

**STARTING A LIFETIME OF
SAVINGS:**

*TEACHING THE PRACTICE OF SAVINGS
TO UGANDAN YOUTH*

**FINANCIAL EDUCATION
CURRICULUM:**

TRAINER'S GUIDE

ACKNOWLEDGMENTS

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CURRICULUM GUIDELINES

-Box at beginning of chapter lays out overall objectives, required materials and outline of the session

-**Bold** text is section heading

-*Italic* text is instruction for the Financial Educator – NOT to be read out loud

-Text beginning with “ is for the Financial Educator to read out loud

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INTRODUCTION—MYTHS ABOUT BANKING

SECTION A.

Objectives

By the end of the learning session, participants will have:

1. Identified and clarified common myths about banks/banking
2. Be able to identify banks available and supervised by the Bank of Uganda

Preparations/Materials

- Sign-in sheet
- Printouts for use in the following steps:
 - Step 3
 - Printout 1.3.1
 - Printout 1.3.2
- Handouts for use in the following steps:
 - Step 4
 - Handout 1.4.1: Banks Registered by Bank of Uganda

Time: 45 Mins

Steps

1. Introduction of Savings Mobilizer
2. Ways and Places People Keep Money
3. Explore False Stories about Banks
4. Banks Approved /Registered by Bank of Uganda

1. Introduction of Savings Mobilizer:

Introduce yourself and the project. Say:

- “ Hello, my name is _____. I work for FINCA Uganda, which is a microfinance bank. FINCA is working with the Church of Uganda and Straight Talk Foundation to learn about Ugandan youth and their financial knowledge and behavior. Your club has been randomly selected to receive a financial education program. I would like to meet with you for a total of nine sessions, during which I will teach you how to use savings to better your financial situation. We will learn how to write a budget, manage your income, make better spending decisions and save most effectively. At the end of each session, we will decide when the next session will be.
- “ Those of you who attend at least 7 sessions will receive a certificate for your participation. Also, many of the sessions will include fun activities as well as handouts that you can keep and continue to use. We will start each session by taking attendance.

“ Does anyone have any questions? Today will be our first session, the topic of which is Myths about Banking.

PASS AROUND THE SIGN-IN SHEET and have each of the club members introduce him or herself: their name, age, and class level or occupation.

2. Ways and Places People Keep Money

Say:

“ We all do different things with our money. There are many places and ways we can manage money. For example, some people keep their money at home, some people keep it in their pocket, some people let another person in their family hold their money for them, and some people put it in the bank. One of the things we will do in this program is to help you decide what is best for you.

“ Before we can decide which option is best for you, we need to learn more about the options.

Say:

“ What are some places people keep money?

3. Explore False Stories about Banks

“ You can see there are many different types of places where people keep money. Let’s start by discussing myths about banks and other financial institutions.

“ Sometimes, a certain group of people or a type of institution develops a good name, something that is widely believed to be true even though it is not. For example, many people believe that everyone in the United States is rich. Actually, we know this is not true – it is a myth, not a fact. Now, let’s look at myths and facts related to banks.

Place Printout 1.3.1 and Printout 1.3.2 at opposite ends of the meeting space. Tell participants that there is an imaginary line across the room and ask them to stand anywhere along it. Tell club members that one end of the line represents “Strongly Agree” (the side with the “Strongly Agree” sign) and the other end represents “Strongly Disagree”, so the middle represents a “neutral opinion”. They will stand at the position along the line that represents their level of agreement with each of the statements you read. Explain:

“ I will read a statement and each of you will decide how much you agree or disagree with it, and move to the place on the imaginary line that best represents your position. If you strongly disagree, you will move all the way to this end.

Point to the end marked: Strongly Disagree. Say:

“ But if you feel neutral about the statement, you will stand in the middle. If you strongly agree, you will stand at the opposite end.

Point to the end marked Strongly Agree.

“ After I read each statement, I will ask 1 or 2 volunteers to explain why they agree or disagree.
Let's practice with 3 statements:

These three questions are just to get the members used to the activity and moving around. Do not spend more than 1 minute on each.

“ **Matoke is better than posho**

“ **The Red Pepper is always true**

“ **Boys who cry are weak**

Take more time having members explain their responses to the following statements. After volunteers have explained their moves for the statements below, explain which statements are myths and which are true. After hearing from the participants, the facilitator should explain more clearly for each statement for the participants to understand.

“ **You must be rich to use a bank**

Myth: Even though many banks do require a minimum amount of money to open an account, it is often possible for people who do not have a lot of money to open an account and benefit from banking services

“ **You must be 18 to open an individual bank account**

True: many banks do, however, have accounts that under-18-year-olds can open, for instance with a parent or guardian.

“ **If an employee at a bank is a mean person, then the bank will not keep your money safe**

Myth: a bank is a formal institution with official rules and regulations that employees must follow, so an individual employee's personality cannot effect what they do with your money.

“ Going to the bank to deposit or withdraw money takes a lot of time

Partial Myth—Sometimes: The line of people inside banks can be very long but remember that some banks have ATM cards people can use to deposit and withdraw money faster and this doesn't take a lot of time.

“ Banks lend you money so they can take things from you when you fail to pay

Myth: Banks sometimes require borrowers to offer something valuable to guarantee the loan in the case that he is unable to repay. But it is not the goal of a bank to take their clients' valuable things. They much prefer that their clients repay their loans since it is easier for them to make money that way.

“ Banks are a safe place to keep your money

True: Banks that are registered with the government are often the most secure place to keep money. Many have secure premises and insurance to cover losses due to robbery.

“ If a bank is robbed or catches fire, you will lose your money

Partial myth: If the bank is registered with the government, it has insurance to cover losses of this kind. However, not all banks are registered with the government!

Say:

“ Does anyone know someone who lost their money because a bank closed or because the bank was fake and ran away with their money?

Ask for volunteers to tell stories of people they know who lost money to fake banks. Offer a couple examples of fake banks: Greenland, Visa Bank, Team Bank, etc.

4. Banks Approved by the Bank of Uganda

Explain:

“ These experiences show us that some banks cannot be trusted. How can you be sure that you can trust a bank? In order to protect people from these unsafe and fake banks, the government created the Bank of Uganda, which supervises other, private banks. The banks that are registered with the Bank of Uganda are safer because the government is regulating their activities. Every week, these banks have to report all of their activity to the Bank of Uganda.

“ For example, if a bank that is registered by the Bank of Uganda burns to the ground, it is the government's responsibility to refund all of the money that was lost.

“ There are many different types of financial institutions that are registered and supervised by the Bank of Uganda, including commercial banks, credit institutions and microfinance deposit-taking institutions.

Pass out Handout 1.4.1 Banks Supervised by the Bank of Uganda. Say:

“ All of these commercial banks, credit institutions and microfinance deposit-taking institutions are supervised by the Bank of Uganda. This list is for you to keep and share with your friends and family.

“ The following financial institutions are supervised by the Bank of Uganda. What does this mean?

STRONGLY AGREE

**STRONGLY
DISAGREE**

BANKS SUPERVISED BY THE BANK OF UGANDA

As of 31 August 2009

COMMERCIAL BANKS

- ABC Bank
- Bank of Africa – Uganda Ltd
- Barclays Bank (U) Ltd.
- Bank of Baroda (U) Ltd.
- Cairo International Bank Ltd
- Centenary Bank Ltd.
- Citibank Uganda Ltd.
- Crane Bank Ltd.
- DFCU Bank Ltd.
- Diamond Trust Bank (U) Ltd.
- Ecobank Uganda Ltd
- Equity Bank Uganda Ltd
- Fina Bank Uganda Limited
- Global Trust Bank (U) Ltd
- Housing Finance Bank Ltd
- Kenya Commercial Bank (KCB) Uganda Ltd
- National Bank of Commerce Ltd.
- Orient Bank Ltd.
- Stanbic Bank (U) Ltd.
- Standard Chartered Bank (U) Ltd.
- Tropical Bank Ltd.
- United Bank for Africa (Uganda) Ltd

CREDIT INSTITUTIONS

- Faulu Uganda Ltd
- Mercantile Credit Bank Ltd
- Post Bank Uganda Ltd

LICENSED MICROFINANCE DEPOSIT-TAKING INSTITUTIONS

- FINCA Uganda (MDI) Ltd.
- PRIDE Microfinance Ltd (MDI)
- Uganda Finance Trust Ltd (MDI)

INTRODUCTION—MYTHS ABOUT BANKING

SECTION B.

Objectives

By the end of the learning session, participants will be able to:

1. Discuss ways and places people keep money in their communities
2. Identify and clarify common myths about banks/banking
3. Name banks available and those supervised by the Bank of Uganda

Preparations/Materials

- Sign-in sheet
- Name tags for **BORROWER**, **SAVER**, and **BANK** for step 1
- 15 sheets of paper money for step 1
- Blank papers for step 2
- Pens for step 2

Time: 2hrs

Steps

1. How Banks Make Money
2. Interest vs. Fees
3. Collateral: How Banks Insure Loans

1. How Banks Make Money

Start off this session by getting the club members more interested through a quick and simple activity. For each of the following statements, have participants stand up if they have performed the activity.

“ To start off today, I’d like for each of you to think a little bit about your past experiences with banks. I’m going to say some statements. After each statement I make, stand up if it’s true for you. Don’t worry if you never stand up, that’s ok!

“ I have been to a bank.

“ I have talked to a bank employee.

“ I have a bank account.

“ Someone in my family has a bank account

Thank the members for their participation, then ask:

“ What is the purpose of a bank?

After participants have made a few suggestions:

Say:

“ Those were all good ideas. Banks have many goals: to give people a safe place to keep their money, to lend money to others so that they can start businesses...but it is important to remember that a bank is a business and the goal of a business is to make money.”

“ Who can tell me, how does a bank make money?

After participants have made a few suggestions, say:

“ Today we’re going to act out the process of how a bank makes money. Can I have three volunteers?”

Select three volunteers. Give each of them a name tag (Borrower, Saver, and Bank)

Say the name of the volunteer with the “Saver” name-tag and have him/her step forward. Give him/her 5 sheets of paper money. Say the name of the “Bank” and have him /her step forward and give him/her 5 sheets of paper money. Say the name of “Borrower” and have him/her step forward and give him/her 5 sheets of paper money.

Note:

“ Remember that the money that the bank has to lend out is its capital. Capital is a word that means the money that you or an institution currently have available. Every bank needs to be with capital to start business. That is why the person tagged with the name **BANK is given the five sheets of paper money.**

“ I’m going to explain the process of how the bank makes money. Please watch closely as I point out our volunteers in this story.

“ A *SAVER* is going to save some money at the *BANK*. Saving money at the bank is like loaning the bank some money. For this reason the *SAVER*’s money will earn what is called interest while it stays at the bank. This means that the bank will pay the *SAVER* some extra money for having kept his or her money at the bank.

“ Think of it this way: a boda boda driver borrows a motorbike from its owner. The boda boda driver then uses the motorbike to make money. When the boda boda driver gives back the motorbike, he has to pay the owner some money for having used it. That money is a fee for having borrowed and used the bike.

- “ **Interest** is an extra fee added on the initial amount that was banked or charged for having borrowed money.
- “ How does a bank make money from the **SAVER**'s money? By loaning it to other people and charging *them* even more interest than it gives to the **SAVER**.
- “ Ok now, let's see how that works.
- “ Our volunteers will act out the story I am telling. As I explain the story, they will do exactly what I say. Let's start.
- “ **SAVER** goes to the **BANK** and deposits 5 sheets of paper money. Now the **BANK** has 10 sheets of paper money. Remember the five sheets of paper money that the bank has is capital).
- “ Then, **BORROWER** wants to borrow some money. **BORROWER** goes to the **BANK** and borrows 7 sheets of paper money.
- “ After some time, **BORROWER** returns to the **BANK** to re-pay the loan. However, the **BORROWER** must pay the **BANK** 10 sheets of paper money. The 3 extra sheets of paper money is the **interest** the bank charges on the loan. Remember that **interest** is the extra money that the borrower pays to the **BANK** because the **BANK** loaned him money. This is the main way the **BANK** makes its extra money.
- “ After some time, **SAVER** returns to the bank to withdraw his/her money. The **BANK** gives 6 sheets of paper money back to **SAVER**. Remember that the **SAVER** originally put in only five sheets of paper money. The one extra sheet of paper money is **interest** that the **SAVER** earned because the **BANK** borrowed and used his or her money. The **BANK** has to pay the **SAVER** for having borrowed and used the **SAVER**'s money.
- “ Do we all see how the bank is both a borrower and a lender?

