medicorfoundation HORIZONT3000 Dka Austria AFARD The Quest for A Better Society

YOUTH AGRI-SKILLING FOR DECENT EMPLOYMENT (YADE)

FINANCIAL LITERACY MANUAL

TRAINER'S GUIDE
2021

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FINANCIAL LITERACY MANUAL TRAINER'S GUIDE

About YADE Project

Uganda made impressive economic development in the last three decades. Poverty headcount declined from 56% in 1992 to 27% in 2018 and 33% of the total population belongs to the middle class. However, the rosy economic growth is marred by inequalities and social exclusion. Youth; majority of the total population have largely not benefited from the jobless economic growth. There are few employment opportunities for young people, who enter in thousands into the labour market every year. While in the last decades the labour force grew annually with 390,000 new job seekers, only 8,120 jobs were created each year. Two-thirds of all jobs created in 2001 - 2011 were confined to only six out of the 112 districts and mainly in central Uganda. Rural areas contribute 96% to national poverty. This has resulted into a steady increase in unemployment rates from 1.9% in 2009 to 9.4% in 2016. The majority (64%) of unemployed people is the youth and especially female youth. It is worrying, that at the current population growth rate and public-private sector absorption capacity, it will likely take one generation before the majority of the labour force has a non-farm salary job. This situation is due to: Lack of relevant and marketable skills and limited access to business finance. To address, AFARD secured a 3-year funding from Medicor Foundation and Dka Austria through HORIZONT3000 to implement Youth Agri-skilling for Decent Employment (YADE). YADE seeks to improve youth employment through “a holistic and bundled-package approach that improves youth employability with agri-skilling, business start-up kits, and business development services” so that the youth (15-30 years) can join the world of work in sustainable and viable agribusinesses (targeting the ready local markets) that can lift them out of poverty. Below is a summary of the project.

Duration 3 years (01.04.2021 – 31.03.2024)	
Geographical area Wadelai Sub county, Nebbi District, West Nile, Uganda	**Overall objective:** To contribute to sustainable poverty reduction among youth through agri-enterprise development **Specific objective:** To increase access to gainful agricultural employment opportunities for 500 youth in Pakwach district through marketable non-formal vocational and complementary skills training by 2024 **Expected results:** R1: To establish and strengthen 24 agribusiness youth investment groups (a-YIGs) with functional VSLA by 2024 R2: To improve the employability of 500 youth through entrepreneurship, financial literacy, collective marketing and non-formal vocational skills training by 2024 R3: To increase the ownership and growth of 500 youth agribusinesses for self-employment by 2024 To achieve this goal, the project will: (i) Mobilize 500 youth (60% females) into 24 **Agribusiness Youth Investment Groups (a-YIGs)** using a youth-led **Village Savings and Loan Associations (VSLAs);** (ii) Improve youth employability skills through trainings in entrepreneurship and life skills, financial literacy and collective marketing together with non-formal agri-vocational skills training in niche agribusinesses (animal traction, horticulture, cage fish farming, bakery, catering, agroforestry, and food processing); (iii) Provide start-up kits together with training in good agricultural and agribusiness practices (GAAP); and (iv) Offer business coaching and market linkages with agro-input dealers and produce buyers. With increased productivity, the youth will achieve increased incomes to: a) grow their agribusinesses, b) increase their average savings and c) acquire and own more productive assets.
Beneficiaries 5,100 people (500 youth direct and 4,600 indirect): 02 Sub county local governments will gain from produce tax; 3,000 smallholder farmers will use animal traction services; at least 05 market vendors will buy youth products; and at least 100 youth who will be wage employee	
Implementing entity Agency for Accelerated Regional Development (AFARD)	
Budget UGX1,123,688,000 (Euro 280,922)	
Funding Medicor Foundation and Dka Austria through HORIZONT3000	

How to Use This Trainer's Guide

This Financial Literacy Manual is adapted as a Trainers' Guide for farmer group members who are already engaged in Village Savings and Loans Associations-VSLA. It seeks to instill the basic knowledge, skills, attitudes, and practices of a frugal personal money management. The guide is built with both background information to orient the trainers to the topic and step-by-step descriptions of learning activities for trainings.

The Learning Sessions

This manual contains 06 modules that lasts a maximum of 2 hours. This is because the trainings are planned to either follow from the VSLA methodology and Income Generating Activity – Selection, Planning and Management (IGA-SPM). Each module contains learning activities that are described in a step-by-step detail and include stories, exercises, small-group discussions and role-plays which actively engage the participants in the learning process. They also promote teamwork and learning from peers. The Trainer is to plan with the group members a weekly training for 6 weeks altogether. Lessons from previous sessions should be cumulatively carried forward and used to review learning and build better financial management practices.

Users' Adaptation of Learning sessions

To make learning sessions attractive for leaners, the facilitator is encouraged to revise the module prior to the training and to adapt the learning outcomes to the target group. For instance, names in the stories can be changed to reflect the culture and geographical location of the target group. Field trips to relevant sites can be organized. Equally, invitation of a financial role model in the community may be invited to speak to the participants. t

Module 1:	Introduction to Financial Literacy *“Know Your Money”*

Session 1/1: Introducing Financial Literacy	**45 Mins**
Desired Outcome	Participants understand the meaning and relevance of Financial Literacy in their day-to-day lives
Sub-topics	1) Definition, Relevance of Financial Literacy 2) Financial Literacy Curriculum details
Specific Objectives	By the end of the learning session, participants should be able to: • Define Financial Literacy • Describe the importance and relevance of Financial Literacy • List some of their financial behavior worth changing
Items Required	Flip chart, Markers, Training Chart

Step 1: Introduce the training and set the learning mood
Welcome the group members to the first training session.
Share with them what you learned as a Trained Trainer (jokes are allowed!!)
Emphasize the importance of sharing ideas and participation through the sessions.

Step 2: Introduce the subject of Financial literacy
Start by saying, we all need and use money every day. However, many of us do not know the concepts of money and how to manage it wisely. Regardless of our differences in the income level, education, age, gender or where one stays, we all make mistakes with money management daily. Unless we manage our money carefully, even the little money that we have, our lives will be miserable. We will not manage any cope with unexpected emergencies or even be able take advantage of future opportunities.

Then asks the group members;
- What is financial literacy?
- Why is financial literacy/education important in our daily lives?

