no matter what. It is the friendship between us that is special and nothing can take that special bond from us. I am happy to be your cousin and friend.

**Mani:** You are so smart. I am happy too.

*On that note, they hug and walk toward the park where their friends have organized a small birthday party for them. It is a beautiful sunny day.*

# Sources of Income

## Session Rationale

This session enables participants to identify different sources and types of income and be aware of some deductions and taxes that may apply to different types of income.

## Time

70 minutes

## Session Learning Objectives

1. In a large group discussion, participants will identify at least two sources of personal income.
2. Using a case study, participants will identify sources of income, types of deductions and taxes, and calculate the difference between gross and net income.
3. Each participant will identify all taxes and deductions in order to calculate his or her personal net income.

## Prerequisites

None

## Session Outline

<b>Motivation</b>	Introduction to Sources and Types of Personal Income (5 min)
<b>Information</b>	How to Read a Paycheck (30 min)
<b>Practice</b>	Determine Personal Income (20 min)
<b>Application</b>	My Income (15 min)



# Sources of Income

## Facilitator preparation:

1. If the group is composed of a majority of young people who are not allowed to work and receive a paycheck in accordance with local laws, then skip the example of a paycheck in the Information section.
2. Review and familiarize yourself with basic deductions or taxes paid by self-employed or wage workers in the communities or region where participants live. Adjust the session plan to fit the situation in your country.
3. Review the sample paycheck (Flip chart 1). Modify it as needed, simplifying it if necessary. Or learn about the different deductions and taxes and design a local paycheck that reflects realistic amounts. Reproduce a paycheck on flip chart paper. Don't forget to adapt the name of the employee and avoid using the name of a real local company.
4. The discussion of gross and net income (before taxes and deductions and after taxes and deductions) could also be presented as a simple story, with the large group answering questions that would help illustrate the definitions of terms. You would need to create an appropriate story for your environment.
5. Determine which version of the handouts you will use: one is for general use and the other is designed with a Food Security focus.
6. Prepare flip charts or PowerPoint presentation.

## Materials:

- **Equipment**
  1. Flip charts
  2. Markers or chalk
- **Handouts**
  - Handout 1: Paycheck template
  - Handout 2: Naomi and Mani personal incomes
- **Trainer Materials**
  - Trainer Material 1: Flip charts

## Introduction to Sources and Types of Personal Income

Participants will reflect on the nature of their incomes (monetary and non-monetary).

### 1. Say, *"Let's review the different ways that people use money."*

.....  
**NOTE:** Possible Responses:

- Buy products and pay for some services; save, borrow, and invest; know how much something costs so you can compare it to other items.
- .....

Say, *"What are some different ways that people get income?"*

.....  
**NOTE:** Most people will give work-related sources. Probe responses to come up with non-work-related answers, such as: rent (for landlords), scholarships, and dividends from investment, interest from savings, pensions, allowances, and so on.

You can say, *"Think of people who don't work, like some grandparents or some teenagers. Where does their money come from?"*

.....

Review the flip chart and say: *"We have seen that there are many sources of income. Now, let's think of things that help us cover our expenses without spending money."*

Instruct participants to write down things that can help people cover some of their expenses without spending money. Examples are bus passes or free store coupons for some items. *"What else can you think of?"*

.....  
**NOTE:** To organize participants in groups, ask them to count 1, 2, 3, 4. Participants with the same number are put into groups of four or three depending on the number of participants.

.....

Ask participants to share their examples. Write them on the flip chart as they speak.

Say: *"We see that, in addition to money, there are also some non-monetary items, such as bus passes and coupons for free meals in the restaurant at school or workplace, which can help people cover some expenses."*

Ask: *"Do you ever get money that is unexpected? A surprise? What are some examples of such income?"* Say: *"These types of income are also called irregular income. They don't come at a specific time."*

.....  
**NOTE:** Examples may include an inheritance; gifts that can help cover or replace a needed service or product, or a winning lottery ticket.

This activity assesses Learning Objective 1.

.....

### Trainer Material:

- Handout 1: Paycheck
- Flip chart 1: Reproduction of a local paycheck

## How to Read a Paycheck

Introduce the concepts of deductions and taxes and the difference between gross and net income.

1. Point out that most of them mentioned income that comes from having a job.

.....  
**Post Adaptation:** If these are not appropriate to the context, eliminate this section.  
 .....

Share this scenario. *"I want to tell you about a girl named Mary. She got a job and she was so excited about getting her first paycheck. But when she looked at her paycheck, she was surprised. It was less than the amount she thought it would be. What do you think happened? Why didn't she get the full amount of money she was expecting?"*

After giving some time for participants to share their answers, say: *"Mary's salary before taxes and deductions (also called her gross salary) was \$\_\_\_\_. However, her salary after taxes and other deductions (also called her net salary) was \$\_\_\_\_. Let's look at a paycheck."*

Briefly explain every item on the paycheck, what taxes are paid, what deductions are made, and how the calculations are made.

.....  
**NOTE:** The key point is for participants to understand that the gross salary is not what they get to keep. It is the net salary that they keep.  
 .....

.....  
**Post Adaptation:** Deductions and taxes on income depend on the sources of income and the laws of the country. In some countries, young people selling things on the street may not pay taxes, but in other countries, they pay tax on their gross income, generally a fixed amount per week rather than a percentage. For self-employed people, deductions are what you need to pay in order to continue your activity.  
 .....

Remind participants that gross income is the money received before taxes and deductions. Net income is what is left after taxes and deductions. It is the "take-home pay."

.....  
**NOTE:** Write on flip chart paper:

Net income = Gross income – Deductions and Taxes

Net income is income available for use.  
 .....

**Trainer Material:**

- Handout 2: Naomi's and Mani's Personal Incomes
- Flip chart 2: Personal Income

**Determine total personal income**

Participants learn how to use a framework for identifying sources and types of personal income.

1. Say: *"Now that you know how to read a paycheck, let's see if we can help our friends Naomi and Mani figure out their income."*

Post the flip chart with the table: "Personal Income."

Divide the group into smaller groups of four. Give some groups Handout 2: Mani and some Handout 2: Naomi.

Ask each group to reproduce the table "What is personal net income?" on two sheets of paper or flip chart paper. Then they fill in the tables for either Naomi or Mani.

Discuss answers with the groups.

.....  
**NOTE:** This activity assesses Learning Objective 2.  
 .....

Expected answers:

**Naomi:**

Sources of income	Gross income (Monthly)
Allowances from parents	\$10
Part-time wages	\$28
Scholarships	\$20
<b>Total gross income</b>	<b>\$58</b>
<b>Deductions and taxes</b>	<b>Amount</b>
Lunch	\$23
Library	\$2
<b>Total deductions</b>	<b>\$25</b>
<b>Net income =</b> Gross income– Deductions and Taxes	<b>\$33</b>



Mani:

Sources of income	Gross income (Monthly)
Sales	\$100
<b>Total</b>	<b>\$100</b>
Deductions and taxes	Amount
Materials	\$15
Taxes	\$10
<b>Total deductions and taxes</b>	<b>\$25</b>
<b>Net income=</b> Gross income – Deductions	<b>\$75</b>

## Application

Time: 15 minutes

### My Income

Each participant will determine his or her sources of personal income and any taxes or deductions in order to calculate his or her net income.

1. Ask each participant to write in an exercise book:
  - a. What are my sources of personal income?
  - b. What deductions or taxes do I pay on that income?
  - c. What is my net income for the last month?

Ask participants if they were able to complete the activity.

.....  
**NOTE:** Remind participants that not all types of personal income are subject to deductions or taxes.

The facilitator will walk around to see participants' work. The facilitator should make sure to have the approval of the participant before looking at his or her work, since some participants may not feel comfortable sharing information about their income.

This activity assesses Learning Objective 3.  
.....

Close by asking participants to take out their journals and look at their Progress Charts, checking off any new information and adding to the list any questions they still have.

## Assessment

Learning Objectives 1 is assessed in Motivation.

Learning Objective 2 is assessed in Practice.

Learning Objective 3 is assessed in Application.

## Facilitator Notes for Future Improvement

**Date & Trainer Name:** [What went well? What would you do differently? Did you need more/less time for certain activities?]

## Trainer Material 1—Flip Charts

### Flip chart 1:

#### Paycheck

<b>Employee Name</b> Dupont	<b>Pay Period</b> 1/1/11–1/15/11	<b>Best Supermarket, Inc.</b>
<b>Rate</b> \$7.50	<b>Hours</b> 80	<b>Gross pay this period</b> \$600.00
National Income Tax (10%)	<b>Current Amount</b> 60.00	
District Income Tax (5%)	30.00	
Retirement (10%)	60.00	
Medical Insurance (2%)	12.00	
Public Radio and TV (.01%)	6.00	
Transportation (.01%)	6.00	
<b>Total</b>	174.00	
Net pay:	<b>Net pay:</b>	<b>Check Date:</b>
Gross pay – Deductions	\$426.00	1/16/11





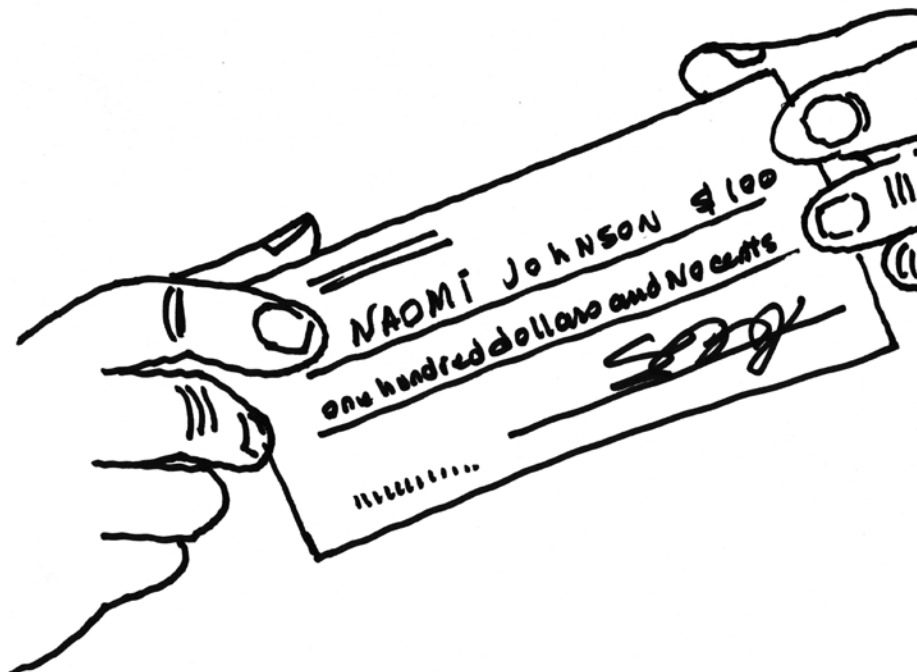
## Flip chart 2:

### Personal Income

Sources of income	Gross income (Monthly)
Wages from jobs	
Retirement pensions	
Dividends and interest from savings and investment	
Allowances	
Scholarships	
Other sources of income	
<b>Total gross income</b>	
Types of deductions and taxes	Amount
1	
2	
3	
<b>Total deductions and taxes</b>	
<b>Net income =</b>	
Gross income – Deductions and Taxes	

## Handout 1—Paycheck

<b>Employee Name</b> Dupont	<b>Pay Period</b> 1/1/11–1/15/11	<b>Best Supermarket, Inc.</b>
<b>Rate</b> \$7.50	<b>Hours</b> 80	<b>Gross pay this period</b> \$600.00
National Income Tax (10%)	<b>Current Amount</b> 60.00	
District Income Tax (5%)	30.00	
Retirement (10%)	60.00	
Medical Insurance (2%)	12.00	
Public Radio and TV (.01%)	6.00	
Transportation (.01%)	6.00	
<b>Total</b>	<b>174.00</b>	
Net pay:	<b>Net pay:</b>	<b>Check Date:</b>
Gross pay – Deductions	\$426.00	1/16/11



## Handout 2—Naomi's and Mani's Personal Incomes

### Naomi

Naomi is a very smart girl who dreams of becoming an accountant for a big company. Thanks to her parents, she attends one of the best schools. She receives a monthly allowance of \$10 from her parents to take care of her personal needs.

To earn extra money, Naomi works at the local market during school holidays and some weekends. She helps vendors sell their products and sometimes helps them clean their shops. She receives a total of \$28 every month from her part-time jobs.

Naomi is a studious person. This year, Naomi received a special scholarship of \$20 per month that is paid directly to the school on her behalf. Her scholarship pays for 15 lunches per month (\$1 per lunch) and for her library pass, with a value of \$2 every month. She receives \$3 in cash. Even though she doesn't receive all the cash from her scholarship because deductions are taken by the school, Naomi knows she is fortunate and is working really hard in school to keep her scholarship. Naomi also saves a small amount of the money every week to buy things she usually can't afford, like hand lotion.

### Mani

Mani is a gifted young man; he paints and sculpts very well. Mani makes beautiful paintings and sculptures that he sells every week at the big art center.



He sometimes sells paintings for as much as \$30, while at times his products go for \$10 or less.

Last month, Mani sold about \$100 worth of products. As a smart young businessman, he knows that he has to put money aside to buy new materials, which he estimated as \$15 last month; but he also has to pay a fixed sales tax of \$10 per month to be able to sell in the art center. Last month, Mani earned a net income of \$75. That was a good month for him. He was happy; however, he only wished he did not have to pay the required sales tax. Next time, he will try to ask for an exemption on the grounds that he is from a poor family. He hopes he will be granted an exemption.



## Handout 2—Naomi's and Mani's Personal Incomes (Food Security Focus)

### Naomi

Naomi is a very smart girl who dreams of becoming an accountant for a big company. Thanks to her parents, she attends one of the best schools. She receives a monthly allowance of \$10 from her parents to take care of her personal needs.

To earn extra money, Naomi works at the local market during school holidays and some weekends. She helps vendors sell their products and sometimes helps them clean their shops. She receives a total of \$15 every month from her part-time jobs.



Naomi is a studious person. This year, Naomi received a special scholarship of \$20 per month that is paid directly to the school on her behalf. Her scholarship pays for 15 lunches per month (\$1 per lunch) and for her library pass, with a value of \$2 every month. She receives \$3 in cash. Even though she doesn't receive all the cash from her scholarship because deductions are taken by the school, Naomi knows she is fortunate and is working really hard in school to keep her scholarship. Naomi also saves a small amount of the money every week to buy things she usually can't afford, like hand lotion.

### Mani

Mani is a gifted and motivated young man. He is always asking questions of farmers, trying to use the latest best practices to grow more food. He experimented and found some plants to grow that also store well. Now he can sell produce every week at the market in town.



He sometimes sells his produce for as much as \$30, while at times his produce goes for \$10 or less.

Last month, Mani sold about \$100 worth of produce. As a smart young businessman, he knows that he has to put money aside to buy new materials for the farm, including seeds and tools, which he estimates as \$15 last month; but he also has to pay a fixed sales tax of \$10 per month to be able to sell in a big town market.

Last month, Mani earned a net income of \$75. That was a good month for him. He was happy. However, he only wished he did not have to pay the required sales tax. Next time, he will try to ask for an exemption on the grounds that he is from a poor family. He hopes he will be granted an exemption.

# Time Value of Money: Time is Money!

## Session Rationale

Participants will learn that time affects the value of money; and money received or payments made at present are worth more than the same amount in the future.



90 minutes

## Session Learning Objectives

1. After reading a scenario, participants will demonstrate understanding of the time value of money by identifying the benefits and opportunity costs associated with when financial payments are received.
2. After reading a case study, participants will, individually, compare and contrast the opportunities and risks of lending money to others.

## Prerequisites

None

## Session Outline

<b>Motivation</b>	Time and money (10 min)
<b>Information</b>	Learning about interest and opportunity cost (30 min)
<b>Practice</b>	Simulation: Help Naomi Decide (20 min)
<b>Application</b>	Making payment on time or later (30 min)

# Time Value of Money: Time is Money!

## Facilitator preparation:

1. Adapt scenarios, amounts, and currency to the local context.
2. Prepare flip charts or PowerPoint presentation.

.....  
**NOTE:** This session may not be appropriate in communities where only strict Islamic banking rules are used. Islamic banking rules are consistent with the principles of Islamic law (Sharia). These rules prohibit the use of interest or fees for loans or savings. For example, instead of lending money, the lending institution or the lender will take a stake in the investment, or will buy and own the equipment, transferring full ownership to the borrower only when the agreed cost of the investment has been reimbursed. While this session does not cover loans or savings, the concept of “time value of money” presupposes notions of interest and other related notions (financial fees and charges).  
.....

## Materials:

- **Equipment**
  1. Flip chart paper
  2. Markers or chalk
  3. Pieces of paper
- **Handouts**

Handout 1: Naomi’s Decision
- **Trainer Materials**

Boxes with the pieces of paper  
Flip charts





## Time and money

Participants discuss the relationship between time and money before making decisions and identifying consequences about the timing of a financial transaction, such as receiving or making payments.

1. Write the word “Now” on one side of the board and “Later” on the other side of the board.

Ask participants to stand up.

Say, *“If I were to give you money, would you want it now or later?”* Ask participants to move and stand next to the word on the board that they prefer—Now or Later.

Ask participants standing next to the “Now” sign to explain why they made that choice. Write the reasons on a flip chart. If anyone picked “Later,” ask what their reasons are. Write these down on the flip chart. If all participants are standing next to the “Now” sign, then ask, *“What would make you willing to receive money later?”* Write these answers on the flip chart.

Thank participants. They can take their seats.

Summarize: *“Generally, people prefer to receive money now rather than in the future. In the next activities, we will see why and what it means when you decide to receive money or pay now or in the future.”*

### Trainer Material:

- Flip chart 1: Next Month’s Expenses
- Flip chart 2: A Friend Owes You \$10
- Flip chart 3: Good Reasons and Opportunity Costs

## Learning about interest and opportunity costs

Participants identify advantages of receiving money sooner rather than later, as well as the sacrifices (opportunity costs) one makes by receiving money later. They also recognize the value of setting a price or value for waiting until later to receive money.

## 1. Post Flip chart 1: Next Month's Expenses

Give participants the following scenario: Imagine that you have the following expenses to pay for next month and you have to pay for them by the end of the first week. They add up to \$20.

Things I need to buy the first week of next month
Food \$5
Rent \$10
Bus fare \$2
Savings contribution to savings club \$1
Internet access \$2
Total: \$20

.....  
**NOTE:** The total of the expenses should be \$20.  
.....

.....  
**Post Adaptation:** In some situations, \$20 may be a lot of money. If so, adjust the amount into local currency to reflect basic needs of most youth in the community.  
.....

## Post Flip chart 2: A Friend Owes You \$10

Say: *"Now, imagine that you have only \$5 to pay for all these things, but a friend who owes you \$10 gives you the following options:*

- *I can pay you \$10 now.*
- *Or, I'll pay you \$15 at the end of next month.*
- *Or, I'll pay you \$20 two months from now.*

*"Which option will you choose? Will you accept \$10 now, \$15 at the end of next month, or \$20 in two months?"*

Say: *"If you chose '\$10 now,' raise your hand."* Ask participants who chose "\$10 now" to form pairs.

Say, *"If you chose '\$15 at the end of next month,' raise your hand."* Ask participants who chose \$15 at the end of next month to form pairs.

Say, *"If you chose '\$20 in two months,' raise your hand."* Ask participants who chose \$20 in two months to form pairs.



### Post Flip chart 3: Good Reasons and Opportunity Costs

Ask each pair to think about the reasons for their choice, as well as the negative consequences for their choice—what they may miss or cannot do by getting the money when they chose. They can copy the following table in an exercise book or you provide it as a handout or on a flip chart.

Good reasons to get the money	Things we may be missing or cannot do by getting money
(1) now,	(1) now,
(2) at the end of the month, or	(2) at the end of next month, or
(3) in two months	(3) in two months
(choose <i>one</i> option)	(choose the same option you picked at left)

Ask all pairs to share their reasons.

Building on the answers, say: *"We see that some expenses on the list will have to wait, so you had to give up some things you wanted to do. This is also known as an opportunity cost. An opportunity cost is the value of something you gave up because of selecting another course of action."*

Pick an example of something that one of the pairs mentioned "giving up."

.....  
**NOTE:** Choose an example with a financial or social consequence.

This activity assesses Learning Objective 1.  
.....

Say: *"By giving up this item, the pair missed an opportunity or may have to pay more in the future."*

Say: *"These can be tough choices. How did you feel about making the decision?"*

After listening to some answers, say:

*"Some people cited the fact that they will receive more money later. In fact, to compensate for the fact that you are missing something by not having the money now, and also to cover some risks (for example, not being sure that you will receive the money back), future payments have to be 'equal' to present payments. For this to happen, there has to be an additional amount added. This additional amount is called interest."*

*"Interest is the amount of money the borrower pays to the lender in addition to the original amount borrowed. The amount of interest depends on many things, including how long it will take to pay back the loan, the risks involved (of not being paid on time), and the original amount of money."*

Ask the group: "Can someone tell me where or when you have seen or heard the term 'interest' used?"

After listening to some answers, say: "We often hear interest associated with savings or loans. When people borrow money they talk about paying an additional amount of money for the opportunity to borrow. That percentage is called interest. We hear people say, 'I borrow money at 4 percent interest per year,' which means that if they are to pay back the money in a year, they will pay back 4 percent more than what they borrowed."

*"When people save money in an account, they talk about earning 3 percent interest a year on their savings, for example. When they are saving in an account, they are not using the money to buy or pay for things. In a way, they are giving up that opportunity to buy things. The interest paid on savings is the compensation for letting the bank have access to their savings for that period of time."*

*"For example, if you have \$100 and save it in the bank and the bank pays 4 percent interest per year, then in one year you will have an extra \$4 interest for a total of \$104."*

.....  
**NOTE:** Make the calculation on a flip chart:

Your savings account has \$100

The bank pays you 4 percent per year of interest:  $\$100 \times 4/100 = \$4$

The total is  $\$100 + \$4 = \$104$

Explain that 4 percent is also another way to say, "For every \$100, the bank adds \$4."

.....

Say: "The interest is the amount the borrower pays to the lender in addition to the original amount."

Summarize by explaining that the basic idea behind the time value of money is that money received now has more value than the same amount of money received in the future.



## Trainer Material:

- Handout 2: Naomi's Decision

## Simulation: Help Naomi Decide

Participants experience the difficulty of making money decisions related to time and the different values of money over time.

1. Distribute Handout 2 to all participants and say: *"Read the story and help Naomi decide to whom she should lend money."*

When they have read the story, tell participants to make the basic calculations using the table on their handout.

Amount to lend to:	Amount to be paid back	Difference between amount lent and received	How much money Naomi has after lending the money	Number of days before the trip the payment will be made
Alicia: \$15	\$20			
Barack: \$10	\$12			

Identify the 'good things' and the 'things that Naomi will miss or not be able to do' if Naomi lends to:	The good things that could happen	The things that Naomi may be missing
Alicia		
Barack		

.....  
**NOTE:** The facilitator could reproduce the tables on flip chart paper and ask participants to do the same in their notebook.

The facilitator explains each column.

The columns: *"How much money Naomi has after lending the money"* and *"Number of days before the trip the payment will be made"* allows participants to see the risk Naomi is taking.

The column *"How much money Naomi has after lending the money"* shows the opportunity cost and the risk she is taking in facing unforeseen events.

The column *"Number of days before the trip the payment will be made"* illustrates the risks based on the days left before the trip: With Alicia paying one day before the trip, the risk is higher; with Barack paying one week before the trip, the risk is lower (It gives Naomi some time to find the money should Barack fail to pay).

This activity assesses Learning Objective 2.

.....

Walk around to explain, if needed.

When participants have completed the exercise, put participants in groups based on whether they chose Barack or Alicia.

Ask some volunteers from each group to explain their decisions.

Conclude: *"There are no incorrect answers. However, it is important to notice that the money you have now is worth more than the same amount in the future.*

*"Also, choosing to receive or make a payment by a certain date has consequences:*

*a. You can earn more if you wait but may not be able to do certain things now because you don't have the money;*

OR

*b. You can do or buy things now but have less or no money in the future."*

## Application

Time: 30 minutes

### Application of time value and money: making payment on time or later

Participants identify consequences of decisions related to making or receiving payment on time or later.

1. Organize participants in groups of four, then tell them: *"Think of a real situation where someone you know (it can be someone from the group) had to borrow money and pay back more later.*

*a. How long did it take to pay the money back?*

*b. Explain why the person had to pay back more."*

Ask the groups the following questions: *"Have you or someone you know ever lent money, expecting to get it back after some time?*

*a. For how long did you lend the money?*

*b. What did you give up because you did not have the money to use?*

*c. Did you receive back the same amount, or more? If more, why?"*



Ask groups to share their answers.

.....  
**NOTE:** As participants share their answers, the facilitator takes every opportunity to stress the notion of interest and opportunity cost.  
.....

Close by asking participants to take out their journals and look at their Progress Chart, checking off any new information and adding to the list any questions they still have.

## Homework/Self-Assessment

Write the following questions on the board or prepare a flip chart. Ask participants to copy them into their exercise books or onto a piece of paper.

- What is one consequence of receiving the same amount of money one year from now compared to receiving that amount of money today?
- What is one reason for charging interest for a late payment?

## Assessment

Learning Objective 1 is assessed in Information.

Learning Objective 2 is assessed in Practice.

## Facilitator Notes for Future Improvement

**Date & Trainer Name:** [What went well? What would you do differently? Did you need more/less time for certain activities?

## Trainer Material 1—Flip Charts

### Flip chart 1:

#### Next Month's Expenses

Things I need to buy the first week of next month
Food \$5 Rent \$10 Bus fare \$2 Savings contribution to savings club \$1 Internet access \$2
Total: \$20

### Flip chart 2:

#### A Friend Owes You \$10

1. *I can pay you \$10 now.*
2. *Or, I'll pay you \$15 at the end of next month.*
3. *Or, I'll pay you \$20 two months from now.*

### Flip chart 3:

#### Good Reasons and Opportunity Costs

Good reasons to get the money  (1) now, (2) at the end of the month, or (3) in two months (choose <i>one</i> option)	Things we may be missing or cannot do by getting money  (1) now, (2) at the end of next month, or (3) in two months (choose the same option you picked at left)
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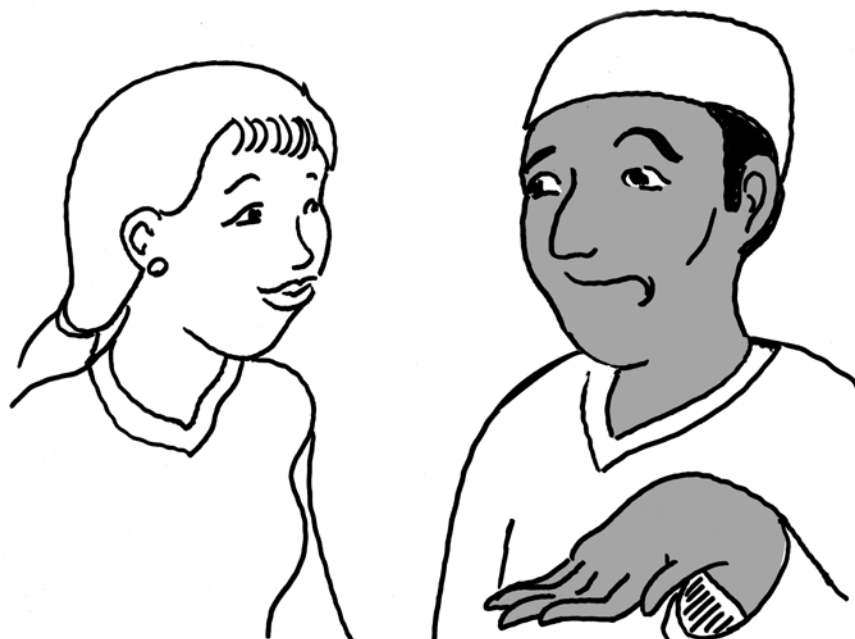


## Handout 1—Naomi's Decision



Naomi has planned to travel to the city to visit a friend at the end of the month. The trip costs \$10. So far, she has succeeded in saving \$15 and is happy that she already has the money two weeks before the trip. She feels safe because she not only has the \$10 for the trip, but she also has an additional \$5 for unexpected expenses or things she may want to buy.

Naomi has two good friends, Alicia and Barack. They have been friends for a long time now and Naomi trusts them both. Alicia and Barack don't have stable sources of income. They are students.



Alicia comes to see Naomi because she has a personal problem and needs \$15. Alicia promises to pay Naomi back \$20 in two weeks (one day before the trip).

Naomi also knows that Barack is going through some financial problems. He has asked her to lend him \$10. Barack promises to pay her back \$12 in one week (that is a week before Naomi's trip).

