Child Optimized Financial Education
MOVING FAMILIES FROM VULNERABLE TO THRIVING

BOOKLET 3 : SAVINGS

THIS IS A DRAFT THAT WILL BE PILOTED AND REVISED BEFORE A FINAL VERSION IS AVAILABLE
COFE toolkit contents

Booklet 1: Introduction

Booklet 2: Financial education basics

1. Your money over time
2. Setting goals
3. A plan for your money
4. Needs versus wants

Booklet 3: Savings

5. Choosing where to save
6. Creating a savings plan
7. Saving for emergencies
8. Making a succession plan

Booklet 4: Loans

9. Borrowing money
10. Interest rates
11. Deciding to take out a loan
12. Understanding different lenders

Booklet 5: Activity tools
Using this booklet

Different text you will see in this toolkit

You will see three styles of text in this document.

• Text like this—in black with sans-serif font—is for you, the facilitator, only. Instructions, overview, set-up, tips, and other guidance is given in this text.

• Text like this—in black with a serif font—is meant to be read out loud. Instructions to participants, explanations of concepts, and the story text appears this way.

• Text like this—in blue with a sans-serif font in italics—are the answers you are listening for as a facilitator during the “ask + listen” sections.

Icons used throughout this toolkit

DISCUSS
These are questions for leading a discussion. The answers will vary by session and participants. That is okay. The value is in discussing the issues.

SAY
This refers to instructions you say out loud to participants and small bits of content.

EXPLAIN
This is used for more complex concepts that require a longer explanation that you may need to read word for word. It also marks places where you may need to pause and check for understanding.

ASK + LISTEN
You will have a question to read out loud and then the answer is provided for you. The answer is not read, but it is the content you are listening for from your participants.

How to use the images in Booklet 5

You will see 2 different icons within the sessions.

IMAGE OPTION
An image is available for you to use that will support and enhance the facilitation. It is not necessary for facilitating the activity or discussion.

USE IMAGE
This image or activity tool is necessary in order to facilitate the activity or discussion. Without using these, it will be difficult to complete the task.

Facilitator instructions and facilitator tips

Instructions to the facilitator during specific activities and discussions are in a box. Like this.

TIP
There are facilitator tips throughout the toolkit. These are not instructions, but can help you facilitate well.
Sharing stories

There are many ways to facilitate a story. You will need to find the way that works best for you. You have pictures to support and help tell the story. Here are some ways you could do it:

- You can show the pictures and ask the participants to tell you a story and then fill in or correct.
- You can read and show, read and show....
- You can read the whole story and show the pictures afterward.

Within each chapter

Within each chapter there are 2 sections: concepts and session.

Concepts  The overview section gives you an idea of the concepts you need to learn. Detailed concepts and supporting images are meant to be read at least once, completely. This section then serves as reference during the sessions. You can use the quiz at the end to check your understanding of the concepts.

Session  The overview page lets you know how much time you will need, what activities you will be leading and highlights the key messages and skills you are teaching.

The preparation page lists the image and activity tool supports from Booklet 5 that are needed or recommended and any additional materials you may need to bring.

The local language page lists the key terms you will need to use during the session. Write in the local words you will use when teaching this session.

The sessions are all organized in the same way.

- A warm-up with a brief discussion of the content you taught last session (except Chapter 1)
- A short introduction of the content you will teach this session
- A series of activities and discussions. Each of these has its own objective(s), a brief description, facilitator instructions and the script for facilitating.
- A finishing section that has some or all of the following:
  - A conclusion
  - A take-home assignment for participants
  - A reminder to the facilitator of the key messages
Savings are a necessary part of financial management. They help you respond to the changes in your money across the year and plan for the future and your goals.

Chapter 5—Choosing where to save

There are many options for where to save your money. The best option for you depends on your purpose for saving. You will learn 5 concepts to use that will help you decide where to save.

Chapter 6—Creating a savings plan

You will think about your goals and learn how to make savings plans that support your goals. A savings plan is a part of your budget. A savings plan will help you know how much money to set aside each week or month for savings and where to put the money.

Chapter 7—Saving for emergencies

Everyone needs money set aside for emergencies. Having an emergency fund helps keep your family well-cared-for even if unexpected events happen. You will learn to calculate how much money your family needs to have saved in an emergency fund.

Chapter 8—Making a succession plan

A succession plan makes sure your family’s money, health and well-being is cared for even if you cannot do these things. You will think through who will take care of your children and how you will meet expenses in the event that you are not able to. Having a succession plan protects your children and family from unexpected events.

Let’s get started!
Overview

- To save is to put aside money so that you can use it in the future.
- Saving helps create security for all members of a household, both the young and old. This is important when caring for children and, it helps keep them safe and well.
- People of all income levels can and do successfully save.
- There are many different options for how to save money.
- Each savings option is different when you consider:
  - Ability to convert to cash
  - Risk
  - Cost
  - Profit
  - Ease of use
- Your purpose for saving will help you determine which option is best to use and when.
- An important reason to save is to ensure your children are safe, educated and healthy. You should never put your children at risk just to save more money. For example, do not give them less food, make them work instead of going to school, or keep them from going to the clinic when they are sick or need HIV treatment.
Introducing savings

What is saving?

☑️ To save is to put aside money so that you can use it in the future.

Savings are an accumulation (an increase or collection) of assets. Assets can include cash, money owed to you, animals and any item within your household or business. Any physical item that you own is an asset.

Why save?

People save for many reasons. For example: to have money to cover an emergency (a child falling ill); to meet a family need (secondary school exam fees); to accomplish a dream (children graduating secondary school). These are savings goals. Most people have multiple savings goals, such as building an emergency fund, saving for school fees and saving for a business investment.

Family financial situations change throughout the year with the seasons and school calendar. Saving money during times when the family has more money will help create greater security during times when there is less money. Having savings ensures that when there is less money, children still have enough to meet their needs and are not pressured to do something unsafe.

In addition, children grow and change—their needs are different at different ages. Saving is a way to plan now for a child's need you know will cost money in the future (for example, school fees).

Can I save?

Saving money is often difficult because there are always many demands for your money. Some people think “I do not have enough money to save.” But, by making small changes, almost all people can save. People of all income levels—including the poor—can and do successfully save.

The first step to saving is to review your list of expenses, label them as wants and needs, and prioritize how you spend your money. Some money is best spent on savings. Often people need to save first, then prioritize how to spend what is left over. Saving even a very small amount each time can be effective.

For many people, it is easier to put a small amount aside each day or week as they receive income, rather than a large lump sum at the end of the month. It is easier to save with a specific goal or future purchase in mind. Looking at, thinking about and talking together as a family about the goal helps you to continue saving.
Saving Options

There are many different savings options. What is available will depend on where you live and the services provided.

The most common ways to save are:

• Keeping cash in the house
• Savings in-kind (buying livestock, jewelry or some other asset)
• Savings groups
• Merry-go-rounds
• Savings and Credit Cooperative Organizations (SACCOs)
• Banks
• Mobile money services

What to consider

Ability to convert to cash

How easy it is to change into cash?

• Sometimes this is referred to as liquidity. Very liquid assets can be used immediately. The most liquid asset is cash kept in your home.
• The more steps needed to turn an asset into cash, the less liquid the asset. For example, if your savings is in the form of animals or jewelry to use as assets to purchase something else, you must first sell the item, and then use this money to make your purchase.
• Electronic money transfers, also called mobile money, in some countries allow for quick access to cash where agents are available.

Risk

How likely are the savings to lose their value?

• Savings kept by mobile money, in a bank or other formal financial institution carries minimal risk
• Savings kept in your home are more vulnerable to theft, fire or other dangers. It is also easier to spend money in your home on wants because of easy access.
• Savings kept in animals or jewelry, while more difficult to spend, carries greater risks. If an animal dies or is stolen, you will lose all of your savings. Market prices for livestock and other physical assets can vary and, you may receive less money than you paid for these assets. This is more likely to happen if you need to sell the asset quickly.
Cost

What is the price for the saving option being used?

• A bank or other formal financial institution may charge fees on savings accounts
• If the bank is far away, you must spend money (transportation—direct costs) and potentially lose money due to missed work (time to go to the bank—indirect costs) to make your deposit or withdrawal.
• What costs are associated with keeping your savings in livestock? They require food as well as other maintenance costs.
• What costs are associated with keeping your savings at home? There are no fees or maintenance costs.

Profit

How much do you earn from your savings?

• A bank may pay you interest on your savings or your savings group may pay you a dividend on your savings at share-out. The interest rate is the percent that is applied to the amount of your savings, which you get to keep.

Ease of use

How easy is it to increase your savings?

• To grow savings, the savings option must allow you to easily make deposits, but be more difficult to make withdrawals
• It is easy to make deposits when saving money at home; however, it is also very easy to access and spend this money, especially when neighbors or family members ask for assistance
• Saving with a formal banking institution reduces the temptation to spend the money; however, if the bank is far away or difficult to reach, it could be very difficult to make deposits
Rating different options

There are 2 general types of savings options: informal and formal.

The key difference between the two types of options is that formal options are regulated by the government and informal options are not.

Informal Saving Options

Saving at home

Money at home is very liquid, it is always available and in cash. Money kept at home has risks because it can be easily spent or stolen. Saving at home is very convenient and does not have any fees. It also does not earn any interest or increase in value. When saving money at home, it is easy to make deposits.

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Savings in-kind

Keeping savings as goods (assets), such as animals, jewelry, grain, or a house, is safer than savings in cash, but could still be stolen. It also carries risk of losing value—animals get sick, grain spoils, houses need repair.

It is not quick or easy to sell an asset in order to spend the money on smaller, less important items. It is less liquid.

It’s important to remember that goods increase and decrease their value over time according to the market price. Depending on when you buy and sell the asset, you could either gain or lose money.

For example, prices of agriculture products and jewelry can change throughout the year. Right after the harvest, prices are low for agriculture products and higher for jewelry. During the lean times, prices may be higher for the agriculture products, as there is less of the product available in the market, and lower for jewelry, because more people are selling their jewelry to pay for their needs.

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<td>Profit</td>
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<td>Ease of use</td>
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Merry-go-rounds

Merry-go-rounds are technically a form of Rotating Savings and Credit Association (ROSCA). They are groups where each member contributes a specified amount of money at agreed intervals. They require a periodic deposit. A different person takes home the contributions each time the group meets or at each contribution period until everyone has received their savings. Group members can only access their savings when it is their turn to take home the money. It is not very easy to convert to cash because of this. Merry-go-rounds can be risky. Members who receive money early in the cycle could stop making the payments, resulting in later recipients receiving less money. Some merry-go-rounds allow members to bid on when they receive the pool of funds. The person who receives the funds first may be required to pay a fee for that privilege. Coordinators may charge a small fee for their services.

