



Child Optimized Financial Education

MOVING FAMILIES FROM VULNERABLE TO THRIVING

BOOKLET 2: FINANCIAL EDUCATION BASICS



USAID
FROM THE AMERICAN PEOPLE



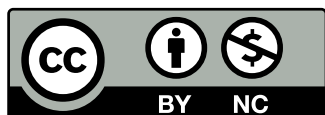
Catholic Relief Services. 2021. Child-Optimized Financial Education: Moving Families from Vulnerability to Thriving.

This publication was co-financed by Catholic Relief Services (CRS) and the generous support of the American people through United States Agency of International Development (USAID) and the United States President's Emergency Plan for AIDS Relief under the terms of the Sustainable Outcomes for Children and Youth (SOCY) in Central and Western Uganda Cooperative Agreement No. AID-617-A-15-0005. The contents are the responsibility of CRS and do not necessarily reflect the views of USAID or the United States Government.

The content of Child-Optimized Financial Education: Moving Families from Vulnerability to Thriving curriculum was adapted by CRS and Picture Impact from CRS' 11-lesson financial education curriculum, which was created as part of the Skills for Marketing and Rural Transformation (SMART) training package. The original CRS financial education curriculum, jointly funded by CRS and USAID under the Modernizing Extension and Advisory Project, was adapted from the Global Financial Education Program (GFEP), directed by Microfinance Opportunities (MFO) in partnership with Freedom from Hunger. The GFEP was funded by the Citi Foundation. MFO provided technical assistance to CRS on the adaptation of the financial education content. For inquiries, please contact: Microfinance Opportunities, 1701 K Street NW, Suite 650, Washington, DC 20006 USA, Tel: 202-721-0050. www.microfinanceopportunities.org.

Catholic Relief Services is the official international humanitarian agency of the United States Conference of Catholic Bishops. CRS' relief and development work is accomplished through programs of humanitarian response, HIV, health, agriculture, education, microfinance, youth, water and peacebuilding. CRS eases suffering and provides assistance to people in need in more than 100 countries, without regard to race, religion or nationality.

All original work © 2021 Catholic Relief Services—United States Conference of Catholic Bishops. This work is licensed under a Creative Commons Attribution-NonCommercial 4.0 International (CC BY-NC 4.0) License.



Users are free to:

Share—copy and redistribute the material in any medium or format.

Adapt—remix, transform and build upon the material.

Under the following terms:

Attribution—users must give appropriate credit, provide a link to the license, and indicate if changes were made; this may be done in any reasonable manner, but not in any way that suggests the licensor endorses the user or the user's application of material.

Non-commercial—users may not use the material for commercial purposes.

No additional restrictions—users may not apply legal terms or technological measures that legally restrict others from doing anything the license permits.

Cover photo credit: Photo by Philip Laubner/CRS

Illustrations: Elijah Njenga (line art), Alfred Ombati (colorization)

Design: Katrina Mitchell at Picture Impact



Booklet 1: Introduction



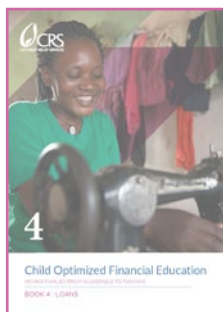
Booklet 2: Financial education basics

- 1 Making a seasonal financial calendar
- 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: Borrowing

- 9 Borrowing money
- 10 Calculating 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 a 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 italics with a serif font—is meant to be read out loud. Instructions to participants, explanations of concepts and the story text appear this way.*
- *Text like this—in blue italics with a sans-serif font—are the answers you are listening for as a facilitator during the “ask + listen” sections.*

Icons used throughout this toolkit



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.



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



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.



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.



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.



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 one.



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 **lessons** 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 images and activity tools from Booklet 5 that are needed or recommended and any additional materials you may need to bring to your session. 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 **field exercises** 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**

Booklet 2: Financial education basics

This set of 4 chapters teaches the basic building blocks of financial management. Everything else uses these beginning concepts.

The booklet starts with big concepts and ends with specific terms and the skills to make a budget.

1

Chapter 1—Making a seasonal financial calendar

There are big patterns to how much money you have and spend across a year; it is not always the same. You explore how your money changes during a year. At the same time, you begin to see how the needs of children change and what that has to do with your money.

2

Chapter 2—Setting goals

Money is only a tool. It is important because of how you can use it. You will take time to set goals that you will need money to achieve. This is why you learn financial management.

3

Chapter 3—A plan for your money

You will learn the categories of a budget and how to track what you do with your money using these categories. Organizing your money in this way helps you plan and make decisions about how to use your money.

4

Chapter 4—Needs versus wants

You don't always have the amount of money you would like; that's when you need to make hard decisions. You will think about what is a "need" and what is a "want" and apply this to your budget. This will help you use the money you have in ways that care for your children and achieve your goals.

Let's get started!

1. Making a seasonal financial calendar

Overview

- Sometimes you have a lot of money, and sometime you do not.
- Looking at what money you will have for an entire year will help you plan ahead.
- Three types of expenses that caregivers must consider for all children under their care:
 1. Health
 2. Education
 3. Nutritious food
- Expenses will be different at different times of the year and for different children
- Saving money is a good way to make sure you have enough to meet children's needs and keep them safe, even in seasons when there is less income

Money changes throughout the year

Many people do not spend or earn the same amount of money every month.

Sometimes there are extra costs for your household, like needing to pay school fees or going to a doctor's visit. Sometimes there are extra costs for your business. If you are a farmer, you might spend more during planting season, when you need to buy seeds and fertilizer.

The same is true for the amount of money you earn. If you are a farmer, you might make the most income during a harvest season. If you own a business, you might sell more products near a holiday. This change in earnings is called **seasonal income**. Looking at how different seasons affect your earning and spending is the first step to making a plan for your money.

What is a season?

✓ A **season** is a distinct period of the year with usual conditions of weather, temperature or events.

Common seasons can include a harvest season, a dry season, a rainy season and hungry/lean growing season. There are common times of holidays or ceremonies, too. Changes in seasons may affect how much you earn or how much you spend.

When you are caring for children, the school year also impacts your money and changes depending on the time of year. There are different school terms, times for exams, holidays and vacation when children are out of school and need care.

In addition to changing with the seasons, how much you spend may also change over the years. Expenses for your family will change as your children grow. Children have different needs at different ages, and those needs may cost different amounts.

What is a seasonal financial calendar?

✓ A **seasonal financial calendar** is a tool that helps track your income and expenses from season to season.

Getting a bigger picture of your income and expenses over time helps you make a plan that will be good for the whole year, especially for times when there is little work or income.

Parts of a seasonal financial calendar

There are two main parts to a seasonal financial calendar: **income** and **expenses**.

✓ **Income** (money in) is the money that flows into your household. It is the money earned from selling goods, providing services or other income generating activities.

You may have different sources of income. Income could be earned from selling goods or providing services. Different members of your family might earn income from different places. Children can sometimes help make money for the household, but it is more important for children to stay safe and go to school. If children work, it should be a job that will not harm their health and will give them time to go to school and study.

☑ **Expense** (money out) is the money that you spend.

Expenses go up and down throughout the year. During the dry season, food costs go up. During holidays you spend more money. If you farm, during the planting seasons you have more business costs (seeds, fertilizer, etc.).

Expenses also change as your children grow. Different ages and developmental stages require different care. For example, a young child may need a toy to play and learn. But an adolescent girl will need sanitary napkins.

There are three types of expenses that all parents and caregivers must consider—**education, nutritious food, and health**. There are, of course, many other expenses. But these expenses are important for the well-being of children. To keep children safe and well cared for, caretakers will always need to be aware of how much their school, food and healthcare cost.

- **Health expenses** might include: medicine and treatments, transport to the clinic, clinic fees, testing fees, antenatal care, menstrual pads and sometimes food.



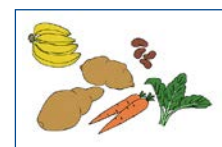
Health expenses

- **Expenses for education** might include uniforms, lunches, transportation, books, supplies, school fees and exam fees



Education expenses

- **Nutritious food** might include the costs of purchasing food, or the cost of seeds and materials to grow healthy food yourself



Nutrition expenses

Analyzing a seasonal financial calendar

A seasonal financial calendar is most useful to you by looking at each individual season.

For a single season you will want to look and answer these questions: Is my income more than my expenses? Or are my expenses more than my income?

When a family has more income than expenses, it is called a **surplus**.

When a family has more expenses than income, it is called a **deficit**.

It is better to have a surplus than a deficit, because it means you have more money to buy things you need, to save and to work toward your financial goals.

With seasonal income, you might have a surplus during certain times of the year and a deficit during other seasons.

It is helpful to see when you have surpluses and deficits during an entire year. It is always hard on a family to have a deficit—when your income is not enough to cover your expenses. This puts both the children and adults at risk.

In order to be able to pay for your and your family's needs in a deficit, you will need a plan to have money both in seasons with more income and in seasons with less income.

Looking at the seasonal financial calendar, you can see that if you save money when you have a surplus, you can use this saved money during seasons where you have a deficit to cover the gap between your income and expenses.

Borrowing money is another way some people smooth out income during different seasons. Taking a loan, however, only adds income temporarily, and it also adds an expense later when you have to pay the money back.

As you look at the seasonal financial calendar for a whole year, it becomes clear that having a plan for your money will be helpful. Because your money changes throughout the year, it needs to be managed so that you can always pay for the needs of your children. This is true for everyone no matter how much money they make. The rest of this curriculum will look at the tools you will need for planning and acting on your plan.

Quiz yourself

1. What is seasonal income?
 - a. A need.
 - b. The amount of money you spend on household expenses.
 - c. Earning money during only some parts of the year.

2. Which of the following is NOT an expense for taking care of children?
 - a. Taking your son to the doctor and paying for his checkup
 - b. Buying new clothes for school uniforms for your older children who have grown
 - c. Spending money on an animal that you can raise and then sell for income
 - d. Buying seeds to grow vegetables for your family to eat

3. Which is a deficit?
 - a. When you have more income than expenses
 - b. When you have more expenses than income


4. Would most people prefer to have a deficit or a surplus?
 - a. Most people would prefer a deficit because they are poor, and it does not matter.
 - b. Most people would prefer a surplus because that means their income (money in) is greater than their expenses (money out).

5. Which is a better way to have enough money throughout different seasons?
 - a. Saving money
 - b. Borrowing money

Quiz answers can be found at the back of this booklet on page 102

Field exercise overview

Time needed

 60 minutes

Objective

Help participants see overall patterns in their financial lives and think about their money over time.

New skills to teach



- Describe how income and expenses change throughout the year
- Describe how child-related expenses for education, nutritious food, and health change throughout the year



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

Key messages



- Sometimes you have a lot of money, sometimes you do not.
- Looking at what money you will have for an entire year will help you plan ahead.
- A plan for your money is necessary for stability and achieving goals.

In this session



Introduction



Discussion: Seasonal financial calendar terms



Activity: Make a seasonal financial calendar



Surplus or deficit?



Finishing

Preparation

Images



There are a number of image cards that will be used for this seasonal financial calendar field exercise. They include:

- Months
- Seasons
- School term
- Income (money in)
- Types of businesses
- Expenses (money out)
- Types of expenses
- Savings
- Borrowing


Please review and prepare the cards in advance of presenting the field exercise.

Example of the mat



Materials



- Things to use as counters: beans, bottle caps, maize, buttons or stones—you will need 70 of them
- Seasonal financial-calendar activity tools 
- Mat made from one (if large) or two (if small) empty grain sacks with the outline of the seasonal financial calendar traced with a marker on one side and blank on the other side (this will be used to display the images and counters)



Facilitator TIP: When it is possible, use objects that represent the same concepts as the images provided. This may be helpful if your region has seasons other than rainy and dry.

Some examples of objects would be:

- Rainy season—fresh leaves
- Dry season—dried leaves
- Harvest period—a full bowl of grains
- Hungry/growing season—an empty bowl



Facilitator TIP:

At the end of this session you will put your participants into pairs. These pairs will act as accountability buddies to each other for the rest of the sessions. It is important to make a good match. Think carefully about who is best for whom and decide before you begin this session.

Think about who will be comfortable sharing details with each other.

You may also consider mixing literacy levels. If someone can read, match them with someone who is less strong in this, so they can have help with activities.

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. Season

2. Money in / income

3. Money out / expense

4. Nutritious food

5. Health expenses

6. Education expenses

7. Seasonal financial calendar

8. Surplus

9. Deficit

10. Child-optimized financial education

11. HIV

12. Viral load

13. Adherence

14. Savings

15. Loans

16. School term

17. Accountability buddy

1 Introduction



Welcome to the Child Optimized Financial Education curriculum.

During our field exercise sessions together we will begin to talk about our money—especially how to manage our money for the well-being of all the children in our care. Learning about money management is useful for everyone—those who have a lot of money, and those who do not. Learning how to manage money helps us take action to meet our responsibilities and achieve our goals.

Today we are going to make a seasonal financial calendar together. It will help us start to see our money across the whole year, season-by-season. In this way, we will see patterns in the money that we have and the money that we need.

It is important to think about the bigger picture, since finances can change from month-to-month, based on the production cycle, business activity and school. If we only look week-to-week, we will miss these larger patterns and the opportunity to plan.

Let's get started.