Amount to lend to:	Amount to be paid back	Difference between amount lent and received	How much money Naomi has after lending the money	Number of days before the trip the payment will be made
Alicia: \$15	\$20			
Barack: \$10	\$12			

<i>"Second, identify the 'good things' and the 'things that Naomi will miss or not be able to do' if Naomi lends to:</i>	Good things that could happen	Those things Naomi may be missing
Alicia		
Barack		



# Spending: Needs and Wants

## Session Rationale

This session enables participants to distinguish between needs and wants and prioritize their spending in a spending plan.

## Time

90 minutes

## Session Learning Objectives

1. After reading a scenario, participants will distinguish between needs and wants.
2. After categorizing a list of needs and wants in a case study, participants will develop a list of prioritized expenses.

## Prerequisites

None

## Session Outline

<b>Motivation</b>	Making choices about how to spend (20 min)
<b>Information</b>	The difference between needs and wants, prioritizing (20 min)
<b>Practice</b>	Distinguishing between needs and wants (30 min)
<b>Application</b>	Determining my needs and wants for next month (20 min)

## Spending: Needs and Wants



### Facilitator preparation:

1. Review the session plan.
2. Prepare folded pieces of paper with different denominations on each piece of paper—from \$20 to \$100 or the equivalent in local currency. Prepare one per participant.
3. Read through the examples and scenarios and adapt to make them more relevant to participants and the local context.
4. Determine which version of the handouts you will use, one is for general use and the other is designed with a Food Security focus.
5. Prepare flip chart “List of expenses” or PowerPoint presentation for session.

### Materials:

- **Equipment**

1. Flip chart paper
2. Markers or chalk
3. Plain paper and/or participant notebooks/exercise books, enough for each participant
4. Paper denominations (see Note 2 above)
5. Box or envelope to hold the paper denominations

- **Handouts**

Handout 1: Mani’s Expenses

- **Trainer Materials**

Trainer Material 1: Flip charts

**Trainer Material:**

- Plain paper or participant notebooks, one per participant
- A box or envelope with pieces of paper, each with denominations of \$20 to \$100 written on them
- Flip chart paper

**Making choices about how to spend**

Participants make spending choices and explore the reasons behind their choices and how these reasons can help them prioritize their spending.

1. Explain that today they are going to talk about spending money.

Write "\$200" on a flip chart.

*Say, "Imagine that you have just received \$200! Think about what you would do with \$200. How would you spend the money? Please make a list of items and how much you will spend on each."*

Monitor participants' progress on their lists. Let them know that they will need this list for the next exercises.

After participants have a few minutes to think and write their lists, ask some volunteers to share their answers.

.....  
**NOTE:** Write these on a flip chart in the column you titled "\$200." Continue accepting responses until you have a list adding up to \$200. The flip chart has two columns in preparation for the next exercise.  
 .....

\$200	
[sample]	
Bicycle - \$40	
Jeans \$10	
TV - \$50	
Computer - \$100	

Carry the box filled with folded pieces of paper containing different denominations of currency to each participant. (Remember, the amount varies from \$20 to \$100) Ask participants to pick one folded piece of paper without opening it. When everyone has a piece of paper, ask participants to unfold the paper.

Say: *"Now imagine that, instead of the \$200 we talked about, you actually have the amount of money indicated on the piece of paper you just received. Go back to your list and take off items you cannot afford, based on the actual amount of money that you have. Make a new list of things you will buy or do."*

---

**NOTE:** The idea of the activity is to put participants in a situation where they are forced to make choices regarding spending. Therefore, adapt the amount in local currency accordingly.

---

Go around the room and ask participants: *"What did you take off your list? Why?"*

Ask one participant to share the amount he or she has and what he/she took off his/her list and what was left on. Ask *"How did you decide what to keep on the list?"* Ask a couple other participants as well.

---

**NOTE:** Possible Responses:

- I put on the list what I wanted most or what I needed and couldn't live without.
  - When participants identify these criteria, write these items in a second column to the right on the flip chart.
  - This activity assesses Learning Objective 1.
- 

Ask, *"What did you learn from this activity?"*

Summarize by saying: *"Most people have a limited amount of money to spend. They have to make choices about how to spend the money they have. There are many ways to make choices; however, it is important to understand our needs and our wants."*

**Information**

**Time: 20 minutes**

### Trainer Material:

- Flip chart 2: List of Expenses

## The difference between needs and wants

Participants define needs and wants, identify what distinguishes them, and prioritize expenses.



1. Ask participants to look at the two lists. The first list is how they would spend \$200. The second list is how they would spend less money.

Ask volunteers to explain the difference between the two columns.

First List: \$200	Second List
[sample]  Bicycle - \$40  Jeans \$10  TV - \$50  Computer - \$100	[completed in the Motivation section]

Acknowledge participant answers and summarize: *"The 'First List' contains a mix of things that are necessary and things that are not necessary. The column 'Second List' seems to mainly contain things that are necessary—basic needs."*

*"Needs are things you **must** have or pay for to survive, such as food, medicine when you are sick, a place to live, etc. Needs are also responsibilities you have to fulfill, such as taking care of a family member, contributing to a savings group, or paying a debt."*

*"Wants are things that can satisfy your desires, such as music, videos, and treats like ice cream, but that you can live without."*

*"There are also some categories of needs that can be both needs and wants. For example: in terms of food, water is a basic need and ice cream or soda is something you may want and like to eat, but do not need to survive. For clothing, you may need something specific, like a sweater when it is cold or a ceremonial dress for a holiday. These are needs, but a designer leather jacket might be something you want."*

.....  
**Post Adaptation:** Substitute culturally appropriate needs and wants as necessary.  
.....

Ask, *"When we don't have the money to buy everything we want, what do we have to do?"*

.....  
**NOTE:** Possible responses include: Prioritize. Make choices.  
.....

Tell participants that a way to make choices on how to spend money is to start by making a list of our expenses. Emphasize that this list can be for a week, a month, or a year.

## Post flip chart: Prioritizing Expenses

Expenses	Amount	What if I don't pay or buy it now?
<i>Things I need</i>		
Total of needs		
<i>Things I want</i>		
Total of wants		
Total of all expenses		

Say, "Let's look at these steps:

*Step One: Write down your monthly needs (things you must have or pay for on a monthly basis).*

*Step Two: Write down things you want.*

*Step Four: Write down the amount of each item.*

*Step Four: After each item, ask the question: 'What if I don't buy it now?' This question helps you identify the consequences of your decision.*

*Step Five: Decide which items you need to take off the list or which items to keep on the list."*

Explain that putting your expenses in order of importance is also known as setting priorities. For example, buying food is more important than buying a ticket for a concert. Say: "Knowing your priorities will help you decide how to spend your money."

.....  
**NOTE:** A participant could ask the question: "What happens when you don't have enough income to cover your needs?"

Answer: "There are many options. You can either see if you can reduce the quantity that you buy or borrow money, the reimbursement of which becomes a need. But we will come back to that question with more detail during the course."

Remind participants that the list can also be developed for a weekly calendar.  
.....

## Practice

**Time: 30 minutes**

### Trainer Material:

- Handout 1: Mani's Expenses or
- Handout 2: Mani's Expenses (Food Security Focus)
- Flip chart 2: List of Expenses





## Making spending priorities

Participants read a story and help Mani determine his needs and wants and set priorities.

1. Ask participants to form pairs. Distribute Handout 1: Mani's Expenses to each participant or pairs of participants.

Explain that they are going to read a story about Mani. Say: *"Mani is your good friend who wants your advice on how to prioritize his expenses for the coming month. Each pair will work together to fill out the table 'list of expenses.'*

.....  
**NOTE:** Be prepared to read the handout if the literacy level is low.  
.....

Ask pairs to show how they have filled out the "list of expenses."

.....  
**NOTE:** There may be some differences in scoring. This is a learning point: Prioritization is a decision process and people make different decisions. What is most important is to be aware of the consequences of one's decisions.  
.....

Conclude the exercise by explaining that determining needs and wants is a personal decision. Each person needs to weigh the advantages and disadvantages of each spending decision. In our households, family members discuss what is really important and a high priority.

.....  
**NOTE:** This activity assesses Learning Objective 2.  
.....

### Application

Time: 20 minutes

## Determining my needs and wants for next month

Participants make a list of their monthly expenses.

1. Ask participants to fill out their own "List of Expenses" for next month.

Ask participants if they were able to complete the activity. Remind them that they can do the same activity with their parents at home or with their friends in youth associations.

Close by asking participants to take out their journals and look at their Progress Chart, checking off any new information and adding to the list any questions they still have.

## Assessment

Learning Objective 1 is assessed in Motivation.

Learning Objective 2 is assessed in Practice.

## Facilitator Notes for Future Improvement

**Date & Trainer Name:** [What went well? What would you do differently? Did you need more/less time for certain activities?]

## References

Federal Reserve Bank of Cleveland and The Learning Center and Money Museum.  
Great Minds Think: A Kid's Guide to Money. [http://www.clevelandfed.org/Learning\\_Center/Online\\_Activities/great\\_minds\\_think/Great\\_Minds\\_Think.pdf](http://www.clevelandfed.org/Learning_Center/Online_Activities/great_minds_think/Great_Minds_Think.pdf)



## Trainer Material 1—Flip Charts

### Flip chart 1:

How to spend \$200

\$200	
-------	--

### Flip chart 2:

List of Expenses

Expenses	Amount	What if I don't pay or buy it now?
<i>Things I need</i>		
Total of needs		
<i>Things I want</i>		
Total of wants		
Total of all expenses		

## Handout 1—Mani's Expenses (Food Security Option)

As a smart young businessman, Mani knows that he must pay \$15 every month for business expenses in order to stay in business. He also has to pay a sales tax of \$10 every month to be able to sell in the big art center in town.

Mani is not only a smart young businessman, but he is also a good young man. For example, at the beginning of each month, he gives his mom \$15 for food and electricity for the family.

Mani is also a member of a youth savings group, where he saves \$4 every month. At the end of the year, the group members divide and share the interest earned from the group savings.

Mani loves candy. Every month he spends at least \$3 on candies. He also goes to the movies each month. This month, there is a new movie playing. All his friends are planning to see it. Mani is planning to see it too. He wants to take his cousin, Naomi. It is a surprise for her. He has not yet told her. The movie will cost \$3 (\$1.50 each) for the two of them.

There are two things Mani is planning to do next month:

- 1) Most of his friends are wearing a new design of jeans. Mani has other trousers, but having this specific pair of jeans is the coolest trend in the neighborhood. A pair of jeans costs \$10. He saw them last week in the shop and he is really considering buying them, to look cool like his friends.
- 2) Last week on the radio, he heard of a free HIV testing campaign taking place in the city nearby. Testing is free, but transportation to the city and back is \$5 round trip. Mani is interested in knowing his HIV status. He heard that even if you are not involved in risky behaviors, it is still a good thing for a person to know his or her HIV status. Next month is the last month of free testing.

Mani knows he can't cover all these expenses next month based on his monthly income of \$60. He will have to make some important choices.

Can you help him make these choices?



## Handout 2—Mani's Expenses (Food Security Option)

As a smart young businessman, Mani knows that he must pay \$15 every month for business expenses for his business. He also has to pay \$10 every month as a market fee to be able to sell in the big market in the city center.

Mani is not only a smart young businessman, but he is also a good young man who helps his family with household expenses. For example, at the beginning of each month, he gives his mom \$15 for these expenses for food and electricity.

Mani is also a member of a youth savings group, where he saves \$4 every month. At the end of the year, the group members divide and share the interest earned from the group savings.

Mani loves candy. Every month he spends at least \$3 on candies. He also goes to the movies each month. This month, there is a new movie playing. All his friends are planning to see it. Mani is planning to see it too. He wants to take his cousin, Naomi. It is a surprise for her. He has not yet told her. The movie will cost \$3 (\$1.50 each) for the two of them.

There are two things Mani is planning to do next month:

- 1) Most of his friends are wearing a new design of jeans. Mani has other trousers, but having this specific pair of jeans is the coolest trend in the neighborhood. A pair of jeans costs \$10. He saw them last week in the shop and he is really considering buying them, to look cool like his friends.
- 2) Last week on the radio, he heard of a free HIV testing campaign taking place in the city nearby. Testing is free, but transportation to the city and back is \$5 round trip. Mani is interested in knowing his HIV status. He heard that even if you are not involved in risky behaviors, it is still a good thing for a person to know his or her HIV status. Next month is the last month of free testing.

Mani knows he can't cover all these expenses next month based on his monthly income of \$ 60. He will have to make some important choices about how to spend his money.

Can you help him make these choices?

# Setting Financial Goals

## Session Rationale

Young people have dreams and this session provides an opportunity for participants to divide their dreams into achievable goals and analyze the cost implications of their goals.

### Time

90 minutes

## Session Learning Objectives

1. In a large group, participants will develop a goal that is SMART (Specific, Measurable, Achievable, Realistic, and Time-bound).
2. After reading a case study, participants will develop a financial plan with a list of goals, date completed, and estimated cost for each.
3. Individually, participants will create a financial plan with four goals to help them achieve a personal dream.

## Prerequisites

Spending: Needs and Wants

## Session Outline

<b>Motivation</b>	The Importance of Goal Setting (10 min)
<b>Information</b>	Linking Personal Dreams to Financial Goals (30 min)
<b>Practice</b>	Mani's and Naomi's Dreams and Goals (30 min)
<b>Application</b>	My Dreams and Goals (20 min)



# Setting Financial Goals

## Facilitator preparation:

1. Prepare flip charts or PowerPoint presentation.

.....  
**NOTE:** Keep examples of participants' expenses to use in Session "Developing a Personal Budget."  
.....

2. Determine which version of the handouts you will use. One is for general use and the other is designed with a Food Security focus.

## Materials:

- **Equipment**

1. Flip chart paper
2. Markers or chalk
3. Masking tape

- **Handouts**

Handout 1: Mani's Goals  
Handout 2: Naomi's Goals

- **Trainer Materials**

Trainer Material 1: Flip charts

**Trainer Material:**

- Flip chart 1: Which Way?

## The Importance of Goal Setting

Participants experience the importance of setting goals.

1. Post Flip chart 1: Which Way? On the wall.

Tell participants that the old man is not sure which way to turn and needs your help. Think for a moment, then turn to your friend and share the advice you have for the old man. What do you tell him?

After a few minutes, stop and ask a few participants to share. Ask, *"What did you tell the old man?"*

.....  
**NOTE:** Expected answer: We can't help him if he doesn't know where he wants to go.  
 .....

Conclude by saying: *"It is difficult to move forward if you don't know where you want to go and what you want to do."*

Introduce the session by saying: *"During this session, we will learn how to identify where we want to go, what we need to do to get there, and what it will cost. We are going to look at goals and, in particular, we are going to look at financial goals."*

**Trainer Material:**

- Flip chart 2: Sharing Dreams
- Flip chart 3: Characteristics of a Goal

## Linking Personal Dreams to Financial Goals

Participants explore the link between personal dreams and goals. They define goals and their characteristics and evaluate their cost implications.

1. Say: *"Some people have many dreams for their lives. There are many things that they want to accomplish. In today's session we are going to consider the hopes and wishes that we have for our future."*





Ask, *"Do you have a dream for your future?"* Ask participants to think for a moment about a dream they have.

Then organize participants into groups of four.

Post Trainer Material: Flip chart 2: Sharing Dreams and ask participants to do the following:

1. Share your dreams.
2. Select one dream that group members have in common.
3. Draw a picture or describe in words what the dream looks like.
4. Answer the question: *"What things would happen if the dream came true?"*

Ask each group to present their dream and post their drawing or description on the wall.

Conclude by saying: *"Dreams tell you where you want to go in life and things you want to do. Remember the old man? You needed to know where he wanted to go. Now, let's see what things need to be accomplished to achieve your dreams."*

Ask the same small groups: *"What things do you need to accomplish in order to achieve your dreams?"* Allow a few minutes for them to discuss.

Ask each group to share their answers.

Write down the groups' answers on the board or flip chart.

.....  
**NOTE:** For the moment, do not focus on how participants frame the things that need to happen. At the end they will be asked to rewrite the steps into achievable goals.  
.....

Conclude the activity by saying: *"To achieve our dreams, we need to set goals. Goals are things you want to accomplish within a particular time frame that contribute to realizing your dreams. Some goals are financial—things you want to accomplish within a particular time frame that cost money. Some do not cost money."*

Ask the groups to look at their lists and identify the things that cost money.

After participants have shared their answers, say: *"Just like you wanted more information from the old man at the beginning, you will need to be more specific about the things that need to be accomplished to make your dreams a reality. Goals have some key characteristics."*

Post Flip chart 3: Characteristics of a Goal. Explain each characteristic and refer to the participants' examples whenever possible.

.....  
**NOTE:** Use PowerPoint if possible.  
.....

.....  
**Post Adaptation:** Use the acronym SMART when it works. SMART (Specific, Measurable, Achievable, Realistic, Time-bound) may not work in non-English and non-French speaking countries. The flip chart may only have the five characteristics of a goal.

Based on the profile of the participants, you can provide relevant examples of SMART goals.

Examples:

- Buy a used bicycle by the end of the year.
  - Complete a free application to become a member of the local youth center by the end of the week.
- .....

- **Specific**—What is it that you want to accomplish?
- **Measurable**—How much? How many? Is it something we can measure?
- **Achievable**—Is it something that you can accomplish?
- **Realistic**—Is it something possible?
- **Time-bound**—When? How long will it take to accomplish?
- As far as time is concerned, goals can be:
  - o **Long-term**—It takes more than a year to achieve.
  - o **Medium-term**—It takes from three months to a year to achieve.
  - o **Short-term**—It takes less than three months to achieve.

In addition to the characteristics above, financial goals have cost implications. You have to ask the question: *“How much will it cost to achieve this goal?”* Or, *“How much do I have to spend or put aside to accomplish my goal?”*

.....  
**NOTE:** Ask participants if they have questions as you go through the characteristics.  
.....

Create a SMART goal together. Select a goal on the participant list and, as a large group, go through each characteristic, referring to the flip chart. Have the participants help you make the goal specific, measurable, achievable, realistic, and time-bound by asking questions.

.....  
**NOTE:** This activity helps the facilitator assess the gaps in learning.

This activity is also an assessment exercise for Learning Objective 1.  
.....



**Trainer Material:**

- Handout 1: Mani's Goals
- Handout 2: Naomi's Goals
- Flip chart 2: My Goals

**Mani's and Naomi's Dreams and Goals**

Participants analyze Mani's or Naomi's dream and identify the different goals that he or she needs to accomplish.

1. Form small groups of four by asking, *"Who wants to help our friend Mani? Sit here. Who wants to help our friend Naomi? Sit here."*
2. Distribute Handout 1: Mani and Handout 2: Naomi to the different groups.

Ask the groups to read their story and answer the questions included on the handouts:

1. *What is Mani's/Naomi's dream?*
2. *What does Mani/Naomi want to accomplish this year? What is his/her goal?*
3. *Does the goal contribute to realizing his or her dream?*
4. *Help Mani/Naomi fill out the chart: My Goals*

Goals: What do I need to accomplish?	Completed by:	Is it a financial goal? Yes or No	How much will it cost? or How much will I have to save?

Ask the groups to share their answers with the rest of the participants. Discuss any differences in the groups' answers.

After sharing, summarize by saying: *"Mani and Naomi have many dreams, but for this particular dream, they have identified some goals that need to be achieved this year. Some of them are financial goals that require setting money aside. These goals are steps toward their dreams. They bring them closer to achieving their dreams."*

Conclude by saying: *"We have analyzed Mani's [or Naomi's] dream and goals; now let's look at your personal dreams and goals."*

.....  
**NOTE:** This activity assesses Learning Objective 2.  
.....

## Application

Time: 20 minutes

### Trainer Material:

- Flip chart 4: Instructions
- Flip chart paper
- Masking tape
- Notebooks

## My Dreams and My Goals

Each of the participants will describe a dream he or she has and identify some important things s/he wants to accomplish and their cost implications.

1. Say: *"Each of you will receive a flip chart. I would like you to use this flip chart to describe one of the dreams you have for your personal life. You can also illustrate your dream with a drawing. You will be asked to post your flip chart on the wall for everyone to see."*

Remind participants to be realistic and that these goals will be used throughout the training to inspire them.

Ask participants to think of their lives and follow these instructions. Post Flip chart 4: Instructions.

5. Describe a dream you have for your life and things that are happening in that dream (you may draw it).
6. Identify at least four goals you need to accomplish between now and next year that can contribute to that dream (remember the characteristics of a goal).
7. Fill in the table: My Goals.



When participants have completed the exercise, ask them to hang their dreams on the wall for everyone to see.

.....  
**NOTE:** The facilitator walks around and helps participants, particularly those who may have a problem expressing themselves in writing or drawing.

This activity assesses Learning Objective 3

If you run out of time, this can be a homework assignment. Start the next class by having participants share their dreams.  
.....

Close by asking participants to take out their journals and look at their Progress Chart, checking off any new information and adding to the list any questions they still have.

## Assessment

Learning Objective 1 is assessed in Information.

Learning Objective 2 is assessed in Practice.

Learning Objective 3 is assessed in Application.

## Facilitator Notes for Future Improvement

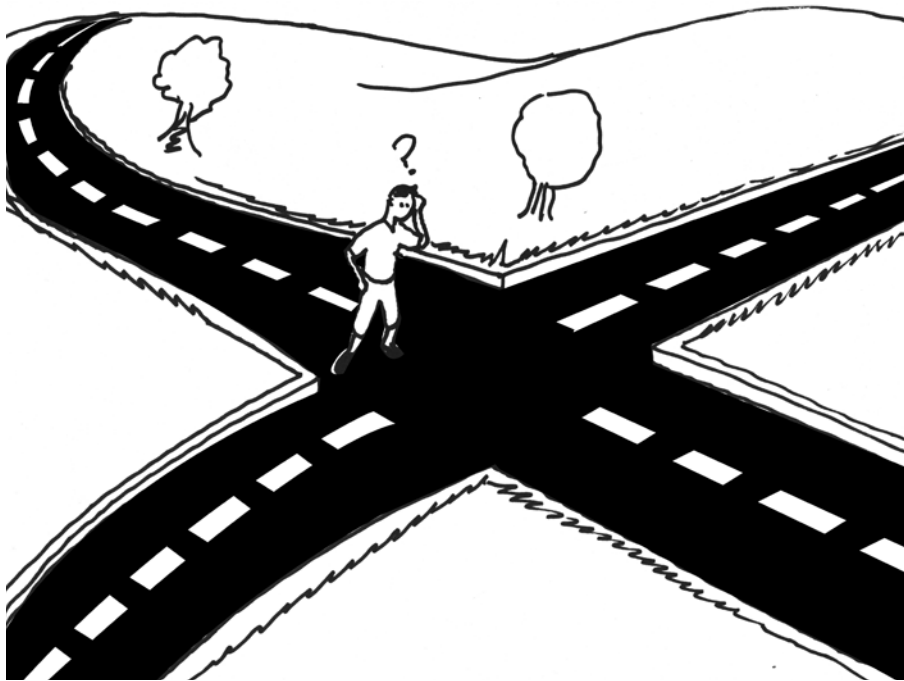
**Date & Trainer Name:** [What went well? What would you do differently? Did you need more/less time for certain activities?]

## Trainer Material 1—Flip Charts

### Flip chart 1:

#### Which Way?

**Old man:** *Please. Can you tell me where to go from here?*



### Flip chart 2:

#### Sharing Dreams

1. Share your dreams.
2. Select one dream that group members have in common.
3. Draw a picture or describe in words what the dream looks like.
4. Answer the question: *"What things would happen if the dream came true?"*

### Flip chart 3:

#### Characteristics of a Goal

*Specific—What is it that you want to accomplish?*

*Measurable—How much? How many? Is it something we can measure?*



*Achievable—Is it something that you can accomplish?*

*Realistic—Is it something possible?*

*Time-bound—When? How long will it take to accomplish?*

## Flip chart 4:

### Instructions

1. Describe a dream you have for your life and things that are happening in that dream (you may draw it).
2. Identify at least four goals you need to accomplish between now and next year that can contribute to that dream (remember the characteristics of a goal).
3. Fill in the table: My Goals.

## Flip chart 5:

### My Goals

Goals: What do I have to accomplish?	Completed by	Is it a financial goal? Yes or No	How much will it cost?

## Handout 1—Mani's Goals



Mani dreams of owning an art shop where he can paint and design sculptures to sell. The art shop he hopes to open will employ and train many young people. Tourists from all over the world will visit the shop and buy his artwork. He knows that to accomplish this dream, it will require hard work, commitment, and money.



Mani has always wanted to improve his talents. He believes that one way for him to do this is to meet great artists. One of Mani's goals is to attend the international art exposition that is held in the capital. He can get a free entry ticket, but the trip to the city will cost him about \$60. It is something he wants to do this year.



Also this year, he wants to master stone carving and sculpting. He realizes it is cheaper to find stones than to buy them and many people like stone sculptures.

Mani is not concerned about the hard work of learning different styles of sculpting. However, he is concerned about raising the money. He has joined an association of young artists in town. There are 10 members. They have decided to form a savings club. They hope in five years to have saved enough money to build their own art center. Mani knows it is an important step for his long-term dream of owning his art center. Each member has to save \$30 every month, which means Mani has a savings goal of \$360 each year.



Questions:

*What is Mani's dream?*

*What does Mani want to accomplish this year?*

*Do Mani's goals contribute to the realization of his dream?*

*Help Mani fill out the chart: My Goals*



## Handout 1—Mani’s Goals (Food Security Focus)

Mani dreams of owning land for a large farm and a tractor to help farm it. He hopes the farm will employ many young people. He also knows that to accomplish this dream, it will require hard work, commitment, and money.

Mani has always wanted to improve his farming skills; he believes that one way for him to do this is to continue learning new cultivation skills and techniques. Attending the International Agriculture Exposition held in the capital is one of Mani’s dreams. He can get a free entry ticket, but the trip to the city will cost him about \$60. It is something he wants to do this year.

Also this year, he wants to master drip irrigation techniques. He realizes it is cheaper to build the irrigation systems himself after being trained than it is to buy a whole system and have it installed.

Mani is not concerned about the hard work of learning different methods of farming. However, he is concerned about raising the money. He has joined an association of young people who are eager to gain new skills, especially ones that can provide them with more food or income. There are 10 members. They have decided to save money together and hope in five years to have saved enough money to get their own farms. Mani knows it is an important step for his long-term dream of owning his own farm. So each member has to save \$30 every month, which means Mani has a savings goal of \$360 each year.

Questions:

*What is Mani’s dream?*

*What does Mani want to accomplish this year?*

*Do Mani’s goals contribute to the realization of his dream?*

*Help Mani fill out the table: My Goals*

## Handout 2—Naomi's Goals

Naomi is a smart student in her final year of high school. She dreams of becoming an accountant, but that is a long-term dream. She wishes to attend the prestigious business school in the capital. If that happens, it would be a dream come true. Most of the best accountants in the country have graduated from that school. However, admission is very competitive.

To increase her chances of being accepted to the business school, she will have to pass her final exam with a grade of A+.

She has also learned from some of her friends in the business school that she will need to take extra math lessons. Although she has a scholarship to cover her school tuition, the scholarship does not cover extra lessons. She will have to pay \$5 every month until the end of the year to cover her math lessons. Naomi is determined to register for nine months of extra math classes until the final exam.

Naomi is encouraged by her parents, even though they are a little bit concerned that their “little girl” will have to move to the capital city to attend a university.

Questions:

*What is Naomi's dream?*

*What does Naomi want to accomplish this year?*

*Do Naomi's goals contribute to the realization of her dream?*

*Help Naomi fill out the chart: My Goals*



# Savings: Pay Yourself!

## Session Rationale

This session prepares participants to make savings decisions and develop a savings plan.

## Time

80 minutes

## Session Learning Objectives

1. After reading a savings scenario, participants will develop a savings plan.
2. Using a savings plan worksheet, participants will set a personal savings goal over a four-week period.
3. In a large group discussion, participants will identify strategies to overcome savings challenges.

## Prerequisites

None

## Session Outline

<b>Motivation</b>	Deciding to save (5 min)
<b>Information</b>	Identifying reasons to save (30 min)
<b>Practice</b>	Creating a savings plan (20 min)
<b>Application</b>	My savings plan (25 min)

# Savings: Pay Yourself!

## Facilitator preparation:

1. Review the session plan thoroughly.
2. Adapt all currency and amounts to the local context.
3. Create the flip charts or PowerPoint presentations as described in Trainer Material 1.
4. Prepare a box with “Savings Cards” (See Handout 3). Create enough copies of the savings card so that there’s one card for every two people.
5. Save the list of savings goals participants create in this session to use in the session: Where to Save.
6. Decide whether to assign the optional self-assessment/homework.