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<td>Ease of use [high]</td>
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Savings Groups

Savings groups are have many different names: Accumulating Savings and Credit Associations (ASCA), Village Savings and Loans Associations (VLSAs), or Savings and Internal Lending Communities (SILC) groups. In a savings group, self-selected members of 15 to 30 people commit to making a savings contribution at regular meetings (every week). During these meetings, members can request loans from the group’s savings contributions. The savings group establishes the rules for savings contributions, loans, participation, membership, and all other relevant aspects, in the savings group’s constitution.

At an agreed-upon time, each member receives his or her accumulated savings contributions, along with a little bit of extra money, which is known as a dividend. The extra money is the member’s portion of the savings group profits accumulated from the interest on loans and other fees (for example penalties paid by members who have missed a meeting or who arrived late).

There are many ways that savings groups try to reduce risk:

- All transactions take place in the presence of all members and according to the savings group’s constitution to ensure transparency.
- Each savings group elects a management committee who facilitates the meetings. The savings group funds are kept in a box with multiple locks, normally three padlocks. Different group members hold the keys to these locks to ensure that no one can access the money between group meetings.
- Some groups keep written records. Other groups use a memorization process to keep track of the funds saved and loans disbursed.
Many savings groups create a separate fund for emergencies. Everyone contributes to this fund and can receive money in the event of an emergency. This increases the ability for members to convert it to cash—it is more liquid.

Some savings groups have education funds that allow a member to commit their savings over time toward education expenses on behalf of the children in their care.

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<td>Risk</td>
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<td>Profit</td>
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<td>Ease of use</td>
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Formal saving options services

Formal savings options are regulated by the government. They can include commercial banks, microfinance institutions, credit unions, government banks and post office savings banks. What institutions are regulated varies by country. Generally, the government issues these organizations formal licenses to take voluntary savings.

Deposit-taking institutions have different types of fees for:

• transactions (a fee per transaction, deposit or withdrawal, or for exceeding a set number of transactions per month)
• having an account
• opening an account, or
• a number of other items

Most financial institutions are in urban and peri-urban areas, so accessing a financial institution can be both expensive and time-consuming for farmers who live outside the city.

Financial institutions in economies with high inflation rates may represent more risk than discussed below. Additionally, financial institutions under unstable governments may also be more risky.

Many financial institutions offer savings services that are made for educational expenses. They can be very helpful in planning for the long-term education goals of the children in your care.
Savings Account (at a bank or SACCO)

Generally, financial institutions allow for immediate withdrawal of cash. However, there can be limits on the number of withdrawals per month.

Financial institutions are safe, and many countries insure the deposits. The risks in saving at financial institutions in some countries which do not have enforced or developed banking regulations can be higher.

If your financial institution is not close to your home, it is both more difficult to make deposits on a regular basis and access your funds immediately. Transportation can also be costly.

Fees depend on the type of account. Some financial institutions charge fees for withdrawals. They often have a fee if a minimum amount of savings is not maintained in the account.

<table>
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<tr>
<th>Bank or SACCO</th>
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<tbody>
<tr>
<td>Ability to convert to cash</td>
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<td>Risk</td>
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<td>Ease of use</td>
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</table>

Mobile Money Services

Mobile money can be a very liquid asset, but it depends on the availability of an agent in your area.

Most telecommunication companies are safe places for your money. They have developed regulations with host countries.

Most mobile money operators do not offer any interest.

There is usually a minimum deposit amount and a maximum allowable withdrawal amount.

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<thead>
<tr>
<th>Mobile money</th>
<th>low</th>
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</thead>
<tbody>
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<tr>
<td>Risk</td>
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<tr>
<td>Cost</td>
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<td>Profit</td>
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<td>Ease of use</td>
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Making a decision

When evaluating savings options, it is important to think about:

• **when** and **how** you will want to access your savings
• the **frequency** of your deposits, and
• the acceptable **level of risk**

Your savings goal will influence what is the best option for savings.

For example, when saving for emergencies, it is most important that you can quickly access your money to respond to an emergency situation—be very liquid. But it is also important that this savings is not used for other things. Using a mobile service or through your savings group may be good options.

By contrast, saving for future school fees is money you do not need to be liquid. This money just needs to be available at a certain time in the future. Using a dedicated education account with a bank is a good option for this purpose.

There are no right answers. But some options are better for some purposes than others. Some options will better provide your family and children with a way to achieve your goals.
Quiz yourself

Match the criteria for evaluating a savings option to the appropriate definition.

1. Ability to convert to cash  ____  a. Vulnerability of savings to losing value.
2. Risk  ____  b. The ease of changing an asset into cash.
3. Cost  ____  c. Return or earnings on the savings.
4. Profit  ____  d. Ease of increasing your savings amount.
5. Ease of use  ____  e. Price of the savings service.

6. Formal financial options are generally regulated by the government.
   □ True
   □ False

7. All types of savings institutions, whether formal or informal have the same level of risk.
   □ True
   □ False

8. You can only save when you have a surplus (your income is more than your expenses).
   □ True
   □ False

9. Families can save for 3 different purposes at the same time, using 2 different savings options.
   □ True
   □ False

10. Which of the following are strategies for making saving easier?
    □ a. Save first, then prioritize spending.
    □ b. Put aside a small amount more often, not big amounts less often.
    □ c. Save for a specific purpose and goal.
    □ d. Remind yourself of your goal to stay motivated.
    □ e. All of the above.

Quiz answers are on page 18.
Choosing where to save

Session overview

<table>
<thead>
<tr>
<th>Time</th>
<th>Key messages</th>
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<tbody>
<tr>
<td></td>
<td>1. Savings help create stability for a family.</td>
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<tr>
<td></td>
<td>2. There are many different reasons to save money.</td>
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<tr>
<td></td>
<td>3. There are many different ways to save money.</td>
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<td>4. Choosing a savings option will depend on your needs.</td>
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</tbody>
</table>

Objective
Give participants the tools to make good savings choices.

New skills you will teach
- Assess different savings options
- Choose the best savings option for their family’s goals

In this session
1. Warm-up
2. Introduction
3. Topic discussion: How and why to save
4. Story telling: Sarah saves at a SILC and the SACCO; Ester and Moses save at home
5. Discuss 5 key savings option concepts
6. Rate savings options
7. Choose a savings plan
8. Finishing

TIP
This page provides an overview of the session so you can easily organize your thoughts and focus on what you need to accomplish.
Preparation

<table>
<thead>
<tr>
<th>Images</th>
<th>Materials</th>
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<tbody>
<tr>
<td></td>
<td>□ Score card for each of the following savings options:</td>
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<td></td>
<td>▪ Saving at home</td>
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<td>▪ Saving in kind</td>
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<td>▪ Bank/SACCO</td>
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<td>▪ Savings group</td>
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<td>▪ Mobile money</td>
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<td></td>
<td>□ Savings options card (3)</td>
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<td>□ 40-50 items as counters.</td>
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<td>You will also use the following cards to support storytelling:</td>
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<td></td>
<td>□ Sarah’s Story cards (7)</td>
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<tr>
<td></td>
<td>□ Ester and Moses’ Story cards (3)</td>
</tr>
<tr>
<td></td>
<td>Things to use as counters are: beans, bottle caps, maize, buttons or rocks.</td>
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</tbody>
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Quiz answers

Local language

You will use the following terms many times in this lesson. Before you begin, please carefully think of the words you will use in the local language for each term. Write them below.

1. Ability to convert to cash
2. Cost
3. Ease
4. Profit
5. Risk
6. Saving at home
7. Saving in kind
8. Bank/SACCO
9. Savings group
10. Mobile money
When we left last time, I asked you to make a budget—this was your plan. And to track the actual money you use, then compare.

- What were the most important things you learned?
- What change did you make after discussing with your accountability buddy?
- How did you prioritize the needs of your children through your actual spending?
- Were there any surprises? If so, what?

Today we are going to talk all about saving. We will cover:

- What is saving?
- Why do people save?
- How do people have enough money to save?
- What options are there for saving?
- How do you decide where to save?

In later sessions, we will talk about saving for emergencies and making a savings plan. But for today we will talk about the basics. Let’s get started.

Warm-up

Topic discussion: how and why to save

1. Discuss how and why to save.
2. Show how important saving is.

Description

Large-group discussion

Facilitator Instructions

Lead a discussion about saving.

When you have participants brainstorm different ways to save, you can use the images to support their answers. Hand the image to the participant to hold in front of the group. It is helpful for participants to see all the options together as the list grows.

Then have the large group do 2 things:

1. Define and describe the option.
2. Determine if it is an example of a formal or informal service.
We have talked a lot about seasonality. Your financial situation can change from season to season or even from day to day. It can also change as your children grow and their needs change.

Savings are an accumulation of assets. Any physical item that you own is an asset. Assets can include cash, money owed to you, animals and any item within your household or business.

To save is to put aside money, or spend less today, so that you can use it in the future.

Why would a family want to save money?

- *Have enough money during times when you make less (hungry or lean season)*
- *Respond to emergencies (sickness, fire)*
- *Can pay for unexpected expenses (neighbor needs help, funeral)*
- *Have enough money for a large expense in the future that is planned (invest in business, school fees)*
- *Accomplish your goals that cost more money than what you spend right now*
- *Buy something you want (a new dress, a television)*

What can happen when a family doesn’t have any savings?

- *May not have enough money to meet basic needs of all family members during hungry or lean season*
- *Children have to drop out of school*
- *Stay in the same spot and do not reach your goals*
- *Unable to invest in your business to grow and do better financially*
- *An emergency happens, and you have to borrow money or sell assets*

I want to talk about how to save.

Saving is easiest when your income is greater than your expenses.

Most often, though, it does not feel so simple. There are a lot of demands on your money.

In order to save, you will need to make saving a priority.

This is easiest when you set a specific goal or reason for saving money.

Many families find that saving a small amount every time they receive income is better than waiting until they can save one big amount. Small amounts add up over time and grow!

There are many options for saving money.

The options fall into 2 big categories: *formal and informal.*
**SESSION 4**

**OBJECTIVE**

Compare and contrast good saving habits and choices.

**DESCRIPTION**

Storytelling and discussion questions to explore the ideas of the session.

**FACILITATOR INSTRUCTIONS**

Remember: there are many ways to facilitate a story to teach. You will need to find the way that works best for you. You have pictures to support and help tell the story.

**SAY**

We are going to hear more about Sarah and about Ester and Moses today. Sarah and Ester each need to save for school supplies and school exams. They both feel that education is important for the success of their children. Sarah and Ester each have the goal of supporting their children to work hard in school.

**Formal savings** options are services that are government-regulated. **Informal services** or options are not.

Let’s brainstorm all the different options for saving. What ways to save can you think of?

- Saving at home (informal)
- Savings in-kind (informal)
- Savings groups (informal)
- Rotating savings and credit associations (informal)
- SACCOs (formal)
- Banks (formal)
- Mobile money

Have the participants define the option and give an example.
Sarah

Sarah is saving by putting money into her savings group every week.

After about a year, Sarah has a nice savings amount. She decides to open an individual savings account at the credit union in the nearest town. She selected this credit union because they offer education savings accounts specifically for children. She deposits money there each time she goes to town, about once a month. She is saving for all the children’s future education costs.

