

Financial planning Training Module

category	<i>Non business financial training for "partners"</i>
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Keywords	Family budgeting for "partners"				
Comment	This document has a module of family budgeting training for NGO "partners". This document is a guide for facilitator.				
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2 Background

- 1) People rarely do short term and long term planning of their goals
- 2) They live in present and future is never thought of
- 3) As they are poor they feel that saving is not possible within their meager earnings.

Therefore the Financial planning training is a tool to prepare them to plan their goals and help to constructively save money to achieve these goals.

3 Objectives of the training

1. To recall the importance of financial budgeting
2. To provide the participants with a tool for financial planning to use back home and apply in their life.
3. To make participants understand the concept of budget
4. To make participants work on financial plans for themselves.

4 Training details

- Total time required **60 min**
- Ideal group size **should be 5 families** (husband and wife should work together).

5 Who are the target participants?

- Participant who have attended FLT (Financial Literacy Training) from IGP, HMF or FDP Programs¹.

6 Material required

¹ IGP: income generating programme: loan and saving programme
HMF: Health Mutual Fun
FDP : Family development programme: social programme

7 Training Time table

	Activity	Method	Time
1	Recall main learning of FLT training: unavoidable expenses, avoidable expenses and prioritization of the needs	Game Tol mol ke bol	10 min.
2	Story telling –Grass hopper and Ant	Flash card	5 min.
3	Qualities of planner and non planner	Discussion and card sticking game	5 min
4	Picture presentation of long term, mid term and short term needs/goals and financial estimation	Group discussion P 11 in Sewa book.	15 min.
5.	Principles of financial planning	Discussion	5 min
6.	How this requirement will be achieved : where to adjust (goal, expenses, income)	Discussion per couple	5 min
7	Proposition to open a recurring deposit account with the NGO for one specific purpose decided by the family with a saving initiative scheme of 10 rupees given by the NGO within a month after this training at the time of opening the account	Referral note with signature of trainer to give to partner. Partner will give it to BM ² , and then to CM ³ , CM will give a receipt acknowledging 10 rupees and send it to Head Office for opening saving account.	5 min (Not started this activity)
8.	Financial planning tips	P23 Sewa book	5 min

Time constraints: participants may not come twice.

² Branch Manager

³ Collector Motivator

8 Content

8.1 Introduction

Time required: 3 Min.

Introduction: Initially Facilitator will welcome the participants, introduce about himself, NGO & about the objectives & time required for the training.

8.2 Game of Tol Mol ke Bol

Objective:

Time 7 min.

- To take a review of the last training
- To focus on Prioritization of the expenses and avoidable/non avoidable Expenses.

Tool Used : Expense Items with 21 Pieces

Tool Code : A

Tips for Facilitator: Ask one participant to participate preferably who has participated in FLT 1. Facilitator will give Rs.5000 to the participants. There will be many items for buying they have to choose the item they will require within the given budget. Facilitator will comment on the selection.

Monthly Expenses

Sr.	Items	Essential Expenses	Unwanted expenses
1	School fees	300	
2	Light Bill	200	
3	Grocery shop	1200	
4	Vegetables & others	500	
5	Loan Installment	500	
6	Hospital	300	
7	Saving	300	
8	Guest		500
9	Cable		250
10	LIC	100	
11	News paper	75	
12	Jewellery		500
13	Travelling	500	
14	Gas	325	
15	Mobile		350
16	Theatre		300
17	Addict		750
18	Beauty parlor		200
19	Milk	300	
20	Buying Clothes	200	
21	Gift articles	200	
	Total	5000	2850

8.3 Story telling of Grasshopper & Ants

Time 5 min

Objective

- To understand planning is essential
- To know the benefits of planning

With the help of flash card, facilitator will narrate the following story:-

Tool Used : 3 Flash cards of A-3 Size.

Tool code : B

Tips for Facilitator:

Facilitator will narrate the following story:-

Once there was one Grasshopper living in a garden. In hot summer days, he spends the whole days just playing, jumping & enjoying. Whatever he gets, he eats it & remain happy. One day while playing in a garden, he saw that just near to garden, there is one ant hill (Warul). During the whole day, the ants bring something in their mouth, putting in the ant-hill, again going back. Thus they remain busy in doing work. He observed this & said to ants, "Dear, I saw that you remain always busy in your work. See to me. Eating, Enjoying, this is life yeah. Why you are not behaving like me?" Though ants ignore his speech & continued their work. (Picture B-1)

Meanwhile, heavy rain was started. Ants got food in their ant-hill whereas the grasshopper got nothing to eat. (Picture B-2)

Slowly grasshopper's health situation was very serious. You can see him on a stretcher? Hospital bed? (Picture B-3)

Conclusion Message:

Planning is changing attitude from living on a day-to-day basis to thinking for tomorrow.

This shows that if you save today it will be of great help tomorrow in case of difficulty. Save today's surplus for tomorrow's needs.

Planning is required to build future roadmap. Therefore one needs to sacrifice a bit now for a big return later which can give better and secured tomorrow.

8.4 Qualities of planner and non planner

Time 5 min.

