



3

Child Optimized Financial Education

MOVING FAMILIES FROM VULNERABLE TO THRIVING

BOOKLET 3: SAVINGS



USAID
FROM THE AMERICAN PEOPLE



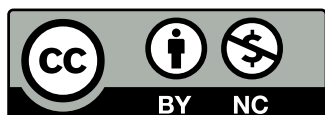
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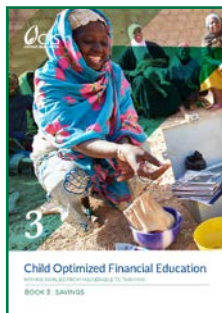


Booklet 1: Introduction



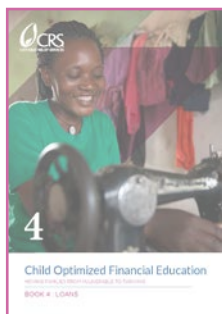
Booklet 2: Financial education basics

- 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: Loans

- 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 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 appears 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: lesson and field exercise.

Lesson

The **overview** section gives you an idea of the concepts you need to learn.

Detailed lesson **concepts** and supporting images are meant to be read completely, at least once. This section then serves as reference during the sessions.

You can use the **quiz** at the end to check your understanding of the concepts.

Field exercise

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 exercise sessions** are all organized in the same way, including:

- 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 3: Savings

This set of 4 chapters focuses on the financial tool of savings.

Savings are a necessary part of financial management. They help you respond to the changes in your money across the year, plan for the future and reach your goals.

5

Chapter 5—Choosing where to save

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

6

Chapter 6—Creating a savings plan

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

7

Chapter 7—Saving for emergencies

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

8

Chapter 8—Making a succession plan

A succession plan makes sure your family's money, health and well-being is cared for even if you can no longer do these things. You will think through who will take care of your children and how you will meet expenses if you are not able to. Having a succession plan protects your children and family from unexpected events.

Let's get started!

5. Choosing where to save

Overview

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

Introducing savings

What is saving?

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

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

Why save?

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

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

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

Can I save?

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

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

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

Saving Options

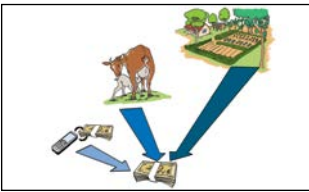
There are many different savings options. What is available will depend on where you live and the services provided there.

The most common ways to save are:

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

What to consider

Ability to convert to cash



Ability to convert to cash

How easy it is to change into cash?

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

Risk

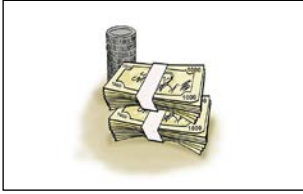


Risk

How likely are the savings to lose their value?

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

Cost

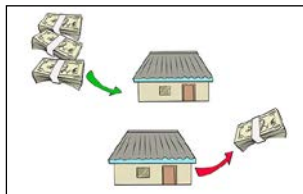


Cost

What is the price for the saving option being used?

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

Profit



Profit

How much do you earn from your savings?

- A bank may pay you interest on your savings or your savings group may pay you a dividend on your savings at share-out. The interest rate is the percent that is applied to the amount of your savings, which you get to keep. You can also think of profit as the kids your goat produces, or the chicks your hen produces.

Ease of use



Ease

How easy is it to increase your savings?

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

Rating different options

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

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

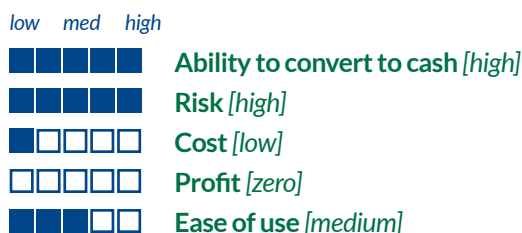
Informal Saving Options

Saving at home

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



Saving at home



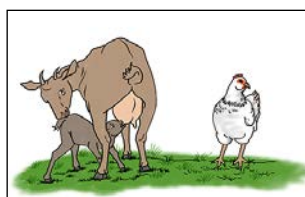
Savings in-kind

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

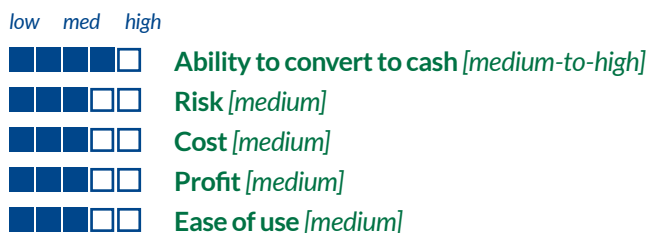
It is not quick or easy to sell an asset in order to spend the money on smaller, less important items. It is less liquid.

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

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



Savings in-kind



Merry-go-rounds

Merry-go-rounds are technically a form of Rotating Savings and Credit Association (ROSCA). They are groups where each member contributes a specified amount of money at agreed intervals. They require a periodic deposit. A different person takes home the contributions each time the group meets or at each contribution period until everyone has received their savings.

Group members can only access their savings when it is their turn to take home the money. It is not very easy to convert to cash because of this.

Merry-go-rounds can be risky. Members who receive money early in the cycle could stop making their payments, resulting in later recipients receiving less money.

Some merry-go-rounds allow members to bid on when they receive the pool of funds. The person who receives the funds first may be required to pay a fee for that privilege. Coordinators may charge a small fee for their services.

low med high

■□□□□	Ability to convert to cash [<i>low</i>]
■ ■ ■ ■ □	Risk [<i>medium-to-high</i>]
■□□□□	Cost [<i>low</i>]
□□□□□	Profit [<i>zero</i>]
■ ■ ■ ■ ■	Ease of use [<i>high</i>]

Savings groups

Savings groups have many different names: Accumulating Savings and Credit Associations (ASCA), Village Savings and Loans Associations (VLSA) or Savings and Internal Lending Communities (SILC) groups. In a savings group, self-selected members of 15 to 30 people commit to making a savings contribution at regular meetings (every week). During these meetings, members can request loans from the group's savings contributions.

The savings group establishes the rules for savings contributions, loans, participation, membership and all other relevant aspects in the savings group's constitution.

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

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

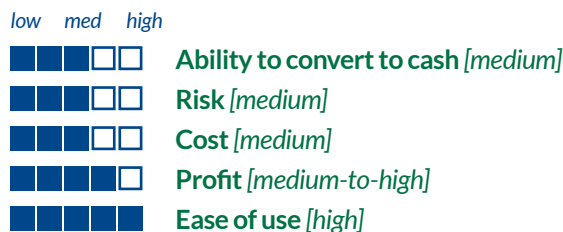
- All transactions take place in the presence of all members and according to the savings group's constitution to ensure transparency.
- Each savings group elects a management committee who facilitates the meetings. The savings group funds are kept in a box with multiple locks, normally three padlocks. Different group members hold the keys to these locks to ensure that no one can access the money between group meetings.
- Some groups keep written records. Other groups use a memorization process to keep track of the funds saved and loans disbursed.

Many savings groups create a separate fund for emergencies. Everyone contributes to this fund and can receive money in the event of an emergency. This increases the ability for members to convert it to cash—it is more liquid.

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



SILC group



Formal saving options services

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

Deposit-taking institutions have different types of fees for:

- Transactions (a fee per transaction, deposit or withdrawal, or for exceeding a set number of transactions per month)
- Having an account
- Opening an account
- A number of other items

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

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

Many financial institutions offer savings services that are made for educational expenses. They can be very helpful in planning for the long-term education goals of the children in your care.

Savings account (at a bank or SACCO)

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

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

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

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



Bank

low	med	high	
■	■	■	Ability to convert to cash [medium]
■	□	□	Risk [low]
■	■	□	Cost [medium]
■	□	□	Profit [low]
■	■	□	Ease of use [medium]

Mobile money services

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

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

Most mobile money operators do not offer any interest.

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



Mobile money

low	med	high	
■	■	■	Ability to convert to cash [medium to high]
■	□	□	Risk [low]
■	■	□	Cost [medium]
■	□	□	Profit [low to zero]
■	■	□	Ease of use [medium]

Making a decision

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

- **When** and **how** you will want to access your savings
- **Frequency** of your deposits; and
- **Acceptable level of risk**, which is similar to the idea of not putting all your eggs in one basket. You must decide if the risk is okay for you. If not, the option is not a good idea.

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

For example, when saving for emergencies, it is most important that you can quickly access your money to respond to an emergency—it must be liquid. But it is also important that it is not used for other things. Putting savings into a SACCO or bank account may be good options, provided the distance to the SACCO or bank is not too far.