2 Discussion: Seasonal financial calendar terms

OBJECTIVES

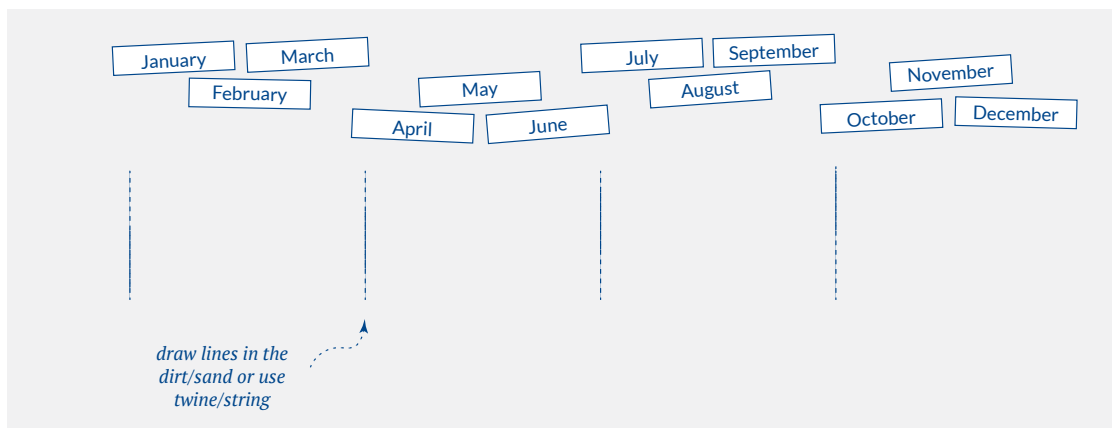
1. Define key terms.
2. Set-up financial calendar.

DESCRIPTION

Large-group discussion.

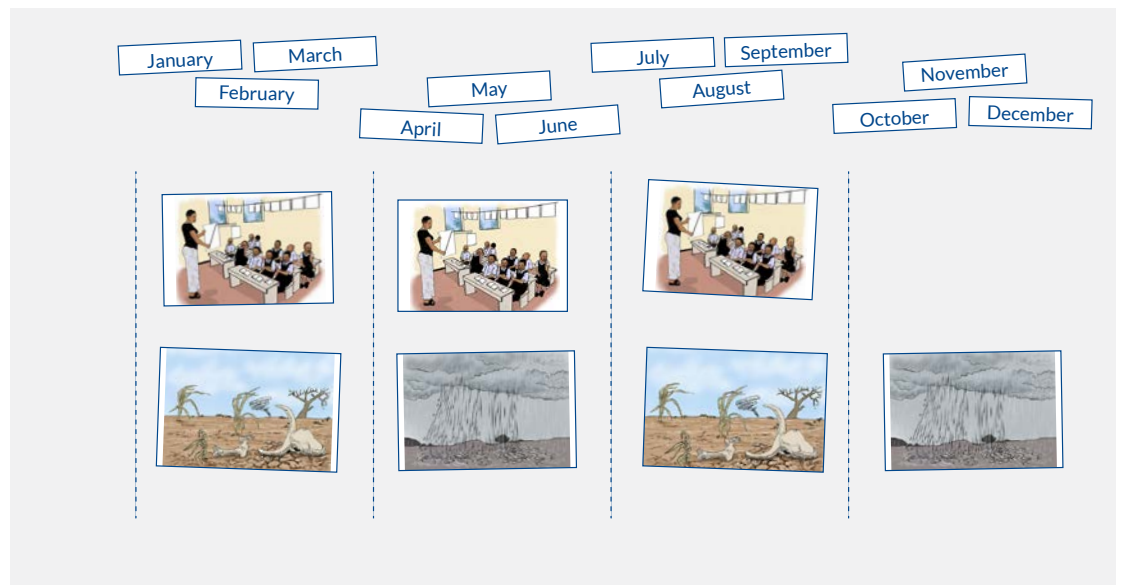
FACILITATOR INSTRUCTIONS

In this field exercise you are going to build a seasonal financial calendar as a group. You will lay out the entire calendar year month-to-month. People most often begin with January, but you could also begin with the month in which children start a new school year. Start by putting the months at the top, in groups by season.



As you ask questions of the group, allow 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.

As you discuss each element of the financial calendar, begin using the images to label a grid that is in front of the participants. For example, as you define a specific season, place the image below the corresponding months on the grid. When you are finished, your financial calendar headings should look something like this:



Season

ASK +
LISTEN



*In your words, what is a **season**?*

A season is a distinct period of the year with typical conditions of weather, temperature or events. Common seasons can include a harvest season, a dry season, a rainy season and a hungry/lean growing season. Events include holidays and ceremonies.

USE
IMAGE



Dry season



Rainy season

SAY



Each season can have different amounts of expected income and expenses. Thinking about specific seasons or months of the year can help you better plan your income and expenses and take note of the times when you may need to find more money.

School term

ASK +
LISTEN 

*In your words, what is a **school term**? How many do we have?*

A school term is a smaller part of the school year; it usually ends with exams and a holiday or vacation period.



School term

USE
IMAGE 

SAY 

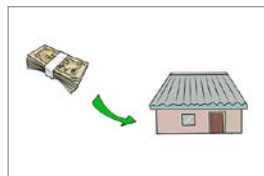
When we have children in our care a new school term means new expenses, which expenses will depend on the ages of our children. School terms are regular, and we can plan for these expenses.

Income

ASK +
LISTEN 

*In your words, what is **income**?*

*Income is the money that flows into your household. It is the money earned from **selling goods, providing services, loans or gifts and remittances**.*



Income

USE
IMAGE 

Types of
income



Selling goods



Providing services



Loan



Gifts and remittances

Expenses

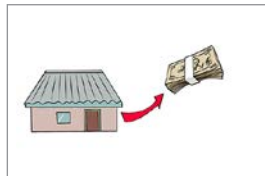
ASK +
LISTEN



In your words, what are **expenses**?

An expense is money that you spend. Expenses go up and down throughout the year. During the dry season, food costs go up. During holidays, you spend more money. If you farm, during the planting seasons you have more business costs (seeds, fertilizer, etc.).

USE
IMAGE



Expenses

As children grow, expenses change



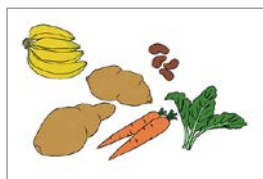
EXPLAIN

Expenses
change over
time

Expenses also change as your children grow. Different ages, and developmental stages, require different care. For example, a young child may need a toy to play and learn. But an adolescent girl will need sanitary napkins.

There are three common types of expenses that all parents and caregivers must consider—nutritious food, healthcare and education. Nutritious food for children is important because good nutrition (nutritious foods) leads to good health, while poor nutrition can lead to poor health.

There are, of course, many other expenses. But these 3 expenses are particularly important for the well-being of children.



Nutritious food



Health expenses



Education expenses

USE
IMAGE



TIP



- The seasonal financial calendar does not go into fine detail on these three types of expenses. Use the images as prompts to help the group think about expenses that they have in each season.



EXPLAIN

Children's bodies need nutritious foods to grow properly. The food they eat now affects their bodies for their whole lives. It also helps keep them healthy.



EXPLAIN

Children's bodies need help fighting illness and disease, just like adults, but even more! Illness and disease can have lasting effects for a child. It is important to treat them when they are sick. It is even better to invest in good hygiene with simple things like soap and a handwashing station to keep them healthy. Children living with HIV can stay healthy and strong, but only with adherence to treatment and viral-load monitoring.

Education is also a lifelong investment for a child. It is something no one can take away from them. It is your job as a parent to make time and give resources to their education. It is your children's responsibility to work hard in school.

As a child grows, each of these expenses can change. Meeting these expenses takes special planning.

3 Make a seasonal financial calendar

OBJECTIVES

1. See the changes in income and expenses over the year.
2. Imagine how a plan for their money can help.

DESCRIPTION

Participants are guided to show when income and expenses are the highest, all the way through to when they are the lowest. Each season is considered.

FACILITATOR
INSTRUCTIONS

You should now have the mat that you created out of the grain sack with the grid side up for the seasonal financial calendar in front of the participants. You should have all your images (or objects) with the image side down and label side up, ready for the field exercise session. Please make sure you have them in the correct order. Now you are ready to begin filling in the seasonal financial calendar.

After completing the seasons, months and school terms, you will do this activity in 4 parts. Part 1 will discuss income. Part 2 will discuss expenses. Part 3 will discuss savings. Part 4 will discuss borrowing (loans). You will have counters ready to place.

For parts 1, 2, 3, and 4, the group will look at the entire year and consider when there is the

most and when there is the least for each:

- For the period (season) when there is the most, they will put 4 counters.
- For the period (season) when there is the least, they will put 1 counter.

This is an exercise in comparing the seasons, not rating each season separately. When the 2 extremes (most and least) are decided, then:

- For the period (season) that has a little more than the least, they will put 2 counters.

- For the period (season) that has a little less than the most, they will put 3 counters.

Please note that the counters represent an order of importance or magnitude and not an absolute amount. The 4 counters representing the most income, expenses, savings, or borrowing may be many times more than the least, represented by one counter. Please ensure that participants understand the idea of order of importance and not absolute numbers.

As you go through the activity, ask the group about their decisions:

- Why does one season have more or less than another?
- If less, what happens during that season?
- What about the school term?
- If more, what happens during that season? What about the school term?

Part I: Mark income



- 1** Now we are going to make a seasonal financial calendar for our community.

We are going to begin by talking about income. We will use 4, 3, 2 or 1 counter to mark in each season. From the most income with—4 counters—all the way to the least income—with 1 counter.

We will then do the same for expenses, being sure to remember nutritious food, health and education. Once we have finished we will do the same for savings and then for borrowing.



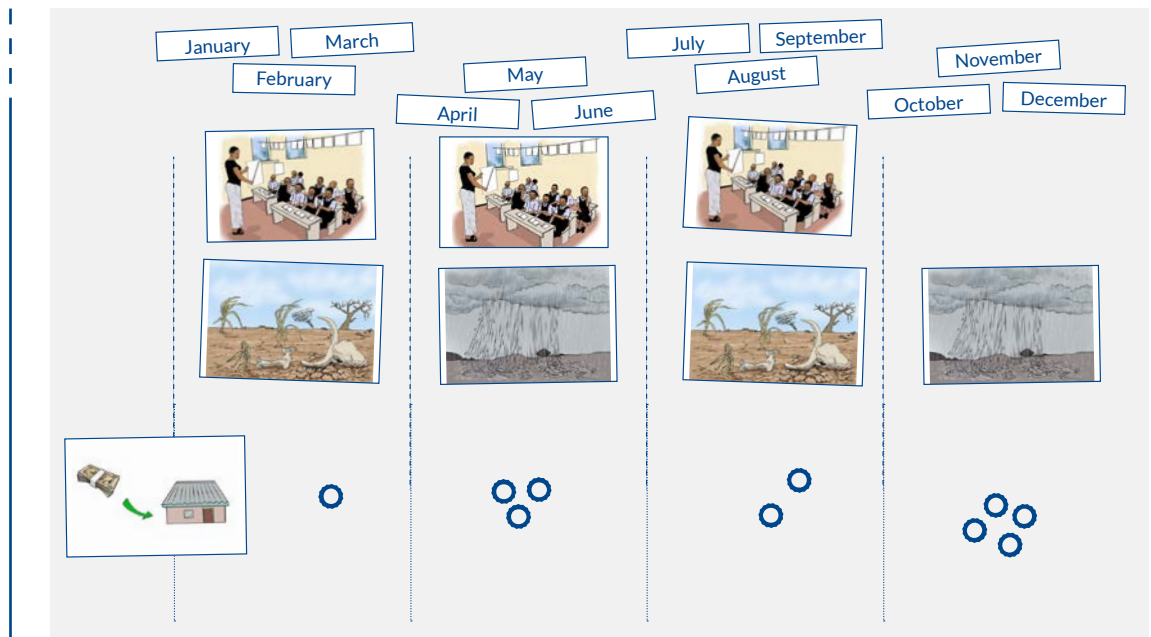
- 2** In which season do families have the most income—money that they earn or enters their household?

Will someone please place **4 counters** in the season with the most income?



- Be sure that the group reaches agreement on where the counters should go. **Encourage discussion.**
- Individual participants place the counters, not you (the facilitator).

- In which season do families have the least income? Will someone please place **1 counter** in the season with the least income?
- In which season do families have a little more income than the least? Will someone please place **2 counters** in that season?
- In which season do families have a little less income than the most? Will someone please place **3 counters** in that season?



DISCUSS

3 Can someone point to when children contribute to earning income?

- How can we make sure that their role does not stop them from going to school and studying?
- How can we make sure that children are safe from harm, even if they help to earn income?
- Are there any types of earning income that we should protect our children from? How can we protect them?

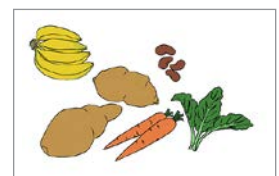
Part II: Mark expenses

ASK +
LISTEN

1 It is important to consider those expenses which are important for children. Let's talk separately about expenses for health, for education and for nutritious foods.

Let's start with expenses for nutritious food. Who can tell me some nutritious foods?

- Food with bright colors—like vegetables and fruits
- Food with protein—like meat, eggs and dairy
- Food with fats—like oils, butter and milk



Nutritious food

Nutritious
foods

Health expenses

Next, let's discuss health expenses. What types of things are health expenses?

- Medicine and treatments
- Transport to the clinic
- Clinic fees
- Testing fees
- Antenatal care
- Menstrual pads
- Food (at times)



Health expenses

Education expenses

Finally, what types of things are education expenses? It is more than just school fees.

- Uniforms
- Lunches
- Transportation
- Books
- Supplies
- Levies
- Exam fees



School expenses

SAY

2 There are some foods we eat that help keep us full and supply energy, such as rice, millet and other grains. These foods are important, but they are not enough—by themselves—to help a child grow or keep them healthy. Children need to eat more often than adults. They also need a variety of nutritious foods to grow strong.

In which season do families have the most expenses—money that you spend? Remember to consider the 3 types of expenses we just talked about for children.

Will someone please place **4 counters** in the season with the most expenses?

TIP

- Be sure that the group reaches agreement on where the counters should go. **Encourage discussion.**
- Individual participants place the counters, not you (the facilitator).