## Materials:

- **Equipment**
  1. Flip chart paper
  2. Markers or chalk
  3. Box or bag (for savings cards)
- **Handouts**
  - Handout 1: Savings Plan
  - Handout 2: Savings Cards
- **Trainer Materials**
  - Trainer Material 1: Flip charts
  - Trainer Material 2: Savings Cards (made from Handout 2)



## Deciding to save

Participants consider their own experience as savers.

1. Say: *"If you have ever saved money to buy something special, please stand up. If you are currently saving, please raise your hand. If you want to start saving to buy something special, raise your foot."*

.....  
**NOTE:** Make sure all participants are able to perform these movements; otherwise change the activity. Be aware of persons with disabilities.  
 .....

Continue: *"During this session, we will discuss a savings plan and learn about good ideas for saving."*

## Trainer Material:

- Flip chart 1: Reasons People Save
- Flip chart 2: Savings Goal Questions

## Identifying reasons to save

During group discussions, participants will identify reasons to save and learn the steps in a savings plan.

1. Organize participants into groups of three or four (depending on the number of participants) and ask, *"Why do people save?"* Ask small groups to discuss the reasons people save.

Walk around to monitor progress, then ask groups to share their answers. Collect their answers on a flip chart.

Reveal the pre-written flip chart (Trainer Material 1: Flip chart 1). Have a volunteer read or allow everyone to read the flip chart silently. People save for:

- Investment—To put money in an activity that generates income.
- Expenses—To cover needs or wants they can't pay for now or they will pay for later.
- Emergencies—To prepare for sudden and unforeseen events.
- Retirement—To make sure that when they are older and no longer work, they will still have money to support themselves.

Ask participants to look at the answers they came up with and identify the category to which they belong.

.....  
**NOTE:** For example, saving to buy a car would be an example of a future expense.  
.....

Ask each group to look at the list and identify something on it for which they want to save. Say, *"Now that you have something you want to use your savings for, what is the next thing you want to know before you start to save?"*

.....  
**NOTE:** Expected answer: How much it will cost.  
.....

After listening to answers, say: *"You would want to know how much it will cost."*

Ask each group to share with the larger group the cost of the example they have identified.

Ask, *"How long will it take you to save that amount?"* Listen to a couple of participants.

Then ask them, *"How often will you save? Daily? Weekly? Monthly?"*

.....  
**NOTE:** If someone says, "It will take a month to save \$8", ask how much they will save each week to have \$8 by the end of the month.  
.....

Say: *"By answering these questions, you are creating a savings goal. A savings goal answers four questions:"* Show Trainer Material 1: Flip chart 2. Allow a volunteer to read or allow participants to read silently.

- What are you saving for (*reason to save*)?
- How much do you need to save?
- How long do you want to take (*duration*)?
- How much will you save per period (*days, weeks, or months*)?

Explain that the next thing they need to decide is how much to save each day, week, or month in order to reach their goal. How much will they save per week or per month to achieve their savings goal? Remind people that the more often they can save, the better.

Ask: *"How do you know how much you need to save each week or month to achieve your goals?"*

.....  
**NOTE:** Expected responses include: It depends on how long you want to take to achieve your savings goals. You divide the cost of the goal by the number of contributions you want to make. The number of contributions depends on whether you have chosen to contribute daily, weekly, or monthly.  
.....





After listening to the answers, acknowledge anyone who suggested dividing the total amount of the goal by the number of days or weeks or months you need to achieve the goal. If no one suggested this idea, introduce it and then move on to the example.

Say: *“Let’s try an example, suppose you want to buy a shirt that costs \$4 and you want to get it in four weeks. That means you will have to save \$1 every week; others could save in less time, depending on their income and their expenses.”*

Ask this series of questions and wait for participant responses. Ask *“In the example,*

- *What are you saving for?* [T-shirt]
- *How much do you need to save?* [\$4]
- *How long do you want to take (duration)?* [4 weeks]
- *How much will you save per week?”* [\$1 per week]

Ask groups to use the information they have to fill out the savings plan (Handout 2): Savings Cards.

Walk around to monitor progress and help.

Say: *“Congratulations, you have all developed a savings plan.”*

.....  
**NOTE:** This activity assesses Learning Objective 1.  
.....

## Practice

Time: 20 minutes

### Trainer Material:

- Box with savings cards (made from Handout 2)

## Creating a savings plan

Participants use a scenario to make savings decisions and develop a savings plan.

1. Ask participants to form pairs. Have each pair pick a “savings card” from the box. The savings card contains a scenario about saving.

Ask each pair to read the savings card and develop a savings plan with the information on the card. Ask participants to remind you what the four questions are for a savings plan. Refer to Trainer Material 1: Flip chart 2 if they need help.

During the exercise, walk around to monitor progress.

After completion of the activity, ask some volunteers to share their work.

---

**NOTE:** Encourage the groups that had Savings Card 3 to share their work.

For Savings Card 3: Why save? – Expected answer: Save for emergency, future expenses, or investment in a small income-generating activity.

---

Ask: *“Did anyone save more than they needed?”* Congratulate any group that saved more.

Remind participants that they don’t always have one goal to save for. An unplanned event might come up, such as helping a friend, or getting something you want. Or an emergency can happen. So it is always good to save more, when possible.

Summarize: *“Most of you had a goal, a reason to save. Savings Card 3 did not have a specific goal; but even in this case, remember, it is important to save for unforeseen events or future expenses.”*

Post Trainer Material 1: Flip chart 3 and say: *Always remember the three rules for saving. The savings rules are:*

- *Save whenever you receive income (daily, weekly, or monthly).*
- *Spend less than your income.*
- *No amount is too small to be saved.”*

## Application

Time: 25 minutes

### Trainer Material:

- Handout 1: Savings Plan
- Flip chart 3: Savings Rules
- Flip chart 4: Self Assessment/Homework Questions
- Participant journals

## My savings plan

Participants create and commit to a personal savings plan.

1. Explain that now that they know how to create a savings plan, they can create one for themselves. Distribute Handout 1: Savings Plan. Ask each participant to write down a personal savings goal they want to achieve in four weeks, answering each of the four questions.

Walk around and observe who might need help with the calculations.



---

**NOTE:** Encourage participants to think of a short-term goal (something they think they can achieve in less than three months).  
This activity assesses Learning Objective 2.

---

Ask participants what might keep them from achieving their savings goals.

---

**NOTE:** Participants should demonstrate that they understand that saving is challenging. Possible responses include: emergencies or unforeseen events, family commitments, other needs; forgotten savings.

---

Ask, *"What will help you stay disciplined about saving each week?"* Instruct participants to write down their own ideas about how they can stay committed to saving.

Explain that sometimes it helps to share a savings goal with a friend or family member who can provide support and encouragement.

Ask participants to pick someone in the room with whom they would like to share their personal savings goal. They can form groups of their choice, but no more than four people per group. They should share their savings goal and why they picked that goal.

Ask volunteers to share the results of their group discussions.

After listening, say: *"You now have a good reason to save; you know how to do it and your friends know about it and can encourage you. How will your friends know that you are actually saving? Can someone come up with an idea?"*

---

**NOTE:** The facilitator can jump-start the conversation by suggesting that after four weeks, all participants will share their results with their friends.  
This activity assesses Learning Objective 3.

---

Say: *"Congratulations on your savings plans. Let's check back in a month and see how everyone did."*

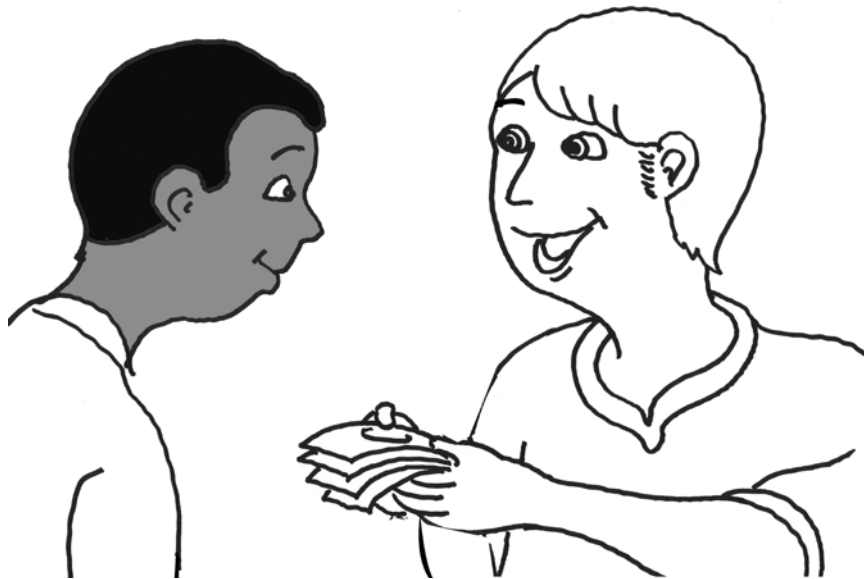
Remind participants to check in with their friends to encourage each other on their savings goals.

Close by asking participants to take out their journals and look at their Progress Chart, checking off any new information and adding to the list any questions they still have.

## Homework/Self-Assessment

Write the following questions on the board or prepare a flip chart. Ask participants to copy them into their exercise books or onto a piece of paper.

1. Give two reasons why people save.
2. What questions can help you create your savings plan?
3. Your friend tells you: *"I earn so little at the end of each week that I can't save for anything."* What advice can you give your friend?



## Assessment

Learning Objective 1 is assessed in Information.

Learning Objective 2 is assessed in Application.

Learning Objective 3 is assessed in Application.

## Facilitator Notes for Future Improvement

**Date & Trainer Name:** [What went well? What would you do differently? Did you need more/less time for certain activities?

## Trainer Material 1—Flip Charts

### Flip chart 1

#### Reasons People Save

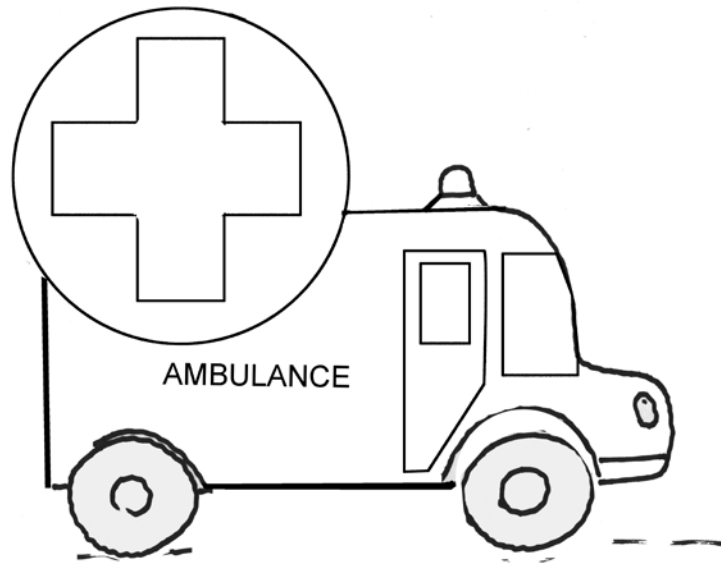
**Investment**—Put money into an activity that generates income or does good in the community



**Expenses**—To cover needs or wants that they can't pay for now or they will need to pay for later



**Emergencies**—To prepare for unforeseen events (sickness, accident) or opportunities that come up, etc.



**Retirement**—To make sure that when they are older and no longer work, they will still have money to support themselves



## Flip chart 2

### Savings Goal Questions

- What are you saving for (*reason to save*)?
- How much do you need to save?
- How long do you want to take (*duration*)?
- How much will you save per period (*days, weeks, or months*)?

## Flip chart 3

### Savings Rules

- Save whenever you receive income (daily, weekly, or monthly).
- Spend less than your income.
- Always save: no amount is too small to be saved.

## Flip chart 4

### Self-assessment/Homework Questions:

- Give two reasons why people save.
- What questions can help you create your savings plan?
- Your friend tells you: "*I earn so little at the end of each week that I can't save for anything.*"  
What advice can you give your friend?

## Handout 1—Savings Plan

What am I saving for (reason)?					
How much do I need to save?	\$				
How long do I want to save for it? (Number of weeks or months)					
Weeks	Week 1	Week 2	Week 3	Week 4	Total amount: Month 1
Amount per week (how much to save each week)	\$	\$	\$	\$	\$

## Handout 2—Savings Cards

### Saving Card 1: Visiting Friends in Town

You will visit your friends in four weeks. They live in the next town and transportation costs \$2. You are planning to bring them some presents that cost about \$10.

Your income is \$10 per week. You first pay for your basic needs; you then have \$3-4 left over each week.

What is your savings plan?

### Saving Card 2: Selling Newspapers

A big newspaper is planning to hire youth to sell magazines. The deadline to apply is in three weeks, and you want to apply.

The magazine job requires a \$10 deposit for the magazines. You don't have \$10 right now. You are currently helping some market vendors and earn \$10 per week. This income allows you to cover your basic needs and leaves you \$3 to \$4 for additional expenses. You want to save for the deposit.

### Saving Card 3: Why Save?

You are lucky: your fruit business is going well.

Every week, after paying for your needs (rent, food, utilities, etc.) you still have \$3 to spend on extra items. Even if you spend the full \$3, you know that next week you will still have at least \$3 extra. Should you save? If yes, what will your savings plan look like?





# Developing a Personal Budget

## Session Rationale

This session enables participants to distinguish between needs and wants and prioritize their spending in a spending plan.

## Time

90 minutes

## Session Learning Objectives

1. In small groups, participants will prioritize which expenses will be covered by their income.
2. In a large group discussion, participants will list at least two reasons for using a budget.
3. After reading a two-part case study, participants will prepare a budget based on fixed income and variable (estimated) income using a budget template.
4. Individually, participants will create a personal weekly budget (with fixed or variable income) using a budget template.

## Prerequisites

Spending: Needs and Wants

Savings: Pay Yourself!

## Session Outline

<b>Motivation</b>	Budget: Do I need one? (10 min)
<b>Information</b>	What's a budget? (30 min)
<b>Practice</b>	Help Naomi with her budget (30 min)
<b>Application</b>	Make your own budget (20 min)

# Developing a Personal Budget

## Facilitator preparation:

1. Review the session plan thoroughly.
2. Practice the exercise “Budget: Do I Need One?” for the Motivation section.
3. Prepare flip charts or a PowerPoint presentation of Handouts 1 and 2.
4. Prepare budget item cards for the “Budget: Do I Need One?” exercise. Pick five common local budget items (e.g., mobile phone minutes, food, transportation, housing, and clothing) and write them on badge-size (approximately 2-by-3-inch) cards. Below the item, write how much the average young person would spend on each (use your best estimate). Make enough for each group of 3-5 participants to get one set of 5 cards (e.g., if there were going to be four groups, you would make four mobile phone cards, four food cards, four transportation cards, etc.).
5. Prepare “Income Cards” for the “Budget: Do I Need One?” exercise. Each card should have a different income amount written on badge-size (approximately 2-by-3-inch) cards. About half the cards should show enough income to cover the total cost of all the budget item cards (see No. 4 above) and half should show less than needed.
6. Decide whether to assign the optional self-assessment/homework.

## Materials:

- **Equipment**
  1. Flip chart paper
  2. Markers or chalk
  3. Calculator
- **Handouts**
  - Handout 1: Budget Template
  - Handout 2: Mani’s Monthly Expenses
  - Handout 3: Naomi’s Budget Part 1 and Part 2
- **Trainer Materials**
  - Trainer Material 1: Flip charts
  - Trainer Material 2: Five Budget item boxes/Envelopes containing cards
  - Trainer Material 2: Income Card Box/Envelope containing cards



**Trainer Material:**

- Trainer Material 2: Five Budget item boxes/Envelopes containing cards
- Trainer Material 2: Income Card Box/Envelope containing cards

**Budget: Do I need one?**

Participants discuss the importance of being able to estimate future income and expenses.

1. Introduce the exercise by telling participants that you will be discussing how to make a plan for spending and saving money. Add that you're going to start by discussing items that most people have to purchase on a regular basis. Give one or two examples (e.g., food, soap). Ask the group for other examples.
2. Divide participants into groups of 3-5 people.
3. Place the five boxes containing the Budget Item Cards at the front of the room. Tell participants that each box contains cards with common expenses and prices on them.
4. Invite one person from each group to come up to the front of the room and take one card out of each container. They should then return to their group and share the cards with their group members. Each group should have five cards.
5. Tell the groups to add the items together to calculate their total expenses. Walk around to the groups to check on their progress. When you see that a group has the correct total, ask them to share it with everyone. Because the budget items are the same for every group, they should all get the same total.
6. Tell participants that in order to pay for these items, people must have income. Add that you will be coming around with Income Cards for each group.
7. Go around to each group and ask one person to pick an Income Card. The person picking should not be able to see the income on the card.
8. Instruct groups to compare their total expenses with their income. Ask each group if their income is enough to pay for all of their expenses. For those groups that do not have enough income to pay for their expenses, ask what they might do to either supplement their income or reduce their expenses. For those groups that have more than enough income to pay for their expenses, ask what they might do with their extra money.

9. Ask participants how they would plan if they knew ahead of time that their income would not cover their expenses. Ask them how they would plan if they knew they would have more than enough income to pay for their expenses.

.....  
**NOTE:** This activity assesses Learning Objective 1.  
.....

## Information

Time: 30 minutes

### Trainer Material:

- Flip chart 1: Budget at Your Fingertips
- Flip chart 2: Budget Template
- Handout 1: Budget Template
- Handout 2: Mani's Monthly Expenses

### What's a budget?

Participants learn about how to create a budget.

1. Define a budget by saying: *"A budget is a plan with numbers that shows your estimated income and expenses. A budget can be for a week, a month, or for a year."*

Show an example of a budget template for the year and explain the main items (Income, Expenses, Weeks, and Difference of Income vs. Expenses).

Ask: *"Why is it important to have a budget?"*

Write participants' answers on a flip chart.

Say: *"A budget helps you to estimate your income and expenses so you know how much you have to spend and what your priority expenses are. It helps you to make payments on time, know what you owe and who owes you, and how much you may be able to save, etc."*

.....  
**NOTE:** This activity assesses Learning Objective 2.  
.....

Post Flip chart 1: Budget at Your Fingertips and 2: Budget Template.

Explain that budgeting is the process of planning how your income will be used to cover your expenses. You can do a budget by taking the following five steps. Refer to Flip chart: Budget at Your Fingertips. These steps should be familiar, as they were covered in the Session on Needs and Wants.



Distribute Handout 2: Mani's Monthly Expenses.

Use the budget template as you explain each step.

**Step 1: List**—*List all your expenses. Write down how much you think you will spend on each. Some are weekly expenses, like food. Some are monthly, like rent. Some expenses are different each month. Also remember to include your savings goals.*

*“Fixed expenses—Some expenses are called fixed expenses. This amount is known. For example, your rent, school fees, and in some cases transportation to school or work, are fixed expenses. Look at the Expense Cards you have. Are any of these expenses fixed expenses? Which ones?*

*“Variable expenses—There are variable expenses, such as utilities and taxes. The amount is not always known ahead of time because it changes from one period to another. You have to anticipate how much you will spend during those months. Are any of your Expense Cards fixed expenses? Which ones?*

*“Other expenses—These are expenses that are not frequent, but are those you anticipate having, such as purchasing gifts or services, such as a haircut or membership in a youth club.*

*“Income—You need to determine how much income you will receive for each week or month. Make sure you write down net income. For example, if you have a salary, make sure you are using the actual amount of money you bring home, after subtracting deductions and taxes. Your income can come from multiple sources, such as employment, sales, rent, dividends, gifts, and an allowance.*

Ask someone to read the story of Mani out loud. Ask participants to help you list the expenses. Invite someone to come to the front of the room to write the list of expenses on Flip chart 2: Budget Template.

**Step 2: Add**—*Add up all of your expenses for each week. Add up all of your income for each week. If you are paid at the end of the month, write down the total amount of your expenses and income for the month. Remember to add all income.”*

Use the story of Mani as an example to write down all his expenses and income.

**Step 3: Subtract**—Subtract the expense total from the income total. Demonstrate with the Mani example.

Ask: *“What does a positive number mean? What does a negative number mean in your budget?*

*"If you have spent less than your income, you will have a positive number. If you spent more than you earned, you will have a negative number. You don't want to have a negative number."*

**Step 4: Decide**—The total you get when you subtract expenses from income calls for a decision.

*"A positive number in your budget means you will have money left over after your expenses."*

a. Ask: *"What decision can you make if the number is positive?"* After listening to answers, say: *"You can decide to put that money aside to prepare for unforeseen events, such as an accident; it could be for a gift you want to give to someone; or you could use it to make up the deficit during weeks or months when expenses are higher than income. You can also decide to save it if you are not already in a savings program or use the extra money to start a small business."*

b. Ask: *"What decision can you make if your budget has a negative number; that is, if you have more expenses than income?"*

c. After listening to answers, say: *"You will have to reduce your expenses. This is where your knowledge of 'Needs and Wants' becomes important. Can someone remind us of the difference between needs and wants?"*

d. After listening to answers, say: *"Begin by identifying things you can't live without (needs) and things you would like to have but are not necessary (wants). Then see if there are wants that you can eliminate or if you can reduce the amount you spend on them. Then add up all the expenses with the new amount and see if the difference between the total of your expenses and your income is zero or positive."*

Refer to the Mani example. Say: *"Mani has money left over. What should he do?"*

**Step 5: Stick to It**—*"Now you have a plan of how to use your income to cover your expenses and achieve your financial goals. This budget contains information you need to make financial decisions. Budgets can change. However, remember that each change has consequences for your financial situation."*

Say: *"Now we will practice our budgeting skills."*

.....  
**NOTE:** Facilitator can introduce a 15-minute break.

Remind participants that the list can also be developed for a weekly calendar.  
.....



### Trainer Material:

- Handout 1: Budget Template
- Handout 3: Naomi's Budget Part 1
- Handout 4: Naomi's Budget Part 2
- Calculator

## Help Naomi with Her Budget

Participants will follow the five steps of budgeting (List, Add, Subtract, Decide, Stick to It) to create a budget using a scenario.

1. Keep participants in the same groups they were in for the Motivation exercise at the beginning of the session. Distribute Handout 2: Budget template and 3: Naomi's Budget (Part 1). Ask participants to read the story of Naomi and fill out a budget for her.

Walk around to the groups as they work on their exercise. Allow 15 minutes for group work.

Based on the budget, what advice does the group have for Naomi?

.....  
**NOTE:** Naomi had a negative budget. She is going to have to cut some expenses or increase her income. Participants should make suggestions to cut needs versus wants.  
 .....

Explain that in the exercise participants did, Naomi knew how much money she was going to get each month. What if she didn't know how much money she was going to get in a month? What if that income varied from month to month? Ask participants to think about that for a moment.

Ask the groups to discuss the following questions:

- *"How will that affect your monthly expenses?"*
- *"What will you put as income?"*

Ask them to share their answers.

.....  
**NOTE:** These questions can be difficult, since participants don't have a set amount to start with. However, the reality of some of the participants is that they don't know when and how much income they will get the following month. This exercise simulates that reality and the expected answers will offer them some tips.  
 Expected answers:  
 I will reduce my wants, things that are not necessary for my life.  
 I will estimate my income based on my income-generating activities and previous income.  
 The point here is that, when you operate with a variable income while budgeting your expenses, the focus is on the needs rather than wants.  
 .....

Say: *“Like most young people with variable income from doing casual work or receiving money from parents and family members, you still need to budget. It is important to prioritize your needs over your wants and to put money aside when you have a surplus, since you don’t know how much and when your next income will come.”*

Explain that now you are going to help Naomi when she doesn’t know how much money she will get each month. Her income varies. Distribute Handout 4: Naomi’s Budget Part 2.

Ask groups to create a new budget for Naomi based on her variable income.

Walk around to the groups as they work on their exercise. Allow 10 minutes for group work.

Ask them to share their advice for Naomi.

.....  
**NOTE:** This activity assesses Learning Objective 3.  
.....

## Application

Time: 20 minutes

### Trainer Material:

- Handout 1: Budget Template

## Make Your Own Budget

Participants will create their own monthly personal budget.

1. Say: *“Now each of you will create your own personal budget for next month. Follow the five steps we have used and be realistic.”* Remind participants that they have already gathered a lot of the information that they need about their expenses and income from previous sessions.

.....  
**Note:** The facilitator can remind participants that they have already collected the following information from previous exercises (if they are using exercise books or notebooks):  
Expenses—During the session on Spending: Needs and Wants  
Income—During the session on Sources of Income.  
Financial goals—During the session on Setting Financial Goals.  
.....

Walk around to monitor progress and help those who need help.

.....  
**NOTE:** Remind participants that the personal budgets they are creating will also be used for the rest of the training and can help them in their personal lives.  
This activity assesses Learning Objective 4.  
.....





Close by asking participants to take out their journals and look at their Progress Chart, checking off any new information and adding to the list any questions they still have.

## Homework/Self-Assessment

Write the following questions on the board or prepare a flip chart. Ask participants to copy them into their exercise books or onto a piece of paper.

1. Give two reasons a budget is important.
2. What is a personal budget surplus and what can you do with it?
3. Describe one way of dealing with a personal budget deficit.
4. How can you estimate variable income in a budget?

NOTE: Expected responses:

The budget helps me think of how to use my income to cover my expenses, helps me make payments on time, and gives me an idea of how much I can put aside.

A budget surplus occurs when my total income is higher than my total expenses. I can put it aside, save, or invest it in a small business.

A budget deficit occurs when expenses are higher than income. I can reduce my wants or remove some of them, or postpone some payments (remind participants that choosing this particular solution may have some negative financial consequences, such as paying more interest or fees next time).

Base it on my past income or the type of income generating activities I do.

## Assessment

Learning Objective 1 is assessed in Motivation.

Learning Objective 2 is assessed in Information.

Learning Objective 3 is assessed in Practice.

Learning Objective 4 is assessed in Application.

## Facilitator Notes for Future Improvement

**Date & Trainer Name:** [What went well? What would you do differently? Did you need more/less time for certain activities?]