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

There are no single correct answers for everyone and every situation. However, some options are better for some purposes than others. Some options will better provide your family and children with a way to achieve your goals.

Quiz yourself

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

1. Ability to convert to cash _____
 2. Risk _____
 3. Cost _____
 4. Profit _____
 5. Ease of use _____
- a. Vulnerability of savings to losing value
 - b. The ease of changing an asset into cash
 - c. Return or earnings on the savings
 - d. Ease of increasing your savings amount
 - e. Price of the savings service
6. Formal financial options are generally regulated by the government.
- True
 - False
7. All types of savings institutions—whether formal or informal—have the same level of risk.
- True
 - False
8. You can only save when you have a surplus (your income is more than your expenses).
- True
 - False
9. Families can save for 3 different purposes at the same time, using 2 different savings options.
- True
 - False
10. Which of the following are strategies for making saving easier?
- a. Save first, then prioritize spending.
 - b. Put aside a small amount more often, not big amounts less often.
 - c. Save for a specific purpose and goal.
 - d. Remind yourself of your goal to stay motivated.
 - e. All the above.

The quiz answers can be found on page 101.

Session overview

Time



60 minutes

Objective

Give participants the tools to make good savings choices.

New skills you will teach



- Assess different savings options
- Choose the best savings options for their family's goals



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



- Savings help create stability for a family.
- There are many different reasons to save money.
- There are many different ways to save money.
- Choosing a savings option will depend on your needs.

In this session

1



Warm-up

2



Introduction

3



Discussion: How and why to save

4



Storytelling: Sarah saves at a SILC and the SACCO; Ester and Moses save at home

5



Discuss 5 key savings options concepts

6



Rate savings options

7



Choose a savings option

8



Finishing

Preparation

Images







- Ability to convert to cash
- Cost
- Ease
- Profit
- Risk
- Saving at home
- Savings in-kind
- SILC (Savings group)
- Mobile money
- Bank or SACCO

Materials



- Score card for each of the following savings options:
 - Saving at home
 - Savings in-kind
 - Bank
 - SACCO
 - Microfinance Institution (MFI)
 - Savings group
 - Mobile money
- Savings options card (3)
- 40-50 items as counters.

You will also use the following cards to support storytelling:

- Sarah's story cards (7)  
- Ester and Moses' story cards (3)  



TIP

Things to use as counters include beans, bottle caps, maize, buttons or rocks.

Local language

You will use the following terms many times in this field exercise. Note that the definitions are in the glossary section of Booklet 1. Before you begin, please carefully think of the words you will use in the local language for each term. Write them below.

1. Ability to convert to cash

.....

2. Cost

.....

3. Ease of use

.....

4. Profit

.....

5. Risk

.....

6. Saving at home

.....

7. Savings in-kind

.....

8. Bank

.....

9. SACCO

.....

10. MFI

.....

11. Savings group

.....

12. Mobile money

.....

13. Liquidity

.....

1 Warm-up



DISCUSS

When we left last time, I asked you to make a budget—this was your plan. And I asked you to track the actual money you use, and then compare that with your budget.

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

2 Introduction



SAY

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

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

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

3 Discussion: How and why to save

OBJECTIVES

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

DESCRIPTION

Large-group discussion

FACILITATOR INSTRUCTIONS

Lead a discussion about saving.

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

Then have the group:

1. Define and describe the option
2. Determine if it is an example of a formal or informal service



SAY

We have talked a lot about seasonality. Your financial situation can change from season to season or even from day-to-day. It can also change as your children grow and their needs change.

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

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

ASK +
LISTEN

Why save

Why would a family want to save money?

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

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

Without
savings

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



EXPLAIN

I want to talk about how to save.

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

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

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

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

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

There are many options for saving money.

ASK +
LISTENSavings
options

Let's brainstorm all the different options for saving. What are some ways to save that you can think of?

- Saving at home
- Savings in-kind
- Savings groups
- Rotating savings and credit associations
- SACCOs
- MFIs
- Banks
- Mobile money

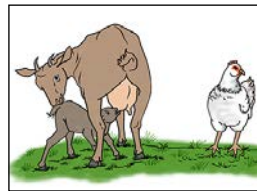
Have the participants define the option and give examples.



Saving at home



SILC group



Savings in-kind



Banks



SACCO



Mobile money



Microfinance institution

IMAGE
OPTION

4

Storytelling

OBJECTIVE

Compare and contrast good saving habits and choices

DESCRIPTION

Storytelling and discussion questions to explore the ideas of the session

FACILITATOR
INSTRUCTIONS

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

SAY



Today we are going to hear more about Sarah and about Ester and Moses.

Sarah and Ester both need to save for school supplies and school exams. They both feel that education is important for the success of their children. Sarah and Ester each have the goal of supporting their children to work hard in school.



Sarah

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

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

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

Sarah used this income to buy some chickens. She plans to sell them in September. This will give her enough money to pay for her children's school fees, books and uniforms.

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

USE
IMAGE



Ester and Moses

Ester is putting the same amount each week in a tin on a shelf. She has not told anyone else in her family why she is doing this. The entire family has not been talking about savings goals and money issues.

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

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

Ester and Moses are depressed because they could not pay the school fees for their children when they were due.





They talk and decide that something has to change.

They sat together and reminded themselves that they have goals for their children. They both want to see all 3 children in school. They know this requires money for school costs and crutches for their oldest child.

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



What ways did Sarah and Ester use to make it easier save?

- *Identified a goal—saving for children's education*
- *Identified specific items that have a specific dollar amount—school fees, books, and uniforms.*
- *Put aside money each week*
- *Sarah put it in places that were difficult to access so it could not be spent—SACCO account, chickens*

Easy to save

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

- *Saving at home*
- *Savings group*
- *SACCO—education-savings account*
- *Savings in-kind—chickens*

Savings options



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



*How did savings in a SILC group help Sarah protect her savings?
How does this compare with Ester's method of saving at home?*

- *Sarah cannot spend the money she put in her savings group until the end of the cycle's share-out*
- *Ester's money was kept in a locked box*
- *Sarah's group has a constitution that determines how much each person should save and penalties for late or non-payment of loans*
- *Ester's money is available to use, and she could be tempted to use it, or other people in the household could take it*

Protect savings

ASK +
LISTEN

Children's
education
account

How does the children's education account at the SACCO help Sarah protect her savings?

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

Saving
in-kind

How does savings in-kind (in chickens) help Sarah protect her savings, while at the same time meeting the needs of her children?

- *If she wants to use the money she has to sell the chickens. She cannot easily spend this money on wants.*
- *When Sarah purchases young chickens, she can sell them later when they are grown at a higher price. They are not just savings. They are an investment.*
- *The hens will lay eggs she can give to her children.*

Best
options

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

- *A savings group, a SACCO, a bank, an MFI*

Why good?

What makes these good options for their goals?

- *The money is available in a particular month*
- *They can access money on a regular basis, but they cannot easily use it on wants because it is not in their house*
- *The money cannot be stolen from their house*
- *They can pay in every week; the amount they pay in can change*

5 Discussion: 5 key savings options concepts

OBJECTIVE

Define the 5 key concepts in choosing a savings option

DESCRIPTION

Large-group discussion

FACILITATOR INSTRUCTIONS

Say each concept aloud and ask the participants to define what each one means and to give examples.

After you explain each concept slowly, ask a volunteer to hold the corresponding card and move around to show all the participants, then come back and stand at the center. Repeat this until all concepts have been shown. You will now have the 5 volunteers in front of the group, each holding a different concept image.



EXPLAIN

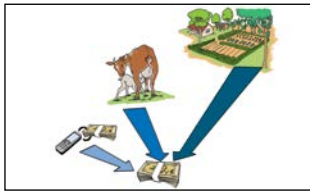
Together we are going to look at different ways to save. There are 5 key concepts to think about when choosing a savings option.

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

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

USE
IMAGE

Ability to convert
to cash



Ability to convert to cash

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

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

Risk



Risk

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

Risk refers to the potential of loss.

Cost



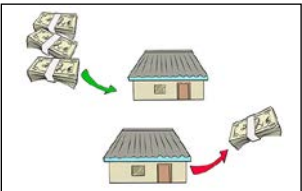
Cost

What is the price I must pay for the service?

Cost is the price and fees associated with the saving option.

USE
IMAGE

Profit



Profit

How much do I earn from my savings?

Profit is the gain received from an investment and which is greater than the expenses or amount invested.

Ease of use



Ease

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

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

6 Rate savings options

OBJECTIVES

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

DESCRIPTION

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

FACILITATOR INSTRUCTIONS

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



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

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

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

Keep the sheets visible, with their ratings in place, for the next activity.



