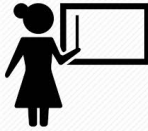





TOOLS: Training cash recipients on how to save money

KEY ACTIONS

- ✓ Many cash recipients may feel that they do not have any enough money to save. However, even small improvements in personal financial management can have a very positive impact when facing emergencies like sickness or accidents or when planning to invest in income-generating activities.

TOOL: Training session on how to save money

<p>Welcome and introduction</p> <p>→ Welcome the group. Recap the previous session (if applicable). Share the objectives of today's session, which are:</p> <ul style="list-style-type: none"> • Learning about savings: <ul style="list-style-type: none"> ○ Definition and importance of savings ○ How to develop a savings plan ○ Different ways to save money 	<p>5 mins</p> <p>Method:</p> 
<p>Definition and importance of saving</p> <p>A. Definition of savings</p> <p>→ Introduce this session by saying: <i>We talked about saving already in terms of a budget. Today's session will dig deeper into the topic of savings.</i></p> <p>→ Ask: <i>When I mention the word 'savings', what comes to your mind?</i> (Wait for a few responses.)</p> <p>→ Then say: <i>Our goal is to learn how to handle our money. We will start by talking about putting money aside because it is the key to being wise about money. We call "putting money aside to meet future needs" saving. Saving allows some of the income we get to be held in a safe place for the future. Successful savings are planned, regular, safe and secured from both ourselves and external factors.</i></p> <p>→ Ask: <i>How do you call "savings" in your mother tongue?</i> (Wait for a few responses.)</p> <p>B. Importance of savings</p> <p>→ Conduct the following short exercise:</p> <div style="border: 1px solid black; padding: 10px; margin: 10px 0;"> <p style="text-align: center;">Short group exercise</p> <p>Say: I am going to say a series of statements and ask you to stand up for each one that is true for you. Stand up if you:</p> <ul style="list-style-type: none"> • Like to spend money • Know how much you spent on food last week • Wish you had more money • Are saving for something specific you want • Keep track of your expenses • Think saving is important • Think saving money is difficult </div> <p>→ Follow with the questions:</p> <ul style="list-style-type: none"> • <i>For those of you who think that saving is important, why do you think so?</i> <ul style="list-style-type: none"> ○ Wait a few minutes for some responses. These could include: It helps meet emergencies such as paying for an unexpected medical need or making a purchase. • <i>How about those that said that saving money is difficult. Why do you say so?</i> 	<p>20 mins</p> <p>Methods:</p>   

- Wait a few minutes for a few responses. These could include: no regular income, no money left over, too much debt, emergencies, unexpected expenses in the family or community, theft, failure to plan, not knowing how to plan.

Short Skit

SCENE 1: The setting: Adhiambo with her sons Kalule and Tirima is at the bus stop. She is carrying her colourful bag and she appears like she is waiting for someone. The three of them are all looking at the matatus (buses) passing on the road.

Adhiambo: (she seems very tired and frustrated) "Oh my! Mzee Pembe said that he had already loaded those bananas on one of the matatus. It should have been here by now. It is now getting late."

Kalule: (reassuring his mother) "I am sure they are on their way. The matatu has probably stopped at another bus stop to drop people and pick people up."

Adhiambo: (she stands up) "Okay Kalule. This is what we will do. You can wait here with Tirima. And don't be tempted to eat my bananas!" Tirima: (laughs) "We will only eat part of the profit!" (Adhiambo gives Kalule some money for the matatu driver and then leaves). Tirima and Kalule: (They both joke about how likely it is that the matatu they are waiting for has been seized by the police)

Tirima: "I would rather be playing football on a Saturday morning than standing here waiting to receive bananas."

Kalule: (jokingly) "Careful! Sales from those bananas will help mum to buy some books that we really need. When you look at bananas you should see money." (Kalule gestures with his hands to show money)

SCENE 2: The setting: Mueni is in the market. She looks very happy to see Adhiambo walking from a distance.

Mueni: (She wraps her lesa around her waist as she stands up. She calls out to Adhiambo) "Adhiambo! Where have you been? I was looking for you early this morning."

Adhiambo: "I thought I would have been here earlier but I had to pass by the bus stop. Do you remember the bananas I was telling you about from Mzee Pembe? I am waiting for Tirima and Kalule to bring them here."

(Adhiambo puts her bag down, removes a blanket and starts arranging some items on the ground)

Mueni: "You left the bananas with the boys?" (she laughs) "I hope you will have some bananas left to sell!"

Adhiambo: "Oh! I have found the boys to be very responsible this year. Tirima is such a responsible young man and he seems to be enjoying high school."

Mueni: "I'm sure his father is very proud of him."

Adhiambo: (looking worried) "Kalule is going to standard 8 next term and I don't even know what I am going to do. Where will I get all that money for school fees when he is ready to join secondary school? Sometimes I wish his father was still alive to see what a good boy Kalule has become."

Mueni: "You and I have been good friends for a long time. I know that you will manage and in case of any difficulties you can always count on our support. It took a number of years for us to save for my daughter's secondary school education and though it was not easy, we managed. We are still saving because she will join university in three years' time."

