

# **Saving Groups Methodology and Training Curricula**

LETS SAVEE

LEarning, Teaming up and Saving- SAving groups for Employability and Empowerment

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The curriculum is one of the deliverables of the Erasmus Plus funded project “LETS SAVEE” (LEarning, Teaming up and Saving- SAving groups for Employability and Empowerment). The project aims at developing an innovative methodology for a hands-on-experience training opportunity for adults from vulnerable groups to develop their skills. It is implemented by seven partners organizations based in different countries across Europe: ACAF – Asociación de Comunidades Autofinanciadas (Spain), Cash2Grow (The Netherlands), Fundació Servei Solidari (Spain), LAB.IN.S Società Cooperativa Impresa Sociale (Italy), MFC - Microfinance Centre (Poland), The Hague University of Applied Sciences and SavingBuddies (Germany).



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## Introduction

This saving groups methodology and training curriculum aims to promote Savings Groups (SG) in Italy, Spain, Germany, Poland and the Netherlands where partner organisations of the LEarning, Teaming up and Saving – SAVing groups for Employability and Empowerment (LETS SAVEE<sup>1</sup>) project are based. Within this Erasmus+ funded project, the partner developed a flexible savings group methodology that would be adaptable to the needs of the target groups in different contexts of the participating European countries. Especially people with irregular incomes need flexible products, but by increasing product flexibility, record keeping tends to become more complex, which consequently reduces the group's transactions' transparency and accountability. Capitalizing on lessons learned on different savings methodologies in the Global South and in Europe, this curriculum is developed to be adaptable to skills and needs of the different target groups.

This methodology will be adapted to permit as much as flexibility as possible, allowing flexible saving and withdrawing of savings, lending and a small insurance fund for emergencies, while the record keeping system will guarantee transparency of transactions. The tools create a framework for Savings Groups, as the members decide themselves about their specific policies and rules (e.g. interest rates, loan terms, fines, etc.). The training and implementation of the savings group methodology is a form of just-in-time financial literacy education in itself.

The exchange between the partners and the learning together led to the development of this saving groups methodology and training curricula that integrates the following modules:

- ✓ **Modules for group operations:** including guidelines for savings and loan; for the management of an insurance fund; meeting procedures and record keeping system.
- ✓ **Modules of social competences, financial literacy and entrepreneurship trainings.**

The modules are designed in a way that it serves as 'Training of Trainers Materials'. Each module integrates content, relevant topics to discuss and tools to try out with the savings groups' members.

The current pandemic situation made piloting of the material difficult for all partner organisations. As a result, some organisations with established saving groups piloted the materials, while other used or will use it as information material for the multiplier event to identify a partner willing to test the methodology in the long run.

In addition, the partners developed an **extra module**<sup>2</sup> that represents the different partnership approach that Savings Groups promoting organisation can use to strengthen their partnerships with others.

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<sup>1</sup> Learning, Teaming up and Saving – Saving groups for Employability and Empowerment

<sup>2</sup> This module "Partnership approaches: How to create partnerships with relevant organizations to promote Savings Groups" can also be found on the MFC resource site of the LETS SAVEE project

# 1. Background of Saving groups

## 1.1. From Global South to Global North

Studies in the Global South have shed light on how people with very little means make a living with that little they have (Rutherford, 2009; Smets, 2004). The most important conclusion has been that people living in poverty want to save and do save, even when they have small and irregular incomes. They have invented different ways of handling their financial affairs in smaller groups without interference from the formal financial sector. Lending and saving within a group has been called by many different names, such as savings and loan groups, financial mutuals, community-based savings schemes, or informal financial institutions (e.g. Resch, 2017). These notions often overlap and can also have different meanings for academic researchers or professionals in the field.

To understand the approach of savings groups in the Global North, examples of three other self-help models in the Global South are presented below<sup>3</sup>.

### 1.1.1. ROSCAs

The notion of financial self-help groups was introduced into the debate by Frits Bouman (1994), who carried out fundamental research to describe two very specific ways that people handle their money, by rotating savings and credit associations (ROSCAs) or by accumulating savings and credit associations (ASCA).

ROSCAs can be found in almost all countries of the Global South, under different names such as iqqubs (Ethiopia), susus (Ghana), chit funds (India), kasmonis (Suriname), or sitananis (Swaziland). A ROSCA can be described as a group whose members periodically deposit money in order to save, lend, and borrow. Participants usually deposit an agreed sum into a joint fund at prearranged intervals. The fund is paid out as a lump sum to participants on a rotating basis (see, e.g., Ardener & Burman, 1995; Bouman, 1995). For example, 12 people each save €100 monthly, which is deposited into a common fund during a social gathering. The total amount of €1200 is provided to one of the members. The next month, the pot is handed over to another person who has not received it so far. This continues until every participant has received the lump sum once.

Participants mostly use the money for household assets, school fees, and traveling costs, though it is occasionally used for life events such as funerals or marriages and less frequently for income-generating activities. The rotation order may be decided by auction, voting, seniority, consensus, drawing lots, or the organizer's choice. Once all participants have received the fund, the group is either dissolved or restarted for another cycle.

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<sup>3</sup> These examples are partly based on Lehmann (2021) Balancing the social and financial side of the coin. An action research on setting up financial self-help groups in the Netherlands. Amsterdam: VU University Amsterdam (p. 17-21)

ROSCAs are popular among migrants in areas such as Europe and the USA who are familiar with these groups from their countries of origin in the Global South (Ardener & Burman, 1995). Empirical evidence has demonstrated that participation in ROSCAs contributes significantly to participants' well-being by building up a reputation of being trustworthy, strengthening social networks, improving household management skills or cultivating entrepreneurial positioning (Light & Gold, 2000; Bijnaar, 2002; Kappers & Lehmann, 2011).

### 1.1.2 ASCAs

An ASCA is more complex than a ROSCA. In an ASCA, a participant pays a monthly, weekly, or daily contribution into a common fund. Members in need of a loan can make a request on the common fund whenever they are in need. The loan is usually paid back with an interest rate. Some ASCAs are stable enough to last for several years and can provide savings and loans in a more flexible way than ROSCAs. In contrast to a ROSCA, then, an ASCA can be distinguished through its longevity and flexibility. ASCA management can be more complex and can become less transparent than ROSCA management (Rutherford, 2009). While in ROSCAs, each member can save a fixed amount per meeting, in an ASCA, members store flexible savings amounts for more unspecified periods of time. Thus, management of an ASCA demands a more sophisticated level of bookkeeping, which is often carried out by specialized bookkeeping members and is not always done in a transparent manner for all members alike. Higher levels of complexity and a lack of transparency can lead to mismanagement and can result in fraud: fraudulent ASCAs spring up, fail and then after a while, when the need to save is pressing again, start all over (Rutherford, 2009).

### 1.1.3. Savings groups

Both ROSCAs and ASCAs arise through a bottom-up approach and without the involvement of an external organization. But there are also financial self-help groups that are characterized by a top-down approach. These are called savings groups. Professionals as well as academics speak of savings groups as a family of new models that are implemented by facilitating agencies. In general, a savings group consists of 15 to 30 members – mainly women – who meet on a regular basis to save money, which is deposited in a common fund. This common fund is then used to lend money to group members when needed. The group operates during a cycle of usually 9 - 12 months. After this period the accumulated savings, interest and additional fees are distributed among the group members and a new cycle might be started (Gash & Odell, 2013). These kinds of financial self-help groups began in the early 1990s. Inspired by experiences with ROSCAs and ASCAs, the development organization CARE International developed the first model of savings groups in Niger and called them *Village Savings and Loan Associations (VSLAs)*.

The growing popularity of VSLAs has triggered other development agencies in other countries of the Global South to work on variations of the VSLA. Examples of models belonging to this family of savings groups are *Saving for Change* (SfC) by Oxfam/Freedom From Hunger/Strømme Foundation, *Saving and Internal Lending Community* (SILC) by Catholic Relief Services or *Community-Based Savings Groups* by the Aga Khan foundation (Mersland et al., 2019). Thus, a savings group basically operates as a form of ASCA, but in most cases, it is time-bound like a ROSCA. In contrast to both ASCAs and ROSCAs, savings groups rely on strict management procedures - varying by facilitating agency - to increase transparency and to simplify financial procedures. In practice, facilitating agencies have developed financial bookkeeping forms for specific target groups (e.g., more or less literate, urban or rural). These bookkeeping forms have to be filled in by members at every meeting to keep an overview of all activities taking place in the group.

The savings group methodology has been applied in many places in the world as a savings and borrowing strategy for people living in poverty, often providing services to populations in rural areas with little access to formal institutions. Although savings groups started to operate mainly in rural Africa, such groups are mushrooming in Asia and Latin America, and to a lesser extent in North America and Europe.

## 1.2. Arriving in the Global North

Parallel to developments in the Global South, the foundation ACAF<sup>4</sup> introduced the first savings groups in Barcelona in 2004, under the name of CAF groups (*Comunidades Autofinanciadas*; in English, self-funded communities). The CAF approach supports the financially and socially excluded poor sections of societies. In the beginning, the foundation targeted mainly migrant communities in Barcelona that had experience with ROSCAs and ASCAs. ACAF's experiences with CAF groups in Spain suggested that this approach might also work in other countries in the Global North and other organization in other countries followed.

Today, saving groups have been introduced in Italy, Hungary, Belgium, the Netherlands and Germany.

