

BSR | Financial Resilience Training

Module Three Savings & Borrowing Responsibly

90-Minute Training



BSR®

www.bsr.org

Trainer's Tips

Start with the introductory module:

This training is part of a broader Financial Resilience training curriculum. We recommend starting with the introductory module, Introduction to Financial Planning.

Overview

This guide provides an introduction to Saving and Borrowing Responsibly. This training is the third module in a five-part training series.

What Is Included?

This packet will help you lead a session about savings. It includes a proposed training **agenda**, the **materials** needed to conduct the training, **key messages** to emphasize during the training, and **examples** of what to say while training.

What if This Is My First Training on Savings/Borrowing?

While it can be intimidating to give a training for the first time, everyone has something to offer and something to learn. Preparing for the training by reviewing the lesson and key messages before the training will help you to feel familiar and comfortable with the content.

If someone asks a question during the training that you do not know the answer to it is important that you say, "I do not know" and then follow up with a financial services professional in order to provide accurate information. No one trainer can have all of the answers—it is **okay** to say, "I don't know." Only provide information that you are certain is accurate.

Your role is not necessarily to be an expert. Though you should have a very good understanding of the content, your main purpose is to deliver information and lead meaningful discussions around the issues that participants face when saving. There aren't always "right" answers because no two people are in the same financial situation. Help people think through their financial wants and needs and try to provide the resources that will help them achieve their goals.

How Do I Use the Document?

Trainer's Tips provide helpful information about how to conduct a session. Trainer's Tips might provide guidance on how to encourage participation or how to adapt a training to respond to differences in beliefs or behaviors in different places or among different groups of people. Trainer's Tips have been gathered from training professionals.

Trainer's Tips¶

¶ **Introduce the trainer and participants¶**
When possible, use a fun and interactive way to introduce participants. For example, you might divide participants into two groups and ask one person in each group to identify all of the people in their group. See which participant can remember all of the names of the participants in their group. ¶

¶ **Ensure confidentiality¶**
While the goal is to enable everyone to speak openly, explain that the group must promise not to talk about who said what or asked which questions in the training. People are more likely to participate when confidentiality will be respected. ¶

¶ **Communicate effectively¶**
Below are some tips on how to communicate effectively. ¶

- » → During the session, if someone asks a question, give him or her your full attention. ¶
- » → Listen carefully to the participants and ask clarifying questions if you do not understand the question or comment. ¶
- » → After participants have answered a question, paraphrase and clarify answers so that

• Discussing Finances With Your Family One-Hour Training¶

• Open the Training¶

Time: 5 minutes¶

¶ **TRAINER:** Open the training by (1) introducing the trainer and participants and (2) introducing the subject. ¶

¶ 1. → Introduce the trainer and participants ¶

¶ **Open the training by introducing yourself and the participants.** When possible, use a fun and interactive way to introduce participants. ¶

¶ 2. → Introduce the topic¶

¶ **Ask the participants an introductory question:** *Who in your family makes the financial decisions? Do you regularly talk to your spouse or other family members about how the household money is spent? Do you decide what to do with your money or does someone else?* ¶

¶ **Discuss what the training is about.** *Today, we'll be discussing why it's important to discuss finances with your family. Both your decisions as well as the decisions your spouse and family members make affect your ability to save and spend your family's income. Thus, it's important that you discuss your financial goals with your family as well as develop together your savings plans.* ¶

¶ *You may find that your financial goals are different than those of your other family members. In this case, it's important to be able to clearly communicate with your family members to ensure that everyone has a shared understanding of your family's approach to managing the family finances.* ¶

¶ Why It's Important to Talk About Finances With Your Family¶

Time: 15 minutes¶

¶ **TRAINER:** During this time the participants will discuss why it's important to talk about finances with their families. ¶

¶ 3. → Conduct the "Talking about Finances with Your Family" Scenario Activity.¶

How much time you need for each section is indicated at the beginning of every section.

Italics (slanted letters) provide an example of what a trainer could say in a session.

Numbered items show the order of tasks to be completed by the trainer.