*If anyone seems confused, walk through the process again very slowly, making sure people see exactly how much paper money the **BORROWER**, **SAVER**, and **BANK** give.*

Then say:

- “ Now let's look at how much money everyone has!

Have each volunteer count how many sheets of paper money he or she has and say it out loud to the whole group.

Ask:

- “ Can anyone tell me how much interest the **BORROWER** had to pay?” [correct answer: 3]
- “ Can anyone tell me how much interest the **BANK** had to pay?” [correct answer: 1]
- “ Can anyone tell me how much money the **SAVER** made from saving money at the **BANK**?” [correct answer: 1]
- “ Can anyone tell me how much profit the **BANK** made? [Correct answer: 2]

Say:

- “ This is how a bank works. A bank borrows money by collecting savings and then lends money by giving out loans. A bank charges more interest to its borrowers on their loans than it gives to the people who save.
- “ This is also a reason why people like to save money at a bank. Not only do banks keep money safe and secure, but they also pay you interest to keep your money there.

2. Interest vs. Fees

- “ However, remember that banks also charge certain fees, like accounting and maintenance fees. You have to be careful to calculate how much a bank charges. Let’s look at an example.

Pass out blank sheets of paper, one to each participant.

- “ Everyone write down the numbers while I say them so that we can calculate how much money you earn by keeping your money at a bank.
- “ Let’s say you deposit 100,000 shillings at a bank where there is a 10% interest per year. 10% of 100,000 is 10,000. That means you will earn 10,000 shillings every year. Don’t worry about the calculations right now, just remember that you earned 10,000 shillings in interest in the first year.
- “ This bank also has a monthly account maintenance fee that is 1,000 shillings. Every month, then, the bank charges you 1,000 shillings.

“ After 1 year, how much will the bank have charged you? Can anyone tell me?

Give the club a while to determine the right answer [12,000]. Then walk them through the process by saying:

“ There are 12 months in a year, so if the bank subtracts 1,000 shillings every month, then after 1 year the bank will have subtracted 12,000 shillings.

“ After one year, will you have earned any money?

Give the participants time to work out 10,000 shillings minus 12,000 shillings.

2nd Example.

“ So we see that you would wind up losing a small amount of money by saving at the bank. But now let’s look at another story about saving.

“ Let’s say you make 100,000 shillings a year and you keep your money at home. You don’t earn any interest since you don’t keep it in a bank. Towards the end of the year, you go back home when your house caught fire and burnt to ashes. You lost all your property including your only money you had made in the whole year. You don’t have any other money with you to start a new life immediately.

Ask:

“ From the two stories we have just shared, who is at a more advantage of living a better life immediately?

Let the club members try to answer this question. Have members give reasons for each answer they give.

After the sharing from the members, say:

“ In the first story, we see how powerful interest rates are, but that they are also very complicated. When you take out a loan, or start saving, these are all ideas that you should investigate and make sure you understand before you do anything! However, in the second story, we see how banks are of great advantage in securing our money despite some of the fees that people may fear to meet in the bank. Paying the little fees can be painful but your money is more secure than if you left it at home.

3. Collateral: How Banks Insure Loans

“ Now can anyone tell me what collateral is?

After participants have made a few suggestions, say:

“ Let’s go back to our example. What would have happened if **BORROWER** didn’t repay the loan? How would **BANK** have returned **SAVER**’s savings?

“ If a **BORROWER** doesn’t repay his or savings, a bank has to find a different way to get money back from the **BORROWER** in order to be able to ensure that every **SAVER** is repaid all of his or her savings and any interest they might have earned.

“ If a **BORROWER** has eaten the money and has no way of re-paying a loan, the **BANK** will take some other property to sell and make up for the lost money.

“ In some cases, a **bank** will secure some property before giving someone a loan. This is to ensure that even if a **BORROWER** defaults on a loan, the **bank** has a way to be paid back. This is what is called collateral or security.

“ However, it is not a **BANK**’s goal to take property from its clients, as it is much harder for a bank to deal with property than with money. Collateral is just a way for the bank to insure its loan.

“ Today we have learned that banks are businesses – they exist for many reasons but one of the main reasons, like any business, is to make profits. Banks can be a very good way of making profits of your own through interest on savings, but it is very important that if you are going to open a savings account in a bank, you first make sure that the bank has the right interest and fees for you, because every bank is different!

Always try to ask what you don’t understand; everyone has a right to information. Know what you want because the bank values you just like any other person. Make decisions on what you want and if the bank listens and respects your decisions, that’s the best bank for you.

SO YOU NEED A BIG AMOUNT OF MONEY?**Objectives**

By the end of the learning session, participants will be able to:

1. Explain reasons for people needing big amount of money
2. Identify two ways to gain access to a big amount of money: saving and borrowing
3. Discuss advantages and disadvantages of the two ways to access a big amount of money

Preparations/Materials

- Sign-in sheet
- Blank sheets of paper (for Steps 1 and 3)
- 200 sheets of paper money
- Containers (such as jars, small boxes, tins), 1 for every 2 participants, or use a folded paper in a cone-like shape to act as tins jars.
- Printouts for the following steps:
 - Step 3:
 - Printout 2.3.1 “**SAVING** a little at a time to get a big amount **advantages**”
 - Printout 2.3.2 “**SAVING** a little at a time to get a big amount **disadvantages**”
 - Printout 2.3.3 “**BORROWING** a big amount upfront and repaying a little at a time **advantages**”
 - Printout 2.3.4 “**BORROWING** a big amount upfront and repaying a little at a time **disadvantages**”
- Pens (1 per member)
- Organize enough space for games/activities
- Remember to be gender sensitive when selecting participants
- Use less pairs to demonstrate the saving and borrowing activity
- Remember to label the banker, parent, borrowers and savers to make it easy to identify the participants
- Proper explanation of words such as big loan, small loan need to come out clearly.

Time

1:25 minutes

Steps

1. Identify reasons for needing a big amount of money – 15 minutes
2. Demonstrate the difference between saving and borrowing – 20 minutes
3. Compare saving and borrowing – 25 minutes

PASS AROUND THE SIGN-IN SHEET**1. Identify Reasons for Needing a Big amount of Money – 15 minutes**

Ask:

“ What are some reasons people need a big amount of money?

After participants have made a few suggestions, pass out a sheet of blank paper and pen to every member and say:

- “** There are things that require big amounts of money. I want you to think of 1 thing, or 1 reason why you personally need or want a big amount of money. Draw a picture of that thing and write the amount you think you need.
You have 3 minutes to draw. Have fun!

Walk around the room to answer questions or offer advice. When 3 minutes have passed, ask a few participants to show their pictures and explain their need for a big amount. Then say:

- “** Now everyone please look at the other drawings and find a person who drew a need or want that is similar to yours. This person will be your partner for the next activity; find a place to stand together.

Participants put their pictures on the ground or on a table in front of them. Say:

- “** There are many different reasons to need a big amount of money. Some of you want a large big amount. Some of you need less, but still more than you might have now. Finding a large amount of money to meet your goals can be very difficult. However, it is not impossible! Today we are going to learn about 2 ways to get a big amount of money.

2. Demonstrate the Difference between Saving and Borrowing – 20 minutes

Note: In this activity, you will play the role of banker, distributing loans and collecting repayments using the sheets of paper money.

Participants will work together in pairs. If there is an odd number of participants, select someone to be an employer or parent, whichever is more appropriate for your group. Use a parent for young clubs and an employer for clubs with older members. This parent/employer will be the one to distribute income. If there is an even number of participants, you will play both banker and employer/parent.

Ask participants to decide who will be player #1 and player #2. Explain:

- “** In this activity, we will have 2 players, #1 and #2. We will also have a banker and an employer (or parent). Each player will end up with 50,000 shillings. You and your partner will each collect the same amount of money separately, but you will work towards the same goal. With your partner, pick 1 reason, a goal, for which both of you need the money. Okay, you have 1 minute to pick the goal for needing 50,000 shillings.

After 1 minute, ask for 2 or 3 pairs to share their goals. Then say:

- “ Raise your hand if you are player number 1.
- “ Congratulations, each player number 1 will receive a loan of 50,000 shillings in cash! The banker will now lend you the money.

Distribute 50,000 shillings in sheets of paper money to each number 1 player. Explain that each object has a value of 10,000 shillings, so each number 1 player gets 5 sheets of paper money.

- “ Raise your hand if you are player number 2.
- “ Congratulations, you will each receive a tin (*or other container such as a box or jar*) from an employer or parent.
- “ Now, some of you have 50,000 shillings, others have a can. This might seem unfair, but let me explain. We are about to start a 5-month journey. When I say “Month 1”, each player number 2 will receive 10,000 shillings as income from their employer to deposit in their containers. We will assume that you save the entire amount.
- “ At the same time, each player number 1 will give the bank 10,000 shillings as repayment for the loan.
- “ **What questions do you have?**

Answer questions to clarify the activity. Try to clarify only the specific steps/procedure of the activity; you will help participants interpret the meaning of their actions afterwards.

- “ Okay, let’s begin! We are in Month 1.

Ask:

- “ **Who can pay for his or her goal now?** [*The #1 players*]
- “ **Why are you able to do so?** [*They received the entire 50,000 shillings already as a loan.*]

Say:

- “ Raise your hand if you are number 2 players. The employer will now give 10,000 shillings as income to each number 2 player.

“ Raise your hand if you are number 1 players. Now you each must pay the banker 10,000 shillings for the loan.

Repeat this collection and distribution 3 more times, for a total of 4 months. Then say:

“ Okay, let’s stop for a minute and talk about what is happening.

Ask:

“ **The number 1 players started with 50,000 shillings. How much do they have now? What happened to this money?** *[They are repaying their loan of 50,000 shillings in monthly installments of 10,000 shillings.]*

“ **The number 2 players started out with only an empty can. How much do they have now? How have they ended up with so much?** *[This is the money they have deposited from their 10,000 shillings monthly income.]*

Continue by asking:

“ **Now we have 1 month left. What is going to happen?** *[The number 1 players are going to be out of money and the number 2 players are going to end up with 50,000 shillings.]*

Say:

“ Now it’s Month 5!

Collect the last 10,000 shilling loan payment from the number 1 players and distribute the 10,000 shillings income to the number 2 players so they can make their last deposit into the tin.

Ask:

“ **What is the main difference between the 2 groups that received 50,000 shillings?** *[The number 1 players received the money in advance as a loan, and made small monthly repayments to the bank. The number 2 players deposited their monthly income into a tin, as a form of savings, and got the lot of money they needed at a later time.]*

Say:

“ The number 1 players are called borrowers, since they have borrowed money to reach their goals. The number 2 players are called savers, because they saved money from their incomes to reach their goals.

- “ As you have noticed, the timing of when each group gained access to their big amount of 50,000 shillings is a key difference.
- “ But the game is not over yet. As the banker, I have to ask the number 1 players, or borrowers, to pay me extra money for the advantage of borrowing 50,000 shillings and getting it right away. For borrowers who still owe the bank money and do not repay, there are often serious consequences.
- “ So each of the borrowers must now give me an extra 10,000 shillings. If you do not have another 10,000 shilling note to give me, you must give me something that belongs to you instead, such as your cell phone, notebook, wallet or shoes.

Insist that they must pay you or give you something of theirs. When they protest about giving you something of theirs, tell them:

- “ Today, you are lucky! Since I am not a real bank, I will release you from your obligation to pay this charge, but in real life, with a real bank, you would not be that lucky.

Ask:

- “ **What is the name for the extra money paid above the original loan?** [*This amount is the “interest” that borrowers must pay in addition to the amount borrowed.*]
- “ **Do the number 2 players, the savers, have to pay interest to the bank? Why?** [*No, because they have accumulated their big amount by putting aside money every month; the big amount they have is their own money.*]

Say:

- “ Sometimes, if they save money in a bank rather than in a tin at home, savers can earn a little interest. Since banks need money from savers in order to loan to borrowers, some banks will pay interest to their savers. For example, Centenary, FINCA, PRIDE, and other banks pay interest on savings.

3. Compare Saving and Borrowing – 25 minutes

Ask the number 1 and number 2 players to stand at opposite ends of the room. Divide each of these groups in half so you end up with 4 groups.