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<sup>4</sup> Today, ACAF operates under the umbrella of the online platform [www.winkomun.org](http://www.winkomun.org)

Saving groups in in the European context can be generally defined as the following:

Savings groups are financial self-help groups with 5-30 members in which each member saves for her own goal. Most groups define a savings period beforehand. They meet on a weekly, bi-weekly or monthly basis. Each member saves money which is deposited into a common cashbox.

The group decides if loans can be provided from the savings fund. If so, the amount saved by each individual determines the loan amount they are entitled to.

Most saving groups do a share out at the end of the savings period: each member gets his/her own savings back, possibly increased by interest income of internal lending and eventually also income from fines paid by latecomers or absentees. Some group use a digital bookkeeping system, other paper forms.

Members share responsibility and ownership from the first day onwards. Every group functions according to the same procedures but each sets its own rules and regulations.

Four of the partner organisation of the LETS SAVEE project are active in setting up Savings Groups in their respective countries. Even though the basic aims and features of these Savings Groups are identical, there are also characteristics that are very different. In the table below we compare these differences among the organisations.<sup>5</sup>

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<sup>5</sup> To learn more about the how and for whom the different partner organisations implement their savings groups in detail, please have a look at the other intellectual outputs of the LETS SAVEE project: General Feasibility Report and Case Studies per organization.

### 1.3. Comparison of basic characteristics of Savings Groups

|                            | <b>ACAF<br/>(Spain)</b>   | <b>Servei Solidari<br/>(Spain)</b>   | <b>Cash2Grow<br/>(Netherlands)</b>  | <b>LABINS<br/>(Italy)</b>   | <b>SavingsBuddies<br/>(Germany)</b>   |
|----------------------------|---|--|---|---|---|
| <b>Number of members</b>   | 10-30   | 6-12   | 5-12  | 5-30  |   |
| <b>Share-out</b>           | No share out  | Share-out at the end of the year (dec)   | Share-out of all savings at the end of savings period (approximately 9 months)                  | Share-out at the end of savings period  | N/A   |
| <b>Meetings</b>            | Monthly   | First year biweekly. Second and third year, monthly  | Preferably weekly /biweekly meetings  | Weekly  | Monthly   |
| <b>Procedures</b>          | 4 steps following Winkomun Numbers structure                            | 1,5h of training at the beginning of the meeting and 30 last mins for savings following Winkomun steps.  | Very structured meeting process (64 steps)  | Semi-structured meeting procedures: training, follow-up and guide to meeting procedures (10 steps)  | Fixed procedure to open the meeting and start saving. Afterwards, room for social exchange.   |
| <b>Roles</b>               | 4 main roles rotating every 12 months                                   | Group leader rotating after 12 months.   | Explicit roles (e.g. chair person, bookkeeper, money counter) which either rotate or are fixed. | 10 main roles which can rotate quarterly. Possibility to include new roles if it is needed (e.g. covid healthcare manager, techno-accountant) | Group leader to convene meetings and take charge of the agenda. Also, an accountant for the income and outflow of money (this position can be rotated at each meeting). |
| <b>Book-keeping</b>        | Digital (Winkomun.org)  | Digital (Winkomun.org)   | On paper forms only.  | Digital and on paper.   | Digital (Winkomun.org)  |
| <b>Loans</b>               | Related to members saving capacity (4 times more than the amount saved) | Related to members saving capacity (4 times more than the amount saved) and linked to an investment on the entrepreneurial project. To be approved by all group members. | Provision of loans is optional and hardly used.   | Related to members saving capacity (3 times more than the amount saved)   | Provision of loans is optional, only if requested.  |
| <b>Social Fund</b>         | Exists in some groups   | N/A  | Social Fund is optional and often used.   | Social Fund is optional.  | N/A   |
| <b>Integrated training</b> | Some inputs provided depending on needs of groups                       | Training in every meeting concerning all parts of the business plan and personal skills.   | Integrated financial, social skills and personal training.                                      | Financial education and Entrepreneurship.   | N/A   |

## 2. Methodology

### 2.1. Modules for group operations

#### 2.1.1. Core information Savings group

| Module 1   | Background information  |
|--|---|
| Intended outcomes and outputs                          | Based on this information, the trainer has all background information to proceed with the following modules.  |
| Topics/issues to deal with and related working methods | Topic 1: What are the core values of a savings group?<br>Topic 2: Rules of play<br>Topic 3: Saving<br>Topic 4: Loans<br>Topic 5: Social Fund<br>Topic 6: Fines (kudo)<br>Topic 7: Dividing profits<br>Topic 8: Restarting a saving period |
| Training and learning methods                          | Reading   |
| Suggested exercises/tools /activity                    | No tools  |

#### Topics

##### Topic 1: What are the core values of a savings group?

A number of factors are crucial to the success of a savings group:

- *Inspiring one another*: group members motivate each other to put money aside and exchange tips and experiences, for instance, regarding saving and finances in the area of household and enterprises.
- *Transparency*: all transactions will take place within the group during the meeting. The accounting is simple and accessible to all members.
- *Trust*: trust is essential. Within a savings group, trust is a verb rather than a noun. It is developed during the saving period. It is helpful, at the time the group is started, if the members know and trust at least one other member.
- *Clear agreements*: the group draws up clear rules, for instance with regard to absence in meetings, saving and loans.
- *Self-management*: the group members are in control. The group selects a chairman, a treasurer and a bookkeeper. These roles can also alternate. During the first saving cycle, the savings group is being supervised. After that, the group can function autonomously.

## Topic 2: Rules of play: guidance towards self-management

It doesn't require an expert to manage a savings group, but based on the experiences of many others worldwide, a number of work methods appear to work well. The work methods have been summarised below in the form of rules of play. By no means everything is fixed; there are many points that the group is to decide about themselves. These points can be found in the 'bylaws of the savings group'. The intention is that members develop these bylaws and subsequently bind themselves to them, by means of their signature. Carefully studying the rules of play makes it easier to establish the bylaws.

*Clear agreements is one of the core values of savings groups. Therefore, carefully studying the rules of play and establishment of the bylaws is vital to the success of the savings group.*

### 2.1 Frequency of meetings

People will save up more and the meetings will be shorter as they are held more frequently. The best thing to do is therefore to meet on a weekly basis. If people are too busy to commit to that, meetings can be held every two weeks, or even on a monthly basis. If a group gathers once per month, a good moment to meet would be soon after the members have received their salary or benefit.

### 2.2 Location of the meetings

It is important for the group to meet away from 'prying eyes'. Some possibilities:

- At the home of one of the members, every next meeting at someone else's home. Sometimes, the host(ess) may even prepare a meal.
- Meet at the same savings group member's home, if this should be large enough and/or is centrally located.
- In a community centre or other public space.

### 2.3 Duty team

The savings group themselves manage the savings group. Therefore, it is important to select a duty team. The team consists of 5 duty titles and at least 6 persons:

- Chairman who chairs the meetings;
- Bookkeeper who registers all transactions;
- Record keeper who is responsible for the money's safety (cash box, or combination of cash box and bank).
- 1 or 2 money counters, who count the money, visible to the group, in order to guarantee meticulousness and transparency.
- 2 key holders. The key keeper's position should of course not be combined with that of the record keeper.

The chairman, bookkeeper and money counter duties could alternate, so as to allow multiple members the opportunity to learn (about) this. The chairman will be chosen for one saving period and can be re-elected once. If the group prefers a fixed duty team, a new duty team will be chosen for every new saving period. Also the bookkeeper and record keeper can be re-elected once. The chairman, bookkeeper and record keeper should not form a household in any way.

#### 2.4 Election of duty team

In order to ensure that the duty team has the trust of the group, it is a good thought that the members can (s)elect the duty team. Secret elections will prevent the members from being reluctant to give their honest opinion. For every non-alternating position, a round of votes can be held. The group members will introduce the candidates. The members of the savings group will write the name of one of the candidates on a note. The notes will be counted *visibly to everybody*.

#### 2.5 What to do if a member of the duty team is not functioning properly and/or retires?:

The relevant member of the duty team can be relieved of his/her duties by the group. Every savings group member can bring up the subject at any time, in the group, and if necessary a voting can be organised. If a member of the duty team voluntarily retires from his/her duties, new elections will be held in order to replace that person.

#### 2.6 Keeping the money and the records

The savings group members save by use of cash money and the money is kept in a money box. If the savings group issues few loans and saves a lot, the amount of money in the box could become substantial. In this case it may be convenient to deposit the money in a joint bank account (3 or 4 authorised signatories). The costs of this widely vary per bank, at some banks, for instance, it is quite expensive to deposit cash money. In many African countries, banks have established bank accounts for savings groups, where the safety system of the cashbox is being imitated (multiple people required to open the box). As such, it is not possible for one single group member to withdraw any money. As yet, it is not possible to enter into this kind of arrangement with banks in the Netherlands as in many other European countries. Therefore, it would be convenient if the record keeper and the key holders jointly deposit the money in the account and are also jointly responsible for the withdrawal of money, should that be necessary.

If the group meets in a community centre, there may be a safe in which the (locked) cashbox can be stored. If accounting is done on paper, it is a good option to keep the accounting in the cashbox. As such, it will be impossible to make modifications in the accounting in between meetings.

### Topic 3: Saving

The group sets a maximum and a minimum amount for savings (see bylaws). Why a maximum amount for savings? Since most groups divide the 'profit' (interest and fines) proportionately to the amount saved, one of the members could receive a substantial portion of the money saved at the end of the period, due to saving too much. This, while the savings saved most recently, cannot be used for loans. Furthermore, someone with a larger share of savings could be granted a majority of the funds as a loan, since the maximum amount that can be loaned, is related to the amount saved. In addition, the following points are of essence:

- The members are expected to save at least the minimum set amount, at every meeting. Yet, it may so happen that members aren't able to save anything during a

meeting. This is not a problem at all. The advantage of this form of savings group is that no one will be disadvantaged, when someone is not saving. It is recommended though that the relevant member does show up at the meeting.