- In which season do families have the least expenses? Will someone please place **1 counter** in the season with the least expenses?
- In which season do families have a little more expenses than the least? Will someone please place **2 counters** in that season?
- In which season do families have a little less expenses than the most? Will someone please place **3 counters** in that season?

January	February	March	April	May	June	July	August	September	October	November	December
1 counter	1 counter	1 counter	1 counter	1 counter	1 counter	1 counter	1 counter	1 counter	1 counter	1 counter	1 counter
3 counters	3 counters	3 counters	3 counters	3 counters	3 counters	3 counters	3 counters	3 counters	3 counters	3 counters	3 counters

3 After completing the expenses row, repeat the same process for savings.












First, remember a person should always save something, even if it is only a little. Now, look at the differences between income and expenses.



- In which season do you think you can save the most? Put 4 counters there.
- In which season do think you will save the least? Put 1 counter there.
- In which season will you be able to save just a little more than the least season? Put 2 counters there.
- In which season do you think you can save a little less than in the season you can save the most? Put 3 counters there.

Now we are going to look at borrowing opportunities. Remember, when you borrow you must pay it back, and with interest. So, be sure you only borrow the amount you need at the time you need it.

- In which season are you most likely to need to borrow? Put 4 counters there.
- In which season are you least likely to need to borrow? Put 1 counter there.
- In which season might you need to borrow just a little more than the least season? Put 2 counters there.
- In which season do you think you may need to borrow a little less than in the season you may need to borrow the most? Put 3 counters there.

	January	February	March	April	May	June	July	August	September	October	November	December
												
	○			○ ○ ○				○ ○				○ ○ ○ ○
	○ ○ ○			○				○ ○ ○				○ ○
	○ ○			○ ○ ○				○				○ ○ ○ ○
	○ ○ ○			○ ○				○ ○ ○				○

4

Surplus or deficit?

OBJECTIVES

1. Be able to identify when surplus or deficit happen.
2. See savings as an important tool.

DESCRIPTION

Large-group discussion.

FACILITATOR INSTRUCTIONS

Define surplus and deficit.

Then go through each season and decide together:

- Is there more income than expenses? A surplus!
- More expenses than income? A deficit!
- They are the same? It is balanced.

Use the images of surplus and deficit to help understanding.

Then lead the final discussion.

Surplus

ASK +
LISTEN 

USE
IMAGE 

*In your words, what is a **surplus**?*

A surplus is when your income is greater than your expenses. It means a household has extra.



Surplus

Deficit

USE
IMAGE 

*In your words, what is a **deficit**?*

A deficit is when your expenses are greater than your income.



Deficit


DISCUSS

Go season-by-season and assess together if there is a surplus or a deficit. Use the ideas of surplus and deficit to introduce savings and loans.

What could a family do to get rid of the deficits in some seasons?

- *The group should suggest saving income from seasons when there is a lot and using it in seasons when there is not much.*
- *They may also suggest taking out a loan.*

TIP 

It is easiest to see what saving does by picking up the counters and moving them across seasons.

Savings

USE
IMAGE 

*When you look at the seasonal financial calendar what are **savings**?*

- *Savings are money that you put aside for later use. It is important to plan to save some money. Without planning ahead, this can be difficult to do.*
- *Savings can be used to cover the gap during the season when expenses are more than income.*



Savings

Loans

USE
IMAGE



What are **loans**?

- Money that you borrow today and must repay in the future is a loan. Most often this money has an extra fee, called interest, that must also be paid.



Loan

5 Finishing

Conclusion

ASK +
LISTEN



Before we finish today, I want to be sure that everyone has an accountability buddy. Who can tell me what an accountability buddy is?

Ask 2 or 3 participants to give a definition and then say:

An accountability buddy for COFE is a learning partner within the group. They should be someone with whom you can connect easily so you can share information with someone you trust.

It is your accountability buddy's job to help you apply what you learn here. They will remind you of your goals. They will be a good listener. They will help you solve financial problems. It is always good to have another person to help. You will help each other.

Say select accountability buddies.

Please select someone to be your accountability buddy. Now stand next to your accountability buddy.

Starting today, you will work with your accountability buddy for the rest of these field exercise sessions. As we learn new ideas and financial management tools, I will ask you to talk with your accountability buddy in between sessions.

With your accountability buddy, please listen to and answer these questions about what you learned today.

How does knowing your high and low periods of income and expenses help you plan for your finances?

- You can make a plan to save more money when you have more income.
- With higher savings, you can pay large expenses (like school fees or farm inputs) with your own money instead of borrowing.
- You can wait to make big purchases until periods of high income.

How can the seasonal financial calendar help you plan for your child-related expenses? Remember, these are nutritious foods, education expenses and health expenses.

- *Helps me to know:*
 - *when they will occur*
 - *how much they are*
 - *what other expenses might occur at the same time*
- *It helps me to set priorities*
- *It helps me to plan for the expenses well in advance*
- *I can use more than one savings option at the same time*

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.

The key messages for this session are:

1. *Income and expenses do not always stay the same throughout the year.*
2. *Looking at what money you will have for an entire year helps you plan ahead.*
3. *When you plan ahead, you can think about how to manage your times of lower income or higher expenses. In this way, you can continue to take good care of your children.*

Take home




Please discuss what you have learned today with your accountability buddy after the session and again before coming to our next training session.

2. Setting goals

Overview

- Goals are a specific dream you have for your future
- Each family member, including all children in a household, may have different goals
- There are three different types of goals depending on the time someone will take to reach a goal:
 - Short-term goals
 - Medium-term goals
 - Long-term goals
- Goals are best when they are Specific, Measurable, Achievable, Realistic, Time-bound (S.M.A.R.T.) and Safe.
- Learning good money management helps you achieve your goals

What are goals?

-  Goals are dreams with indicators that tell you when you have achieved them by a specific time in the future.

Why is it important to make financial goals?

It is easy to focus on today's expenses but forget to plan for tomorrow. There are needs you must meet for today, especially for children under your care. But you also have hopes and dreams for the future—for your children and yourself.

These hopes and dreams are the reason you make a budget and save money. When you have a plan that will help you achieve your hopes and dreams, it is called a goal. Goals help you prioritize how to spend time, money and other resources.

What do goals have to do with financial management?

Many goals require money to achieve. Families need specific financial goals connected to their dreams to help them achieve their goals. Financial goals are guidelines about how you want to spend and save your money within a specific period of time. Financial goals help you spend your money wisely and increase your savings by setting a clear plan. This chapter will help you examine and define goals for you and your family's future. The next chapter will begin talking about budgets and financial goals.

Types of goals

A good goal has a specific timeframe. There are **3 key timeframes** linked with goals:

1. **Short-term goals** are the things you want to achieve for you and your children over the next 1-2 months. These do not usually require additional skills or many additional resources.

Example: being able to provide nutritious food for your household on a daily basis or having enough money available to pay for medical costs should an emergency come about.

2. **Medium-term goals** are the things you want to achieve for you and your children over the next 1-2 years. These goals could involve a big change in your lives. You may need more time to learn a new skill or save more money in order to reach a medium-term goal.

Example: enrolling a child in secondary school.

3. **Long-term goals** are the things you want to achieve for you and your children sometime in the future. They are our dreams that will take more than 2 years to achieve.

Example: this might include your and your children's dream that they will all finish secondary school and get a diploma.

Often, short and medium-term goals are needed to support our long-term goals. Naming steps you can do right away to work toward a long-term goal can help make your big dreams feel more achievable. The longer timeframe a goal has, the easier it is to get discouraged and forget to keep working toward the goal. But there is always some action you can take in the short-term that will move you forward in reaching your long-term goal.

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

Goals should be achievable, so that people feel motivated to work toward them. People want to have confidence that if they work hard, they can achieve their goals.

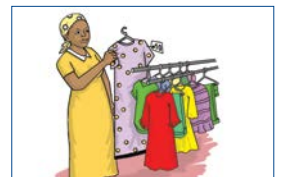
There are **six features of good goals**; they spell out “S.M.A.R.T. and Safe.

Every goal might not always have all the S.M.A.R.T. and Safe features. But the closer a goal can be to a S.M.A.R.T. and Safe goal, the easier it will be to work toward and achieve your goals.

- S. Specific:** Specific means having a defined monetary value and enough detail to be clear and understood by others.

Example: My goal is to send my children to school.

Specific: My goal is to save 100 so that I can send all 4 children in my care to school.



Specific

- M. Measurable:** Measurable means having indicators in place to assess your progress to achieve your goal.

Example: My goal is to send my children to school.

Measurable: My goal is to save 10 each month to have enough to pay school fees for all 4 children in my care.

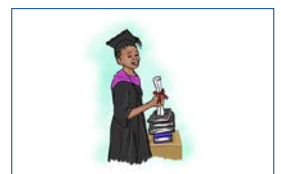


Measurable

- A. Achievable:** Achievable means having a clear path to reach your goal. This means knowing the steps to take to reach your goal, plus dividing it into individual tasks or actions that you are able to complete.

Example: My goal is to send my children to school.

Achievable: My goal is to work 1 extra day at the market to save 10 each month, so I can pay school fees for all 4 children in my care.



Achievable

- R. Realistic:** Realistic means that the specific goal can be achieved with the resources that you already have available, such as time, money, training, support from others, etc. Different goals have different requirements to make them realistic.

Example: My goal is to send my children to school.

Realistic: My goal is to pay school fees for all 4 children in my care so they can be educated.

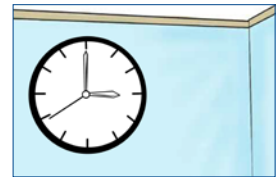


Realistic

- T. Time bound:** Time bound means a goal has a specific timeframe or deadline.

Example: My goal is to send my children to school.

Time bound: My goal is to save 10 a month, so that in 10 months I can have enough money to pay the 100 for next year's school fees.



Time bound

- S.M.A.R.T. and Safe:** Safe means that working toward the goal or achieving the goal will be safe for all children in the house and will not cause any harm.

Example: My goal is to work 1 extra day at the market to save 10 each month, so I can pay school fees for all 4 children in my care.

Safe: My goal is to save 10 a month, so after 10 months I will have enough money to pay for school fees. I will do this by working 1 extra day at the market each month and selling an extra 10. My children will help me earn the extra 10 per month by joining me on a non-school day to sell with me in the market.



Safe

Parents and caregivers should always know where their children are and where their children's income comes from. If they don't know, they need to ask their children. They should talk openly with their children about the dangers of certain types of work, such as selling their bodies for sex which can increase the chances of getting an infection like HIV.

For example, additional work or responsibilities:

- Should not keep children from going to school
- Should not put children at risk of being abused (for example, working in someone else's home where an unsafe adult may be present)
- Should not put children at risk of being exploited or exposed to violence (for example while hawking)
- Should not require them to sell their bodies or have sex for money or other goods (this is not safe because it can increase their chance of getting an infection like HIV or having an unplanned pregnancy)
- Should not keep them from the nutritious food or sleep that their growing bodies need

How to make goals

Setting a goal can be difficult. Turning a dream into a S.M.A.R.T. and Safe goal can be even more difficult. It is sometimes helpful to work backwards, to think of a big dream you have—such as having healthy and educated children—and then think through the short- and medium-term steps you will need to achieve your long-term goal.

Once you have a big idea in mind, you can add S.M.A.R.T. and Safe characteristics to help your dream become a good goal. Imagining your life in the future—thinking of things that make you feel proud and happy and imagining the future for your children—is a good way for people and families to begin setting goals.

Taking stock of available resources is another step in goal setting. Families or individuals should take time to think about the resources they have, or the resources they could get, to help them work toward their goals.

Who has goals?

Often you think of adults having goals, especially financial goals that require money and savings. But children can and should have goals, too! Children's goals are likely to be different from their parents' goals because children have different situations and priorities.

Communication is especially important for making goals in a family. Often adults, children and adolescents in a household have different goals from one another. Talking about each person's goals can help a family compromise and make goals that everyone can agree on and work toward together. Even young children should be included and talk about their short-, medium- and long-term goals.

Learning how to set and achieve goals is a good activity for children. It is important for children to learn that working toward a goal over time and planning for the future can lead to getting something that they want. It is also good for children to have dreams for their future, even if they are different than their parents' dreams. All children should be encouraged to have dreams, no matter their abilities, whether they are sick or healthy, or boys or girls.

Children's goals are likely to change as they get older, but everyone's goals may change and be different at different times. However, it is important to go ahead and make goals that are important to you, since it will take work and dedication over time to achieve your goals.

Quiz yourself

1. Who should think about and make goals?
 - a. Only the head of the household
 - b. All adults in the household
 - c. Adults and adolescents in the household
 - d. All adults, adolescents and children in the household

2. Which one of the following is an example of a specific goal?
 - a. I want my children to grow up and be rich.
 - b. I want to buy a bigger house.
 - c. I want to pay the exam fee of 20 next April so my 16-year old daughter can continue her education.
 - d. I would like to save more money to be able to pay school fees for my children.

3. A medium-term goal is something:
 - a. You can achieve in 1-2 years and will need a new skill or resources to accomplish
 - b. You can do right away without much help
 - c. Your child needs to work toward


4. If a goal is safe, what does it consider?
 - a. How to keep children in school
 - b. Risky situations when earning money
 - c. Where and how children spend their time
 - d. All the above

5. People are sure to fail at their goals if they are not S.M.A.R.T. and Safe goals.
 - True
 - False

Quiz answers can be found at the back of this booklet on page 102

Field exercise overview

Time needed

 60 minutes

Objective

Have participants make S.M.A.R.T. and Safe goals for themselves. Use these goals to motivate participants to learn and use financial tools so they can achieve their goals.

New skills to teach



- Make personal and family goals S.M.A.R.T. and Safe
- Link their life goals to financial planning
- Identify how their financial goals need to change as their children grow



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

Key messages



1. Goals are best when they are S.M.A.R.T. and Safe.
2. Each family member, including children, may have different goals.
3. Learning good money-management skills help you achieve your goals.