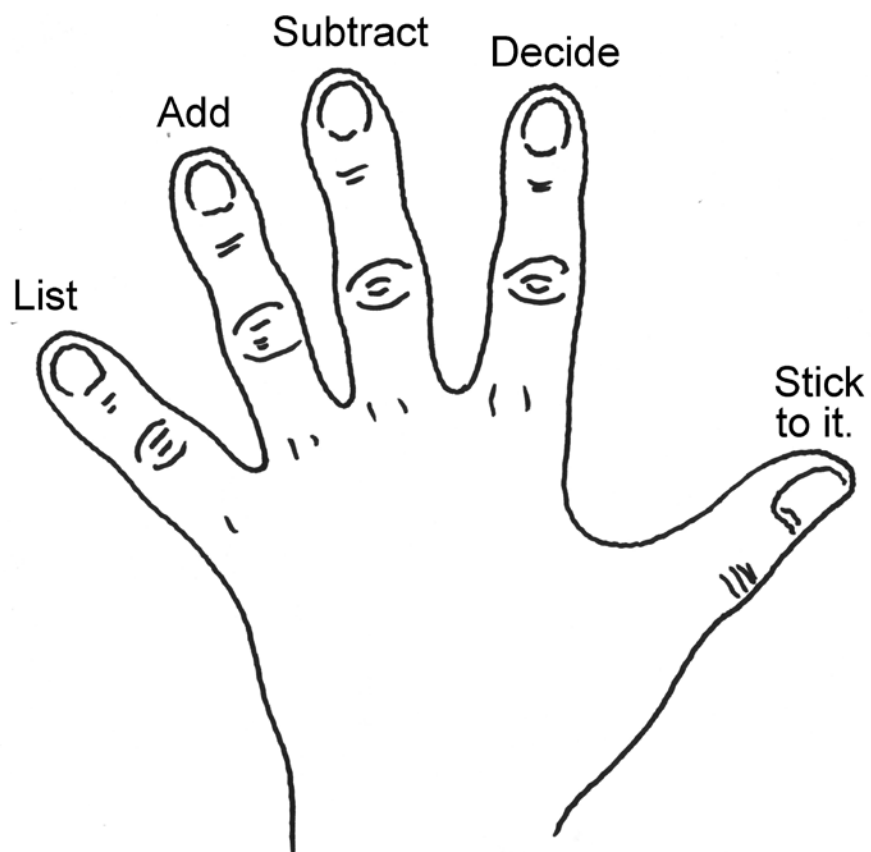
## References

Smart Personal Money — “How to budget your expenses.”  
<http://www.smartpersonalmoney.com/howtobudget.html>

## Trainer Material 1—Flip Charts

### Flip chart 1

Budget at Your Fingertips:



Flip chart 2:

<b>Expenses</b>	<b>Week 1: Amount</b>	<b>Week 2: Amount</b>	<b>Week 3: Amount</b>	<b>Week 4: Amount</b>	<b>Total for the Month</b>
Rent	\$				
Utilities (electricity, water, kerosene, etc.)	\$				
Food	\$				
Medicine	\$				
Personal care (soap, shampoo, etc.)	\$				
Transportation	\$				
Internet	\$				
Loan repayment	\$				
Savings	\$				
Gifts	\$				
Entertainment (movies, events, etc.)	\$				
<b>Total of expenses</b>	\$				
<b>Sources of Income</b>	<b>Week 1: Amount</b>	<b>Week 2: Amount</b>	<b>Week 3: Amount</b>	<b>Week 4: Amount</b>	<b>Total for the Month</b>
Wages (net salary)	\$				
Profits from business	\$				
Received loan payment	\$				
Allowance from parents	\$				
Scholarship	\$				
Other	\$				
<b>Total Income</b>	\$				
<b>Income - Expenses</b>	<b>Week 1</b>	<b>Week 2</b>	<b>Week 3</b>	<b>Week 4</b>	<b>Month</b>
Total income	\$				
Total expenses	\$				
<b>Budget surplus (+) or shortfall (-)</b>	\$				

## Trainer Material 2—Five Expense Boxes & Cards and Income Cards

*Prepare five expense boxes or envelopes*

### Expense Boxes

Internet Box	Food Box	Transportation Box	Rent Box	Savings Box
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*Cut up the Expense Cards and put them into the Expense Box.*

Internet \$5	Food \$10	Transportation \$2	Rent \$10	Savings \$1
Internet \$5	Food \$10	Transportation \$2	Rent \$10	Savings \$1
Internet \$5	Food \$10	Transportation \$2	Rent \$10	Savings \$1
Internet \$5	Food \$10	Transportation \$2	Rent \$10	Savings \$1
Internet \$5	Food \$10	Transportation \$2	Rent \$10	Savings \$1

*Prepare an Income Box or Envelope*

Income
--------

*Cut up Income Cards and put them into the Income Box or Envelope*

Income \$18	Income \$27	Income \$30	I	Income \$21	Income \$25
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## Handout 1—One-Month Budget

Expenses	Week 1: Amount	Week 2: Amount	Week 3: Amount	Week 4: Amount	Total for the Month
Rent	\$				
Utilities (electricity, water, kerosene, etc.)	\$				
Food	\$				
Medicine	\$				
Personal care (soap, shampoo, etc.)	\$				
Transportation	\$				
Internet	\$				
Loan repayment	\$				
Savings	\$				
Gifts	\$				
Entertainment (movies, events, etc.)	\$				
<b>Total of expenses</b>	\$				
Sources of Income	Week 1: Amount	Week 2: Amount	Week 3: Amount	Week 4: Amount	Total for the Month
Wages (net salary)	\$				
Profits from business	\$				
Received loan payment	\$				
Allowance from parents	\$				
Scholarship	\$				
Other	\$				
<b>Total Income</b>	\$				
Income - Expenses	Week 1	Week 2	Week 3	Week 4	Month
Total income	\$				
Total expenses	\$				
<b>Budget surplus (+) or shortfall (-)</b>	\$				

## Handout 2—Mani’s Monthly Budget

Mani makes beautiful paintings and sculptures that he sells every week at the nearest town and weekly market. He sometimes sells his artwork for as much as \$50, while at times his products go for \$10 or less. For example, last month (November), Mani sold paintings for \$120.

As a smart young businessman, he knows he has to put money aside to buy new materials, which he estimates as \$15 a month, but he also has to pay a fixed sales tax (to be able to sell in the big art center in town) of \$10 every month. Next month, he will try to ask for an exemption from the tax on the grounds that he is from a poor family; he hopes he will be granted an exemption.

Mani is not only a smart young businessman, but he is also a good young man with family responsibilities. For example, he gives his mother \$15 a month for food and electricity.

He is also a member of a youth community bank, where he has to save \$4 every month. At the end of the year, the group members share the interest earned from the group savings.

Mani loves candy as a treat. Every week he spends at least \$1 on candies.

This past month there was a new movie that came to the village. Mani watched the movie with Naomi; for the two of them, the movie cost \$3 (\$1.50 each).

Mani also wrote down some of his specific income and expense transactions for the month below:

- On November 7, he paid \$5 for a set of paintbrushes.
- On November 8, he paid a monthly tax of \$10.
- He remembered that on November 1, a customer who owed him \$30 paid him back.
- He just found a ticket for the movie theater from November 15, which cost \$1.50.
- He knows he gave his mom \$10 on November 2 for his contribution for food and electricity, and \$5 more a week later.
- He paid \$6 for a pair of shoes at the market, but he cannot remember the date.
- He also remembered selling some paintings for \$25 on November 16. That was also the day he bought a pair of jeans for \$10.
- Thank goodness he has also found a receipt for the medicine he bought for his mom, which cost \$5. He paid for it on November 8.
- He also remembers the lunches. Yes, on November 24, he paid the \$7 he owed to the woman selling food by his shop.

*Mani is trying to organize his budget to determine how much he can save this month; can you help him? Write down all his expenses and income and help him create a monthly budget.*



## Handout 2—Mani’s Monthly Budget (Food Security Option)

Mani grows delicious and healthy vegetables, fruits, and, sometimes, flowers in his garden at home and sells them in the nearest town and weekly market. He often sells his produce for as much as \$50, although sometimes his products go for \$10 or less. For example, last month (November), Mani sold fruits, vegetables, and some flowers for \$120.

As a smart young businessman, he knows he has to put money aside to buy new tools and seeds, which he estimates as \$15 a month, but he also has to pay a fixed sales tax (to be able to sell in the big market in town) of \$10 every month. Next month, he will try to ask for an exemption from the tax on the grounds that he is from a poor family; he hopes he will be granted an exemption.

Mani is not only a smart young businessman, but he is also a good young man with family responsibilities. For example, he gives his mother \$15 a month for food and electricity.

He is also a member of a youth community bank, where he has to save \$4 every month. At the end of the year, the group members share the interest earned from the group savings.

Mani loves candy as a treat. Every week he spends at least \$1 on candies.

This past month there was a new movie that came to the village. Mani watched the movie with Naomi; for the two of them, the movie cost \$3 (\$1.50 each).

Mani also wrote down some of his specific income and expense transactions for the month, shown below:

- On November 7, he paid \$5 for new exotic flower seeds.
- On November 8, he paid a monthly tax of \$10.
- He remembered that on November 1, a customer who owed him \$30 paid him back.
- He just found a ticket for the movie theater from November 15, which cost \$1.50.
- He knows he gave his mom \$10 on November 2 for his contribution for food and electricity, and \$5 more a week later.
- He paid \$6 for a pair of shoes at the market, but he cannot remember the date.
- He also remembered selling some vegetables for \$25 on November 16. That was also the day he bought a pair of jeans for \$10.
- Thank goodness he has also found a receipt for the medicine he bought for his mom, which cost \$5. He paid for it on November 8.
- He also remembers the lunches. Yes, on November 24, he paid the \$7 he owed to the woman selling food by his shop.

*Mani is trying to organize his budget to determine how much he can save this month; can you help him? Write down all his expenses and income and help him create a monthly budget.*

## Handout 3—Naomi's Budget (Part 1)

Naomi is a very smart girl who dreams of becoming an accountant for a big company. Thanks to her parents, she attends one of the best schools.

She receives a monthly allowance of \$10 from her parents to take care of her personal needs.

To earn extra money, Naomi works at the local market during school holidays and weekends. She helps vendors sell their products and sometimes helps them clean their shops. She receives a total of \$7 U.S. dollars every week from her part-time jobs.

Naomi is a studious person. This year, Naomi received a special scholarship of \$20 per month that is paid directly to the school on her behalf. Her scholarship pays for 15 lunches per month (\$1 per lunch) and for her library pass, with a value of \$2 every month.

She personally receives \$3 in cash from the scholarship every month.

Naomi also saves a small amount of the money every week to buy some things she cannot currently afford or things she may need in the future. She tries to save at least \$3 a week, but sometimes it is less and sometimes more.

This month, Naomi was lucky; there was a school holiday, so she was able to work four weekends and a few days during a week, and was paid \$7 a week for four weeks and an extra \$10 for her work during the holiday.

This past month (November) was a busy one for Naomi. In addition to attending school and her part time job, she went to visit one of her friends in a neighboring village. The trip cost her \$4 for travel and \$5 for a gift for her friend, and she promised to come again next month. This means she will have to save some money for the next trip.

Additionally, Naomi bought a new dress in the market for \$9 in the middle of the month.

Naomi also had to pay for the school lunches that the scholarship didn't cover. She paid \$8 for the rest of the lunches for the month.

Also for school, Naomi bought some new supplies: she bought new pens for \$3 and several new notebooks for \$5, as well as a new backpack on credit for \$8.

*Naomi is trying to figure out how much she can save for this month; she is asking you for help in creating a budget with her income and expenses and assisting her in determining how much money is left.*





## Handout 4—Naomi's Budget (Part 2)

Naomi is a very smart girl who dreams of becoming an accountant for a big company. Thanks to her parents, she attends one of the best schools.

She receives a monthly allowance of \$10 from her parents to take care of her personal needs most months, but sometimes she may receive \$5 a month, and sometimes her parents may give her \$12 if there is extra money to spare.

To earn extra money, Naomi works at the local market during school holidays and weekends. She receives a total of \$4 every day that she works at her part-time job, and she usually works two days a week. Sometimes she may not work for an entire weekend, though, and sometimes if she is on holiday from school she can work an entire week. This past month she worked every weekend but one and worked on three holidays.

Naomi is a studious person. This year, Naomi received a special scholarship of \$20 per month that is paid directly to the school on her behalf. Her scholarship pays for 15 lunches per month (\$1 per lunch) and for her library pass, with a value of \$2 every month.

She personally receives \$3 in cash from the scholarship every month, but some months she gives that money to her sister to help pay for her lunches.

Naomi also saves a small amount of the money every week to buy some things she cannot currently afford or things she may need in the future. She tries to save at least \$3 a week, but sometimes it is less and sometimes more.

This month, Naomi was lucky; there was a school holiday, so she was able to work four weekends and a few days during one week, and was paid \$7 a week for four weeks and an extra \$10 for her work during the holiday.

This past month (November) was a busy one for Naomi. In addition to attending school and her part-time job, she went to visit one of her friends in a neighboring village. The trip cost her \$4 for travel and \$5 for a gift for her friend and she promised to come again next month. This means she will have to save some money for the next trip.

Additionally, Naomi bought a new dress at the market for \$9 in the middle of the month. That was the same day she and her sister sold several bags they had made and Naomi received \$5 for them.

Naomi also had to pay for the school lunches that the scholarship didn't cover. She paid \$8 for the rest of the lunches for the month.

Also for school, Naomi bought some new supplies: she bought new pens for \$3 and several new notebooks for \$5, as well as a new backpack on credit for \$8.

*Naomi is trying to figure out how much she can save for this month; she is asking you for help in creating a budget with her income and expenses and assisting her in determining how much money is left.*

# Life Happens! Dealing with Life Cycle Events

## Session Rationale

Participants consider unexpected events that may affect their financial situation and explore ways to deal with them.

## Time

90 minutes

## Session Learning Objectives

1. Playing a board game in small groups, participants will evaluate potential financial implications of at least one dozen unexpected life events.
2. After identifying and categorizing unexpected life events with positive and negative financial repercussions that affect youth in their community, participants will recommend ways to address each.
3. Individually, participants will journal about actions they could take for at least two unexpected events with financial gain.

## Prerequisites

Spending: Needs and Wants

Savings: Pay Yourself!

## Session Outline

<b>Motivation</b>	Unexpected Events in Your Life (30 min)
<b>Information</b>	Unexpected Life Events (25 min)
<b>Practice</b>	Your Best Friend is in Town (15 min)
<b>Application</b>	Preparing for the Unknown (20 min)



# Life Happens! Dealing with Life Cycle Events

## Facilitator preparation:

1. Prepare flip charts or PowerPoint presentation.
2. Copy and cut out game cards for each small group.
3. Assemble game pieces so each participant has one. Any small object that will fit in the boxes on the game board can be used as a game piece. The game pieces should be unique enough for each player to recognize their own. (They could be different colors, varied shapes, or players could mark them in some way.)
4. Adapt game cards to the local context. Create one set per group.

## Materials:

- **Equipment**
  1. Flip chart paper and markers (or a board with chalk)
  2. Game pieces (one per participant)
- **Handouts**

Handout 1: Preparing for Unexpected Events
- **Trainer Materials**

Trainer Material 2: Flip charts  
Trainer Material 3: Game Board (one per group)  
Trainer Material 4: Game Cards (one set per group)

**Trainer Material:**

- Flip chart paper and markers
- Trainer Material 2: Game Boards (one per group)
- Trainer Material 3: Game Cards (one set per group)
- Game pieces (one per participant)

**Life Happens**

Participants will play a board game to explore positive and negative unexpected events that happen to them and the financial implications that they bring.

1. Explain that we are going to start the session by playing a game. Ask participants to form groups of 3-4.

Distribute Trainer Material 2: Game Boards to each group. Distribute game pieces to each participant.

Ask participants to sit around their game board. Allow each participant to choose a game piece.

All players should place their game pieces on the Start box. Explain that during the game, they will be moving from block to block toward the Finish box.

Put the game cards next to the game board so the text is face down (and the players can't read it without picking it up).

Begin with the youngest player. The youngest player in each group should pick up the card on top of the pile and read the life event on the back. The player should then say whether the event would add or subtract from their income and explain why.

If the player believes the event would add to their income, they may move ahead two spaces. If the player believes the event would subtract from their income, they should move ahead one space.

Once the youngest player has finished his or her turn, the player on their left should pick up a card and follow the same procedure as the youngest. Ensure that everyone has had a turn and then start over.

If a player lands on an instruction block (e.g., one that says "Move Ahead 2 Spaces" or "Move Back 3 Spaces") they must follow the instructions.



Keep going until someone reaches the Finish block and wins the game. You may choose to continue until everyone has reached the Finish block.

When participants have finished, debrief the game by asking the following questions:

- What surprised you about the game?
- What happened that you didn't expect?
- How did some of the events affect you financially?
- What did you learn from the game?

Summarize by saying that we all have experienced unexpected events in our lives. Some of these events can have financial consequences and it is important to know how to face them.

.....  
**NOTE:** This activity assesses Learning Objective 1.  
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## Information

**Time: 25 minutes**

### Trainer Material:

- Flip chart 1: Ways to Face Unexpected Events
- Handout 1: Different Types of Unexpected Events

## What Can Youth Do About Unexpected Life Events

Participants identify ways for youth to deal with unexpected events that have financial outcomes.

1. Tell participants to stay in the same groups. Distribute Handout 1 to each group.
2. Ask participants to think of examples of unexpected events with financial gains and financial losses that young people face in their community. Write down what young people can do about each.

Ask each group to share their answers. Ask groups not to repeat answers already given by another group.

.....  
**NOTE:** Expected answers in table below.  
.....

Types of unexpected events	Some examples	What can young people do?
Events with financial gain	Surprise gift from relative or friend	Put aside Spend on needs Invest on small income-generating activities
Events with financial loss or financial need	Illness or accident	Use savings Take a loan Rely on people for support

*Explain that when faced with unexpected financial gain, people may decide to save money, spend on needs they could not usually pay for, or invest in small income-generating activities.*



*When faced with unexpected financial loss or need, people may decide to use their savings (if they have them); take a loan if people or financial institutions trust that they can repay the loan; or count on people for help (solidarity).*



Ask, “Can we predict any of these events? Which ones?”

Post Flip chart 1: How to Prepare for Unexpected Events and review the things young people can do to prepare for unexpected events.

### How to Prepare for Unexpected Events

1. Identify some of the predictable life events that may most likely affect you. What can happen to you that you may not expect?
2. Savings. Do you have savings you can use for emergencies or a savings account where you put aside any additional income?
3. Develop a budget. It allows you to anticipate your future expenses and income.
4. Know people or places you can go to for a loan.
5. Build good relationships with people for support and mutual help when needed.

### Practice

**Time: 15 minutes**

### Your Best Friend is in Town

Participants reflect on an unexpected event and develop ways to face such events in the future.

1. Ask participants to form pairs.

Read them the following story:

*Your cousin, who you have not seen for years, calls you to tell you that she is in town. She was traveling to the city when her bus broke down. It looks like the bus will remain overnight or for several days in your community. She has no money and no place to stay. She is really counting on you for help.*

*You are happy because you will see your cousin; you have so many things to talk about and to show her in your community. But you realize that you will have to help her for the next two days.*



.....  
**NOTE:** This example may not be appropriate or relevant in your community. Adapt the scenario to fit a common unexpected situation that young people might face in your community.  
.....

In your pairs, discuss the following questions:

- a. How will your cousin's visit affect you financially? Explain.
- b. What can you do in the future to be prepared for an event like this?

Ask some pairs to share their discussions.

.....  
**NOTE:** Question a. helps assess Learning Objective 2.  
.....



**Trainer Material:**

- Flip chart 3: How to Prepare for Unexpected Events

**Preparing for the Unknown**

Participants develop ways to deal with unexpected events.

**1. Post Flip chart 2: Questions to Ask When Preparing for Unexpected Events**

Ask participants to answer the following questions individually in their notebooks:

1. What are some of the unexpected life events that may affect you?
2. What actions would you take in case of positive events?
3. What actions would you take in case of negative events?
4. Who are the people (relatives, friends) you can rely on in case of unexpected events?

Walk around to assist if needed.

.....  
**NOTE:** This activity helps assess Learning Objectives 3  
.....

Ask some participants to share their answers.

Close by asking participants to take out their journals and look at their Progress Chart, checking off any new information and adding to the list any questions they still have.

**Assessment**

Learning Objective 1 is assessed in Motivation.

Learning Objective 2 is assessed in Information.

Learning Objective 3 is assessed in Application.

**Facilitator Notes for Future Improvement**

**Date & Trainer Name:** [What went well? What would you do differently? Did you need more/less time for certain activities?]

## Trainer Material 1—Flip Charts

### Flip chart 1:

#### Types of Unexpected Events

Events with financial gains—may bring new opportunities to earn money or prevent people from spending money that would otherwise have been spent on needs, for example.

Events with financial costs—may be worrisome and sometimes painful and often require that people spend money.

### Flip chart 1:

#### How to Prepare for Unexpected Events

1. Identify some of the predictable life events that will most likely affect you. What can happen to you that you may not expect?
2. Savings. Do you have savings you can use for emergencies or a savings account where you put aside any additional income?
3. Develop a budget. It allows you to anticipate your future expenses and income.
4. Know people or places you can go to for a loan.
5. Build good relationships with people for support and mutual help when needed.

### Flip chart 2:

#### Questions to Ask When Preparing for Unexpected Events

1. What are some of the unexpected life events that may affect you?
2. What actions would you take in case of positive events?
3. What actions would you take in case of negative events?
4. Who are the people (relatives, friends) you can work with or you can rely on in case of unexpected events?



## Trainer Material 2—Game Instructions and Board

Before the game starts:

1. The facilitator should copy and cut out game cards. Game cards can be found next to the Life Happens! game board in the *Youth Financial Literacy Manual*.
2. The facilitator should find enough game pieces for each player. Any small object that will fit in the boxes on the game board can be used as a game piece. The game pieces should be unique enough for each player to recognize his or her own. (They could be different colors, varied shapes, or players could mark them in some way.)

### Instructions for Life Happens Game:

1. Start by placing the Life Happens! game board where everyone can see and reach it easily.
2. Allow each player to choose a game piece.
3. All players should place their game pieces on the Start box. (During the game, they will be moving along the blocks toward the Finish box.)
4. Put the game cards next to the game board so the text is on the bottom (and the players can't read it without picking it up).
5. Begin with the youngest player. The player should pick up the card on top of the pile and read the life event on the back. The player should then say whether the event would add or subtract from their income and explain why.
6. If a player believes the event would add to his/her income, s/he may move ahead two blocks. If the player believes the event would subtract from his/her income, s/he may move ahead one block.
7. Once the youngest player has finished his/her turn, the next youngest should pick up a card and follow the same procedure as the youngest. Go around the group until everyone has had a turn and then start over.
8. If a player lands on an instruction block (e.g., one that says "Move Ahead 2 Spaces" or "Move Back 3 Spaces"), s/he must follow the instructions as soon as possible.
9. Keep going until someone reaches the Finish block and wins the game. You may choose to continue until everyone has reached the Finish block.

## Handout 1—Preparing for the Unexpected

Types of unexpected events	Examples	What can young people do?
Events with financial gain		
Events with financial cost		



## Trainer Material 2—Game Instructions and Board

Before the game starts:

1. The facilitator should copy and cut out game cards. Game cards can be found next to the Life Happens! game board in the *Youth Financial Literacy Manual*.
2. The facilitator should find enough game pieces for each player. Any small object that will fit in the boxes on the game board can be used as a game piece. The game pieces should be unique enough for each player to recognize his or her own. (They could be different colors, varied shapes, or players could mark them in some way.)

Instructions for Life Happens Game:

1. Start by placing the Life Happens! game board where everyone can see and reach it easily.
2. Allow each player to choose a game piece.
3. All players should place their game pieces on the **Start box**. (During the game, they will be moving along the blocks toward the **Finish box**.)
4. Put the game cards next to the game board so the text is on the bottom (and the players can't read it without picking it up).
5. Begin with the youngest player. The player should pick up the card on top of the pile and read the life event on the back. The player should then say whether the event would add or subtract from his/her income and explain why.
6. If the player believes the event would add to his/her income, s/he may move ahead two blocks. If the player believes the event would subtract from his/her income, s/he may move ahead one block.
7. Once the youngest player has finished his/her turn, the next youngest should pick up a card and follow the same procedure as the youngest. Go around the group until everyone has had a turn and then start over.
8. If a player lands on an instruction block (e.g., one that says "**Move Ahead 2 Spaces**" or "**Move Back 3 Spaces**") s/he must follow the instructions as soon as possible.
9. Keep going until someone reaches the **Finish** block and wins the game. You may choose to continue until everyone has reached the **Finish** block.



<b>Your aunt sends you money from the UK!</b>	<b>Your mother breaks her leg and has to go to the health clinic.</b>
<b>You're getting married!</b>	<b>Your older sibling gives you his/her old clothes.</b>
<b>A storm damages your roof</b>	<b>Your cousin pays for your school uniform!</b>
<b>A drought damages your family's crops.</b>	<b>Your family's business makes a lot of money this year!</b>

<b>Your older cousin gives you a job in his repair shop.</b>	<b>A sick relative comes to stay at your house to be near medical care.</b>
<b>Your bike needs repairs.</b>	<b>Your family has a very good harvest this year!</b>
<b>Your family builds a larger house!</b>	<b>You get a job helping merchant in her shop.</b>
<b>You start a new business.</b>	<b>You receive gifts at holiday time!</b>





<b>You take out a loan to expand your business.</b>	<b>You get a discount on items for your shop by buying in large quantities.</b>
<b>You win the lottery!</b>	<b>Your dog eats your school books.</b>
<b>Your cousin visits you for two weeks.</b>	<b>You start selling crafts at the local market.</b>
<b>Your grandfather gives you a gift!</b>	<b>Your father gives you money for school fees.</b>

<b>You find extra work during your school break.</b>	<b>You have an opportunity to invest in your friend's business.</b>
<b>You travel to a distant village for your sister's wedding.</b>	<b>Your grandmother dies.</b>
<b>You inherit money from your uncle.</b>	<b>You will be attending university next fall!</b>
<b>You're having your first child!</b>	<b>Your older brother sends money for your birthday!</b>



<b>You get your first job!</b>	<b>You buy a motorcycle.</b>
<b>You move to a large city for work.</b>	<b>You visit your cousin for three weeks.</b>
<b>You lend your brother money.</b>	<b>Your bike is stolen.</b>
<b>You're promoted at work!</b>	<b>You give your sister a wedding gift.</b>

# Where to Save—My Bed or the Bank?

## Session Rationale

After committing to save, participants decide where to save their money.

## Time

90 minutes

## Session Learning Objectives

1. In a large group discussion, participants will identify at least three places where young people can save money.
2. In pairs, participants will develop at least three criteria for choosing the best location to save their money.
3. Given a case study and a savings criteria matrix, participants will, in pairs, compare and contrast saving options (in terms of safety, access, required deposits and balances, and interest) to make a recommendation of where they would save.

## Prerequisites

Savings: Pay Yourself!

## Session Outline

<b>Motivation</b>	Considering Where to Save (15 min)
<b>Information</b>	Things to consider when deciding where to save (30 min)
<b>Practice</b>	Decide where to save (30 min)
<b>Application</b>	Where do I save? (15 min)



# Where to Save—My Bed or the Bank?

## Facilitator preparation:

1. Have the list of savings goals participants created during the session Savings: Pay Yourself.
2. Adapt Handout 1: How Much and Where to Save? for a farming business, if needed.
3. Prepare flip charts or PowerPoint presentation from Trainer Material 1.
4. Prepare Trainer Material 2: Play Money – one bill for each participant. Adapt the currency and amounts to the local context.
5. If you plan to assign the self-assessment questions as homework, then at the end of class, write the self-assessment instructions on the board or prepare a flip chart in advance. Alternatively the self-assessment questions can be used as a review at the beginning of the next class.

.....  
**NOTE:** The use of interest or other fees on savings and loans may not be appropriate in communities where only strict Islamic banking rules are used. Islamic banking rules are consistent with the principles of Islamic law (Sharia). These rules prohibit the use of interest or fees for loans or savings. For example, instead of lending money, the lending institution or the lender will take a stake in the investment, or will buy and own the equipment and only transfer full ownership to the borrower when the agreed cost of the investment has been reimbursed.  
.....

## Materials:

- **Equipment**
  1. Flip chart or chalkboard
  2. Markers or chalk
- **Handouts**

Handout 1: How Much and Where to Save?  
Handout 2: Deciding Where to Save
- **Trainer Materials**

Trainer Material 1: Flip charts  
Trainer Material 2: Play money

**Trainer Material:**

- Flip chart paper
- Markers
- Flip chart 1: Where Young People Save
- Trainer Material 2: Play money

**Considering Where to Save**

Participants consider where to save.

1. Say: *“Raise your hand if you are currently saving money.”* Ask if they were saving money before the class.

.....  
**NOTE:** This activity allows you to learn which participants have followed through on their commitment to save—a commitment made during the session Savings: Pay Yourself!  
 .....

Say: *“During our session on saving, each of you set a one-month savings goal. Raise your hand if you have reached your goal.”* Ask: *“If you haven’t reached your goal yet, what got in your way? What are some of the challenges you have experienced with saving?”*

.....  
**NOTE:** Make sure that every participant provides a response.

If participants experienced challenges, take some time to discuss the challenges and possible ways to overcome them. Ask participants to help strategize ways to overcome the challenges.  
 .....

Congratulate those who have achieved their savings goal and encourage those who are still saving.

Post Trainer Material 1: Flip chart 1: Where Young People Save.

Ask participants to help you make a list of where young people like them choose to save their money. On a flip chart, make a list of participant answers, like this:

Where young people save	Tally
In the house	
Someone else keeps the money	
Financial institution	
Savings group	
Electronic Wallet (particularly with mobile banking, e.g., M-Pesa in Kenya)	

.....  
**NOTE:** This activity assesses Learning Objective 1.  
 .....



Distribute Trainer Material 2: Play Money to each participant. Tell participants to pretend that this is money they have to save. Ask participants to look at the places to save on the list they just made and decide for themselves where they would like to save their \$5. Allow a few moments for participants to think.

Ask participants to raise their hands if they chose to save their money in “your house.” Add together the number of participants who chose “your house” and write the total in the right-hand column. Repeat for each choice.

Conclude by saying: *“Where you decide to save your money is important. We will compare these places and you will see what advantages and disadvantages there are for each of them.”*

## Information

Time: 30 minutes

### Trainer Material:

- Flip chart 1: Five Questions for Selecting a Place to Save
- Flip chart 2: Criteria for Selecting a Financial Institution

## Things to consider when deciding where to save

Participants identify criteria for selecting a place to save.

1. Call on 1-2 participants and ask what things they considered when selecting a place to save their money.

Ask participants to turn to their neighbor and come up with a list of 3-4 things to consider (criteria) for choosing a place to save their money.

.....  
**NOTE:** The facilitator will write the following on a flip chart or the board:

**Things to consider when deciding where to save:**

- 1)
  - 2)
  - 3)
  - 4)
- .....

Ask volunteers to share their list of things to consider and write these on the flip chart.

.....  
**NOTE:** Groups may come up with an idea around the following themes:

Safety of the place—Is their savings secure?

Accessibility—Can they have access to their savings when they need it?

The potential to grow—Can their savings generate additional interest?

Convenience—The location is near where I live. It has good hours, so I can get the money when I need it.