After all the responses, the Trainer then pins up (on flip chart) the definitions as;
Financial Literacy refers to “knowledge, skills and confidence to manage one’s finances well, taking into account one’s economic and social circumstances”

Where:
“Knowledge” means having an understanding of personal financial issues;
“Skills” means being able to apply that knowledge to manage one’s personal finances; and
“Confidence” means feeling sufficiently self-assured to make decisions relating to one’s personal finances.

Then the Trainer should emphasize the below importance of financial education
- It teaches people concepts of money and how to manage it wisely.
- It offers basic skills related to earning, spending, budgeting, saving, and borrowing.
- It makes people become more informed financial decision-makers; they can plan for and realize their goals through setting financial goals, saving with a purpose, and investing wisely.

- Keeping proper records of financial transactions so that you can manage your income and expenses wisely.

Step 3: Highlight what group members will learn about in this course.
Displays Table 1 on a flip chart and explain what each Modules will cover.

Table 1: List of selected Modules and their Descriptions

Module	Purpose
Household budgeting	To learn how to plan for family income and expenditure
Spending decision-making	To learn how to spend within budget
Savings	To learning the practice and discipline of setting aside part of one's income for future use
Investment	To understand how to grow your money for future use
Financial Record Keeping	To understand how to keep and manage different financial records

Step 4: Conclude by emphasizing the importance of Family/Individual Goal setting
Ask at least 5 members to state what their goal for the year is, how much it will cost them, and how convinced they are with achieving their financial goals.

For those who have not yet finalize their family/individual goals, urge them to develop one.

Personal Financial Management

Session 1/2: Introduction to Personal Financial Management	90 Mins
Desired Outcome	Learners get better understanding of their personal finances
Sub -topics	i) Family/Individual goal/vision ii) Setting financial goals
Specific Objectives	By the end of the learning session, participants should be able to: • Define personal financial management • State the importance of managing their personal finances • Reflect on their personal financial behavior against their goals
Items Required	Flip chart, Picture Charts, Story excerpt – Rashid and Aisha

Step 1: Introduce the session
Explains that after looking at what financial literacy is and why it is important, now we will focus on examining our family/individual goals and setting financial goals.

Step 2: Family goals/vision and financial goals
Please, refer to Module 2 of IGA-SPM on family/individual goal setting.
Request 3-5 members who have already set their goals to mention their goals
Ask: Why is it important to have a family goals/vision and tag your financial goals to it?
After all the answers, emphasize the following:

- Family goal/vision helps the family to appreciate the purpose for which they exist
- It helps the family to spend while focusing on the future hence financial discipline
- It helps the family to avoid unexpected money shortages hence no stress
- It helps the family to harmonize and work together for a common goal/vision

Step 3: Examine financial goals

The trainer narrates the story below (or asks volunteer to read the story)

Okal and Akech: Reaching their Goals

Okal and Akech are married for 5 years now. They think together about their goals for the future. They want their children to go to school. They want to repair the house. They want to keep debt low. They also want to expand their one-acre banana farm. Beside they want to travel to visit their extended family every year. They also want to put more money into their business to earn more.

They decide together to do something to reach their goals. First, they count the money coming into and going out of the household every day to know the actual amount they earn and spend. They find out the costs of school, travel and home repairs. They decide to save something, no matter how small, every week. They decide the amount of income they will set aside every week or month for paying debts. They plan how much and when they will invest more in their coffee farm.

After all these decisions, Okal and Akech feel relieved. They are happy about their decisions. They are confident now that, if they stick with these decisions, they can achieve their goals.

Asks participants to summarize the major things that Okal and Akech do in managing their money and emphasize the list below:

- Set specific financial goals in line with their family vision
- Figure out the amount of money they earn and spend
- Determine the costs of their goals and family vision
- Make decisions about how much to: save, pay off debt, and invest in their farm business
- Decide on the timing for doing these things
- Work as husband and wife (here you can ask further whether married members do that and if not why?)

Confirm that Okal and Akech are engaged in financial planning! The Trainer then pins up (on flip chart) the definition of financial planning as;

[... a tool that helps one decide how to earn and spend money to achieve the desired goals]

Show how financial planning is important for achieving a family/individual goal

STEP 01	STEP 02	STEP 03	STEP 04
INVEST (I will borrow a loan from my VSLA worth UGX 300,000 to start-up a produce trade)	**EARN INCOME** (I will start-up a produce trade and sell weekly to earn at least UGX 200,000)	**SAVINGS** (I will save monthly at least UGX 50,000 from my produce trade for at least 10 months)	**FAMILY/INDIVIDUAL GOAL** To buy 1 cow worth UGX 500,000 by November 30, 2020)

Emphasize:

- Family/individual goals can only be achieved with clear financial plan/goal
- A financial goal should spell out clearly the source of income, the amount to be saved periodically, period of savings, and the target, its value and when it will be achieved. See box on the side
- Savings alone in VSLA without investment cannot achieve a meaningful family/ individual goal

Example of financial goal:
I shall save UGX 50,000 monthly from the profits of my produce trade for 10 months to raise UGX 500,000 for buying 01 cow by November 30, 2020!

Step 4: Review learning and conclude the session

The Trainer asks;

- What did you learn from the sessions? What new knowledge did you get?
- How will you use that knowledge in future?

Re-emphasize that:

- Financial Literacy aims to stimulate a change from current knowledge, skills, confidence as regards financial management.
- The need for a realistic family/individual goal
- The need for financial goal that is well stipulated and mastered by heart

Explain that the tool for managing the financial plan is called a "Budget" and shall be presented during the next training. members should come along to the session with 100 Beans/Maize seeds.

Step 5: personal financial mangement

Introduce the session to the learners that today we will learn about the value of money in our lives as individuals, families and communities. We all need money to live. But often many people either do not earn enough to meet their needs or they simply need more money than they can earn. Yet money is scarce and for us to live a dignified life we need to balance our financial needs through frugal lifestyles.

- Ask learners to distinguish between needs and wants of every human being
- Ask them again to identify the different life cycles and the critical financial needs of each life cycle (using the table below)
- What lessons do we learn from this exercise

Emphasize:

1. Wants are something we like to have (a nice to have) that is optional for survival e.g., phone
2. Needs are something that is required for daily life without which there may be death e.g. food
3. Human life cycle is a process that starts from birth until death. It has many changes as we grow

from babies into elderly people. Each of these changes has its own financial needs that must be met to give us a happy life.