During the holiday season Sarah’s market stall was the only one to sell artificial flowers. Everyone came to her for their artificial flowers. She made some extra money.

Sarah used this income to buy 2 goats. She plans to sell them in September. This will give her enough money to pay for her children’s school tuition, books and uniforms.

In the meantime, she is using the milk to feed little Joy and David. She already notices they are stronger and sick less often from such good nutrition.

Ester and Moses

Ester is putting the same amount each week in a tin on a shelf. She has not told anyone else in her family why she is doing this.

After about a year, Ester has only saved half the amount Sarah has. With her money so easy to get to, each of the family members has been using it for small purchases.

Moses had some extra money that could have been saved, but he bought the television he wanted. The family has not been talking to each other about their money or needs.

Ester and Moses are depressed because they could not pay the school fees for their children when they were due.
They talk and decide that something has to change. They sit together and remind themselves that they have goals for their children. They both want to see all 3 children in school. They know this requires money for not just school costs, but also crutches for their oldest child.

They do not even have money for emergencies right now. They need a plan. Ester and Moses begin to track their money and make a budget.

How did Sarah or Ester make it easier for themselves to save? What techniques did they use?

- Identified a goal—saving for children’s education
- Identified specific items that have a specific dollar amount—school supplies and school exams
- Put aside money each week
- Put it in places that were difficult to access (Sarah) so it isn’t spent—credit union account, goat

What are all the savings options that Sarah and Ester used?

- Saving at home
- Savings group
- Credit union—education-savings account
- Savings in-kind—a goat

Let’s talk more in detail about the different options Sarah and Ester used.

What are all the ways that saving in the group helps Sarah protect her savings? How does this compare with Ester’s method of saving at home?

- She cannot spend the money she put in her savings group until the end of the cycle’s share-out
- The money is kept in a locked box
- The group has a constitution that determines how much each person should save and penalties for late or non-payment of loans
- Esther’s money is available to use, and she could be tempted, or other people in the household could take it
How will the group help Sarah save more of her income?

- It requires regular weekly saving
- There is usually a minimum contribution set by the group that everyone can afford
- Ester does not have a minimum contribution. She does not have social pressure to save

How does the individual account at the cooperative credit union help Sarah protect her savings?

- Sarah is less tempted to withdraw and spend the money because it takes effort
- The money is kept in a safe, so it is prevented from theft

What other benefits does Sarah have from owning an individual bank account?

- She receives interest on her savings. Her money is earning her more money.
- She can take out loans
- She can get a small advance to pay her bills if needed.
- She personally controls this money
- The bank may offer a fixed account for education. The money she puts into the account may only be withdrawn for an educational purpose.

How does saving in-kind (in livestock) help Sarah protect her savings, whilst meeting the needs of her children?

- If she wants to use the money she has to sell the goats. She cannot easily spend this money on wants.
- When Sarah purchases younger livestock, she can sell the animals later at higher price. They are not just savings. They are an investment.
- The goats produce milk she can give to her children

What savings options are the best for Ester and Moses to reach their goals?

- At home, a savings group, a ROSCA, a bank, a mobile money account

What makes these good options for their goals?

- The money is available in a particular month
- They can access some money on a regular basis. But they cannot use it on wants easily because it is not in the house.
- The money cannot be stolen from their house
- They can pay in every week. The amount they pay in can change.
5 Discuss 5 key savings options concepts

Define the 5 key concepts in choosing a savings option.

Large-group discussion

Call out each concept, and ask the participants to try and define what it means and to give an example.

As you list and define each concept, call on a volunteer to hold the image in front of the group. At the end, you should have 5 people in front of the group, each holding a concept.

Together we are going to look at different ways to save. There are 5 key concepts to think about when choosing a savings option.

The savings option or options you choose will depend on your purposes. Some options are good for some things. Some are good for other things.

Let’s talk about the 5 key concepts that can help you make a decision.

### Ability to convert to cash

How easy is it to change into cash? Or have cash in my hand?

The ability to convert to cash is how easily can you access your savings as cash.

### Risk

How likely is it for my savings lose their value or be lost?

Risk refers to the potential of loss.

### Cost

What is the price I must pay for the service?

Cost is the price and fees associated with the saving option.
How much do I earn from my savings?

Profit refers to money you make from interest or return on the funds.

How easy is it to increase my savings when I wish to do so? Is it easy to save frequently?

Ease of use is how easy it to save. To achieve savings goals, it is important to save small amounts regularly.

## Rate savings options

### Objectives

1. Practice using key concepts.
2. See the benefits and drawbacks to each saving option.

### Description

In small groups, participants rate each savings options on all 5 key concepts.

### Facilitator instructions

Split participants into small groups of 3-5. Give 1 or 2 savings options score card to each group. Each group also needs 15 markers per score card. There are score cards for each of the savings options: saving at home; savings in-kind; savings groups; banks and SACCOs; mobile money.

On each score card, they will see the 5 key concepts illustrated. The group must give the savings option a high, medium, or low rating for each of the 5 key concepts. If they decide it is “high” they will place 3 counters, 2 counters for “medium” and 1 counter for “low”.

For example, a group may decide that for keeping cash in the house the risk is high. They will place 3 counters next to “risk” on the score card for “keeping cash in the house”.

When groups are finished with the task, invite each group to present their results to the large group. Be sure to ask the large group if everyone agrees with the results.

Keep the sheets visible, with their ratings in place, for the next activity.
We’re going to work in small groups to assess the different savings options.

1

In your group I would like you to discuss each of the 5 key concepts for the savings option you have on your score card:

- Ability to convert to cash
- Ease
- Cost
- Profit
- Risk

Together decide if each concept is high, medium, low or zero.

If it is high, place 3 counters; medium, 2 counters; 1 counter for low or 0 counters for zero.

We will discuss your results as a large group when you are finished.

Groups work.
The group who rated “saving at home,” please tell us your results. Explain why you decided that.

**Repeat** this for all other savings options, going group by group.

### Choose a saving option

#### Objectives
1. Apply the 5 key concepts.
2. Connect savings options to achieving goals.

#### Description
Two teams work on the same decision and compare their choices. Did they decide the same? Why or why not?

#### Facilitator Instructions
Split the participants into 2 teams.
Read a scenario.
Ask each team to discuss and arrive at a decision about which savings option is best to use. Any decision is allowed as long as the team can provide 3 reasons for their choice.
Give the teams 3-5 minutes to decide and come up with 3 reasons. Ask them to present. As teams present, be sure to ask questions and have them give 3 reasons for their choice.
Teams may not arrive at the same decision. That is okay.

#### SAY
1. In your family, you will need to make decisions about where and how to save. The reason you are saving, or your savings goal, will help you decide which option is best for you.
   When you are making a decision about which savings option to use, it is important to think about:
   - When and how you will want to access or use your savings
   - How often you want to make deposits and how easy it is
   - The acceptable level of risk

2. Let’s practice making smart savings choices together.
I want you in 2 teams.

Split the group. Give each group 1 copy of the savings option card.
I am going to read a scenario. As a team, I want you to discuss and decide which savings option you would recommend to use. Any choice is a good choice, as long as you can say 3 reasons for making that choice.

**Scenario 1**
A man and his wife have a 5-year-old daughter. The father is a tailor, and the wife stays home and sometimes sells vegetables. They want to be able to send her to school next year when she turns 6.

**Team 1**, what savings option would you recommend to the tailor and his wife?
What are your reasons for this decision?
Was there any key information you wanted to know that would make the decision easier?

**Team 2**, what savings option would you recommend to the tailor and his wife?
What are your reasons for this decision?
Was there any key information you wanted to know that would make the decision easier?

**TIP** If the teams made different decisions, ask if anyone changed their mind after hearing the other team.
Scenario 2
A farmer’s family is always hungry and needing more food at the end of the planting season. It is harvest time now, and he has earned a large profit. He’d like to plan ahead for purchasing food later in the year.

Repeat the questions from Scenario 1.

Team 1, what savings option would you recommend to the farmer? What are your reasons for this decision? Was there any key information you wanted to know that would make the decision easier?

Team 2, what savings option would you recommend to the farmer? What are your reasons for this decision? Was there any key information you wanted to know that would make the decision easier?

Scenario 3
A young woman just opened a small business as a tailor. She wants to grow her business. She needs a lamp so she can work in the evenings and increase her production. The lamp she wants will cost the same amount as two full weeks of her current income.

Repeat the questions from Scenario 1.

Team 1, what savings option would you recommend to the young woman? What are your reasons for this decision? Was there any key information you wanted to know that would make the decision easier?

Team 2, what savings option would you recommend to the young woman? What are your reasons for this decision? Was there any key information you wanted to know that would make the decision easier?
8 | Finishing

Conclusion

In the next week, take time to apply these new ideas to your own situation. Savings is a great subject to discuss as a whole family. Often to meet our savings goals, it is important to have everyone working together.

Take home

Meet with your accountability buddy in between sessions and talk about:
1. Your family savings goals or purposes—what do you need savings for?
2. What savings options you think are best to use for these goals.

Key messages

Below are the key messages for this session. Your participants should have learned these key messages during this session.

- If you are confident that your participants have learned these messages, move on
- If you are not confident that they have learned these messages, now is the time to reinforce them. You can do this through discussion, or just by reading the key messages aloud.

Key messages for this session:
1. You use different savings options for different purposes.
2. You can use more than one savings options at the same time.
6. Creating a savings plan

Overview

- Anyone can save money
- Savings goals are specific things you want to do with your money to help achieve your goals for your family and children
- It is important to think about and involve children in making savings goals
- A savings plan tells you how much money and time you will need to achieve your savings goal
- Saving a portion of your income, no matter how little, every time you earn money adds up over time
- A savings plan helps link the savings part of a budget to a goal or dream in the future
- You might need to prioritize your many savings goals to work on one, or just a few, at a time
Savings plans

A savings plan is similar to a budget. They both are plans for your money. A savings plan tells you how much money and time you will need to achieve your savings goal.

Creating a savings plan is easier once you are already in the habit of saving regularly. A habit of saving means that you set aside even a small amount first, and then spend your money. Even small amounts add up. It also means when you have a surplus, you set it aside instead of spending it.

The four parts of a savings plan are the goal, the cost, the time and how you will save your money.

1. Goal A savings goal is a specific purchase or expense, such as school fees, medical treatment or an emergency fund, for which you are putting aside money.

2. Cost The cost is how much money you will need to make the purchase or reach your savings goal.

3. Time The time is how long you have to reach your goals. This might be determined by how and when you want to make your purchase, or how much you are able to save each week.

4. How How you will save your money is the choice you make about where to save. You have many options, as discussed in the previous session.

Savings goals are S.M.A.R.T. and Safe goals

Just like other goals, savings goals should be S.M.A.R.T. and Safe in order to help you successfully meet them. It is also important to include children in discussions about savings, just like it is important to talk to children about your budget. Teaching children about savings can help them understand how to be patient and work toward a goal. It can also help them understand why you cannot always spend money on the things they want.