In this session

- | | | |
|----------|---|--|
| 1 |  | Warm-up |
| 2 |  | Introduction |
| 3 |  | Discussion: Goals, part 1—time |
| 4 |  | Imagine the future |
| 5 |  | Discussion: Goals, part 2—S.M.A.R.T and Safe |
| 6 |  | Make it S.M.A.R.T. and Safe |
| 7 |  | Storytelling: Sarah and Ester set goals |
| 8 |  | Finishing |

Preparation

Images



The following images to support definitions discussion:

- Short-term goals
- Medium-term goals
- Long-term goals
- Specific
- Measurable
- Achievable
- Relevant
- Time bound
- Safe

Materials



You will use the following cards to support storytelling:

- Sarah's story cards (5)



- Ester and Moses' story cards (3)



You will also need the following activity tools:

- Sarah on a goal path
- Sarah's 4 goal cards:
 - Goal of HIV testing
 - Goal of thriving business
 - Goal of graduated children
 - Goal of a birth certificate

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. Short-term goals

2. Medium-term goals

3. Long-term goals

4. Specific

5. Measurable

6. Achievable

7. Realistic

8. Time bound

9. Safe

10. Antiretroviral therapy

11. HIV test

1 Warm-up



DISCUSS

When you discussed your seasonal financial calendar with your family, including your children, what did it look like? What did you realize as a family about income and expenses over the year?

What do you remember most about the seasonal financial calendar we made together last time?

- *Income and expenses are not always the same*
- *Looking at what money you will have for an entire year helps you plan ahead*
- *Health expenses, educational expenses, and nutritious food are important for the well-being of children. You need to plan ahead to meet these expenses.*

2 Introduction



SAY

Today we're going to talk about goals.

Money helps us to achieve our goals and make a future for ourselves and our families that we want. Goals give us a reason to manage our money well.

Setting good goals is important. If a goal is too big or not personal, then it is not useful to us.

Our goals will change over time as our children grow. Our goals also change as our ideas for the future change and grow too.

Today we will learn how to set a good goal. Let's get started.

3 Discussion: Goals, part 1—time

OBJECTIVE

Define key terms.

DESCRIPTION

Large-group discussion.

FACILITATOR
INSTRUCTIONS

As you ask questions of the group, allow 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.

If you are using images, after each definition display the reminder image where all participants can see it.

Be sure to ask participants to provide examples of the different types of goals.

Goals

ASK +
LISTEN 

Based on your understanding, what is a goal?

Goals are dreams with specific indicators that tell you when you have achieved them by a specific time in the future.

IMAGE
OPTION 



Goals

SAY 

There are 3 timeframes linked with goals. These are short-term, medium-term and long-term.

Short-term goals

ASK +
LISTEN 

What are short-term goals?

Short-term goals are the things you want to achieve for you and your children, over the next 1-12 months. These do not usually require additional skills or many additional resources.

IMAGE
OPTION 



Short-term goals

Medium-term goals

ASK +
LISTEN 

What are medium-term goals?

Medium-term goals are the things you want to achieve for you and your children, over the next 1-2 years. These goals could involve a big change in your lives. You may need more time to learn a new skill or save for more money in order to reach a medium-term goal.

IMAGE
OPTION 



Medium-term goals

Long-term goals

ASK +
LISTEN



IMAGE
OPTION



What are long-term goals?

Long-term goals are the things you want to achieve for you and your children sometime in the future. They are your dreams that will take more than 2 years to achieve.



Long-term goals

4 Imagine the future

OBJECTIVES

1. Can see something better for themselves—something they want
2. Include children in goal-setting

DESCRIPTION

Participants close their eyes and are guided to see themselves and their family in 5 years.

FACILITATOR INSTRUCTIONS

You will do this exercise one time only. The participants will reflect on themselves and their family.

Lead the participants through a quiet visioning exercise. The purpose of this exercise is to help them begin to set goals. It is a self-reflection exercise, not a group discussion.

Be sure to pause a full minute in between questions. It can feel uncomfortable to have so much silence, but it is okay. Participants need time to consider and answer the questions in their mind.

At the end, ask if there are 1 or 2 volunteers who are willing to share their vision.

TIP



It is easy to rush this activity. Please do not. Take your time and read slowly. Having silence is important to allow people time to create a vision in their head.

Participant goals



1 *Let's begin to think about the future in detail.*

Please close your eyes. Take a deep breath.

I want you to imagine your life and your children's life 5 years from now.

- *What are your dreams?*
- *Where are you living?*
- *Who is with you?*
- *How do you provide for your family?*
- *What are your children doing?*
- *What do you feel proud of?*



2 *OK. Slowly open your eyes.*

Is anyone willing to share what they saw?



3 *These are wonderful dreams for your future! Thank you for sharing.*

OK. Close your eyes again. Bring back into your mind the vision of yourself and your children in 5 years. Can you see yourself? Can you see your children? Look around. Enjoy what you see.

What you see are your long-term goals.

Now consider yourself today. What is one short-term goal that you have? Something that is a step toward your long-term goals. Remember, a short-term goal takes place over 1-2 months. It does not usually require additional skills or many new resources.

Does everyone have a short-term goal in their mind?

Okay. Open your eyes.



4 *Who can share their short-term goal?*

Why did you choose this goal?

How does it help you achieve your long-term goal?

Does everyone agree this is a short-term goal? Or is it a medium-term goal?



- 5** *Today we will work to make these dreams into goals. I want to teach you how to manage your money to support your goal and your children's goals for the future. Each child is different. And children change as they grow and learn.*
- As your family makes financial plans, remember to consider the future of each child in your care.*
- Include your children in discussing goals.*
- What do they want for their own future?*
- They may surprise you with some wonderful ideas and dreams!*

5 Discussion: Goals. part 2—S.M.A.R.T and Safe

OBJECTIVE

Define key terms.

DESCRIPTION

Large-group discussion.

FACILITATOR INSTRUCTIONS

Show each image and ask participants what they see. Introduce the concept and discuss the image.

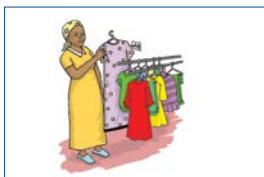


EXPLAIN

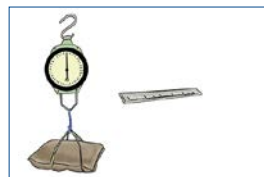
When you set your goals, you want them to be achievable, so that you feel motivated. You want to have confidence that if you work hard, you can achieve your goal.

*Goals have the following five **S.M.A.R.T.** and one **Safe** characteristics.*

IMAGE OPTION



Specific



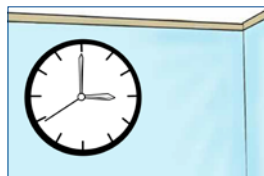
Measurable



Achievable



Realistic



Time bound



Safe

S.M.A.R.T. means the following:

Specific *Specific means knowing exactly what you want and having a defined monetary value for it (for example, a specific purple dress that costs 10).*

Measurable *Measurable means having indicators in place to assess your progress toward achieving your goal.*

Achievable *Achievable means having a clear path to reach your goal. This requires knowing the steps to take to reach your goal (for example, you can break your goal into individual tasks or actions that you are able to complete).*

Realistic *Realistic means that the specific goal can be achieved with the resources that you already have available, such as time, money, training, support from others, etc. Different goals have different requirements to make them realistic.*

Time bound *Time bound means a goal has a specific timeframe or deadline.*

Safe means that working toward or achieving the goal will be safe for all children in the household and will not cause any harm. An unsafe goal could require your children to work late in the evening or to skip school to earn money.

To make sure your goal is safe, here are some questions you can ask yourself:

- *Are my children with a trusted caregiver as I work toward my goal?*
- *Does this put my adolescent at risk for transactional sex?*
- *Have I talked with my children about family money choices and included them in our goals?*
- *Does this activity take my child out of school?*
- *Is my child still able to get enough rest and sleep?*
- *Will this activity harm my children in anyway?*



EXPLAIN

6 Make it S.M.A.R.T. and Safe

OBJECTIVE

Practice making a dream for the future into a S.M.A.R.T. and Safe goal.

DESCRIPTION

Large-group discussion.

FACILITATOR INSTRUCTIONS

Ask participants to share their goals with the group. Together, identify if what they shared is a short-term, medium-term, or long-term goal.

Then work together as a group to make the goal they shared into a S.M.A.R.T. and Safe goal. Go through each letter, using the images as reminders for the group, and apply it to the goal that was shared.

Do this with 2 or 3 example goals given by the participants.



SAY

1 *Let's practice making our goals into S.M.A.R.T. and Safe goals.*

Does anyone have a goal they can share?

2 *Thank you. OK. Let's use our S.M.A.R.T. and Safe images to help us.*

Show each image, and ask participants what they see. Introduce the concept and discuss the image.

- *Is this goal **specific**? Let's make it as specific as possible.*
- *Could you **measure** this goal? How can we make this goal measurable?*
- *Is this goal **achievable**? What steps would need to be taken?*
- *How is this goal **realistic** and how does it support your children's well-being?*
- *Is this goal **time bound**? When could you expect to complete it?*
- *Is this goal **safe** for you and your children? Is there anything while working on completing this goal that might put you or your children at risk?*



DISCUSS

7 Storytelling

OBJECTIVES

1. Compare and contrast good goal-setting.
2. Introduce 2 families' stories that will be used in many other sessions.

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.



TIP

In this session, the stories are a little bit longer. Do not be afraid to go back and remind or re-read parts of the story to help participants answer the questions.

The questions for discussion ask participants to compare the two stories. You will need to tell both stories and then begin discussion. Think about money amount and adjust to your local currency and conditions



SHARE THE
STORY

Ester and Moses' Story

I would like to tell you two stories. Our first story is about a couple.

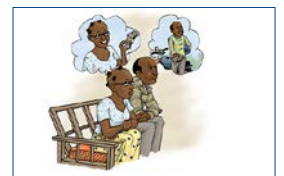
Ester and Moses have 3 children. They live in the city where they pay rent for their housing. Their eldest child has a physical disability and has difficulty getting around. Ester stays at home to care for the children.

Ester and Moses each have a dream to make more money. Ester wants to have her own business that she can do from home while she watches the children. Moses owns his own motorcycle and earns money as a boda boda driver. He hopes his business will grow.

Moses earns about 75 000 a month, from which he needs to purchase fuel, pay rent and meet other household expenses. Recently Moses had to repair his motorcycle, which cost 40 000. With the remaining money, Moses decided to buy a television. He did not discuss this purchase with Ester.

Ester was unhappy with Moses' purchase. School fees were due the next day, and now the family did not have enough money to send the children to school for this term.

USE
IMAGE





Sarah's Story

Sarah is 34 years old. Before her husband died two years ago, they had three children together: Mauda is 15, Nadine is 13, and Simon is 12 years old. Last year, when her sister died of an AIDS-related illness, Sarah began caring for her niece and nephew: 1-year old Joy and 3-year old David, who both now live with Sarah and are part of her own family. Sarah keeps the same dreams that she and her husband had together: that the children grow up healthy, graduate from school (maybe even university!), are able to work, and grow up to help others.

Sarah is HIV-positive and she takes her HIV medicine regularly. Mauda, Nadine, Simon, and David have each been tested for HIV. Of them, only David is positive, and he is on treatment. Sarah does not know Joy's HIV status.

Sarah is a petty trader in household goods and vegetables. She is proud because almost all the money she earns is used to care for the children, and it is helping her work toward the dreams she and her husband had together.

Mauda is in her last year of primary school. Sarah wants Mauda to continue on to secondary school, and talked with Mauda about this goal. Mauda is happy to have her mother's support and wants to continue school. Nadine and Simon are in primary school. Sarah discusses with the children how the family will pay for school fees, levies, uniforms, books and supplies as well as transport and meals. Sarah and the children added it together. It will be 75 each term and there are three terms each year. Sarah talks with the children about beginning to save for these goals now.

Sarah wants herself and David to live healthfully with HIV, so she pays for transport to go to the clinic regularly to pick up their medications and complete viral load testing. Sarah also wants to keep Joy healthy and knows she needs to get an HIV test. Joy does not have a birth certificate, and Sarah knows how important this is, so she plans to pay the fees for this need. Sarah also has the goal that all the children eat nutritious meals every day, and this costs money as well.

Sarah really wants to achieve all these dreams for her family. As a parent she knows it is her responsibility

USE
IMAGE





to provide education, nutritious foods and healthcare for all 5 of her children. At the same time, her children know it is their responsibility to work hard in school, let her know when they are not feeling well, eat their food and do household chores as they can. She knows she will need to grow her business to meet her family's needs. She is motivated to plan and use her money wisely to achieve her dreams and her children's dreams.

USE IMAGE



ASK + LISTEN



1 What do you think are the **differences** between the 2 stories? Whose goals would be easier to achieve? Why?

- Sarah's would be easier to achieve.
- Ester and Moses' goals are very general. There is no plan for either Ester or Moses. They do not communicate with each other. They do not know what resources they need to achieve their goals. They do not know when they want to achieve their goals. They do not know how to—or have steps to—achieve their goals.
- Sarah has a well-defined goal. It is specific (paying for secondary school and healthcare). She has a detailed plan with a target date—Mauda starts school in February. Her goals are realistic. She can achieve them by saving and using a loan from her savings group. She has a plan with her business. And she has a way to check her progress over the next few months.

SAY



2 Let's talk a little bit more about Sarah and her goals. Here is Sarah as she looks into her future. She is setting goals: short-, medium- and long-term.



Setting goals

USE IMAGE



What goals did you hear from Sarah in that story?

- Know the HIV status of all family members.
- Send Mauda, and other children to school, all the way through secondary school.
- Grow her business.

ASK +
LISTENUSE
IMAGE

HIV testing



Thriving business



Graduated children



Birth certificate

Which of these goals is a short-term goal?