- Any amount between the minimum- and the maximum amount can be saved.
- Attending the meetings is very important to the transparency and the building of trust. As such, it is discouraged that members give the savings to another member, as opposed to showing up themselves.
- In principle, the members do not take up savings until the end of the saving period. After all, they want to reach their savings goal and do not want to be able to dispose of their money. It may so happen that members still need money urgently. In that case, savings can be withdrawn, because it concerns his/her own money. If necessary, savings can be withdrawn to pay off a loan.

#### Topic 4: Loans

The savings group themselves decide whether they wish to issue loans to their members. That decision is usually taken after 3 meetings, once the members are aware of how things in the savings group work and know each other a bit better. Should a member of the savings group want to borrow money, the following agreements apply:

- Loans can only be issued to members of the savings group.
- The person who is issued a loan, **CANNOT** pass it on to someone else within or outside the group.
- Savings group members must have saved at least three times before becoming eligible for a loan.
- The person requesting the loan, shall inform the group what the loan will be used for and when and how he/she is planning to pay back the loan. The group will subsequently decide whether or not to grant the loan. After all, the money of the members of the group is at stake.
- The maximum amount of the loan is linked to the amount saved. In addition, a maximum amount can be set for all loans of the group.
- For the first saving period, the maximum loan period is four months. For the second saving period this could be 6 months, should the group decide this.
- A member cannot have two loans at the same time.
- The group may decide to charge interest on the loans. The interest demanded by groups in the US and in Europe varies from 1% to 2% per month; or sometimes 5% for three months.
- The loan needn't be repaid in equal shares per month, but it is a good thing to demand that part of the loan is repaid each month, as opposed to repaying the total amount at the end of the four months.
- All loans must have been repaid before the end of the saving period. As such, it would be smart not to issue any more loans during the last 2 - 3 months before the end of the saving period.

## Topic 5: Social fund

The savings group will decide whether or not to install a Social fund, that members can receive donations from. This fund is optional; most saving groups in the world have a Social fund. Some groups use the fund only when members are in crisis situations (sorrow), while others may need it to celebrate births or marriages (Joy). This is entirely up to the group to decide. What is the amount of the deposit? It is recommended to keep it at less than 10% of the minimum savings amount. The amount of the deposit is established by the savings group and documented in the bylaws. The donations from the social fund are also intended as a sign of solidarity and a measure of support and not to, for instance, solve a crisis situation. The following rules of play are essential:

- The Social fund is kept in the cashbox, but is kept separate from the savings.
- Every member saves the same amount in this fund, at every meeting.
- Every member can request a donation from the group, the group will decide whether or not to grant it.
- At the end of the saving period, the members will decide what to do with any money that is left: carry it over to the next saving period; equally divide the amount among themselves; or use it for a festive closing of the saving period.

## Topic 6: Fines

Groups can decide to impose small fines on members who are breaching the rules. At Cash2Grow savings groups in the Netherlands, this is not known as 'fines', but as 'kudos', since the word 'fine' strongly relates to punishment and that is not what it is about at the savings groups. The aim is not to punish the member and neither to collect money for the group. It is rather a method to tell the group: "I'm sorry I was late", or "I apologise for the fact that my mobile went off during the meeting", or whatever other rule the group has set. The group will decide whether fines will be imposed, and if so, for what, as well as the amount of the fine. This concerns symbolic amounts that remind people to follow the rules. Starting right on time is a way of respecting group members and keeping meetings short. Many groups place a tray or bowl at the door, as soon as the meeting commences. Then the latecomers must deposit the fine in the tray before they enter.

Fines for late repayment of loans must be small and symbolic, as the member who repays too late, may be in trouble. It is not the intention to worsen these problems by means of high fines. It is recommended to have the member pay only the usual interest over the arrears period.

## Topic 7: Restitution of the savings and distribution of the 'profit' at the end of the saving period

At the end of the saving period, each member will receive back all the money that he/she has saved (share-out). On top of that, every member will receive part of the money earned by the savings group, as a result of interest on loans and fines. Groups can plan the moment

of the share-out to a time at which most members would prefer to receive the money. For instance, at Christmas, at the start of the summer holidays or right after the holidays, as school starts again.

For the sake of convenience, the distribution of the money earned by the savings group, through interest and fines, will be referred to as the 'profit' of the savings group. This can be equally divided, or proportionately with the amount saved.

The saving period lasting no longer than 1 year, serves three purposes:

- The amount of money managed by the group will not become too high;
- The members will receive a substantial amount that they can use at the time they need it;
- It is a financial control measure. Should anything have gone wrong in the accounting, then it can probably still be solved after 1 year. If errors in the accounting are not identified for a number of years and accumulate, at some point they can no longer be solved.

#### Topic 8: Starting a new saving period

The end of the saving period is a good moment for three purposes:

- Any member who wishes to leave the group, can easily do so;
- New members can join in, with permission of the group;
- Members can change part of their bylaws - like the minimum amount to be saved, or the maximum loan amount, or the interest on loans.

In case of a new saving period, it can be permitted once that members save more than the maximum saving amount. This way, they can re-invest part of the money that they received at the distribution, in the new saving period. This makes it possible to issue loans at the start of the saving period, without the need to wait until there is enough money available.

## 2.1.2 Role of the facilitator

| Module 2  | Role of the facilitator   |
|---|---|
| Intended outcomes and outputs                           | The organization knows which qualities it needs to look for future facilitators and facilitators know how to operate starting a new savings group.                    |
| Topics/ issues to deal with and related working methods | Topic 1: Facilitators and their qualities<br>Topic 2: Training of facilitators<br>Topic 3: To start a new savings group<br>Topic 4: To facilitate a new savings group |
| Training and learning methods                           | Training and readings   |
| Suggested exercises /tools /activity                    | Tool 1: checklist qualities of savings groups<br>Tool 2: checklist role of facilitators   |

### Topics

#### Topic 1: Facilitators and their qualities

Trained facilitators help participants in savings groups to work on their financial and social resilience. Facilitators can be volunteers, but also professionals who like to become a savings group facilitator. Some facilitators work for a social organisation, others are involved in residents' initiatives, or they have become motivated as members of a savings group to facilitate a savings group themselves.

In order to become a savings group facilitator, someone must speak and write the local language, master basic math skills and have social skills such as listening and being able to interact well with people.

#### Topic 2: Training facilitators

The organization that develops the savings groups is responsible for training and coaching the facilitators.

##### **a. Training:**

Before facilitators themselves start forming a savings group, they receive a two-day training. After that, the organization organizes peer-to-peer meetings for the facilitators to make an interim evaluation and to exchange experiences. If the facilitator has successfully followed a savings group until the end of the cycle, she will receive a certificate.

##### **b. Coaching:**

The savings group facilitators are supervised 'on the job'. A coach of the organization visits a new savings group on average six times. Existing savings groups are monitored twice per savings period. The facilitators are continuously entitled to personal coaching (on request).

### Topic 3: Starting a new savings group - searching for members

A savings group facilitator supervises the savings group process and works with the members towards the independence of the savings groups. Before a savings group can start, the facilitator looks for people who want to join a savings group. In principle, anyone can be a member of a savings group, but the recruitment is specifically aimed at the target group of people who have difficulty making ends meet. A further condition is that the participant can come to the meetings and has the opportunity to complete the entire savings period. New members are also introduced via current savings group members. If people already know someone within the savings group, that makes participation (even) more accessible for them. Facilitators also organize information meetings to look for new members.

### Topic 4: Facilitating a savings group

Supervision of a savings group takes place on 3 levels: organizing, guiding towards independence and evaluating/monitoring the savings group.

#### **1. Organizing**

In the preparation phase, the savings group facilitator recruits members and ensures the distribution of publicity. The facilitator also arranges space for the meetings. Once the savings group has been started, the facilitator ensures that the working materials are available to the members.

#### **2. Guiding towards independence**

The first savings period of a savings group consists of three phases (each phase consists of approximately twelve meetings), namely:

##### *Phase 1 training*

In the training phase, the savings group is trained in how a savings group meeting proceeds. In the first phase, the facilitator introduces all the principles of the savings group to the new members, rules are made and the roles/tasks are divided. Only then the savings group can start saving. Members learn to draw up a savings goal and a savings plan. The facilitator ensures a safe atmosphere. According to the needs of the members, the facilitator discusses themes from the folder for savings group members.

##### *Phase 2 coaching*

After about three months, the facilitator has the role of coach. The members know how the savings group works and the facilitator is no longer present at all meetings (three times per twelve meetings).

##### *Phase 3 independence*

After another three months, the savings group reaches the independent phase. The facilitator attends twice the savings group meeting during this phase, for example to motivate members or to discuss a theme. At the end of this phase, the savings group reaches the end of its savings period. The money will be distributed at the last meeting. Also

the Social Fund, the kudos and any interest. Finally, agreements are made about a new savings period.

**3. Evaluate/monitor:** The facilitator evaluates the development of the savings group per phase and after the saving period has ended.

|              |
|--------------|
| <b>Tools</b> |
|--------------|

### Tool 1: Checklist qualities savings group facilitator

A savings group facilitator has to:

- Be fluent in the local language: spoken and written
- Know how to calculate: addition and subtraction, with or without a calculator.
- Be able to deal with people and talk to them easily.
- Be a good listener.
- Be able to explain clearly what a conversation is about.
- Keep to agreements (for yourself and for the group).
- Be able to take the lead in a group.
- Be kind, cordial and honest.
- Create a pleasant atmosphere.