1 We're going to work in small groups to assess the different savings options.

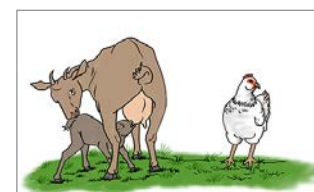
IMAGE
OPTION



Saving at home



SILC group



Savings in-kind



Bank



Mobile money



SACCO (or MFI)



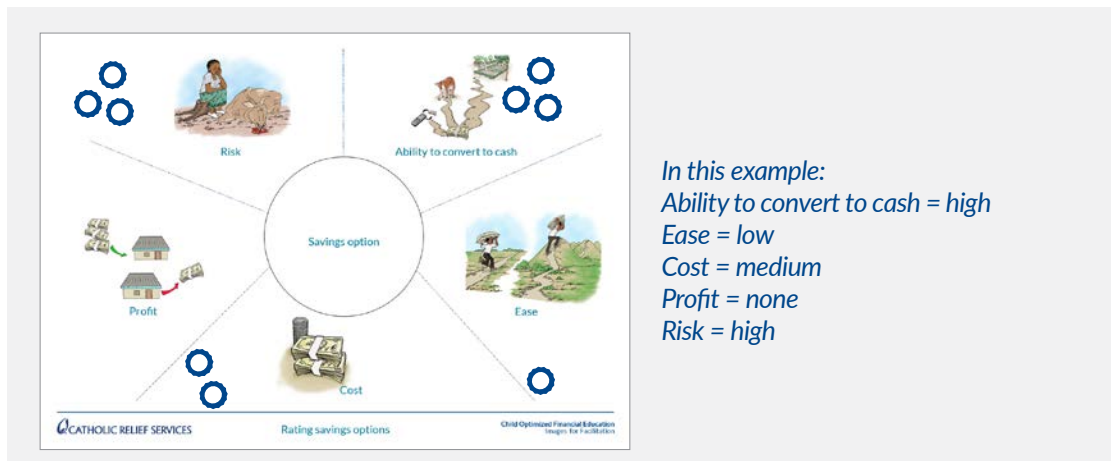
2 In your group I would like you to discuss each of the 5 key concepts for the savings option you have on your score card:

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

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

If it is high, place 3 counters; medium, 2 counters; low, 1 counter; or none, no counters.

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



Groups work.



3 The group who rated “saving at home,” please tell us your results.

Explain why you made those decisions.

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

7 Choose a savings option

OBJECTIVES

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

DESCRIPTION

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

FACILITATOR INSTRUCTIONS

Split the participants into 2 teams.

Read a scenario.

Ask each team to discuss and arrive at a decision about which savings option is best to use. Any decision is allowed as long as the team can provide reasons for their choice.

Give the teams 3-5 minutes to decide and come up with 2 reasons. Ask them to present their reasons. As teams present, be sure to ask questions and have them give 2 reasons for their choice.

Teams may not arrive at the same decision. That is okay.

It is important to know in advance what savings options are available in their community in order to focus most on what is available:

- *SILC group*
- *Saving at home*
- *Savings in-kind (such as animal or goods)*
- *SACCO*
- *MFI*
- *Bank*
- *Mobile money through a telecom network*



1 *In your family, you will need to make decisions about where and how to save.*

The reason you are saving, or your savings goal, will help you decide which option is best for you.

When you are deciding which savings option to use, it is important to think about:

- *When and how you will want to access or use your savings*
- *How often you want to make deposits and how easy it is*
- *The acceptable level of risk*



2 Let's practice making smart savings choices together.

I want you in 2 teams.

Split the group. Give each group 1 copy of the savings options card.



USE
IMAGE



I am going to read a scenario. As a team, I want you to discuss and decide which savings option you would recommend. Any choice is a good choice, as long as you can say 2 reasons for making that choice.



3 Scenario Part 1

John and Ruth have a daughter that just turned 5 years old. John is a tailor, who earns income each week and is able to save weekly. His wife Ruth stays at home and produces vegetables, but only sells some once or twice a month. Their financial goal is to save enough money over the next 12 months to pay for their daughter's school fees when she turns 6.

The village in which they live has SILC. The village is 10 kilometers from a SACCO and 25 kilometers from a bank.



DISCUSS

Team 1, what savings option would you recommend to John?

What are your reasons for this decision?

Was there any key information you wanted to know that would make the decision easier?

Team 2, what savings option would you recommend to Ruth?

What are your reasons for this decision?

Was there any key information you wanted to know that would make the decision easier?



TIP

Sample responses might be:

Our team would tell John to join the SILC in the village because: 1) it is close and so easy to access; 2) he has weekly income so he can easily save some each week; 3) he doesn't need the money for 12 months, which should correspond to the time of the share-out.

Our team would tell Ruth she should open a saving account at the SACCO because: 1) she only has money once or twice a month from vegetable sales; 2) it is a safe place to save, even if more distant than SILC; 3) she can withdraw the savings when she needs them to pay for school fees.

After hearing each of the two teams' responses would either team give John or Ruth different advice on the recommended savings option?



SAY

4

Scenario Part 2

John plans to install electricity at their home 2 years from now, so he can purchase an electric sewing machine to produce and sell more.

For this goal, what savings option would you recommend?



DISCUSS

Ask the same question to both teams.

Team 1 and Team 2, what savings option would you recommend to John?

What are your reasons for this decision?

Was there any key information you wanted to know that would make the decision easier?

If the 2 teams made different decisions, ask if anyone on either team would like to change their decision after hearing the other team's response.

If both teams gave the same response, continue to the next section.

8 Finishing

Conclusion



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

Key messages



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

Remember:

1. You use different savings options for different purposes.
2. You can use more than one savings options at the same time.

Take home



Meet with your accountability buddy between sessions and talk about:

1. *Your family savings goals or purposes—what do you need savings for?*
2. *The savings options you think are best to use for these goals.*

6. Creating a savings plan

Overview

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

Savings plans

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

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

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

- 1. Goal** A savings goal is a specific purchase or expense, such as school fees, medical treatment or an emergency fund, for which you are putting aside money.
- 2. Cost** The cost is how much money you will need to make the purchase or reach your savings goal.
- 3. Time** The time is how long you have to reach your goals. This might be determined by how and when you want to make your purchase, or how much you are able to save each week.
- 4. How** How you will save your money is the choice you make about where to save. You have many options, as discussed in the previous session.

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

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

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

If they want to help earn more money, that is okay as long as it is safe or appropriate for their age. Children's first responsibility is learning and growing, so they should always have enough rest and time to study, go to school and play. If they help the family earn money, parents need to know where the money comes from and that their children are safe. Parents should know where all money comes from and how the child earned it.

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

Making a savings plan

Setting your goal

To make a savings plan, begin by setting a specific savings goal. Answer 2 questions:

- What is your goal?
- How much money does it cost?

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

Deciding on the time frame

Next, decide how many weeks you have until you need the money for your goal.

Example: Simon and Nadine will start school again in 1 month. Sarah has 4 weeks before she needs to buy new school uniforms.

Determine how much to save and how often

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

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

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



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

Choosing the right savings option

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

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

Sarah's savings plan

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

Multiple savings plans

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

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

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

Quiz Yourself

1. Your children are getting sick a lot. You have set a savings goal of a new tin roof for your house that costs 24. You want to buy it before the next rainy season comes 6 months from now. How much should you save each month?
 - a. 4
 - b. 8
 - c. 10
 - d. 24
2. Which item listed below is NOT part of a savings plan?
 - a. Cost
 - b. Goal
 - c. Income
 - d. Time
 - e. Savings option
3. If you need to pay 20 for your children's school fees in just 4 weeks, but you can only save 4 each week for a total of 16, what should you do?
 - a. Plan to borrow the entire school fee amount of 20.
 - b. Save what you can towards the school fees, and then borrow the rest.
 - c. Have your children start school later in the year, after you have saved all the money.
4. Which of the following are successful savings practices (*tick all that apply*)?
 - a. Spend less than you earn.
 - b. Save something, regardless of the amount, every time you earn money.
 - c. Find a safe place to save your money.
 - d. Only save when you have extra money.

The quiz answers can be found on page 101

Session overview

Time



60 minutes

Objective

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

Key messages



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

New skills to teach



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



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

In this session



Warm-up



Introduction



Storytelling: Miriam and Joshua talk about money; Sarah makes a savings plan



Making a savings plan



Savings plan discussion



Finishing

Preparation

Images



Other than the story card, there are no image cards that go along with this session. See the materials list for activity tools to use during the session.