4. Often, we do not use our money well because:
    - We spend on wants.
    - We spend on none priorities.
    - We lack guidance on how to spend. Etc.
    - Eventually, we are always broke and without any savings

Life cycles	Financial needs
Birth	• Medical bills, food, clothing, etc.
Youth	• Clothing, food, business start-up or expansion
Adult	• Marriage; House; Basic family needs – food, electricity; furniture, clothing, medicine, etc.; Retirement/pension
Death	• Burial; Bequest

Personal Financial Literacy Self-Assessment Questionnaire

The learning instrument below is developed to assess to help you assess your understanding of money. It tests your understanding of risk diversification, inflation, interest calculations, and discount purchase management.

Emphasize:

As learners respond assess their knowledge and practices on the following:

Able to define savings as:	**# of youth**
1. Putting money in a special place or account for the money to be safe	
2. Putting money aside to stop it being spent immediately	
Practice savings through:	
3. Putting money in a special place or account for the money to be safe	
4. Putting money aside to stop it being spent immediately	
5. Planning spending so that money lasts through the week or month	
6. Putting money in an activity or somewhere so that it can yield profits or returns	
7. Always develops a budget before engaging in any financial transaction	
8. Knows how much money s/he, exactly, spent every week	
9. Always keeps track of money s/he gets and spends	

Thank participants

"End Session"

1. If you saved 1,000 UGX every day, after one year, would you have more than 300,000 UGX or less than 300,000 UGX?		
1=More than 300,000*	2= Less than 300,000	3=Don't know
2. If you were offered a loan with 5% monthly interest rate and a loan with 20% annual interest rate, which loan would offer better value?		
1=5% monthly	2= 20% annual*	3=Don't know
3. If the same bicycle is on sale in two different shops at UGX 200,000 and one shop offered a discount of UGX 30,000 and the other shop offered a 10% discount: which one is the better bargain?		
1=Discount 30,000	2= Discount 10%	3=Don't know
4. You want to borrow UGX 500.000 from a moneylender (M1). He says that you can get it but you must pay him UGX 600.000 in a month. Another moneylender (M2) says you have to pay UGX 500.000 back plus 15% interest in a month. Which loan one do you take?		
1=M1	2= M2	3=Don't know
5. If you have some money, is it safer to put your money into one or many businesses?		
1=One business	2= Many businesses*	3=Don't know
6. Over the next 2 years the prices of the things you buy double. If your income also doubles, will you be able to buy:		
1= Less than you can buy today	2= The same as you can buy today	3= More than you can buy today
7. Suppose you need to borrow $100. Which is the lower amount to pay back: UGX 105 or UGX 100 plus 3%?		
1= UGX 105	2= UGX 100 plus 3%	3=Don't know
8. If you put money in the bank for two years and the bank agrees to add 15% per year to your account. Will the bank:		
1= Add more money to your account the second year than it did the first year	2= Add the same amount of money both years	3=Don't know

9. Suppose you had $ UGX 100 in a savings account and the bank adds 10% per year. How much money would you have after five years if you did not remove any?			
1= More than UGX 150	2= Exactly UGX 150	3= Less than UGX 150	4= Don't know

Answers	1= 1	2= 2	3= 2	4= 2
5= 2	6= 2	7= 2	8= 1	9= 1

Please, divide your total correct score by 9 and multiply by 100 to get your percent score
< 50% weak literacy; 51-65 = Fair literacy; 66- 75 = Good literacy; >75% Very good literacy

Sources: Adapted from FINSCOPE 2013 and http://graphics.wsj.com/quiz/index.php?standalone=1&slug=financial-literacy111815

Reflection/Session Evaluation

What have you learnt that will help you improve on your money management skills?

Facilitators' Notes:

Module 2: Household Budgeting

"Know Where Your Money Go"

Household Budgeting	2 Hours
Desired Outcome	Learners get better understanding of their household budget
Sub-topic	Making a household budget Importance (usefulness of the budget)
Specific Objectives	By the end of the learning session, participants should be able to: • Define the term "budget" and explain how a budget is useful • Identify ways to improve their own money management through budgeting • Make a functional monthly budget
Items Required	Flip chart, markers, 100 Maize /Beans Seeds

Step 1: Understanding the concept "Budget"

Welcome the group members to the second training session.
Recap what they learnt from the last session
Ask what changes have some members started to experience
Explains that today we shall focus on Budget matters
Ask members, "what is a budget?"

Pin up (on flip chart) the definition of **budget** as below and provide a brief additional explanation

[... a tool that helps one decide how to spend money to achieve the desired goals/vision]

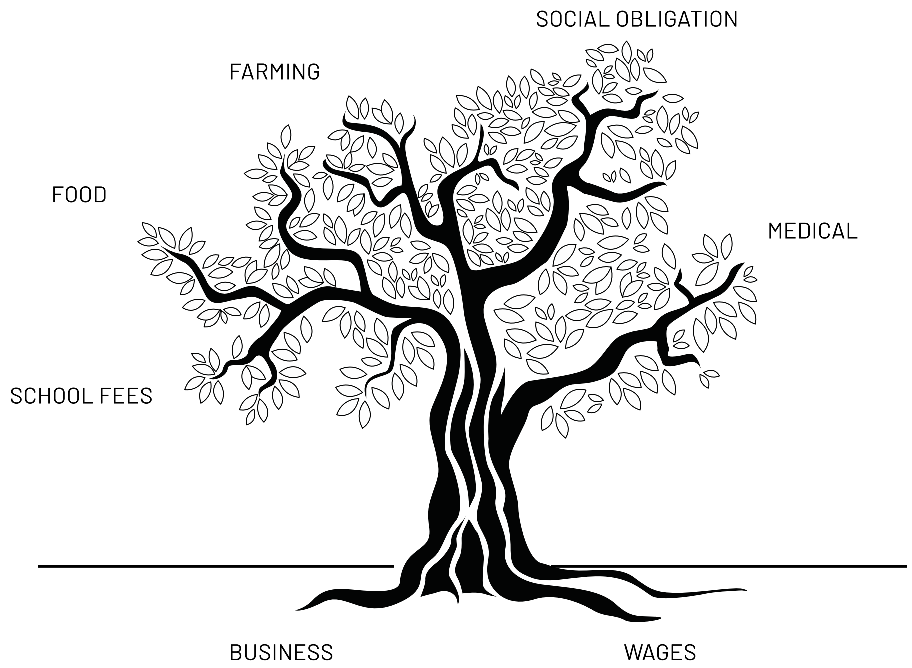
Step 2: How to develop a Budget

Ask participants to list their sources of daily financial incomes. Record on a flip chart.
Ask participants to list their daily financial needs/pressures and expenses. Record on a flip chart.
Ensure that the incomes and expenses are those that are from their daily experiences/livelihoods. Do not include salary even if there are salary earners in the group.
The responses will reveal that smallholder farmers people work to have enough money to meet their day-to-day spending needs, pay debts, keep their business running, meet future needs for housing, pay for school and marriage for their children and pay medical bills. etc. Often there is not enough money to reach all these goals.