A savings group facilitator is someone:

- Who would like to guide a savings group.
- Who might have experience with how difficult dealing with money can be. She/He knows how important saving is. Or who has been a member of a savings group.
- Someone with an organised financial life

### Tool 2: checklist role savings group facilitator

Before a facilitator starts supervising a savings group, she /he agrees to actively supervise a savings group for at least one savings group period and to participate in the training program and the inspiration meetings, even if they take place in another neighbourhood or possibly in another city.

Checklist tasks of the savings group facilitator:

- Preparing a savings group: searching for members, arranging meeting room.
- Start savings group meetings.
- Guiding the savings group towards independency.
- Discussing the themes in the meetings.
- Make sure that the savings group is doing well.
- Guide members in completing a questionnaire at the start and finish.
- Make a short and simple report of every savings group meeting in the report format.
- Keep in touch with the coach.
- Participate in the training.
- Complete the questionnaire twice with mainly financial information about the savings group.

- Evaluate the group three times using the form: 'Change of phase'. You do this after about 3 months, after 6 months and at the end of the savings cycle period.

|  |   |
|--|---|
| <b>Module 3</b>  | <b>Before starting to save</b>  |
| <b>Intended outcomes and outputs</b>                   | Trainers are prepared to start a new group. They can provide the relevant information to the group members. |
| <b>Topics to deal with and related working methods</b> | Topic 1: Talking about rules<br>Topic 2: Division of tasks  |
| <b>Training and learning methods</b>                   | Role play, discussion, decision making  |
| <b>Suggested exercises/tools /activity</b>             | Tool 1: Table bylaws<br>Tool 2: Division of tasks for duty team<br>Tool 3: Sociocratic method               |

### 2.1.3 Before the group can start

#### Topics

#### Topic 1: Talking about rules

Making clear agreements is one of the principles of savings groups. When studying the Bylaws (tool 1 below), you can see which rules must be agreed upon. Many agreements will be decided about by the group itself. The agreements will be documented in the 'Bylaws of the savings group'. It is the intention that the members develop this document together. If all rules of play are accurately discussed, it shouldn't be difficult. If everyone agrees, all members will put their signature below the document: on the signature list for the Bylaws.

#### Rules regarding 'how' and rules for 'what'

Since experience has been gained worldwide, with savings groups, we have been able to draw up a well-functioning format regarding the necessary rules. Below, the different rules are discussed one by one, in paragraphs a. to i.

#### **a. Who can become a member of our savings group?**

Savings groups would like to ensure that everybody can enjoy participating. Some savings groups therefore agree who can and cannot become a member. As such, there may be savings groups for women only. Or for local residents only. Also agree upon what to do if someone wants to become a member while the savings group period has already started. And what if someone wants to drop out before the end date? And what will be the maximum number of members for the savings group?

#### **b. How often does our savings group meet?**

The members will save more and the meetings will be shorter when meeting regularly. So, the best thing to do is to hold meetings on a weekly basis. If people are too busy to commit to that, they can be held every two weeks, or even on a monthly basis. If a group gathers

once per month, a good moment to meet would be soon after the members have received their salary or benefit.

**c. Where does our savings group meet?**

The savings group should meet at a location without 'prying eyes' and without others eavesdropping. Whichever location you choose, the group must always be able to meet privately. So no one can see that the savings group is focusing on money. A savings group meeting will be attended by the members and the facilitator only. Sometimes people want to find out how a savings group works. The group members will then first decide whether they agree with that.

**d. How do we stimulate members to arrive on time and participate?**

Arriving on time and participating is quite important to the savings group. By arriving on time, you show respect for the others in the group. If you always attend, the other members will know that they can count on you. You can read more about this in the chapter 'About kudos', a few pages ahead. Use that chapter when the group starts making agreements on this.

**e. How to divide the tasks?**

The savings group will divide the tasks themselves. Later in this module, 'About dividing tasks' will be explained further.

**f. Rules for saving**

The savings group chooses the maximum amount and minimum amount to be saved by each member. The savings group will document these amounts in the bylaws. A rule of thumb is that the maximum amount does not exceed 10 times the minimum amount. Otherwise the differences in the group will become too big.

**g. Our rules for a social fund**

Most savings groups want to have a social fund. But it is not compulsory. If a savings group wishes to have a social fund, the savings group will autonomously choose the amount that each member is to donate per meeting, for the social fund. The agreement about the amounts is documented in the Bylaws, by the savings group. The money of the social fund is kept in a separate bag. This bag is stored in the cashbox.

**h. Our loans rules are not discussed directly at the start of the savings group.**

This is done at a later stage, because at the start you're not too familiar about how things go at a savings group. We discuss this during the 2<sup>nd</sup> or 3<sup>rd</sup> meeting. The agreements then concluded, will also be documented in the bylaws, by the savings group.

**i. How do we distribute the 'profit' during the last meeting?**

At the start of a savings group, these agreements may not seem too relevant yet, but they should be mentioned at the start. Because, from the beginning of the savings group, the members should be confident that there are proper rules regarding what will happen with their money.

The last meeting had best be planned at times when people need their money most: for instance at Christmas, before the summer holiday, or even at the end of the holidays, when school starts again. At the end of the saving period, each member will receive all the money back that they have saved. Every member will also get a share of the money that the group has earned with interest on loans and the kudos. Basically, that is 'profit'.

If the savings group has made a profit, they can use it to do something nice together. Or the savings group could distribute the money. Each member could be given the same amount. Or the one who saved most can be given the largest portion of the 'profit'. That is how it is done at a bank: the more money you have, the greater the amount you receive as interest. Also this must be agreed upon in advance and documented in the bylaws.

## Topic 2: Dividing tasks

The savings group itself is the manager of the savings group. Therefore, tasks must be divided. We call these tasks 'duties'. The members to perform the duties, are the 'duty team'. The members of the savings group select the duty team (see more details on p. 13).

*How can the savings group be supervised while dividing the tasks?*

You can recommend several ways of dividing tasks to the savings group:

- Alternate the tasks of bookkeeper, chairman and money counters. Then everybody has a chance to learn how things work. It is recommended though, to perform each task twice in a row (for two consecutive periods of time). That will give you opportunity to practise. The first time, you, as a facilitator, can create lots with duties on them and allow every member to draw a lot.
- The savings group will select a regular chairman during a secret election. All members write a name on a note. One person reads the names off the notes. Regarding the other duties, you will be looking for volunteers.
- For all duties, you ask the savings group members who would like to do what.
- If the members know each other already, you can apply the method 'choosing with compliments' (tool 3).

## Tools

### Tool 1: Bylaws

This is the BYLAWS of the savings group in which the agreements for the savings group are documented. All members must put their signature.

#### **BYLAWS OF THE SAVINGS GROUP**

##### **GENERAL INFORMATION**

Name of the group: .....

Date of completion of the bylaws: .....  
End date of the saving period: .....

**RULES OF CONDUCT** – please indicate which rules of conduct you agree with.

We arrive on time.

Switch telephones to silent mode.

We allow each other to finish.

There is only person talking at a time.

.....  
.....

## **MEMBERSHIP**

**Who can be a member of this group:**

Women - men: .....

Domicile: .....

Other conditions? .....

**New members after the start of the saving period:**

Can one still become a member after the start of the saving period? If so, until when?

.....

**Leaving the group before the end of the saving period:**

If someone leaves the group before the end of the saving period, he/she will get (cross whatever the savings group will NOT do):

their savings and a share of the 'profit'

their savings only

*[organisation] is not responsible for any loss of money or for the non-repayment of loans.*

This is the form that is part of the bylaws. This is where the agreements made by the savings group, are documented. All members must place a signature.

|  |                                    | 1 <sup>st</sup> agreement<br>date __/__/__ | modifications<br>date __/__/__ |
|--|------------------------------------|--|--------------------------------|
| 1. Meetings:   | Every week                         |  |                                |
| 2. Duration of the meetings:   | 2 hours                            |  |                                |
| 3. Minimum amount to be saved per meeting:                                   |                                    | €  |                                |
| 4. Maximum amount per meeting:   | 10x minimum deposit                | €  |                                |
| 5. Does the savings group want a social fund:                                | around 10% of minimum amount saved | Yes or no and € _____ at a time            |                                |
| 6. Does the savings group want to issue loans:                               | If so, after 3 times of saving     | Yes or no and € _____ at a time            |                                |
| 7. Proportion own savings - loan:  | 1 : 3                              |  |                                |
| 8. Maximum amount of loan:   | € 600                              |  |                                |
| 9. Repayment term loan:  | 1-4 months                         |  |                                |
| 10. Repayment of the loan at the end of the 4 months, or every month:        | Repayment every month              |  |                                |
| 11. Interest (per month – if desired)  | 1%                                 |  |                                |
| 12. Interest for delayed payment (over the arrears period):                  | 1%                                 |  |                                |
| 13. How much Kudos for not attending:  | € 1                                |  |                                |
| 14. How much Kudos for being late:   | € 0.50                             |  |                                |
| 15. Keeping the money in: a) a cashbox;<br>b) combination of cashbox & bank: | In case of high amount saved: b)   |  |                                |
| 16. Sharing of 'profit'  | Proportionately to savings         |  |                                |
| 17. Themes   | 1 theme for every meeting          |  |                                |
| 18. Division of tasks<br>chairman already:                                   | 1 saving period/alternating        | Name                                       |                                |
| b) Bookkeeper:   | At least 1 extra bookkeeper        | Names                                      |                                |
| c) 2 Money counters:   | 1 saving period/alternating        | Names                                      |                                |
| d) Record keeper :   | 1 saving period                    | Name                                       |                                |
| e) 2 Key holders:  | 1 saving period                    | Names                                      |                                |
| 19.  |                                    |  |                                |
| 20.  |                                    |  |                                |