Materials



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

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

You will also use the following cards to support storytelling:

- Miriam and Joshua's story cards (6)  
- Sarah's story cards (5)  
- 100-150 items as counters



TIP

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

Local language

You will use the following terms many times in this field exercise. Note that the definitions are in the glossary section of Booklet 1. Before you begin, please carefully think of the words you will use in the local language for each term. Write them below.

1. Cost (refer to Lesson 5)

2. Time

3. Savings options

4. Short-term goal (refer to Lesson 2)

5. Medium-term goal (refer to Lesson 2)

6. Long-term goal (refer to Lesson 2)

7. Savings plan

8. Adolescent (ages 12-17)

9. HIV positive

10. Support group

11. Adherence

12. Caseworker/social worker

1 Warm-up



DISCUSS

Welcome back. Last time we talked a lot about all the different options for saving our money.

Who remembers the options we talked about?

- *Saving at home*
- *Savings in-kind*
- *SILC group*
- *SACCO*
- *Microfinance institution (MFI)*
- *Bank*
- *Mobile money*

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

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

2 Introduction

SAY



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

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

A savings plan is similar to a budget.

A savings plan tells you how much money and time you will need to achieve a savings goal.

A savings plans is similar to setting S.M.A.R.T. and safe financial goals in Lesson 2, but only for savings goals.

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

3 Storytelling

OBJECTIVES

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

DESCRIPTION

Storytelling to teach about savings and planning to save

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.



Present Image 1 to the group and share the first paragraph of the story.



Miriam and Joshua

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



Present Image 2 to the group and share the second paragraph of the story.

With the help of a social worker, Miriam enrolls in the government's cash-transfer program for elderly citizens. She receives 25 each month.



Present Image 3 to the group and share the third paragraph of the story.

She adds to this income by selling vegetables from her small plot. She carefully sets aside 5 each month under her mattress. It is hard to do. She has to buy nutritious food for herself and for Joshua, and she takes Joshua to the health facility regularly for his treatment. But she wants some savings in case of an emergency.



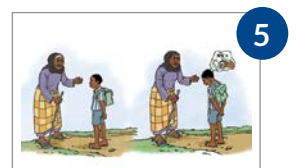
Present Image 4 to the group and share the fourth paragraph of the story.

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



Present Image 5 to the group and share the fifth paragraph of the story.

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



Present Image 6 to the group and share the sixth (last) paragraph of the story.

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



ASK +
LISTEN



Avoid
situation

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

- *Include Joshua in money discussions.*
- *Ask Joshua about his needs and wants.*
- *Miriam should know Joshua's goals.*
- *Make a savings plan together.*
- *Save her money in a secure place.*
- *Put extra money in a savings account so it is harder to spend.*
- *Look for ways to cut spending.*
- *Look for a closer HIV support for Joshua or prioritize transportation for him.*

ASK +
LISTEN



It is
important

Why is it important for Miriam to have a savings plan for herself and Joshua?

- *Miriam does not have regular income or extra money, so Miriam and Joshua must be careful with their spending.*
- *Joshua is living with HIV and has ongoing needs—such as check-ups, viral-load testing, nutritious meals and support groups.*
- *Joshua also has educational expenses, which will change as he gets older.*
- *As Miriam gets older, she may have more health needs.*

SAY



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

SHARE THE
STORY**Sarah**

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

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

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

After the festive season, Sarah immediately adds to the children's savings accounts at her SACCO for secondary school fees. She knows Mauda will go soon. But she also hopes that Nadine and Simon will attend in a few years, along with the 2 younger ones. She is beginning to set aside small amounts now.

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

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

She will use her SILC savings after share-out to buy school supplies to meet her children's school needs.

USE
IMAGE



Sarah
saving

*What are the ways Sarah is saving?
Why do you think she chose each of these ways?*

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

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

Children's
well-being

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



EXPLAIN

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

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

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

4 Creating a savings plan

OBJECTIVES

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

DESCRIPTION

Practice making a savings plan

FACILITATOR INSTRUCTIONS

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

Give all groups the cards for:

- Cost
- Time
- Savings options

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

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

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

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

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

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



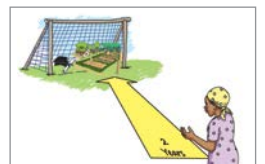
Savings goals



Short-term goals



Medium-term goals



Long-term goals



SAY

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

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

From today's story, remember that Sarah's savings goals were:

- To pay for secondary school for Mauda, Nadine and Simon
- To purchase nutritious food for all the children in her care
- To pay for books, uniforms and supplies for the 3 older children

Savings goals



EXPLAIN

The 4 parts of a savings plan are:

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

ASK +
LISTEN

What is a savings goal?

- *The savings goal is the money you are saving to buy something.*

IMAGE
OPTION

Setting goals



Short-term goals



Medium-term goals



Long-term goals

ASK +
LISTEN

What is the cost of a savings goal?

- *The cost of a savings goal is how much total money you will need*

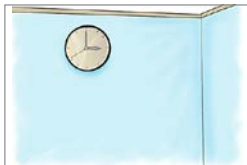
IMAGE
OPTION

Cost

ASK +
LISTEN

What do we mean by time in a savings plan?

- *The time is how long you have before you need to reach your goal*

IMAGE
OPTION

Timebound

How will you achieve your savings plan? There are many possible savings options.



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



EXPLAIN

Sometimes there is a set date for our savings goals. For example, school fees are due at a specific time each year, or agricultural inputs are needed before the planting season.

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

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

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



SAY

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

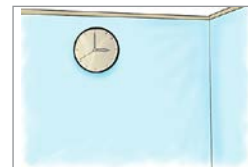
One group will make a plan for a short-term goal. One group will make a plan for a medium-term goal. And one group will make a plan for a long-term goal.



Savings options



Cost



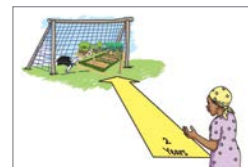
Time bound



Short-term goals



Medium-term goals



Long-term goals

USE
IMAGE

2

Put participants into 2 groups. Give each group a copy of the savings plan images—cost, time and savings options. Give the copy of the short-term goal sheet to Group 1 and a copy of the medium-term goal sheet to Group 2.

Note that the long-term topic can be assigned as take-home work to discuss at home and come back to explain at the next field exercise training session.

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

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

Remember, a short-term goal is 2 months or 8 weeks. A medium-term goal is 12 months or 52 weeks, and a long-term goal is 2 years or more.

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



Encourage role-playing. This is an excellent opportunity for participants to practice talking to children about money.



- 3 *Okay. Now, you need to decide how long you have between today and when you need the full amount of money to achieve your savings goal.*

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

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

Wait 5 to 6 minutes, until all groups have completed this.



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

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

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

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

5 Savings plan discussion

OBJECTIVES

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

DESCRIPTION

Large-group discussion

FACILITATOR INSTRUCTIONS

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

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

Make use of the savings plans the groups just finished to help illustrate your points. You can move counters around for different time periods. You can have the group look at all the plans together as you discuss.

ASK +
LISTENSavings
period

What happens to the amount you need to save each week or month if the savings time is longer?

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

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

- *You have to save more each week or month*

Which saving period would be the easiest to save for?

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

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

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

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

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

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

Education
expenses

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

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

Your child might:

- *Drop out*
- *Be ashamed if the school scolds them for non-payment*
- *Be endangered on their way to/from school*
- *Not do as well as he/she could*

Multiple savings goals



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



DISCUSS

How much can a family realistically save each week?

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



EXPLAIN

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

Look at all the goals we have in the group.



DISCUSS

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

Discuss the participants' ideas.



**ASK +
LISTEN**

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

Remember what we discussed when we talked about the difference between needs and wants, and how you can prioritize your expenses.

- *Save what you can. It is better to have some of the money you need even if it is not the full amount.*
- *Look at expenses that you could decrease and cut these to increase your savings.*
- *Extend your savings goal deadline if you can.*
- *Borrow the remaining amount needed but be careful to borrow only that amount. Do not borrow too much. We will discuss borrowing later in this financial education training.*

6 Finishing

Conclusion



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

Key messages



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

Remember:

1. A savings plan is part of a budget.
2. A savings plan helps you take action to save for your goals.
3. You might need to prioritize your savings goals to work on one or just a few at a time.
4. It is important to know if a savings goal is a short-term goal, a medium-term goal, or a long-term goal.
5. The amount of time needed to achieve a savings goal will depend on the type of goal.

Take home



Now that we have discussed short-term and medium-term savings goals, you should think about a savings plan for a long-term goal before our next session. Decide what it might be and how you would achieve it. We will discuss your ideas when we start the next session.