- HIV-testing
- Getting a birth certificate

Medium-term?

- Thriving business

Long-term?

- Graduated children

Excellent. The timeframe of her goals helps Sarah prioritize what to work on now. Also, seeing her future helps motivate her to save money and make smart financial decisions today. Sarah has a bright future.

ASK +
LISTENFinancial
decisions

3 In the story, how did Ester and Moses make their financial decisions?

- Moses did not discuss his spending with his wife. This had negative results.

How did that affect the family?

- There was not enough money to send the children to school.

What about Sarah?

- Sarah discussed Mauda's goal and her financial plan to reach it with Mauda.

Do you think children can be involved in finances? How so? How does that change as they grow?

- Yes. When they are very young, they can learn to count money. As they get older, they can help you shop to find best bargains and keep a household budget. They can also learn to save for their own financial goals like buying school supplies or a bicycle.

ASK +
LISTEN

Children

4 Now, let's think about the children in this story. How do the different ages of the children effect household finances over time?

- Expenses for children change over time depending on the age. For example, Sarah's younger children may have only primary-school fees which are less expensive than secondary-school fees.
- Younger children have particular needs such as birth certificates, and more frequent doctor visits.
- It is important for caregivers to think about their children's changing needs so they can start early to make good financial plans.

ASK +
LISTENMauda and
school**5** What do you think might happen to Mauda if she did not go to secondary school?

- If Mauda does not go to secondary school, she may marry early or need to find a way to earn money that could put her own health (including risk of HIV) and well-being at risk. Her future would be more limited.

8 Finishing

Conclusion

SAY

Good discussion. We will hear more about Sarah, Ester and Moses in later sessions.

Key messages



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

The key messages for this session were:

1. Goals are best when they are S.M.A.R.T. and Safe.
2. Each family member, including children, may have different goals.
3. Learning good money management helps you achieve your goals.

Take home

Before the next session, I want you to spend time with your accountability buddy. Please talk about your short-, medium- and long-term goals. Help each other make them into S.M.A.R.T. and Safe goals.

3. A plan for your money

Overview

- Reaching your goals for your family and children takes time and money. You will need a plan for how to use money to reach your goals. This plan is called a **budget**.
- Tracking your income and expenses helps you make a budget. A budget is based on how you use money now, but then looks at how you could use money in the future.
- Tracking and budgeting business money separately from household money helps you make better business decisions
- A budget has 2 main parts: **income** and **expenses**
- There are 4 main types of income:
 1. Selling goods.
 2. Providing services.
 3. Loans.
 4. Gifts or remittances.
- There are also 4 main types of expenses:
 1. Household expenses.
 2. Business expenses.
 3. Unexpected expenses.
 4. Savings.
- There are 3 household expenses that are especially important for the well-being of children:
 1. Educational expenses.
 2. Nutritious food.
 3. Health expenses.
- If you have more income than expenses, it is called a **budget surplus**. If you have more expenses than income, it is called a **budget deficit**.
- It is important to have a budget that includes plans to earn money and use money in ways that keep children safe

What is a budget?

- ✓ A **budget** is a plan for your money to come in and go out of your household or business over a specific period of time.

A good household budget includes the money for all household members, including all the children under your care. A good business budget includes the money you need to operate your business.

Budgets have 2 parts: **income** and **expenses**.

- ✓ **Income** is all the money that comes in to your household or business.
- ✓ **Expenses** are the money that you spend or use.

There are **4** main types each of each income and expenses.

Types of Income

1. **Selling goods:** exchanging things for money from others.
Examples are selling livestock, homemade goods, vegetables or items you have bought and resell.
2. **Providing services:** getting paid for work.
Examples are working for someone else on a farm, driving a boda boda.
3. **Loans:** money or goods that you borrow for now and must repay later.
An example is loans from a savings group.
4. **Gifts or remittances:** money or goods from others that you do not have to repay.
An example is money from family or friends.

Types of Expenses

1. **Household expenses:** the money you spend to take care of the things and people in your household.
Examples are education, transportation to a clinic, medicines, nutritious foods, housing, clothing
2. **Business expenses:** any money you spend on your work activities. Sometimes these expenses may be shared with a household, but it is helpful to separate out business expenses as much as possible.
Examples for a farmer would be seeds, fertilizer and the cost of taking goods to a market. Expenses for a shopkeeper might be the cost of goods and paying workers.
3. **Unexpected expenses:** life often changes quickly without warning. When a family member gets sick, it can cost extra money that you did not expect. Having a plan for these things in your budget can help to make sure you have money ready to take care of them.

Examples include funeral costs, medicines, replacing broken items and making repairs to your home.

4. **Savings:** money you put aside for later. You still have this money, but it is an expense because you do not use it to buy goods and items for your household right now. Savings are important because they help you reach your goals and meet unexpected needs.

Examples of why savings are important: Savings helps you ensure that your children stay safe, healthy and nourished. If your income is lower one season, you can use your savings to make sure your children still have enough to eat. If a child gets sick, your savings will help you pay for medicine. And if you have savings, your children will not have to do something unsafe to earn money.

Why make a budget?

- Remember your goals and your family member's (including children's) goals from Chapter 2? They likely require time and money to achieve. A budget is your plan for how you want to use your money in the future.
- Budgets are helpful for everyone regardless of how much money they have. For families who do not have very much money, a budget can help manage limited resources.
- Regularly following a budget can help you feel calm about how much money you have and what you need to pay for. Budgets help give you control over how you spend your money, and they help you to improve your life and meet your goals for your family and your children.

How to make a budget

There are 5 steps to making and using a budget. They are:

1. Set a time frame.
2. Track your money.
3. Review your income and spending habits.
4. Make a plan for future income and prioritize expenses (this is your budget!).
5. Review your spending and adjust your budget.

The 5 steps in detail

1. Set a timeframe.

Remember, a budget is a plan for money over a specific period of time. A budget can be for any time period: 1 day, 1 week, 1 month, or even a year! When a budget is for too short a time, it does not help you plan far enough ahead. But when a budget is for too long a time, it does not help you make decisions each day. Usually, people make a budget for 1 week or 1 month at a time. Decide on what period of time you would like for your budget.

2. Track your money.

The next step in creating a budget is to understand your current income and expenses. You do this by tracking your money and writing down:

- The amount of income, when it comes in and from where
- How much money you spend and on what

You do this for an entire week. With this record you can learn a lot about how to make a plan for the next week, or even month!

Tracking helps you build a budget that is accurate and achievable. You want to be able to follow the budget you make. The budget is a plan for your money. It is important that your budget is based on your tracking. You have to start budgeting with your current money situation.

As you start tracking your money, you might find it easier to write both household and business expenses in one place. Over time, you will want to track your household money and your business money separately, but starting with them together is okay.

For example, 1 week of tracking your money might look like this:

<i>Day</i>	<i>Income</i>	<i>Expense</i>	<i>Reason</i>
Sunday	10		Sold potatoes at market
Monday		1	Bought medicine for child living with HIV
Tuesday		6	Bought food for week (4), and paid school fees (2)
Wednesday	-	-	
Thursday	10	10	Sold potatoes at market, had to fix broken cart
Friday		3	Transportation cost to take child to the doctor
Saturday	5		Borrowed money from neighbor
Total	25	20	

What types of income are included in the tracking above? What types of expenses?

For some people, tracking money could look even simpler. Here is another example of the same money-tracking in an even easier format:

<i>Income</i>	<i>Expenses</i>
10—selling potatoes	1—medicine
10—selling potatoes	4—food
5—borrowed money	2—school fees
Total = 25	10—broken cart
	3—transportation to doctor
	Total = 20

Not everyone has to track their money in the same way. The important thing is that you are writing down how much you spend and earn over a set amount of time. You should not leave anything out; every amount of money—even small amounts—will be important when you make your budget. Be sure to include money spent by your partner or your older children, too; they are part of the household!

3. Review your income and spending habits.

Based on your weekly tracking, you can understand what types of income and expenses you need to plan for in your budget. You can also see if you have a budget surplus or a budget deficit.

- ✓ A budget **surplus** is when you have **more income than expenses**. This means you have extra money left over at the end of each budget's timeframe.
- ✓ A budget deficit is when you have **more expenses than income**, or you spent more money than you earned. When this happens, you usually have to use savings or borrow money to pay the difference.

Look at the example on page 54. Does this person have a surplus or a deficit?

They have a surplus, but only because they borrowed money from a neighbor.

Knowing whether your household has a surplus or deficit can help you know if you need to look for ways to spend less money, or make more money. If your tracking shows your expenses are greater than your income, you will need to correct this difference. You can make this correction by looking for ways to make more money—such as additional work, decreasing expenses, taking out a loan or using your savings.

4. Make a plan for future income and prioritize expenses.

Once you have tracked your income and expenses and reviewed your spending, you can use that information to make a plan for the future. Because you have tracked your money for a week, you have an estimate of what types of income you earn and what you spend money on. However, it is important to remember that this was just 1 week. Your income and expenses will change over time. Tracking your money gives you an idea of where to begin your budget. You also need to think about:

- Changes in income and expenses with different seasons
- Changes in expenses as your children get older, or if you have additional children
- Planning for unexpected expenses
- Planning for times when your income is lower
- Differences between the tracked week and what is typical
- Big expenses that come only once a year or once in a while
- Planning to have a surplus so you can save to reach your goals

A budget lists amounts of money that you plan to spend and what you plan to spend it on. It also lists the amount of money you plan to earn and how you will earn it. The more you can base these amounts on what really happens, the better you will be able to stick to your budget, even though you may not always know how much you will make or how much

something will cost. When this happens you should use your best guess. You will keep tracking your money, so if your guess is wrong, the new information will help you change your budget.

When making a budget, it is important to remember that you will have some unexpected expenses. Adding a little money into your budget for these costs will help you save money for when you need it quickly. Also, if there are expenses that only happen once a year or once a month—such as rent, or holidays—you will need to divide them up so you can include them in your weekly budget, even though you won't be paying for them immediately. This will help you save a little at a time, so that you have enough money when you need it.

When you make a plan for spending and earning money, it is important to try to make a plan that has a surplus. If your budget has a deficit, look for ways you can cut spending on unnecessary items, or try to think of ways you could make more money. Otherwise, you may need to borrow money or take money from your savings.

If you have a surplus in your budget, you can use the extra money to save, invest in your business, buy healthy food, pay for education or spend it on something special for you and your family. Creating a plan with a surplus is an important way to achieve your goals.

Let's look back at our example. Here was the money we tracked:

<i>Day</i>	<i>Income</i>	<i>Expense</i>	<i>Reason</i>
Sunday	10		Sold potatoes at market
Monday		1	Bought medicine for child living with HIV
Tuesday		6	Bought food for week (4), and paid school fees (2)
Wednesday	-	-	
Thursday	10	10	Sold potatoes at market, had to fix broken cart
Friday		3	Transportation cost to take child to the doctor
Saturday	5		Borrowed money from neighbor
<i>Total</i>	<i>25</i>	<i>20</i>	

This person had a lot of unexpected expenses this week, so you might adjust the budget to show less spending, since those expenses might not happen again soon.

A week's budget for this person might look like this:

<i>Budgeted Income</i>	<i>Source</i>	<i>Actual Income</i>
20	Selling potatoes	
<i>Total:</i>	<i>20</i>	

<i>Budgeted Expenses</i>	<i>Reason</i>	<i>Actual Expenses</i>
5	Food	
5	Children's health	
2	Transportation	
1	Repaying loan in five weeks	
1	School lunch	
3	Savings	

Total: 16

This is a very simple budget, but you can notice a number of things:

- This person added some money to her budget for food, because of what she typically spends on food, rather than basing it on what she tracked
- This budget only includes regular income, not the one-time loan she got from a neighbor. The income is what she plans to make in the future.
- The budget includes items for children's health and education. It is important to remember each family member's needs in the budget.
- The budget includes repaying the loan from the previous week
- The budget puts savings as an expense, because it is money this person will not spend on other things
- The budget is made to have a surplus
- This person is ready to compare her budget to what actually happens. By including spaces for actual income and actual expenses, you can easily compare what happens to the budget and change the plan if necessary.

Just like tracking expenses, budgets do not need to look exactly the same for everyone. Here is another way the same budget might look:

<i>Budgeted</i>	<i>Actual</i>
<i>Income</i>	
20—selling potatoes	
<i>Expenses</i>	
5—food	
5—children's health	
2—transportation for business	
1—repaying loan	
2—business savings	
2—household savings	

5. Review your spending and adjust your budget.

Once you have made a budget you will track your income and expenses again to make sure you are sticking to your plan. It's important to try and stick to your budget, but record what actually happens with your money, which might be different!

It's okay if your budget and what actually happens with your money don't match perfectly. Small changes in your income and expenses are common. If your budget is very different from what happens, it could be a sign that your budget is off. In this case, you should review the amounts in your budget to make sure they are realistic. We will talk more about how to adjust your budget in the next lesson.

Keeping children safe

When households have a deficit, it can put children at risk. People with a deficit may not have enough money to spend on healthy food or school supplies. Children and adolescents might be pressured to do work that is unsafe (such as trading sex for money or food) or that takes them away from school. Parents may feel the need to stop sending their child to school or to send their child away to live with a relative. Parents who are stressed about not having enough money may find it difficult to cope. They may yell or hit their children. This is why it is important to have a surplus.

Make sure that all the ways you earn extra money are safe for your children. This means that if you do extra work, you don't leave young children alone or uncared for. If children or adolescents decide to help you earn extra money, you need to know where they are, what they are doing and that they are safe. Any work they do should leave enough time for school, rest and play. Creating a budget with a surplus will help you make these decisions in advance and make it easier to stick to your plan.

Knowing whether your business has a surplus or a deficit can help you understand if you are making or losing money. You want your business to be making money, not losing it! Tracking business money separately can help you understand if you need to make a change in your business so it can make money.