Signature list below belongs with the bylaws. Once the agreements have been made, all the members shall sign. Each member who has signed the list, promises therewith that they shall adhere to the agreements of the Bylaws. If a member wishes to do so, he/she can also fill in the 3<sup>rd</sup> column. In case of an emergency, the relevant member's money will then still end up in the right place.

| Name | Signature | Who can collect my money in case of an emergency (with tel. number) |
|------|-----------|---|
| 1.   |           |   |
| 2.   |           |   |
| 3.   |           |   |
| 4.   |           |   |
| 5.   |           |   |
| 6.   |           |   |
| 7.   |           |   |
| 8.   |           |   |
| 9.   |           |   |
| 10.  |           |   |
| 11.  |           |   |
| 12.  |           |   |
| 13.  |           |   |
| 14.  |           |   |
| 15.  |           |   |

## Tool 2: Division of the tasks of the duty team

### What does the chairman do?

- Indicates all the steps of the meeting (as set out in module 3)
- Ensures that the meeting runs smoothly
- Supervises group discussions
- Is the contact person for the savings group
- Treats everyone equally
- Listens and asks about other people's opinions
- Can briefly pause the meeting if necessary

### What does the bookkeeper do?:

- Writes on the forms how much money is coming in and going out
- Ensures that everyone places a signature with their amount
- Assists the chairman in taking all the steps in the meeting
- Calculates everything meticulously
- Uses a calculator on the mobile to calculate things. A savings group preferably has 2 bookkeepers, in case one bookkeeper cannot attend occasionally

### What does the record keeper do?:

- Ensures the safety of the cashbox
- Makes sure that the cashbox is at the meeting on time
- Neatly organises the money

### What do the money counters do?:

- Receive the money from every member and state out loud how much a member has deposited
- Count the money at the start and at the end of the meeting
- Count the money out loud, so everyone can see, hear and understand
- Are able to count money quickly and correctly
- Are calm and ensure that it is carried out smoothly
- Work together to organise the money and count it

### What do the key holders do?:

- Carefully store the two keys of the cashbox
- Open the cashbox at the start of the meeting
- Close the cashbox at the end of the meeting
- The savings group requires 2 key holders, as cashboxes have 2 keys. It is also useful in case a key keeper cannot attend occasionally

### How will the savings group divide the tasks?

Discuss how the tasks should be divided. Here are some suggestions:

- As many members as possible will be given a task;
- Preferably one task per person;
- In case of a small group, it may be useful to give someone 2 tasks;
- It would be nice if the bookkeeper and money counters switch roles. Then everyone will get a chance to learn this;

- Every meeting can be led by a different person;
- The bookkeeping in the group is very important. At least two members of the group should learn this. Because bookkeeping is essential in a savings group;
- If the group opts for a regular chairman, it can be voted who this will be. This is preferably done anonymously. Everyone will write a name on a note.

### Tool 3: Sociocratic method for choosing duty team

The method: 'choose with compliments' is done in 5 steps

#### 1. Principles during selection

The facilitator will explain the principles and agrees with the group:

- Everyone is equal.
- If you say something about someone, it is positive – a sort of compliment.
- If you state something about your choice, then you shall state this inside the group and not outside the group.
- Everyone should know what it is about, what the selection pertains to. So proper information is essential.
- A decision will be taken only if none of the members has a serious problem with it. This means that sometimes the group will be discussing a decision somewhat longer. Because if one of the members disagrees, everyone should understand what the problem is. Then it can be discussed. So, are you opposing to something? Then you will explain why. Then the group can seek a solution together. A solution that will make everyone content.

#### 2. Warming up: brainstorm with the group

*Which positive traits can be found in the group?*

The facilitator invites the group to practise this first. We are going to give each other compliments. What is positive about the other person? Everyone gives at least 2 compliments about other members of the group. The facilitator will write down words/compliments, without stating names.

#### 3. Image formation

The facilitator will ask the group: *which duties do we require and what should someone be good at to be able to fulfil this duty?* Please find below some traits:

- Treating everyone equally
- Ensuring a pleasant atmosphere, so everything will go smoothly
- Being able to calculate properly
- Being able to assist and cooperate
- Being a good listener and staying calm
- Being meticulous and on time
- Being able to speak Dutch and read and write (simple) Dutch

- Being able to explain properly what a discussion is about
- Being easy-going with people and easy to talk to
- Adhering to agreements (for yourself and for the group)
- Being able to take charge in a group

The group will assess what traits and skills (compliments) we already heard at 2 (the warming up). And what else is required. The facilitator will write down new keywords (if necessary). No discussion. Listening to each other.

#### 4. Forming an opinion

The facilitator will now ask the group: WHO could do WHAT? He/she invites everyone to state their opinion. Discussion + allowing each other to speak. Also listening well to what others reply regarding a compliment. Feeling that you are jointly responsible.

#### 5. Making choices

The facilitator helps the group to make decisions. All duties will be allocated. The group will achieve this by means of consent. This means in the sociocratic philosophy that no one has serious objections against a decision. If they have? Then the group will first discuss things, to find a solution. Only when everyone can live with the decision, the decision can be taken. Afterwards, the names can be reported in the bylaws.

## 2.1.4 How to start

|   |   |
|---|---|
| <b>Module 4</b>   | <b>When you start to save</b>   |
| <b>Intended outcomes and outputs</b>                          | The trainers can help the members of the savings group to save.       |
| <b>Topics/issues to deal with and related working methods</b> | Topic 1: Step-by-step plan<br>Topic 2: Bookkeeping                    |
| <b>Training and learning methods</b>                          | Reading   |
| <b>Suggested exercises/tools /activity</b>                    | Tool 1: 64 steps to success<br>Tool 2: Session order<br>Tool 3: Forms |

### Topics

#### Topic 1: Step-by-step plan

The savings group is always organised via a fixed pattern. These 11 moments are substantiated by means of the 64 steps (see tool 1). It is important here that the members take place in the right seats (see tool 2).

#### The fixed pattern of a meeting of a savings group:

1. Opening meeting.
2. Opening of the cashbox.
3. Checking attendance. Are all members present?
4. Social fund: money counting; making contributions; counting money once more and document it.
5. Saving; counting savings; saving; counting the savings again and document them.
6. Loans; money repayment and/or issuing loan; counting money again and report.
7. Kudos: collecting the last kudos; counting kudos and reporting.
8. Counting the money that is in the treasury and document it.
9. Closing of the cashbox: the accounting is also kept in the cashbox.
10. Discussing a theme.
11. Agreements and closing of the meeting.

In order to help the savings group to deal with the different subjects in the right order and to forget nothing, a step-by-step plan has been drawn up for the members of savings groups, that will set out exactly what happens at a certain point in time and who should do that. Refer to the tools in this module, tool 1 'steps in the savings process'.

#### Topic 2: The accounting

A savings group has one accounting for the entire group, on paper or in digital forms (winkomun.org). At savings groups we always say: keep it simple! Register only what is

absolutely necessary. We will follow the example of organisations elsewhere in Europe and in the US.

One accounting for the entire group can be done in two different ways:

- On paper (notebook or printed forms)
- Digital forms like in an Excel document or on the digital platform winkomun.org (the disadvantage of this, is that it is not accessible for everyone at the same time and the members cannot place their initials)

Option 1: Accounting on paper.

The facilitators of the savings groups get all the empty accounting forms. They can, as such, easily print or copy the forms.

### Explanation about accounting

Everything that happens with the money is meticulously documented and checked within the savings group. The savings, the contributions on the social fund, loans and the kudos. The accounting is not difficult, if you know how it works. There are 4 'forms' and 2 'cash books'.

**The forms** are for the names of the members and separately the amount that each person saved.

*Form Social fund* – how much did each member contribute to the social fund?

*Form saving* – how much did each member save?

*Form loans* - which member borrowed money or paid back a loan?

*Form Kudos* – which member has paid kudos and why?

**The cash books** are for the registration of the amounts that went into or out of the cashbox. A cash book does not state names. The cash book states the contents of the cashbox at the start and at the end of the meeting for a certain period. The cash book serves also as a summary of what has taken place during the meeting.

**The cash book Savings, Loans, Kudos** – keeps track of how much money was saved, borrowed and how much kudos were paid. The savings and the kudos are being put together. If money is being borrowed, this will derive from the savings amount. That is why a cash book for savings, loans and kudos is kept.

In a **Cash book Social fund** is registered how much money was contributed and spent from the social fund? The social fund has a separate cash book. Because we prefer to keep the social fund separate from the money in the cashbox.