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

Be sure to ask your buddy:

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

6

FIELD EXERCISE

7. Saving for emergencies

Overview

- Emergencies are events that are hard to predict. One of the most important reasons to have savings is to pay for emergencies and other unexpected events.
- An emergency fund should cover your average household expenses for 12 weeks or 3 months.
- Emergencies can put children at risk. An emergency fund will help you always have enough money for nutritious food, health and education for your children.
- An emergency fund will help make sure that your children don't have to be sent away to be cared for by someone else. If they are on HIV-treatment, for example, living away from you may make it a challenge for them to get and stay on their medicines.
- An emergency fund will also help make sure your children aren't forced to earn money in an unsafe way.
- After you use money for an emergency, it is important to put money back into your emergency fund so you will still have savings the next time you need it.

Emergencies

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

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

How emergencies affect your children

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

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

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

Emergency funds and their purpose

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

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

A good standard amount for an emergency fund is having enough money to cover average household expenses for 12 weeks (3 months). Finding enough money for 12 weeks might

seem difficult. However, just like normal savings, putting away little bits at a time can help you build up your emergency fund over time. There are several ways to increase your savings—like working additional hours or decreasing your consumption.

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

If you have an emergency and need to use money from your fund, it is important to begin to put money into the fund once the emergency is over. You need to build back 12 weeks of savings into your emergency fund as soon as possible.

Where to keep your emergency fund

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

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

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

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

Calculating your emergency fund goal

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

It can take a long time to save for an emergency fund, so don't be discouraged if the amount seems too large. Setting the amount for an emergency fund can be one of your financial goals. It can be helpful to pick realistic deadlines to have certain amounts saved, and then start saving.

Remember, saving should never be done at the expense of children's needs. If children do help earn extra money, parents should be sure the money was earned safely and that the

child always has enough time to study, go to school, rest and play. Anything children do for money should be appropriate for their age and not put them at risk of violence, exploitation or abuse.

Example: 12-week method

Average weekly expenses = 20

$20 \times 12 \text{ weeks} = 240$ needed for an emergency fund

Another way you can calculate a savings goal for your emergency fund is to use the 3-month method.

Example: 3-month method

Average monthly expenses = 80

$80 \times 3 \text{ months} = 240$ needed for an emergency fund.


Quiz yourself

1. What are the reasons for creating an emergency fund (tick all that apply)?
 - a. Pay for doctor's bills in the case of illness
 - b. Pay for household expenses if one of your crops does not produce a return
 - c. Pay for expenses for an annual holiday or festival
 - d. Pay for expenses in the case of a death
 - e. Pay for school fees and ensure children stay in school
2. How many weeks of average household expenses should you have in your emergency fund?
 - a. 8 weeks (2 months)
 - b. 12 weeks (3 months)
 - c. 16 weeks (4 months)
 - d. 4 weeks (1 month)
 - e. It does not matter.
3. Why does an emergency fund need to be so large (tick all that apply)?
 - a. It should have sufficient funds to cover your household expenses for a few months.
 - b. It should enable you to pay for large expenses associated with many kinds of urgent needs.
 - c. It should be large enough for you to pay for the next holiday celebration.
 - d. It should be large enough to replace your income for a few months if something prevents you from earning income.
4. Which statement is correct?
 - a. You should talk to your children about emergencies, so they are prepared.
 - b. You should not talk to you children about emergencies because they will be frightened.

The quiz answers can be found on page 101

Session overview

Time

 60 minutes

Objective

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

Key messages



1. It is necessary to have an emergency fund to protect your family.
2. Emergencies can put children at risk.
3. There are two ways to set an emergency plan savings goal: you can multiply weekly expenses by 12 or multiply monthly expenses by 3.

New skills you will teach



- Calculate how much to save for emergencies

In this session

1



Warm-up

2



Introduction

3



Story telling: Moses is in a crash

4



Discussion: Saving for an emergency plan using the 12-week method

5



Discussion: Saving for an emergency plan using the 3-month method

6



Finishing



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

Preparation

Images



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

Materials



You will use the following cards to support storytelling:

- Ester and Moses' story cards (6)



Local Language

You will use the following terms many times in this field exercise. Note that the definitions are in the glossary section of Booklet 1. Before you begin, please carefully think of the words you will use in the local language for each term. Write them below.

1. Emergency

2. Emergency fund

3. Stress

4. Risk

5. Savings plan for emergencies

1 Warm-up



DISCUSS

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

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

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

2 Introduction



SAY

So far, we have discussed saving to help you reach your goals. Today we will talk about saving for unexpected events or emergencies.

Emergencies mean immediate costs to a family.

ASK +
LISTEN

What type of emergencies can happen to a family?

- *Sickness*
- *Accident*
- *Fire, flood, drought or other natural disasters*
- *Replacing stolen or destroyed goods*
- *Poor harvest*
- *Someone is called away and unable to work*

Emergencies



EXPLAIN

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

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

*Money that you save for an emergency is called **saving for an emergency**.*

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

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

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

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



Ways and where to save

What are ways you could save for an emergency?

- Save an extra amount each week, even if it is small
- Reduce expenses and save that amount
- Select a place to save where you cannot easily access your savings
- Use share-out money from a savings group to start saving for an emergency

Where is a safe place to keep an emergency fund?

- Bank account
- SACCO account
- MFI savings account
- Places that have ease of converting to cash and security



Each family will need to set an emergency-savings goal and work to achieve this goal. In this way, you will have an emergency fund to protect your family.

There are two ways to decide how much is the right amount for an emergency savings goal. Today we will talk about both methods.

3 Storytelling

OBJECTIVES

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

DESCRIPTION

Storytelling and discussion.

FACILITATOR INSTRUCTIONS

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



Do you remember Moses and Ester? What happened with them last?

- Ester tried to save. They didn't talk about their finances. Moses spent their money on a television. They could not pay for their children's school fees.
- Moses and Ester decided they needed to begin a budget and discuss money.



Today their story continues.



Moses is in a crash

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

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

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

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

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

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

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

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

USE
IMAGE



ASK +
LISTEN

Why
trouble
paying?

Why did Moses and Ester have trouble paying for the hospital bill?

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

Where did they find the money to pay the bill?

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

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

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

If there is another emergency, how will the family manage?

- They might be forced to sell more of their assets
- They may have to take an expensive loan
- They may have to ask for support from their relatives and neighbors

Are there any risks to the children?

Risks to
children

- The children may have to drop out of school
- Ester may be at risk of having to engage in transactional sex
- In a worst-case scenario, the children—especially the disabled child—may be at risk of being abandoned or sent away

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

Do
differently

- If they had planned and saved for an emergency
- If Moses had not bought the television, but saved the money instead
- If Moses, Ester and the children all cut back on wants, leaving the money in the tin as savings
- If they had communicated with each other about money and made a plan to save in their emergency fund
- If they were in a savings group, they could have asked the group for help using the social fund



Moses and Ester have learned a lot from this emergency. They now know they need to plan and save money to avoid something like this in the future.



How can Moses and Ester's family save more money?

- *Communicate about savings goals and plan together*
- *Save as much as possible when income is highest, especially if they have a surplus*
- *Put their savings in a place that will make it more difficult to access the money—not at home; this reduces the temptation to spend on unnecessary wants and increases security.*
- *Use a budget to help track and plan expenses*
- *Use a seasonal financial calendar to think about the entire year and plan accordingly*

Save more

How can they overcome challenges to saving?

- *Find another business to generate more income.*
- *Purchase food and supplies in bulk when there is extra money, to help save on expenses*
- *Limit spending on wants*

4

Saving for an emergency plan using the 12-week method

OBJECTIVES

1. Consider the importance of emergency savings
2. Use the 12-week method to calculate how much a family needs to have in an emergency savings fund

DESCRIPTION

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

FACILITATOR INSTRUCTIONS

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

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



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

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

- *Retired. She is a grandmother.*

IMAGE
OPTIONASK +
LISTEN

How many children does she care for?

- *One: her 13-year-old grandson, Joshua; Joshua is HIV-positive*

ASK +
LISTEN

What are Miriam's sources of income?

- *Government pension and selling vegetables from her garden*

IMAGE
OPTION

DISCUSS



Turn to the person next to you. I want you to discuss these 3 questions:

- *What emergencies might Miriam and Joshua have over the course of a year?*
- *What would happen to Miriam and Joshua's finances if these emergencies happen?*
- *How would they impact Joshua's well-being?*

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

ASK +
LISTEN

Emergencies

What emergencies might Miriam and Joshua have over the course of a year?

- *Miriam has a health problem and can't sell vegetables*
- *Joshua gets sick and needs expensive medicine or to go to the doctor*
- *A bad growing season*
- *Something in their home breaks and needs repair*

Finances

What would happen to Miriam and Joshua's finances if these emergencies happen?