Trainer's Tips

Be prepared: Before starting the training, it is important that you familiarize yourself with the training agenda, review and understand the key lessons, and gather materials for the training.

Prepare the location: Think about where you are going to have the training. It is best that the training be conducted in a quiet location without distractions.

Plan the timing: Consider the best timing for the training. If possible, it is best to conduct the training when the participants are alert. Having a training after work or before meals may not be as effective because the participants might be too tired or too hungry.

Prepare for the Training

Agenda

Familiarize yourself with the agenda of the training. The 90-minute training agenda provides guidance on how much time you should spend on each section.

Time	Topics
10 minutes	Open the Training (Welcoming speech, Introducing and know the expectation)
15 minutes	The definition and Importance of Saving
15 minutes	Creating a Savings Plan
15 minutes	Ways to Improve Savings and Earning Interest Through Saving
15 minutes	Definition of loan and debt and why people borrow
10 minutes	Good loans vs. bad loans
10 minutes	Close the Training

Understand the Key Messages

These are the key messages to be emphasized during the training.

Key Messages
<ul style="list-style-type: none">» You don't have to earn a lot of money to start saving.» Saving helps you manage risk, deal with emergencies, build assets, and meet financial goals.» Putting aside small amounts of money when you are able will help you plan for the long term.» If you save your money in a savings account at a rural bank or savings and loans company or you use a mobile money account, you will earn a small amount of interest over time. This is considered positive interest.» Saving money with a savings account at a rural bank, savings and loans company, other type of bank, a microfinance institution or via mobile money is safer than keeping them in cash as they are less prone to theft or loss.» Women should have access to and control over their savings.» Only borrow for productive purposes—things that increase in value or generate income—such as your business, a house, or education.» Pay on time. The longer you take to repay, the more the loan costs.» Reduce high-cost loans by borrowing from cheaper sources.» Plan in advance how to spend money. Always keep in mind that you should not spend more than you earn and debts are difficult to get rid of.

- » Interest is the cost of borrowing money. When you borrow money from a bank or another lender, you have to pay interest on the amount that you have borrowed.
- » Learn how to calculate interest and always be aware of the hidden costs of loans.

Gender Sensitive

It is essential that while conducting this training, you keep in mind gender-sensitive approaches, issues, and needs. You should also have ability to analyze financial issues through a gender lens. Financial planning can be different for men and women; therefore, you need to be able to consider and support women's unique needs. In Ghana, most women generate their own incomes to complement their husband's support. However, in some cases husbands will expect wives to consult them to set and plan for their financial goals. HERfinance training aims to increase women's control over their finances, however this local context is important to keep in mind as trainers tailor the activities to ensure sensitivity to women's needs and to encourage active participation.

Gather Information

Gather information about the following in your area on savings products:

- Types of savings products available [banks, mobile money providers, microfinance institutions (MFI), and other financial institutions] in or near the community
- » **Types of borrowing and credit services available** for example:
 - Loans from formal sources: Banks and registered microfinance institutions in the area that are safe sources of loans. Collect information on payday loans, including the merits and demerits of it.
 - Informal sources of loans: Information on money lenders who are popular among workers. This information is needed to tactfully discourage workers from taking loans from money lenders who charge hefty interest and sometimes fail to provide documentation.
 - Savings and Loans Groups: find out if workers have joined savings and loans groups. These could vary from self-help groups with friends and family, to VSLA groups with community members. This is an informal way for workers to pool their savings and loan it out to each other. Fees and charges differ, depending on the model of the group. In a traditional savings and loans group, all the interest is shared with group members, whereas for chit funds, members pay a fee to the organizer.

Gather Materials

The materials listed below will be used during the Savings training:

1. Index cards
2. Markers/pens/pencils for participants
3. Flipchart or white/chalkboard
4. Tape
5. Basic calculators (if accessible/available)
6. Mobile phones (if accessible/available)
7. Hand outs
8. Banner
9. Poster Paper

Trainer's Tips

Introduce the trainer and participants

When possible, use a fun and interactive way to introduce participants. For example, you might divide participants into two groups and ask one person in each group to identify all of the people in their group. See which participant can remember all of the names of the participants in his or her group.