Ask one of the groups of number 1 players to identify the advantages of gaining access to a big amount of money by borrowing as they did in the exercise. Ask the other number 1 group to identify the disadvantages of borrowing to get a big amount of money. Ask one of the groups of number 2 players to identify the advantages of saving to accumulate a big amount of money over

time. Ask the other number 2 group to identify the disadvantages of saving to accumulate a big amount of money over time.

Give each group a few blank papers and ask them to write each advantage or disadvantage on a separate paper. Allow 5 minutes for this task. While they are working on this, place Printouts 2.3.1, 2.3.2, 2.3.3 and 2.3.4 spaced apart on the floor at the front of the room:

- Printout 2.3.1 “**SAVING** a little at a time to get a big amount **advantages**”
- Printout 2.3.2 “**SAVING** a little at a time to get a big amount **disadvantages**”
- Printout 2.3.3 “**BORROWING** a big amount upfront and repaying a little at a time **advantages**”
- Printout 2.3.4 “**BORROWING** a big amount upfront and repaying a little at a time **disadvantages**”

Then collect the papers, mix them up and distribute 1 paper to each person. Ask participants to place their papers under the sign they think it belongs to. If there are not enough papers for each participant to have one, have some work in pairs.

Allow 5 minutes for this task. Then review the placement of the papers with the participants and clarify any questions. Make sure to cover the following points:

Saving vs. Borrowing		
	Advantages	Disadvantages
Saving A little at a time to get a big amount	<ul style="list-style-type: none"> ▪ Money is your own. You are free to use it however you want. ▪ No pressure to make repayment. ▪ In some circumstances, savers earn interest on their savings 	<ul style="list-style-type: none"> ▪ Savings is slow. May never reach goal. ▪ May miss opportunities for investing or buying something at a good price.
Borrowing A big amount upfront and repaying a little at a time	<ul style="list-style-type: none"> ▪ Immediate access to money. ▪ Able to get a good price or make a good investment ▪ Get what you want right away. 	<ul style="list-style-type: none"> ▪ Borrowing costs money (interest). ▪ Pressure to repay on time. ▪ Negative consequences of failing to repay.

Next, ask all participants to stand in a line from the front of the space to the back. Explain:

- “ Now that you have identified advantages and disadvantages of saving vs. borrowing to get a big amount of money, I am going to describe a situation. You need to decide if, in that situation, it is better to borrow or save. If you think the situation calls for borrowing, step

sideways to your left. If you think it is better to save, step sideways to your right. Let's do 1 as practice.

Give the following example:

“ You want to buy your sister a bag.

Ask volunteers from each side to explain their decision for standing on the left or right. Proceed to read each of the following situations, allowing time for participants to decide whether to step to the right or left. After reading each situation, ask participants to stand back in the middle before reading the next situation.

- You break your leg and need money to pay the doctor and buy medicine
- You want to buy nice shoes
- You have an opportunity to invest in a small business and make some money
- You want to take a trip to visit your cousin who lives in a different town
- You need to buy a birthday present for your sister or brother whose birthday is tomorrow

Emphasize to participants that they should only borrow when they have a source of income that they can use to repay the loan. For personal things they want to buy, it is better to save, even if it takes time. Emergency situations might force them to borrow.

“ For personal things, something you might want or think could be useful, but not absolutely necessary, it is better to save, even if it takes time. This will save you money and will also be a valuable experience that might make you appreciate your savings even more. You should only borrow when you have a source of income that you can use to repay the loan. You could get into serious trouble otherwise. However, sometimes people have emergency situations that force them to borrow, such as a family member falling ill and not having enough money to pay for medicine.”

Ask:

“ **What did you learn today about the 2 ways to access a big amount of money?**

Thank participants for their work!

SAVING

a little at a time to get a big amount

Advantages

SAVING

a little at a time to get a big amount

Disadvantages

BORROWING

a big amount upfront and repaying a little at a time

Advantages

BORROWING

a big amount upfront and repaying a little at a time

Disadvantages

WANT TO MANAGE YOUR MONEY? START BY SAVING**Objectives**

By the end of the learning session, participants will be able to:

1. Discuss and prioritize reasons for saving
2. Identify personal savings goals

Preparations/Materials

- Sign-in sheet
- Printouts for use in the following steps:
 - Step 3
 - Printout 3.3.1: Personal Use
 - Printout 3.3.2: Emergencies
 - Printout 3.3.3: Future Opportunities
- Soft object that can be tossed safely (i.e., ball, rolled-up sock)
- Blank paper (1 per 2 members)
- Markers
- Box of pens for participants

Time

1:15 minutes

Steps

1. Introduce the idea of managing money – 5 minutes
2. Explore the reasons people save – 10 minutes
3. Determine priorities for saving money – 15 minutes
4. Identify savings goals – 20 minutes
5. Summarize the session and apply the new information – 5 minutes

PASS AROUND THE SIGN-IN SHEET**Steps**

- 1. Introduce the idea of Managing Money – 5 minutes**

Ask:

“ What do you use money for?”

Discuss the responses to this question. Possible answers include:

Use for Money

- | | |
|------------------|---------------|
| ▪ Hospital bills | ▪ Music shows |
| ▪ Clothing | ▪ Airtime |
| ▪ School fees | ▪ Food |
| ▪ Transport | ▪ SAVINGS? |

If nobody says “Savings”, make sure to offer it as the last suggestion. Explain:

“ Managing money involves all of these things. Managing money is about planning what you will do with your money. Since most of us don’t have enough money to pay for everything we need and want, we must make choices about what we will buy and what we will not buy. We try to save for things we will want in the future. We figure out ways to stretch our money to cover the necessary expenses we face. It can be hard. In this workshop we will focus on the value of saving, and learn some tips to help us save, such as how to make a budget. We will learn how to match expenses to income, and plan expenditures so we don’t go into debt and maybe even have a little left to save.

2. Explore the Reasons that People Save – 10 minutes

Ask participants to stand and form a circle. Explain:

“ I will say a sentence that is unfinished and throw this ball (*use something soft—a soft ball, ball of string, yarn, rolled-up sock*) to someone in the circle. That person has to complete the sentence. Here is an example:

“ People my age save to ... buy a house.

“ After answering, you repeat the same unfinished sentence and throw the ball to another person in the circle who then has to provide his/her own answer before repeating the process of saying the unfinished sentence and throwing the ball to someone new.

Use the following 2 unfinished sentences:

Reasons People Save

People my age save to _____

Savings can help you _____

You do not need to wait until everyone has provided an ending to each sentence. It is better to keep things moving at a lively pace. Allow 1–2 minutes per sentence before moving to the next sentence.

3. Determine Priorities for Saving Money – 15 minutes

Explain:

- “ You have named many different reasons to save. Most will fall into one of the following categories:
1. Personal use (clothes, entertainment, etc.)
 2. Emergencies
 3. Future opportunities (education/training, business investments, or assets like a motorbike)

While participants are still standing, post Printouts 3.3.1, 3.3.2 and 3.3.3 in different places around the room (a corner, the door, a window or the ground).

Personal Use Clothes, entertainment, food	Emergencies Hospital bills, flood repair	Future Opportunities School fees, new house
---	--	---

Say:

- “ Your job is to decide which of these categories of reasons to save is the most important for you. Please choose one, and stand in the location with the category you have selected as your first priority for saving. First, let’s come up with some examples for each category.

Let participants come up with 2 or 3 examples for each category. Then say:

- “ You have 5 seconds to make your choice and move!
- “ **What questions do you have for the group participants about why they chose this category?**

Allow 1–2 minutes of discussion per group. Explain:

- “ There is no correct answer for which of these categories is most important. They are all good reasons to save. But in reality it can be difficult to save for all of them. Sometimes you must decide which is most important to you.

4. Identify Reasons for Saving – 20 minutes

Say:

- “ When you know your priorities, it is easier to decide on a savings goal. A goal is something you want to achieve. For example, your goal might be to finish high school, or to do well on an exam, or to visit your grandmother once a week. A savings goal refers to a reason for which you save money.

Read the story of Sarah. Ask the participants to remember each goal they hear as you read the story.

The Story of Sarah

Sarah is 18 years old and stays in Kampala. She works with her mother to fry cassava in Owino market. In 2 months Sarah is planning to visit her grandmother who is sick and whom she has taken so long without visiting. Sarah’s grandmother stays in a village near Masaka. Before Sarah goes on her visit, she must buy her grandmother some presents and also for the aunties and uncles who stay nearby. Since she has also taken long to go to the village, she wants to make a statement and she will need new clothes and shoes to look sharp. Sarah will also need transport for the journey and airtime so she can communicate to the people in the village once she’s reached. In order to save money for her visit, Sarah has asked her mother to allow her to work extra time frying cassava.

Ask:

- “ **What is Sarah saving for?** [*gifts for grandmother, aunties and uncles, a new outfit, transport, airtime*]
- “ **Which of her savings goals can be met within a short amount of time?**
- “ **Which savings goal will take a longer time?**

Say:

- “ As in the case of Sarah, some goals can be accomplished in a short period of time, while others require more time if they involve greater amounts of money.

Have the club divide into pairs. Give each pair a piece of blank paper. Explain:

- “ With your partner, think about 3 things that you want to save for—that is, your own savings goals. Some will be short-term, which might require only a few weeks or months to save the money you need to reach your goal. Others might be long-term, and might require a year or more of saving. Write down your pair’s ideas on your paper.

Allow them 2 minutes to come up with their 3 ideas as a pair. Then have them turn the piece of paper over, draw a line down the middle and title one side “1 Month” and the other side “1 Year”:

Savings Timeline	
<u>1 Month</u>	<u>1 Year</u>

Explain:

“ Now think about how much time it would take for you to achieve each of these savings goals. If you think it is a short-term goal that you could achieve in one month, write it under “1 Month” on your paper. If you think it is a long-term goal that you could achieve in about one year, write it under “1 Year”.

Allow 2 minutes for them to discuss and categorize their goals. Ask volunteers to share some of their pairs’ goals and why they consider them short-term (1 Month) or long-term (1 Year). Ask the following:

- “ **Where are most of your pair’s goals—in the short-term or long-term column?**
- “ **Which are the common short-term goals?**
- “ **Which are the common long-term savings goals?**
- “ **What was challenging about identifying and classifying your goals?**

5. Summarize the Session and Apply the New Information – 5 minutes

Say:

“ We have talked of many reasons to save and identified the things we want to save for. Our reasons for saving vary depending on age, gender and other factors. But, having a specific goal, or reason to save, gives you something to look forward to, and motivates you to save.

Ask the entire group the following questions, and take answers from a few volunteers:

“ What will you do in your own life with the information we have discussed?

Thank the volunteers and reinforce their ideas. Explain:

“ Remember the goals you thought of today. In our next session we will look at how to plan for meeting the savings goals we have talked about today.

Personal Use

Clothes, entertainment,
food, etc.

Emergencies

Hospital bills, flood
repair, etc.

Future Opportunities

School fees, new house,
etc.

THE SAVINGS PLAN**Objectives**

By the end of the learning session, participants will be able to:

1. Develop a savings plan required to achieve a savings goal
2. Tell/explain how to prioritize their savings goals

Preparations/Materials

- Sign-in sheet
- Handout for use in the following steps:
 - Step 1:
 - Handout 4.1.1: Savings Plan Worksheet: Sarah's Savings Plan
 - Step 2:
 - (on the reverse of Handout 4.1.1) Handout 4.2.1: Savings Plan Worksheet: Reaching My Savings Goals
- Pens (1 per member)
- Remember to move around and see how participants are progressing
- Create space in class for easy movement

Time

1:25 minutes

Steps

1. Practice developing a savings plan – 25 minutes
2. Develop individual savings plans – 25 minutes
3. A Savings Role Model – 5 minutes

PASS AROUND THE SIGN-IN SHEET**Steps**

- 1. Practice Developing a Savings Plan – 25 minutes**

Explain:

- “ We learned in our last session that savings goals can be as simple as a new pair of jeans, or as challenging as enrolling in a school with high fees. The objective today is to learn how to develop a plan that can guide the way you manage your money so you can achieve your savings goals. It is great to know what you want to save for, but to actually save the money you need a good plan.

Divide the club into groups of about 4. Say:

“ Who remembers the story of Sarah from last session? Remember that Sarah worked for her mother frying cassava in Owino market and wanted to visit her grandmother. Let’s say that her transport cost to visit her grandmother will be 16,000 shillings. Sarah does not have 16,000 shillings right now so she must save money. Let’s say that her mother gives her 2,000 shillings each week for helping fry cassava. As a group your task will be to develop a plan for Sarah to reach this savings goal.