This activity assesses Learning Objective 2.  
.....

Say: “These are good ideas. They show that before saving, you ask yourself important questions.

Post Trainer Material 1: Flip chart 2: Five Questions for Selecting A Place to Save.

Explain that in addition to the criteria they mentioned, there are five questions to consider when deciding where to save money:

- a. **Is my money safe? Is there physical safety and a savings guarantee?** You want to make sure that your savings are protected—savings in some financial institutions are protected by the government.
- b. **Access: Can I get my money when I need it?** Many places will not allow early withdrawal of money, without having to pay a fee.
- c. **How much money do I need to start saving?** Some financial institutions will ask you for a minimum amount of money in order to open a savings account. Some savings groups ask their members to begin with a minimum amount.
- d. **What is the minimum amount of money I need to keep in the account or at that place?** Some institutions require that you keep a minimum amount or balance in your account; you can’t withdraw all of the money without closing the account.
- e. **Interest. How much will they pay me for keeping my money? What is the interest rate for savings?** In most financial institutions and savings groups, the money you save grows based on an interest rate paid on the savings you keep in the account. Some financial institutions pay higher interest rates than others.

.....  
**NOTE:** In communities operating under Islamic finance, criteria (e) is irrelevant and should not be used.  
.....

## Practice

Time: 30 minutes

### Trainer Material:

- Handout 1: How Much and Where to Save?
- Handout 2: Deciding Where to Save

### Deciding where to save

Participants will use a given situation to decide where to save.

1. Organize participants into pairs. Distribute Handout 1: How Much and Where to Save and Handout 2: Deciding Where to Save to each pair.

Ask participants to read Handout 1 and then use Handout 2 to decide where Mani should save.





.....  
**NOTE:** When forming pairs, ensure that at least one person in the pair can read; or, read Handout 1  
aloud for the whole group and take questions for clarification.  
.....

.....  
**Post Adaptation:** Adapt to local currency.  
.....

During the exercise, walk around to monitor progress.

After completion of the activity, ask different pairs to share their decisions and the reasons for their choices.

Debrief and ask: *"Was this exercise helpful? If so, how?"*

Conclude by reminding participants always to ask the five questions before deciding where to save.

.....  
**NOTE:** This activity assesses Learning Objective 3.  
.....

## Application

Time: 15 minutes

### Trainer Material:

- Handout 2: Deciding Where to Save

### Where do I save?

Participants assess where to save.

1. Ask: *"After thinking about the different places to save, have you changed your mind about where to save your \$5? Who changed their mind? Why did you change your mind about where to save?"*

.....  
**NOTE:** You could add a third column to the flip chart and ask people to think again about where they would save their \$5 play money. See if the tallies change. Then discuss together why people changed their minds about where to save.  
.....

Close by asking participants to take out their journals and look at their Progress Chart, checking off any new information and adding to the list any questions they still have.

## Homework/Self-Assessment

Write the following questions on the board or prepare a flip chart. Ask participants to copy them into their exercise books or onto a piece of paper.

1. List at least two places where people save their money in this community.
2. List at least three questions that help you decide where to save.

## Assessment

Learning Objective 1 is assessed in Motivation.

Learning Objective 2 is assessed in Information.

Learning Objective 3 is assessed in Practice.

## Facilitator Notes for Future Improvement

**Date & Trainer Name:** [What went well? What would you do differently? Did you need more/less time for certain activities?]



## Trainer Material 1—Flip Charts

### Flip chart 1:

#### Where Young People Save

Where young people save	Tally

### Flip chart 2:

#### Five Questions for Selecting A Place to Save

1. Is my money safe?
2. Can I take my money out before the agreed upon period of time for saving?
3. How much money do I need to deposit to start saving in this place?
4. What is the minimum amount of money I need to keep in the account or in this place?
5. What is the interest rate that this financial institution pays on savings? Can my money grow?

### Flip chart 3:

#### Self-assessment Instructions

1. List at least two places where people save their money in this community.
2. List at least three questions that help you decide where to save.

## Trainer Material 2—Play Money

\$5	\$5	\$5	\$5
\$5	\$5	\$5	\$5
\$5	\$5	\$5	\$5
\$5	\$5	\$5	\$5



## Handout 1—How Much and Where to Save?

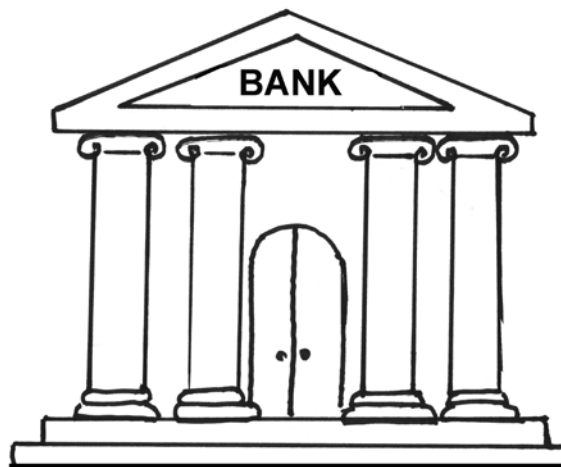
Mani is lucky; his art business is going well.

Every week, after paying for his basic needs (rent, food, and utilities), he still has at least \$10 left over. Even if he spends all \$10 one week, he knows that the next week, he will still have at least \$10 extra. Should he save? If yes, how much and where?

- a) In a safe box in his house? There, he can save the amount he wants and can use it anytime he needs it.



- b) In the local bank? The bank pays an annual interest rate of 5 percent, but he needs to maintain a minimum balance of \$15 in the account at any time. Each time he has less than that amount in his account, he pays a fee of \$2.



- c) In a youth savings club? It is a cool group of friends who save together. At the end of the year, each member gets what he or she has saved, plus a small amount, which is generally around 5 percent of the amount saved. Each member is required to save at least \$4 every week. Members cannot withdraw their money until the end of the year. They can borrow from the savings club, but will pay a higher fee than the rate the bank charges. That is how the group fund grows.



- d) Mobile e-wallet? The local mobile phone company is offering mobile-banking services, including savings. Mobile banking pays no interest on savings, but offers free access to most financial services that Mani needs—payments, balance inquiries, and money transfer to other customers who use the mobile-banking services. Mobile banking does not require keeping a minimum balance.



NOTE: You can save in more than one place.



## Handout 1—How Much and Where to Save? (Food Security Focus)

Mani is lucky; his farming is going well.

Every week, after paying for his needs (rent, food, and utilities), he still has at least \$10 to spend on extra personal items. Even if he spends all \$10 one week, he knows that the next week, he will still have at least \$10 extra. Should he save? If yes, how much and where?

- a) In a safe box in the house? There, he can save the amount he wants and can use it anytime in case of emergency.
- b) In the local bank? The bank pays an annual interest rate of 5 percent, but you need to maintain a minimum balance of \$15 in the account at any time. Each time you have less than that amount in your account, you pay a fee of \$2.
- c) In a youth savings club? It is a cool group of friends. They save to help each other. At the end of the year, each member gets what he or she has saved, plus a small amount, which is generally around 5 percent of the amount saved. But each member is required to save at least \$5 every week. Members cannot take back their money until the end of the year. They can borrow from the savings club, but will pay a higher fee than the one the bank charges. That is how the savings of members grows.
- d) Mobile e-wallet? There is an organization offering mobile-banking services, including savings. The mobile banking pays no interest on savings, but offers free access to most financial services Mani needs (payments, balance inquiries, money transfer to other clients of the same organization); and the mobile banking in this case does not require keeping a minimum balance.

.....  
**NOTE:** You can save in more than one place.  
.....

## Handout 2—Deciding Where to Save

	Home	Bank	Savings Club	Mobile E-Wallet
Is my money safe?				
Can I take my money out whenever I want?				
How much money do I need to deposit to start saving in that place?				
What is the minimum amount of money I need to keep in the account or at that place?				
How much will they pay me for holding my money? What is the interest rate for saving?				

I choose \_\_\_\_\_ because \_\_\_\_\_





# Wise Use of Loans

## Session Rationale

This session gives participants the opportunity to analyze when to borrow money. Participants will also learn advantages and disadvantages of loans compared to using savings.

## Time

60 minutes

## Session Learning Objectives

1. Working in pairs, participants will identify at least one advantage and one disadvantage of borrowing money.
2. After analyzing different financial situations, participants will decide whether it would be better to borrow money or use savings for each.

## Prerequisites

Spending: Needs and Wants

Savings: Pay Yourself!

## Session Outline

<b>Motivation</b>	Borrowing Money (20 min)
<b>Information</b>	Advantages and constraints of taking a loan (20 min)
<b>Practice</b>	Difference between using loans and savings (15 min)
<b>Application</b>	Reflection (5 min)

# Wise Use of Loans

## Facilitator preparation:

1. Consider reviewing the session Time Value of Money, particularly the description of interest.
2. Check what vocabulary is most commonly used for loans. Some people use the term “credit” when they borrow money. Be prepared to use the appropriate term during the session.
3. Decide whether to assign the optional self-assessment/homework.

.....  
**NOTE:** Avoid discussing interest (Activity under “Information”) in communities where only strict Islamic banking rules are used. Islamic banking rules are consistent with the principles of Islamic law (Sharia). These rules prohibit the use of interest or fees for loans or savings. For example, instead of lending money, the lending institution or the lender will take a stake in the investment; or will buy and own the equipment and only transfer full ownership to the borrower when the agreed cost of the investment has been fully repaid.  
.....

## Materials:

- **Equipment**
  1. Flip chart paper
  2. Markers or chalk
- **Trainer Materials**

Trainer Material 1: Flip charts

Optional Handout: Evaluating Loan Opportunities



**Trainer Material:**

- Flip chart paper and markers

**Borrowing Money**

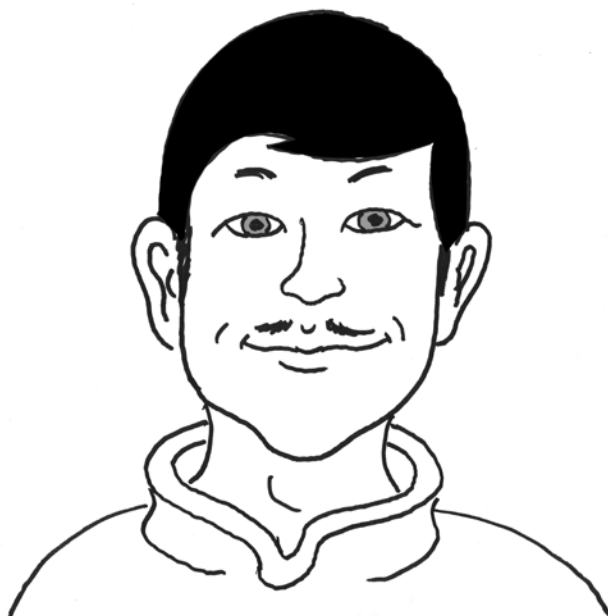
Participants identify reasons young people take out loans.

1. Tell participants that today's session is about borrowing money (taking loans).

Ask participants the following: *"If you have ever borrowed money, stand up. If you have ever lent money to a friend or family member, raise your hand."*

.....  
**NOTE:** Make sure all participants are physically able to stand up or raise their hands, otherwise change the activity. Be aware that there may be people with disabilities.  
.....

Organize participants into groups of four to six, making sure at least one person who has either stood up or raised his or her hand is part of each group. Then say: *"Think of three reasons young people like you might take out a loan."*



Each group presents its work. While they are presenting, write on a flip chart the reasons mentioned.

After each group has presented, ask participants if they can put those reasons into categories.

.....  
**NOTE:** The facilitator can provide an example of categories: Emergencies—going to the hospital, regular expenses (consumption), investment in a business or school, etc.  
.....

Summarize by saying: *“Young people borrow money for different reasons, but there are three main categories. They borrow money: 1) for emergencies, 2) to cover regular expenses, and 3) to invest in an opportunity that will pay in the future (small businesses, education, etc.).”*

## Information

Time: 20 minutes

### Trainer Material:

- Trainer Material 1: Flip chart 1
- Trainer Material 1: Flip chart 2

## Advantages and constraints of taking a loan

Participants define the term loan and analyze situations where a loan may be necessary, as well as the constraints related to borrowing money.

1. Ask: *“What comes to your mind when you hear the word loan?”* Write participants’ answers on a flip chart.

Then summarize by saying: *“A loan is money borrowed that you have to pay back with certain terms. It may be borrowed from a person or an organization.”*

Ask: *“What are some of the conditions or terms for borrowing money in this community?”*

.....  
**NOTE:** 1) Consider whether it is appropriate to talk about interest in the community. Some communities may be operating under Islamic finance rules, which do not recognize or use interest.  
2) Loan versus credit: In some countries, these two terms are used interchangeably, but in other countries “loan” may be the most appropriate term to use, as it may also include informal borrowing transactions (between individuals or with informal groups). Meanwhile, credit may mean a formal borrowing transaction between a financial institution and individuals.  
.....

Say: *“Let’s talk about interest. Who has heard the term interest before?”*

.....  
**NOTE:** Remind participants that you have used the term in a previous session: Time Value of Money (if you did that session).  
.....



Explain that interest is like a fee that the lender charges the borrower for using his or her money. Interest is the additional amount you pay for the money you borrow. The interest is determined as a percentage of the amount of money borrowed.

Post Trainer Material 1: Flip chart 1. Review the terms. They will be used in the next exercise.

Say: *"Let's say you need to borrow \$100 for a month to purchase equipment for your income generating activity. You are borrowing from the bank. The bank charges you an interest rate of 2 percent per month. Does anyone know how much you must pay back at the end of the month?"*

.....  
**NOTE:** Answer: \$102  
.....

Write on a flip chart or board to explain the calculation. Point out definitions on Trainer Material 1: Flip chart 1 and talk through the explanation as you are writing:

*Amount borrowed, or "principal" = \$100*

*Interest rate = 2 percent every month*

*Total amount of interest =  $100 \times (2/100) = \$2$*

*Total to pay at the end of the month =  $\$100 + \$2 = \$102$*

*The loan term is one month*

.....  
**NOTE:** Skip this activity in communities applying strict Islamic banking rules.

Use the flip chart with the definition of terms while explaining the exercise.

Ask questions to engage the participants. For example, *"How much are you borrowing?"* [\$100].

*"That is called the 'principal'." "How much is the interest rate?"* [2 percent per month]  
.....

Ask participants to find a partner and talk about the good reasons to borrow money and the negative things about borrowing money. Give them 5 minutes to discuss.

Ask, *"Why might borrowing money be a good thing?"* Collect responses on the flip chart in the first column.

.....  
**NOTE:** Possible responses include: Being able to expand a business, solving a critical problem, etc.  
.....

Then ask, *"What are some negative things about borrowing money?"*

.....  
**NOTE:** Possible responses include: Having to pay back more than you borrow, paying interest, providing collateral.

.....  
This activity assesses Learning Objective 1.  
.....

Summarize that they have seen that there are some advantages and disadvantages to borrowing money.

If you want, distribute Handout 2: Evaluating Loan Opportunities. Explain the Handout to participants. It is a handout that lets participants compare three different loan providers by answering five key questions about loans.

## Practice

**Time: 15 minutes**

### Trainer Material:

- Trainer Material 1: Flip chart 3

## Analyzing the difference between using loans and savings

Participants analyze different situations and decide whether it would be better to borrow money or use savings for each.

1. Post Trainer Material 1: Flip chart 2: To Save or to Borrow.

Need for Money	Examples	Borrow or Save?	Why? (Reasons)
Emergency			
Regular expenses			
Investment			

Ask participants to rejoin the groups they were in at the beginning of this session. Ask groups to copy the chart: To Save or to Borrow onto a paper or notebook.

Post Flip chart 3: Assignment. Give participants the following assignment:

- a. Identify examples for each type of need for money (emergency, regular expenses, investment) in a borrowing situation.
- b. Discuss whether it would be better to save for or borrow the money for each example.
- c. Give at least one reason for each example.
- d. Complete the chart.

Walk around to monitor progress and clarify the activity.



When the groups have completed the exercise:

- a. Ask a group for one example for an emergency. The next group must give a different example. Continue around the room until participants are not able to offer new examples. Then continue with the next categories—regular expenses and investment.
- b. Ask if anyone thought of needs and wants in making the decision on “regular expenses”? Congratulate any group(s) that did!

Mention that during the session on needs and wants, everyone saw that it was wise to give more importance to needs than to wants. Since borrowing will always cost more money because of interest payments or fees, when thinking about borrowing for regular expenses, it is important to separate needs and wants.

Summarize by saying: *“It is not wise to borrow for your wants. If you save for your wants instead of borrowing for them, then you don’t pay more for them.”*

.....  
**NOTE:** This activity assesses Learning Objective 2.  
.....

## Application

**Time: 5 minutes**

### Trainer Material:

- Participant journals or paper, one per participant

### Reflection

Participants reflect on the reasons they would or would not take a personal loan

1. Post Trainer Material 1: Flip chart 4: Why Would I Borrow Money?
2. Say: *“Now that you know about loans, reflect on the questions and write your answers in your notebook.”*
  - *What would be a reason for you to borrow money?*
  - *Would you prefer to borrow money or use savings? Why?”*

Close by asking participants to take out their journals and look at their Progress Chart, checking off any new information and adding to the list any questions they still have.

## Homework/Self-assessment

Write the following questions on the board or prepare a flip chart. Ask participants to copy them into their exercise books or onto a piece of paper.

1. What is a loan?
2. What is interest?
3. Why does a lender charge interest?
4. What are the disadvantages of loans?
5. List at least two reasons young people in the community use loans.
6. List at least three questions to answer before taking a loan.

## Assessment

Learning Objective 1 is assessed in Information.

Learning Objective 2 is assessed in Practice.

## Facilitator Notes for Future Improvement

**Date & Trainer Name:** [What went well? What would you do differently? Did you need more/less time for certain activities?]





## Trainer Material 1—Flip Charts

### Flip chart 1:

#### Definitions

**Loan**—Money you borrow from a person or organization with the obligation to repay under certain agreed conditions or terms.

**Principal**—The money you initially borrow, not including interest.

**Collateral**—Something of value the borrower gives or promises to give to the lender if the borrower can't pay back the loan.

**Interest**—The additional amount you pay on money borrowed.

**Loan term**—The time the borrower has to pay back the loan.

### Flip chart 2:

#### To Save or to Borrow?

Need for Money	Examples	Borrow or Save?	Why? (Reasons)
Emergency			
Regular Expenses			
Investment			

### Flip chart 3:

#### Assignment

- Identify examples for each type of need for money (emergency, regular expenses, investment) in a borrowing situation.
- Discuss whether it would be better to save for or borrow the money for each example.
- Give at least one reason for each example.
- Complete the chart.

### Flip chart 4:

#### Why Would I Borrow Money?

- What would be a reason for you to borrow money?
- Would you prefer to borrow money or use savings? Why?

## Optional Handout—Evaluating Loan Opportunities

Five questions	Option 1	Option 2	Option 3
Can I borrow the amount I need?			
What is the interest rate on the loan and how much will I have to reimburse at the end?			
Can I pay in small amounts on a regular schedule (daily, weekly, or monthly)?			
Do I need to give or present something of value (collateral) in order to obtain the loan?			
Can I benefit from the support of the lender if I need it when using the loan?			

I choose \_\_\_\_\_ because \_\_\_\_\_



# Record It! Keeping Financial Records

## Session Rationale

Participants develop their own system for keeping their financial records and personal documents.

## Time

75 minutes

## Session Learning Objectives

1. In a large group discussion, participants will identify at least two reasons to keep financial records and at least two documents that are important to keep.
2. After reading a scenario in small groups, participants will identify financial documents that can be used to verify expenses made, products purchased, and income received.
3. After reading a case study, participants will complete a financial ledger of income, expenses, documentation, and ending balance.

## Prerequisites

Spending: Needs and Wants

Savings: Pay Yourself!

Developing a Personal Budget

## Session Outline

<b>Motivation</b>	Your documents: Who keeps them? (10 min)
<b>Information</b>	What to Keep and Where? (30 min)
<b>Practice</b>	Mani's record keeping (20 min)
<b>Application</b>	Let's start recording (15 min)

# Record It! Keeping Financial Records

## Facilitator preparation:

1. Convert the U.S. dollar amounts in examples, scenarios, and case study into local currency and realistic amounts for the local context.
2. Decide whether to use boxes, baskets, folders, envelopes, or bags for a record-keeping system. Label three containers: "Personal Documents," "Expenses," and "Income."
3. Prepare a flip chart with an example of a record-keeping system: financial ledger.
4. Decide whether to assign the optional self-assessment/homework.

## Materials:

- **Equipment**
  1. Flip chart paper
  2. Markers or chalk
  3. Plain paper and/or participant notebooks (enough for each participant)
- **Handouts**

Handout 1: Mani's Record Keeping
- **Trainer Materials**

Trainer Material 5: Flip charts  
Trainer Material 6: Three boxes



**Trainer Material:**

- Trainer Material 1: Flip chart 1: Reasons for record-keeping
- Trainer Material 1: Flip chart 2: Obstacles to record-keeping

**Your documents: Who keeps them?**

Participants reflect on the importance of record-keeping and obstacles to record-keeping.

1. Tell participants that this session is about record-keeping. Say: *"I am going to start by asking a couple of questions. Stand up if your answer to my question is 'yes.'"*
  - a. *Are you the one responsible for keeping your birth certificate?*
  - b. *Do you keep all receipts for the things you buy?*
  - c. *Do you recall all the things you bought last week and how much they cost?"*

.....  
**NOTE:** Keep track of how many times people stand; after the exercise, compliment participants who stood up for B and/or C.  
 .....

Post Trainer Material: Flip chart 1: Reasons for record-keeping and Flip chart 2: Obstacles to record-keeping.

Ask: *"Why do people keep receipts of their purchases and of income received? Write their answers on the board or a flip chart under the title: "Reasons for record-keeping."*

Ask: *"Why don't people keep their receipts to track their expenses or income?" Write their answers under the title "Obstacles to record-keeping."*

Ask: *"What are the consequences of not keeping records?"*

Summarize: *"Maintaining financial records is important to keep track of our expenses, our earnings, and also to prove that we purchased something if we need to return or exchange it. We will now identify ways to track and keep your records."*

.....  
**NOTE:** This activity assesses Learning Objective 1.  
 .....

**Trainer Material:**

- Trainer Material 1: Flip chart 3: Record-keeping
- Trainer Material 1: Flip chart 4: Financial Ledger
- Trainer Material 2: Three Boxes

## What to Keep and Where?

Participants identify important personal and financial documents and information to keep and where to keep them.

### 1. Post Flip chart 3: Record-keeping

Organize participants into groups of three and have them copy the Record-keeping table onto a paper or into a notebook. Ask each group to answer the following questions:

- What documents are important to keep in a safe place?
- List the document that shows information about expenses or income in the table below:

Items	Is there a document or proof with information on the amount and date?
<b>Expenses:</b> Money spent on:	
<b>Income:</b> Received from:	

Ask a volunteer to summarize the exercise by asking: *“What documents are important to keep safe?”* And, *“What documents have useful information about expenses and income?”*

.....  
**NOTE:** Expected answers:

A—Birth certificate, government-issued identification card, diplomas, insurance documents, vaccination card, etc.

B—See table below  
.....

Items	Is there a document or proof with information on the amount and date?
<b>Expenses:</b> Money spent on:	
Groceries (supermarket)	Receipts
Food in the marketplace	Sometimes not available
Clothing	Sometimes not available
Education	Receipts
Books	Receipts
Pens	Receipts



<b>Income:</b> Received from:	
Wages	Pay stubs
Selling things on the street	Receipt book or in my head
Selling things to friends	Receipt book or in my head

.....  
**NOTE:** This activity assesses Learning Objective 2.  
 .....

Say: *“While it is important to keep track of information related to your expenses and income, in some cases it is difficult to get a document (receipts, invoices, etc). Even without the document, there are ways to make sure you have kept the information.*

Ask participants to write down or draw ideas about:

- How people can remember information about their expenses and income.*
- Where people keep financial and personal documents like birth certificates, receipts, pay stubs, invoices, etc.”*

Participants form groups of four to share and discuss their ideas. Each group will then present the results of their discussions concerning the following two points:

- Ways to track personal expenses and income*
- Ways to keep important personal financial documents safe and organized*

Point out that there are different ways to track expenses and income and keep important personal and financial documents safe. One way is to keep a simple financial ledger where you record your daily income and expenses with the date and description.

Post Trainer Material 1: Flip chart 4: Financial Ledger.

Date	Description	Money In (Income)	Money Out (Expense)	Comments/ documentation
Dec. 3	Transportation to visit my aunt		\$1	Bus ticket
Dec. 3	Gift for my cousin		\$1	Receipt
Dec. 4	Bought a basket of fruits		\$1	No receipt
Dec. 4	Tips from the restaurant	\$4		No receipt
End of week	<b>Total</b>	<b>\$4</b>	<b>\$3</b>	<b>\$1 on hand</b>

Explain each column with examples. Show participants how to get a weekly balance, subtracting the total in the expense column from the total in the income column to get the total amount of money on hand.

Explain that this example shows that there is \$1 on hand as a balance. Ask: *“What if I counted my money and there was \$2? What does that mean?”*

.....  
**NOTE:** Answer: You forgot to include some income or made a mistake on an expense.  
.....

Remind participants that they can compare their expenses with their personal budget to check on progress.

Explain that some financial transactions (expenses, payments, etc.) come with a document (receipts, savings cards, pay stub, etc.). It is important to keep them organized and in a safe place.

Explain that some people keep their records organized in boxes like these. Show Trainer Material 2: Three Boxes and explain the contents of each.

- **Personal documents** – Any documents, leases, contracts, loan or loan documents, certificates, diplomas, etc.
- **Expenses** – Receipts from purchases and payments
- **Income** – Pay stubs, sales receipts, etc.

Explain that if they don’t have boxes, participants could use folders, envelopes, or plastic bags to keep the documents dry.





## Trainer Material:

- Handout 1: Mani's Record-Keeping

## Mani's Record-Keeping

Participants will help Mani track his financial records.

1. Ask participants to form pairs and distribute Handout 1: Mani's Record-Keeping to each pair.

Ask each pair to read the story and answer the questions at the end of the handout.

NOTE: Expected answers:

- a. It is important for Mani to track his financial operations because this gives him a good idea of how much money he has earned, how much he is spending, and also if there are differences compared with his budget. This also can help Mani decide how much to save or borrow.
- b. "Expenses box" – receipts from taxes, receipts from purchases made.
- c. This activity assesses Learning Objective 3.

Date	Description	Income: Money In	Expense: Money Out	Comments/ documentation
Nov. 1	Payment received	\$30		Copy of receipt
Nov. 1	Chocolates		\$2	
Nov. 2	Contribution given to Mom for household expenses		\$15	No receipt
Nov. 7	Paintbrushes		\$ 5	Receipt
Nov. 8	Medicine for Mom		\$5	Receipt from the pharmacy
Nov. 8	Taxes		\$5	Receipt
Nov. 15	Movies		\$1.50	Ticket
Nov. 16	Sale of painting	\$20		Copy of receipt
Nov. 16	Jeans		\$6	
Nov. 24	Lunches		\$7	No receipt
	<b>Total</b>	<b>\$50</b>	<b>\$46.50</b>	<b>\$3.50 cash on hand</b>

**Trainer Material:**

- Handout 2: Financial Ledger

**Let's start recording!**

Participants use their financial record-keeping system.

1. Explain that participants have helped Mani recreate his financial ledger. Now they will create one for themselves. They should think about all of their income and expenses for the past two weeks.

Distribute Handout 2: Financial Ledger to each participant.

Walk around to monitor progress. Allow 5-10 minutes.

Ask who was able to complete the exercise.

Congratulate those participants who completed the exercise. Then ask some volunteers to explain how keeping records can help them.

Close by asking participants to take out their journals and look at their Progress Chart, checking off any new information and adding to the list any questions they still have.

**Homework/Self-Assessment**

Write the following questions on the board or prepare a flip chart. Ask participants to copy them into their exercise books or onto a piece of paper.

1. Give two reasons people should keep their financial records.
2. List two financial documents that need to be kept safely.
3. What information is important to write down when recording expenses and income in the ledger?

.....  
**NOTE:** Expected responses:

To know how they are using their money—To help them decide how much to save or borrow.

Receipts for purchases made, proof of payment received (salary).

Date, amount, description of the activity.  
.....



## Assessment

Learning Objective 1 is assessed in Motivation.

Learning Objective 2 is assessed in Information.

Learning Objective 3 is assessed in Practice.

## Facilitator Notes for Future Improvement

**Date & Trainer Name:** [What went well? What would you do differently? Did you need more/less time for certain activities?]