Ensure confidentiality:

While the goal is to enable everyone to speak openly, explain that the group must promise not to talk about who said what or asked which questions in the training. People are more likely to participate when confidentiality will be respected.

Communicate effectively:

Below are some tips on how to communicate effectively.

Training on Savings

1. Open the Training

Time: 10 minutes

TRAINER: Open the training by (1) introducing the trainer and participants through the participatory method and (2) introducing the subject.

Introduce the trainer and participants

Ask the supplier or a cooperative group leader to open the session by introducing the program and the trainers and explaining why this program is important for the cooperative. Their presence will assure and motivate the participants.

Define the “house rules:” Before starting this session, discuss the rules to ensure a successful session. Ask participants for their suggestions, and then add your own. Write down the rules and hang the poster at the front of the room at the beginning of each training. Sample rules include: ask questions one at a time; don't speak while others are speaking; etc.

Open the training by introducing yourself and the participants. Whenever possible, use a fun and interactive way to introduce participants. For example, consider opening with a folksong highlighting the training topic.

Now ask the expectation from the participants. In that case, the question will be: -

- *What are some examples of the financial goals that we discussed during the last training?*
- *What actions do you need to take to reach these goals?*
- *What is a “need” and a “want”?*
- *Do you know that there are risks to taking a loan?*

Introduce the topic-Saving

Ask participants: *What is saving?*

Ensure participants mention all of the following, and if not, highlight any points that were missed: *Saving is putting money away now for use in the future. Saving helps you and your families manage risk, deal with emergencies, build assets, and meet financial goals. Money is saved by putting money aside when it comes in and spending less when it goes out.*

Ask the participants: *Do you have to earn a lot of money to start saving? Why or why not?*

Make sure participants mention the following points, and if not, highlight any that were missed: *You don't need a lot of money to start saving. Putting aside small amounts of money when you are able will help you plan for the long term.*

Ask participants: *Why is saving important? Do you know any women who are good savers? What makes her a good saver?*

Do you remember the activity from the first training during which we all thought about our financial dreams? What were some of those dreams?

Give participants a few minutes to recall their financial dreams from the previous training.

Discuss what the training is about. *Today we are going to talk about saving for your dreams, and we will come up with a plan to make your dreams a reality. We are also going to talk about the importance of saving as well as different ways you can start saving money. We will discuss about saving on your digital account and gain an interest rate on your balance. We shall also discuss whether is possible to link up your account with a new long-term saving product and how you can transfer funds from your account to the long-term saving account.*

Ask the participants: *Where can you keep your money safely?*

If you open a savings account with the rural bank or credit union operating in your community, you can save regularly and potentially qualify to take a loan expand your business. Saving with a bank or credit union is a good option to keep your savings, as you will earn interest, which you wouldn't get with a mobile money account.

If you deposit your money into your mobile money account, you can withdraw the money at any time from a mobile money agent, making it more accessible than saving at a bank – however that could mean it's easier to spend too. You do not need to withdraw all of it—just the amount you need for immediate purchases. Emergency savings can be kept in your mobile money account instead of in cash for easy access. Be aware of fraud calls and never share your account and pin details with anyone.

2. The Importance of Saving

Time: 15 minutes

TRAINER: During this time the participants will be introduced to the importance of saving.

Share a story on the importance of saving

Trainer's Tips

Take gender and different life stages into account:

When tailoring stories in this module and discussing how to create a savings plan, be sure to adapt your questions and examples to your audience.

To start our discussion on savings, let's start with a story about Kubura. Kubura and her husband, Alidu, live on the outskirts of Tamale City. She works as a Shea butter processor at Janshegu Maltiti Co-operative., and he works as a farmer on his own two acre farm. They have four children: Rahamaage 13; Iddi, age 10; Adama, age 4; and baby Samata, age 10 months. They work hard just to pay for food and rent. They struggle each year to pay the school fees for Rahama and Adama. In the dry season, expenses are high for food and electricity. In the rainy months, there are frequent floods that usually require several house repairs. During these months, Kubura frequently borrows money from a moneylender to help cover the costs. Sometimes, she even has to borrow from a other neighbors to help her pay back the first one. However, during the harvesting period and increased Shea butter demand period, when Kubura and Alidu do not have to spend a lot on the house, it's a tradition for the family to buy new clothes and hold a big celebration during Muslim id-fitr and id-adha holidays.