Note: If the members seem confused, it might be helpful to reread Sarah’s story.

Pass out one copy of Handout 4.1.1: Savings Plan Worksheet: Sarah’s Savings Plan, to each group. During this activity, you should be going around the area helping groups while you are explaining what they should do. Say:

“ Let’s look at this Savings Plan Worksheet together. The first question for your group to decide on is whether you think Sarah’s savings goal is a short-term or long-term goal. If your group decides it is a short-term goal (which might require a few weeks or months), write it in the first column under “Short-term”. If you think it will take Sarah a year or more, write it under “Long-term”.

Allow groups 1-2 minutes to complete this. Then say:

“ We already know the Total Amount Needed – 16,000 shillings – so write this in the same row in the “Total Amount Needed” column.

“ Now you must decide in your group when Sarah needs to reach her goal. When does she need to have the 16,000 shillings so she can visit her grandmother? Does she need to have it in a week, 2 weeks, a month, a year? Discuss and write what your group decides in the same row under the “By When” column.

Allow groups 1-2 minutes to complete this. Then say:

“ The last step is to determine how much Sarah must save every week. To find this, divide the total amount she needs (16,000 shillings) by the number of weeks she has until she has to go to visit her grandmother.

Allow groups 1-2 minutes to complete this task. Walk around and help groups do the math if they need help. Then ask:

“ **Do you think Sarah could actually save that much every week?**

“ **What other challenges did you face developing your plan?**

Probe for problems they had with the “by when” or with the calculation of the savings required.

“ How would this plan help Sarah achieve her savings goal?

2. Develop Individual Savings Plans – 25 minutes

Have everyone turn over their handout to the other side which is Handout 4.2.1: Savings Plan Worksheet: Reaching My Savings Goals so that each person has one. Explain:

“ Now it is time to develop your own savings plans. First, you must remember the savings goals you thought of in the last session, or come up with a new one if you like. If you would like to work with your partner again, you may, or you may also work on this by yourself. Think about:

“ How much money will you need to accomplish each of your goals?

“ Decide on 3 goals, 2 short-term and 1 long-term. Remember, short-term goals can be met in a few weeks or months; long-term goals might take a year or more. Write your 3 goals in separate rows in the left hand column of the worksheet.

Allow 5 minutes for participants to identify their goals. Explain:

“ Look at your goals. Decide which goal holds the highest priority for you. Rank the 3 goals in order of priority by writing a number right next to it. A number 1 is the most important, and number 3 the least important.

Ask a volunteer to share one of his or her goals. Say:

“ Now, develop a plan for reaching the goal that is your number 1 priority. First, determine when you will need the money, then figure out the amount you must save each week or month to reach the goal.

Allow 2–3 minutes for writing out this calculation in the worksheet. Walk around the room and offer help to those who need it.

Then tell participants to double the amount of time they allow themselves to reach the goal and re-calculate the amount they need to save every week or month. Allow 1–2 more minutes to do this. Ask:

“ What was your reaction when you figured out the amount you needed to save each week or each month to reach your top priority goal?

“ What happened to that amount of money you had to save each week or month when you doubled the amount of time to save for your goal?

“ What can we learn from these calculations? *[Even if your goal has a high price, you can still reach it by setting aside money regularly. If you can only save small amounts of money, it will just take you longer to reach your goal.]*

Summarize:

“ You have practiced figuring out the amount you need to save in order to reach your goals. You know that if you can only save a small amount of money regularly, it will take longer to reach your goal, but you still can!

Ask:

“ How will this savings plan help you?

“ What will you do differently now that you know how to make a savings plan?

Say:

“ Take this Savings Plan home with you and see if you can follow it for the next week, then bring it back with you to our next session.

3. A Savings Role Model – 5 minutes

Say:

“ Between now and our next session, talk to people in your family and community and find out who used the practice of savings to reach a goal they had set for themselves. Ask them about their experience so that you can share these stories with each other for inspiration.

Ask if they have any questions.

Savings Plan Worksheet: Sarah's Savings Plan

Savings Goal	Total Amount Needed	By When?	Amount to Save per Week
Short-term			Tip: To figure out the amount to save every week, divide the total amount of money you need by the number of weeks between now and when you need it. (Amount to save/number of weeks)
Long-term			Tip: To figure out the amount to save every week, divide the total amount needed by number of weeks between now and when you need the money.

Savings Plan Worksheet: Reaching My Savings Goals

Savings Goal	Total Amount Needed	By When?	Amount to Save per Week
Short-term			Tip: To figure out the amount to save every week, divide the total amount of money you need by the number of weeks between now and when you need it. (Amount to save/number of weeks)
Long-term			Tip: To figure out the amount to save every week, divide the total amount needed by number of week between now and when you need the money.

MONEY IN/MONEY OUT: THE ART OF BUDGETING

Objectives

By the end of the learning session, participants will be able to:

1. List and categorize sources of income and expenses
2. Define terms like budget, surplus, deficit, budget shortfalls and irregular income
3. Explain and develop a simple personal budget
4. Explain how to use a budget to cover a budget shortfall

Preparations/Materials

- Sign-in sheet
- 10 blank papers (Step 2)
- Handout for use in the following steps:
 - Step 3:
 - Handout 5.3.1: Budget Worksheet

Time

1:35mins

Steps

1. Introduce the topic – 5 minutes
2. Identify and categorize sources of income and expenses – 25 minutes
3. Create an imaginary budget – 20 minutes
4. Use a budget to cover a shortfall – 15 minutes
5. Develop a personal budget – 25 minutes

PASS AROUND THE SIGN-IN SHEET

Steps

1. **Introduce the Topic** – 5 minutes

Say:

- “ I will read a series of statements. Please stand up for each statement that is true for you, then sit down quickly. I am going to read each statement quickly so be prepared to stand or sit quickly. Let’s practice with an example:

Read the following statements quickly:

- “ Stand up if you:
- Like to eat fish
 - Are wearing anything blue today
 - Plan to spend any money today

“ Ready for some more? Let’s go!

Read the following statements in quick succession:

“ Stand up if ...

- You have money saved somewhere
- You have ever saved
- You wish you had saved some money
- You like to spend money
- You plan how to spend your money
- You wish you had more money
- You know the amount of money you need every week
- You know the amount of money you need every month
- You know how you will get money every month
- You wish you had an idea for how to earn some money
- You believe you can reach your savings goal

After reading all the statements, say:

“ All of these statements should make you think about how to manage your money, including savings. For those of you who wish you had savings, you will learn how to start saving. The first step is to keep track of the amount of money you have and how you spend it.

2. Identify and Categorize Sources of Income and Expenses – 20 minutes

Divide the participants into groups of 5 by counting off 1 to 5

Give each group a sheet of blank sheet of paper. Say:

Draw a picture of a typical young person. Name that person; decide his/her age, and what he or she is like. Think about personality and interests.

Give the groups 5 minutes to draw their pictures. Then say:

Next, identify potential sources of income for your imaginary young person. What are the ways in which this person gets money? Include anything you feel is appropriate for your young person, from small pocket money from relatives to money he or she earns from working. Write these sources of income on the left side of the picture.

Allow 2 minutes for this task. When they are finished, say:

Now decide what this young person’s typical expenses are. Think of all the things she or he spends money on and write these expenses on the right side of the picture.

Allow another 5 minutes for this next task.

Ask one person from each group to come to the front and stand with the picture of his or her group's imaginary young person. Each person standing is to briefly introduce the name of his or her group's imaginary young person by stating the name and age of the imaginary person. Say:

“ I am going to ask a few questions. If the answer to the question is yes, take a giant step forward. If the answer to the question is no, take a giant step backwards.

Demonstrate a giant step forward and a giant step backward.

“ **Does your young person like Radio and Weasel?**

“ **Does your young person have regular sources of income?**

“ **Does this person eat chapatti?**

“ **Does he or she have enough money to cover all of his/her expenses?**

Then invite the other club members to ask other questions about the imaginary young persons.

3. Create an Imaginary Budget – 20 minutes

Explain:

“ Now we are going to create a budget for one of the imaginary adolescents. But first, let's talk about what a budget is.

You are to demonstrate the definition of a budget with a gesture. When you say “estimated income” use your right hand to pretend to grab something and pull it towards you. When you say “and how it will be spent” you are to take your left hand and pretend to toss something away from you. Read the following definition of a budget.

Definition of Budget

A budget is a summary of estimated income and how it will be spent over a defined period of time.

Have all participants repeat the definition aloud and practice the gesture.

Then pass out Handout 5.3.1 Personal Budget Worksheet to each participant. Everyone will work together to create the budget for the imaginary person, under the column “Imaginary Person”.

Point to the sources of income for _____ (insert the name of the imaginary person you have chosen to feature). Say:

“ I need a volunteer to name one of _____’s (insert name of imaginary person) sources of income for one week. Let’s all write down this income here.

As a group, write down all of the imaginary person’s sources of income. Each participant is to write the same thing on his or her Handout 5.3.1 Personal Budget Worksheet.

Then ask participants to look at the expense categories and say:

“ I need a volunteer to name one of _____’s (insert the name of the imaginary person) expenses and say which category the expense is.

As a group, write down all of the imaginary person’s expenses for one week in the proper category on Handout 5.3.1 Personal Budget Worksheet.

Note: If an expense category is different from those listed, add it beneath the appropriate expense heading (Necessary or Discretionary)

As a group, you are to determine an amount for each budget line item. You do not need to debate over the exact amounts. Emphasize that these are estimates and do not need to be perfectly accurate.

Once all the sources of income and expenses in the budget have been given amounts, ask participants to help you add up the income and expenses. Ask:

“ Which section of the budget has the highest value?

“ What else do you see in this budget?

Point to the last row of the budget form. Explain:

“ This last row is one of the most important on the budget form. The number we put here can either be positive or negative, depending on whether there is enough income to cover the expenses. If the number is positive, that means the person has more income than expenses. If it is negative, it means that the person’s expenses are greater than her/his income. We are going to learn the terms for each situation.

Read the following definitions aloud and direct participants to read along at the bottom of the Handout 5.3.1 Personal Budget Worksheet:

Definition of Surplus and Deficit

- A surplus is the amount of money or goods that remain as a balance after spending (INCOME IS GREATER THAN EXPENSES).
- A deficit is having less money than the amount you need in order to purchase all the things you are to buy (EXPENSES ARE GREATER THAN INCOME).

“ What is another word, in any language, that you might use to describe a surplus?

Examples can include: balance, sente ezifiseewo

“ What is another word, in any language, that you might use to describe a deficit?

Examples can include: esente ezigudemu

“ In the case of this budget we have just created, how might a surplus happen? [It would mean that there is money left over after paying for all expenses.]

“ In the case of this budget we have just created, how can a deficit occur? [Not enough income to pay for all expenses creates a deficit.]

Indicate the “TOTAL Surplus (deficit)” row of Handout 5.3.1 Personal Budget Worksheet

“ How do we figure out the number that goes on this line of the budget? [We must subtract the total expenses from the total income. A positive number is a surplus and a negative number is a deficit.]

Show the calculation, subtracting total expenses from total income on your handout that you have been using as an example. Ask participants the following:

“ Does this budget show a surplus or a deficit?

“ Why is it important to keep a record of your income and expenses?

Summarize by saying:

“ Keeping a record of your income and expenses helps you to know where your money goes. If you have extra, or a surplus, you can save it for a future need. If your budget tells you that you won't have enough money to pay for your expenses, which is a deficit, you know to cut back on some expenses.

4. Use a Budget to Cover a Shortfall – 15 minutes

Ask participants to look again at the imaginary person’s budget. If the budget shows a surplus, continue with Part A. If it shows a deficit, skip Part A and start this step with Part B.

Part A.

If the imaginary person’s budget shows a surplus, ask:

- “ **What should _____ (name of the imaginary person) do with the money he or she has left over, the surplus?** *[Save it, give it to his or her parents for help with household expenses, re-pay a debt, spend it, pay for education needs.]*

After they have discussed various options for the budget surplus, have them cross off one or more of the income sources in order to create a deficit, then continue with Part B.

Part B.

If the imaginary person’s budget shows a deficit, say:

- “ It looks as though _____ (name of imaginary person) has run into a problem and does not have enough to cover his or her expenses for the week.
- “ In your groups, discuss what _____ (name of imaginary person) can do to solve his or her budget deficit. Your ideas must be realistic (for instance, “get two sugardaddies” is not a good idea!). Ready? GO!

