

In the case of Poland, because the training materials were developed by a Polish organization, they resonated with a Polish audience. The materials required adaptation of cases since the materials were developed a few years ago.

In total, UCAB spent 11 days preparing for the training of trainers workshop (see Table 2 for a breakdown). However, as UCAB is a network of organizations, with direct access to trainers, the trainer recruitment process was relatively straightforward. Other organizations, which provide an “open enrollment” TOT might require more time to identify and screen appropriate trainers. They need to look for individuals with both training experience and good understanding of the target beneficiaries.

Table 2: Preparing for the TOT in total 11 days

ITEM	TIME
Logistics and venue selection	5 days
Materials adaptation	2 days
Advertising the project to potential partners	3 days
Preparing workshop materials (stationary, participant packs, printing participant packs)	1 day

Training of trainers

The training of trainers event equipped citizen advisors with the knowledge and skills they needed to immediately start training and counseling clients on financial education issues (See Box 2 for an agenda overview).

Importantly, MFC’s TOT uses a “learning by doing” approach — running actual training and counseling sessions in real time to allow loan officers to get to grips with the content and practice their facilitation technique.

Ongoing implementation

Since the project closed, advisors across the country continue to deliver financial education as part of their on-going citizen advisory activities.

BOX 2: TRAINING OF TRAINER WORKSHOP AGENDA

The 5-day agenda includes:

Day 1: Adult learning methodology introduction, reviewing course objectives, preparing for mock delivery of sessions

Days 2-4: Reviewing the content and process of the module, mock deliveries of the Plan Your Future module sessions and feedback on the course content and delivery technique

Day 5: Financial education counselling, monitoring and evaluating financial education program effectiveness

MAKING CENTS WITH FINANCIAL EDUCATION IN POLAND

Microfinance Centre

www.mfc.org.pl

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INTRODUCTION

In early November 2011, the Microfinance Centre¹, in collaboration with Union of Citizens Advice Bureau (UCAB)², launched an eight-month project to improve the financial capability of low-income people in Poland.

The need for financial education in Poland is acute. Despite the growth and progress seen since the transition from a centrally-planned economy, individual financial capability remains low. This is the legacy of the Soviet era, when the state-provided incomes were stable (if low), and opportunities for consumption and/or investment were scarce. Since that time — both financial risks and responsibilities have been transferred from the state to the individual, and financial markets are increasing in complexity at an unparalleled rate.

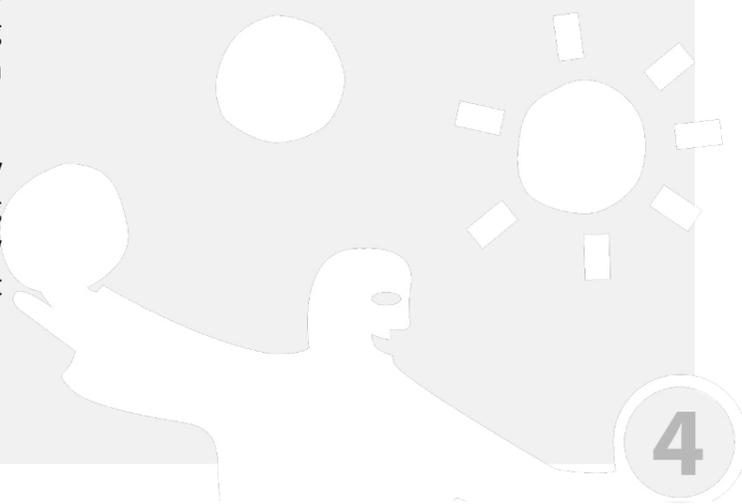
A 2009 study by the Kronenberg Foundation³ revealed that only 18% of Poles had sufficient knowledge of economic and financial standing. The average Pole could correctly answer fewer than half of the questions on basic financial and economic principles, the operation of financial markets and its products. The lowest knowledge was found among people with low income,

elderly, living in rural areas, with primary education and women. In contrast to other European countries, the incidence of over-indebtedness is more pronounced in low-income, low-education segments of the population (with debt levels averaging 5,000 PLN/1,000 EUR).

Within this context, the Citi Foundation-funded “Financial Education Project” was designed to equip local Citizens Advice Bureaus with the capacity to provide low-income beneficiaries to take charge of their own financial lives. In the months leading up to the project, the Bureaus saw an increased number of citizens seeking advice on domestic and business matters, which were underpinned by financial issues (e.g. family arguments that arose due to the inability to budget and save). The program was based on the MFC’s Plan Your Future training curriculum⁴, which helps low-income clients understand the benefits and risks of borrowing, how to use credit responsibly, and to prevent/manage over-indebtedness.