DISCUSS THE STORY

Ask the participants: *What are Kubura's financial goals?*

Answers could include: emergency funds, school fees, getting through the dry and rainy seasons, reduce the amount of money borrowed from the moneylender, etc. List all of the goals on a flipchart or white/chalkboard.

Ask participants: *How would we rank Kubura's goals in order of importance?*

Explain that "important" is relative. It could be the most time sensitive or it could be the goal you most want to achieve overall. When the group has decided collectively how they want to evaluate the goals, write a 1, 2, 3, etc. after each goal.

To achieve these goals, Kubura will need a savings plan. A savings plan will help her determine how much she needs to save each week or month to be able to achieve of her goals.

Divide the participants up in groups of four or five.

Ask participants: *When and how can Kubura's family save?*

Allow all participants to discuss the question. Have each group select a spokesperson to report the responses to the broader group. Most answers will fall into a few categories, such as:

- » **Save strategically:** *Kubura and her family can save during the harvesting and shea butter demand period months when there are few additional costs for the family. Saving the money in a bank savings account or a mobile money account can help her to save safely and to earn a positive interest rate to increase her account balance.*
- » **Reduce spending:** *Kubura could also consider reducing her family's spending on clothes and save that money instead. She can do this by reducing the amount she borrows through loans or purchasing food and supplies in bulk to save on expenses.*
- » **Increase income:** *Kubura and her husband could also consider starting a side business selling shea based cosmetics and provision store to community members during the evenings and on days off from the factory and farm.*

3. Savings and Family Support

For trainers: The goal of saving money is to have financial security so that any unexpected events can be managed well. Savings can enrich the quality of our personal and family life in this way. It is important to identify different spending habits within the household to help all of the family members make progress on their financial dreams and stay on track with the family's financial plan. By supporting each other, family members can enhance their family's overall financial health.

The following conversation will help participants consider their own and their family members' spending and saving habits. Given the sensitivity of this topic, trainers should assess the readiness of the group to have this conversation. Also, they should be particularly sensitive when leading this discussion (see Trainer's Tips).

Ask participants:

- » *What are the benefits of having family members that support each other on their savings goals? How can you define a common financial plan?*
- » *Do you think that men and women have the same access and control over their savings? How can this affect their ability to create a financial plan?*

- » *What are the common problems faced in families regarding saving and asset ownership? Is it a topic that is easy to talk about with your family members?*

Discuss with participants the different spending and savings behaviors they observe in their own households.

Summarize the discussion: *Family members have different spending and saving habits. It is important to understand these individual habits to be able to discuss and set shared financial goals for the family. In Ghana, women Shea entrepreneurs often have challenges to access and control over their earnings, assets, and savings. This can hamper the balance of family life and create tension or violence within the household. Women are often expected, for instance, to support their husbands financially by supporting their own families.*

It is essential to explain that women have equal rights to have access to and control over their earnings, assets, and savings. This is a sensitive topic, so be sure to link women's rights to families' improved financial health. Share that when women have more control over their resources, they contribute better to their own families' financial health by investing in food, education, and healthcare. The next training module will give participants the tools to discuss these issues with their families.

4. Creating a Savings Plan

Time: 15 minutes

TRAINER: During this time the participants will learn how to create a savings plan for themselves and for their families.

Do the Creating a Savings Plan Activity

Now that we have learned how to record our money, create and stay within a budget, and why saving is important, let's learn how to create a savings plan for ourselves and for our family.

SET UP THE ACTIVITY

Pass out the Creating a Savings Plan Worksheet.