After 3 minutes, ask a volunteer from each group to report on the ideas they discussed. You can reject ideas that are unrealistic.

Emphasize that there are 2 main paths to balancing a budget, or making sure that income covers expenses. Say:

- “ All of these ideas are good, and they fit into 2 possible ways to balance a budget: you can increase your income or reduce your expenses.

5. Develop a Personal Budget

Explain:

- “ Think about the last week. Start by filling in the types of income you received and the amount you got from each source for the last week. When you have done this, fill out the expenses portion of the budget by writing down all the things you spent money on last week.

To figure out your surplus or deficit, subtract your total expenses from your total income. If you have a surplus, decide the amount will you place in savings.

Circulate among participants to offer help to anyone who wants it. Allow 10 minutes for this task. Ask:

- “ **What questions do you have about filling out a budget?**
- “ **How will your budget look each week? Will it be the same or different? Why?**
- “ **What happens during the holiday season? How will your budget change then?**

In a future session, you will have the club members review their expenses for this week and then attempt to predict what their expenses will be for the week ahead.

Explain:

- “ Your budget worksheet has columns for “Week 1” and “Week 2”. For the next week, keep track of your income and expenses and put this in Week 1. Leave the Week 2 column empty for now! We will come back to that later.
- “ By tracking your expenses in the coming week, you will get to see how the amounts of your income and expenses can change. Irregular or inconsistent income is common

Read the following definition:

Definition of Irregular Income

Irregular income is money that one gets periodically or once in a while, instead of every week or month. It can be expected or unexpected (money that is not consistent).

Ask the following questions and discuss members’ responses:

- “ **What are some examples of irregular sources of income among you and your peers?**
[casual labor such as digging for a neighbor, pocket money, birthday or special holiday gifts]
- “ **How do you expect your expenses to change from week to week?**
- “ **How do you think a budget can help you manage your money?**

- “ **What was challenging about filling out a budget?**
- “ **What advice can you give other participants to address these challenges?**
- “ **How can you incorporate your savings plan into your budget?**

Say:

- “ Take this budget home with you and keep track of your income and expenses over the next two weeks. Bring it back with you to our next sessions so you can share your experience and ask any questions you have. Don't forget to bring your savings plan with you again too!

Personal Budget Worksheet

Definition of Budget:				
A budget is a summary of estimated income and how it will be spent over a defined period of time.				
Budget Line Items		Shilling Amount		
Income (list sources below)	Imaginary Person	Your name:		
		Last week	Week 1	Week 2
TOTAL Income				
Expenses				
Necessary	Food			
	Transportation			
	Health			
	Education			
	Family			
	Business			
Luxury	Entertainment			
Savings				
TOTAL Expenses				
TOTAL Surplus (Deficit)				
Definition of Surplus and Deficit				
<ul style="list-style-type: none"> ▪ A surplus is the amount of money or quantity of goods that remain when use or need is satisfied (INCOME IS GREATER THAN EXPENSES). ▪ A deficit is a shortfall in the amount of money or other good that is needed (EXPENSES ARE GREATER THAN INCOME). 				

MAKING SPENDING DECISIONS

Objectives

By the end of the learning session, participants will be able to:

1. Distinguish between needs and wants
2. Make the right decisions in prioritizing spending
3. Develop and discuss a personal savings strategy

Preparations/Materials

- Sign-in sheet
- Printouts for use in the following steps:
 - Step 2:
 - Printout 6.2.1: Transportation example for The Spending Game
- Handout for use in the following steps:
 - Steps 2 and 3:
 - Handout 6.3.1: The Spending Game
- Blank sheets of paper (1 per participant)
- Pens (1 per participant)

Time

1:30

Steps

1. Introducing Savings Strategies – 10 minutes
2. Distinguish between needs and wants – 10 minutes
3. Make spending decisions in a group – 25 minutes
4. Make spending decisions individually – 25 minutes
5. Making an individual savings strategy – 10 minutes

PASS AROUND THE SIGN-IN SHEET

1. Introducing Savings Strategies

Say:

“ How many of you brought your budget and savings plan back with you today?”

Show a copy of Handout 5.3.1 Personal Budget Worksheet and Handout 4.2.1 Savings Plan Worksheet: Reaching my Savings Goals to refer to in case participants have forgotten them. Ask for volunteers to report how accurate their budget predictions were. Then say:

- “ During the budget-making activity, we saw how different people have very different financial situations – people earn different amounts of money and over different time-spans and use that money for many different things. Despite this, all of us can find ways to save money – even if it is just a little bit at a time. One way to make sure you are able to save some money is to make a strategy for how to save.
- “ Let’s learn about how having a strategy for saving can change your life!

Ask for two volunteers. You will read the story as one of the volunteers acts out the part of Godfrey and the other volunteer acts the part of Moses:

The Story of Godfrey and Moses

Godfrey and Moses are good friends. They are both bicycle boda-boda men in the village. Godfrey and Moses, however, have very different ways of managing their money.

Whenever Godfrey gets money, he spends it all on food, clothes and going to parties at night clubs. Moses likes food, clothes and clubs also, but whenever he gets money he makes sure to always save some of it. For example Moses will only spend money on new clothes one time per month, and will only go to a club every other weekend. Godfrey buys clothes and goes to clubs whenever he has any money.

One day Godfrey and Moses are both bicycling and crash into each other! Both of them break the front wheel of their bicycles. They go together to the bicycle shop and learn that new front wheels are very expensive. Moses goes to his savings, takes some money out and buys a new front wheel that day. He is able to go back to work the next day. Godfrey, however, does not have any money to buy a new wheel. He goes home and spends the rest of the week asking all of his family to borrow money. He is not able to work all week so has no money for food, clothes or clubs for a long time. He spends all his time sitting at home sad and bored while Moses continues to work, save money, and still go to clubs every other week and buy clothes once per month.

Thank the volunteers for acting! Say:

- “ Now let’s learn how we can all make good savings strategies like Moses did.

2. Distinguish Between Needs and Wants – 10 minutes

Distribute blank sheets of paper and pens to each participant. Explain:

“ We spend money on lots of things. Some are necessary for our health or education. Some are things we want, and buying them makes us happy.

Ask:

“ **What do you think is the difference between something you need and something you want?**

Listen to answers from a number of participants. Then, read aloud the following definitions:

Definitions: Needs and Wants

Need: Something that is a basic necessity you cannot do without

Want: Something that is not needed for everyday survival

Say:

“ Draw a line down the middle of the sheet of paper in front of you. On one side, write the things you need; on the other, write the things you want. You have 2 minutes!

After 2 minutes, ask for volunteers to name the needs they identified. Then, review some of the wants. Ask:

“ **Are needs and wants the same for everyone?**

“ **What is an example of something that is a need for one person and not for another?**

Explain:

“ Making wise spending decisions is a key to saving. Most of us don't have enough money to pay for everything we want and need. When this happens, it is important to distinguish between wants and needs as you decide what you will go without. Remember, if you can cut your spending enough to save a little, eventually you will reach a savings goal that is important to you. So, your short-term loss can be your long-term gain. Today we are going to do some activities that will allow you all to practice making these hard choices.

3. Make Spending Decisions in a Group

NOTE: The spending game could be done or used once in small groups of 2-3-5 to save time on doing it again individually in case of little time .

To begin the exercise, organize participants into groups of 2 or 3 people. Distribute one copy of Handout 6.3.1: Spending Game to each group. Instruct one member of each group to take one of the papers they used to write their needs and wants in Step 1 and tear it into 16 pieces.

In this activity, groups must decide together which items they want to purchase. They must go through the categories of items in order and decide which item in each category they will buy. Once they decide, they cannot make any changes. They will not have enough money-units to purchase all of the items, but don't tell them that. Allow them to make that discovery on their own. Say:

“ For this game, you and your partner will be making spending decisions as if you were one person. These pieces of paper represent the money you and your partner (as one person) get for the month. Count them, please. Make sure your group has 16 pieces. The handout you just received lists all the things you can spend your income on. Each category comes with several choices, and the cost of each choice is shown by the number of “Xs” next to it. For each category, select one choice that suits you best, and allocate the number of objects needed to pay for that choice. The choices that do not have an “X” are free— you do not have to spend any income on them.

Let's do an example together.

Show Printout 6.2.1: Transportation example for The Spending Game.

The Spending Game: Transportation	
Walk or ride bicycle	
Taxi	X
Boda-boda	XX
Special hire	XXX

Explain:

“ Decide with your partner which transportation option most appeals to you. You can choose the option you wish for instead of the one that most closely reflects the kind of transportation you actually use. If you want to take special hires to get around, put 3 objects next to “Special hire.” But if you think you can walk or ride a bicycle to most places, you don't have to spend anything on transportation.

Ask:

“ **What questions do you have?**

When participants have finished asking questions, say:

“ Okay, let’s start the game. I will read through the categories and options in order. After I read through the options in each category, you and your partner must decide as one which option you will spend your money on. Put the amount of money (pieces of paper) that matches the number of X’s next to the option you choose. Please do not move ahead.

Read each category in order, starting with “Housing”. Read each option in the category and its cost, then wait 1-2 minutes for groups to decide which option they will spend money on. Go around the room to make sure that participants understand what to do.

When all the groups have finished, ask a volunteer from each group to report on the group’s purchases. Ask:

“ **What issues did you face when deciding which items to purchase?**

“ **How many of you had extra money at the end which you could save?**

Congratulate these groups for saving money. Ask the groups:

“ **What would you do differently the next time?**

4. Make Spending Decisions Individually – 25 minutes

In this step, participants will have another opportunity to make spending decisions—this time on their own, and with less money. Distribute more copies of Handout 6.3.1: Spending Game so that each person has one. For this activity, each person will only have 10 units of money. Instruct members to tear off more pieces of paper from their “Need/Want” sheets so that each of them has 10 pieces. Their task is to figure out how they are going to spend their money now that they have less. Explain:

“ Now we will play The Spending Game again, but individually rather than in groups. Each person should have his own copy of The Spending Game sheet. Now you will each need your own money... but this time we will make it a little bit more difficult. Rather than 16 pieces of money-paper, you will each only have 10! You are going to have to decide what your most important priorities are for spending your money, and which categories you can spend less money in. And don’t forget that you want to try to have some money (papers) left over for savings! Does anybody have any questions?

When participants have finished asking questions, say:

“ Okay, let’s go ahead and complete the Spending Game handout.

Read the categories and options aloud again, as in Step 2. As you are reading, go around the room to make sure that participants understand what to do. Once everyone has completed the game, ask:

- “ What was the first item you gave up now that you have less money? Why?**
- “ What was the last item you were willing to give up? Why?**
- “ Who was still able to have some money left for savings? How would having savings help you if next time you only got 8 money-papers?**

Allow 5 minutes for discussion of the above questions. Then say:

- “ Turn to the person next to you and compare your spending plans.**

After 2–3 minutes ask:

- “ How are your spending plans different?**
- “ What do the differences in your choices tell you about how individual preferences influence your choices?**

5. Making an Individual Savings Strategy

Say:

- “ You’ve seen now that deciding how to save money is an important part of keeping a budget. Look at your savings plan and your budget – remember we must be able to save on a regular basis to meet our short-term or long-term savings goals that we set!**

Ask participants to look at their Handout 5.3.1 Personal Budget Worksheet again and find ways they can save money. To do this, they must choose 1 or more expenses to reduce or eliminate.

Allow 2–3 minutes. Then ask a few volunteers to share those items they chose to cut. Ask:

- “ How realistic are your decisions? Can you really do without the items you have cut?**
- “ To find money to set aside as savings, we have focused on cutting expenses. What other way is there to have money to save? [The other option is to increase income.]**

“ Who thinks they will be able to follow their savings plan now that they have a budget to follow?”

Say:

“ Think about ways you can incorporate these savings strategies in your daily life with the help of your budget. Please bring your budget and savings plan with you again to our next session!”

Thank the participants for their work.