Objective:

- Advantages of planning to fulfill the needs

Tool Used : 6 Flash cards of A-3 Size.

Tool code : C

Tips for facilitator: Facilitator will paste the chart divided into 2 with 2 headings, "planner" and "non planner" written on it. Facilitator will distribute cards explaining qualities of planner and non planner. Each participant will look at the card and try to fit below either "planner" or "non planner" column.

Qualities of planner	Qualities of non planner
Saves money and invest in safe investment in future (C-1)	No saving or safe investments. Saves money but withdraws in between (C-2)
Vision for future e.g. marriage, old age, education. (C-3)	Does not have any vision for future. (C-4)
Proper family budgeting, reduces spending by tracking expenses (C-5)	No family budgeting, habit of over-spending. (C-6)

Facilitator will read list of qualities and sum up the discussion.

8.5 Picture presentation of long term, mid term and short term needs.

Introduction:

Time 25 min.

Objective:

- Thinking about immediate and future needs
- Budgeting the money requirement to fulfill future needs

Tools Required: Black Board, chalk, 1 Calculator/Assistant, Xerox copies of Goal setting templates

Tool Code : D

Facilitator: Provide 1 sheet with three pictures Frog, Deer, Leopard. Frog indicates short term planning. Deer indicates middle term planning. Leopard indicates long term planning.

Participants will think about the long term, middle term and short term planning and will put the pictures besides those headings.

Facilitator will use dream form to calculate goal wise requirement. Calculating how much money is required for monthly and daily saving, to achieve all long, middle and short-term goals.

For this activity, trainer will require one assistant with calculator for doing calculations if the group size is 5 pairs. For more than 5 participants, trainer requires 2 assistants with calculator. For example house building (50 000) marriage ceremony (35 000) for long term, education (5 000), buying sewing machine (5 000) will be middle term, buying old television (2 500), mixer grinder (2 000) will be short term. Facilitator will facilitate discussion between couples.

8.6 How to save money practically

Tips for Facilitator: Facilitator will use the "dream form" for calculating goal wise requirement. Calculating how much money is required monthly and daily to achieve all long, middle and short-term goals.

Reference ready tool from excel. USE SAVINGS TOOL for computing monthly requirement.

Participants will list down the options they feel are practical and feasible for them.

Dream		Expected cost	Duration	Monthly	Daily
1. Cooking gas connection	Short term	Rs. 2400	12 months	Rs. 200	Rs. 6.50
2 Mixer grinder	Short term	Rs. 1000	6 months	Rs. 166	Rs.5.50
3. Repairing of house	Middle term	Rs. 10,000	3years(36 months)	Rs.277	Rs.9.00
4. Education	Long-term	Rs. 20,000	8 years (96 months)	Rs. 210	Rs 7.50
5. Marriage	Long term	Rs. 50,000 ⁴	12 years (144 months)	Rs. 347	Rs.11.50
		Rs. 83,400		Rs. 480	Rs. 40

If daily requirement is Rs.40 then how much do I save just now? What is the difference?


If the requirement from my goals is Rs.40 daily but I am saving Rs.30 at the moment, there is Rs.10 missing. So, where will those Rs.10 come from?

May be I will curtail some of my expenses, such as less money for children to eat outside food, less cigarettes every day, less tea, less video films, cable connection, conveyance by time management etc.

⁴ Remind participants that dowry is prohibited by Indian law...


Goal Setting Template

SHORT TERM (0 to 3 years)




Short term goal	Expected cost –Rs. (A)	Duration Yrs. (B)	Monthly Amount (C) = {A/ (B x 12)}	Daily Amount (D) =C/30

MIDDLE TERM (3 to 5 years)



Middle term goal	Expected cost –Rs. (A)	Duration- Yrs. (B)	Monthly Amount (C) = {A/ (B x 12)}	Daily Amount (D) =C/30

LONG TERM (more than 5 years)



Middle term goal	Expected cost –Rs. (A)	Duration- Yrs. (B)	Monthly Amount (C) = {A/ (B x 12)}	Daily Amount (D) =C/30

8.7 Principles of financial planning

Introduction:

Time 5 min.

Objective: To introduce the participants to the Principles of Financial planning & thereby to motivate them to save according to their life goals.

Facilitator:

- Knowing our goal is essential for planning
- Consistency in saving will lead to success
- Early start the less you need to save
- Investing wisely: don't put eggs in the same basket
- Balance between consumption need and productive expenses (asset).

8.8 Session Plan for FLT-2

Sr.	Activity	Method	Time	Required Tool	Code of Tool	Total Pieces
1	Recall main learning of FLT training : unavoidable expenses, avoidable expenses and prioritization of the needs	Game Tol mol ke bol	10 min.	Expense Items	A	21
2	Story telling –Grass hopper and Ant	Story telling - Flash card	5 min.	Flash Cards	B	3
3	Qualities of planner and non planner	Card sticking game	5 min	Flash cards	C	6
4	Picture presentation of long term, mid term and short term needs/goals and financial estimation	Group discussion	25 min.	Xerox copies of templates	D	15 Xerox copies for Each Training
5.	Principles of financial planning	Discussion	5 min	Black Board & chalk	---	---