Savings goals should prioritize children’s needs to keep them healthy and safe. Savings can be a necessary way to pay for children’s medicine, school fees, school supplies and exams or other needs. Children should know that you are planning for their future. They may even want to help you save!

If they want to help earn more money, that is OK, but remember that children should not do anything unsafe—and that is not appropriate for their age—to earn money. Children’s first responsibility is learning and growing, so they should always have enough rest, time to study and go to school, and time to play. If they help the family earn money, parents need to know where the money comes from and that they are safe. Parents should know where all money comes from and how the child earned it.

Talking about savings is a good time to remind your children good and bad ways for them to help earn money for saving. Children should be reminded that if they ever feel unsafe, they can tell you and you will not be angry with them. You are there to help.
Making a savings plan

Setting your goal

To make a savings plan, begin by setting a specific savings goal. Answer 2 questions:
• What is your goal?
• How much money does it cost?

Example: Sarah’s savings goal is new school uniforms for Simon and Nadine. They have both grown and will begin a new school year soon. They will cost 4 each, so a total of 8.

Deciding on the time frame

Next, you need to decide how long you have to save until you need the money for your goal.

Example: Simon and Nadine will start school again in one month. Sarah has 4 weeks before she needs to buy new school uniforms.

Determine how much to save, how often

To find out how much you need to save each week, you will divide the total cost by the number of weeks you have before you need to meet your goal.

Example: 8 (total cost) / 4 weeks = 2 each week.

You can also draw 4 boxes, 1 for each week you have to save. Then take 8 counters—the amount of money you need—and fill the boxes evenly. How many do you have in each box? 2!

You now know Sarah needs to save 2 every week between now and when school starts. If she does this, she will have 8 to buy school uniforms for Simon and Nadine right before they begin a new year.
Choosing the right savings option

The last decision to make is how to save. Which savings option is best for this savings goal? At home, savings group, SACCO/Bank, mobile money, or in-kind?

Example: For such a short-term goal, mobile money may be the best. Sarah will need to quickly access the money at the end of the 4 weeks to buy the uniforms in time for school. But she does not want the money in the house, because it is important that Simon and Nadine have school uniforms, and she does not want the money to be used for something else or to be stolen.

Sarah’s savings plan

- Sarah will save 2 each week for the next 4 weeks using mobile money.
- At the end of 4 weeks, she will use the total of 8 she has saved to buy new school uniforms for Simon and Nadine.

Multiple savings plans

It is likely that a family will have many different savings goals. Maybe one savings goal is short-term, like the example of Sarah and the school uniforms. Maybe another savings goal is much more long-term, like buying a piece of land. Maybe one savings goal is for your oldest child and another savings goal supports your business.

When you have multiple savings goals it is helpful to make a savings plan for each one. Then add up the total you would need to save each week or each month. If the amount is too large for your income, then you will need to prioritize your savings goals. You will adjust the savings plans and work on them at different times. This is common.

Talking about the different savings goals with your children and household members is a good idea. It can help you make decisions together about which are the most important right now to achieve. Savings goals that keep all the children in your care safe and meet their needs should be a high priority.
Quiz Yourself

1. Your children are getting sick a lot. You have set a savings goal of a new tin roof for your house that costs 24. You want to buy it before the next rainy season comes 6 months from now. How much should you save each month?
   □ a. 4
   □ b. 8
   □ c. 10
   □ d. 24

2. Which item listed below is NOT part of a savings plan?
   □ a. Cost
   □ b. Goal
   □ c. Income
   □ d. Time
   □ e. Savings option

3. If you need to pay 20 for your children’s school fees in just 4 weeks, but you can only save 4 each week for a total of 16. What should you do?
   □ a. Plan to borrow the entire school fee amount of 20.
   □ b. Save what you can towards the school fees, and then borrow the rest.
   □ c. Have your children start school late, after you have saved all of the money.

4. Which of the following are successful savings practices? (mark all that apply)
   □ a. Spend less than you earn.
   □ b. Save something, regardless of the amount, every time you earn money.
   □ c. Find a safe place to save.
   □ d. Only save when you have extra money.

Quiz answers are on page 40.
Creating a savings plan

Session overview

Time

Objective
Encourage the creation and use of savings plans as a way to achieve family goals.

Key messages
1. A savings plan is part of a budget.
2. A savings plan helps you take action to save for your goals.
3. You might need to prioritize your savings goals to work on one or just a few at a time.

In this session

1. Warm-up
2. Introduction
3. Story telling: Miriam and Joshua talk about money, Sarah makes a savings plan
4. Making a savings plan
5. Savings plan discussion
6. Finishing

New skills to teach

- How to make a savings plan
- Make connections between their financial goals and savings goals

This page provides an overview of the session so you can easily organize your thoughts and focus on what you need to accomplish.
Preparation

Images

There are no image cards that go along with this session. See the materials list for activity tools to use during the session.

Materials

You will need each of the following activity tools for the savings plan activity:

- Cost
- Time
- Savings options
- Short-term goal
- Medium-term goal
- Long-term goal

You will also use the following cards to support storytelling:

- Miriam and Joshua’s Story cards (6)
- Sarah’s Story cards (5)
- 100-150 items as counters.

TIP

Things to use as counters are: beans, bottle caps, maize, buttons or rocks

Quiz answers

1. a  |  2. c  |  3. b  |  4. a-c
Local language

NOTE: There are no new terms for this session to be adapted to the local language.
Welcome back. Last time we talked a lot about all the different options for saving our money.

Who remembers the options we talked about?

- Saving at home
- Saving in-kind
- SILC group
- Bank or SACCO
- Mobile money

Did you talk about savings with your household, including the children?

- If yes, how did this work?
- If not, why not?

Introduction

Everyone’s budget needs to include a plan for saving.

Having a savings plan helps you take action to save money and achieve your goals.

Before we learn how to make a savings plan for ourselves, let’s listen to some examples of other people who have tried to save money to reach a goal.

Storytelling

1. Show how important it is to talk with family about savings.
2. Give example of using savings options.

Storytelling to teach about savings and planning to save.

Remember: There are many ways to facilitate a story to teach. You will need to find the way that works best for you. You have pictures to support and help tell the story.
Miriam and Joshua

Miriam is a retired grandmother. She cares for her HIV-positive grandson, Joshua. Joshua is 13 years old. Miriam loves Joshua very much and he brings her great joy. Still, she constantly struggles to pay for both her needs and for Joshua’s needs.

With the help of a caseworker, Miriam enrolls in the government’s cash-transfer program for elderly citizens. She receives 25 each month. She adds to this income by selling vegetables from her small garden plot. She carefully sets aside 5 each month under her mattress. It is hard to do. She has to buy nutritious food for herself and for Joshua. And she takes Joshua to the health facility regularly for his treatment. But she wants some savings in case of an emergency.

Miriam has been saving for 6 months. She has put aside 30—one more than a whole month’s income! But the price of eggs increases. Miriam goes to her mattress to use a small amount for some eggs. However, when she looks, there is only 15 left! She knows they need nutritious food. But, she does not want to be without money for an emergency.

When Joshua comes home from school, she asks him about the money. Joshua used the money without asking his grandma.

Last year when she told him he was HIV-positive, he tried to be strong. But it is hard. He feels sad and scared. He found that visiting the clinic to learn more and meet others with HIV helps him feel better. But it costs a small amount for transportation. He thought she would not notice. He was embarrassed to ask for the money. Miriam thanks him for being honest, and reminds him that she is there to help him when he has a problem.

What should Miriam do to avoid this situation in the future?

- Include Joshua in money discussions.
- Ask Joshua about his needs and wants. Know his goals.
- Make a savings plan together
- Save her money in a secure place
- Put extra money in a savings account so it is harder to spend
- Look for ways to cut spending
- Look for a closer HIV support for Joshua. Or prioritize transportation for Joshua.
Why is it important for Miriam to have a savings plan for herself and Joshua?

- Do not have regular income or extra money. Must be careful with spending.
- Joshua is living with HIV. He has ongoing needs such as regular check-ups, viral-load testing, nutritious meals and support groups.
- He also has educational expenses. These expenses will change as he gets older.
- As Miriam gets older, she may have health needs, too.

Great. Let’s consider another situation. Let’s return to Sarah.

Sarah

Sarah’s children give her great joy. Still, Sarah struggles to pay for all of her family’s needs. Providing for 5 children is hard work!

Sarah has a goal to grow her market-stall business. She wants her customers to be happy and always come back. She also has goals for her children. She sees a bright future for each of them.

Sarah has a budget and a savings plan to help achieve her goals. During the festive seasons, Sarah generally earns a surplus. She has made a savings plan, ahead of the festive season, for what to do with the money.

After the festive season, Sarah immediately adds to the children’s savings accounts at her SACCO for secondary school fees. She knows Mauda will go soon. But she also hopes that Nadine and Simon will attend in a few years. She is beginning to set aside small amounts now.

Sarah had such a good experience with the goats that she decides to put some of her surplus into purchasing 5 chickens and supplies to build a small coop. Sarah will use the eggs as nutritious food for all her children.

She plans to sell any surplus eggs and to save what she earns with her SILC group.
Creating a savings plan

SESSION 6

Creating a savings plan

Sarah saving

What are the ways Sarah is saving, and why do you think she chose these ways?

- **SACCO educational savings account**
  - For a long-term goal it is good because she cannot easily use the money for anything else
- **Savings in kind—chickens**
  - This is an investment, it will earn her more money over time. It also meets a need of her children for nutritious food.
- **Savings group**
  - It protects her money until the time she knows she will need it

How does a savings plan help Sarah’s children’s well-being?

- She is starting early to meet her long-term goal. Even though Nadine and Simon are not old enough, she is starting now to save for secondary school.
- She is meeting her short-term goal of nutritious food for healthy children with the chickens
- Sales from the eggs needs very little extra effort for Sarah, but will make it possible for her to continue paying for the extra costs of school for her children. She invests once, then uses her SILC group to hold her accountable for saving and keeping the money for the purpose she wants.
- They can pay for their goals without having to give up anything they need

Savings goals should prioritize children’s needs to keep them healthy and safe. Savings can be a necessary way to pay for children’s medicine, school fees or other needs.

Children should know what you are planning for their future. They may even want to help you save! This is ok, but remember that children should not do anything unsafe to help with money.

Talking about savings is a good time to teach your children to be patient and work toward a goal. It can also help them understand why you cannot always spend money on the things they want.

How does a savings plan benefit the well-being of Sarah’s children?

- She makes good use of her surplus instead of spending it on wants
- It keeps her working toward her goals
- She is better able to meet the needs of her children

Benefit children

EXPLAIN

ASK + LISTEN

Children’s well-being
4 Making a savings plan

OBJECTIVES
1. Teach the elements of a savings plan.
2. Practice making a savings plan.

DESCRIPTION
Practice making a savings plan.