Transportation

Walk or ride bicycle

Taxi

X

Boda-boda

XX

Special hire

XXX

The Spending Game

Housing		Clothing	
Live with parents	X	No purchase	
Share room with a friend	XX	Blouse/T-Shirt	X
Share apartment with several friends	XXX	Jeans/Trousers	XX
Rent a place of your own	XXXX	Shoes	XXX
Phone		Hair Care	
Phone booth	X	Takes care of own hair with few products	X
Mobile phone	XX	Has a friend take care of hair with many products	XX
Mobile phone using lots of airtime	XXX	Goes to a saloon regularly and uses many products	X
Special mobile phone with camera and music ring tones	XXXX		
Food		Entertainment	
Always eat at home	X	visit friends	X
Eat chapatti out	XX	Sport gala	XX
Eat lunch out	XXX	Movies in cinema hall	XXX
Eat lunch + chapatti out	XXXX	Music show	XXXX
Eat at fancy restaurants	XXXXX		
Transportation		Buying things for the house	
Walk or ride bicycle		none asked for/expected	
Taxi (matatu)	X	Occasionally as needed	XX
Boda-boda	XX	One quarter of monthly income	XXX
Special hire	XXX		

CHALLENGES TO SAVINGS**Objectives**

By the end of the learning session, participants will be able to:

1. Identify challenges that adolescents face in protecting their savings
2. Discuss proposed ways/solutions to challenging situations of adolescents

Preparations/Materials

- Sign-in sheet
- Printouts for:
 - Step 2
 - Printout 7.2.1: Role-Play Descriptions cards

Time

85 minutes

Steps

1. Budget and Savings Plan Review – 10 minutes
2. Role-play challenging situations – 50 minutes
3. Summarize the session – 5 minutes
4. Sing a song about savings – 15 minutes

PASS AROUND THE SIGN-IN SHEET**1. Budget and Savings Plan Review – 10 minutes**

Ask:

“ Who has their budget worksheet and savings plan with them today?

Congratulate the members who brought their savings plan and budget with them. Ask:

“ **Who was surprised by their actual income and expenditures over the week?**

“ **Who had a surplus that they were able to save?**

Allow for some discussion. Then say:

“ Now that you have seen what your actual expenses and income are for a week, try to predict what your income and expenses will be for the coming week so you can budget your money. If you did not have any income or expenses for the last week and you do not think you will have any income and expenses for the next week, you can think instead of the next month.

Refer to your savings plan so that you can know how much money to budget toward savings in order to meet your goal!

- “ Try to stick to this budget for the coming week, and bring your worksheets back with you again next time.

Allow 5 minutes for this activity. While the members are working, go around the room and offer help to those who need it.

2. Role-Play Challenging Situations – 50 minutes

Divide participants into 3 or 4 groups. Ask a representative of each group to draw a card from the pile of Printout 7.2.1: Role-Play Descriptions cards. Explain:

- “ The card describes a situation for which your group will develop a role-play to present to all of us. The situations are similar to the challenges we have just been talking about. They each present a problem situation. You have 10 minutes to prepare your role-play. Each role-play should not be longer than 3 minutes.

Give participants 10 minutes to plan their role-plays. Circulate among the groups to answer questions. When the time is up, ask groups to volunteer one by one to present their role-plays to the entire group.

After each role-play, ask all participants to propose solutions to the dilemma that the saver faces in the role-play. Allow 5 minutes after each role-play for discussion. You can begin the discussion with the following questions:

- “ **What do you think about this situation?**
- “ **Do you know anyone who has been in a similar situation?**
- “ **What options does the ‘saver’ have?**
- “ **What would you recommend to him or her to solve the problem?**

3. Summarize the Session – 5 minutes

Say:

- “ The situations described in these role-plays have something in common. I’ll ask you a question that will give you a big hint.
- “ **In each role-play, where are the savings kept?** *[The saver has his or her savings at home.]*
- “ **What types of problems does having money at home create for the saver?**
- “ **In these situations, what might be the advantage of keeping the money outside the home?** *[The saver could more easily resist the pressure of the moment to use the money because it is not immediately available.]*

Explain:

- “ In the next few sessions, we will talk about the options for saving outside the home. You will learn about banks and the products they offer that can help you better manage your finances.

4. Sing a Song about Savings Rules – 15 minutes

Explain:

- “ With savings, taking action can be harder than discussing ideas. It is easy to understand why savings is so important for our financial security, but harder to actually save. It is easy to say that “We have no money to save.” It is much harder to force ourselves to find a little something to save each day or each week, even if it is only 50 shillings. To do this, you must follow the 2 basic rules of savings.

Read the Two Rules for Saving, then have everyone repeat them:

Two Rules for Saving

1. Spend less than you earn!
2. Save something every day or every week!

Divide participants into 2 groups and assign each group one of the rules for saving. If you have a large group, you can create 4 groups and assign each rule to two groups.

Explain:

- “ Each group will make up a short song to sing about its assigned savings rule. Your tune should be easy to remember so that you can sing the song often. You can use a tune you already know, or make up a new one. The song can include other words as well or simply repeat the savings rule to music.

Give the groups 10 minutes to create their song. Then ask them to perform and teach their song to the others.

***Note:** Have fun with the song. It may seem awkward at first, but if participants create a song that is funny, or memorable in some other way, you should ask them to sing it again periodically in the last sessions.*

Thank the participants for their creativity and musical entertainment!

Role-Play Description Cards

Role-Play 1: The boyfriend

- Angela is 19 and lives with relatives. They have given her a place in their home but no money to spend.
- She pays for her own expenses with her earnings from (plaiting hair, doing laundry, job at supermarket, other), and has managed to save 60,000 shillings in a local bank under her bed.
- She is very careful about saving because she knows that she won't be able to live with her relatives forever.
- Her boyfriend, Stuart, is a big dreamer. He tries to convince Angela to give him her savings so he can travel to Kampala where he has heard there is a lot of opportunity to make money. He is sure that he can make enough money for the 2 of them to move in to their own place together.
- She hesitates; she doesn't trust him and fears losing her only asset.
- But he is very persuasive and she loves him.

Role-Play 2: The sister

- Stuart is 17 years old, and has 70,000 shillings saved from selling airtime.
- He is saving to rent a boda-boda. His family needs the money and they support his plan by allowing him to save his money instead of contributing it to them to buy things for the house.
- One day he opens his tin to add his weekly deposit and finds that he only has 50,000 shillings. He is missing 20,000 shillings. He wonders what happened to his money.
- No one in his family knows anything about the missing money.
- Yet, his older sister is not at home at the time.
- When she returns, she is wearing new jeans.
- She smiles broadly when people compliment her new pants. But she will not look her brother in the eye.

Role-Play 3: The parents

- Angela is 16 and lives with her parents and younger brother and sister.
- She earns a little money helping out at her aunt's market stall on Saturdays.
- Her dream is to attend a tailor training class. She figures she needs to save her earnings for 1 year to have enough for the course fees.
- Her father likes to play cards; when he wins, he likes to show off his success by giving the kids a little extra pocket money. When he loses, they can't cover their school fees.
- Angela's mother wants to prepare a special birthday meal for Angela's little brother who loves pork.
- But Angela's mother is short on cash and knows that Angela has her savings under her mattress. She orders Angela to give her 20,000 shillings, which is almost half of her savings.
- Angela's parents both believe that money should be controlled by adults who are in the best position to balance the needs of everyone in the family.

Role-Play 4: The friends

- Joe is 18 and lucky enough to work with his older brother in his matoke business. Although the work is seasonal, it does give him some income, especially at harvest time when they go on buying trips to farmers in many locations. Joe is able to save some money from this income.
- When he is not working, Joe hangs with his friends in Kampala. Two of them know where to buy stolen goods (watches, MP-3 players, etc.) that they can sell on the street. With no work and no income, these guys see this as a good opportunity.
- They need money to buy the goods and try to convince Joe to join them since he is the only person with any money saved.
- His friends say that in exchange for his investment, they will do all the selling, so Joe will have no risk of getting caught.
- To Joe, it seems like easy money; but then again, his savings is the only money he has until his brother needs him again a few months from now. What if he loses it all?

SAVINGS OPTIONS**Objectives**

By the end of the learning session, participants will be able to:

1. Discuss saving options and their characteristics
2. Compare advantages and disadvantages of saving at home and saving at a bank

Preparations/Materials

- Sign-in sheet
- Handouts for use in the following steps:
 - Step 6:
 - Handout 8.6.1: Questions to Ask at a Bank
- Printouts for use in the following step:
 - Step 2:
 - Printout 8.2.1: Savings Methods charts
- 4 small sheets of paper with a savings option written on each (Step 1)
- 4 puzzles on card stock or thick paper (Step 1)
- Tape (Step 1)
- Pens or pencils
- Scissors

Time

70 minutes

Steps

1. Explore characteristics of four savings options – 10 minutes
2. Analyze the savings options – 20 minutes
3. Select a preferred savings option – 10 minutes
4. Identify characteristics of saving at a bank and at home – 10 minutes
5. Compare saving at home to saving at a bank – 10 minutes
6. Learn more about a savings account – 5 minutes

PASS AROUND THE SIGN-IN SHEET**1. Explore Characteristics of 4 Savings Options – 10 minutes**

Make sure you have the 4 sheets of paper with 1 of the following savings options written on each: “Saving at Home,” “Rotating Savings Group,” “Individual Account at Bank,” and “Savings Club.” Make sure you also have the 4 puzzles (shown below) on card stock. Each puzzle should be cut into 4 individual pieces with each clue on a separate piece of the puzzle. Explain:

“ Today we are going to take a look at four different savings options. To learn more about each of these savings options, we are going to play a matching game. I need 4 volunteers. Each of you will have something taped to your back, but you will not know what it is. The rest of the participants must be very careful not to say what is written on their backs.

Tape a savings option (written on a sheet of paper) on the back of each of the 4 volunteers and ask them to turn so the other participants see their backs.

If there are more club members than puzzle pieces, have them get together in pairs.

“ The rest of you will select 1 puzzle piece from the container. On each puzzle piece is a clue about 1 of the 4 savings methods. Read the clue on your puzzle piece and decide which of these 4 savings options offers the best match for your clue. Stand next to that person. The others who choose the same savings method will also have a puzzle piece. You should be able to arrange the 4 pieces into a rectangle shape.

Point to the volunteers who have the sheets of papers with the various savings methods taped on their backs.

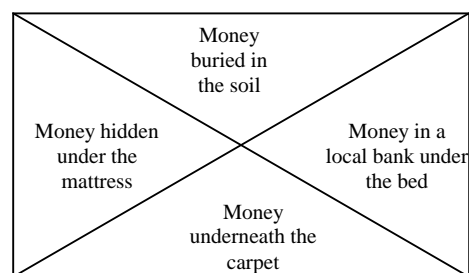
“ When you think you are all at the right place, try to fit your puzzle pieces into a rectangle. If they don't fit, 1 or more of you is in the wrong place. Once you have your puzzle completed, the person with the paper taped on his or her back must guess the type of savings method he or she represents based on the clues.

Pass the container around; when all participants have taken a puzzle piece, alone or in pairs, tell them that they have 5 minutes to find their match and complete their puzzle.

The puzzles will look like the following:

Savings at Home

- Money in kovera buried in the soil
- Money hidden under the mattress
- Money in a local bank under the bed
- Money underneath the carpet



Rotating Savings Club

- Group of friends or relatives usually in same community
- Members deposit same amount each month into the group account
- The money collected goes to a different member each month
- Members often decide to save in this way for a specific goal

Group of friends or relatives usually in the same community
Members deposit same amount each month into a group account
Money collected goes to a different member each month
Members often decide to save in this way for a specific goal

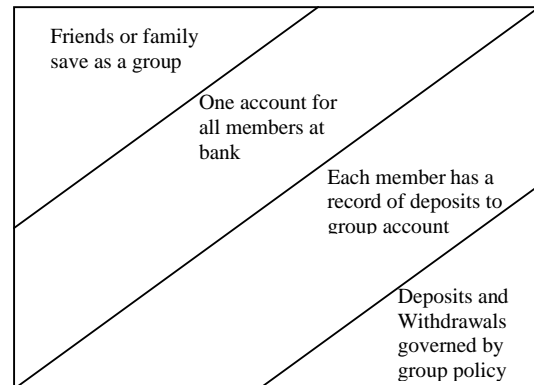
Individual Account at Bank

- Money held in a locked safe in a secure building
- Different types of savings accounts to choose from
- Fees charged for most transactions (for example, withdrawals)
- Regulated by government

Money held in a locked safe in a secure building	Different types of savings accounts to choose from
Fees charged for most transactions (for example, withdrawals)	Regulated by government

Group Bank Account

- Friends or family save as a group
- One account for all members at bank
- Each member has record of deposits to group account
- Deposits and withdrawals governed by group policy



After 10 minutes, help participants to complete their puzzles if they are having problems finding their right match. Ask a volunteer from each group to state the group's savings method and review its characteristics by reading the clues. Ask:

“ What questions do you have about any of these savings options?”