DO THE ACTIVITY

Tell the participants: *Get out your dream cards again. Think about your savings goals for your family. What do you need to save for in the short term? What do you need to save for in the long term? Creating a savings plan will help you prioritize your savings. To create a plan, think about the following questions:*

- » *What are your short-term and long-term goals?*
- » *Which goals are most important to you? What goal is second in importance? And third?*
- » *How much will it cost to reach each savings goal?*
- » *How long do you have to save for each goal?*
- » *How much will you need to save every week or month?*
- » *How can you cut/reduce your expenses to save money?*

If the participants can read and write, they should complete the worksheet. If not, have them get into groups of three or four and discuss the above questions.

[Ensure that at least one in the group can read and write]

If completing the worksheet, remind participants that when they are ranking the importance of their goals, they should consider which goals need to be completed before they can begin working on other long-term goals (i.e., which goals have shorter time horizons)

Explain that to find the amount of savings required each week or month is calculated by the total amount needed divided by total number of weeks/months (depending on how often you would like to save). Encourage participants to add new goals to their savings plan, and not just those that are on their financial dream cards.

DISCUSS THE ACTIVITY

Ask the participants: *How do you feel when setting goals for your own family? What did you learn that could help your family save more?*

5. Ways to Improve Savings & Earning Interest Through Saving

Time: 15 minutes

TRAINER: During this time participants will learn strategies for improving their savings.

Discuss the strategies for improving savings

Now that we know what we want to save for and how much we need to save in order to get it, let's discuss the ways we can increase how much we save every month.

Ask the participants: *What are three ways that you can increase the amount you save per month?*

Ask participants to discuss the question with a partner. After a few minutes, encourage a group discussion on the different ways people can increase the amount of money they save per month. Write the responses on a flipchart or whiteboard/chalkboard.

The following ideas should be covered:

- » Decide to save more
- » Decide what amount you want to save every day or week
- » Find ways to spend less on unnecessary items and save the money for improving your future
- » Set aside some of your earnings or goods as savings
- » Learn about savings services available in your community
- » Open a savings account with a rural bank, Savings and Loans (S&L) company or a mobile money account to earn positive interest
- » Talk to your family members and all agree on the family's savings goals and how to help make regular savings
- » Find people who save and ask them for ideas on how to save more

After you have developed an exhaustive list, have each participant identify one or two of the strategies that they feel ready to follow to increase his or her savings.

If the group is small, have everyone share, but if the group is large, select a few volunteers to share their answers.

Provide overview of interest

Ask the participants: *Do you know that if you save money in a savings account, you earn a small amount over time? Do you know why that is?*

Explain the concept of interest: *The small amount that you earn over time is called interest. For saving, you can earn interest. If you save money at a bank or microfinance institution, you often earn a percentage of the money you are saving as interest. We refer to this as positive interest.*

Do the Interest Scenario Activity

Read the scenario: *Imagine that Bamuni decides to open up a rural bank savings account to save some of the money she earns. Each month she decides to leave 50 Ghana Cedis of her salary in her bank savings account. By the end of the year, she has 600 Ghana Cedis in the bank. She checks her bank account balance one day and realizes that she actually has a little bit more money in her account than she thought. Why would this be?*

Call on a volunteer to offer an answer. The correct answer is: *The rural bank savings account pays a little bit of interest in exchange for storing money in the account.*

Ask participants: *If over one year Bamuni saves 600 Ghana Cedis in the rural bank savings account, and at the end of the year, she has 624 Ghana Cedis, what is the total interest that Bamuni earned for the year?*

Answer: *Bamuni's total interest is 624 Ghana Cedis – 600 Ghana Cedis = 24 Ghana Cedis*

Ask participants: *Can you expect to see 10 or 20 percent interest on savings like banks charge on loans? Why not?*

Answer: *Banks usually give you a very small percentage back on your savings (4 to 5 percent). The reason interest is so high on loans is because banks take a risk by lending to people. I'm sure you've heard of people not being able to repay their loans, so banks charge high interest to protect themselves. We will learn more about this in our next lesson. With a savings account, your money is very safe. You do not need to feel like your money is at risk, so you receive just a very small amount in interest.*

If participants have a difficult time understanding the concept of positive interest, repeat this activity a few times until they feel comfortable.

5. Definition of Loan and Debt & Why people borrow

To help us understand the concept of borrowing, we need to understand

Time: 15 minutes

TRAINER: During this session, you will define loan, debt, and credit.