Budget Tree

Now, draw the diagram of a tree with the roots representing incomes and leaves showing expenses.
Ask the participants to observe and comment on the budget tree. Ask simple questions like which of the sides is bigger. Why are expenses more than incomes?
Emphasize that to manage this situation well we need a budget.

EXPENSES



INCOME

Important Note:

Ask participants what they observe from the budget tree;
Responses can be;

1. The income sources are less than the expenses
2. The expenses/ costs may increase if not controled with time
3. Income sources need to be invested further to have an increse in the income flow

Figure 1: The Budget Road Map

Step 3: Group work on Budgeting

Ask participants to form small groups of 3 people – women only, men only, youth only, and mixed group.

Ask each group member to pull out her/his beans/maize seeds that they came with.

Show that each bean/maize seed = UGX 1,500. This means that each small group has an equivalent of UGX 600,000 (from the total of 300 seeds that all the members have).

Ask each group to apportion their 150 seeds/UGX 300,000 according to their sources of income

Ask them again to apportion their 150 seeds/UGX 300,000 equivalent according to their spending sources: 1 – Budgeting with the illiterate group

Budget Calendar

Please note that you can use days or weeks instead of months.

Figure 2: The Budget Calendar

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
Farm Income						
Business income						
Wages						
Gifts/remitances						
Total income						
Savings						
Expenses						
Necessary household spending						
Farming spending						
Business spending						
Optional spending						
Others						
Total expense						
Surplus/Deficit						

When they have finished filling in the rows, ask the following;

What times of the year is income more or less? What times of year are expenses more or less than income?
What can you do to meet expenses when income for that period is not enough?

Save when you have surplus income, to spend during times when income is less than you need
Spend less during the low-income periods
Plan ahead so you do not have to borrow to meet your household needs

Ways to Manage Changes in Income

- Track your income and expenses regularly to know when there are likely to be surpluses and shortages of cash
- Save when you have a surplus to cover expenses during times when your income is low

Emphasize...
The Benefits of Tracking Monthly Cash Flow

- Determine how much income is coming into the household
- Determine if and when you will have shortfalls
- Make decisions on how much to save
- See where spending is high
- Make decisions about saving, spending and investing more in the business

It is important to keep track of all your expenses, e.g. keeping a book where you record all your daily expenses. This helps you monitor how you spend your money and can provide guidance on which expenses you can reduce or do without.
NB: Point out that even if you do not know how to read and write, you can ask your child or that of your neighbor to keep this record for you.

Then say: Look again at your budget calendar:

- What will you change to plan for irregular income and expenses?
- What did you do to make sure you will have enough income to meet your expenses?
- How will you use at home what you learned today about budgeting?

Step 4: Practical guidance
The Trainer displays a finalized example below of a budget for Annet's family for one month. S(he) explains to the participants that their budgets should look like this.

Annet's Family Budget for a Month	
Income	**Amount**
Farm Income	UGX 75,000
Business Income	UGX 300,000
Wages	UGX 100,000
Other	
Remittances	UGX 75,000
Rental Income	UGX 100,000
Interest on Savings	0
Gifts	0
Total Income	UGX 595,000
Savings	**UGX 50,000**
Expenses	
Debt Payments (Principal and Interest)	
Moneylenders	UGX 30,000
Supplier Credit	UGX 35,000
Bank Loan	UGX 55,000
Sub-total	**UGX 175,000**
Necessary Household Spending	
Utilities	UGX 45,000
Food	UGX 50,000
Clothing	UGX 20,000
School Fees	UGX 75,000
Transportation	UGX 25,000
Healthcare	UGX 50,000
Rent	UGX 20,000
Sub-total	UGX 285,000
Business Spending	
Supplies/Inputs	UGX 50,000
Other (Transportation, etc.)	UGX 30,000
Sub-total	UGX 80,000
Optional Spending	
Entertainment	UGX 5,000
Jewelry	UGX 20,000
Church Offering	UGX 30,000
Sub-total	**UGX 55,000**
Total Expenses	UGX595,000
Surplus/Deficit	**0**

The Trainer asks about the information from Annet's Budget.

Make the clarifications below about the important parts of a budget;

Information provided by Annet's Family Budget
• Different types of income sources • Amount of income by source • Total planned income • Types of expenditures, including business and household expenses • Amount of expenditures • Total planned expenditures • Total savings

Step 5: Usefulness of a Budget

The Trainer asks participants about the relevance of a budget in their daily lives.
Summarize the ideas of the group. Be sure to cover the following points:

Why is a Budget Useful?
• Allows you to assign your income to different types of expenses • Helps you make decisions about spending and saving • Encourages cautious and disciplined spending • Allows you to take control of your financial situation • Helps you organize and manage money more effectively • Helps you plan for your future and meet your financial goals

Step 6: Review and conclude the session

The Trainer asks;

- What did you learn from the sessions? What new knowledge and skills did you get?
- How will you use that knowledge and skills in future?

Emphasize and remind all participants to 1) know all their sources of income; 2) know all what they spend their money on; 3) track their cash flows to make better financial decisions.
Remind participants that in the next session we shall learn about making spending decisions, staying within the budget.