- *They would need money*
- *They would have to take away money from other expenses*
- *Miriam could have less income*

ASK +
LISTENImpact on
Joshua

How would they impact Joshua's well-being?

- *They might not have enough money for healthy food or medicine Joshua needs*
- *Miriam may not be able to pay for Joshua's school fees so Joshua cannot continue to go to school*
- *Joshua might think it is a good idea to help make money by taking a job that is not safe*
- *Joshua might decide to work instead of going to school*
- *Joshua may not be able to get the medicines he needs*

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

No emergency
fund

- *Raise money by selling assets*
- *Use savings that was meant for another savings goal*
- *Borrow money to pay school fees*
- *Go without healthy food or have less food to eat*

What is the danger with doing these things?

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



EXPLAIN

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

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

A good emergency savings fund has enough money for 12 weeks (3 months) of expenses.

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

1. *Estimate your average expenses for 1 week.*
2. *Take your average expenses and use a calculator to multiply that number times 12.*

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

Let's use this method for Miriam and Joshua.



DISCUSS

How much do you think Miriam and Joshua usually spend in a week?

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



SAY

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

Enter the number and show it.

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

I will walk around to show you. Your children or friends can be a great resource for helping you use a calculator; don't forget to ask for help.

EXAMPLE:

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

$$26 \times 12 = 312$$

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

5

Alternative: Saving for an emergency plan using the 3-month method

OBJECTIVES

1. Consider the importance of emergency savings
2. Use the 3-month method to calculate how much a family needs to have in an emergency savings fund

DESCRIPTION

Discuss story characters Miriam and Joshua and apply the 3-month method to their situation

Remind participants that we have just discussed how Miriam and Joshua would calculate their emergency savings plan goal using the 12-week method. Now we are going to discuss an alternative way to calculate the amount, using the 3-month method.



EXPLAIN

We have just finished calculating the amount of money Miriam and Joshua would need for an emergency fund using the 12-week method. Now we will do the same calculation using the 3-month method instead. Like the previous example, this method is simple with only 2 steps.



EXPLAIN

1. Consider the importance of emergency savings for a specific emergency.
2. Use the 3-month method to calculate how much money is needed in the emergency savings fund.



SAY

Now, let's practice again making an emergency savings goal for Miriam and Joshua so that both of them can stay healthy and safe.

How much do you think Miriam and Joshua spend each month for food, clothing, medicine, school fees and supplies and other expenses? Remember that some of these expenses occur less often than others.

We need to estimate the amount in a month when they all occur, and we need to estimate the amount in a month when only some of them occur. Then we can do an average monthly amount. This will give you the amount you need for a good emergency savings fund.



DISCUSS

Let's use the 3-month method for Miriam and Joshua.

How much do you think that Miriam and Joshua spend in a month when they have the most expenses? How much do you think they spend in a month when they have fewer expenses? Make 2 lists and include:

- Food
- Medicine
- School fees, supplies, uniforms and other school expenses
- Clothing
- Housing, electricity and water (if available)
- Transportation
- Other household expenses

The lists should include the most they would spend on each of these items in a month and the amount they would spend on each of these items in a month when they have fewer expenses. Have participants provide total amounts or give amounts for each type of expense and use a calculator to total the amounts. Say the total amounts for both lists out loud.



SAY

Great. Now we have the amounts for a month when there are many expenses and amounts for a month when there are fewer expenses. Let's add the 2 amounts together and divide the total by 2 to get the average. If you have a calculator you can check the amount with me.

Enter the 2 numbers, 1 at a time, saying each number out loud. Once you have the total, repeat the number out loud and ask if everyone got the same answer. If not, ask the participants to do the calculation again until everyone has the same number (amount). Once everyone has the same total amount then divide the total by 2 to get the average monthly amount needed. Again, verify that everyone has the same number for the average amount.



Very good everyone. We will now multiply the average amount of monthly expenses by 3 to get the total needed for Miriam and Joshua in their emergency savings fund.

Remember, your children, friends or accountability buddy can be great resources for helping you use a calculator. Don't forget to ask for help if you need it.

EXAMPLE:

In months where Miriam must pay for Joshua's school fees and all related school costs—along with many other expenses—she spends 150. The months when she has fewer expenses, she spends 50.

Add $150 + 50 = 200$

Divide 200 by 2 to get the average monthly amount. $200 \div 2 = 100$

Multiply the average monthly amount (100) by 3 months to get the total.

$100 \times 3 = 300$

6 Finishing

Conclusion



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

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

We call both of these methods “rule-of-thumb” methods because they are easy to calculate.



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

- *Multiply your weekly expenses by 12, using a calculator*
- *Calculate the average monthly expenses using the amount for a month with the most expenses and the amount for a month with the least expenses; then multiply that average amount by 3 months*



EXPLAIN

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

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

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

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

Key messages



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

Remember:

1. It is necessary to have an emergency savings fund to protect your family.
2. Emergencies can put children at risk.
3. There are two ways to set an emergency savings goal: you can multiply average weekly expenses by 12, or multiply average monthly expenses by 3.
4. You should talk to your children about planning for an emergency and their role in how to save money for the emergency fund in a way that is safe for them.

Take home



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

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


8. Making a succession plan

Overview

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

What is a succession plan and why is it important?

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

 A **succession plan** is a written document that tells what you want done with your business activities, your household and your children if you are no longer able to do this due to long-term absence or death.

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

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

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

What should you include in your succession plan?

A succession plan has **2 parts**:

1. Names of who will take care of your children
2. A plan that will meet the expenses of your children and other members of your family

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

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

Children

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

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

- Any special health needs for your children
- School schedules and expectations
- Regular expenses for the children's well-being, including nutritious food, education and healthcare
- Ability to keep the children safe, knowing where they are and their regular activities

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

Business

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

Your succession plan will need to include:

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

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

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

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

It can be difficult to include the many details for running your business. One helpful thing to do is to list all tasks you do on your average day and average week. Go through the items on your list to train the person who has agreed to be part of your succession plan.

Keep your plan updated

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

Involve your family

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

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

Quiz yourself

1. Why is it important to have a succession plan?
 - a. To help your business start making more income
 - b. To have money for an emergency
 - c. To make sure your family is cared for and expenses can be paid if you cannot work
2. Who should you tell about your succession plan?
 - a. Your family
 - b. Your children
 - c. The person you want to take over your business
 - d. Friends and neighbors who you trust
 - e. All the above
3. Which of these are not necessary in a succession plan?
 - a. Where you buy stock for your store
 - b. A list of medicines for each family member and how much they cost
 - c. How much money your business made over the past 5 years
 - d. How the person will know you are ready to take back your business
4. Does it matter if the person in your succession plan knows your children?
 - a. No, it does not matter because this is only about the business.
 - b. Yes, if they know the children, that is good enough.
 - c. Yes, they should know the children, and you should be sure they are safe and trusted by your children.

The quiz answers can be found on page 101.

Session overview

Time



60 minutes for Sections 1, 2, 3, 4, 5 and 7

- If you decide to do optional Section 6 on making a written will, you will need 45-60 minutes in an additional (separate) field exercise session

Key concepts



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

Objective

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

New skills you will teach



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



TIP

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

In this session

1



Warm-up

2



Introduction

3



Storytelling: Odhiabo, Sarah's neighbor

4



Discussion: Succession plan

5



Storytelling: Sarah has a succession plan

6



Discussion: Making a written will

7



Finishing

Preparation

Images



- Sarah's family

Materials



- Neighbor's Story cards (4)

Odhiabo

- Sarah's Story cards (5)



Local Language

You will use the following terms many times in this field exercise. Note that the definitions are in the glossary section of Booklet 1. Before you begin, please carefully think of the words you will use in the local language for each term. Write them below.

1. Succession plan

2. Business succession plan

3. Property succession plan

4. Succession plan for children

5. Written will

6. Transactional sex

1 Warm-up



DISCUSS

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

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

2 Introduction



SAY

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

Today we're going to discuss something called a succession plan. It is another tool for protecting your family from unexpected events.

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

3 Storytelling

OBJECTIVE

Illustrate the need for a succession plan

DESCRIPTION

Storytelling and discussion questions to explore the ideas of the session

FACILITATOR
INSTRUCTIONS

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

SHARE THE
STORY

Odhiabo, Sarah's neighbor

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

One day, he receives a call from his mother's neighbor to tell him that she has fallen gravely ill. Odhiabo must return immediately to his hometown to care for his sick mother.

USE
IMAGE



He does not know how long he will be gone. He asks a neighbor to care for his 4 children while he is gone, but he has no one to take care of his shop. He has to shut its doors until he can come back to his children.