## Trainer Material 1—Flip Charts

### Flip chart 1:

Reasons for record-keeping

### Flip chart 2:

Obstacles to record-keeping

### Flip chart 3:

#### Record-keeping

1. What personal documents are important to keep in a safe place?
2. What financial information do young people need to know in order to better use their money?
3. Fill out the table.

Items	Document with the amount and date
<b>Income:</b> Received from:	
<b>Expenses:</b> Money spent on:	

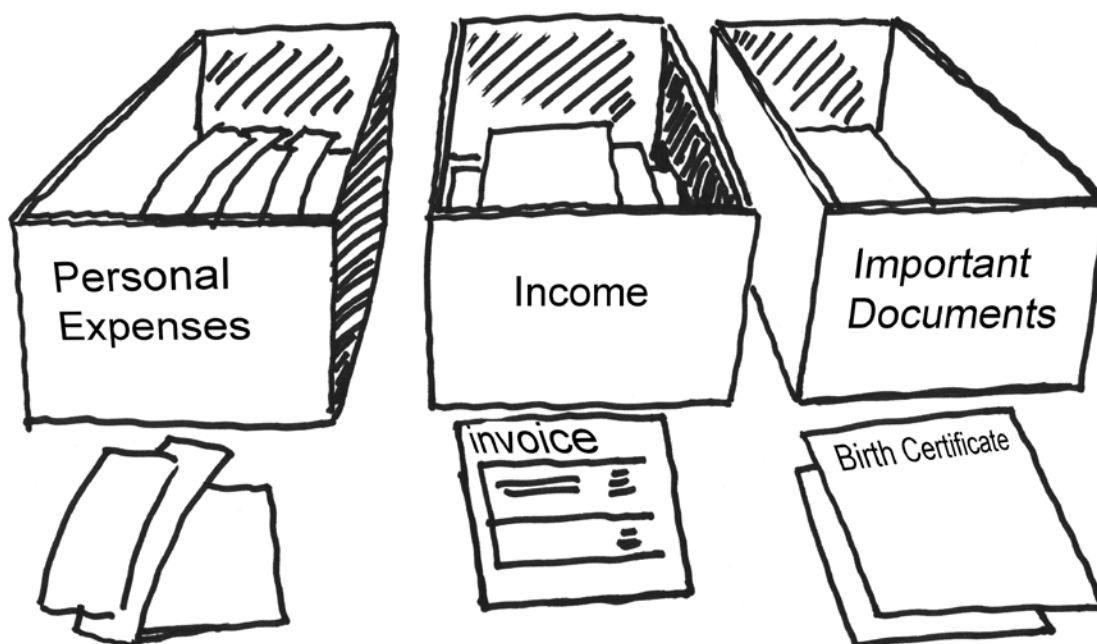
### Flip chart 4:

#### Financial Ledger

Date	Description	Money In (Income)	Money Out (Expense)	Comments/ documentation
Dec. 3	Transportation to visit my aunt		\$1	Bus ticket
Dec. 3	Gift for my cousin		\$1	Receipt
Dec. 4	Bought a basket of fruits		\$1	No receipt
Dec. 4	Tips from the restaurant	\$4		No receipt
End of week	Total	\$4	\$3	Balance: \$1 on hand



## Trainer Material 2—Three Boxes (or baskets, envelopes)



## Handout 1—Mani's Record-Keeping



Today is the last day of November. At the end of each month, Mani has to decide how much money he wants to put into his savings account with the youth savings club.

This month was particularly busy for Mani. He did not have time to record all his financial transactions. He is trying to remember some of the things he did and exactly how much he earned, in order to know how much he can save and still have some cash on hand. He is really annoyed with himself.

He has boxes where he tries to keep all his receipts. Between the content of the boxes and his memory, he will try to record all his expenses in his financial ledger.

From the "Expenses Box" he found the following:

On November 7, he paid \$5 for a set of paintbrushes.

On November 8, he paid a monthly tax of \$5.

He remembered that on November 1, a customer who owed him \$30 paid him back. Mani gave him a receipt and kept a copy. He was so happy that he remembered buying a box of chocolates to share with his nephew. He thinks he bought it for \$2.

He just found a ticket for the movie theater from November 15, which cost \$1.50.

He knows he gave his mom \$15 on November 2 for his contribution for food and electricity. He paid \$6 for a pair of jeans at the market, but he cannot find the receipt. He thinks it was during the market day, a Tuesday, but he is not sure about the exact date. This is really annoying. Next time he will make sure that he records the payment and files the receipt on the same day.

He also remembered selling some paintings for \$20 on November 16. He gave a receipt to the client and kept a copy. He remembered because it was the day he went to see a soccer match between his team and the team from the neighboring city. What a match! His team won. Now he remembers.

Thank goodness he has also found a receipt for the medicine he bought for his mom, which cost \$5. He paid for it on November 8.

He thinks these are all the transactions he made during the month of November.

Oh no! He forgot the lunches. Yes, on November 24, he paid the \$7 he owed to the woman selling food by his shop. He only wished that he had recorded all these transactions more frequently—as they happened—and kept the receipts in a safe place.

### Questions:

- Can you help Mani recreate his ledger, using the expenses and income he remembers?
- How much cash should Mani have on hand at the end of November?
- Why is it important for Mani to keep track of his financial records?
- What are examples of documents Mani can put in the “Expenses Box” and in the “Income Box”?

Date	Description	Money In (Income)	Money Out (Expense)	Comments/ documentation

<b>End of month</b>	<b>Total</b>			





## Handout 1—Mani’s Record-Keeping (Food Security Focus)



Today is the last day of November. At the end of each month, Mani has to decide how much money he wants to put into his savings account with the youth savings club.

This month was particularly busy for Mani. He did not have time to record all his financial transactions. He is trying to remember some of the things he did and exactly how much he earned, in order to know how much he can save and still have some cash on hand. He is really annoyed with himself.

He has boxes where he tries to keep all his receipts. Between the content of the boxes and his memory he will try to record all his expenses in his financial ledger.

From the “Expenses Box” he found the following:

On November 7, he paid \$5 for a set of new, higher-yield sweet potato seeds. On November 8, he paid a monthly tax of \$5.

He remembered that on November 1, a customer from the market who owed him \$30 paid him back. Mani gave him a receipt and kept a copy.

He was so happy that he remembered buying a box of chocolates to share with his nephew. He thinks he bought it for \$2.

He just found a ticket for the movie theater from November 15, which cost \$1.50.

He knows he gave his mom \$15 on November 2 for his contribution for food and electricity. He paid \$6 for a pair of jeans at the market, but he cannot find the receipt. He thinks it was during the market day, a Tuesday, but he is not sure about the exact date. This is really annoying. Next time he will make sure that he records the payment and files the receipt on the same day.

He also remembered selling some seedlings for \$15 on November 16. He gave a receipt to the client and kept a copy. He remembered because it was the day he went to see a soccer match between his team and the team from the neighboring city. What a match! His team won. Now he remembers.

Thank goodness he has also found a receipt for the medicine he bought for his mom, which cost \$5. He paid for it on November 8.

He thinks these are all the transactions he made during the month of November.

Oh no! He forgot the lunches. Yes, on November 24, he paid the \$7 he owed to the woman selling food by his shop. He only wished that he had recorded all these transactions more frequently—as they happened—and kept the receipts in a safe place.

#### Questions:

- Can you help Mani recreate his ledger, using the expenses and income he remembers?
- How much cash should Mani have on hand at the end of November?
- Why is it important for Mani to keep track of his financial records?
- What are examples of documents Mani can put in the “Expenses Box” and in the “Income Box”?

Date	Description	Money In (Income)	Money Out (Expense)	Comments/ documentation



<b>End of month</b>	<b>Total</b>			

## Handout 2—Financial Ledger

Date	Description	Money In (Income)	Money Out (Expense)	Comments/ documentation
End of month	Total			



# Let's Meet Financial Institutions!

## Session Rationale

Participants identify financial services potentially useful to youth in their community and meet with financial institutions providing these services.

## Time

110 minutes

## Session Learning Objectives

1. In a large group discussion, participants will map out at least three types of financial institutions and/or associations and four basic financial services that exist in their community (or nearest town).
2. After prioritizing the top four financial services youth need, participants will identify the institutions that best provide these services to youth and the reason for their selections.

## Prerequisites

Spending: Needs and Wants

Savings: Pay Yourself!

Where to Save

Wise Use of Loans

## Session Outline

<b>Motivation</b>	Introducing financial institutions (20 min)
<b>Information</b>	Young people and the kind of financial services they need (40 min)
<b>Practice</b>	Preparation for field visit; field visit (30 min)
<b>Application</b>	Debriefing on the field visits using the 3-2-1 technique (20 min)

# Let's Meet Financial Institutions!

## Facilitator preparation:

1. Conduct a small survey of financial institutions in the community or nearby town.
2. Find examples of different types of financial institutions: traditional commercial banks, credit unions and savings and loans associations, microfinance institutions.
3. Contact managers of different types of financial institutions to set up a field visit for the participants. The ideal situation would be to have at least one bank, a credit union, a microfinance institution, and a savings and loan association or youth savings group, and mobile banking service, if available (or at least all of the types of available institutions locally). Ask the institutions how many people they are willing to host for a visit; if your group is large, consider organizing two different groups. Give them an idea of the types of questions you think the group will have. An alternative is to see if representatives will come to your class.
4. If participants will be divided into small groups to visit the institutions, then decide which participants will be in each group,
5. If you will be making visits over the course of several days, then you may want to schedule a quick debrief after each visit, followed by the larger debrief outlined in the Application section
6. Prepare a set of Financial Services cards for each group.
7. Decide whether or not to provide the Optional Handout 2 – Evaluating Financial Institutions. If so, then introduce it at the end of the Information section.

.....  
**NOTE:** The time spent visiting financial institutions is not included in the time estimate for this session.  
.....

## Materials:

- **Equipment**
  1. Flip chart paper and markers (or a board with chalk)
  2. Sticky notes or small pieces of paper and tape
- **Trainer materials**

Trainer Material 1: Flip charts
- **Handouts**

Handout 1: Financial Services Cards (one set per group)

Handout 2: Evaluating Financial Institutions (Optional)



**Trainer Material:**

- Flip chart paper and markers

**Introducing financial institutions**

Participants will share what they know about financial institutions.

1. Ask: “Why do people go to a bank?”

Write down participants’ answers on a flip chart or chalkboard.

Summarize answers or say: “We see that people go to the bank to deposit money, withdraw money, get a loan, and even invest in some products. All these are called financial services.”

Where else can people go for financial services?

On a flip chart, make a list of the places participants mention.

Mention the type of institution after each (savings and loan association, microfinance institution, credit union, mobile bank, or bank)

.....  
**NOTE:** Expected answers:

Rotating saving and credit associations (ROSCA), youth saving associations, traditional savings groups—merry-go-rounds, savings and loan associations, and mobile banking using mobile phones.  
This activity assesses Learning Objective 1.  
.....

**Trainer Material:**

- Trainer Material 1: Flip chart 1: Financial Services Needed and How Youth Can Find Help
- Trainer Material 1: Flip chart 2: Main Types of Financial Institutions
- Trainer Material 1: Flip chart 4: Criteria for Selecting a Financial Institution
- Trainer Material 2: Financial Services Cards (one set per group)

**Young people and the kind of financial services they need**

Participants identify financial services needed by young people in the community and criteria for selecting the services.

1. Say: *"We have seen that people go to banks to access some financial services. We also learned that banks are not the only institutions providing these services. We are going to learn about the different services that these financial institutions offer."*

Have participants form groups of 3-4.

Explain that they are going to look at some different financial services and decide which they think are services that youth need.

Distribute Trainer Material 2: Financial Services cards to each group. Ask groups to review the cards and put them in order of priority for youth.

Post Flip chart 1: Financial Services

Ask groups to copy the table from Flip chart 1 on a piece of paper. Explain that you are going to give them some information about different financial institutions and the financial services that each provides. While you talk about the financial institutions, participants should pay close attention to which institutions provide the services that they want to access.

Post Flip chart 2.

- a. **A bank** is a commercial or state institution permitted by the government and the law to provide financial services. Banks are businesses, so they make money on their various services. Each service may well have some type of fee. They offer:
  - 1) Bank accounts—which allow you to deposit or withdraw money
  - 2) Checks—documents that help you make payments and, in some cases, pay for things directly (show an example)
  - 3) Loans
  - 4) Safe deposit boxes for people to store important documents
  - 5) Money transfers to other bank accounts or to make payments, etc.
  - 6) Credit cards and debit cards
  - 7) Ask some volunteers to name banks they know in their community or the country. Do any of the participants have a bank account? If so, what do they use it for?

Continue: *"There are also financial organizations that provide selected banking services without meeting the legal definition of a bank."*

- a. **Credit union and cooperative banking**—This is a financial institution that provides services similar to those at commercial banks. However, it differs from banks in that it is governed and operated by its members. It is also approved by the government.
- b. **Microfinance institution**—This is a financial institution that provides only a few financial services, such as savings, loans, transfers, and payments. It provides smaller-sized loans than commercial banks.





- c. **Savings and Loan Associations, also known as Rotating Savings and Credit Associations (ROSCA)**—This is a group of individuals who agree to meet for a defined period of time in order to save and lend money from their group savings to members who want to borrow it. They frequently charge interest. The ROSCA may be informal, among friends. Sometimes it starts as a self-help group of people who want to support each other in meeting their financial needs and goals. It may be called different names in different countries.
- d. **Mobile banking**—Some institutions offer electronic financial services, such as savings, transfers, and payments, through mobile devices (simple mobile phones, smartphones, etc.). Using SMS or mobile Web, people can access different financial services.

.....  
**NOTE:** For each type of institution, provide examples from the community/city/country based on your assessment.  
 .....

Conclude by explaining that these are not the only types of financial institutions, but they are ones that will most likely help participants to meet their financial goals for now.

Ask participants to work in their groups to complete their charts, selecting what they think are the top four services that youth need, choosing the best place for youth to get that service, and why they think it is the best?

Financial services youth need	Best place to find the service	Why it is the best place?

.....  
**NOTE:** The table can be drawn on the chalkboard or on a prepared flip chart. Participants will reproduce the table. Try as much as possible to place a person who can write within each group.  
 .....

Post Flip chart 3: Cost, convenience, and customer service.

Explain that we often use three criteria for choosing financial services. Explain each.

- a. **Costs**—Some financial institutions charge fees for some products, such as checkbooks, use of their debit cards, and maintaining a bank account. Sometimes there is a minimum amount of money that customers need to keep in the institutions to avoid paying fees, so it is important to find out how much that minimum is. There is also the cost of borrowing money. Some financial institutions charge higher interest rates or fees on loans than others.

- b. **Convenience**—While the cost of doing business with a financial institution is an important criterion, access to a variety of services is also important. For example, do you have to pay for transportation to go to the bank (the transportation cost may be more than some fees charged by other institutions)? Are the bank's hours of operation convenient? (You may have to miss work every time you go to the financial institution.) Do you have to go to the office to conduct transactions or does the bank have an ATM service or can someone come to you (to collect savings or lend you money?) Some microfinance institutions have loan officers using motorbikes. Does the bank offer mobile-banking services and are there special conditions that you need to meet in order to access the service? (With mobile banking, you are able to access financial services via your mobile phone).
- c. **Clients**—How does the institution treat clients? Do they answer the questions about their services quickly, clearly, and politely? When there is a problem, do they follow up and solve the problem? How do they assist their customers and encourage them to continue to do business there?

.....  
**NOTE:** This is a lot of information to cover, so try to use a question-and-answer style.

The abbreviation "three Cs" may not work in countries where English, French (Coût, Convenance, and Clients) or Spanish (Costo, Conveniencia, Clientes) are not the main languages. In those cases, use only the concepts and the questions.

.....

Make sure each group has four services that they think youth need. Have groups report one idea each, including the service needed, the best place to find it, and why. As people share their reasons, ask whether their reason is cost, convenience, or customer service, referring to the flip chart.

.....

**NOTE:** This activity assesses Learning Objective 2.

.....

Summarize by saying: *"We have seen that young people need some financial services. These services are offered by financial institutions, such as banks, and other nonbanking institutions, such as credit unions, microfinance institutions, ROSCAs, and mobile banking. While all these institutions provide financial services that young people need, it is important to know which ones help you meet your financial goals at the lowest costs, convenience, and reliability. We will now prepare to meet these financial institutions."*

## Practice

**Time: 30 minutes**

### Preparation for field visit

Participants prepare to conduct a field visit to financial institutions in their community or nearby town.

.....

**NOTE:** If participants will be visiting an institution in a smaller group, then announce who is in which group and have the groups sit together for the next exercise.

.....



1. Explain that participants are going to visit some financial institutions. They are going to prepare for the visits.

List and describe the different financial institutions participants will visit.

.....  
**NOTE:** Field visits may occur over several days. After each field visit, it is important to debrief and prepare for the next visit. Depending on the size of the group of participants, not all participants may visit a particular institution. You may have to offer a choice of who goes where and when. Discuss the logistics of the visits.  
.....

Have participants work in small groups to come up with questions they want to ask. Have groups share their questions with each other and come to agreement on a list of questions they want answered.

.....  
**NOTE:** The following are sample questions:

- What services or products do you have for young people like us?
  - What fees are charged for these services?
  - What are your interest rates for loans? What interest rates do you pay on savings?
  - How many offices do you have in this community?
  - What are the hours of operation?
  - When members or clients have questions, where can they go to get answers?
  - Why would a young person like me choose your institution?
- .....

Post a flip chart. Write “Questions for Visit” on the flip chart and write down the questions participants want to ask.

Have participants practice asking their questions. Let them decide who will ask which questions.

Explain that they also need to think about what they will do upon entering the bank. Here are some things to consider:

- o How will they greet the staff?
- o Who will introduce the group and explain why they are there?
- o Who will ask which questions?
- o Who will thank the staff member who has taken the time to talk to them?
- o Who will take notes so they can remember the answers?

Have participants discuss how they will dress for the visits.

Review all of the logistics.

Visit the institutions.

.....  
**NOTE:** Visits to institutions are not included in the time allotment for this session.  
.....

## Debriefing of the field visits using the 3-2-1 technique

Participants debrief what they have learned from the visits.

**NOTE:** This series of activities takes place after field visits, when participants are back in their usual training site.

1. Have participants present the information they gathered from each institution. If possible, have participants make some flip charts that allow them to compare institutions with regard to types of services, fees, and convenience.

**NOTE:** You may want to provide each group with a flip chart template with a grid.

Ask participants to reflect on the experience of going to the institutions, meeting with employees there, and asking questions.

Post Flip chart 4: 3-2-1:

**3** Things I have learned about financial institutions and financial services

**2** Things I will do differently or change about the way I view financial institutions

**1** Questions I still have about financial institutions

Ask participants to write down the following:

- a. Three things they have learned from the visits.
- b. Two things they will do differently or things that have changed about the way they look at financial institutions.
- c. A question they still have about financial institutions.

Start with the "3" and ask each participant to share one thing. Next, have participants share one idea for "2," and finally, one idea for "1."

**NOTE:** Some of the youth are intimidated by banks. Their change of attitude toward banks is worth tracking throughout this activity.

Discuss some of the questions participants still have.

Remind participants as they leave the room to put a check in the relevant box on the flip chart "What I would like to learn," discussed during the session "Introduction: Getting Ready."

## Assessment

Learning Objective 1 is assessed in Motivation.

Learning Objective 2 is assessed in Information.

## Facilitator Notes for Future Improvement

**Date & Trainer Name:** [What went well? What would you do differently? Did you need more/less time for certain activities?]

## References

Bryan Lorin Sudweek. *Personal finance: Choosing a financial institution*.  
<http://personalfinance.byu.edu/?q=node/584> (The notion of “three Cs” was adapted from this source).

## Trainer Material 1—Flip Charts

### Flip chart 1:

#### Financial Services Needed

Financial services youth need	Best place to find the service	Why it is Best

### Flip chart 2:

#### Main Types of Financial Institutions (This is not an exhaustive list)

Types of financial institutions	Main services offered	Key characteristics
Banks	All main services identified	Driven by profit
Credit unions and cooperatives	Deposits, savings, loans, checkbooks	Generally not for profit. Owned by members, who borrow and save.
Microfinance Institutions	Savings and small loans	Target people with few financial resources, self-employed individuals, and groups of people.
Rotating saving and credit associations (ROSCA)	Savings and loans	Not formal, owned and managed by members who save and borrow. The goal is solidarity through “friends helping friends.”
Mobile banking	Savings, money transfer, payment of bills from electronic wallet	Can be for-profit or nonprofit, but is based on online and telecommunication technologies (mobile phone networks and Internet).



### Flip chart 3:

#### Criteria for Selecting a Financial Institution

**Costs:** Is its services cheaper, compared with others?

**Convenience:** How convenient is it to do business with this financial institution or business?

**Clients/Customer Service:** How do staff members treat clients like me? Are their customer service and technical support reliable?

*Choose a financial institution that helps you meet your financial goals at a low cost with convenience and one that provides you with reliable customer service.*

### Flip chart 4:

#### Debriefing Questions: 3–2–1

3 Things I have learned about financial institutions and financial services

2 Things I will do differently or change about the way I view financial institutions

1 Questions I still have about financial institutions

### Flip chart 5:

#### Things I Would Like to Learn

Things I would like to learn	I understand now	Still don't understand	Know how to use it	Will start using it
(This column contains the list of things participants said they wanted to learn.)				

## Handout 1: Financial Service Cards

### Financial Services Cards

<b>Deposits</b>  Keeps money safe and allows for withdrawals.	
<b>Debit Cards</b>  A card used instead of cash to pay for goods and services. The amount spent is taken from your bank account by the bank and sent to the payee.	<b>Safe Deposit Box</b>  A secure and locked box in a bank where important documents can be stored.
<b>Checks</b>  Piece of paper one signs that is used instead of cash to pay for goods and services.	<b>Savings</b>  Savings accounts with interest.
<b>Automatic Teller Machine (ATM)</b>  Using a card associated with your bank account, ATMs allow financial transactions without going to the bank counter.	<b>Loans</b>  Borrowed money, including personal loans, business loans (to start a business), mortgage loans (loans to purchase a home, property or business).
<b>Wire Transfers</b>  Transfer of funds to individuals and institutions, including banks or other bank accounts.	<b>Insurance</b>  A contract that guarantees for a fee to pay for something of value if it is lost, damaged or stolen.





# Financial Negotiations

## Session Rationale

Participants develop a financial negotiation plan and practice their negotiation skills.

## Time

2 hours, 10 minutes

## Session Learning Objectives

1. In pairs, participants will describe at least two situations where financial negotiations are needed.
2. Given a scenario, participants will practice negotiating in pairs.
3. After practicing negotiating, participants will create a negotiation plan for their own (or a given) situation.

## Prerequisites

Spending: Needs and Wants

Savings: Pay Yourself!

Wise Use of Loans

Let's Meet Financial Institutions

## Session Outline

<b>Motivation</b>	Negotiation role-play: Sharing oranges (25 min)
<b>Information</b>	Defining negotiation (45 min)
<b>Practice</b>	Negotiating for a pair of jeans (40 min)
<b>Application</b>	Negotiation and me (20 min)

# Financial Negotiations

## Facilitator preparation:

1. Prepare flip charts
2. Adapt the name and currency in the role-play
3. Photocopy handouts (there are five in this session).

## Materials:

- **Equipment**
  1. Flip chart
  2. Markers or chalk
  3. Notebooks and pens/pencils
- **Handouts**
  - Handout 1a: Mani's Confidential Instructions
  - Handout 1b: Naomi's Confidential Instructions
  - Handout 2a: Buyer's Confidential Information
  - Handout 2b: Seller's Confidential Information
  - Handout 3: Negotiation Plan
- **Trainer Materials**
  - Trainer Material 1: Flip charts



**Trainer Material:**

- Trainer Material 1: Flip chart 1: Drawing of 11 Oranges
- Handout 1a: Mani's Confidential Instructions
- Handout 1b: Naomi's Confidential Instructions

**Negotiation Role-Play: Sharing Oranges**

Participants act out a financial negotiation in a role-play.

**1. Post Trainer Material 1: Flip chart 1: 11 Oranges**

Ask participants to form pairs. Tell participants that they are going to do a role-play between Mani and Naomi. They need to decide who will play Mani and who will play Naomi.

.....  
**Post Adaptation:** Change the names to fit the profile of the participants.  
 .....

.....  
**NOTE:** If the number of participants is an odd number, one group will have three participants, two will play one (Mani or Naomi).  
 .....

Once participants have chosen their roles, ask participants to listen to the scenario:  
*"Mani and Naomi have received 11 oranges from their uncle. They have decided to share the oranges. However, they seem not to agree on how many oranges each of them should have.*

*"They are meeting to discuss a fair way to share these oranges."*

Explain that you are passing out secret/confidential instructions for each actor. Don't show anyone. Ask participants who will play Mani to raise their hands. Distribute Handout 1a to them. Distribute Handout 1b to those who will play Naomi.

Ask participants to take 1-2 minutes to prepare for their discussions. After two minutes, ask participants to start discussing with each other how to share the oranges. They have five minutes.

After the discussions, debrief the participants using the following questions:

- Which pairs reached an agreement?
- What were the terms of the agreement? (Write them down.)
- What were each of you trying to do?

.....  
**NOTE:** Expected answer to the third question: "To convince the other."  
 .....

- Was there a way each of you could get 11 oranges?

.....  
**NOTE:** If there is a pair who reached that agreement (that Mani would use the orange and Naomi the peel), ask them how they did it. It is not expected that they will come up with that solution.  
 .....

Summarize: *"During this exercise you tried to persuade your cousin to let you have the maximum number of oranges. Some of you decided to split so you had 5 1/2 oranges each. But it seemed that there was no way for both of you to get 11 oranges. However, if you had asked why the other wanted the oranges, you would have seen that Mani wanted only the juice and Naomi only the orange peel. So Naomi could have removed the peel of the 11 oranges, and then given them to Mani to press them for the juice."*

*"If you did not get 11 oranges, don't worry; hopefully, by the end of this session, you will be able to do that."*

## Information

Time: 45 minutes

### Trainer Material:

- Trainer Material 1: Flip chart 1: Drawing of 11 oranges
- Trainer Material 1: Flip chart 2: Definition of Negotiation
- Trainer Material 1: Flip chart 3: Some Financial Negotiation Situations
- Trainer Material 1: Flip chart 4: Results of Negotiation
- Trainer Material 1: Flip chart 5: Preparing for Financial Negotiation
- Trainer Material 1: Flip chart 6: Listening During Negotiation

## Defining negotiation

Participants will consider what it means to negotiate and identify steps in which financial negotiation is required.

1. Say: *"Most of you said you were trying to persuade your partner to let you have more than half the oranges. You were trying to do so through discussion."*

Post Flip chart 2 and have them read the definition of negotiation:

*Negotiation is communication with others for the purpose of arriving at an agreement that helps you achieve your goals. Financial negotiation involves an agreement about financial goals.*

Mention that negotiating an agreement is best when reached through respectful communication and persuasion.



2. Ask participants in pairs to think of a situation in which financial negotiation might be needed.
3. Ask each pair to share their answers and write their answers on a flip chart, as they speak.

.....  
**NOTE:** This activity assesses Learning Objective 1.  
 .....

Post Flip chart 3. Say: *"You have mentioned situations that can be summarized in four main categories where financial negotiation is needed:*

- a. Buying/paying and selling/providing things or services*
- b. Accessing financial services, such as loans, savings, opening a bank account, etc.*
- c. Determining a salary or job-related benefits*
- d. Managing money with other people, such as friends, colleagues, or relatives."*

Ask participants: *"Looking at the different results you obtained with the negotiation about oranges, what are ways a negotiation can end?"*

Post Flip chart 4: Results of Negotiation.

Summarize by comparing their answers with Flip chart 4.

Say: *"As you have observed during your exercise, the following five results may occur with a negotiation:*

- ***"Win-win*** — *All people involved meet their goals. For example, in the exercise, Mani and Naomi each get 11 oranges. In the case of buying, the client buys at the price he or she wants and the seller sells the quantity he or she wants.*
- ***"Half-half or '50-50'*** — *All the people or parties involved in the negotiation get half of what they want. In the case of the oranges, Naomi and Mani each get 5 ½ oranges. In the case of the buying/selling example, the buyer and the seller don't get all they want, but they don't feel like the other got more than they did. For example, the buyer wants to buy the product at \$6 and the seller wants to sell at \$8 or persuade the buyer to buy two products at \$7 each. But finally they reach an agreement where the buyer buys only one product at \$7.*
- ***"Win-Lose*** — *One of the persons involved gets what he or she wants and the other person gets less than what he or she wants, or nothing. In the case of oranges, one of the two gets six or more oranges. In the buying and selling situation, the buyer buys at the price he or she wants and the seller sells at a price that may not allow him to make a profit, or he may even lose money. (This might happen if the seller badly needs some money—maybe for an emergency or to make a payment on his products.)*
- ***"Lose-lose*** — *The people involved do not reach an agreement. In the case of oranges, Mani and Naomi do not agree on how to share the oranges. Maybe it becomes a big argument and so the uncle decides to take back the oranges. In the case of buying and*

*selling, the sale does not happen and the buyer and seller do not want to do business with each other again.*

- **“Agreement with help** — *The people involved agree to disagree and stop the negotiation and look for someone to help them reach an agreement. In the case of oranges, Naomi and Mani decide to ask their uncle to help them decide how to share the oranges. In some cases, the buyer and seller can decide to bring in another person, called a mediator, to help them come to an agreement. This often happens in important business negotiations.”*

Ask: *“How did you prepare to negotiate for the oranges?”*

Post Flip chart 5: Preparing for Financial Negotiation.