Thank participants
"End Session"

Module 3:	Spending Decision Making ***"Live within Your Means"***

Session 3: Focus Areas; Making spending decisions	**1 hour**
Desired Outcome	Group members get better understanding and demonstrate improved prudence in the management of their personal finances
Sub-topics	i) Staying within the Budget ii) Preventing money loss
Specific Objectives	By the end of the learning session, participants should be able to: • Identify a set of guidelines to help them choose their financial priorities • Define ways to address difficulties of staying within a budget • Identify financial leaks and manage avoid losses
Items Required	Flip chart, Training Chart, Julia's expenditure chart & stories

Step 1: Introducing the session
Welcome the group members to the third training session.
Recap what they learnt from the last session
Ask what changes have some members started to experience
Explains that today we shall focus on making spending decisions/keeping track with the budget

Step 2: Making spending decisions
The Trainer guides the group members using the examples below;

– **Trainer explains as below**
We are going to talk about prioritizing expenses. Looking at our budget tree, income for most of us is always less than what our expenses require. We must therefore make difficult decisions and trade-offs to ensure that our income covers all of our expenses.

There are no perfect answers when it comes to prioritizing and choosing among expenses, but there are some general guidelines. Today we will talk about how you currently make these decisions, and we will highlight some common ways to help you set your own personal financial priorities and handle your financial difficulties in the future.

Example: Setting financial priorities for Auma's family
Post 2 flip charts with Auma's expenses and story. Use drawings of each item for those who cannot read. Describe the expenses to the participants with the following story.

Auma's Expenses
Auma has loan payments due every month. She also has a weekly payment to her supplier who sold her goods on credit. Every 3 months there are fees for the children's school. Her son is very sick and she wants to buy medicine the doctor prescribed. Her mother is aging and will need care and support in the future. In a month she will need farm inputs, as the planting season is about to begin. Her son is going to be married in about a year. She also plans to buy a new table for her business. Every day she needs food for the family. She wants new jewelry. In 2 months, the rains will come and the roof needs repairs. Auma and her husband like to go to a restaurant for dinner on Sundays. She also likes to save regularly for

Figure 4: Auma's Expenses table

Auma's Expenses	
Expense	When needed
Bank loan payments	Regularly – monthly
Supplier credit	Regularly – weekly
School fees	3 months
Medicine for sick son	Immediately
Care for aging mother	Future
Farm inputs	1 month
Son's wedding	About 10 months
Business investment (new table)	—
Food for family	Regularly – daily
New jewelry for Juma	—
Roof repairs	About 2 months
Going out to dinner	—
Savings for emergencies	—

Step 3: Group work

Ask participants to form small groups of 3 people – women only, men only, youth only, and mixed group.

Ask each group to know that Auma does not have enough money this month to meet all of her expenses and savings needs for the future. Help Auma answer the following question:

How will Auma decide which are the most important things to use your money for this month? Which are the most important? Which are the least important?

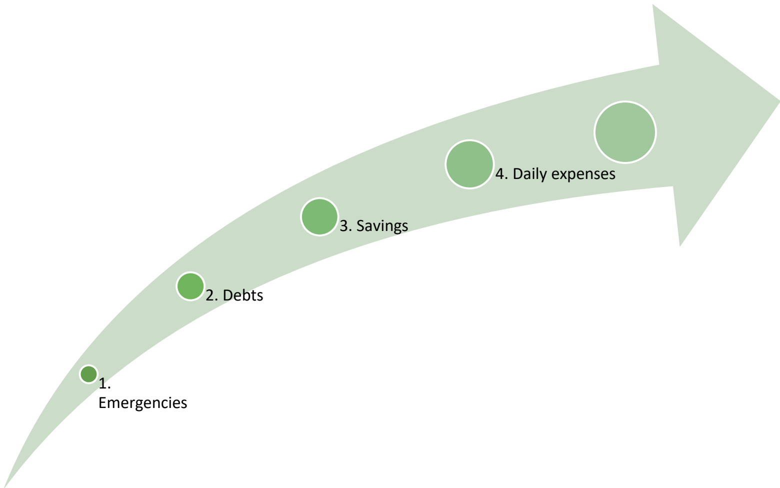
Using Auma's Expenses, put number "1" next to the item if it is the highest priority; a "2" next to the item if it is somewhat high; a "3" if the item has medium priority; and a "4" if the item is the lowest priority for spending.

One person should be responsible for numbering and someone should be prepared to present your priorities to the large group.

Remember that although some of the larger expenses do not occur this month, they will be necessary in the future.
Demonstrate, using "food for the family." Put a "1" next to the item.

Walk around to the groups to answer any questions!

After the groups have finished, invite 1 of them to present their decisions. Ask them to present the order of their priorities and describe their reasons. Compare priorities with what the expert financial planners recommend. The expert financial planners recommend the following order of priorities for spending:



Ask the group the following:
How do your spending priorities compare with what the experts recommend?
Why do you think the experts recommend these priorities?

Emphasize the following points if the participants omit them.

a. Debt is costly.
    - When payments are missed, the loan costs grow even higher.
    - Failure to make payments can lead to the loss of future access to credit.
    - Loan fees on late payments can increase the amount of money you owe and increase the risk of having to make loan payments with money intended for basic necessities.
    - When debt is out of control it can threaten the well-being of your family.
b. Set aside an amount for savings for future use.
c. Basic expenses must be taken care of for the well-being of the household.
d. Money that remains after debt payment, savings and necessary expenses is available for optional spending.
e. Any money that remains is again set aside for future use.

Summarize that each family must balance the need to meet basic expenses, pay down debt and find something to save.

Step 4: Staying within budget
Ask members about the financial pressures that they felt last month?
Asks again what are they doing to cope with the financial pressures?

Then Trainer summarizes the with the following advice;

How to Stay Within Your Budget
• Remind yourself often what you planned to spend. • Spend on needs and not wants. • Put in the budget something for unexpected spending needs. • Keep savings out of reach so you do not spend them. • Keep track of what you spend. • Make sure you do not spend more than is budgeted. • If you spend more for one item, spend less for something else. • Make a list of ways to cut planned expenses. • Get the family to participate in developing and sticking with the budget. • When investing money in business, consider what to do if the investment fails

Step 5: Gambling
The Trainer asks the participants to share their experiences on gambling and asks their views about gambling . the trainer then cautions gambling as below;

[...betting or wagering that must **result** either in a **gain** or a **loss**]

Gambling is "a conscious, deliberate effort to stake money or valuables, on how some event happens to turn out." Gambling is neither risk taking, in the sense of speculation, nor investing. Gambling can take the form of betting on sports, games, playing cards and more sophisticated games like in casinos or online. Reckless business investments are also gambling. Sometimes gamblers win or benefit for a short period but, in the end, they always lose more than they have won or benefitted. Gambling has left many people financially strained with destroyed relationships and friendships and an unmanageable amount of debt.