FACILITATOR INSTRUCTIONS
Explain what a savings plan is, then divide participants into 3 groups. Give 1 group the short-term goal sheet, 1 group the medium-term goal sheet, and 1 group the long-term goal sheet.

Give all groups the cards for:
- Cost
- Time
- Savings options

Each group will pretend they are a family. They will set a savings goal for themselves and make a plan.

First the “family” will decide how much the goal costs and count out that many counters.

Then they will decide how much time they have until they need the whole amount saved. If it is 7 weeks, they will draw 7 boxes on the ground. If it is 10 months, they will draw 10 boxes on the ground.

Then they will place the cost counters across all the boxes—dividing the cost of the goal equally across the time.

The last thing the “family” must do is decide which savings option is best to use for their goal. They will place a counter on their choice.

You will give instructions to the groups as they go, walking around to groups to ensure they are doing well.

Miriam and Sarah have shown us how useful having a special plan for our savings can be. This plan is a part of our budget. It does not replace our budget. It is in addition to the budget.

A savings goal is a specific purchase you want to make, for which you are putting aside money.

In today’s story, what were Sarah’s savings goals?
- To pay for secondary school for Mauda, Nadine and Simon
- To purchase nutritious food for all the children in her care
- To pay for books, uniforms and supplies for the 3 older children
The 4 parts of a savings plan are:

1. Goal
2. Cost
3. Time
4. How

What is a savings goal?
• The goal is what you are saving to buy

What is the cost of a savings goal?
• The cost is how much total money you will need

What do we mean by time in a savings plan?
• The time is how long you have before you need to reach your goal
Sometimes there is a set date for our savings goals. For example, school fees are due at a specific time each year. Or agricultural inputs are needed before the planting season.

Other times you enjoy flexibility. You can set the deadline yourself. For example, if you want to buy a new pair of shoes, you can decide when you will buy them.

If you know how long it is before you need to achieve your savings goal, then you can begin now to set the right amount aside each week or each month.

The last part of a savings plan is which savings option to use. We practiced this in the last session.

We are going to work in small groups to create a savings plan.

One group will make a plan for a short-term goal. One group will make a plan for a medium-term goal. And one group will make a plan for a long-term goal.

Put participants into 3 groups. Hand out to each group the 3 savings plan images—cost, time and savings options—and their goal sheet.

In your group, you will imagine you are a family. Decide now who are the parents and who are the children.

As a family, I want you to discuss and agree upon a savings goal. Then you will decide how much the goal costs and place that many counters on your goal sheet.

Wait 3-5 minutes, until all groups have completed this.

Encourage role-playing. This is an excellent opportunity for participants to practice talking to children about money.
OK. Now, you need to decide how long you have between today and when you need the full amount of money to achieve your savings goal.

Count how many weeks, months or years between now and then. Draw that many boxes.

Once you have your boxes. Pick up all your counters and place them evenly across all the boxes. This will tell your family how much you need to save each week or each month if you want to reach your goal.

Wait 3-5 minutes, until all groups have completed this.

Lastly, your family needs to choose which savings option is the best for helping you reach your goal. Place a counter on the image of your choice.

Wait 3-5 minutes, until all groups have completed this.

Wonderful! You just made a savings plan for your family. The amount you need to save each week or month is the amount you would put into your overall budget.

A family likely has many goals, so you may have more than one savings plan at a time.

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**5 Savings plan discussion**

**OBJECTIVES**
1. Understand how time effects a savings plan.
2. Prioritize multiple savings goals.

**DESCRIPTION**
Large-group discussion.

**FACILITATOR INSTRUCTIONS**

As you ask questions of the group and encourage 2-3 participants to answer each question.

Listen to their responses for all the elements of the provided answers. If they miss something, be sure to talk about it.

Make use of the savings plans the groups just finished to help illustrate your points. You can move counters around for different time periods. You can have the group look at all the plans together as you discuss.
What happens to the amount you need to save each week or month if the savings time is longer?

- The amount you need to save each week or month is smaller

What happens if you need the money sooner? If your savings time is shorter?

- You have to save more each week or month

Which saving period would be the easiest to save for?

- The longer period, because you can save smaller amounts
- However, then you have to be sure not to use the money for anything else during that long time

Which saving period would be the hardest to save for? Why?

- The shorter period, because you need more money each week
- However, sometimes when you can achieve your goal sooner it is easier to save because you are motivated

Even if it’s harder to save a larger amount each week, what is the benefit to doing so?

- The more you save, the sooner you reach your goal

Once you have saved enough money for the school exam fees and paid it, does this mean that you no longer need to set aside money?

- No. There are other costs associated with going to school—uniforms, levies, lunch, supplies, transport and regular fees.

What happens if you do not think of all the costs and all the money you will need?

Your child might:

- Drop out
- Be ashamed if they are called out for non-payment
- Be endangered on their way to/from school
- Not do as well as he/she could
Multiple savings goals

Let us return to the goals that you developed in your groups. We will pretend that one family has all of these different savings goals.

How much can a family realistically save each week?

Participants will use this number to help the group prioritize their savings goals. Discuss with the group, and help group members to understand that they will often have less money than needed to achieve all of their goals.

Remember choosing between needs and wants in your budget? You had to prioritize what was important to spend your money on. In the same way, if you cannot save for all your goals at once, you will need to prioritize and pick the most important goals. You may choose the goals you want the most, the goals that will make the most change in your life, or the goals that have the first deadline. Every person’s reason may be different.

Look at all the goals we have in the group.

Which goals do you think this family should prioritize? Why?

Discuss the participants’ ideas.

What could you do if you are unable to save the needed amount each week and do not have the full amount to meet your goal?

- Save what you can. It is better to have some of the money you need even if it is not the full amount.
- Look at expenses that you could decrease and cut these to increase your savings
- Extend your savings goal deadline if you can
- Or borrow the remaining amount needed
SESSION

Below are the key messages for this session. Your participants should have learned these key messages during this session.

• If you are confident that your participants have learned these messages, move on.
• If you are not confident that they have learned these messages, now is the time to reinforce them. You can do this through discussion, or just by reading the key messages aloud.

Key messages for this session:

1. A savings plan is part of a budget.
2. A savings plan helps you take action to save for your goals.
3. You might need to prioritize your savings goals to work on one or just a few at a time.

6  Finishing

Conclusion

Saving money can be challenging. There will always be many ways to spend your money. Having specific savings goals and a plan for achieving them will help you take action and save.

Take home

Before our next session, meet with your accountability buddy. Set some savings goals that will help you achieve your overall goals. Work together to make a savings plan for each goal.

Be sure to ask your buddy:

• Do these goals include the needs of your children?
• Which goal is most important? How should you prioritize?
• How will you talk about these goals with your family members, including the children?

Key messages

Below are the key messages for this session. Your participants should have learned these key messages during this session.

• If you are confident that your participants have learned these messages, move on.
• If you are not confident that they have learned these messages, now is the time to reinforce them. You can do this through discussion, or just by reading the key messages aloud.

Key messages for this session:

1. A savings plan is part of a budget.
2. A savings plan helps you take action to save for your goals.
3. You might need to prioritize your savings goals to work on one or just a few at a time.
7. Saving for emergencies

Overview

- Emergencies are events that are hard to predict. One of the most important reasons to have savings is to pay for emergencies and other unexpected events.
- An emergency fund should cover your average household expenses for 12 weeks.
- Emergencies can put children at risk. An emergency fund will help you always have enough money for nutritious food, health and education for your children.
- An emergency fund will help make sure that your children don’t have to be sent away to be cared for by someone else. If they are on HIV-treatment, for example, living away from you may make it a challenge for them to get and stay on their medicines.
- An emergency fund will also help make sure your children aren’t forced to earn money in an unsafe way.
- After you use money for an emergency, it is important to put money back into your emergency fund so you will still have savings the next time you need it.
Emergencies

Emergencies come about unexpectedly, and they can often be very costly. Some emergencies, such as falling mildly ill, can be small and won’t affect your finances. Other emergencies, such as having a serious accident, can require large amounts of money. Emergencies not only cost money, they can also stop you from earning your normal income for a long time. Because emergencies are hard to predict and can keep you from reaching your goals, it is important to be prepared for them before they happen.

Emergencies can be minor, causing you to lose 1 or 2 weeks of income, or major, causing you to miss as many as 12 weeks of income. A minor emergency might be a small injury, getting sick for a week, having an animal die, a bike breakdown, or losing a portion of your crops. Emergencies that might last a little longer include falling very ill, having several animals die, or having minor flooding. Big emergencies are scary, but can happen. It is good to prepare for the biggest of emergencies, like having a fire in your house or having all of your animals die. Most people think these big emergencies won’t happen to them, but they may happen at some point. It is good to be prepared.

How emergencies affect your children

Emergencies can make it difficult to care for your children and keep them safe. During emergencies, families that can’t afford to care for their children may have to take them out of school and/or send them away to be cared for by other family members or care-takers. Children are safest in their family, and sending them elsewhere can put them at serious risk.

In emergencies, families often have to ask children to help earn money, or let them fend for themselves, which also puts children at risk. Working long hours or at night can interfere with children’s rest and schooling. Worse, some children are exploited or taken advantage of in order get enough food and money to survive. Having money saved for an emergency will ensure that your child can eat enough and stay safe, healthy and well-cared-for. Make sure you always know how children are getting money, even during a time of emergency. You should talk with your children and ensure they are safe. The best plan is having money saved, so children never have to fend for themselves.

It is important to talk to your children about your plan for emergencies. This way, they will also be prepared and feel less scared if an emergency happens. Children should know who to ask for help. They should also know they can always tell you if they feel unsafe, and you will never blame them or be angry with them.

Emergency funds and their purpose

Creating an emergency fund is a good way to prepare for unexpected events.

Definition: An emergency fund is a savings fund that is only used to pay for unexpected emergencies like injuries, natural disasters and other unexpected events. An emergency fund should be part of everyone’s budget.

A good standard amount for an emergency fund is having enough money to cover average household expenses for 12 weeks (3 months). Finding enough money for 12 weeks might
seem difficult. However, just like normal savings, putting away little bits at a time can help you build up your emergency fund over time. There are several ways to increase your savings—like working additional hours or decreasing your consumption.

The purpose of an emergency fund is to help you pay for difficult situations, like when you or a family member becomes sick or injured, or if you have a bad season and your crops don’t grow or animals die. A drought, famine or natural disaster can be extremely difficult on you and your family. It is impossible to know with certainty whether these events will occur, or how bad they will be. It is also difficult to know how long your family might be without income. This is why it is important to make sure that the amount you have saved in your emergency fund can support your family for a long time.

If you have an emergency and need to use money for an emergency from your fund, it is important to put money back into your emergency fund so you still have 12 weeks of savings. Once the emergency is over, you should try to start putting money back into your savings account.

Where can you save for your emergency fund

Starting your emergency fund is important, but before you start saving you should consider where you want to keep your savings. The most important features of an emergency fund are how safe your money is and the ease of converting it to cash.