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

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

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

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



How to avoid

*What could Odhiabo have done differently?
What could Odhiabo have planned so that this did not happen?*

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

4 Discussion: Succession plan

OBJECTIVES

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

DESCRIPTION

Large-group discussion

FACILITATOR INSTRUCTIONS

Begin by having participants consider how Sarah could protect her family from what happened in the Odhiabo story.
Be sure to offer a definition and clear statement of what needs to be included in a succession plan.



After seeing what has happened to her neighbor, Sarah wonders what she can do to prevent something like this happening to her business.

Let's help Sarah create a plan.

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



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

Called away

- Children
 - Sarah needs someone to care for the children
 - Sarah needs someone who can be trusted with HIV-care for David, and who will keep all the children safe
 - Sarah needs her business to pay for her family's expenses while she is gone, especially the expenses for nutritious food, healthcare and education of her children
- Business and money
 - Sarah needs someone she trusts to run her business if she must be gone
 - Sarah needs a way to train this person in her business, because she wants her business to be well-managed in her absence
 - Sarah needs to have an agreement with this person about the business's income—how will the money be divided
- Property
 - Sarah needs someone to manage and care for her house
 - Sarah needs someone to care for the plot of land she owns
- Other assets
 - Sarah needs someone to manage the money she has in the SACCO
 - Sarah needs someone to manage the money she has in her SILC group
 - Sarah needs someone to manage any other assets she might have so they are not lost, stolen or misused.

Who to care
for children

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

- Someone she trusts to keep all the children safe
- Someone that Mauda, her 15-year-old daughter, will feel comfortable with
- Someone to whom she is willing to disclose the HIV status of the children

ASK +
LISTENPay children's
expenses

- *Someone whom the children know or have met*
- *Someone who lives close enough to be there within one day*
- *Someone who could take on that many children for a period of time*

How will Sarah pay for the children's expenses if she is not able to be present?

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

Sarah's
business

What characteristics should Sarah be looking for to select someone (family member or friend) to manage her business if she is away or no longer available?

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

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

- *Mauda might have to leave school early, which would hurt Mauda's future ability to earn money for her own family.*

SAY



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



EXPLAIN

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

A succession plan has 2 parts:

1. *Who will take care of your children.*
2. *How you will meet the expenses of your children and other members of your family.*

A succession plan includes details like:

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

Like all our other plans, you must include ways to keep children safe and cared for in your succession plan.

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

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

5 Storytelling

OBJECTIVE

Give an example of a succession plan.

DESCRIPTION

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

FACILITATOR INSTRUCTIONS

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



SAY

We thought about Sarah's situation. Let's hear how she makes a succession plan.



SHARE THE
STORY

Sarah's succession plan—Part 1

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

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

Sarah and Helen have a phone conversation. Sarah explains about her neighbor Odhiabo. She does not want this for her family. Sarah asks if Helen will help. Helen is honored to be asked. She agrees to be there if something happens. She also agrees to be trained in the business.

Let's stop here and reflect.

USE
IMAGE



We are now going to ask the participants about what they have learned from the first part of Sarah's story.

ASK +
LISTEN



What considerations did Sarah make while selecting Helen to run her business and take care of her family in her absence?

- *Someone she trusts who will keep all her children safe*
- *Someone with whom Mauda will be comfortable*
- *Someone who knows her children*
- *Someone who lives close enough to her family*
- *Someone who is interested and willing to learn about her business*

SHARE THE
STORY



Sarah's succession plan—Part 2

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

Sarah and Helen discuss a plan for the money. Specifically, they talk about:

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

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

Let's stop here and reflect.

USE
IMAGE



ASK +
LISTEN

What details did Sarah discuss with Helen in relationship to her business succession plan?

- Business expenses and how they will be paid
- How much Helen will be paid out of the profits
- How the business profits will be used to cater for nutritious foods, education and health expenses for children
- Who will take David to treatment

ASK +
LISTEN

What was the importance of Sarah discussing the succession plan with Helen and her children?

- To build trust and develop a relationship among them
- Involvement of the family in the making of the succession plan
- To avoid surprises and ensure continuity of her business and care for her children

SHARE THE
STORY

Sarah's succession plan—Part 3

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

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

Let's stop here and reflect.

USE
IMAGEASK +
LISTEN

Why is it important that Sarah has neighbors witness the agreement with Helen?

- In case of conflict, Sarah can be sure that the business succession plan will be implemented correctly
- If Helen forgets something, the witnesses can remind her
- To make sure no relative of Sarah's can claim that the business belongs to them and not Helen, in case Sarah is not around

Now that you have completed Sections 1, 2, 3, 4, and 5 of field exercise 8 please go to section 7 to finish this session's presentation. The Section 6 below is optional if participants are interested in making a written will. The training can be delivered during a separate session if there is interest, or during this session if there is sufficient time. If there is no interest, you do not need to deliver it.

6

Discussion: Making a written will

This section on making a written will is optional. It should be delivered as a separate field exercise session. Please make sure there is both interest and willingness of the participants to make a written will. Before starting you must verify that the template and instructions used for the model written will comply with the laws in your country. If not, the template will have to be revised to reflect what is approved in your country's laws. Make sure you have several blank copies of the written will template to let participants see what it might look like.

OBJECTIVE

1. To define the details of a written will.
2. To identify challenges in making a written will.
3. Define the steps need to make a written will.

DESCRIPTION

Large-group discussion

FACILITATOR
INSTRUCTIONS

This session will be done as a large-group discussion. First, you will present the definitions of the different parts of a written will. Next, you will work with the participants to identify challenges that they may face in trying to make a written will. Finally, you will work with the participants to identify the steps they will need to take to register and legalize a written will if they decide to do it.

Definition of key terms and concepts



I am going to read you each of the key terms and concepts you will need to know if you want to make a written will. I will read the key term or concept slowly. Then, I will read the definition. If you like, I can repeat the key term and definition. Then you can ask questions about each key term or concept.

Now, read each of the key terms and concepts, one-at-a-time. After each definition ask if the participants would like you to read the key term or concept and its definition a second time. If so, read the key term or concept and the definition again. Then ask, "do you have any questions about the term or concept?" If yes, answer the questions. If no, then read the next key term or concept and its definition following the same instructions for each.

Key terms and concepts



Who can make a written will?

Any person who is of **sound mind** and has reached the age of majority can make a **written will**. Thus, any adult man or woman, who has reached the **legal age of majority**, and who is disabled or able, of **sound mind** and with **property**, can make a written will.

Sound mind

A person who is of **sound mind** is not insane, drunk, too sick or too old to understand what they are doing when making a written will.

Age of majority

The **age of majority**, also known as the age of legal adulthood, is 18 years of age in most countries, with some exceptions. For those exceptions, the most common is 21 years of age.

Written will

A **written will** is a legal document in which a person specifies the method to be applied in the management and distribution of his or her estate after his or her death. The will indicates the name of the **trustee or manager** who will manage and distribute your **estate** (property, money, and anything else you own) after your death, as well as what you want done for the care of your children, if they are minors.

Estate

A person's **estate** is defined as everything she or he owns, including land, buildings, businesses, money, animals, goods, shares, insurance policy, etc. A person's **property** is another term for estate.

Trustee or manager

A **trustee or manager** is the person who makes sure that things are done according to a dead person's written will. She or he is entrusted with the large responsibility of making sure a person's last wishes are granted regarding the disposition of their property, possessions and future care of spouse(s) and children.

Testator

A **testator** is the legal term for **you, the person** who is writing and signing the written will.



Written will format

A written will can be made in any language. While there are typical formats, such as the one we will discuss today, a will need not necessarily be in a certain form.

*However, it must include your **full legal name**, your **identification**, and your **address**, current as of the date the written will is made.*

Full legal name

*The definition of **full legal name** is the names used on your legal documents, like national identity card, passport, or baptism card and written exactly as they are on those documents.*

Identification

*The definition of **identification** is the number and delivery date on the national identification card or passport. In absence of a document with an identification number you would leave this line blank.*

Address

*The definition of **address** is the place where you are currently living*

Where should I keep my will?

*A written will needs to be kept **in a safe place**, in the custody of someone you trust, such as a lawyer, bank, church leader, or trusted friend.*

Challenges to making a written will:

Now that you have discussed the key terms and concepts, it is important to have an open discussion with the participants about the challenges they may face if they decide to make a written will. In this section you will ask them to state the challenges they face and have other participants help find a solution. There are no right or wrong challenges, so it is important to list all of them even if there is no current solution. Typical responses might be:

- Finding someone to write their will because they cannot do it themselves
- Finding a safe place to keep the will
- Knowing exactly what to put in a written will
- Finding someone they trust to be trustee or manager of their estate after they die
- Finding someone to take care of their children or business if they die

ASK +
LISTEN

- Paying any costs related to writing or registering the will
- The stigma of discussing death and having a written will, because some think this may bring on the “event”

Now that you have thought more about what is involved in making a written will, let’s discuss what challenges you might face in trying to make your own will.