Step 6: Review and conclude the session
The Trainer asks;

- What did you learn from the sessions? What new knowledge and skills did you get?
- How will you use that knowledge and skills in future?

Emphasize the need to always priorities spending to avoid wasteful use of money.
Remind participants that in the next training we shall learn about Savings.

Thank participants
"End Session"

Module 4:	Saving with a Purpose *"Think of a dry day too"*

Session 4: Savings	**1 Hour**
Desired Outcomes	Group members have develop good savings practices
Sub topics	• Describe Savings • Setting Savings Goals • Increase personal savings/stronger savings culture • Save for emergency
Specific Objectives	By the end of the learning session, participants should be able to: • Describe and categorize savings goals (short/long-term) and emergency • Identify how to overcome savings difficulties • Identified actions that the family can take to increase savings
Items Required	Flip chart, Training chart, Marker, Song

Step 1: Introducing the session

Welcome the group members to the fourth training session.

Recap what they learnt from the last session

Ask what changes have some members started to experience

Explains that today we shall focus on savings and how to increase savings.

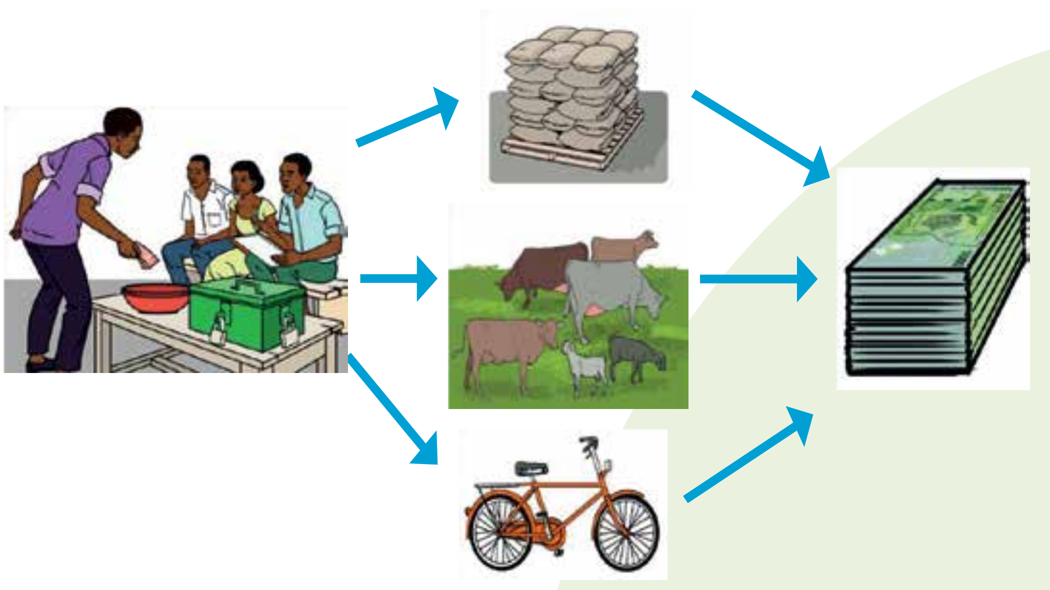
Please, review the group VSLA Constitution to have a better view of the saving values the group members have set for themselves in order to inspire them.

Step 2: The concept of savings with a purpose

Display the Picture 6 below (in the Trainer's Chart) to the members;

Picture 2: Savings with a Purpose-SWAP

Save With A Purpose (SWAP) concept:



Allow for 2-3 comments

Emphasize that savings is a fundamental part of money management practices.

Step 3: The savings Quiz
The Trainer announces a quiz session;

Quiz Instructions
The Trainer shall read out each question and the objectives aloud twice.
2-3 answer attempts per question shall be allowed before the Trainers announces the correct answer. (Additional explanations may be useful).

Please answer if “True” or “False” (Note that some questions have more than one correct option)

What Are savings?	Money that is put aside in the present for use in the future	True
	Money borrowed from somebody	False
	Investments in items like animals, land or gold that can be sold when cash is needed. It is a way of building assets	True
Which of the following practices is required by savings?	Savings and continuous life activity	True
	Sacrifice current luxuries to save for a better future	True
	Savings only one time when a large amount of income is realized	False
Which of the following are examples of challenges to savings?	Lack of a budget	True
	Impulsive spending	True
	Peer pressure	True
The following are all types of savings goals	Short-term (less than 1 year; such as paying school fees)	True
	Long-term (take more than 1 year to reach, such as home improvements or buying a house)	True
	Spending on house party	False
When developing savings goals for your own families, the following should be considered	A plan that states each goal	True
	The amount of money you will need to achieve that goal (amount you will save each week or month over a defined period)	True
	What do you need to save for in the short term?	True
	What future long-term goals do you have?	True
	You must look at your income and determine how much you have available to set aside as savings	True
Which is correct about emergency savings	Must be kept separate from normal savings	True
	Must be combined with other normal savings	False
	Equals 3 times the average monthly income	True

Thank the participants and conclude the quiz session with the following remarks:

- Decide what you want to save for and find out how much it will cost – whether it is building a house, buying land, starting/improving a business, studying or saving for your child's school fees, etc. Ensure that what you are saving for is realistic and not over-ambitious.
- Start saving now – the sooner you start; the sooner you'll get there.
- Put your savings in a safe and secure place where you earn good interest.
- Keep saving regularly and over a long period of time. It's only then that your money can accumulate.
- Avoid saving in multiple VSLA because it causes financial stress.

Step 3: Growing your savings

The Trainer then comments that;

You don't need much money to start saving. Whether you are a student, a farmer, a teacher, nurse, banker, market vendor, taxi driver or a business person, you can always put a little money aside.

When you save regularly, your money will "grow" as shown in the table below. Display on flip chart

	Month 1	Month 2	Month 3	....	Month 24	Total Savings
John	10,000	10,000	10,000	10,000	10,000	240,000
Jolly	50,000	50,000	50,000	50,000	50,000	1,200,000
James	100,000	100,000	100,000	100,000	100,000	2,400,000

Try to save 10% of your income even if you don't have a specific purchase or investment for which you are saving.