Trainer's Tips

Link to Interest module:

Depending on your time constraints and the knowledge and skill levels of the participants, the 30-minute Introduction to Interest module can be included in this session. If numeracy skills are relatively low, just focus on

first the concepts of a loan and debt. We will do this through a storytelling activity.

Azara, a Shea Butter processor, lives in Banvum. Her husband Abeiku owns a small tea shop in Banvum. They have one teenage daughter and a 10-year-old son.

During a recent family dinner, the daughter told her parents that she wants to study medicine at the University of Development Studies (UDS) so she can become a doctor. Unfortunately, the family can't afford to pay for her education, so she will most likely have to join her mother to process and sell Shea butter..

Abeiku told his family that business is going well at his shop. He wants to purchase a refrigerator to sell customers cold water and drinks.

The son told his family how much he wants a television for their house. Everyone agreed how nice it would be to have a television at home.

After listening to her family, Azara discusses with Abeiku that they could take a loan together to help put their daughter through school and to purchase the refrigerator. They agree that the extra sale of drinks would help their profits from the shop go up so they can pay back the loans for the school fees and refrigerator more quickly. After that is paid they agree that they could then save for a television. They decide together to go to the bank to see if they can take out a loan. The extra money would help her family grow their income through the shop and will enable them to invest in their daughter's education before saving for a television.

The next day that Azara was free she went to the closest bank, which was in the next town over. She asked about borrowing GHS 5,000 from the bank for her and her family. Because she had paid back their last loan on time, she was able to take out another one.

The banker told her that her and her husband had to pay back the loan in two years. They would also have to pay back a total of GHS 1000 in interest.

DISCUSSION QUESTIONS

Before finishing the story, ask the participants the following questions:

1. *What was the total amount of the loan that Azara decided to take from the bank?*

Answer:GHS5000

2. *What was the total interest, or the cost of borrowing the money from the bank?*

Answer: GHS1000

3. *Azara is now in debt worth GHS 6000. What does it mean to be in debt? What are other ways to be in debt?*

Answer: *Debt is what you owe when you borrow something from someone else. It can be in the form of cash or tangible goods.*

4. What else could Azara have considered when making the decision on the loan?

Answer: Azara could have agreed with her family to save towards the refrigerator, although they'd need to wait a bit longer before getting it, they wouldn't need to pay interest on the loan.

5. What wise choice did Azara make regarding savings?

Answer: Azara agreed with Abeiku that they would not take out a loan to cover the television and instead decided to wait until they could save for it so they would not need to pay interest on the cost of the television.

Depending on the participants' level of knowledge, they may struggle to answer the above questions. If this is the case, review the key definitions below before moving on to the next session. You can revisit the questions to ensure that participants understand the concepts.

Key Definitions

Loan: A loan is something lent for the borrower's temporary use. Commonly, a loan refers to a sum of money that a lender gives to a borrower for a certain period of time. The borrower makes a commitment to repay the money with interest.

Interest: Interest is the cost of borrowing from a lender. The amount of interest a borrower has to pay will vary depending on the type of lender as well as how long it takes for them to pay back the loan. Typically, the longer it takes to pay back the loan, the more you will pay in interest expenses.

Why People Borrow

In this section, it is important to discuss buying/purchasing in installments. Installment buying is a system by which a buyer pays for a thing in regular installments while enjoying the use of it. During the repayment period, ownership of the item does not pass to the buyer. Upon the full payment of the loan, the title passes to the buyer. People sometimes buy items such as phones or motorbikes using installment plans and this financial practice adds an extra financial burden. It is important to explain why it is better that people save to purchase items, rather than using installment schemes.

Trainer's Tips

Add regional-specific lending services: Include informal and formal services offered in your region.

Use specific examples when discussing lending options: When describing available lending services, refer to specific banks, MFIs, or moneylenders that are

Ask the participants: *Think about Azara story of taking out the loan from the bank. Why do you think she decided to borrow the money?*

Call on a few participants to share their thoughts. A few answers may include:

- » With the extra money, Azara will be able to buy a television for her home and make her children happy.
- » Azara can send her daughter to university.