Some places you might want to keep your money are very easy to convert to cash, but not secure. Keeping your funds in your house is very easy to convert to cash, because you can use your money anytime. However, keeping money in your house is also very insecure, as the money could be stolen or lost in a fire or flood. It would be impossible to use your emergency fund after a fire or flood if your fund gets lost in the emergency as well.

Other places where you keep your money are very secure, but not very easy to convert to cash. For example, investing your money in land might be very secure because your money won’t be stolen or destroyed. However, if a disaster strikes, it can become difficult to sell your land and access your money.

In general, you will want to find a place that has both security and ease to convert to cash for your emergency fund. A bank account or a SACCO account are both great options, if they are close to your home. They allow you to access your money fast while still being secure.

Calculating your emergency fund goal

To calculate how much money you should have in your emergency fund, you need to think about how much your family spends in a normal week. This will likely include food, rent, clothing, gasoline, transportation and anything else you use often. After you come up with how much your weekly expenses are, multiply that number by 12. If it is easier to estimate your monthly expenses, multiply that number by 3.

An emergency fund can take a long time to save for, so don’t be discouraged if the amount seems too large. Setting the amount for an emergency fund can be one of your financial goals. It can be helpful to pick realistic deadlines to have certain amounts saved, and then start saving.
Remember, saving should never be done at the expense of children’s needs. If children do help earn extra money, parents should be sure the money was earned safely and that the child always has enough time to study, go to school, rest and play. Anything children do for money should be appropriate for their age and not put them at risk of violence, exploitation or abuse.

**Example:**

Average weekly expenses = 20
20 x 12 weeks = 240 needed for an emergency fund
Average monthly expenses = 500
500 X 3 Months = 1,500 needed for an emergency fund.

Another way you can calculate a savings goal for your emergency fund is by using a previous emergency as a case to learn from.

**Example:**

Perhaps one of your in-laws recently passed away, and you were responsible for the funeral expenses.

You would add together all the expenses; food, coffin, contributions, burial services—anything that was an extra expense for your household.

Then also consider the time away from your business or work that made your income smaller during that time period. How much money did you lose? This is also a cost of the emergency. It’s important to remember this amount when setting your emergency fund goal.
Quiz yourself

1. What are the reasons for creating an emergency fund? (Circle all that apply)
   - a. To pay for doctor’s bills in the case of illness.
   - b. To pay for household expenses if one of your crops does not produce a return.
   - c. To pay for expenses for an annual holiday or festival.
   - d. To pay for expenses in the case of a death.
   - e. To pay for school fees and ensure children stay in school.

2. How many weeks of average household expenses should you have in your emergency fund?
   - a. 8 weeks.
   - b. 12 weeks.
   - c. 16 weeks.
   - d. 4 weeks.
   - e. It does not matter.

3. Why does an emergency fund need to be so large? (Circle all that apply)
   - a. It should have sufficient funds to cover your household expenses for a few months.
   - b. It should enable you to pay for large expenses associated with many different kinds of urgent needs.
   - c. It should be large enough for you to pay for the next holiday celebration.
   - d. It should be large enough to replace your income for a few months in the event that something prevents you from earning income.

4. Which statement is correct?
   - a. You should talk to your children about emergencies so they are prepared.
   - b. You should not talk to your children about emergencies because they will be afraid.

Quiz answers are on page 60.
Saving for emergencies

Session overview

Time

Objective
Help families prioritize and set a goal for an emergency savings fund.

Key messages
1. It is necessary to have an emergency fund to protect your family.
2. Emergencies can put children at risk.
3. There are two ways to set an emergency savings goal. You can multiply weekly expenses by 12 or add together the cost of an emergency in the past.

In this session

1. Warm-up
2. Introduction
3. Story telling: Moses is in a crash
4. Discussion: Emergency planning using 12 weeks method
5. Emergency planning using scenarios
6. Finishing

New skills you will teach
- Calculate how much to save for emergencies

TIP
This page provides an overview of the session so you can easily organize your thoughts and focus on what you need to accomplish.
Preparation

Images

☐ Miriam and Joshua
☐ Enrolling in services
☐ Miriam sells vegetables

Materials

You will use the following cards to support storytelling:

☐ Ester and Moses’ Story cards (6)

Quiz answers

1. a, b, d, e  |  2. b  |  3. a, b, d  |  4. a
Local Language

You will use the following terms many times in this lesson. Before you begin, please carefully think of the words you will use in the local language for each term. Write them below.

1. Emergency

2. Emergency Fund
Warm-up

Last time we talked about making savings plans to accomplish your goals.

Who has made at least one savings plan for their budget?

- How did it go?
- What was challenging?
- How was discussing it with your family?

Introduction

So far we have discussed saving to help you reach your goals. Today we will talk about saving for unexpected events or emergencies. Emergencies mean immediate costs to a family.

What type of emergencies can happen to a family?

- Sickness or injury
- Rebuilding from a disaster
- Replacing stolen or broken goods
- Poor selling season or bad harvest
- Someone is called away and unable to work

All of these emergencies cost money or mean you will have less income.

Without emergency savings, an unexpected event can impact a family’s ability to care for their children. It can even put children at risk of being exploited or sent away.

Money that you save for an emergency is called an emergency fund.

An emergency fund ensures that your children will get enough to eat, be healthy and stay safe if something bad happens and you need more money.

We never expect emergencies to happen. But, by setting an emergency savings goal and putting money aside for this purpose, we can be prepared and protect our family.

Every family should have an emergency fund to handle unexpected events.

We have talked about ways to save for your goals; saving for an emergency fund is very similar.
Saving for emergencies

SESSION

OBJECTIVES
1. Illustrate the importance of emergency savings.
2. Stress the negative impact on children of not having emergency savings.

DESCRIPTION
Storytelling and discussion.

FACILITATOR INSTRUCTIONS
Remember: there are many ways to facilitate a story to teach. You will need to find the way that works best for you. You have pictures to support and help tell the story.

ASK + LISTEN
Do you remember Moses and Ester? What happened with them last?
- *Ester tried to save. They didn’t talk. Moses spent it on a television. They could not pay for their children’s school fees.*
- *Moses and Ester decided they needed to begin a budget and discuss money.*

SAY
Today their story continues.

Ways and where to save

What are ways you could save for an emergency?
- *Save a small amount every week*
- *Reduce expenses*
- *Select a place to save where you cannot easily access your savings*
- *Shareout from a savings group*

Where is a safe place to keep an emergency fund?
- *Bank account*
- *SACCO account*
- *Places that have ease of converting to cash and security*

Each family will need to set an emergency-savings goal and work to achieve this goal. In this way, you will have an emergency fund to protect your family. There are two ways to decide how much is the right amount for an emergency-savings goal. Today we will talk about both methods.
Moses is in a crash

Moses is still using his motorcycle to earn money. He works as a boda boda driver. One day, after he drops off a passenger, Moses is hit by a truck as he pulls into traffic. He is badly injured in the crash. And his motorcycle is ruined.

Moses has to go to the hospital for his injuries. It looks like Moses will heal, but treatment is expensive.

The hospital bill is 50. Moses asks Ester to use the money in the tin to pay the bill. Ester was saving this money for school supplies and exams for the children.

Unfortunately, the hospital is demanding payment before they finish treating Moses.

Ester goes home and looks in her tin. But finds that now only 10 is saved there. Ester, Moses and the kids have been using it for unplanned expenses and small wants.

They need 40 more for the hospital. Moses and Ester decide to sell the new television, which Moses bought for 30. Since the television is no longer new and they are in a rush to sell it, they can only find a buyer who will pay 20.

Moses and Ester still do not have enough money for the hospital bill. They search for a way to pay the last 20. Their only idea is to sell their mattress. They find a kind neighbor who buys their mattress for 20.

They pay the hospital bill. Moses is treated and comes home in a few days. He is healing, but it will be at least a week before he can find other work to earn more money. They have no money left to pay for the children’s lunches. And the money that Ester has saved for the children’s school supplies and exams is gone. The crutches for their older child who needs help getting around will also have to wait.
Why did Moses and Ester have trouble paying for the hospital bill?

- They did not have an emergency fund
- They used all of their savings for other expenses
- They did not communicate and work on their savings goals together
- They did not talk to their children about savings goals, so their home savings was used by the kids
- They did not have other people to ask for funds
- They do not have other sources of income

Where did they find the money to pay the bill?

- They used all the money they were saving for their children’s education
- They sold the television and the mattress

How did this affect their children’s well-being?

- Negatively. They were not able to pay school fees, buy nutritious food or buy crutches for their child.

If there is another emergency, how will the family manage? Are there any risks to the children?

- They might be forced to sell more of their assets
- They may have to take an expensive loan
- They may ask for support from their relatives and neighbors
- The children may have to drop out of school
- Ester may be at risk of having to engage in transactional sex
- In a worst-case scenario, the children, especially the disabled child may be at risk of being abandoned or sent away

Could Moses and Ester have avoided selling their assets or using the money they were saving for education?

- Yes, if they had planned and saved for an emergency
- Yes, if Moses had not bought the television, but saved the money instead
- Yes, if Moses, Ester and the kids all cut back on wants, leaving the money in the tin as savings
- Yes, if they had communicated with each other about money and made a plan
- Yes, if they were in a savings group, they could have asked the group for help using the social fund
Moses and Ester have learned a lot from this emergency. They now know they need to plan and save money to avoid something like this in the future.

When and how can Moses and Ester’s family save more money? How can they overcome challenges to saving?

- Communicate about savings goals and plan together
- Save as much as possible when income is highest. Especially if they have a surplus
- Save in places that will make it more difficult to access the money—not at home. This reduces the temptation to spend on unnecessary wants and increases security
- Reduce the amount of loans
- Use a budget to help track and plan expenses
- Use a financial calendar to think about the year as a whole, and plan accordingly
- Find another business to generate income during the lean periods
- Purchase food and supplies in bulk when there is money, to help save on expenses
- Limit spending on wants

**Emergency planning using 12-weeks method**

**OBJECTIVES**

1. Consider the importance of emergency savings.
2. Use the 12-weeks method to know how much a family needs in emergency savings.

**DESCRIPTION**

Discuss story characters Miriam and Joshua and apply the 12-weeks method to their situation.

**FACILITATOR INSTRUCTIONS**

Introduce Miriam and Joshua again. Have participants discuss their situation in pairs first. Then lead a large-group discussion.

Have the participants estimate average weekly expenses for Miriam and Joshua. Then show them how to use a calculator to multiple that number by 12. This will be Miriam and Joshua’s emergency-savings goal.

**SAY**

Now that we’ve discussed Moses and Ester, let’s see if we can help Miriam and Joshua save.

Do you remember Miriam and Joshua? Can someone remind us what stage of life Miriam is in?

- Retired. She is a grandmother.
How many children does she care for?

What are Miriam’s source of income?
- Government pension. Selling vegetables from her garden.