Talking with children about money

It is important for children to understand family goals and how money is being used for these goals. It is useful to involve children in tracking your money. This does two things:

1. Children can start having a say on how money is spent on them.
2. You are teaching them money-management skills.

It is important to talk to your children so they know it is never their responsibility to make money by doing something that is unsafe. If a child earns money, the adults in the household must know how that money was earned. The work children do should be safe and appropriate for their age. Children sometimes make money for their household, but it should not get in the way of their going to school, studying, getting enough rest, socializing with friends and being healthy. Talking to children is the best way to know that they understand what they should or should not do to help your household.

Examples of unsafe activities are:

- Exchanging sex for money, food or other goods
- Working as a domestic in an abusive household
- Selling goods in dangerous locations—such as in busy streets or at mining sites
- Selling goods at times when they should be in school or studying
- Working long hours that prevent adequate rest

Let your children know that if they feel unsafe, they can always ask you for help. Children should always ask adults first to know what is safe or unsafe. As an adult, you need to talk to your children not just once, but often about what is safe and unsafe, so they feel comfortable coming to you and asking questions. You should never pressure your children to earn money without knowing how they are earning it. It needs to be a safe activity. This is true for all children, even older children and adolescents. Adolescent girls can sometimes face greater risks of harassment or sexual violence when working.

Quiz yourself

1. Select all the items which you consider income (money in).
 - a. Selling goods
 - b. Providing services
 - c. Loan repayments
 - d. Gifts and remittances
 - e. Savings

2. Select the right definition for deficit.
 - a. A deficit is when you have money left over after you have covered all your planned expenses.
 - b. A deficit is when you did not make enough money to cover all your expenses.

3. Separate the following items between income, household expenses and business expenses (write the letters that go with each response in their corresponding column):
 - a. Loan disbursement for school fees
 - b. Loan repayment for donkey purchase
 - c. Payment of school fees
 - d. Food for the family
 - e. Transportation of goods to market
 - f. Vegetable sales
 - g. Mat sales
 - h. Seed for vegetables to sell
 - i. Medicine

Income	Household Expenses	Business Expenses

4. Why might a household with a deficit be dangerous for the children (tick all that apply)?
- a. The children might not get enough nutritious food to eat.
 - b. The children might not get medicine if they get sick.
 - c. The children may feel pressure to accept a gift from someone who might abuse them or expect them to do something unsafe.
 - d. The children might feel pressure to work a job that is unsafe.
 - e. Parents might not have money to send children to school.
 - f. Parents might feel pressure to send a child away.
 - g. Parents might be very stressed about money and take it out on the children.
5. What is a safe way for families to deal with a budget deficit?
- a. Have children work extra hours.
 - b. Cut spending on food.
 - c. Cut spending on unnecessary expenses.
 - d. Borrow money every week.
6. What is NOT a smart way for a person to use a budget surplus?
- a. Invest in your business.
 - b. Change the budget so there are more expenses next time.
 - c. Buy healthy foods.
 - a. Save the extra money to reach a financial goal faster.
7. Put the steps for making a budget in the correct order. Number the items from 1 to 5:
- ___ Track your spending.
 - ___ Make a plan for future income and choose expenses.
 - ___ Set a timeframe.
 - ___ Review your income and expenses.
 - ___ Review your spending again and adjust your budget.

8. You make a budget and then keep it. It does not change.
- True
 - False
9. How can families keep children safe when they do not have a lot of income (tick all that apply)?
- a. Adults can talk to children and let them know what is safe and unsafe.
 - b. Adults can include children's needs in the household budget.
 - c. Adults can plan and save money for unexpected emergencies.
 - d. Adults can plan for the future and make decisions that will not further increase their expenses.

Quiz answers can be found at the back of this booklet on page 102

Field exercise overview

Time needed



3a—60 minutes
3b—60 minutes

Objective

Teach participants how to read and make a budget.

New skills to teach



- How to track income and expenses
- Create a budget from tracking
- Adjust a budget based on goals, seasonal calendar, and children's needs
- Separate business from household expenses



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

Key messages



- A budget is a plan for your money.
- A plan for your money helps you achieve your goals.
- A good budget plans for the needs of each household member.

In this session



Warm-up



Introduction



Defining budget terms



Track Sarah's week



Build Sarah's budget



Household or business expense?



Finishing

Preparation

Images



The following images to support discussion:

- Sarah's family
- HIV testing
- Thriving business
- Graduated children
- Surplus
- Deficit

Materials



- Budget layout cards **BUDGET**
- Something to use as counters: beans, bottle caps, maize, buttons or stones

Local language

The following are terms you will use 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. Selling goods

2. Providing services

3. Gifts and remittances

4. Loans

5. Unexpected expenses

6. Savings

7. Track

8. Budget

9. Budgeting

10. Business expansion

11. Household expenses

12. Loan repayment

This field exercise will be delivered in 2 sessions. The first, field exercise—3a defining budget terms. The second, field exercise 3b—creating Sarah’s budget.

1 Warm-up



DISCUSS

Think back to last week’s session. We began setting goals during our session. I wanted you to talk more with your accountability buddy about your goals and to think carefully about all the children in your care and their goals.

- *How did it go?*
- *Did any of your goals change when you talked with your buddy? What did you adjust?*
- *What goal are you most excited about?*

2 Introduction

EXPLAIN



Most goals, especially the long-term goals, need some amount of money to achieve. You will need a plan for how to use your money if you want to achieve your goals for the future. A plan for your money is called a budget. A budget is useful for everyone—no matter your financial situation.

A budget lists all your income and all your expenses. When you can see how your money comes in and goes out of your household, you can make better decisions. These decisions and planning will help you and your children reach your goals.

Let’s get started.

3 Defining budget terms

OBJECTIVE

Define key terms

DESCRIPTION

Large-group discussion

FACILITATOR
INSTRUCTIONS

You will introduce the parts of a budget one at a time, asking for examples from participants. As you define a term, show the image, and then place the image on the ground or table for the next tracking activity.

Use the Budget images

BUDGET

After you have defined all the terms, you will have a complete budget layout in front of you. You will use this layout in the next activity to track Sarah's week in money in (income) and money out (expenses). It is important to emphasize this during the explanation. The layout should look something like this:



What is a budget?

ASK +
LISTEN

Budget
definition

What is a budget?

- A budget is a plan for the money you expect to come in and go out of your household. A good budget is a detailed list of your income and your expenses.
- A budget covers a specific period of time, such as a week.
- A good budget includes the money for all household members, including all the children under your care.

Think about this definition of a budget. What information must you know about your household, including children?

Needed
information

- How much money members of my household spend (our expenses).
- How much money comes in (our income).

Parts of a budget



EXPLAIN

A budget has 2 parts: income and expenses.

Income is all the money that comes into your household or business.

Expenses are all the money you spend or use.

To make a budget, you will need detailed information about both parts.

USE
IMAGE



Income



Expense

Sources of income



SAY

Let's start with income. There are 4 main types of income.

All the money coming into your household comes from one of these 4 sources.

The first is selling goods.

USE
IMAGE



Income from selling
goods

ASK +
LISTEN



What are some examples of goods that are sold?

- Chickens
- Vegetables
- Bricks
- Household items: soaps, brooms, mats, baskets, etc.

Selling
goods

ASK +
LISTENUSE
IMAGE

The second type of income is providing services.



Income from
providing services



Income from
providing services

What are some examples of providing services?

Providing
services

- *Motorcycle driver*
- *Working on other farms*
- *Gardening*
- *Braiding and barbering*
- *Post-harvest processing*
- *Tailoring*

The third type of income is gifts, remittances, and SILC remittances and SILC share-out: a return of savings plus profit.

USE
IMAGE

Income from gifts and
remittances

What are some examples of gifts and remittances?

Taking a
loan

- *Money from relatives and friends*
- *Sometimes in person: sometimes through mobile money*
- *Regular and expected*
- *Surprise and one-time*
- *SILC share-out return of saving and share of group profit*

The last type of income is loans.

USE
IMAGE

Income from loans

What are some examples of taking a loan?

Gifts and
remittances

- *From my friend*
- *Savings group*
- *Bank*
- *SACCO*

Expenses



Now let's talk about expenses. Expenses are all the ways we spend and use our money. There are also 4 main types of expenses.

All the money your household spends falls into one of these categories.

First are household expenses.



Household expenses

What are some examples of household expenses?

- Food
- School fees
- Transport to the clinic
- Clothes
- Festivals and ceremonies
- House repairs
- Kitchen items



Household
expenses



When we made our seasonal calendar, we thought carefully about 3 types of spending for children: nutritious foods, health expenses and education expenses.

These are all examples of household expenses. As we build budgets, it will continue to be important to plan for these expenses.

The second kind of expenses are business expenses.



Business expenses

What are some examples of business expenses?

- Wages for workers
- Loan repayment
- Farm inputs: seeds and fertilizer
- Business inputs: goods to sell, labor and market-stall rent
- Transport costs to market



Business
expenses

4 Track Sarah's week

OBJECTIVES

1. Teach how to categorize purchases and amounts into budget categories.
2. Teach how to track your money.

DESCRIPTION

Fill out a budget tracking “form” together based on Sarah’s story.

FACILITATOR INSTRUCTIONS

Read the story of Sarah’s week line-by-line. After reading about each one of her days, call a participant to place the counters in the appropriate budget item location.

For example, if you read “Sarah bought soap for 2,” a participant should come up and place 2 counters on the “household expenses” sheet.

When you complete the week, you will lead a discussion about Sarah’s money for the week.

EXPLAIN



1

The first step in making a budget is to track our money.

This means recording the amount of income and how much money you spend and on what. Track for 1 week or 1 month.

With this record, you can learn a lot about how to make a plan for the next week or month.

Tracking helps you be realistic in your planning.

Sarah's week in money

SAY



2

I'm going to read to you about 1 week of Sarah's money. Let's help Sarah track her money.

After each day that I read, I'd like a volunteer to place the right number of counters on the category of income or expense for Sarah. Each time ask yourself, "Did the money come in or did the money go out?"

On Monday, a neighbor comes to Sarah's stall to buy tomatoes. She sells tomatoes for 5.

Place 5 counters on “selling goods” in income.

On Tuesday, it is washing day. Sarah buys soap for 2.

Place 2 counters on “household expenses” in expenses.



On Wednesday, Sarah sells vegetables to several people for a total of 7 in the evening market. She runs out of plastic bags for her customers and buys some more for her stall for 3.

Place 7 counters on “selling goods” in income. Place 3 counters on “business expense” in expenses.

On Thursday, it is market day. At the market she sells most of her goods for the week. She sold lotion for 5, buckets for 3 and vegetables for 2. She spent 1 on transportation to and from the market to sell her goods.

Place 10 counters on “selling goods” in income.

She makes most of her purchases today after selling in the market. She spent 8 to buy food for the week. She buys snacks at the market for Simon for 1. And she pays 5 for Simon’s school fees.

Place 8 in “nutritious foods,” 5 in “education expenses” and 1 for Simon’s snacks in “household expenses.”

On Friday, a family member sends Sarah 5. She pays 2 for transportation to take David to the clinic to get his HIV medication. She purchases sanitary pads for Mauda—another 2.

Place 5 counters on “gifts and remittances” in income. Place 4 in “health expenses.”

On Saturday, Sarah sells more vegetables for 2 in the evening market and saves 3 in her savings group.

Place 2 counters on “selling goods” in income. Place 3 counters in “savings” in expense.

On Sunday, Sarah and her family do chores at home. Sarah’s in-laws come to visit the children and she has to buy extra food for 3.

Place 3 counters on “unexpected expenses.”

ASK +
LISTEN**3** How does Sarah make most of her income?

- Selling goods

Is this likely to stay exactly the same week-to-week? If not, what might affect this?

- No, it will vary. Bring up the seasonal financial calendar—customer needs.

Did Sarah prioritize the needs of her children?

- Yes, she spent on health, education and nutrition this week

How might Sarah's expenses be different next week? In a month?

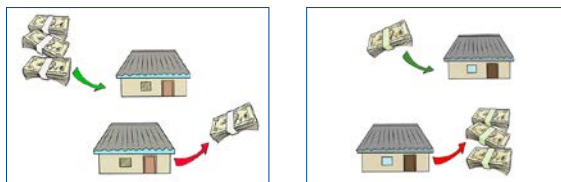
- Education expenses and health expenses might vary
- Household expenses like soap don't happen every week
- Some changes in her expenses she can plan for, like education expenses and regular medicine
- Some changes will be unexpected, like illness

EXPLAIN

**4** Just like with the financial calendar, sometimes a budget is balanced. Most often it has a surplus or a deficit.

A surplus is the money remaining when income is greater than expenses. It is extra. This means you earned more money than you spent.

A deficit is when expenses are greater than income. When this happens, you probably had to use your savings or borrow to pay for the difference.



Surplus

Deficit

USE
IMAGE

You will need to use the results of this activity for the next activity. As participants count Sarah's total income and total expense, be sure to have them leave the counters where they are.

ASK +
LISTEN**5** Can someone tell me Sarah's total income this week?

- 29

Can someone tell me Sarah's total expenses this week?

- 30

Did Sarah have a surplus or a deficit this week?

- She did not have a good week.
- Her expenses of 30 were more than her income of 29.
- She had to use 1 from her savings at home to pay for all the expenses.

ASK +
LISTEN

When you are finished, Sarah's tracking should look something like this:

Sarah's Budget Plan vs. Tracking Actual Expenses

 Source of Income (Money In)	Budget Amount	Tracking Actual Amount	Difference from Budget
 Selling services			
 Selling goods			
 Gift or remittance			
 Loan disbursement			
Total Income			
 Types of Expenses (Money Out)	Household Expenses		
 Nutritious food			
 Healthcare			
 Education			
 Emergencies or unexpected expenses			
 Other household expenses			
Sub-total	Household Expenses		
Other Expenses			
 Business			
 Savings			
 Loan repayment			
Sub-total	Other Expenses		
Total Expenses			
Income - Expenses	If "+" = Surplus If "-" = Deficit If zero = Breakeven		

5 Finishing

We have now discussed important concepts for making a budget. These include the different parts of the budget—such as income (money in) and expenses (money out). We have discussed different sources of income from selling goods or providing services, loans, gifts and remittances. We have discussed the different types of expenses, such as household expenses, business expenses, and unexpected expenses.