Pay yourself first—put 10% of your earnings aside for savings before you do anything else. If you can't afford 10% right away, start with less, but save something.

Step 4: Review and conclude the session

The Trainer asks;

- What did you learn from the sessions? What new knowledge and skills did you get?
- How will you use that knowledge and skills in future?

Emphasize the need to always avoid wasteful expenses in order to build savings.

Remind participants that in the next training we shall learn about Investment.

Thank participants
"End Session"

Module 5:	Investment *"Let your money Grow"!*

Session 1/2: Understanding Investment	1 hour
Desired Outcomes	Group members have improved view of Investment
Sub topics	• Describing Investment • Investment types/Options • Why must you invest
Specific Objectives	By the end of the learning session, participants should be able to: • Explain what is investment • Describe the different types of investments • Describe the different reasons why one should invest • Describe what influences investment decisions
Items Required	Flip chart, Picture Chart

Step 1: Introducing the session

Welcome the group members to the fifth training session.

Recap what they learnt from the last session

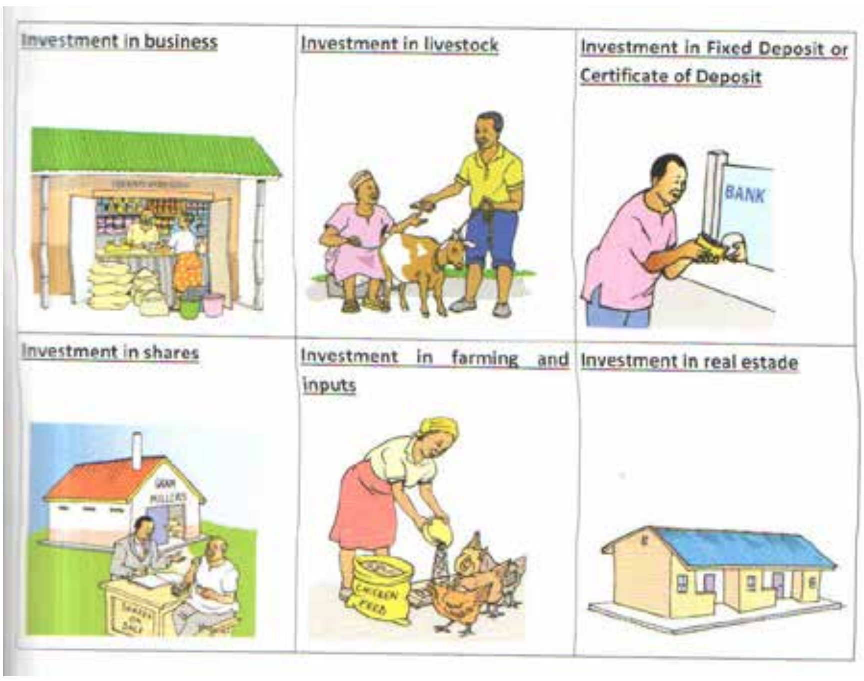
Ask what changes have some members started to experience

Explains that today we shall focus on Investment and why we need to invest. Point out that this session takes further what was learned during IGA-SPM on investing in a profitable business. Emphasis here is put on diversifying investments.

Step 2: The Concept of "Investment"

The Trainer displays the Picture 11 below from the Trainer's chart.

The Trainer asks participants for comments



The Trainer notifies participants that investments involve wealth multiplication; acquiring assets to generate more future income. One who puts the money in an earning activity will have more income in future.

The Trainer the pins up (on flip chart) the definition of Investment as;

> An investment is the purchase of assets that are not consumed today but are used in the future to create wealth or appreciate and can be sold at a higher price.

Step 3: Types and examples of "Investment"

The Trainer asks 3-5 members to share if any of them are engaged in any investment - which ones and solicit for reasons as to why those ones.

The trainer explains the 3 common types of investments that are classified according to the time it takes before the investor starts getting returns. These include:

1. Short-term Investments: The money invested is expected to bring returns (income) soon. The period it takes before the expected returns are received is normally less than two years. Examples include starting a business e.g. a saloon, boda-boda, buying a bull or a diary cow.
2. Medium-term Investments: These are investments where cash is expected to start flowing after two years; it could come as a lump sum or regular flow of cash. Examples include but not limited to buying shares of a quoted company so as to earn dividend or developing your farm to increase productivity.
3. Long-term investments: These are investments that require a lot of money and take long to before realizing income from them. Their income may start flowing after completion but will take long before you get the money you put into the project. The time it takes to get your money back is long. These include investments into buildings (real estate) and buying a farm.

Examples of Investments

Business: These include business set up for production, processing and exportation. Some people have set up both big and small outlets for sale of goods and services. These can include retail and wholesale shops. Others are involved in import and export business e.g. to South Sudan. Other forms of businesses that are common include; saloons, boda-boda, schools, restaurants, retail and whole sale shops, financial institutions, insurance companies, hotels etc.

Farming: Uganda is basically an agricultural economy and most investments are carried out in this sector. Opportunities are available for investment in form of production, processing and exportation e.g., in poultry, piggery, fishing, tree planting and harvesting, crop production e.g. maize, matooke, animal keeping, fruit farming, processing and packaging or setting up a vegetable stall in the market.

Real Asset: Investment in property or real estate or land is good business especially when the market is right.

Fixed Deposit or Certificate of Deposit: This is an investment where you lend your money to a financial institution and benefit from the interest that accrues on the money. This gives you a fixed amount of interest which may be paid to you periodically over the life of the investment or cumulative at the end.

Stocks (Shares):A share is an instrument which represents part ownership of a company. When you invest in shares, you become a shareholder in the company and is entitled to dividends from the profits of the company. To buy shares in a company that is listed on the stock exchange, you must contact a stockbroker who will buy them on the stock exchange for you. If you invest in a share, you receive dividends from the company. Dividends may not always be paid by the company as they depend on the performance of the company and the other decisions of the Board of Directors.

Bonds: When you invest in bonds, you lend your money to the issuer of the bond who may be a company or government. The borrower (e.g. company or government) has to pay back the money which has been borrowed with a fixed rate of interest at a specific future date. Bonds can be bought and sold from a regulated stock exchange such as the Uganda Securities Exchange (USE). Their value can rise or fall over time.