Turn to the person next to you. I want you to discuss these 3 questions:
- What emergencies might Miriam and Joshua have over the course of a year?
- What would happen financially if these emergencies happen?
- How would they impact Joshua’s well-being?

Allow participants to discuss for several minutes. Ask for a few pairs to share. Push them to be specific.

What emergencies might they face?
- Miriam has a health problem and can’t sell vegetables
- Joshua gets sick and needs expensive medicine or to go to the doctor
- A bad growing season
- Something in their home breaks and needs repair

What would happen financially?
- They would need money
- They would have to take away money from other expenses
- Miriam could have less income
How would it impact Joshua’s well-being?

- They might not have enough money for healthy food or medicine Joshua needs
- Joshua will feel sad and stressed
- Joshua might think it is a good idea to help make money by taking a job that is not safe. Or working instead of going to school.

Without an emergency savings fund, how would Miriam and Joshua pay for and recover from such emergencies?

- Raise money by selling assets
- Use one’s savings for goals
- Take out a loan
- Go without

What is the downside for doing these things?

- They will lose their assets
- Using savings for emergencies means it will take longer to reach their goals
- They would have to repay a loan
- Going without healthy food will put their health at risk.

Not having money for emergencies can put children at risk. If Miriam and Joshua have to go without nutritious food, it will be bad for their health. If Miriam cannot get Joshua the medicine he needs, he could get sick.

Let’s practice making an emergency savings goal for Miriam and Joshua so everyone in the household can stay healthy and safe.

A good emergency savings fund has enough money for 12-weeks of expenses.

We are going to use the 12 weeks method to decide on the right size emergency savings goal for Miriam and Joshua. It is simple; there are only 2 steps to this method.

1. Estimate your average expenses during the course of one week.
2. Take your average expenses and use a calculator to multiple that number times 12.

This will give you the amount you need for a good emergency fund.

Let’s use this method for Miriam and Joshua.
How much do you think Miriam and Joshua usually spend in a week?

This number should be an average. Make sure participants think about weeks when spending is small and weeks when spending is high. Choose a number in the middle.

Great. Let’s use a calculator to enter that number.

Enter the number and show it.

Then we multiply it by 12. We use the X or * symbol.

I’ll walk around to show you. Kids or friends can be a great resource for helping you use a calculator; don’t forget to ask for help.

EXAMPLE:

Miriam spends 22 most weeks. Once a month, she pays Joshua’s school fees and gives him money for transport to his support group. Those weeks she spends 30. Miriam should use a weekly amount between these numbers to calculate her emergency fund total. Let’s use 26.

26 X 12 = 312.

Miriam and Joshua should have 312 in an emergency fund that they do not use for other purposes.

Emergency planning using scenario method

1. Practice estimating the costs of an emergency.
2. Connect costs of an emergency scenario to an emergency-savings goal.

Small groups discuss a specific emergency, estimate its cost and make an emergency-savings goal.

Split participants into 3 groups.

Give them instructions for discussion.

Walk around to each group and read an emergency scenario to them. Read it twice to be sure they understand the situation.

The groups should discuss the costs of the emergency, the lost income and the impact on children. Based on this information, each group should recommend an emergency-savings goal for the family.

Have each small group present to the whole group when they are finished.
Another strategy to save for an emergency is to think about past emergencies. How much did you spend? Looking at costs or losses in the past can help you set a savings goal for emergencies in the future.

Split participants into 3 groups.

I’m going to give each group an emergency scenario. In your group, I’d like you discuss the following questions:

- How much income would you lose?
- How much money would your household need for its expenses?
- What are the impacts on the children?

Finally, I want you to set an emergency-savings goal for the family based on your scenario.

I will come around to remind you of the questions.

Walk around to the groups and read 1 of the following scenarios to each.

### Scenario 1
A family member becomes ill and must go to the hospital.

### Scenario 2A (for rural participants)
The rains are late, and the harvest comes in a month late with a lower yield than expected.

### Scenario 2B (for urban participants)
The rains have been heavier and lasted longer this year. There is severe flooding in the neighborhood. It is impossible for you to get to your job across town for 2 weeks.

### Scenario 3
Some of your animals become sick and die.
I’d like to have each group share their emergency scenario with all of us. Tell us the costs, lost income and impact to the children. Then share the emergency savings goal you would recommend.

Which group would like to go first?

Be sure to press groups for detail, and ask the other participants if they agree.

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## 6 Finishing

### Conclusion

We have seen how important it is to save for emergencies.

We have used 2 methods for setting an emergency-savings goal.

What are the 2 methods for setting an emergency-savings goal?

- Multiply your weekly expenses by 12, using a calculator
- Calculate total cost of an emergency from an example in the past

There is one more important thing about having an emergency fund.

If you have an emergency, it is okay to use the money from your emergency fund.

When this happens, it is important to put money back into your emergency fund after, so you are protected in the future.

The emergency fund is to make sure that you and the members of your household are healthy and safe. You should be sure to only use the money for needs, not wants.
Take home

Before the next session, meet with your accountability buddy. Work together to set an emergency-savings goal amount for your family. You can use either of the methods we have used today.

Use your time together to share any worries you have about the children in your care. It is never fun to think about emergencies that could happen. Talking about it can help.

Key messages

Below are the key messages for this session. Your participants should have learned these key messages during this session.

• If you are confident that your participants have learned these messages, move on.
• If you are not confident that they have learned these messages, now is the time to reinforce them. You can do this through discussion, or just by reading the key messages aloud.

Key messages for this session:

1. It is necessary to have an emergency fund to protect your family.
2. Emergencies can put children at risk.
3. There are two ways to set an emergency-savings goal. You can multiply weekly expenses by 12, or add together the cost of an emergency in the past.
8. Making a succession plan

Overview

- A succession plan is a plan for any amount of time when you are unable to earn income or care for your children.
- Anyone can have an unexpected event call them away, make them unable to earn income to meet expenses, or make it difficult to care for your children. Having a succession plan keeps you and your family safe by preparing for this.
- A succession plan includes many details: like who will run your business; how will your business profit be split and used for your children’s expenses; who will care for the children, and other decisions.
- It is important for your family members and people you trust to know about the plan, so it can be followed if you are gone.
What is a succession plan and why is it important?

Emergencies can affect both your family and your business. There are many reasons that someone could unable to earn income, unable to care for their children daily or both. Something unexpected can happen that takes you away from either earning income or your children for one week, one month or longer.

A succession plan is a plan for how your family’s expenses will be paid and how your children will be cared for in your absence for any amount of time.

A succession plan can help keep your business open and keep your family earning money even if you can’t make it to work. It can also make sure your children have someone who knows their health and school needs and is ready to care for them if you are not able. A good plan will contain details that can help other people keep your business open, earn and use income for your family and keep your children healthy, safe and in school.

Without a succession plan, if something unexpected happens, it puts your family at risk. If you are away or unable to work, what would happen?

- How will your family pay for nutritious food? Health-related expenses? School?
- If your business had to close for a time period, would you lose it?
- Will your children stay healthy and receive the regular care they need?
- Will your children be safe and not at risk of taking on work that puts them in danger?
- Will your children be able to stay in school?

What should you include in your succession plan?

A succession plan has 2 parts:

1. Who will take care of your children.
2. How you will meet the expenses of your children.

Each succession plan is different, and the details that you need to decide will depend on how you earn income and the needs of the children in your care.

It is important to talk with the people you want to run your business or care for your children. They will need to agree to the plan in advance. It can be helpful for them to sign a written version of the plan with other people around to witness it, but this is not necessary.
Children

You will need to think about how you care for all of the children in your household. You will need to select someone who is able to see to their needs. It helps if this is someone your children already know and are comfortable with. This person should be trusted.

You will need to discuss the following with the person you choose to care for your children:

- Any special health needs for your children.
- School schedules and expectations.
- Regular expenses for the children’s well-being; nutritious food, education and health.
- Keeping the children safe; knowing where they are, their regular activities.

Invite this person over to your home. Make sure to go through any special details of medication, food preparation and school logistics for each of the children in your care.

Business

You will want to think about how you earn money, and who can take this on while you are away. Especially if you run a business. This may be the same person who helps you with your children, or it may not.

Your succession plan will need to include:

- Who will run your business if you are unable (someone you trust, often a family member)
- How he or she will be trained in the business
- How that person will earn money, as he or she cannot run your business for free.
- How profits should be used for your family
- All of the details needed to run your business successfully
- How and when you will take your business back

Business succession can be hard to manage, but discussing details early and including them in your plan can help.

If you are unable to work because of an emergency, your family will likely need a part of your business’s profits for regular expenses. Laying out the details of how much money goes to your family, how much should be re-invested into the business, and how much the person running your business should receive will help to make sure the money earned in your absence goes where you want it to.

Another important detail to include is how and when you will take back your business. The person taking over your business should have a good understanding of when you will be okay to take over, so that there are no conflicts in the future. Making sure to include this detail can help you avoid any confusion about who is in charge of the business in the future.

Including the right details for running your business can be difficult. One helpful thing to do is to run through all the tasks you do on your average day and on an average week. Be sure to go through them, and train the person who has agreed to be a part of your succession plan in this way.
Keep your plan updated

In every business and family, things change all the time. It can be helpful to look at your succession plan every couple of months to make sure nothing big has changed. Check-in with the people you have selected for help, and make sure they are still available and agree to be a part of your succession plan.

Involve your family

Your family should know about your succession plan. Often people pick a family member to run their business when they are unable to. Your children should never be taken out of school to run a family business, but they should still know about your plan. If you get very sick, you might not be able to tell people about the plan, or contact the person who will run your business. If your family knows about the plan, they can help make sure your plans are carried out.

It’s important that the person who will care for your children is trusted and safe for your children. You should know a lot about this person’s background and history. If your children do not already know the person, they can get to know each other. Invite this person over. Tell the children who this person is, as a part of your succession plan. This will help children feel safe if you are not around, and help the person to know your children and their different needs. Remember to ask each of your children if they feel safe around this person, and listen to them seriously. Children are very smart and can often tell who is safe. If your children do not feel safe with someone, there is often a good reason and you should listen very carefully.
Quiz yourself

1. Why is it important to have a succession plan?
   □ a. To help your business start making more income.
   □ b. To have money for an emergency.
   □ c. To make sure your family is cared for and expenses can be paid if you cannot work.

2. Who should you tell about your succession plan?
   □ a. Your family.
   □ b. Your children.
   □ c. The person you want to take over your business.
   □ d. Friends and neighbors you trust.
   □ e. All of the above.

3. Which of these are not necessary in a succession plan?
   □ a. Where you buy stock for your store.
   □ b. A list of medicines for each family member and how much they cost.
   □ c. How much money your business made over the past 5 years.
   □ d. How the person will know you are ready to take back your business.

4. Does it matter if the person in your succession plan knows your children?
   □ a. No, it does not matter because this is only about the business.
   □ b. Yes, as long as they know the children, it is good enough.
   □ c. Yes, they should know the children, and you should be sure they are safe and trusted by your children.