## Tools

### Tool 1: 64 steps in the savings process

|    |   |
|----|---|
| 1  | <b>We are at the opening. The chairman opens the meeting. The telephones go to silent mode.</b>   |
| 2  | The chairman asks the key holders to open the cashbox. The record keeper hands over the accounting forms to the bookkeeper.   |
| 3  | The chairman checks the attendance, whether everyone is present and calls the names of the absent persons and latecomers.   |
| 4  | The bookkeeper writes down the date, the names of those absent and the latecomers on the kudos form. Also the reasons and the kudos to be paid.   |
| 5  | The chairman asks those who were absent last time and the latecomers to pay the kudos to the money counters.  |
| 6  | The money counters show the kudos to the group and mention the amount. The kudos end up in the kudo tray.   |
| 7  | The bookkeeper writes down the date of payment and the amount.  |
| 8  | Once you have paid kudos, you check it on the form and place your initials.   |
| 9  | The kudo tray will be placed in front of the chairman until the end of the meeting.   |
| 10 | If the savings group has no <u>social fund</u> , proceed to step no. 25.  |
| 11 | The money counters get the social fund (the social fund bag) from the cashbox and count the money. Everyone watches. The money counters state the amount (balance).   |
| 12 | The bookkeeper checks the cash book of the social fund whether this is correct. If it is correct, the money counters put the money back into the cashbox.   |
| 13 | The bookkeeper reports the date on the form social fund.  |
| 14 | The chairman asks everyone in turn to stand up and make the contribution to the money counters.   |
| 15 | The money counters check the contributions and put them on the counting tray.   |
| 16 | The bookkeeper writes down the contribution of every member on the form in the column 'today'. He/she adds it for every member to the amounts already contributed and writes it down in the column ' <u>total</u> '. Everyone checks this and places their initials.                  |
| 17 | Whoever didn't contribute last time, will also pay last time's amount. The bookkeeper documents everything at 'today'. The bookkeeper ticks a box at the names of those absent in the column 'today'. He/she copies the amount for the column ' <u>total</u> ' from the last meeting. |
| 18 | The money counters count the money on the counting tray and state the height of today's total amount.   |
| 19 | The bookkeeper totals the column ' <u>today</u> ', and checks if it matches the amount on the counting tray. He/she reports the amount at the bottom of the column.   |
| 20 | The money counters take the money bags for the social fund from the cashbox, put all the money together and count everything.   |
| 21 | The bookkeeper cumulates the column ' <u>total</u> ' and checks whether this matches the amount counted.  |
| 22 | The chairman will ask if someone needs a contribution from the social fund. If the group should decide to grant a contribution, the money counter will hand over the money to the relevant person.  |
| 23 | The bookkeeper reports the date and the total in the cash book "social fund", in the column ' <u>in</u> ', or possibly ' <u>out</u> ' and ' <u>balance</u> '. The chairman will put his initials once the group has given someone a contribution.                                     |
| 24 | The money counters put the money in the bag of the social fund and put this into the cashbox.   |

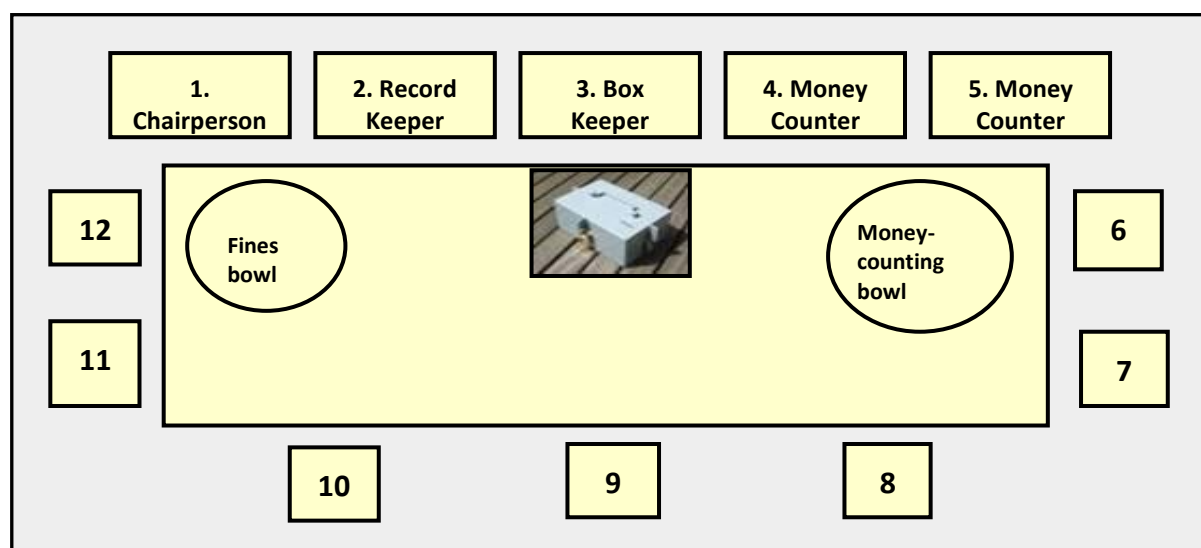
|    |   |
|----|---|
| 25 | We will now continue with saving. The money counters take all the money – except for the social fund - from the cashbox and count it. Everybody watches. The money counters state the total amount (balance). |
| 26 | The bookkeeper checks if it matches the balance on the form cash book Kudos, Savings and Loans. If it matches, he/she will write down today's date and fill in the amount.                                    |
| 27 | The money counters put the money back into the cashbox.   |
| 28 | The bookkeeper writes down the date on the form 'saving'.   |
| 29 | The chairman will ask all to stand up in turn and hand over the savings to the money counters.  |
| 30 | The money counters take the money from everyone, show it and state the amount. The amount will be put onto the counting tray.   |
| 31 | The bookkeeper writes down the amount saved, of every member, in the column 'today'. He will add it to the amount saved already, of every member, and will report this in the column 'total'.                 |
| 32 | If a person is not saving, the bookkeeper will cross the field in the column 'today'. He/she will then copy the amount of the last meeting for the column 'total'.  |
| 33 | Everybody will check whether their amount of today and their total savings are correct and subsequently put their initials.   |
| 34 | The money counters will count the total of today's money saved. The money counters will state the total amount.   |
| 35 | The bookkeeper totals the column 'today' and checks whether it matches the amount counted.  |
| 36 | The money counters take the savings from the cashbox, put all the savings together and count everything. Everybody is watching.   |
| 37 | The bookkeeper totals the column 'total' and checks whether it matches the amount counted.  |
| 38 | The bookkeeper writes down the date and the amount saved today on the form cash book Kudos, Savings and Loans.  |
| 39 | The money counters put the money back into the cashbox. If the savings club has no loans, proceed to step 48  |
| 40 | We are now at Loans. The chairman will ask who is to repay a loan today. If this applies to no one, proceed to step 49.   |
| 41 | The bookkeeper will check this on the form Loans.   |
| 42 | The borrower pays the repayment to the money counters.  |
| 43 | The bookkeeper documents the amount and calculates what is still to be paid.  |
| 44 | The borrower puts his initials behind the column 'still to be paid'.  |
| 45 | The money counters count the total amount of loans that was repaid today.   |
| 46 | The bookkeeper compares the amount with the amounts on the form. If it is correct, then the money counters put the money back into the cashbox.   |
| 47 | The bookkeeper documents the total amount repaid today in the cash book Kudos, Savings and Loans.   |
| 48 | The chairman will ask if someone requires a loan. If nobody wants a loan, the proceed to step 55  |
| 49 | Any members who do need a loan, will state how much, what for, for how long and how it will be repaid. The savings club must decide whether or not to grant the loan(s).                                      |
| 50 | The bookkeeper calculates whether there is enough money in cash to pay out the loan(s).   |
| 51 | The chairman will ask the money counters to pay out the loan(s).  |
| 52 | The bookkeeper will document the amount that is being loaned on the form Loans and report the dates for the repayment.  |
| 53 | The borrower will sign the form for receiving the money.  |

|    |   |
|----|---|
| 54 | The bookkeeper fills in the amount that was loaned/borrowed today on the form cash book Kudos, Savings and Loans.   |
| 55 | The chairman will check whether there are any Kudos left to be paid.  |
| 56 | The money counters total the Kudos on the kudo tray and state the total.  |
| 57 | The bookkeeper will fill in the form Kudos and check whether this matches the reported amounts.   |
| 58 | The bookkeeper will fill in the total amount of Kudos on the form cash book Kudos, Savings and Loans.   |
| 59 | The money counters now count all the money (except for the social fund).  |
| 60 | The bookkeeper calculates the amount that is in the cashbox, on the form cash book Kudos, Savings and Loans and checks whether it matches the amount counted. |
| 61 | We will now close the cashbox: the chairman will ask the bookkeeper to put the accounting into the cashbox.   |
| 62 | The chairman will ask the key holders to lock the cashbox.  |
| 63 | The savings group can now start dealing with a theme.   |
| 64 | The chairman will ask if there is “any other business” to attend to and then closes the meeting.  |

## Tool 2: Session order

If meetings always proceed similarly, this will make everyone feel comfortable. The meetings will not take too long. And everything becomes gradually easier. People who have a duty, will always sit at the table in the same order. Below, it is illustrated how that works.

### Layout of meeting place: Group with 12 members



## Tools 3: Bookkeeping forms

See APPENDIX 1

### 2.1.5. Loans

|   |  |
|---|--|
| <b>Module 5</b>   | <b>Loans</b>   |
| <b>Intended outcomes and outputs</b>                          | Based on this information, the trainer has all background information to inform the members about the role of loans so that they can take a reflected decision together.<br><br>Other important information is found in the section of the agreement on loans. |
| <b>Topics/issues to deal with and related working methods</b> | Topic 1: Background information about lending in a savings group<br>Topic 2: Objectives of loans in a savings group<br>Topic 3: Assessment criteria for loans in a savings group   |
| <b>Training and learning methods</b>                          | Reading  |
| <b>Suggested exercises/tools /activity</b>                    | Tool 1: Exchanging experiences with loans<br>Tool 2: Identifying pros and cons of loans<br>Tool 3: How do you prevent impulse buying?  |

#### Topics

#### Topic 1: Background information about providing loans to each other in a savings group

Providing loans is a kind of reverse saving. People can first save to achieve a goal, or first lend an amount and then save to pay back the loan. In addition to a loan costing money, it often results in stress. If people cannot pay back a loan in time, then they have a problem and the loan will cost even more money due to additional penalties.