Allow 1–2 minutes to clarify any questions.

2. Analyze the Savings Options – 20 minutes

Give each group from Step 1 the Printout 8.2.1: Savings Methods chart with the group's assigned savings option—Savings at Home, Rotating Savings Club, Individual Account, or Group Account—and its clues written at the top. Underneath this descriptive information, the

charts have 3 columns with the headings *Likes*, *Dislikes*, and *Questions?* The charts will look like the following:

Group Account		
<ul style="list-style-type: none"> ▪ Friends or family save as a group ▪ The group has 1 account for all members at bank ▪ Each member has record of deposits to group account ▪ Deposits and withdrawals governed by group policy 		
Likes	Dislikes	Questions?

Savings at Home		
<ul style="list-style-type: none"> ▪ Money in kovera buried in the soil ▪ Money hidden under the mattress ▪ Money in a local bank under the bed ▪ Money underneath a rug 		
Likes	Dislikes	Questions?

Individual Account at Bank		
<ul style="list-style-type: none"> ▪ Money held in a locked safe in a secure building ▪ Different types of savings accounts to choose from ▪ Fees charged for most transactions (for example, withdrawals) ▪ Regulated by government 		
Likes	Dislikes	Questions?

Rotating Savings Group		
<ul style="list-style-type: none"> ▪ Group of friends or relatives usually in same community ▪ Members deposit same amount each month into the group account ▪ The money collected goes to a different member each month ▪ Members often decide to save in this way for a specific goal 		
Likes	Dislikes	Questions?

Ask the groups the following questions:

“ What do you like about your method and what don’t you like? Why?

“ What are the questions you have about your savings method?

They should write their ideas in the appropriate columns. Circulate to suggest things they should think about. They have 10 minutes to have this discussion.

After the 10 minutes, have a volunteer from each group come to the front and read their chart

Review each chart with the participants. Have other club members answer any questions participants may have written on their charts. Ask:

“ What comments or questions do you have about the savings methods?

3. Select a Preferred Savings Option – 10 minutes

Place the Printout 8.2.1 Savings Methods Charts on the floor around the room. Give all participants 4 objects that represent a fixed amount of your currency (for example, each unit is valued at 1,000 shillings). Participants will place these objects in their preferred savings method. Explain:

“ These objects represent money that you can save. Decide how and where you want to save it. You can put all 4 in the same place (individual account, at home, group account or rotating group). Or, you can divide it up among the different savings options in whatever way you want.

Encourage participants to make their own independent decisions on where to place the objects.

Allow 5 minutes for this exercise. Identify with participants which method received the most stickers. Ask:

“ What options did you choose for your savings? Why?

4. Identify Characteristics of Saving at a Bank and at Home – 10 minutes

- “ We have talked about different options for where and how to save your money, but we still need to learn more about their different services to know if saving at a bank is the right choice. We will hear a story that will give us more information about this choice.

Read Mary’s Story:

Mary’s Story

Mary is 18 years old and lives in a village. When her father died, he left her 100,000 shillings. Mary keeps her 100,000 shillings in a tin under her bed. She is saving it to enroll in a tailoring course. But Mary is easily tempted by clothes she sees in the market, and usually the dresses or shoes she wants to buy cost more than the money she earns plaiting hair. So, about once a month, she takes a little money out of her tin to buy something. That makes her so happy! And sometimes, when she has had a lot of business, she puts money into her tin, and is very proud that she can save. But 1 day, her uncle sees her put away her tin, and the next time she takes it out, she discovers that some money is missing. On another day, her mother falls ill and has to go to the doctor but has no money. Luckily, Mary can give her money from her savings. But, when the time comes to pay the registration fee for the tailoring course, Mary realizes that she only has 50,000 shillings left in her box.

Ask:

- “ **How does having money saved at home help Mary and her family?** [*She has easy access to her money for her own use or to help her family.*]
- “ **How does it make it harder for her to save?** [*Having the money at home makes it too easy to spend. It tempts others who need money; it can be stolen by thieves.*]
- “ **Mary puts money in and takes money out of her box frequently. What might happen if her savings were in a bank account and she made frequent deposits and withdrawals?** [*She might be charged a fee for each transaction at the bank—for each deposit and each withdrawal; she might have to travel far.*]

5. Compare Saving at Home to Saving at a Bank – 10 minutes

Tell participants they will now compare what they have learned about saving at a bank and at home. Explain:

“ Turn to a person sitting next to you. You will have 3 minutes to discuss in pairs how to answer 1 question. The pairs sitting on the right side of the group will discuss how to answer Question 1, while those sitting on the left side will discuss how to answer Question 2. The side of the group with the most answers to their question wins!

“ **Question 1: What are the advantages to saving in a bank?**

“ **Question 2: What are the advantages of saving at home?**

After 3 minutes, ask each side of the group (first those who answered Question 1, then those who answered Question 2) to call out the answers they identified. Keep track of how many answers each side comes up with and congratulate the side that came up with the most. Make sure the following points are mentioned:

Saving at a Bank—Advantages	Savings at Home—Advantages
<ul style="list-style-type: none"> ▪ Money is safer than at home ▪ Money deposited sometimes earns interest ▪ Fees and limited access discourage taking money to spend ▪ Need less willpower to save ▪ More privacy ▪ Access to other financial products 	<ul style="list-style-type: none"> ▪ Deposits and withdrawals are easy ▪ No transaction fees/bank charges ▪ No age limits ▪ No minimum balance ▪ Money is easily available for emergencies

6. Learn More about a Savings Account – 5 minutes

Pass out Handout 8.6.1 Questions to Ask at a Bank About a Savings Account. Say:

“ Some of you may not be ready for a bank account. You might not be old enough to have one or you may not have enough money now to need one. But as you get older and start earning your own money, you may find that a bank account can help you to reach your long-term goals and to keep your money safe. So far, we have talked about how banks work in a very general way. In reality, each bank has its own rules, and it will be important for you to find out what these are to help you select the bank that’s best for you. read through a list of questions you should ask in a bank. Think about the story of Mary as we read these questions.

Ask volunteers to read each question one by one.

Thank members for their work, and encourage all participants to show this list of questions to their parents or guardians.

*Printout 8.2.1: Savings Methods Charts***Group Account**

- Friends or family save as a group
- The group has 1 account for all members at bank
- Each member has record of deposits to group account
- Deposits and withdrawals governed by group policy

Likes

Dislikes

Questions?

Savings at Home

- Money in kovera buried in the soil
- Money hidden under the mattress
- Money in a local bank under the bed
- Money underneath a rug

Likes

Dislikes

Questions?

Individual Account at Bank

- Money held in a locked safe in a secure building
- Different types of savings accounts to choose from
- Fees charged for most transactions (for example, withdrawals)
- Regulated by government

Likes

Dislikes

Questions?

Rotating Savings Group

- Group of friends or relatives usually in same community
- Members deposit same amount each month into the group account
- The money collected goes to a different member each month
- Members often decide to save in this way for a specific goal

Likes

Dislikes

Questions?

Questions to Ask at a Bank about a Savings Account

1. How old do I have to be to open a bank account?
2. How much money do I need as a starting deposit to open a savings account?
3. What are the monthly fees charged on the account?
4. What are the charges for deposits and withdrawals?
5. Is there any way to avoid paying these fees?
6. What is the smallest amount I can deposit?
7. Can I withdraw my money at any time?
8. How do I keep track of my deposits, withdrawals and balance?
9. What rate of interest does the bank pay on this account?
10. What happens if I lose my passbook?
11. How much money do I need to always keep in the account (what is the minimum balance)?
12. What happens if my balance goes below the minimum balance?
13. How much money do I have to have in my account in order to earn interest?
14. What is the closing fee?
15. What are the requirements to open an account?

FINANCIAL NEGOTIATIONS**Objectives**

By the end of the learning session, participants will be able to:

1. Define the term financial negotiation
2. Discuss effective/good communication and the do's and don'ts
3. Explore the possible results/outcomes of a financial negotiation

Preparations/Materials

- Handouts for:
 - Step 2:
 - 4 copies of Handout 9.2.1: A Conversation between a Father and Daughter (I)
 - Handout 9.2.2 Do's and Don'ts of Effective Communication/Rules for Active Listening
 - Step 3:
 - 4 copies of Handout 9.3.1: A Conversation Between a Father and Daughter (II) (on back of Handout 9.2.1)
 - Step 4:
 - Handout 9.4.1 Prepare to Negotiate (on back of Handout 9.2.2)

Time

65 minutes

Steps

1. Introduce financial negotiation – 5 minutes
2. Identify the do's and don'ts of effective communication – 20 minutes
3. Identify good communication skills – 30 minutes
4. Demonstrate the rules of active listening – 10 minutes

PASS AROUND THE SIGN-IN SHEET**1. Introduce Financial Negotiation – 5 minutes**

Welcome the participants and thank them for coming. Explain:

“ Money is one of the most difficult topics to talk about with other people. For most, money is a very private topic; few people want others to know the amount of money they have—or don't have. It is also an emotional topic. Young people might want things—like clothes, music, shoes, sports equipment—that they cannot afford. In some families, young people argue with their parents or guardians over money; the amount they can have and what they are allowed to spend it on. Young people may not feel as though they have any say in such issues. Sometimes girlfriends disagree with their boyfriends about how to spend the limited

money they have. In this workshop on financial negotiation we will learn some ways to talk about money that make the conversation easier. We will practice talking about money in different situations. As you build your communication skills, you will become more confident approaching the conversations about money that all of us have.

Ask:

“ **What do you think financial negotiation is?** ”

Ask participants to discuss their ideas of “financial negotiation.” Then offer the following definition by reading aloud:

Definition of Financial Negotiation

Financial negotiation is communication among 2 or more persons to achieve agreement on issues related to money.

2. Identify the Do’s and Don’ts of Effective Communication – 20 minutes

Explain:

“ Successful negotiations start with good communication skills. We will identify and practice some basic “do’s” and “don’ts” of good communication.

“ We are going to start by acting out a conversation! Can I have two volunteers to play the roles of a father and daughter?

Give each of the 2 volunteers a copy of “A Conversation Between a Father and Daughter (I)” Have them read aloud and act out the dialogue

A Conversation Between a Father and Daughter (I)	
Daughter:	Hey, it looks like you are going out, as usual, but I <i>have</i> to talk to you about something <i>really</i> important; it can’t wait!
Father:	I am about to leave for my card game tonight. What could possibly be so urgent?
Daughter:	Well you know how I am going across town to a new school? So, I am trying to make new friends but all the kids come from all over so it’s hard to stay in touch with them. And, on my way home, maybe Mama will want me to do an errand....

Father:	What are you talking about? Get to the point. I am in a hurry!
Daughter:	I really want a cell phone. All my friends are getting them and
Father:	<i>(cutting her off)</i> You always want something—usually something useless and expensive so you can act like a rich kid—even though you know money is tight in this family!
Daughter:	That’s not fair! A cell phone will help all of us, particularly as I take on more responsibility around here.
Father:	I will decide what is fair and not fair in this household! There are a lot of demands on my income and I have to decide how to spend it in the best interest of everyone.
Daughter:	Yea, well my interests never seem to matter! My brothers get whatever they want, but for me, money is always tight.
Father:	Ach, I don’t have time for this argument. You are obviously still too young to understand how hard it is to make ends meet.

After the skit, say:

“ What was good and bad about this conversation? What do you think the DOs and DON’Ts of communication should be?

Give participants some time to discuss. Then pass out Handout 9.2.2 Do’s and Don’ts of Effective Communication/Rules for Active Listening and read:

<i>DOs</i>	<i>DON’Ts</i>
<ul style="list-style-type: none"> ▪ <i>Listen to your partner</i> ▪ <i>Recognize her point of view</i> ▪ <i>Show respect</i> ▪ <i>Be flexible</i> ▪ <i>Clearly state what you want</i> 	<ul style="list-style-type: none"> ▪ <i>Get angry</i> ▪ <i>Be rude or insulting</i> ▪ <i>Reject your partner’s ideas immediately</i> ▪ <i>Lock yourself into 1 position</i>

3. Identify Good Communication Skills – 15 minutes

Say:

“ Now that we have identified some basic communication skills, let’s try this conversation again.

Ask for two new volunteers to play the roles of Father and Daughter. They should come forward to read the following script: *A Conversation Between a Father and Daughter (II)* (Handout 9.3.1).