There are several reasons why Azara—and any of you—may want to take out a loan.

Ask participants: *In general, what do you think those three reasons are?*

In general, the three reasons are:

1. *To invest: Investments usually generate additional income or increase in value over time. Examples of investments include buying a house or building a business.*
2. *To respond to an unexpected emergency: Emergencies can include natural disasters, a death in the family, or a sick family member.*
3. *For consumption: In other words, to purchase an item that you don't currently have enough money to purchase.*

Ask participants: *Do these categories sound familiar? Give them a moment to respond. If you think back to our last training on savings, these were the same reasons why people save. As we will see, the reasons to save and borrow are the same; however, there are reasons why saving might be better in one case and borrowing better in another.*

Ask participants: *Of the three reasons that people borrow, do you think that some are better than others? Why?*

Use this discussion to move into the conversation about good loans vs. bad loans.

6. Good loans vs bad loans

Time: 10 minutes

TRAINER: This discussion will focus on the difference between good loans and bad loans.

To gauge participants' understanding of good loans and bad loans, ask the following true or false questions. Use their responses to start a conversation about when taking out a loan is appropriate and when it is not.

- » **Question 1:** *True or False? Being in debt can have some serious risks associated with it.*

Answer: True

- » **Question 2:** *True or False? If you can't repay your loan, there are no consequences.*

Answer: False

- » **Question 3:** *True or False? If you take out a loan, you have to pay back the loan plus interest.*

Answer: True

- » **Question 4:** *True or False? Loan activities that generate income, will make it easier to pay back your loan as well as the interest.*

Answer: True

Ask the participants: *Keeping this in mind, let's think back to Azara's story. Azara was considering three options for her loan: 1) to help her husband buy a refrigerator for his shop; 2) to send her daughter to university; and 3) to buy a television for the family.*

Given what we just learned about what makes a good loan, what would be the best option for Azara?

Wait for a few participants to respond. You want to stress that investing in the new refrigerator for her husband's business is the best use of the loan because it will help him generate more income. This will make it easier for the family to pay back the loan and the interest.

The loan could be used for the daughter's education too, but this could probably be better handled through savings. Even though the daughter will likely earn a greater income when she finishes university, the loan will need to be paid back before that time.

Using the money to buy a new television is the least productive use of the loan. The television will not generate new income, making it very difficult to pay back the bank. Also, the television may break before the loan is fully paid back.

7. Close the Training

Time: 10 minutes

TRAINER: During this time, you will ask the group a series of questions that help them summarize and reflect on the knowledge they have learned.

Revisit the Financial Dreams Activity

During the closing of the training, revisit the Financial Dreams Activity presented in the earlier module and throughout this session. As a reminder, this activity helped participants identify their own financial goals for the future. The objective of revisiting this activity is to encourage the participants to apply their new knowledge on savings to their own financial planning. Taking the time to reflect on how savings can help the participants define new financial goals reinforces the key messages and will promote positive behavior change.

This discussion can take place in partners or as a larger group. Encourage a few participants to share their thoughts.

Ask participants: *Now that you know why it's important to save and also how savings can help you achieve dreams that you may have once thought to be impossible, have your financial dreams changed? How can savings help you attain some of your aspirations?*

If participants do not include a link to savings in their answers, add it in. For example, if one participant says, "I have a new financial goal to send my child to university," follow the statement with, "*That's wonderful. And by starting to save now and putting a little money away every month, you can have enough money for tuition by the time your child is 18.*"

Ask Participants: *Now that you know why it's important to borrow responsibly, have your financial dreams changed? How can borrowing responsibly help you attain some of your aspirations?*

If participants do not include a link to borrowing responsibly in their answers, add it in. It's also important to stress here that saving for consumption or emergencies, rather than taking out a loan or buying on credit, is a better approach. Borrowing should be done only for well-planned, income-generating investments. It's important to reinforce this message whenever you have the opportunity.

Before closing the training, remind participants to keep their dream cards in a safe spot and to bring the cards with them to the next training.

Review participants' knowledge

Ask participants a series of questions to test their knowledge.