Quiz answers are on page 80.
Session overview

**Time**

[Diagram of time schedule]

**Objective**

Help participants plan ahead for the care of all their children, protecting their families for when there are unexpected events.

**New skills you will teach**

- Plan for your business to continue, or source of income, if you must be absent
- Plan for how their children will be cared for if they have an emergency

**Key concepts**

1. It's important to consider how to care for your children if you are unable.
2. A succession plan includes the money, health and well-being for your family in your absence.
3. You should discuss the plan with your children.
4. You should tell people you trust about the plan so it can be followed if you are gone.

**In this session**

1. Warm-up
2. Introduction
3. Story telling: Odhiabo, Sarah’s neighbor
4. Discussion: Succession plan
5. Story telling: Sarah has a succession plan
6. Role playing planning
7. Finishing

**TIP**

This page provides an overview of the session so you can easily organize your thoughts and focus on what you need to accomplish.
Preparation

**Images**
- Sarah's family

**Materials**
- Neighbor’s Story cards (4)
- Sarah’s Story cards (5)

**Quiz answers**
1. c | 2. e | 3. c | 4. c
Local Language

You will use the following terms many times in this lesson. Before you begin, please carefully think of the words you will use in the local language for each term. Write them below.

1. Succession Plan
8 SESSION

1 Warm-up

Last time, we talked all about emergencies and unexpected events and how important it is to save.

Turn to the person next to you. Share the most important idea you learned during the previous session and why.

2 Introduction

Some of the emergencies we imagined in the last session result in you or your partner being unable to earn income for a period of time, or needing to be away from the family.

Today we’re going to discuss something called a Succession Plan. It is another tool for protecting your family from unexpected events.

We’re going to begin today with a story about Sarah’s neighbor.

3 Storytelling

Illustrate the need for a succession plan.

Story-telling and discussion questions to explore the ideas of the session.

Remember: there are many ways to facilitate a story to teach. You will need to find the way that works best for you. You have pictures to support and help tell the story.

Odhiabo, Sarah’s neighbor

Odhiabo is a widower. He has 4 children. He runs a small shop that sells mobile-phone accessories and other electrical items. While he has lived in the same village as Sarah for more than 10 years, he is originally from across the mountains.

One day, he receives a call from his mother’s neighbor to tell him that she has fallen gravely ill. Odhiabo must return immediately to his home town to care for his ailing mother. He does not know how long he will be gone. He asks a neighbor to care for his 4 children.
Making a succession plan

SHARE THE STORY

while he is gone, but he has no one to take care of his shop. He has to shut its doors until he can come back to his children.

While Odhiabo is gone, the rent comes due on the shop, and there is no money to pay the landlord. He has been gone for several months with no income to send home to pay rent.

Sarah sees that the landlord of the shop comes and empties out all of Odhiabo’s inventory. He sells it to pay for missed rent. Then the landlord rents the shop to someone else. Odhiabo’s business is lost.

The children’s school fees must be paid, or they will have to leave school.

Sarah also sees that Odhiabo’s 4 children are no longer going to school. Their clothes are looking old and ragged. They have even begun to look hungry.

What should Odhiabo have done differently? How could he have planned so that this did not happen?

• Have an emergency fund
• Teach one of the children to manage the shop after school and homework
• Ask a friend or family member to run the shop

4 Succession plan discussion

OBJECTIVES
1. Have participants come up with solutions.
2. Define the details of a succession plan.

DESCRIPTION
Large-group discussion.

FACILITATOR INSTRUCTIONS
Begin by having participants consider how Sarah could protect her family from what happened in the Odhiabo story.
Be sure to offer a definition and clear statement of what needs to be included in a succession plan.
After seeing what has happened to her neighbor, Sarah wonders what she can do to prevent something like this happening to her business.

Let’s help Sarah create a plan.

Remember Sarah has 5 children to think about: Mauda, 15; Nadine 13; Simon, 12; David, 3; and Joy, 1.

If Sarah were called away and could not work or care for the children, even if only for a week, what all does she need to think about?

- **Children**
  - Sarah needs someone to care for the children
  - Sarah needs someone who can be trusted with HIV-care for David, and who will keep all the children safe
  - Sarah needs her business to pay for her family’s expenses while she is gone. Especially the nutritious food, health and education expenses of her children.

- **Business and money**
  - Sarah needs someone she trusts to run her business if she must be gone
  - Sarah needs a way to train this person in her business. She wants her business to be well-managed in her absence.
  - Sarah needs to have an agreement with this person about the business’s income. How will the money be divided?

What does Sarah need to think about when choosing someone to care for all 5 of the children in her care?

- Someone she trusts to keep all of the children safe
- Someone that Mauda, a 15-year-old girl, will feel comfortable with
- Someone to whom she is willing to disclose the HIV status of the children
- It would be best if it was someone who the children know
- Someone who lives close enough to be there within one day
- Someone who could take on that many children for a period of time
How will Sarah cover the children’s expenses if she is not able to be present?

- Have someone keep her business running so she does not lose income
- Use emergency savings

Who could run Sarah’s business if she needs to be away?

- Someone who has time or is able to switch activities
- Someone who is interested or good with the skills of her business
- Someone she trusts to treat her customers well and be honest with money

Why would it be a bad idea to have one of her young children take over running the business, like Mauda?

- Mauda might have to leave school early. This would hurt Mauda’s future ability to earn money for her own family.

If it is only up to her children to run the business for income, they may need to find other ways to meet their needs. This puts the children at risk for transactional sex and disease.

This kind of planning—a plan for any amount of time when you are unable to earn income or care for your children—is called succession planning.

A succession plan has 2 parts:

1. Who will take care of your children.
2. How you will meet the expenses of your children.

A succession plan includes details like:

- Who will take over running your business—often a family member
- How he or she will be trained in your business
- An agreement of how business profit will be used for your family
- How and when you will take your business back

Like all our other plans, you will think about the children in your family and include ways to keep children safe and cared for in your succession plan.

You should talk about your plan with all the members of your household, even children. Your children need to know what they should and should not do in an emergency.

You should also tell other people you trust about the plan. The more people who know about the plan, the more likely people will be to follow the plan even when you are not there to tell them what to do.
SESSION 8

5 Storytelling

OBJECTIVE
Give an example of a succession plan.

DESCRIPTION
Storytelling and discussion questions to explore the ideas of the session.

FACILITATOR INSTRUCTIONS
Remember: there are many ways to facilitate a story to teach. You will need to find the way that works best for you. You have pictures to support and help tell the story.

SHARE THE STORY
We thought about Sarah’s situation. Let’s hear how she makes a succession plan.

Sarah’s succession plan
Sarah thinks about who could take care of the children and her business. She knows Mauda would prefer a woman. She remembers her cousin Helen! Helen works as house help 30 kilometers away. She is responsible and someone Sarah could trust to care for the best interest of her children. Helen has told Sarah how much she admires her business. Sarah decides to ask Helen if she would like to learn her business in case something ever happens.

Sarah feels lucky to have thought of someone who can help with both her business and her children should something happen. She knows sometimes these need to be different people.

Sarah and Helen have a phone conversation. Sarah explains about her neighbor Odhiabo. She does not want this for her family. Sarah asks if Helen will help.

Helen is honored to be asked. She agrees to be there if something happens. She also agrees to be trained in the business.

Helen begins to visit Sarah on the weekends to learn the business and build a relationship with the children. Sarah and Helen really enjoy their time together. Sarah is grateful that Helen can be another role model for her children. She also feels more at ease knowing someone else can manage her business if anything happens.
Sarah and Helen discuss a plan for the money. Specifically, they decide:

- What all the business expenses are and how they will be paid
- How much of the business profit will be for Helen
- How Helen will use some of the business profit for the nutritious food, education, and health expenses of the children.
- Who will take David for his treatment, and how to pay for his HIV-treatment

Sarah asks each of her children how they feel about Helen. The children say they trust Helen and know she wants the best for them. Helen and Sarah sit and discuss the plan with the children. Sarah doesn’t want them to be surprised.

They invite 2 neighbors over, whom Sarah trusts, to witness their agreement and hear some of the details.

Helen is happy to learn the business and will be there in case Sarah ever needs her help. Sarah feels confident in their agreement. She knows her children will be cared for.

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6 Roleplaying

**OBJECTIVE**
Practice thinking through all the details of a succession plan.

**DESCRIPTION**
Pairs of participants will role-play making a succession plan.

**FACILITATOR INSTRUCTIONS**

Have participants choose a partner. Let them decide who will be the storekeeper and who will be the trusted family member.

Tell them to discuss what would happen if the storekeeper had to be away, and the family member took over the business and cared for the children. Encourage them to discuss the details.

Have a brief large-group discussion about the process and how it felt at the end.
Let’s practice making a succession plan. There are a lot of details in a succession plan. I want you to do a role-play with each other to practice. Please choose someone to be your partner. Then decide who will pretend to be a storekeeper and who will pretend to be the trusted family member.

Let them form pairs and choose roles.

Raise your hand if you are a storekeeper. Excellent. You are working on creating a succession plan.

Raise your hand if you are a trusted family member. Okay! You need to understand how to run the business and take care of the family.

Storekeepers, I want you to begin by asking the trusted family member if they are willing to be a part of your succession plan. Then you both need to discuss the details.

Give participants 5 minutes to discuss.

Good job! Let’s come back together as a large group.

Storekeepers, what kind of details did you discuss with the family member?

- How to run the store
- How to split the income from the store
- How to take back the business when the time comes
- How to care for my children’s health
- How to keep all my children safe

Family members, what questions did you have?

- What skills do I need for the business?
- How can I make money during this time?
- Who else knows about the plan?
- Is there any kind of special care for the children?
- Do the children know you are asking me?

Was there any information that was hard to get from your partner? How did you feel making this plan?

- I am glad to know someone can help take care of my business and my family if there is an emergency
- It is difficult to talk about bad things happening
- It is hard to remember all the things someone needs to know to run my business
7   Finishing

Conclusion

It is hard for us to talk about bad things happening, especially with children. You can tell your children that you are making a plan so they will stay safe and have what they need. Though it can be hard to think about emergencies, a succession plan will make an emergency easier. It will make sure your business stays on track to make money for your family and help you toward your goals.

Take home

Before the next session, meet with your accountability buddy. What do you think of the idea of succession planning? Discuss it. Begin working on a succession plan.

• How does your family earn its income?
• What might you do to create a succession plan?
• Who would you trust with your children if you cannot work?
• Who would you trust with your income?

Key messages

Below are the key messages for this session. Your participants should have learned these key messages during this session.

• If you are confident that your participants have learned these messages, move on.
• If you are not confident that they have learned these messages, now is the time to reinforce them. You can do this through discussion, or just by reading the key messages aloud.

Key messages for this session:

1. It's important to consider how to care for your children if you are unable.
2. A succession plan includes the money, health and well-being for your family in your absence.
3. You should discuss the plan with your children.
4. You should tell people you trust about the plan, so it can be followed if you are gone.