Your accountability buddy can help you identify all your income sources, and all your different expenses to be able to create a budget, which we will do next time. Keep a list of all your income and a list of all your expenses that you can use next time we come together for the training. For now, do not worry about putting these into categories.

Think about what you do next week and try to keep track of the amounts.

Key Messages



1. *A budget is a plan for your money.*
2. *A budget includes all types of income you receive plus all expenses that you have for the household and business.*

Take home

Please discuss with you accountability buddy the key terms we have discussed today and think about what your budget might look like for the next week.

1 Warm-up



DISCUSS

Think back to the last training session. We talked about the different parts of a budget, which include income and expenses.

- Can anyone name a source of income?
- Can anyone name a type of household expense?
- Can anyone name a type of business expense?

2 Introduction



EXPLAIN

We are now going to make Sarah's budget for next week. Make sure she includes all her income and expenses. Let's get started.

3 Making Sarah's Budget

OBJECTIVE

1. Change tracking into a budget.
2. Plan for future money needs, remembering all the children in your care.

DESCRIPTION

Adjust Sarah's tracking so it is a plan for the following week (a budget!).

FACILITATOR
INSTRUCTIONS

Review last week's instructions and Sarah's budget example. If necessary, you may have to remind the participants of the different income and expenses. Host a large group discussion, including all budget categories, to help decide what Sarah's next week of income and expenses is likely to be. Have the group make decisions and estimate her income and expenses. Use volunteers to place the right number of counters to show the group's decisions.



TIP

Encourage participants to use their imagination to make Sarah's situation realistic.

For example, maybe the participants can imagine that Sarah saved money the week she tracked because she usually pays for transport to visit her family on Sundays, but she stayed home. Therefore, transport money should be added into her budget.

1 A budget can be for any time period: 1 day, 1 week, 1 month or 1 year.

When a budget is for too short a time, it does not help you plan far enough ahead.

But when a budget is for too long a time, it does not help you make decisions each day.

Usually, people make a budget for 1 week or 1 month at a time.

Today we will focus on 1 week.

We're going to use the tracking we just did and adjust it to be a plan for Sarah to follow for next week.



IMAGE
OPTION



Sarah's family

What do you remember about Sarah's family?

- Sarah has been widowed.
- She has three children from her marriage: Mauda (15), Nadine (13) and Simon (12)
- She cares for her sister's two children: David (3) and Joy (1), who live with her and are part of her family.
- Sarah and David are living with HIV.
- Joy's HIV status is unknown.

ASK +
LISTEN



What are Sarah's goals?

- Send all 5 children to school, all the way through secondary school.
- Keep David and herself healthy and on their HIV treatment.
- Get a birth certificate for Joy.
- Have Joy tested for HIV.
- Feed all the children in her family nutritious meals every day.
- Grow her business.



HIV testing



Thriving business



Graduated children



Birth certificate

SAY

As we help Sarah make a budget, we will need to consider the needs of all the children in her care.

- 2** We are going to discuss each category and make changes for the next week.
Let's help her think about her income first.

ASK +
LISTEN

Will her income this week be similar to last week?

- No, because she got a gift from her family member last week that is not likely to happen again this week.

Was her income smaller than expected last week? Could illness keep someone from not working?

- Yes, because she spent time taking David to clinic, washing clothes, and receiving visitors—instead of concentrating on her business.

Does she expect to receive any additional income this week? If yes, from what and how much?

- Yes, she plans to increase her sale of goods.

Does she expect her income to decrease this week?

- Yes, because there will be no gifts and remittances this week.

If yes, by how much?

- Yes, it will decrease by 5.

Before you continue, be sure participants have changed the number of counters on what was Sarah's tracking (on the floor in front of you) to reflect the budget decisions made during the discussion for Sarah's expected income.

- 3** Now let's help Sarah think about her expenses.

ASK +
LISTEN

Were her expenses last week similar to other weeks?

- No, the expenses last week were not similar to other weeks.

Did she have other expenses that she did not expect to have last week?

- Yes, David's trip to the clinic, Simon's school fees and expected visitors.

Will her expenses this week be less than she has most other weeks?

- Yes, because:
 - She has already paid for school fees
 - She will not buy pads for Mauda
 - No transport to the clinic for David this week
 - She might not receive unexpected (emergency) visitors



DISCUSS

Will Sarah have any extra expenses this week? If yes, for what and how much?

- Yes, because of Sarah's desire to send Mauda to secondary school in a few months, she will need to start saving more.

What will the children need?

- Nutritious foods, health expenses and education expenses.

Does she plan to decrease her expenses this week? If yes, from what?

- No, since she is not expecting additional income this week, she will not be able to reduce her expenses.

What about her goals? Is she using her money to help achieve her goals?

- Yes, she is tracking her goals and trying to save more for the future.


Before you continue, be sure participants have changed the number of counters on what was Sarah's tracking (on the floor in front of you) to reflect the budget decisions made during the discussion for Sarah's expected expenses.



DISCUSS

4 Now we are going to talk about the concepts of **surplus**, having more income than expenses, and **deficit**, having more expenses than income, and needing to use savings or a loan to cover the difference in costs.

We need to know, does Sarah have a **surplus** or a **deficit** this week? We do not want to make a plan for her that puts her in deficit.

TIP  If Sarah has a surplus, first ask about a surplus **5** then a deficit **6**.

ASK +
LISTEN



5 How could Sarah use her **surplus**?

- Save the money
- Invest it in her business
- Spend it on education
- Spend it on nutritious food
- Spend it on health
- Get a birth certificate
- Spend it on a needed household item
- Spend it on something she wants, or her children want, for fun.

ASK +
LISTEN

6 How will Sarah make up the money from her deficit?

- Spend less money on unnecessary items
- Borrow money
- Take money from savings

What risks might children face if there is a financial **deficit**?

- If there is not enough food, children may look outside the house for food
- Parents may ask children or children may feel pressure to bring in money by doing things that are unsafe
- It increases the risk of being exploited by people who offer them gifts in exchange for something they do not want to do
- Children may go hungry
- Children may steal food
- Children may earn money in an unsafe way
- Children might be pressured into unsafe behaviors

We have now talked about the risks of **deficits** on children. Remember you need to:

- Talk to our children so they know it is never their responsibility to make up for a deficit by doing something that is unsafe.
- Tell a child if he or she earns money, their parent or guardian must know how the money was earned. Any work the child does must be safe and okay for their age.

We have talked about the risks of **deficits** for children. Remember it is never their responsibility to make up for a deficit by doing something unsafe.

- Children can contribute financially to the household, but it should not get in the way of their education, health or development.
- If a child does earn money, the you must know how the money was earned. Any of the work the child does must be okay for their age and not cause physical or emotional harm.

Finally, talk to your children often so they feel comfortable going to you if they ever feel unsafe. Tell them to ask you or another adult to get help. Tell them you will always help.

4 Household or business expense?



1 *When people make a budget, they often make 2: 1 for their household and 1 for their business.*

We will do a quick activity.

I will read a list of expenses, one-by-one.

If you think the expense is related to business or work, raise your right hand.

If you think the expense is related to household or family, keep your hand down.

- *School fees*
- *Rent for stall or kiosk*
- *Transport to sell items in the market*
- *Vegetables and fruit to eat for lunch or dinner*
- *Employee or laborer wages for stall or kiosk*
- *Lotion*
- *Transport to get a test for HIV*

Some expenses are not only for a household or only for a business. For many expenses, it depends on how the item is used.

For example “lotion” could be bought for personal use, or a store owner could have bought many bottles to sell. Be sure to ask participants how something is used to help decide if it is a household or business expense.

ASK +
LISTEN



Business
expenses

2 *What are other business expenses?*

- *Repairs and maintenance*
- *Insurance of goods*
- *Inputs: seeds, fertilizer and tools*

What are other household expenses?

- *Medical expenses*
- *Birth certificate*
- *Donations*
- *Holiday-related expenses*
- *Clothing*
- *Furniture*
- *House repairs*

Household
expenses

ASK +
LISTENKeeping
expenses
separate

3 Why would it be important to think about household and business expenses separately?

- *Keeping expenses separate helps you better understand your business profit*
- *If your business does not have a surplus, then it is not earning a profit.*
- *When business expenses are mixed in with household expenses you may not know if your business has a profit or loss. You do not want your business to drain resources: you need it to gain resources.*
- *If your business is separate you can better plan for the inputs you need to make your business grow.*

7 Finishing

Key messages



Remember the key messages from this session are:

1. *A budget is a plan for your money.*
2. *A plan for your money helps you achieve your goals.*
3. *A good budget plans for the needs of each household member.*

Take home

SAY

One of the first steps in making a budget is tracking your money for a few weeks.

I would like you to try to track your money between now and the next time we meet.

Your accountability buddy can help you find a way to track that works best for you.

Keep a list of all your income and a list of all your expenses.

Do not worry about putting these into categories. Just record them as you go.

The important thing is to keep track of the amounts. Some people find it helpful to note how many items they sell for how much money, instead of the total amount.

Make these lists each day; it is too hard to remember everything at the end of a week.

At the end of a week, you can look back and begin to add together expenses and income into different categories.

Remember that communication and planning with the whole family is key. Remember to record purchases or income from your partner or sometimes an older child.

4. Needs versus wants

Overview

- Not all expenses are the same. Some are needs, some are wants and some are both needs and wants.
- A **need** is an item that is necessary for the well-being of household members. We cannot be healthy or do well without it.
- A **want** is an item that is optional. It is something people like but is not necessary for being healthy or helping children to develop well.
- Needs and wants will be different for different household members.
- Budgeting and money-management means you have to make careful choices about your spending.
- Continuing to track your money helps you learn, so you can make better choices.
- All members of a household can participate in these choices, even children.

What are needs and what are wants?

Remember, a budget is a plan for your money to come in and go out of your household over a specific period of time. A good budget includes the money for all household members, including all the children under your care.

In the last lesson, you learned that budgets are made up of income and expenses. You also learned 4 main types of expenses: household expenses, business expenses, unexpected expenses and savings.

These expenses can also be divided into categories—expenses that are needs, those that are wants and those that are both needs and wants.

✓ A **need** is an item that is **necessary** for the well-being of household members. You cannot be healthy or do well without it.

Examples: healthy food, health expenses (such as medicine or a HIV viral load test), transportation to work or school or health clinic, or saving for emergencies.

✓ A **want** is an item that is **optional**. It is something people like but is not necessary for being healthy or helping children to develop well.

Examples: unhealthy foods, sweet treats or drinks, fancy clothes or phone minutes to talk on the phone with friends.

Often there are things you both want and need. Also, something that is a need for one person may be a want for another person.

Example of things that are needs and wants: mobile phone for personal and business use, new clothing and car/bicycle.

Example of a need: child needing a school uniform that fits.

Example of a want: child wanting new clothes, even though they have clothes that fit.

Prioritizing expenses

Different people in your household have different needs and wants, so it is important to get their input when prioritizing spending in your budget. Talking to the members of your household can help make sure you understand what each person's needs and wants are. Needs and wants change as children get older. Often, children have different needs as they grow older. Making a budget together can help a household agree on how to spend money, which will make it easier to stick to the plan.

After tracking your money for a few weeks, you can see how you and your family typically spend money. After talking to your family, you will also know which things are important and if anything is unnecessary. By separating items in your budget into needs and wants, you can begin to prioritize what you want to spend money on.

As you look at what is a need and what is a want, in your budget, you can decide

- Which items are the most important to include
- What you may not need now and can wait to buy
- What categories of expenses you can reduce so you have a budget surplus

Adjusting your budget

Remember when your budget doesn't match what you actually make and spend, you may need to make adjustments. You can change how you are using your money, or you can change your budget. You usually do this to try and correct a deficit.

One way to correct for a deficit is to lower the amount you budget for things that you want, but don't need. By spending less money on wants, you will have more money for your needs. You could spend less on things you want so you can have more savings or a larger budget surplus.

Another way to correct a deficit is to look for ways to increase your income. Better business decisions to increase profit, working more hours or taking a new job are just some of the many ways to increase your income. What is important to think about is not involving the children in ways that make them unsafe or that get in the way with their school or rest.

Sometimes you will have a good budget, but not enough income when you need it. This is another time when you may have to choose between spending money on things you need and things you want. In these times, it is important to prioritize things that keep the people in your household healthy and safe, especially children.

At the end of each week, look at your budget compared to what actually happened. Continuing to track and adjust your budget helps you improve your spending habits and work toward your goals.

Quiz yourself

1. Match the word to the correct definition.

a. Something that depends on its purpose; it may be different for different people

1. Want

b. Optional purchases

2. Need

c. Expenses which are absolutely necessary

3. Both a need and a want

2. Prioritizing expenses between needs and wants helps you (tick all that apply):

- a. Decide which expenses are more important to include in a budget
- b. Decide what I may not need now and can wait to purchase
- c. Ensure that I can purchase all my wants

3. Decide which expenses are a need, a want or both.

HIV testing: need want both

Dress: need want both

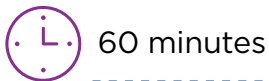
Nutritious food: need want both

Cell phone: need want both

Quiz answers can be found at the back of this booklet on page 102

Session overview

Time needed



60 minutes

Objective

Help participants adjust their household budgets to prioritize needs and take into account all children in the household.

New skills to teach



- Identify needs and wants
- Adjust spending and a budget
- Plan for the needs and wants of all household members



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

Key messages



- Not all expenses are the same—some are needs others are wants.
- Each child and household member may need different things.
- Tracking our money and budgeting helps us make better choices about our money.