Asking the other members for a loan in a savings group is not difficult. But it is not suitable for an impulse purchase! It is the intention that the person who asks for a loan has a clear objective, and a plan how to pay back the loan. As I said before, trust in a savings group is more of a verb than a noun. Mutual trust is built up by saving and providing loans to each other, and this requires transparency. It is not a good idea to provide loans 'blindly'.

#### Topic 2: For which objectives can members lend in a savings group?

Most loans fit into one of these categories:

- For emergencies and crisis situations;
- For purchases for yourself, your family and household, such as a washing machine, equipment, a holiday;
- For investments in your own business.

These categories are the same as that of the saving goals. The big difference is that members do not save for a buffer for emergencies, but to solve those emergencies. The best would be, of course, if they have a financial buffer for those emergencies and crisis situations; because they have the least amount of choice whether to have a loan or not in those situations, and that means it could cost them dearly.

Just like with saving goals, it can also not be easily said for loan goals whether certain goals are good or bad. Some savings groups have decided to only give loans for the so-called

‘productive’ objectives, i.e. only for an investment which will result in money. The thought here is that the lender can then also pay back the money. But this is really not a guarantee. The investment may fail. In addition, private and business often come together closely for small entrepreneurs. What if a member cannot work, because they are dealing with a toothache and have no money for the dentist? That is why most savings groups do not limit the objectives for which a loan is granted or not in advance.

### Topic 3: Assessment criteria for loans in a savings group

#### *1. What to do if there is not enough cash on hand for multiple requests for loans?*

If there is a demand for more loans than available money, the chairperson facilitates a solution. Sometimes one of the members can wait until the next meeting, or it can sometimes be solved by lending less. If the members cannot solve it on their own (they usually can), lots can be drawn, or the chairperson decides.

This situation does not happen very often. If things went as planned, the group decided to divide the savings at a time when most members can use the money in the best way, depending on their saving goals. There are just a few moments in the year that most people want to spend more money, such as with Christmas and for holidays. The composition of the group also plays a role here. In savings groups where lots of members are entrepreneurs, it may happen that various people want a loan at the same time.

#### *2. Is it a good idea to set up an economic activity together with the group?*

It can be tempting sometimes. The members have saved quite some money, and none of the members needs a loan. The money piles up in the box and does not earn interest. The question may then be, can we not invest it together in some kind of activity? And that the profit from that benefits the group in turn?

But this involves a great risk. It concerns savings and everyone has a savings target they want to reach. The savings group has to handle this carefully. The experiences of savings groups which set up communal economic activities are not favourable. Not even if the activities turn out to be profitable, because conflicts lie in wait: who spends most time on it, who takes decisions, who profits most? The transparency of the transactions is missing, suspicion sets in. Savings groups which have functioned well for years, may perish as a result.

But there is an exception. What does work well is that the savings group purchases stuff for cheap with collective money from the pot, in large quantities. For example, foodstuff which everyone or most people in the group need. Perhaps a large bag of potatoes, or a large bale of rice. The members of the group sell those in small quantities, for a slightly higher price. Double benefit: the money plus the profit goes back to the pot, and the members have done purchases for cheaper than in the store.

### *3. What to do if a member unexpectedly does not pay back as agreed?*

If you have a delay in payment with a financial institution or with a company, you are quickly labelled as a 'defaulter', even though you did your very best to pay it back. You run the risk of high penalties and at some point the enforcement agent will be at your door. After the intervention of the court, your household effects and income may even be attached.

Unexpected things may happen which may result in you being unable to realise your plan to pay back the loan and therefore having a delay in payment. We want to take those unexpected circumstances into account in a savings group. Members of savings groups are usually very motivated to pay back. The fact that it concerns savings of their friends is an extra incentive.

Of course, everyone would like their savings back at the end of the savings period. And if savings are not paid back, then the possibilities for providing loans to the other members are also more limited. If a member does not pay back, then it is the intention that they tell the group what is happening and propose a new plan. Group members may have ideas which can help the member in question to find solutions. Especially in these types of situations, openness is of importance to be able to keep trusting each other, even if it is not easy. In extreme situation, it may be the only solution that the member sells something from their household goods. But this should be voluntarily. And after they have paid back a part of the loan with the money saved in the savings group.

A different solution is that the group decides to cancel the debt. At the end of the savings period, the amount which is not paid is allocated pro rata and deducted from everyone's savings. This only takes place in cases where the member in question has exceptional misfortune and is in a very difficult situation.

## **Tools**

### **Tool 1: Exchanging experiences with loans**

In this meeting we start with exchanging experiences about loans, in particular small loans, of a few tens or a few hundred euros, certainly under € 1500. After all, these are the type of loans you can get in a savings group. Think of loans of:

- Friends or family
- Loans from a bank
- Loans via credit provider via the internet
- Loans via credit card
- Buying on credit
- Long-term overdraft
- We discuss the following questions:
  - Do you know people who have taken out loans?
  - Or did someone from the savings group take a loan out themselves? From whom?
  - For what purpose? How did the loan go?
- Perhaps someone heard of someone where a loan only did more harm than good?

## Tool 2: Identifying pros and cons of loans

Reaching your goals with saving is usually cheaper. But with loans, you can achieve a goal faster, and this may in turn result in or save money. For example, if you are a photographer and use loaned money to purchase a lens. You can earn back the loaned money with beautiful pictures. Sometimes a favourable loan at the right moment may prevent a larger expense in the future. For example, if your house is leaking, you are better off solving it quickly to prevent further damage. Or if you have a toothache and are not going to the dentist, then you may run the risk that the problem gets worse and you would eventually have higher costs, and may be out of the running longer. HOWEVER, loans can give you stress because you have to pay them off within a certain period. If you fail to do so, the loan becomes a debt.

Ask the savings group members: *Do you know any other pros and cons of loans within a savings group?*

## Tool 3: How do you prevent impulse buying in a savings group?

There are many temptations that face us. And we can buy nearly everything on credit. Impulse buying happens quickly. It is important that the person who wants to loan in a savings group asks themselves at least these four questions:

- Can I not wait with this expense, so I can save for it? Will my life improve if I make this expense NOW?
- How much money do I need in total, and how much of it do I want to loan from the savings group?
- Can I save enough money to pay back the loan within three months? How much do I think that I need to pay back per month?
- Will I still have enough money left to at least save the minimum savings amount per meeting?

The savings group may decide to award the loan if:

- The objective and the importance of the loan are clear to the member.
- The member has a clear and realistic plan of how to pay back the loan.
- The group trusts that the member observes the agreements about the loan.

This trust can be built up based on the behaviour of the member in the group. Are they usually present? Do they save regularly? (a rule is that savings should have happened at least three times before a loan is received).

## 2.2. Modules of social competences, financial literacy and entrepreneurship training

### 2.1.6. Training: Household finance

|   |   |
|---|---|
| <b>Module 6</b>   | <b>Financial education</b>  |
| <b>Intended outcomes and outputs</b>                          | The members or the saving group have chosen a purpose to make savings for, and they have learned the principles of making a bookkeeping of their own. |
| <b>Topics/issues to deal with and related working methods</b> | Topic 1: Savings objective<br>Topic 2: Money tree   |
| <b>Training and learning methods</b>                          | The <u>kind or training methods</u> used to give this particular module.  |
| <b>Suggested exercises/tools /activity</b>                    | Tool 1: Savings objective<br>Tool 2: Money tree   |

#### Topics

#### Topic 1: Savings objective

Saving is more difficult if you do not have an objective. That is why the members of a savings group will choose a savings objective.

##### a. How to discuss savings objectives?

##### *Brainstorm*

Allow all members to mention savings objectives and write them down somewhere. A flip-over would be preferred, so everyone can see it. All savings objectives mentioned will be written down. So, do not object straight away that something mentioned is impossible, or cannot be a savings objective (during a brainstorm session, everything uttered is OK).

Divide the objectives written down into the three types of savings objectives (buffer, something special, investment), write these types down with the objectives on the flip-over. If you use Post-it notes, then stick the types of objectives together (you can also put them together on a piece of paper, using tape if necessary).

Ask the members, one after another, which savings objective or savings objectives they would choose now, this is not yet an agreement.

Now, assess together, as a group, per member and per savings objective, whether the objective could be achieved with this savings amount. Discuss whether or not an amount can be established for the objective., for example:

- Holiday? What will be the price of that holiday?
- Child going to secondary school? What additional costs will you be facing?
- A buffer? What should be the amount of this buffer? Which setbacks can be expected and how much are you willing to reserve for them?
- Do you wish to save that amount in one go or over multiple saving periods?

b. How to select a savings objective?

The most important thing is to choose a concrete and realistic objective. Concrete implies that it is something you can actually do or buy. For instance a holiday, a training or a washing machine. Realistic means that it should be possible. Saving up for an aeroplane, for instance, is not realistic to most people.

A savings objective could be one for the short term, or for the long term. Or even a nice, useful or necessary objective. But then, what exactly does short or long term imply? And where is the line between nice, useful and necessary? For a savings group, things will work out best if your savings objective can be achieved within the saving period.