It's important to know that before you venture into any business, there is need to first make a feasibility study or find out and see whether it's profitable to operate it. This is covered in-depth in the IGA-SPM Manual.

Step 3: Why must you Invest

The Trainer asks why group members should invest

Post 5 responses on the flip chart as they are being mentioned by the participants.

Then Explain:

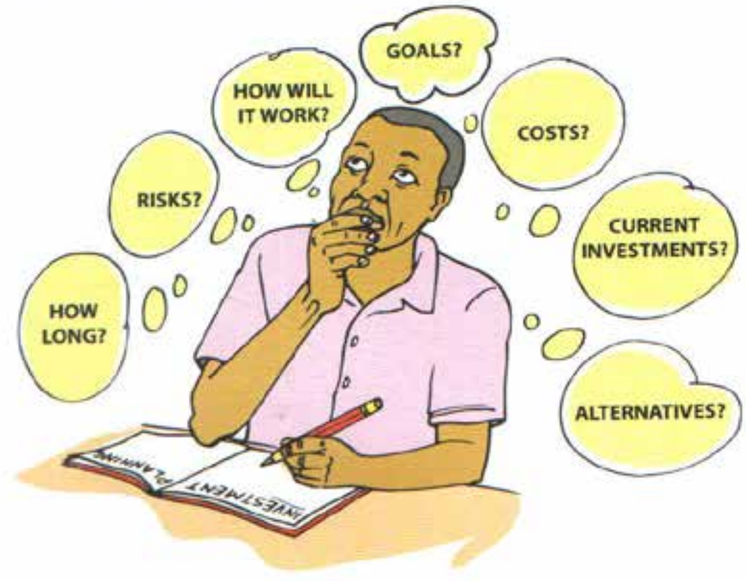
When you invest, you give your earnings to someone to do business with and the borrower would then pay you back regularly or at an agreed time your money and interest thereon. Your money which would have sat idle now works for you and brings you more money and that is a good reason to invest. There are many reasons why people invest and why you should consider investing your money:

- You generate additional resources to protect your future well being
- You achieve your financial goals such as building a house or starting a business, paying for the education of your children, caring for your children, ageing parents and other relatives.
- You secure your retirement income
- You contribute to the growth of our national economy as your investment is deployed in the productive sector of the economy
- You preserve the value of your money against inflation
- You create employment opportunities
- You increase your ability to earn more income

Step 4: What to consider when Investing

Now that we have looked at the different types of investment and why we need them, ask what factors should each member who is an investor consider before investing?

Illustration: Planning for investment



Explain:
Before an investment decision is under taken, there are key issues that need to be understood by the investor, namely:

- What are your investment goals – short term capital accumulation, long term financial security?
- Do I have the knowledge and skills on how this investment work?
- What is the investment cost involved – do I have the money?
- What is its income potential – Is it good enough for my goal?
- How long will the investment to yield returns – short, medium, or long term
- What risks are involved in the investment? Are you willing to take these risks?

Step 5: Review and conclude the session
The Trainer asks;

- What did you learn from the sessions? What new knowledge and skills did you get?
- How will you use that knowledge and skills in future?

Emphasize the need to always avoid putting all your eggs in one basket – farming, or trade. If the basket breaks you could lose everything. Always diversify your sources of income to spread the risk or earn from different investment. Also ensure that you have some sources income for future use.

Remind participants that in the next training we shall learn about financial records keeping.

Thank participants
“End Session”

Module 6:	Financial Record Keeping ***"Know Your Financial Status"!***

Session: Financial Records Keeping	**1 ½ Hour**
Desired Outcomes	Farmers understand financial record keeping.
Sub topics	• Forms /Types of records • Benefits of record keeping
Specific Objectives	By the end of the learning session, participants should be able to: • Maintain financial records of their households • Calculate income and expenses • Use record to make informed financial decisions
Items Required	Flip chart, Picture Chart

Step 1: Introducing the session

Welcome the group members to the sixth and last training session.

Recap what they learnt from the last sessions 1-5

Ask what changes have some members started to experience since then

Explains that today we shall focus on Investment and why we need to invest. Point out that this session takes further what was learned during IGA-SPM on investing in a profitable business. Emphasis here is put on diversifying investments.

Step 2: Understanding financial record keeping and its importance

Ask the farmers if they are keeping records and which records they know of. Let the participants share their experiences. Their answers may include: Budget, Income statement, Ledgers, Inventory, Balance sheet, Receipt and vouchers, Production records

Emphasize that regardless of all other records they are keeping, every member MUST have a Financial Diary – where s/he keeps all her/his financial transactions, daily.

Explain the reasons why it is important to keep records:

- Records help to track the financial (income and expense) performance
- Record help to determine how much the surplus/deficit a family has
- Record help to plan for the future
- You can use record when you want get a loan; having a record shortens the appraisal process
- Records help to identify the strength and weaknesses of your family
- Records help in decision making like investment

Step 3: Understanding financial diary

Ask the members, who is currently keeping his/her financial records? How is it kept? Where is kept? To what use is it put?

Financial Dairy of:			Month:
Date	**Income**	**Expenses**	**Savings**
Total			

Emphasize that:

1. A financial diary is a simple form of record that keeps daily income, expenditure, and saving.
2. The record can be a simple exercise book that can be rules to reflect income, expenditure, and saving.
3. The dairy requires that every transaction is recorded daily, accurately, and consistently.
4. At the end of every month, the values of income, expenditure, and savings are totaled to show the financial status of the family in the month.
   - Surplus income means more savings and investment can be made.
   - Deficit income calls for the need to explore how to reduce expenses.
5. At the end of every year all the monthly summaries for income, expenditure, and savings are totaled to show the financial status of the family in the year.

Figure 2: Annual Financial Status of Ms. Hellen

	Jan	Feb	Mar	Apri	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Farm Income													
Business income													
Wages													
Gifts/remitances													
Total income													
Savings													
Expenses													
Farming spending													
Business spending													
Housing													

Food													
Education													
Health													
Clothing, foot ware													
Furniture, appliances													
Utilities (water, electricity, fuel, etc.)													
Transport													
Communication													
Recreation													
Religious needs													
Emergencies													
Others													
Total expense													
Surplus/Deficit													

Evaluation

Allow the participants to speak, now through the assessment of the training.

- What worked well?
- What did not work well?
- What module was understood well?
- What module was least understood?
- What should be done to improve future learning?