Twenty-five staff from different local Citizens Advice Bureaus participated in the training of trainers (TOT) event.⁵ Over the course of

1 The Microfinance Centre is a regional network for Europe and Central Asia with headquarters in Poland. For more information, visit www.mfc.org.pl.
 2 The UCAB is a non-governmental organization of 35 Citizens Advice Bureaus in Poland. Its goal is to inform citizens of their rights so they can effectively solve their problems. Learn more here: www.zbpo.org.pl/page/en/
 3 See www.citibank.pl/poland/kronenberg/polish/files/fk_badania_01.pdf for the study (in Polish), as well as www.big.pl/infodlug for more information on debt monitoring.
 4 For more information on Plan your Future, and other MFC Financial Education modules, please visit www.mfc.org.pl/en/content/modules
 5 Participating Citizens Advisors were as follows: 5 from Ruda Śląska Bureau, 1 from Łódź Bureau, 2 from Łomża Bureau, 7 from Warszawa Bureau (including the project coordinator), 2 from Zabrze Bureau, 2 from Zielona Góra Bureau, 1 from Ostrowiec świętokrzyski Bureau, 2 from Kraków Bureau, 1 from Wałbrzych Bureau and 1 from Łosice Bureau.



the 5-day TOT, participants learned how to deliver financial education training clients. Each trainer committed to reaching 10 people within one month of the TOT, and to follow-up with beneficiaries within 3-4 months' time to understand whether the training or counseling had made a difference in their lives. Project targets and results are listed in Table 1.

This brief has been written for other regional institutions (especially public service institutions and development NGOs) interested in offering financial education as

part of their on-going services. It highlights key benefits emerging for clients and project partners. The case also describes the institutional requirements for getting a financial education program off the ground.

Table 1: Project targets and results

AREA	TARGET	RESULT
Trainers	20	25
Client outreach	200	253

WHAT IS FINANCIAL EDUCATION?

Financial education allows development organizations to build beneficiaries' knowledge and across a range of themes, including smart borrowing, household budgeting, avoiding delinquency and the importance of savings. In terms of the content, these themes can be delivered either through training workshops (long events, or a series of shorter ones), or through one-on-one counselling sessions with individual beneficiaries, depending on the institution's needs and capacity. The key skill sets taught using these tools are listed in Box 1.

BOX 1: FINANCIAL EDUCATION THEMES OF PLAN YOUR FUTURE MODULE (BY SESSION)

1. Current cash flow vis-à-vis financial goals
2. Money saving methods and capacities
3. Emergency expenses; managing risks with emergency fund and insurance
4. Saving tools
5. Smart borrowing
6. Building a financial plan
7. Putting a plan into action

TARGET BENEFICIARIES

The project effectively reached its target audience, and in greater numbers than anticipated. In total, the project engaged with 253 low-income individuals (half of whom were current clients); 75 people received training, and 178 received counseling. Key outreach demographics are as follows:

- Average per household income: 2500 PLN (compared to an average national salary of 2500 PLN per capita)

- 58% of participants were in low-paid permanent jobs, 34% were pensioners, 3% were involved in agriculture, and 8% were micro-entrepreneurs
- 24% of participants frequently or occasionally experienced cash-flow shortages to cover basic expenses such as food, medicine and fuel
- 44% live in households with income below the poverty line.

BENEFITS OF FINANCIAL EDUCATION

Benefits for institutions and their beneficiaries

Integrating financial education into their mix of services equips Citizens Advice Bureaus to more effectively cater to the varied needs of their beneficiaries. Making individuals aware of their rights and responsibilities around smart financial management is a natural complement to the other "money-related" issues that the CAB advises on. By building skills in managing household budgets, calculating cash flow, and saving, beneficiaries are better-equipped to effectively deal with other financial aspects of their lives, including housing, social welfare benefits security and unemployment.

Key results for beneficiaries

Prior to the training or counseling session, the citizen advisor surveyed beneficiaries on their current habits, attitudes and financial capabilities. In general, beneficiaries started out with good calculation skills, and appropriate attitudes towards saving and borrowing. However, actual financial habits were often weaker than attitudes, especially in the area of saving and income/expense tracking:

- 70% did not track income and expenses in written form, and 60% did not plan a household budget
- 38% did not save (although 45% perceived that they had enough money to cover one month of lost income).

- 53% had active loans and 19% felt already over-indebted
- 69% didn't know how to calculate an interest rate, and 52% think that a high income is the most important factor for effective saving.

A repeat survey with a sample of beneficiaries in 3-4 months' time gave UCAB an insight into individual-level changes. Importantly, it revealed that 62% of those who *did not* save before the training not only started to save, but continued to do so 4 months later. Among those that *did* save before the training, 96% continued to save, 50% starting saving for longer-term goals, and 36% added new savings goals.

Of the 88% who *did not* plan the household budget in advance before the training, declared intention to start. After 4 months, two thirds of those who didn't save before the training continue to manage their family budget, and update it on monthly basis.

Financial education is very important and helps people manage their household budget, although it can be difficult to implement the guidance when a person falls into serious debt. Therefore, it is more important to emphasize poverty prevention than focus on how to get out of heavy debt.

-Joanna Łochowska, Program Coordinator

WHAT DOES IT TAKE TO IMPLEMENT FINANCIAL EDUCATION?

Preparation

A key value that the MFC brought to this collaboration was its broad experience and tested methodology for financial education training, which can be adapted and leveraged by other organizations. Importantly, its

approach is both flexible and scalable. In practice, this means that training and counseling can both be used to deliver the same content, but in different ways depending on the needs and capacity of the organization.