A Conversation Between a Father and Daughter (II)	
Daughter	Hello, father, I want to talk to you about something important. Do you have a few minutes now?
Father	I have to leave soon for my card game tonight. Let's make it quick!
Daughter	Father, now that I am older and travel across town to school, I really need a cell phone. I know they are expensive but....
Father	<i>(cutting her off)</i> You always want something—usually a luxury item—even though you know money is tight in this family!
Daughter	But father, a cell phone will help all of us, especially as I take on more responsibility for collecting my sister at her school and doing errands for Mama.
Father	Young lady, you do not seem to realize that there are many things my income needs to cover, and I have to decide how to spend it in the best interest of everyone.
Daughter	I am sorry, father, I did not mean to make you angry. I know it is hard to manage so many demands on the budget. I can wait to get a phone. Do you think it would it be possible to come up with a plan for buying 1 in the future? I am earning money myself now, helping Aunt Sara at her market stall. It is very little, but still, if I save, I can have 20,000 shillings in 2 months. If I am able to do that, would you consider helping me pay the balance?
Father	I guess I could consider that. But don't expect me to pay for your air time!

Thank the volunteers for their excellent presentation. Ask:

- “ **What communication skills from our DO and DON'T chart did you notice?** [*the daughter showed respect, she stopped herself from becoming really angry, she admitted the father's point of view; she proposed a compromise solution*]
- “ **What did the daughter do to avoid an argument?**

“ **How did she show respect for her father?**

“ **What was the compromise she proposed?**

4. Demonstrate the Rules of Active Listening – 10 minutes

Explain:

“ Listening skills are critical for good communication. The person you are talking to needs to know that you care about what she/he is saying, and that you have heard her/him. As the listener, you need to know that you have heard correctly. In a conversation, these listening practices are useful.

Read together the Rules of Active listening (on Handout 9.2.2, below the DO's and DON'Ts of Communication)

Rules for Active Listening

- Look directly at the person. Make eye contact.
- Repeat or summarize what the person has said to you before making your point.
- If you are not clear about what your partner has said, rephrase what you have heard in another way and ask your partner to confirm that you have understood.
- Ask clarifying questions to be sure you understand, or probing questions to get more information.

Say:

“ We now know how good communication skills such as listening can help us when we are involved in a conflict or are negotiating a difficult issue. Preparing for a conversation that you expect to have can also help you get to a good outcome. Let's review the things you can do to prepare for a financial negotiation. Turn over Handout 9.2.2 and let's read together the steps to Prepare to Negotiate.

- “
- Collect information
 - Evaluate your options
 - Seek advice from someone close to the situation
 - Decide what you want from the negotiation
 - Understand the interests of the other person
 - Identify what you can offer the other person
 - Maintain a respectful dialogue with the other person

- Remain calm
- Know what you will do if the negotiation fails to satisfy your needs
- The facilitator can select 3 or 4 role plays for participants to act out as a conflicting situation for discussion, rather than acting out all the six scenarios or role plays. Too much of this activity may lead to boredom among participants.

Note: This activity calls for participants to role-play conflict situations. You will need to divide participants into groups of 3 or 4 and give them 10 minutes to prepare their role-plays which should last from 3 to 5 minutes. Although there are 6 role-plays, limit the number performed to 3 or 4. With more than 4 role-plays, participants may get bored watching. If you have more than 16 participants in your group (4 groups of 4 people each), make each group larger and tell the participants to change and expand the scenario they have to incorporate a few extra people.

Allocate 5 minutes for each role-play presentation and follow-up discussion.

Explain:

- “ People often disagree about issues that involve money. Many of you are beginning to have more responsibility for yourself and your financial situation at home, at school and at work. That means you will probably have more discussions, and maybe even conflicts, related to money. Today you are going to practice using the listening skills and communication DOs and DON'Ts, the rules for active listening, and then prepare to negotiate plans in made-up conflicts.
- “ Each group will select a card that describes a conflict. Each group should decide on a solution to its conflict. Make up a role-play showing the interaction between the people described and the solution you have chosen. Your solution does not have to end in a way that everyone wins. You can choose a different outcome where 1 person wins and the other loses. However, at least 1 of the characters in the role-play should try to demonstrate good communication skills.

Conflict Situations

1. Sofia helps her grandmother on Saturday mornings at her restaurant in the market. She earns 4,000 shillings each week which she wants to keep. Her plan is to save half and keep half to spend during the week. But her mother insists that Sofia give her the money to help with household expenses.
2. Patrick has a bicycle boda boda and is open for business every day after school. He is saving to move to London where his cousin lives. He dreams of making lots of money. But his parents oppose his plans to leave the country. They need him at home to help with expenses. They insist that he use his savings to enroll in a vocational course that will train him for a profession he can use at home in Uganda.

3. Aisha gets money each week from her parents for transport and lunch. Her parents have encouraged her to budget this money so that it lasts the entire week. But when they learned that Aisha was so good at budgeting that she had a little to save at the end of each week, they got angry, accusing Aisha of hoarding money that is needed for the family. They threatened to reduce her allowance, but Aisha wants a little money as her own.
4. Mariam is 1 year older than her brother Eric. They go to the same high school and receive the same allowance from their parents for transportation and lunch. But Eric always has more money than Mariam. He rides to and from school on his bicycle with other boys; Mariam's parents will not let her ride a bicycle with so many boys, so she has to take the bus. And, Eric helps his father after school collecting fares in the matatu he drives. Mariam's father says this job is too risky for girls. Mariam never has any extra money for the things she wants and she thinks the situation is unfair.
5. Hakim works for a shopkeeper, tending the store at night. He arranges to have Friday night off so he can attend his sister's 15th birthday party. But at the last minute, the shopkeeper tells Hakim that he needs him to work on Friday night. He has no one else who he trusts to close the store at the end of the night. Hakim's family will not allow him to miss the party, but he does not want to lose his job.
6. Vivian's boyfriend is James; he is dying to go to rugby field and see the new music show, and he begs Vivian to pay for the tickets with the money she got as a birthday gift from her uncle. A whole group of their friends are going. Vivian has other plans for this money, but she has seen James flirting with another girl in their group of friends. She worries that if she doesn't say, "yes," James will find another way to go to the show and end up with the other girl.

After each group has performed its role-play, ask:

- “ **What communication skills did you notice among the actors in the role-play?**
- “ **What was the solution they arrived at?**
- “ **What are other possible solutions to this conflict?**
- “ **What would you have done differently in that situation?**

After all the groups have performed, say the following:

- “ Today we have seen different ways of resolving conflicts. Not all result in an outcome where everyone wins. Although you want a win-win outcome, sometimes it is impossible given the personalities involved, or the emotions of the moment. However, communicating with

confidence is the starting point for good negotiations. Explain what you want clearly and listen to the other side. Try to keep calm as you look for a compromise that will satisfy everyone involved. With these skills and a little preparation, you can negotiate your way to a win-win.

CONCLUSION

- “ This concludes session 9 of our savings class, the final session of our financial education program. Congratulations, you’ve made it! Throughout these sessions, we’ve talked about a lot of different things. We’ve talked about banks, about managing money, about creating a budget, how we choose to spend money, and even how to just talk about money. But the most important lesson of all, and the one that you all have been learning about throughout all these sessions, is the lesson of saving. No matter how little or how much money you have, whether you save alone or with a group, whether you use a bank or keep a tin, you can all save!
- “ Thank you for being such a great club, it was a pleasure working with you. I hope you take what you’ve learned here and, in addition to saving for yourself, let your friends and family know how important savings can be!

PASS OUT CERTIFICATES

- “ Now as you all know, I’ve been having you fill out a sign-in sheet for each session. For those of you who have attended at least seven sessions, you all receive an official FINCA certificate. This certificate is proof that you successfully completed our financial education program. Congratulations! For those of you who didn’t manage to make it to at least seven sessions, we appreciate you attending as many sessions as possible and hope that you, too, were able to learn something from this program.

Using your sign-in sheets from the past 8 sessions and this current session, determine which of the club members attended 7 or more of the sessions. Distribute certificates to those members.

Ask if there are any final questions and thank the members one last time for their participation.

Handout 9.2.1

A Conversation Between a Father and Daughter (I)	
Daughter:	Hello, it looks like you are going out, as usual, but I <i>have</i> to talk to you about something <i>really</i> important; it can't wait!
Father:	I am about to leave for my card game tonight. What could possibly be so urgent?
Daughter:	Well you know how I am going across town to a new school? So, I am trying to make new friends but all the kids come from all over so it's hard to stay in touch with them. And, on my way home, maybe Mama will want me to do an errand....
Father:	What are you talking about? Get to the point. I am in a hurry!
Daughter:	I really want a cell phone. All my friends are getting them and
Father:	<i>(cutting her off)</i> You always want something—usually something useless and expensive so you can act like a rich kid—even though you know money is tight in this family!
Daughter:	That's not fair! A cell phone will help all of us, particularly as I take on more responsibility around here.
Father:	I will decide what is fair and not fair in this household! There are a lot of demands on my income and I have to decide how to spend it in the best interest of everyone.
Daughter:	Yea, well my interests never seem to matter! My brothers get whatever they want, but for me, money is always tight.
Father:	Ach, I don't have time for this argument. You are obviously still too young to understand how hard it is to make ends meet.

A Conversation Between a Father and Daughter (II)	
Daughter	Hello, father, I want to talk to you about something important. Do you have a few minutes now?
Father	I have to leave soon for a football match. Let's make it quick!
Daughter	Father, now that I am older and gone to school, I really need a mobile phone. I know they are expensive but....
Father	<i>(cutting her off)</i> You always want something—usually a luxury item—even though you know money is not enough in this family!
Daughter	But father, a mobile phone will help all of us, especially as I take on more responsibility for collecting my sister at her school and doing some work for Mama.
Father	My daughter, you do not seem to realize that there are many things my money needs to cover, and I have to decide how to spend it in the best way of everyone.
Daughter	I am sorry, father, I did not mean to make you angry. I know it is hard to manage so many demands on the budget. I can wait to get a mobile phone. Do you think it would be possible to come up with a plan for buying one in the future? I am getting money myself now, helping Aunt Sara at her market stall. It is very little, but still, if I save, I can have 20,000 in 2 months. If I am able to do that, would you consider helping me pay the balance?
Father	I guess I could consider that. But don't expect me to pay for your air time!

Definition of Financial Negotiation

Financial negotiation is communication among 2 or more persons to achieve agreement on issues related to money.

Do's and Don'ts of Effective Communication

DO:

- Listen to your partner
- Recognize her point of view
- Show respect
- Be flexible
- Clearly state what you want

DON'T:

- Get angry
- Be rude or insulting
- Reject your partner's ideas immediately
- Lock yourself into one position

Rules for Active Listening

- Look directly at the person. Make eye contact.
- Repeat or summarize what the person has said to you before making your point.
- If you are not clear about what your partner has said, rephrase what you have heard in another way and ask your partner to confirm that you have understood.
- Ask clarifying questions to be sure you understand, or probing questions to get more information.

Prepare to Negotiate

- Collect information
- Evaluate your options
- Seek advice from someone close to the situation
- Decide what you want from the negotiation
- Understand the interests of the other person.
- Identify what you can offer the other person
- Maintain a respectful dialogue with the other person
- Remain calm
- Know what you will do if the negotiation fails to satisfy your needs

GLOSSARY

Budget: A budget is a summary of estimated income and how it will be spent over a defined period of time.

Deficit: having less money than the amount you need in order to purchase all the things you are to buy (EXPENSES ARE GREATER THAN INCOME).

Expenditure: Money that you have spent

Income: Money that you have gained

Interest on a loan: the fee a bank charges for money someone borrows; the size of the fee depends on the amount of money borrowed and for how long it will be borrowed – the fee will be larger if the amount of time is longer or the amount of the loan is larger.

Interest on savings: bonus money given by a bank to a client who saves money in the bank, depending on how much money

Irregular Income: money that one gets periodically or once in a while, instead of every week or month. It can be expected or unexpected (money that is not consistent.)

Loan: money borrowed from a bank that must be paid back in a certain amount of time. If a loan is not paid back, the bank can take property from the borrower.

Need: something that is a basic necessity you cannot do without

Surplus: the amount of money or goods that remain as a balance after spending (INCOME IS GREATER THAN EXPENSES).

Want: something that is not needed for everyday survival

Starting a Lifetime of Savings



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