As you go through each point on the flip chart, ask participants to reflect on how they prepared for their negotiation about the oranges.

Say: *“To reach an agreement that satisfies you, it is important to prepare for your financial negotiation. The following are questions that will help you be better prepared.”*

- **Do I know enough about the issue I will negotiate on?**—The more information you have, the better prepared you will be. For example, if the negotiation is about buying something, the more information you have on prices, sellers, etc., the better you can negotiate for a good price. Seek advice and learn more about the issue.
- **What do I want to achieve and why?**—It is important to answer these questions for yourself. When you know what you want, and why, you can focus on what is really important: the reasons you want what you want.

Ask participants to think back to Mani and Naomi in the role-play:

- *“What did Mani want?”* (Answer: More oranges.)
- *“Why?”* (Answer: Because he needed more orange juice.)
- *“What does Naomi want?”* (Answer: More oranges.)
- *“Why?”* (Answer: Because she needs the skins of oranges for her cakes.)
- **“What does the other person want, and why?”** *It is important to know what the other person wants, and why. Even if you think you know, during the negotiation, always ask, ‘What do you want, and why?’”*

Ask, *“Why do you think it is important to know what the other person wants?”*

Say: *“In the case of the oranges, if Naomi and Mani had each known why the other wanted the oranges, they could have worked together toward a ‘win-win’ agreement.”*

Mention that sometimes, even knowing what the other wants, and why, may not lead to a “win-win” solution, but it may lead to an acceptable situation, either “50–50” or



“agreeing to disagree” with no agreement. But both people would not be upset with each other, as can happen with a “lose–lose” or “win–lose” situation.

Say: *“For example: Here’s a situation of buying and selling: The buyer wants to pay a certain price because she doesn’t have any more money than she is offering. The seller wants to sell at a certain price (higher than what the buyer is proposing) because below that price, the seller will not make a profit. Both may agree to disagree, so there is no sale. They may also find a solution together if, for example, the buyer really likes the product and the seller wants to keep a customer.”*

**What advantages do you have?**—The advantage depends on the situation. An advantage can be:

- **Many options or choices to reach your goals**—e.g., for a buyer who may know of many sellers selling the same product at different prices.
- **More time**—The other person may want to reach an agreement sooner because s/he is in a rush, but you have more time to wait.
- **What advantages does the other person have?**—Always try to understand the advantages of the other person. It gives you a better understanding of the situation and how far you can go toward achieving your goals.
- **How to start? Introduction**—This is where you want to create a good environment for the negotiation. Start by greeting the person. Be polite and show that you care about the person and his or her activity on which you will negotiate. If possible, let the other party start to express what they want. If they start, listen carefully. You may get the answer to the question, “What do they want and why do they want it?”

Ask: *“During the negotiation on oranges, how many of you knew why Mani or Naomi wanted oranges?”*

After listening to the participants, say: *“Negotiation happens through communication. One important element of communication is effective listening. The only way to know what the other person wants, and why, is through listening.”*

You listen better by:

- a. *Asking questions.*
- b. *Encouraging the other person to explain more.*
- c. *Summarizing what the other person has said to make sure that you have understood.*

When it is your turn to speak:

- a. *Speak clearly and politely.*
- b. *Stay focused on what you want.*
- c. *Use what you have learned from the other person, if possible.”*

Ask if there are questions. If not, say: *“Let’s apply all of these ideas in a scenario.”*

**Trainer Material:**

- Handout 2a: Buyer's Confidential Information
- Handout 2b: Seller's Confidential Information
- Handout 3: Negotiation Plan

**Negotiating for a Pair of Jeans**

Participants use their negotiation skills during a role-play.

1. Tell participants that they now know the steps involved in negotiation. They are going to role-play another scenario.

Ask participants to form new pairs and decide who will be the seller and who will be the buyer. Then read the following scenario:

*"This is the holiday season. People are getting ready for the New Year. This negotiation takes place in the market between the owner of the clothing store and a regular customer. Both know each other. It is not the first time this customer has bought clothes in the shop. In this market, the price is negotiable. This time, they are negotiating over the price of a pair of jeans."*

.....  
**NOTE:** If the number of participants is an odd number, there will be a group of three. Ask two participants from the groups of three to play the role of the seller.

The facilitator can also organize the group for the exercise in the following way: have small groups prepare for each role. If the group is large, there could be two groups preparing to be the seller and two groups preparing to be the buyer. They work on their preparation together and then select one person to actually play the role.

.....

Once participants have chosen their roles, distribute Handout 2a and Handout 2b to participants, respectively. This is confidential information not to be shared before the negotiation.

Distribute Handout 3 to each participant.

Tell participants they have a few minutes to prepare for the negotiation.

Do the role-play.

After 5 minutes, stop the negotiation and start the debriefing by asking:

- a. "How did you do in that negotiation? Was it better than the first?"
- b. "What happened in your negotiation? Did you buy? Did you sell? At what price?"
- c. "How did each of you feel at the end?"



- d. *What type of resolution did you have? (Refer to the different kinds of outcomes.) Why do you think this happened?*
- e. *Who had the time to finish the preparation? (Ask one volunteer seller and one volunteer buyer to explain how he or she prepared.)*
- f. *What negotiation skill was difficult for you to apply?*
- g. *How did your partner do in the negotiation?*
- h. *Is this a situation some of you have experienced in real life?"*

Congratulate the participants on their performance.

Summarize: *"Remember that negotiation is an exercise of communication to reach an agreement that satisfies you and the other person. It is important to prepare well, be polite, think of your interest and the interests of other people involved, and listen when they speak."*

.....  
**NOTE:** This activity assesses Learning Objective 2.  
 .....

## Application

**Time: 20 minutes**

### Trainer Material:

- Flip chart paper
- Participant notebooks

## Negotiation and me

Participants prepare for a negotiation.

1. Say: *"I would like each of you to think of a real financial situation you may be involved with.*
  - a. *Briefly describe the situation in your notebooks.*
  - b. *Come up with a negotiation plan using Handout 3."*

Walk around to monitor progress.

After the exercise, ask one or two volunteers to share their plans.

.....  
**NOTE:** This activity assesses Learning Objective 3.  
 .....

Make sure each participant does the exercise. For those who can't write properly, they may describe the situation to you orally without disturbing the class.  
 .....

## Assessment

Learning Objective 1 is assessed in Information.

Learning Objective 2 is assessed in Practice.

Learning Objective 3 is assessed in Application.

## Facilitator Notes for Future Improvement

**Date & Trainer Name:** [What went well? What would you do differently? Did you need more/less time for certain activities?]

## References

Microfinance Opportunities, Citigroup Foundation, Freedom from Hunger. *Financial Negotiations: Communicate with Confidence*.



## Trainer Material 1—Flip Charts

### Flip chart 1:

Drawing of 11 oranges

### Flip charts 2:

#### Definition of Negotiation

Negotiation is communication with others for the purpose of arriving at an agreement that helps you achieve your goals. Financial negotiation involves an agreement about financial goals.

### Flip chart 3:

#### Some Financial Negotiation Situations

1. Buying/paying and selling/providing things or services
2. Accessing financial services, such as a loan, savings, opening a bank account, etc.
3. Determining a job salary and benefits
4. Managing money with other people, such as friends, colleagues, or relatives

### Flip chart 4:

#### Results of Negotiation

Possible Results of negotiation	Possible impact
Win–Win	
Half–Half or “50–50”	
Win–lose	
Lose–Lose	
Agreement with help	

## Flip chart 5:

### Preparing for a Financial Negotiation

**Do I know enough about the issue I will negotiate on?** Gather information, seek advice, and learn about the issue.

**What do I want to achieve and why?** It is important to determine this, because it helps you know what you can give up.

**What does the other person want and why?** It is important to know what the other person wants and why.

**What advantages do you have?** The advantage depends on the situation.

**What advantages does the other person have?** Always try to understand the advantages of the other person.

**How to start? Introduction:** Be polite; show that you care about the other person; and let the other person start. Listen!

## Flip chart 6:

### Listening During Negotiation

**You listen better when you:**

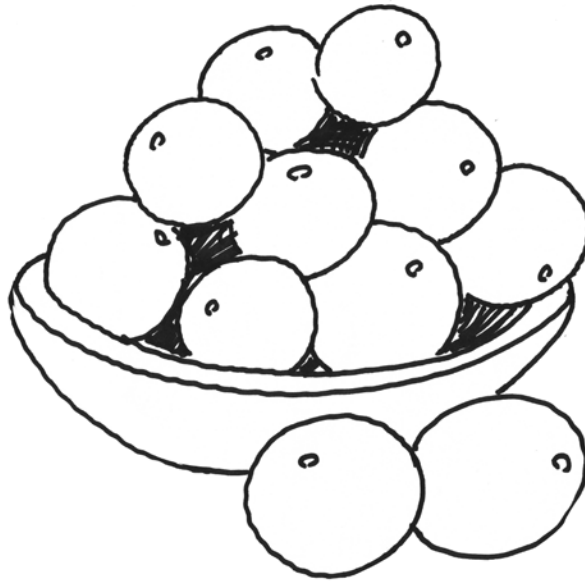
1. Ask questions.
2. Encourage the other person to speak more.
3. Summarize what the other person said to make sure you have understood.

**When it is your turn to speak:**

1. Speak clearly and politely.
2. Stay focused on what you want.
3. Use what you have learned from the other person, if possible.



## Handout 1a—Mani's Confidential Instructions



You and your cousin Naomi have just received 11 oranges from your uncle to share with each other.

There is a big soccer match coming up and you know that during the soccer match people like to drink a lot of orange juice.

Your goal is to make a large quantity of orange juice. The more oranges you can get, the more juice you can make and sell during the soccer match. One orange gives you one glass of orange juice that you can sell. This is quick money, since you did not buy the oranges.

You are meeting with Naomi to persuade her to let you have as many of the oranges as possible.

## Handout 1b—Naomi's Confidential Instructions

You and your cousin Mani have just received 11 oranges from your uncle to share with each other.

During the weekends, you sell orange cakes to make some money. From an orange, you only use the orange peel to make your cake. So, the more oranges you can get, the more orange peels you have to bake more cakes to sell.

You are meeting with Mani to persuade him to let you have as many of the oranges as possible.



## Handout 2a—Buyer's Confidential Instructions



This is the holiday season. Everyone is preparing for the New Year. You want to give your cousin a nice pair of jeans you have seen in one of your favorite shops in town. You really like the jeans and if the seller gives you a good price, you may even buy a pair for yourself.

Last time you checked the price, the jeans were \$8. You told the seller you thought the price was still high, but you would think about the price and come today to see if you want to buy them. You have \$10 to spend on gifts this holiday season, but you also want to buy gifts for yourself.

### **Some things to know (the seller does not know this):**

You are willing to buy the jeans at no more than \$6 a pair and if the pair of jeans goes down to \$5, you may even buy two (one for yourself and the other for your cousin).

There are other shops selling jeans at \$5 a pair, but you don't trust the quality of those jeans. You have been buying clothes in this shop and you have always been satisfied with the quality of the clothes so you prefer to buy here.

You are meeting the seller in 5 minutes.

## Handout 2b—Seller's Confidential Instructions

This is the holiday season. Everyone is preparing for the New Year. You have a good customer who is coming to negotiate for a pair of jeans that you are selling for \$8. You consider this particular shopper a loyal customer, who always buys things here, but it seems it will not be easy to persuade the customer to buy at \$8.

You are getting ready to meet the customer, who is coming soon.

### **Some things to know (the customer does not know this):**

You are willing to sell the jeans at \$7; below that price, you lose money if the customer takes only one pair of jeans. You can sell them for \$6 if the customer buys two pairs.

You can sell the jeans with a loan, if the customer agrees to pay you one month later with an additional \$2 fee.

There are other shops selling jeans at \$5 a pair; and the customer knows this. But you don't know if the customer would decide to go there.

The supplier of the brand of jeans gave you free T-shirts. You have been using these T-shirts to reward good customers. You may give one of those for free to encourage the customer to buy the jeans.

You are meeting the customer in 5 minutes.





### Handout 3—Negotiation Plan

Questions for me	My answers
<b>Do I know enough about the issue I will negotiate on?</b> Gather information, seek advice, and learn about the issue.	
<b>What do I want to achieve and why?</b> It is important to answer these questions for yourself.	
<b>What does the other person want and why?</b> It is important to know what the other person wants and why.	
<b>What advantages do I have?</b>	
<b>What advantages does the other person have?</b>	
<b>How to start? Introduction:</b> Be polite, show that you care about the other person, and let the other person start. Listen carefully.	

# Tell Me What You Know! (Optional)

## Session Rationale

This modular session enables participants to assess what they have learned during each session by playing a game.

## Time

45 minutes

## Session Learning Objectives

1. Playing a jeopardy game, participants, in teams will answer correctly at least two of the three questions asked about financial literacy content.

## Prerequisites

Participants will have already participated in the session(s) being assessed.

## Session Outline

<b>Form Teams</b>	Forming teams (5 min)
<b>Instructions</b>	Instructions for the teams (5 min)
<b>Play the Game</b>	Let the game begin! (30 min)
<b>Reflection</b>	Reflecting on the game (5 min)



# Tell Me What You Know!

## Facilitator preparation:

1. Prepare a box that contains equal sets of numbers (1, 2, 3, 4) on pieces of paper. These will be used to form teams. For instance, if there are three teams of four participants each (12 participants), then make four 1s, four 2s, four 3s, and four 4s.
2. Select the sessions to be included in the game from the comprehensive list of sessions on the question boards and answer key. It's good to play the game after 4-6 sessions.
3. Choose appropriate session columns. There are three sessions per page. Each has four questions that include 100, 200, 300, and 400-point questions. The facilitator will decide which sessions to focus on and extract those sessions from the whole table.
4. Prepare the question board (with questions, answers, and score).
5. Prepare the scoring board to include each team.

## Materials:

- **Equipment**

1. Flip chart papers
2. Markers or chalk
3. Tape

- **Trainer Materials**

Trainer Material 1: Flip charts

Trainer Material 2: A box with pieces of paper with numbers (1, 2, 3, 4) to form the teams

Trainer Material 3: Prize: a box of candy or another prize (Optional)

## Form Teams

Time: 5 minutes

### Trainer Material:

- A box with pieces of paper
- Blank piece of flip chart paper for each team
- Markers for each team
- Trainer Material 1: Flip charts

### Forming teams

Participants form their “Jeopardy!” teams and give them names.

1. Explain that participants will play a game called ‘Tell me what you know!’ They will start by forming teams. Go around the room to each participant and ask him/her to draw from the box a piece of paper with a number. Ask those with the same number to form teams.

.....  
**Post Adaptation:** If possible, adapt the name “Tell me what you know!” to the local context. If there is a local TV game show similar to “Jeopardy!” you can consider it.  
.....

Ask participants to get into their teams, pick the name for their team, and have them write their team name on a flip chart.

## Instructions

Time: 5 minutes

### Instructions for the teams

Participants receive instructions from the facilitator, who also explains his or her role.

1. When the teams are ready, say: *“Let me give you the instructions and information about the game.”*
2. Provide the following instructions to the teams:
  - a. Each group will pick a box from the question board. Each box is identified by a number. The number is the quantity of points the question is worth.
  - b. The lower numbers have easier questions. The higher numbers have more challenging questions.
  - c. Teams will take turns selecting a box and answering the question. A team can select any box that has not already been chosen.
  - d. If a team fails to answer a question correctly, then the question goes to the next team. However, the next team doesn’t lose its turn to pick its own question.
  - e. The facilitator will keep track of team scores on the scoring board.
  - f. The team with the highest score at the end of the game wins this activity and the prize.



## Play the Game

Time: 30 minutes (varies)

## Reflection

Time: 5 minutes

### Reflecting on the game

**Participants discuss gaps of knowledge with the facilitators.**

3. Congratulate the winners. Give them a prize.

Congratulate all the participants, as well, for their efforts.

Review any concepts that participants had trouble with, i.e., a question that went around several times or was not answered.

Ask participants if they still have questions about the six sessions covered during the game. Discuss their questions.

### Facilitator Notes for Future Improvement

**Date & Trainer Name:** [What went well? What would you do differently? Did you need more/less time for certain activities?]

## Trainer Material 1—Flip Charts

### Flip chart 1:

#### Question Board

Time Value of Money	Sources of Income	Functions of Money	Spending: Needs and Wants	Setting Financial Goals	Developing a Personal Budget	Savings: Pay Yourself
100	100	100	100	100	100	100
200	200	200	200	200	200	200
300	300	300	300	300	300	300
400	400	400	400	400	400	400
<b>Wise Use of Loans: It is Not my Money</b>	<b>Record It! Keeping Track of Financial Records</b>	<b>Things Happen! Dealing with Life Cycle Events</b>	<b>Let's Meet Financial Institutions</b>	<b>Where to Save: My Bed or the Bank?</b>	<b>Financial Negotiations</b>	<b>How to Use Money Effectively</b>
100	100	100	100	100	100	100
200	200	200	200	200	200	200
300	300	300	300	300	300	300
400	400	400	400	400	400	400



## Flip chart 2:

### Scoreboard

Round	Team [Name]	Team [Name]	Team [Name]
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
<b>Total</b>			

<b>Time Value of Money: Time is Money!</b>	<b>Sources of Income</b>	<b>Functions of Money</b>
<b>100</b>  <b>True or False: Before the existence of paper and coin money, people were not buying and selling things.</b>	<b>100</b>  <b>Name two sources of personal income.</b>	<b>100</b>  <b>Two things money helps you do.</b>
Expected answer:	Expected answers:	Expected answers:
FALSE	Wages from work.  Interest and dividends from savings or investments.  Family allowances.	Buy things you need.  Make payments, such as debt and salaries to workers, etc.
<b>200</b>  <b>What is interest?</b>	<b>200</b>  <b>What are the two forms of income people can receive?</b>	<b>200</b>  <b>True or false: Money can buy a person's feelings and rights?</b>
Expected answer:	Expected answers:	Expected answers:
The amount of money the lender charges the borrower in addition to the original amount borrowed. The amount depends on the rate, the duration of the loan, and the original amount borrowed.	Monetary forms (money) and non-monetary forms (goods and services).	FALSE
<b>300</b>  <b>Give one consequence of receiving the same amount of money in a year as you would have received today?</b>	<b>300</b>  <b>What is the difference between gross income and net income?</b>	<b>300</b>  <b>Besides buying things, give two things money helps you do.</b>
Expected answer:	Expected answers:	Expected answers:
You do not have access to the money, so you can't do things that you would have done today, if you had the money (opportunity cost).	Net income is gross income minus deductions and taxes. Net income is the money available that I can use.	Repay debt.  Pay someone for a service that I need (e.g., a mechanic to fix my bicycle).  Keep a savings account.





<b>400</b>	<b>400</b>	<b>400</b>
You borrow 10 U.S. dollars from a friend with an interest rate of 10 percent per month. How much will you have to pay your friend back after one month?	Mani works 40 hours a week for an hourly rate of 7.50 U.S. dollars. After two weeks, he earns 600 U.S. dollars before taxes and deductions. Is the 600 U.S. dollars gross or net income?	Give two reasons chocolates cannot be considered money.
Expected answer:	Expected answers:	Expected answers:
Amount borrowed: \$10  Interest: $\$10 \times 10/100 = \$1$  Amount to pay back = \$11	Gross income	Can't be saved to be used in the future – to pay for things. They are perishable (they go bad).

<b>Spending: Needs and Wants</b>	<b>Things Happen! Dealing With Life Cycle Events</b>	<b>Record It! Keep Financial Records</b>
<b>100</b>	<b>100</b>	<b>100</b>
What are needs? Give two examples.	True or false: Building good relationships with people can help you deal with unexpected life events.	True or false:  You can keep track of your financial records only when you have a job.
Expected answer:	Expected answers:	Expected answers:
Things you can't live without, which are necessary for one's survival.	TRUE	
<b>200</b>	<b>200</b>	<b>200</b>
What are wants? Give two examples.	List two actions you will take in the case of a positive life event.	Name two financial documents that need to be kept safely.
Expected answer:	Expected answers:	Expected answers:
Things that one would like, but can do without (e.g., designer clothes, soda).	Save/Spend  Invest in a small income-generating activity.	Proof of payment (receipts)  Bank statements (savings accounts)

<b>300</b>	<b>300</b>	<b>300</b>
<b>True or False: To reduce my total spending, I start by reducing my needs. Why?</b>	<b>Give an example of an unexpected life event with positive financial impact, and an example of an unexpected life event with negative financial impact.</b>	<b>Name two advantages of record keeping.</b>
Expected answer:	Expected answers:	Expected answers:
FALSE. Needs are more important than wants	Serious illness/accident with high medical bills/loss of income; natural disaster with home/roads/ farm damage.  Positive examples: lottery, unexpected raise at work, gift monetary, inheritance.	You know where your money is spent and how.  You can find mistakes when they occur.
<b>400</b>	<b>400</b>	<b>400</b>
<b>Explain one way of setting spending priorities.</b>	<b>Name two ways to prepare for unexpected negative life events.</b>	<b>When recording expenses and income, what types of information are important to write down?</b>
Expected answer:	Expected answers:	Expected answers:
Separate your needs from your wants.  Rank needs by order of importance by asking the question, "If I don't buy or pay, what will happen?"  Determine the cost of each expense.	Save  Develop good relations with people	The description of the transaction, the amount, and the date the transaction occurred.



<b>Setting Financial Goals</b>	<b>Developing a Personal Budget</b>	<b>Savings: Pay Yourself!</b>
<b>100</b>	<b>100</b>	<b>100</b>
<b>True or false:</b>  <b>You can't have financial goals for a week.</b>	<b>True or false:</b>  <b>A budget shows the money you have.</b>	<b>What is saving?</b>
Expected answer:	Expected answers:	Expected answers:
FALSE—You can have short-term financial goals.	FALSE—It is an estimation of your future income and expenses.	Putting money aside with the intention of doing something in the future or to be prepared for an emergency.
<b>200</b>	<b>200</b>	<b>200</b>
<b>Give two characteristics of financial goals.</b>	<b>What is a budget surplus and what is a budget deficit?</b>	<b>True or false: You save only when you have a lot of money.</b>
Expected answer:	Expected answers:	Expected answers:
Measurable—Can be measured Linked to time—There is a date when it will be completed or achieved.	A budget surplus: Income is higher than expenses. A budget deficit: Income is less than expenses.	FALSE—No amount is too small to save.
<b>300</b>	<b>300</b>	<b>300</b>
<b>True or false: Only people who have a job can create financial goals</b>	<b>Name two reasons for using a budget.</b>	<b>Give three basic rules that can help you save.</b>
Expected answer:	Expected answers:	Expected answers:
FALSE	To know how your income will cover your expenses. Plan your expenses.	Save every time you receive income.  Spend less than your income.  No amount is too small to save.

<b>400</b>  <b>Which of these goals is a financial goal? Why?</b>  <b>a) I will be rich when I reach my 40th birthday.</b>  <b>b) I have to save at least \$1 every month for the next 12 months.</b>	<b>400</b>  <b>Describe steps to develop a budget.</b>	<b>400</b>  <b>True or false: People save only for big things like building a house.</b>
Expected answer:	Expected answers:	Expected answers:
b) Because it is specific, measurable, can be achieved, and is limited in time.	List your income and expenses.  Add your income on one side and your expenses on the other side, then subtract expenses from income. If the result is negative, decide which expenses to reduce.	FALSE—You can save for small things. It is even better for a young person to start saving for smaller things.

<b>Let's Meet Financial Institutions!</b>	<b>Where to Save— My Bed or the Bank?</b>	<b>Where to Borrow?</b>
<b>100</b>  <b>What is a financial institution?</b>	<b>100</b>  <b>Saving money under my bed is safer than saving money in the bank. True or false?</b>	<b>100</b>  <b>I don't have to repay a loan from my bank because I have a savings account with them. True or false?</b>
Expected answer:	Expected answers:	Expected answers:
It is an authorized organization that offers financial services, such as bank accounts, savings, loans, etc.	FALSE	FALSE
<b>200</b>  <b>Financial institutions don't offer services to people who don't have a job. True or false?</b>	<b>200</b>  <b>List two advantages for saving money in a financial institution.</b>	<b>200</b>  <b>If I take a loan of \$400 from a financial institution, I have to pay back only \$400. True or false?</b>



Expected answer:	Expected answers:	Expected answers:
FALSE—There are microfinance institutions and other credit unions that provide services to the poor and self-employed.	Safety  Earn interest	FALSE—Generally you will pay interest in addition to the amount borrowed.
<b>300</b>  <b>How are credit unions and savings and loan associations different from a bank?</b>	<b>300</b>  <b>List at least two places where people can save their money.</b>	<b>300</b>  <b>Even if I can borrow more than I need, it is better to just borrow exactly what I need. True or false?</b>
Expected answer:	Expected answers:	Expected answers:
Unlike banks, which are owned by investors, credit unions and savings and loan associations are owned by their members, who save and borrow.	Bank  Savings club or cooperatives	TRUE
<b>400</b>  <b>What is a rotating savings and credit association (ROSCA)?</b>	<b>400</b>  <b>List at least three questions to ask yourself when deciding where to save your money.</b>	<b>400</b>  <b>List two questions to consider when selecting where to borrow.</b>
Expected answer:	Expected answers:	Expected answers:
It is a group of individuals, generally who know each other or are friends, who agree to meet in order to save and borrow together.	Is the place safe for my money? How much money do I need to start saving here? How much will they pay me for holding my money?	Can I borrow the amount I need? What is the interest rate on the loan? Can I repay in small amounts on a regular schedule?

Financial Negotiations	How to Use Money Effectively	Wise Use of a Loan—It Is Not My Money
<b>100</b>  <b>Using violence is an important characteristic in financial negotiation. True or false</b>	<b>100</b>  <b>Setting financial goals helps better manage money. True or false?</b>	<b>100</b>  <b>What is a loan?</b>
Expected answer:	Expected answers:	Expected answers:

FALSE	TRUE—It helps you focus on things you want to achieve.	It is the money you borrow from a person or an organization with the promise to pay back after a certain time under agreed conditions (interests, calendar of repayment, etc.).
<b>200</b>  List two examples of where financial negotiation is necessary.	<b>200</b>  One of the ways to best use my money is to prioritize my expenses. True or false?	<b>200</b>  True or false: It is always better to borrow money when possible, rather than to use your own money.
Expected answer:	Expected answers:	Expected answers:
Buying and selling  Financial services, such as taking a loan	TRUE	FALSE—loans generally come with a cost.
<b>300</b>  Speaking is more important in financial negotiation with a seller than listening. True or false?	<b>300</b>  What can happen if you don't use your money appropriately?	<b>300</b>  Why does a lender charge interest?
Expected answer:	Expected answers:	Expected answers:
FALSE	You will not achieve your financial goals—you may lose money and discover the loss only after it is too late.	Over time, money loses its value so the lender has to compensate for the lost value, since you are the one using the money.
<b>400</b>  List at least two ways a negotiation can end.	<b>400</b>  List at least four things that help you manage your money.	<b>400</b>  Give two reasons young people in your community take out loans.
Expected answer:	Expected answers:	Expected answers:



Win-win	Set financial goals	Start an income-generating activity
50-50	Separate your needs from your wants	Face an emergency
Win-lose	Make a budget	
Lose-lose	Keep financial records	
No agreement	Save	

# Money Management—Review and Simulation

## Session Rationale

Participants review and synthesize the information they learned about effective ways to manage money.

## Time

130 minutes

## Session Learning Objectives

1. Each participant will draw a picture that represents at least two practices of effective use of money.
2. Working in small groups, participants will identify at least two reasons to save, set financial goals, spend carefully, or budget.
3. In a simulation, participants will work in teams and prepare a budget, monitor monthly income and expenses, and undertake financial negotiations for loans.

## Prerequisites

Spending: Needs and Wants

Savings: Pay Yourself!