Adhiambo: "How did you do it? I get only Tshs.11,000 per day from my sales and I find it hard to meet all my needs. It is hard to get any extra shilling to save. I know I need at least Tshs. 2,200,000 in two years' time to get Kalule started in a good secondary school."

(As Adhiambo and Mueni are talking, Tirima and Kalule come carrying a huge bunch of bananas. Both Adhiambo and Mueni are surprised at how big the bunch of bananas is)

Adhiambo: "Wow! That is quite big. Thank you, boys. I will call Mzee Pemba to thank him for selecting this one for me."

Kalule (to his mum): "Is there a tip for the work?" (jokingly showing the sign for money using his fingers)

(Tirima and Mueni laugh)

(Adhiambo gives Tirima and Kalule a banana each. Tirima and Kalule leave the market and tell their mother that they will be at the football field nearby watching a local match)

(Adhiambo and Mueni agree to continue their conversation later since there are many customers who have come to buy the fresh bananas)

Note to trainer: The skit can be either acted out (by facilitators or participants) or simply read out loud depending on what's feasible. You may change the names of the characters and currency to suit your cultural context.

→ **Ask:** "What was the story about?" (Give a few participants a chance to share their thoughts.)

- **Say:** "Yes, Adhiambo is a vegetable trader. She wants her son to go to secondary school but she is afraid that she will not have enough money to take him to school when the time comes."

→ **Ask:** "If you were Mueni in this story, what advice would you give Adhiambo?" (Give a few participants a chance to share their thoughts.)



- **Say:** Mueni can tell Adhiambo to save a little bit of money at a time.

Developing a savings plan

20 mins

→ **Say:** some of the questions that Adhiambo needs to ask herself include:

- How much do I need to put aside for Kalule’s school fees?
- How much do I need to save every month or every day in order to meet my goal?
- Where will I save or keep my money to ensure that I do not spend it on other things?”

→ **Explain:** “We learned that Kalule is going to secondary school in two years’ time and that Adhiambo will need at least Tshs.2,200,000. How much will she need to save on a monthly basis? How about per week? How about per day?” (Give a number of participants an opportunity to answer.)

→ Then **show the group the chart** below:

Adhiambo’s Savings Goal	Amount Needed (Tshs.)	By when does Adhiambo want to achieve her savings goal	Amount Adhiambo needs to save each month	Amount Adhiambo needs to save every day
Kalule’s secondary school fees	2,200,000	24 months	2,200,000 divided by 24 = 91,667	91,667 divided by 30 = 3,055
Total cost of the item (amount to save) ÷ number of months or weeks or days = amount to save				

→ **Ask:** “Do you think Adhiambo can afford to save Tshs. 3,055 out of the Tshs. 11,000 she makes every day?”
(Give a number of participants an opportunity to answer.)

→ **Say:** “Kalule will report to form 1 when he is 15 years old”.

→ **Ask:** “What if Adhiambo started saving for Kalule’s secondary school when he was born? If she needed to save Tshs. 2,200,000, how much would she have needed to put aside:
 Every month?
 Every day?”

(Give a number of participants an opportunity to answer.)

Adhiambo’s Savings Goal	Amount Needed (Tshs.)	By when does Adhiambo want to achieve her savings goal	Amount Adhiambo needs to save each month	Amount Adhiambo needs to save every day
Kalule’s secondary school fees	2,200,000	15 years x 12 months = total of 180 months	2,200,000 divided by 180 months = Tshs. 12,222.22	12,222.22 divided by 30 = 407.40
Total cost of the item (amount to save) ÷ number of months or weeks or days = amount to save				

→ **Ask:** “What lesson do we learn from Adhiambo’s story?”

Possible answers:

- “Plan your money because money helps plan your life”.
- Time is money; the earlier we start saving, the better.
- We learn that you can take a big goal and divide it into small manageable tasks.

→ **Note to trainer: Share the following tips on developing a savings goal:**

- **Know what you want to save for** – for example, you can say, “I plan to save Tshs. 132,000 to buy a calf.”
- **Know when you want to reach your savings goal** – for example, you can say, “I plan to save Tshs. 22,000 every month for 6 months to buy the calf.”
- **Decide on what you will do** – for example, you can say, “I plan to open a savings programme at the VSLA and deposit Tshs. 22,000 every last Saturday of the month.”

Choosing a place to save

15 mins

→ **Ask** the group to share where they are saving (or would want to save) money and then summarize by saying the following:

There are formal and informal places where people save their money. Formal places are those places that are recognized by law and have some specific requirements. Informal places are those that are not registered by law.

Method:



Examples of formal places	Examples of informal places
<ul style="list-style-type: none"> ▪ Village saving and loan associations ▪ Mobile money account ▪ Bank or micro finance institution 	<ul style="list-style-type: none"> ▪ At home ▪ In a savings group or chama or merry go round

→ Divide the group into two and ask:

- **Group 1** to think about 2 advantages and 2 disadvantages of saving in **informal places**.
- **Group 2** to think about 2 advantages and 2 disadvantages of saving in **formal places**.