- *Who would like to share?*
- *Does anyone have an idea how he/she could overcome this challenge?*

Continue asking about challenges until 3 or 4 participants have responded or until there are no additional challenges. Make note of the challenges and participants’ solutions to share with other COFE facilitators. After you complete this exercise, prepare to explain the different steps that need to be taken to make a written will.

Steps to making a written will

SAY



Let’s review the different steps that need to be completed to make a written will. As I describe each step, please ask questions. I want to make sure those of you who want to make a written will know all the steps involved and how to complete each of them. I have printed up a few copies of a sample, blank written will, which can be used to create a written will.

- *Choose a format for your written will. You can use the template I am sharing or something simpler if you want*
- *Write in your name, as the testator, along with your age or date of birth, family lineage, marital status, number of wives, number of children, and the mothers or fathers of these children.*
- *List information on what you own including land, buildings, businesses, money, animals, goods, shares, insurance policy, etc., which will be distributed and to whom.*
- *Name a **manager or trustee**, who will manage your estate after you die.*
- *Name whomever you wish (get their consent beforehand) to become the guardian of any minor children or dependents you may have.*
- *You should consider the financial and material needs of your minor children and other dependents—especially those who require special care—to ensure that this care is provided correctly for as long as it is needed.*
- *Add a clause firmly stating that this will is the only valid one and revokes all other previous wills (if any).*
- *After the contents of the will have been written down, you must sign or place your mark (most likely a thumb print) on the will. The signature or mark must be placed (usually at the bottom of the document) where it will show*

- the importance of the document and confirm it as being a will.*
- *You must put the date on the will; the most recent will is the valid one. This can only occur if there is a date on the will.*
 - *Finally, you need at least two witnesses, who are not beneficiaries, to sign the will. These witnesses must be present and witness when you sign your written will.*

Changing or revoking your will

- *If you want to make small changes to your will, you and your witnesses must sign or initial the current will in the margin of the page beside the changes.*
- *If you plan to make a lot of changes to your will, you simply revoke your current will and make a new one, using the same procedures.*

Now that we have discussed all the elements for making a written will, find a time to discuss it with your accountability buddy. If you are now confident that you want to make a will, discuss it with your family to decide on all the elements you will need to consider. Remember, like Sarah, you need to find someone with whom you have confidence to take care of your business, goods, and children in the event you die. Everyone must be comfortable on that choice to be sure they follow the instructions once you are no longer around.

This is the end of the discussion on making a written will.

Now that you have finished presenting the optional session on making a written will, you should review Section 7 of this field exercise even though it was covered during the previous session. It is still good to reinforce the same reminders and the take-aways they need to discuss with their accountability buddies and their families. The written will template below is for you, the trainer, but copies can be made and shared with the participants, if requested.

Written Will Template

LAST WILL AND TESTAMENT OF

(Full Legal Names)¹

(Identification)²

(Address)³

1. Declaration

I hereby declare that this is my last will and testament and that I hereby revoke, cancel and annul all wills and codicils previously made by me either jointly or severally. I declare that I am of legal age to make this will and of sound mind and that this last will and testament expresses my wishes without undue influence or duress.

2. Family Details

I have the following adult children:

Name: _____ Date of Birth _____

Name: _____ Date of Birth _____

Name: _____ Date of Birth _____

Name: _____ Date of Birth _____

I am married to _____ hereinafter referred to as my spouse.

1 The definition of **full legal name** is the names used on your legal documents, like national identity card, passport, or baptism card and written exactly as they are on those documents.

2 The definition of **identification** is the number and delivery date on the national identification card or passport. In the absence of a document with an identification number you will leave this line blank.

3 The definition of **address** is the place where you are currently living

I have the following minor children:

Name: _____ Date of Birth _____

Name: _____ Date of Birth _____

Name: _____ Date of Birth _____

Name: _____ Date of Birth _____

Name: _____ Date of Birth _____

3. Appointment of trustee/manager

- 1.1. I hereby nominate, constitute and appoint _____ as Trustee/manager or if this trustee/manager is unable or unwilling to serve then I appoint _____ as alternate trustee/manager.
- 1.2. I hereby give and grant the trustee/manager all powers and authority as are required or allowed in law, and especially that of assumption.
- 1.3. I hereby direct that my trustee/manager shall not be required to furnish security and shall serve without any bond.
- 1.4. Pending the distribution of my estate my trustee/manager shall have authority to carry on any business, venture or partnership in which I may have any interest at the time of my death.
- 1.5. My trustee/manager shall have full and absolute power in his/her discretion to sell all or any assets of my estate, whether by public auction or private sale and shall be entitled to rent any property in my estate on such terms and conditions as may be acceptable to my beneficiaries.
- 1.6. My trustee/manager shall have authority to borrow money for any purpose connected with the liquidation and administration of my estate and to that end may encumber any of the assets of my estate.

4. Guardian

- 1.1. Failing the survival of my spouse as natural guardian I appoint _____ or failing him/her I appoint _____ to be the legal guardian of my minor children named: _____, _____, _____, and _____ until such time as they attain the age of _____ years.
- 1.2. I direct that my nominated guardian shall not be required to furnish security for acting in that capacity.

5. Bequests to my Adult Children

- 1.1. I bequeath to my adult child named _____, if he or she survives me by 30 (thirty) days, the following: _____
- 1.2. I bequeath to my adult child named _____, if he or she survives me by 30 (thirty) days, the following: _____
- 1.3. I direct that the inheritance devolving upon any of my adult children named above under my last will and testament as well as the proceeds, the reinvestment of such proceeds and the income thereon shall be free from the legal effects of any present or future marriage of any of my children, whether in or out of community of property including any accrual system and with or without the presence of any pre-marital agreement.
- 1.4. Should any of my adult children named above not survive me by 30 (thirty) days, I direct that the bequest(s) made to him or her shall go to his/her natural, adopted or step children in equal shares.

6. Remaining Property and Residual Estate

Save for the bequests listed in 5.1. and 5.2. above I bequeath the remainder of my estate, property and effects, whether movable or immovable, wheresoever situated and of whatsoever nature to my spouse _____ in the knowledge that he/she shall provide for our minor children named _____ and _____.

7. Alternate Beneficiaries

- 1.1. Should my spouse not survive me by thirty (30) days I direct that the remainder of my estate as referenced in paragraph 6 above be divided among my minor children named _____ and _____ in equal shares.
- 1.2. Should my said spouse and I and my minor children all die simultaneously or within 30 (thirty) days of each other as a result of the same accident or calamity, then and in that event, I direct that the remainder of my estate as referenced in paragraph 6 above be divided among my adult children named _____ and _____ in equal shares and thereafter his/her natural, adopted or step children in equal shares where an adult child does not survive to benefit from this provision.

8. Special Requests

I direct that on my death my remains shall be buried at _____ and all funeral expenses shall be paid out of my estate.

9. General

- 1.3. Words signifying one gender shall include the others and words signifying the singular shall include the plural and vice versa where appropriate.
- 1.4. Should any provision of this will be judged by an appropriate court of law as invalid it shall not affect any of the remaining provisions whatsoever.

Signed on this _____ day of _____ 20_____

at this location _____ in the presence of the undersigned witnesses.

SIGNED: _____

WITNESSES

As witnesses we declare that we are of sound mind and of legal age to witness a will and that to the best of our knowledge _____, the creator of this will, is of legal age to make a will, appears to be of sound mind and signed this will willingly and free of undue influence or duress. We declare that he/she signed this will in our presence as we then signed as witnesses in his/her presence and in the presence of each other witness, all being present at the same time.

Under penalty of perjury we declare these statements to be true and correct on this

_____ day of _____ 20_____ at this location

_____.

Witness 1.

Name: _____

Address: _____

Signature: _____

Witness 2.

Name: _____

Address: _____

Signature: _____

7 Finishing

Conclusion



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

Key messages



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

Remember:

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

Take home



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

- *How does your family earn its income?*
- *What might you do to create a succession plan?*
- *Who would you trust with your children if you cannot work?*
- *Who would you trust with your income?*
- *Think about having a written will. What barriers would you have to overcome to make one?*
- *How can you involve your partner in making a succession plan?*

Lesson 5 quiz answers

1. b | 2. a | 3. e | 4. c | 5. d | 6. True | 7. False | 8. False | 9. True | 10. e

Lesson 6 quiz answers

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

Lesson 7 quiz answers

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

Lesson 8 quiz answers

1. c | 2. e | 3. c | 4. c



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