QUESTIONS AND ANSWERS

Question: *Do you need a lot of money before you start saving?*

Answer: *No. You can start saving with very small amounts of money. Saving a little bit each month will help you reach your longer-term financial goals.*

Question: *What are three reasons why people save?*

Answer: *People save for consumption (TV, weddings, gifts, etc.); emergencies (natural disasters, death, sickness, etc.); and investment (business, house, etc.).*

Question: *What is a savings plan used for?*

Answer: *A savings plan helps someone determine how much he/she needs to save each week or month to be able to achieve of his/her goals.*

Question: *True or False? People can save for both short-term and long-term financial goals.*

Answer: *True*

Question: *What can you do to increase your savings?*

Answer: *Answers will vary.*

Question: *How can you save more safely?*

Answer: *Keeping your money at a bank, in your mobile money wallet, or with a VSLA reduces the risk of theft and eliminates the risk of losing it. At the same time, saving through your account can incrementally increase your savings by earning an interest rate on your balance.*

Question: *When you borrow money, why do you have to pay back an amount larger than what you borrowed?*

Answer: *When you borrow money, you have to pay back the original amount of the loan as well as interest, which is the cost of borrowing. This interest will vary with the type of loan, the amount of the loan, and how long you take to pay the loan back.*

Question: *What are the three reasons for why people might borrow?*

Answer: *Consumption, emergencies, investment*

Question: *Given what we learned today, for what purpose does it make the most sense to borrow money.*

Answer: *While people may borrow for many different purposes, it's best to borrow for purposes that are well-planned (so you know how and when you can pay back the money) and income-generating (so you are able to earn back the amount of the loan and the interest and possibly more).*

Question: *What are some of the advantages and disadvantages of borrowing from a friend?*

Answer: *Advantages include: it's easy, accessible, and they may not charge you interest. Disadvantages include: if you fail to pay them back, you may face difficult social pressures in your family or your community; and you also may be limited in how much you can borrow.*

Question: *What are some of the advantages and disadvantages of borrowing from a bank?*

Answer: *Advantages include: you can borrow larger sums of money from a bank. Disadvantages include: the bank may charge a high interest rate; there may be collateral or identification requirements in order to take out a loan; or if you don't pay back your loan, you may not be able to take out another one in the future.*

Question: *What are some questions that you should ask a lender before borrowing money?*

Answer: *Responses will vary*

Provide information to participants

Provide participants information about the following in your area:

- » Local and national **savings services and products** discussed during this training.
- » SUSU Savings, Group Savings, Working capital savings, pension savings, Child Education savings plan, , general savings, housing savings, Solidarity micro loans savings etc

Encourage the participants to act

Ask the participants:

- » *Now that we have talked about how to save, who is one person that you can share the benefits of savings with?*
- » *What is one thing that you have learned today that you will be able to put into practice?*
- » *What additional information would you like to learn about savings?*
- » *Now that we have talked about responsible borrowing, who is one person that you can share this information with?*
- » *What is one thing that you have learned today that you will be able to put into practice?*
- » *What additional information would you like to learn about borrowing?*



“Financial Resilience in Shea” was developed by BSR with permission from RISE, originating from RISE’s HERrespect program. This new program, which aims to strengthen the financial resilience of women in the agricultural sector, is owned by BSR.

BSR™ is an organization of sustainable business experts that works with its global network of the world’s leading companies to build a just and sustainable world. With offices in Asia, Europe, and North America, BSR™ provides insight, advice, and collaborative initiatives to help you see a changing world more clearly, create long-term business value, and scale impact. www.bsr.org

Copyright © 2025 by Business for Social Responsibility (BSR) All rights reserved. No part of this publication may be reproduced, distributed, or transmitted in any form or by any means, including photocopying, recording, or other electronic or mechanical methods, without the prior written permission of the publisher, except in the case of brief quotations embodied in critical reviews and certain other noncommercial uses permitted by copyright law.

Contributions were made to this Curriculum by Better Work, Indian School of Microfinance for Women, Microfinance Opportunities, Sanchayan Society, Swasti, and Women's World Banking.