In this session



Warm-up



Introduction



Needs or wants?



Storytelling: Sarah wants to budget



Analyze Sarah's money



Finishing

Preparation


Images



Use images for different items to explain the difference between needs and wants. Some images for needs, some images will be for needs, some will be for wants and some images could be either a need or a want, depending on the circumstance.

Materials



- Budget cards **BUDGET**
- Sarah's story cards (3) 
- Two different kinds** of counters, 140 of each. Things to use as counters: beans, bottle caps, maize, buttons or stones.

Local language

The following are terms you will use 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. Needs

2. Wants

3. Necessary

4. Unnecessary

5. Prioritize

1 Warm-up



DISCUSS

Who was successful in tracking their money last week?

What did we learn last week?

- *We learned about making a budget*
- *We learned about tracking income and expenses*
- *We learned about the difference between household and business expenses*
- *We learned about including the whole family—including your partner and the children—in discussion about the family budget.*

2 Introduction



SAY

Great. I am happy you remembered so much.

Last time, we made a budget for Sarah together. Remember, a budget is a plan for your money.

Today, we're going to talk about ways to adjust our spending and how to adjust a budget over time. Life often changes, and it will require you to change your budget too.

3 Needs or wants?

OBJECTIVES

1. Define terms
2. Practice identifying needs and wants

DESCRIPTION

Discuss the ideas of needs and wants, then give examples of spending and have participants decide if it is a need or a want.

FACILITATOR INSTRUCTIONS

Part 1:

You will lead a short discussion on the needs and wants of participants' families. Begin by asking for examples of how people spend money.

Then have participants answer, silently, in their heads a series of questions about their spending.

Afterwards, have some participants share with the large group.

Part 2:

You will read examples of spending and have participants:

- Raise their hand if they think it is a need, OR
- Not raise their hand if they think it is a want.

If participants do not agree, be sure to ask for their reasons. Remember, something may be a need for one person and a want for someone else.

Part 1



1 What are some of the things that you and your family spend money on each month?

- *Our family spends money each month on food, airtime, clothes, medical fees, school fees, school supplies and transportation.*

From the expenses you have just mentioned, think about the answer to the following questions:



Ask these questions one at a time. Give time in between for reflection.

What are the 2 most important, or necessary, items for you and your family? Why?

What are the 2 least important, or unnecessary, items for you and your family? Why?

Would everyone in your family, including your children, agree with what is important and not important?



2 Are a few people willing to share with the rest of us?

How did you decide if an item is necessary?

How did you decide if an item is unnecessary?

Would your partner give the same answers?

Part 2

ASK + LISTEN



1 Given our discussion so far, how would you define something that is a need. How do you know if something is a need?

- *Needs are expenses that are absolutely necessary, such as food and shelter.*

And what about a want? How do you know if something is a want?

- *Wants are optional purchases—such as buying a soda or grilled meat at the market—that are not absolutely necessary.*

If you consider all the children in the household, are there any items that would be wants for some and needs for others?

Depending on children's ages or special needs, something that is not important for one child could be a need for another child. For example, a 3-year-old will not need school supplies, but school supplies are a need for a 7-year-old.



2 *Let's play a small game. I'm going to read some items. Think about your own spending.*

If you think the item is a need, please raise your right hand.

If you think the item is a want, please raise your left hand.

Remember, you may each have different answers. I may ask about your choice.

Are you ready?

- *Birth certificate*
- *Sanitary pads*
- *Football*
- *Milk*
- *HIV test*
- *Seeds for planting*
- *School fees*



TIP

After each item is called and participants raise their hand, interview them. Ask participants who have their hand up or down the reason for their choice.



3 *Lets think about the same items but look at children's needs and wants.*

What are the needs and wants of a 6-year-old boy?

- *Needs are a school uniform, nutritious food and school fees*
- *Wants might include soda, candy or a new football*

Now, let's think about what the needs and wants are for a 15-year-old girl.

- *Needs include school fees, school uniform, and sanitary pads*
- *Wants include new clothes, a smart phone, and money to go out with friends*

Are the needs and wants of the young boy and adolescent girl the same?

- *No.*



EXPLAIN

4 *When you are making a budget, it is helpful to think about the difference between needs and wants. It can help you make decisions and prioritize.*

Remember, it is important to think of each individual member of your family, especially children. Children's needs and wants change over time as they grow.

Caring for children means planning in your budget now for needs they will have later. For example, your child's secondary education can be expensive, and you will need time to save.

There are also longer-term wants, such as buying a bicycle, that take financial planning to achieve.

Thinking about bigger goals can make it easier to not buy a smaller want today.

4

Storytelling: Sarah wants to make a budget

OBJECTIVES

1. Provide example of a family taking into account the needs and wants of all children in their care
2. Set up the next activity

DESCRIPTION

Storytelling to set up the next activity

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

Sarah has been working hard to expand her business. While she is at her shop, David and Joy are with her, playing with their toys on a mat next to her. When school is over each day, Mauda is nearby finishing her homework and watching Joy. After school, Nadine and Simon finish their homework and play football with their friends. Sarah knows that football is a healthy and safe activity for them when they are done with school and homework while Sarah is still at the market selling. Sarah feels at peace knowing that all her children are safe while she works. The children know the goals for the family and this encourages them to do their part by studying and following the family rules.

To expand her business, Sarah decides to take a loan of 15 from her savings and loan group.

To help her manage her money better, Sarah has been tracking her actual income and expenses. She used this information to make a budget for next week. With three children of different ages and a business there is a lot to plan for and track. Let's look at Sarah's planned budget and compare it to her actual income and expenses in detail.

USE IMAGE



5 Analyze Sarah's Money

OBJECTIVES

1. Show how to compare and track a budget
2. Practice applying the idea of needs and wants

DESCRIPTION

Look carefully at Sarah's budget and Sarah's tracking, and discuss the differences. Decide on changes to Sarah's budget that need to be made.

FACILITATOR INSTRUCTIONS

Lay out the budget image headers in the same way you did for Session 3. This should be familiar to you and the participants.















Then, using 1 type of counter, place down the number specified below for Sarah's budget amounts. Do this quickly and quietly, explaining only that this is Sarah's planned budget.

Read the small explanation of Sarah's spending and, as you go, ask different volunteers to come up and use another type of counter to place the amount Sarah spent in the proper location on the budget.

You will end up with side-by-side counters for each budget category. One type of counter will be Sarah's budget; one type of counter will be her actual spending.

Finally, lead the group through a discussion to analyze the results.

Sarah's Budget Plan vs. Tracking Actual Expenses

 Source of Income (Money In)	Budget Amount	Tracking Actual Amount	Difference from Budget
 Selling services	0	0	0
 Selling goods	20	25	+5
 Gift or remittance	5	0	-5
 Loan disbursement	15	15	0
Total Income	40	40	0
 Types of Expenses (Money Out)	Budget Amount	Tracking Actual Amount	Difference from Budget
Household Expenses			
 Nutritious food	6	6	0
 Healthcare	2	2	0
 Education	2	4	-2
 Emergencies or unexpected expenses	0	0	0
 Other household expenses	4	16	-12
Sub-total Household Expenses	14	28	-14
Other Expenses			
 Business	4	6	-2
 Savings	2	0	+2
 Loan repayment	5	6	-1
Sub-total Other Expenses	11	12	-1
Total Expenses	25	40	-15
Income - Expenses	If "+" = Surplus If "-" = Deficit If zero = Breakeven		40 - 40 = 0 Breakeven

The activity



1 *Building on Sarah’s experience with her budget, let’s help Sarah track and manage her budget. In Sarah’s budget she had:*

- *Selling goods—20*
- *Gift or remittance—5*
- *Loan disbursement—15*

Total income = 40

- *Nutritious food—6*
- *Healthcare—2*
- *Amount for emergencies or unexpected expenses—0*
- *Education (school fees)—2*
- *Other household expenses—4*

Total household expenses = 14

- *Business expenses—4*
- *Savings—2*
- *Loan repayment—5*

Total other expenses—11

Grand total of all expenses = 25

Now, I’m going to read through Sarah’s real expenses to track against her budget and tell you what actually happened. As I read, I will need your help placing these other counters next to her budgeted amount so we can see Sarah’s situation.

Let’s start with Sarah’s income.

Read each description and place the number of counters in the column “Tracking Actual Amount.” Have the participants repeat the description and amount.

Sarah had an unexpectedly good week at her market stall. Customers liked some of the new items she had to sell because of the loan money she used. She earned 25, which was 5 more than expected.

Place 25 in “selling goods,” using the second type of counters.

Her brother did not send 5 as he often does. But she did take the 15 loan from her SILC group as planned.

Place 15 in “loan,” using the second type of counter.



In the next section on expenses, please ask participants to identify whether each expense is a need or a want after reading each section of the story. Do this before placing the counters next to the images.



2 *Sarah had no other income. But her total is still 40 for income because of the extra income from selling goods that replaced the 5 her brother did not send. Now for her expenses.*

Sarah used 2 to pay for transport to the clinic for treatment for herself and David.

Place 2 in “health expenses,” using the second type of counters.

She cooked nutritious meals and made sure the younger children had snacks. She spent 6 on nutritious foods.

Place 6 in “nutritious foods,” using the second type of counters.

She got new books for Nadine and Simon, but forgot about Mauda’s exam fees. She spent 4, which is 2 more than she expected because that was the cost of Mauda’s exam fee.

Place 4 in “education expenses,” using the second type of counters.

Sarah had other household expenses:

- *She paid for a birth certificate for Joy—4*
- *She gave Mauda spending money—2*
- *She bought food for herself while working at her market stall—2*
- *She gave money on Sunday at church—5*
- *She topped up her cell-phone minutes—3*

In all, she spent 16, which is 12 more than she had planned.

Place 16 in “household expenses,” using the second type of counters.

Sarah didn’t feel like she had enough to save, so she didn’t put anything aside this week.

Make sure there are no counters in savings.

Sarah’s market stall ran out of the snacks she sells, so she bought more for 4. Her market stall rent of 2 was also due. It cost her a total of 6 in business expenses.

Place 6 in “business expenses,” using the second type of counters.

At the end of the week she made her first loan repayment of 6, which included 5 for the loan principle and 1 for interest.

Place 6 counters in loan repayment.

ASK +
LISTEN

More
money than
planned

3 *Did Sarah have more or less income than expected?*

- Sarah sold more goods this week than expected: 25 instead of 20
- But the gift of 5 from her brother did not come this week

So the total was exactly the same as the budget, at 40.

Where did she spend more money than she planned?

- Sarah spent more for education, household and business expenses than she had planned

What could she have done differently?

- She could save money ahead of time for the additional expenses she knows will happen, like Mauda's exam fees. This may mean talking to Mauda about money; Mauda could help remind her
- Sarah could look at the family's wants and decide if there is anything they can cut or reduce

ASK +
LISTEN

Advanced
planning

Which of her expenses require advance planning?

- Health expenses—they are regular but perhaps not every week
- Education expenses—they will be larger some weeks and months
- Loan repayment—this is temporary, but large

What do you think about her saving?

- Since she had more expenses than expected and they were equal to her total income she could not save anything this week. Currently, she is not saving enough.

Saving

During weeks when Sarah makes more money than usual, she should save some money instead of spending on wants.

Did Sarah prioritize the needs of all the children in her care? How so?

- Sarah did prioritize the needs of her children.
- She paid to get Joy a birth certificate.
- She spent a lot of the household budget on nutritious food and paid for HIV-testing and transport to treatment, plus some educational expenses.
- She gave Mauda some spending money so Mauda was not vulnerable to transactional sex.

Prioritize
children

6

Finishing

Conclusion

ASK +
LISTEN

Remember as children grow their needs and wants change. We must adjust our budget and continue to keep them healthy and safe. Why is it important to review your income and expenses regularly?

- *To see if you are making enough money to cover your expenses*
- *To know if your business is making money for your family*
- *To know if there are places you can reduce your spending*
- *To know when your expenses will be very high, and plan accordingly*
- *To know when your income is high, so that you plan to save*
- *To know what you can afford to do next*
- *To help prioritize expenses, so you are using your money to achieve your goals*
- *To ensure that all income is earned safely, without harming children or putting them at risk*
- *To know that the needs of all individuals in your family are covered*

Following Sarah's example, compare your planned income and expenses or your budget to your actual income and expenses. You can ask yourself 3 questions:

- *Do my money choices need to be different? (change spending)*
- *Was something unexpected?*
- *Does my plan need to change? (adjust budget)*



EXPLAIN

Key Messages



The key messages for this session are:

1. *Not all expenses are the same—some are needs, and others are wants.*
2. *Each child and household member may need different things.*
3. *Tracking our money and budgeting helps us make better choices about our money.*

Take home

SAY

Please continue to write down your actual income and expenses during the week. This week, however, I want you to try and make a budget at the beginning of the week. The budget is what you plan for your income and expenses. Meet with your accountability buddy and help each other make a budget. Remind each other of your goals. Help each other think about the needs of each child under your care.

Lesson 1 quiz answers

1. c | 2. c | 3. b | 4. b | 5. a

Lesson 2 quiz answers

1. d | 2. c | 3. a | 4. d | 5. False

Lesson 3 quiz answers

1. a, b, d | 2. b | 3. Income: a, f, g; Household expenses: c, d, i; Business expenses: b, e, h | 4. a, b, c, d, e, f, g | 5. c | 6. b | 7. 1—Set a timeframe; 2—Track your spending; 3—Review your income and expenses; 4—Make a plan for future income and choose expenses; 5—Review your spending and adjust your budget | 8. False | 9. a, b, c, d

Lesson 4 quiz answers

1. a = 3, b = 1, c = 2 | 2. a, b, c | 3. HIV testing = need, dress = want, nutritious food = need, mobile phone = both need and want



Catholic Relief Services 228 W. Lexington Street, Baltimore, MD 21201, USA
For more information, contact pqpublications@crs.org.