Developing a Personal Budget

Life Happens! Dealing with Life Cycle Events

Wise Use of Loans

Let's Meet Financial Institutions

Financial Negotiations

## Session Outline

<b>Motivation</b>	Tell a Friend (20 minutes)
<b>Information</b>	Wheel of Effective Money Use (20 minutes)
<b>Practice</b>	Money Management Game (80 minutes)
<b>Application</b>	Debrief (10 minutes)





# Money Management – Review and Simulation

## Facilitator preparation:

.....  
**NOTE:** This is a review session. Depending on the time available, choose to do any or all of the review activities—Tell a Friend (20 minutes), Wheel of Effective Money Use (20 minutes), or the Money Management Game (80 minutes).  
.....

## Money Management Game Preparation

1. Thoroughly read the game's instructions in the Practice portion of this session before starting.
2. Adapt Handouts 5 and 6 for the local context.
3. Prepare Trainer Material 4: Currency Notes. Adapt the amounts and currency to the local context so each group receives the equivalent of an average monthly income for a family in the participants' community.
4. See Trainer Material 6: Denomination Calculation Table to calculate the amount to print for each denomination of currency.
5. Prepare monthly income currency note packets for each team. See Trainer Material 7.
6. Adapt the currency used and the amounts referenced in the game materials to reflect local context. You will need to change the currency on the Financial Ledgers, Bank Information Sheet, Savings Club Information Sheet, Income and Expense Sheet, and Event Cards.
7. Prepare Trainer Material 2: Bank Account box for each team. The box can be shoebox size. If you don't have a box, then use baskets or bowls of similar size.
8. Prepare Trainer Material 3, the Savings Club box for each team. The box can be shoebox size. If you don't have a box, then use baskets or bowls of similar size.
9. Place a desk (or table) at front of the room for the facilitator. This will serve as the bank desk.
10. Prepare Trainer Material 1: Three-Month Calendar flip chart, or draw the calendars on the board.
11. Post Trainer Material 1: Local Bank sign on the wall behind the bank desk.
12. Put Trainer Material 2: Bank Boxes on the bank desk for each team. The boxes should be labeled so each team can recognize its box.
13. Set up a separate Savings Club desk. Post Trainer Material 1: Savings Club sign on the wall behind the desk.
14. Put Trainer Material 3: Savings Club Boxes on that desk. The boxes should be labeled so each team can recognize its box.

15. Set up a table (or find space) for each small group. Groups will need enough space to move around the room.
16. Make copies of Handout 1: Income and Expense Sheet, Handout 3: Bank Information Sheet, and Handout 4: Savings Club Information Sheet (one per team).
17. Make copies of Handout 2: Financial Ledger (two copies per team per month—one for the team and one for the facilitator). If there are four teams, make 24 copies: 4 teams x 2 copies x 3 months = 24 copies.
18. Copy enough Event Cards in Trainer Material 5: Event Cards for each group to take a card every time the calendar says, *"Groups select Event Cards."* (For example, when the facilitator announces month 1, day 13, each group should get one Event Card labeled May 13. On May 17, each group should get a version of the May 17 card, etc.)
19. Cut out Event Cards in Trainer Material 5 and sort them according to the day of the month. (All the cards for May 13 should be in one pile. All the cards for May 17 should be in another pile, etc.) Put a rubber band or a paper clip around each pile to avoid mixing them.
20. Make copies of Handouts 3 and 4 (one of each per team).

## Materials:

- **Equipment**
  4. Flip chart paper
  5. Markers or chalk
  6. Pens or pencils
  7. Calculators if helpful (one per team)
- **Handouts**

Handout 1: Income and Expense Sheet (one per team)

Handout 2: Financial Ledger (three per team and a complete set for the facilitator)

Handout 3: Bank Information Sheet

Handout 4: Savings Club Information Sheet
- **Trainer Materials**

Trainer Material 1: Flip charts

Trainer Material 2: Bank Boxes (one per team)

Trainer Material 3: Savings Club Boxes (one per team)

Trainer Material 4: Currency Notes

Trainer Material 5: Event Cards

Trainer Material 6: Denomination Calculation Table



## Tell a Friend

Participants will identify effective ways of using money

1. Ask participants to form groups of three.
2. Say: *"We have been learning many things about managing money throughout this course. If a friend who has not been in this course asked you the following question, how would you answer?"*

*"What are some things a young person can do to use his or her money more responsibly?"*

Ask participants to use a flip chart or piece of paper and make a drawing representing their answers. (Encourage groups to depict more than one method on their chart.)

After groups have finished, tell them that one member of each group should stay with their group's chart to explain their drawings. The other two members will walk around the room to ask other groups questions about their drawings.

Compliment groups for their work and recognize those who have mentioned things like, *"I consider financial goals," "have a budget," "saving," "prioritize need and wants,"* etc.

.....  
**NOTE:** This activity assesses Learning Objective 1.  
 .....

## Trainer Material:

- Trainer Material 1: Flip chart 1: Wheel of Effective Money Use

## Wheel of Effective Money Use

Participants identify effective ways of using money.

1. Post Flip chart 1: Wheel of Effective Money Use on the Board.

2. Explain that the “Wheel of Effective Money Use” reminds us of four things that can help us use our money appropriately: set financial goals, save, spend carefully, and budget.
3. Ask participants to form four groups. Assign each group one of the four elements on the wheel.

.....  
**NOTE:** Groups should contain no more than five members. If there are more than 20 participants, more than one group can address the same element.  
.....

Assign each group a different element on the wheel.

Ask each of the groups to use what they have learned during this class to do the following:

*“List at least two reasons that your element (set financial goals, save, spend carefully, or budget) helps you better use your money.” Allow 5 minutes.*

Ask each group to explain their reasons.

.....  
**NOTE:** If groups do not mention this information during their presentations, ask other participants if they would like to add some reasons. Make sure the information is covered.

Expected Responses:

**Set financial goals** – Financial goals tell you how much money you need to achieve some important things in your life. By setting financial goals, you will know what you are saving for.

**Spend carefully** – It is important to spend carefully by distinguishing your needs (things that you cannot do without) from your wants (things you desire but can do or live without); making a list of priority expenses; not spending more than what you can afford.

**Save** – Saving helps you achieve financial goals, prepare for emergencies, and take advantage of opportunities, such as investments or paying for other expenses you can’t afford now. That is why, to better use your money, it is important to follow these basic rules that can help you save:

- Save whenever you receive some income.
- Spend less than your income
- Save, because no amount is too small to be saved.

**Budget** – To better use your money, it is important to know where your money will be spent, what you are spending your money on, what your savings are, and what progress you are making toward your goals. That is what budgeting helps people to do.

This activity assesses Learning Objective 2.  
.....

Conclude by saying: *“Money helps us achieve some important things in our lives. Practicing the following four points will allow you to use money appropriately: set financial goals, spend carefully, save, and budget.”*

Ask participants if they have questions.



**Trainer Material:**

- Trainer Material 1: Flip charts of Calendar, Local Bank sign, and Savings Club sign
- Trainer Material 2: Bank boxes
- Trainer Material 3: Savings Club boxes
- Trainer Material 4: Currency notes
- Trainer Material 5: Event Cards
- Trainer Material 6: Denomination Calculation Table
- Handout 1: Income and Expense Sheet
- Handout 2: Financial Ledger
- Handout 3: Bank Information Sheet
- Handout 4: Savings Club Information Sheet

**Money Management Game**

Participants will engage in a money management simulation in which they will address life events and negotiate with financial institutions.

**Room setup**

1. Make sure the room is set up for the game. (See Facilitator Preparation section at the beginning of this session).
2. Form teams of no more than four participants. Invite each team to give itself a name.
3. Explain that participants are going to play a money management game. The goal of the game is for teams to achieve a financial goal. Each team will have a different goal. Team members will receive this goal on their May 13 Event Card.

At the beginning of the game, each team will receive the following:

- Play money (Trainer Material 3) equal to the amount on their Income and Expense Sheet (about a month's average income for a family)
- Handout 1: Income and Expense Sheet with information about their income and expenses
- Handout 2: Financial Ledger for the month

Distribute Trainer Material 3 (packets of play money) to each team.

Distribute Handouts 1 and 2 (one copy of each handout per team).

Explain that when the game starts, each team will prepare its budget for the first month. Participants can consult Trainer Material 1, the Three-Month Calendar posted

on the wall, and Handout 1: Income and Expense Sheet to plan for what will happen that month.

*Say: "I will announce what day it is and the action to be taken on that day. Then teams will have 2-5 minutes to go around the room to make payments or collect payments. I will announce when it is a new day. Some 'days' may be longer than others, depending on the activities."*

Post a sticky note on the present day. Explain that you will move the note when it is a new day.

Point out that some days on the calendar say "Event Cards." Say: *"When we are on an Event Card day, each team will send a member to my desk to randomly pick an Event Card."*

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**NOTE:** The facilitator has a Financial Ledger for each team. When they come up to pick an Event Card, the facilitator makes a note of the event on each team's Financial Ledger and takes appropriate action. For instance, an Event Card may call for the team to make an immediate payment. If so, collect that payment from the team. Each team is also responsible for keeping track of these events on their own copy of their financial ledger.

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Give each team a copy of Handout 3: Bank Information Sheet and Handout 4: Savings Club Information Sheet. Go over the sheets to make sure everyone understands the loan process for each.

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**NOTE:** Tell the teams that in negotiating the percentage of loan interest at the bank, the facilitator will take into consideration the financial situation of the team, as well as the way it keeps its records (if records are well kept, the conditions will be more favorable).

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**NOTE:** Tell participants that their team can borrow only once from the local bank and/or the Savings Club. However, they can borrow from or lend to other teams as many times as they want. If they want to borrow from another team, they should arrange the terms of the loan directly with the other team. However, they must inform the facilitator of their loan and repayment schedule and record it in their Financial Ledger.

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Tell participants that at the end of every month, you will meet with each team to update them about their budget and progress.

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**NOTE:** The facilitator will have a copy of the budget and record-keeping workbook for each team to track its progress and will have loan repayment agreements to track each team's loan repayment plan. This is an opportunity to check each team's work.

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Ask if participants have any questions about the game before you start.

Play the game!

- a. Announce that it is May 1. Give teams their monthly income. Allow them time to plan for the rest of the month.



- b. Announce that it is May 6. Collect rent from each team according to the price on the Income and Expense Sheet.
- c. Continue to move through the calendar. When you get to an Event Card day, one person from each team should randomly select an Event Card from you. Remember that the first Event Card, May 13, will inform teams of their goal for the game.
- d. At the beginning of each month, distribute Handout 2: Financial Ledger (one copy to each team).
- e. Be sure to record the teams' events, expenditures, and loans accurately on the facilitator copy of the teams' Financial Ledgers.
- f. Have fun!

.....  
**NOTE:** When participants get their copies of May 13: Financial Goal Card, remind them that this is the goal they are attempting to reach by the end of the game.  
 .....

.....  
**NOTE:** After the game, participants need a break before the debriefing.  
 This activity assesses Learning Objective 3.  
 .....

## Application

**Time: 10 minutes**

### Debrief

Participants apply the learning from the game to their lives.

1. After playing the game, ask participants what surprised them or shocked them about the game? By playing the game, what did they learn that will help them to be better money managers?

Ask some volunteers to share their answers.

## Assessment

Learning Objective 1 is assessed in Motivation

Learning Objective 2 is assessed in Information

Learning Objective 3 is assessed in Practice

## Facilitator Notes for Future Improvement

**Date & Trainer Name:** What went well? What would you do differently? Did you need more/less time for certain activities?

## Handout 1—Income and Expense Sheet

Group Name: \_\_\_\_\_

Monthly income is \$85. This will be your income every month.

**Budgeted monthly expenses:**

Rent = \$30

Utilities (telephone, water, electricity) = \$10

Food = \$15

Toiletries = \$5

Transportation = \$10

**Use these expenses to create your monthly budget. They may change during the month and some new expenses may be added as well, based on your Event Cards.**





## Handout 2—Financial Ledger

Team Name: \_\_\_\_\_

Month: \_\_\_\_\_

Monthly Budget		Record keeping of actual amounts				
Items	Amount	Week 1	Week 2	Week 3	Week 4	Actual total
<b>Income</b>						
Work related	\$ 85					
Interest on savings at savings club						
Interest on savings at bank						
EVENT CARD 1						
EVENT CARD 2						
EVENT CARD 3						
EVENT CARD 4						
<b>A. Total income</b>	<b>\$85</b>					
<b>Expenses</b>						
Rent	\$30					
Utilities	\$10					
Food	\$15					
Toiletries	\$ 5					
Transportation	\$10					
Savings at the bank						
Savings at savings club						

Loan repayment						
EVENT CARD 1						
EVENT CARD 2						
EVENT CARD 3						
EVENT CARD 4						
<b>B. Total expenses</b>	<b>\$70</b>					
<b>A-B</b>	<b>85-70 = \$15</b>					

Event Card can be income or an expense.

The facilitator has to note the type of Event Card the team has picked, in addition to what action is needed.



## Handout 3—Bank Information Sheet

### Bank

**Savings account:** Use a minimum of \$5 to open a savings account at the bank.

Every week, you can save any amount.

You can take out money at any time.

Interest of 1 percent is paid on the savings account balance at the end of each month (last Friday of the month).

**Loan:** Loans cannot be for more than \$20 above the amount in the savings account. The interest rate for the loan varies between 2 percent and 4 percent, depending on the financial negotiations with the banker (*the facilitator*).

Make loan repayments on the last Friday of the month. The repayment amounts (installments) depend on the total amount of the loan.

.....  
**Note:** In communities where Islamic banking rules are strictly enforced, the savings and loan will not be subject to any interest rate.  
.....

## Handout 4—Savings Club Information Sheet

### Savings Club

The Savings Club is a group of friends who have decided to save together and lend each other money from the group fund. As members of the club, you follow these rules:

#### Saving:

Every Friday beginning the last Friday of Month One, save \$10 by putting it in your team's Savings Club box. After that, put \$2 in the box every Friday. If you miss one week, you have to pay a fine of \$1 in addition to the savings amount. You can withdraw your savings only at the end of the savings cycle (during the last month).

#### Loan:

The Savings Club cannot loan more money than it has collected during the game. When a team wants to borrow money from the Savings Club, one member of the team should let the facilitator know. The facilitator will then allow the team members to present their reason for wanting to take a loan from the Savings Group. They present to all participants since each participant is a member of the Savings Club. All of the participants then vote on whether the team will be allowed to borrow the money or not. The facilitator will then take an equal amount out of everyone's Savings Club box to cover the cost of the loan. Once the loan has been repaid, the facilitator will pay each team back an equal amount. (Except in cases of family and medical emergencies, every team should get slightly more money back than it loaned.)

The minimum amount for a loan is \$10 and the maximum amount is \$50.

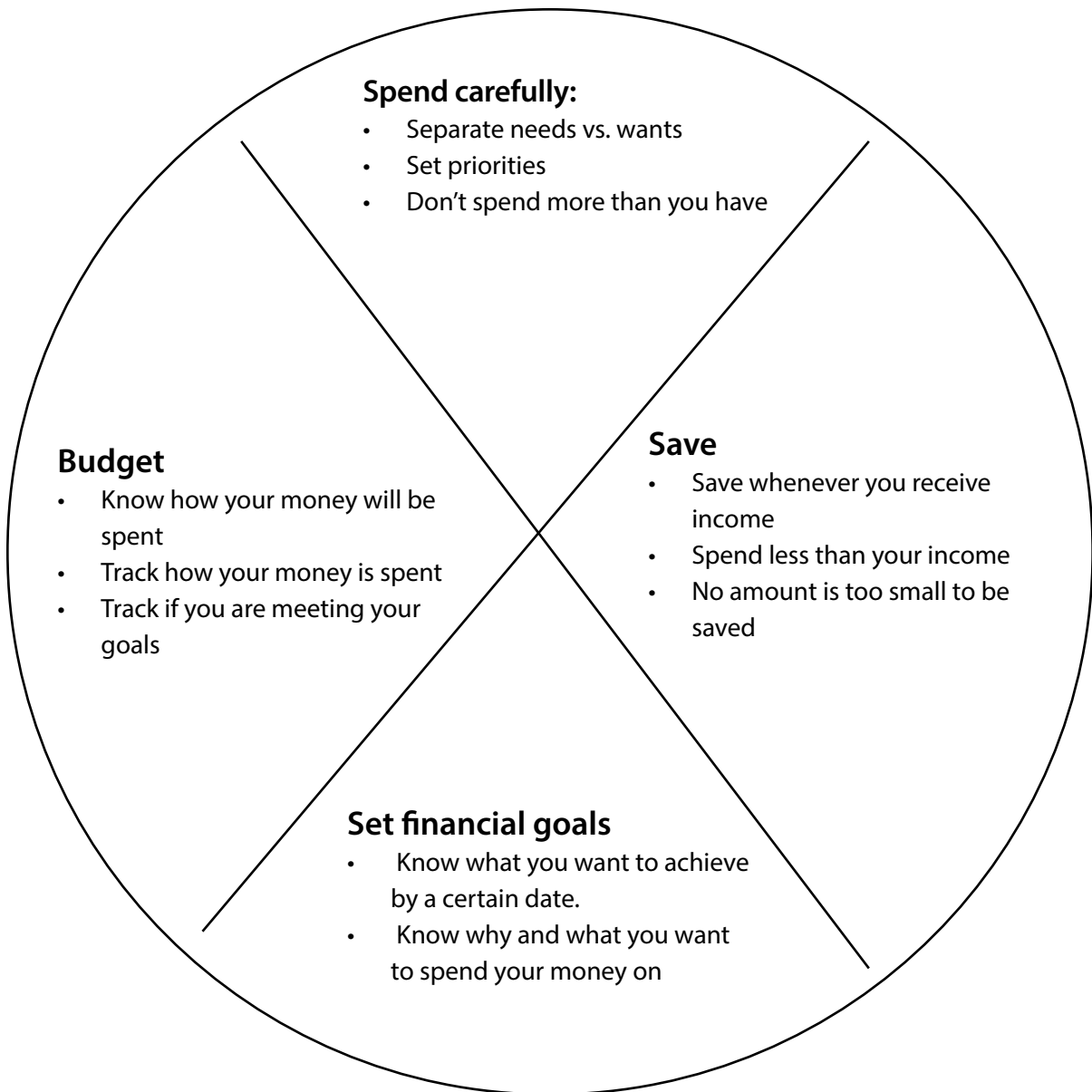
Terms of repayment: Make a payment every week of an amount equivalent to the amount of the loan divided by the number of weeks of the duration of the loan. There is a flat fee of \$1 for every \$10. For example, if you borrow \$10, you pay \$11 ( $10 + 1 = \$11$ ). If you borrow \$50, you repay \$55 ( $\$50 + \$1 \times 5 = \$55$ ). If you borrow \$15, you repay \$16.50 ( $\$15 + 15 \times 1/10 = 15 + 1.50 = \$16.50$ ).

For medical emergencies or family emergencies, the loan is given without a fee.

.....  
**Note:** In communities where Islamic banking rules are strictly enforced, the loan will be given without a fee or interest.  
.....

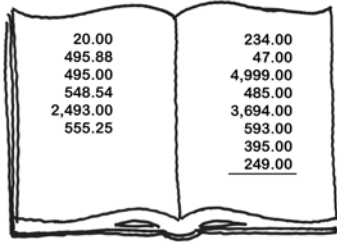


### Wheel of Effective Money Use



## Three-Month Calendar

Financial Diary

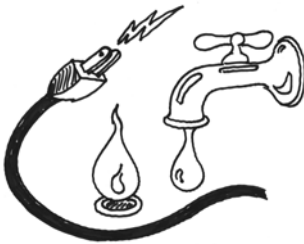


20.00	234.00
495.88	47.00
495.00	4,999.00
548.54	485.00
2,493.00	3,694.00
555.25	593.00
	395.00
	249.00

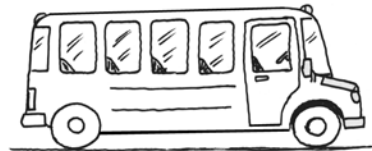
Group Select Event Card



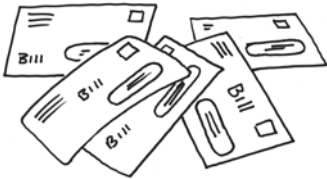
Groups Pay for Utilities



Collect Money for Transportation



Collect Money for Expenses



Collect Rent



Receive Money



Collect Money for Food



## Month: May

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
	1 Receive income	2	3	4	5	6 Pay for food
7	8 Pay rent	9	10	11 Pay for expenses, toiletries, and bills	12	13 Select Event Card
14	15	16	17 Select Event Card	18 Pay for utilities (fixed amount)	19	20
21	22	23	24	25	26 Deposit income in Savings Club	27
28 Select Event Card	29	30				

## Month: June

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
	1 Receive income	2	3	4	5 Deposit income in Savings Club	6 Pay for food
7	8 Pay rent	9	10	11 Pay for expenses, toiletries, and bills	12 Deposit income in Savings Club	13 Select Event Card
14	15	16	17 Select Event Card	18 Pay for utilities (fixed amount)	19 Deposit income in Savings Club	20
21	22	23	24 Pay for utilities (fixed amount)	25	26 Deposit income in Savings Club	27
28 Select Event Card	29	30	31			





Month: July

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
				1	2 Receive income  Deposit income in Savings Club	3 Pay for food
4 Pay for food	5 Select Event Card	6	7	8 Pay rent	9 Deposit income in savings club	10
11	12 Pay for expenses, toiletries, and bills	13	14 Select Event Card	15	16 Pay for transportation fee for the month (fixed income)  Deposit income in Savings Club	17
18 Select Event Card	19	20	21 Pay for utilities (fixed amount)	22	23 Deposit income in Savings Club	24
25	26	27	28 Select Event Card	29	30 Review financial ledger and discuss findings with facilitator	

Local Bank

Savings Club

## Trainer Material 4—Currency Notes: Paper money



## Trainer Material 5—Event Cards

### Month One: May Event Cards

<p><b>May 13</b> <b>Financial Goal Card</b></p> <p>You want \$12 by the end of the third month to pay for your admission to the art center.</p>	<p><b>May 13</b></p> <p>Financial Goal Card</p> <p>You will be traveling at the end of the third month so you have to save for the trip, which will cost \$15.</p>	<p><b>May 13</b></p> <p>Financial Goal Card</p> <p>You have always dreamed about having a vegetable stand in the market. It will cost you \$15 just for the stand.</p>
<p><b>May 17</b></p> <p>You have been recycling plastic bottles and a new law was passed that rewards recycling. You won \$5!</p>	<p><b>May 17</b></p> <p>Your mother became sick and you have to spend \$5 for medicine.</p>	<p><b>May 17</b></p> <p>Congratulations! This is a \$5 food coupon. Next time you go shopping, you will have a \$5 reduction.</p>
<p><b>May 28</b></p> <p>You have just discovered an opportunity to make money by selling T-shirts. If you invest \$15 in the business, you will make \$30 at the end of next month (the last Friday).</p> <p>You have a choice:</p> <p>Take a loan from the local bank, take a loan from the savings club, or do nothing.</p>	<p><b>May 28</b></p> <p>You just tore your only pair of shoes. You have to buy a new pair of shoes that costs \$5.</p>	<p><b>May 28</b></p> <p>Food prices have increased recently. Your budget for food has increased by \$5. Next time you buy food, you will pay an additional \$5.</p>

## Month Two: June Event Cards

<p><b>June 13</b></p> <p>Congratulations! This is a \$3 transportation coupon.</p> <p>Next month you will have a reduction of \$3 for your transportation budget.</p>	<p><b>June 13</b></p> <p>The local bank is sponsoring public transportation to show its support for the environment.</p> <p>If you have a bank account you do not have to pay for public transportation this month.</p>	<p><b>June 13</b></p> <p>It is your birthday and you receive \$3 from your friend.</p> <p>Collect \$3 from the facilitator now!</p>
<p><b>June 17</b></p> <p>Your parents' house needs some urgent repairs. Your brother and you have decided to contribute. Each of you has to contribute \$15 next week.</p> <p>You will have to give \$15 to the facilitator next week: Wednesday, the 24th. (Month Two)</p>	<p><b>June 17</b></p> <p>There is a big concert. Your cousin is one of the organizers and he has gotten you a great stand where you can sell juice.</p> <p>If you can put in \$20 tomorrow (18th of Month Two), you will be able to sell juice for a total of \$30 next Sunday (21st).</p> <p>You can give the money to the facilitator and collect \$30 next Sunday (21st).</p>	<p><b>June 17</b></p> <p>It's your friend's birthday and you have to buy a gift for her that costs \$3.</p> <p>Give \$ 3 to the facilitator now!</p>
<p><b>June 28</b></p> <p>It's your birthday and you receive a gift of \$10.</p> <p>Collect the money from the facilitator now!</p>	<p><b>June 28</b></p> <p>The price of utilities has gone up</p> <p>You will pay \$5 more for your utilities.</p>	<p><b>June 28</b></p> <p>Your aunt is celebrating her 20th wedding anniversary. You have a camera and it is a great opportunity for you to make some money. However, you will have to invest \$10. Give the money to the facilitator.</p> <p>You will make \$20 tomorrow (June 29). Collect it on June 29 from the facilitator</p>



## Month Three: July Event Cards

<b>July 5</b>  The price of utilities has gone up and you will pay \$5 more.	<b>July 5</b>  It is your birthday and you receive \$3 from your friend.  Collect \$3 from the facilitator now!	<b>July 5</b>  There is a leak in your roof. You have to pay \$5 for repairs.  Give \$5 to the facilitator now!
<b>July 14</b>  Congratulations! This is a \$3 transportation coupon.  Next time you will pay \$3 less for transportation	<b>July 14</b>  Your cousin is celebrating her 15th birthday. You have a camera and it is a great opportunity for you to make some money. However, you will have to invest \$10 (give the money to the facilitator tomorrow: 29th of Month Three).  You can make \$9, \$15, or \$20. To determine the amount, the facilitator will have you pick the amount randomly from a box.	<b>July 14</b>  You have to pay \$2 for vaccinations.  Give \$2 to the facilitator now!
<b>July 18</b>  You have been recycling plastic bottles and a new law was passed that rewards recycling. You won \$5!  Collect \$5 from the facilitator now!	<b>July 18</b>  The price of petrol has increased recently. Next time you will have to pay \$3 more for transportation.	<b>July 18</b>  It's your friend's birthday and you have to buy a gift for her that costs \$3.  Give \$3 to the facilitator now!
<b>July 28</b>  It is your birthday and you receive \$3 from your friend.  Collect \$3 from the facilitator now!	<b>July 28</b>  You just tore your only pair of shoes. You have to buy a new pair of shoes that costs \$5.  Give \$5 to the facilitator now!	<b>July 28</b>  Your best friend is in town; you have to invite her to a movie. It will cost you \$3 together.  Give \$3 to the facilitator now!

## Trainer Material 6—Denomination Calculation Table

Denomination Calculation Table					
Income Per Month	1s	5s	10s	20s	100s
1. Set a monthly income for each team.  e.g., \$85 per month					
2. Calculate the number of bills for each denomination to give each team for its monthly income.  e.g., \$85 = 5 \$1s, 2 \$5s, 5 \$10s, 1 \$20	5	2	5	1	
3. Multiply total of each denomination by the number of teams.  e.g., 5 \$1s x 4 teams = 20 \$1s	20	8	20	4	
4. Multiply each denomination by three (for three months of income).  e.g., 20 \$1s x 3 months = 60 \$1s	60	24	60	12	
5. Prepare a “bank” of money for the facilitator to serve as banker. It is the same amount as Step 4.  e.g., 60 \$1s	60	24	60	12	
6. Add totals for Step 4 and Step 5.  e.g., 60 \$1s + 60 \$1s = 120 \$1s	120	48	120	24	
7. Print the total currency notes for each denomination in Step 6.	120 notes	48 notes	120 notes	24 notes	
8. Prepare three monthly income packets for each team (See Step 2 for the total amount per monthly packet per team).					



Denomination Calculation Table					
Income Per Month	1s	5s	10s	20s	100s
1. Set a monthly income for each team.  e.g., \$85 per month					
2. Calculate the number of bills for each denomination to give each team for its monthly income.  e.g., \$85 = 5 \$1s, 2 \$5s, 5 \$10s, 1 \$20					
3. Multiply total of each denomination by the number of teams.  e.g., 5 \$1s x4 teams = 20 \$1s					
4. Multiply each denomination by three (for three months of income).  e.g., 20 \$1s x 3 months = 60 \$1s					
5. Prepare a "bank" of money for the facilitator to serve as banker. It is the same amount as Step 4.  e.g., 60 \$1s					
6. Add totals for Step 4 and Step 5.  e.g., 60 \$1s + 60 \$1s = 120 \$1s					
7. Print the total currency notes for each denomination in Step 6.	notes	notes	notes	notes	
8. Prepare three monthly income packets for each team (See Step 2 for the total amount per monthly packet per team).					