Note to trainer: potential answers as follows:

	Advantages	Disadvantages
Saving at home	<ul style="list-style-type: none"> ▪ Saving at home does not need many requirements such as identification documents and other personal details ▪ It is easy to access money at any time ▪ There are no charges 	<ul style="list-style-type: none"> ▪ Not safe ▪ It is easy to spend and 'waste' money without planning for it ▪ The money does not earn any interest ▪ One is tempted to lend it to family members and friends
Saving with a mobile service	<ul style="list-style-type: none"> ▪ Money is safer than under a mattress, as long as you are careful with your PIN and mobile phone ▪ Money is easy to transfer or receive 	<ul style="list-style-type: none"> ▪ Sometimes the system may be down if you need cash ▪ It is sometimes too easy to use or spend or waste ▪ You must keep your PIN safe or other people can access your money
Saving with a savings group	<ul style="list-style-type: none"> ▪ Groups of friends or relatives usually from the same community agree to come together to save money ▪ Members can have one savings goal or decide to use this approach to achieve individual savings goals ▪ A safe savings group has strong rules that ensure member's money is safe. E.g. there is a record book that members sign when they deposit or withdraw ▪ The group chooses trusted officials to guide the activities. For example – chairperson, treasurer and secretary ▪ Each member of the group also keeps a record of their own deposits (savings) and withdrawals in their own record book ▪ If the group decides to open a bank account, one account is opened where the money is collected 	<ul style="list-style-type: none"> ▪ Members may require fees for things like late attendance ▪ If a group has weak rules, members' money may be lost or stolen

Note to trainer: Savings can be made easy by utilizing existing technology. There are several technological platforms that one can use to do your savings.

Income-generating activities (IGAs) and investment opportunities

10 mins

→ Ask the participants to name ways to generate an income.

Their answers may include the following:

- **Casual labour and employment:** working as farm hands, working as incentive workers
- **Farming activities:** selling vegetables from their gardens, keeping domestic animals such as chickens and pigs for sale
- **Barter trade:** trading maize flour for the popular cassava flour
- **Selling** the food ration or other entitlements
- **Neighbours:** social donations among community

→ Ask the participants which of the these are sustainable and what can be done to move away from practices such as:

- Selling food rations
- Losing out when conducting barter trade
- Relying on donations from neighbours and other social circles

→ Discuss with the participants the importance of **investing**, that is putting your money to use to allow it to grow. Investments can be made in property such as livestock (cows, goats, pigs) and businesses (market stalls, grocery shops, etc.). Accumulating savings can lead to such investments.

→ Ask participants to share their experiences with income-generating activities with the group. Encourage participants to ask questions.

Method:



Encouraging the savings culture

10 mins

→ Ask participants what it will take for them to start and/or continue saving.

Method:

→ Discuss the **opportunities available** with community-based groups and VSLA membership as well as savings and loans, and how this aids the growth of their businesses.



Conclusion

10 mins

→ **Conclude by saying:** *Choosing where to save is dependent on your savings goals and the value you see in keeping your money in a safe place. Also, ask yourself, is your money earning you interest at the moment?*

Method:

→ **Ask:**



- What one thing are you taking away from today's session?
- Based on today's learnings, what will you do differently?

Then **thank the participants** for their active participation and let them know that the next session will focus on loans.

Source: UNCDF, MicroSave, Fundación Capital, and Arifu (2018).

SAVING TIPS VISUALS: click [here](#) to access high-resolution versions



Savings: "You Can Do It!"



Stay motivated by remembering why you save



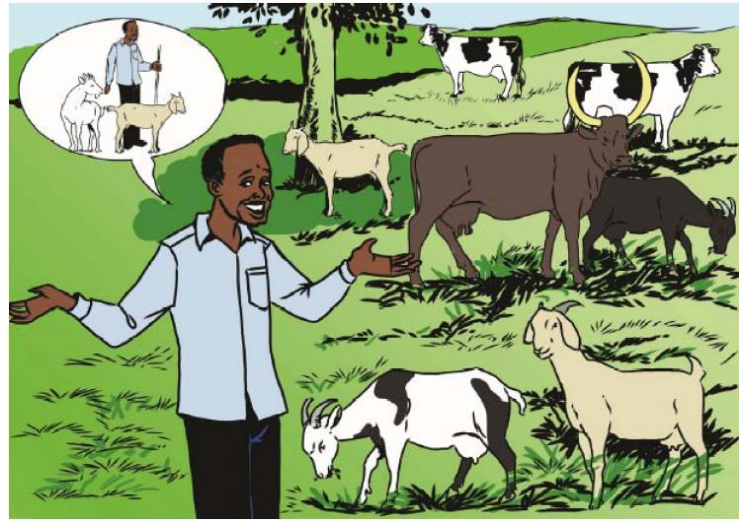
Make sure you save your money in a safe place



Stick with your savings plan



As much as possible, diversify your investments



Invest part of your savings and let your money grow

Savings

Savings can help you plan for the future and solve emergencies.