How to draw up a savings plan and how to calculate how much members should save weekly.

If you are aware of the price of a savings objective, you can calculate towards the amount to be saved per week. The group has already set an end date for the saving period. How many meetings will take place until that end date? Of course, you can never be sure about that (because you might fall ill at some point, or perhaps a meeting will be cancelled). But it is important to have an idea anyway, to be able to calculate how much should be saved per week to achieve your objective.

Once you calculated the savings per meeting, you are not obliged to save the same amount every time. During some weeks, expenses may be higher than during other weeks. Or perhaps your monthly salary may vary. Still, it will be useful to agree on an average savings amount for your goal.

c. The mission: my savings objective

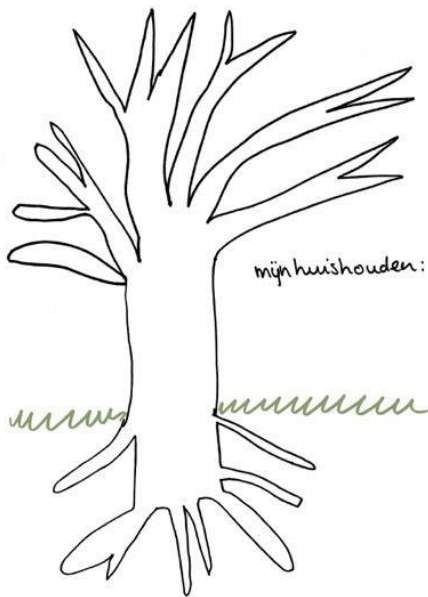
Ask the members to sort out which savings objective they will choose for this savings group period. Let them establish the savings plan method. Try to arrange everyone's mission during the meeting (more information at tool no. 1).

## Topic 2: Money tree

We want to achieve that all members gain insight in the types of income and expenses, of their own household.

a. Why is proper arrangement of financial affairs important?

Why are you joining a savings group? You are keen to see everything going smoothly. That includes finance. But sometimes, that is difficult. Why does one run out of money so quickly? How can you ensure you have enough money? And how to save money? Answers to those questions always start with: knowing what you are doing. What is it like in your household?



b. How to discuss arranging financial affairs?

Step 1: you unfold the tree drawing you take from the member folder. Things concerning an imaginary household have been added to the tree. Tell the group that we will now take a look at the members' households: everyone will ponder over what their own household is like.

Step 2: **Income**: each member will write down, using the green pen, all types of income concerning their household, on their own drawing. At the tree, at the roots. Income is put in green as income makes the household tree grow.

Step 3: check that everything is in order and whether just about all income has been reported.

This is how you do it: a member will explain the types of income (work, child allowance, housing benefit, etc.). You write down all types of income on the flip-over. Ask the other members whether they can think of any other types of income. Discuss with each other which types of income you are certain of? What income are you not sure of, but can be looked up? What incomes are you not certain of? Ask who has or can think of other types of income?

Step 4: **Expenses**: each member will write down, using a red pen, all types of expenses concerning their household, in their own tree, near the branches.

Step 5: check whether everything went well and whether just about all expenses were written down. This is how you do it: a member will explain the different types of expenses (rent, telephone, food, insurance, utilities, etc.). You write down all the types of expenses on the flip-over. Ask the other members whether they can think of any other types of expenses. Discuss with each other whether you are aware of the amounts of the expenses? Do you have the overview? How is this arranged in your household? Who takes care of finance?

## Tools

### Tool 1: Savings objective

Saving money is difficult, if you don't know what you are saving up for. It is easier when you know what you are saving up for. Because then you have a savings objective. Do you want to save up for a holiday? Or for a new cupboard? Or for a musical instrument? Or to have some money when your washing machine breaks down? Then, feeling that it works, will make you happy; that holiday, the beautiful cupboard, or that washing machine.

Think about which savings objective to choose. What do you want to save up for? Perhaps you save money to feel more comfortable by having put a bit of money aside? Or are you saving up for something for your or your family? Or for a charity perhaps? Or for something for your work, or your business, should you be self-employed?

Mission: my savings objective:

*Write your savings objective down here:*

*My savings plan:*

What amount will I be needing? .....

Now, calculate in table below, how much savings this takes per week on average, to achieve your savings objective. At some meeting you may be able to save more than at others. An example:

| Desired amount at the end of saving period | Number of meetings   | Amount saved per meeting (rounded off)               |
|--|--|--|
| <b>For instance:</b><br>€ 200              | <b>For instance:</b><br>2 meetings per month, for 9 months = 18 meetings | <b>For instance:</b><br>$€ 200/18 = € 11$ on average |

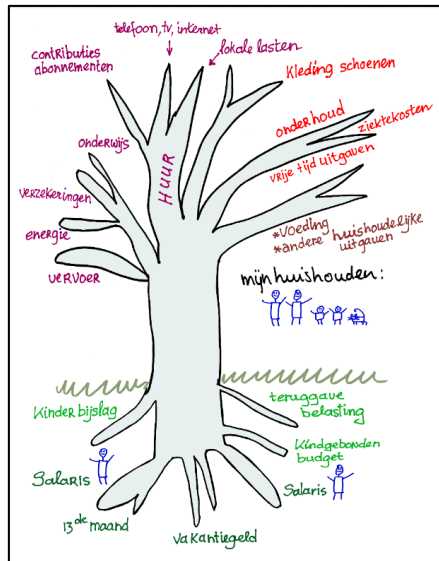
*Fill in your own:*

| Your desired amount at the end of the saving period | Number of meetings | Your amount saved per meeting (rounded off) |
|---|--------------------|---|
| € .....   |                    | € .....                                     |

My goal is realistic, it will work because .....  
See in three months' time whether it is working. Adjust your objective if needed. And perhaps you will have achieved it even sooner than you thought! Then choose a new objective.

## Tool 2: Money tree

(Arrange financial affairs properly: types of income and expenses)



In a household, money is coming in. That is income. Also money is being spent. These are the expenses. Income and expenses are interrelated, like the branches of a tree are related to the roots.

Adjacent, you find an example of income and expenses of a household of two adults and two children. The adults in this example have a job.

You can make a drawing like this for your household.

**ASSIGNMENT INCOME.** We will first look at INCOME. At the roots of the tree, we find the income that feeds the tree (the household). All the different types of

income are in green. In the example drawing you can see that different types of green have been used. This is because there are different types of income. For instance:

- Salary and related amounts, such as holiday allowance and a 13<sup>th</sup> month.
- Income from the Tax Authority, or the municipal council, or health insurer. For instance child allowance, housing benefit, healthcare allowance, childcare allowance, tax refunds, or your personal (healthcare) budget if this is applicable for you.

The assignment: we will first look at YOUR HOUSEHOLD. Your household consists of people who have meals together and sleep and live in your house. Carry out the assignment and use an empty drawing of the household tree for this. First draw your household, draw them as stick figures on the assignment's drawing. What types of income are obtained in your household? Draw them near the roots. The main income ends up at the big roots. Smaller income at the small roots. You can also add roots. Do you know all the income? Where can it be found? Your income may largely differ from that of another family. For instance, you may receive: salary, benefit, pension, money from your own company/self-employed, board, alimony. Or from the Tax Authority: child allowance, child-based budget, housing benefit, healthcare allowance, childcare allowance, tax refunds, pension; and/or from the Council or your health insurer: personal Healthcare Budget

## **Assignment expenses**

Now we will look at the EXPENSES

At the branches of the tree you will find the expenses that grow on the tree. All expenses will be coloured red. In the example drawing, you can see that we use different types of red. Because there are different types of expenses, such as:

- The fixed costs like rent, care for family members, insurance and telephone.
- The expenses for food and other household expenses.
- The expenses you reserve for clothing, spare time or additional health expenses.

Write down all types of expenses at the branches of the tree. The large expenses at the thick branches. The smallest expenses at the thinnest branches. You do not yet fill in amounts. Also you can add branches.

- Are you aware of all the expenses?
- Do you have the overview?
- Who takes care of the finance in your household?

## 2.2.2. Training: Financial competences

|   |   |
|---|---|
| <b>Module 7A</b>  | <b>Themes the savings group discuss about money</b>   |
| <b>Intended outcomes and outputs</b>                          | The financial resilience, self-reliance, mutual trust, mutual support and motivation of the members grow  |
| <b>Topics/issues to deal with and related working methods</b> | If financial knowledge, social and financial skills, motivation and self-confidence are strengthened, then people increase their knowledge and ability to make financially healthy choices.<br>Topic 1: financial resilience<br>Topic 2: the power of the group |
| <b>Training and learning methods</b>                          | Discussions about saving, earning money, spending money and providing information   |
| <b>Suggested exercises/tools /activity</b>                    | Tool 1: the cash book<br>Tool 2: income per month and reservations<br>Tool 3: where does my money go?<br>Tool 4: sustainability and my wallet   |

### Topics

#### Topic 1: Financial resilience

Being financially resilient is the ability to be able to cope with events which have an influence on your financial situation. For example, the loss of a job, reduction in income or a large expenditure for your household or lifestyle.

To become financially resilient, the pillars of healthy financial behaviour are of importance, these being knowing, being able to act and acting. It appears that many non-effective interventions are only focused on knowledge transfer. It is therefore of importance that people are also able to convert what they know into actions. Although acquiring financial skills starts with what people know and can (theoretically) do, the behaviour of people will also have to change to actually become financially self-reliant and resilient. In addition, effort at two components is important: motivation and trust in own ability. If financial ability to act and motivation and self-confidence are strengthened, then this contributes to increasing the financial resilience of people with a tight budget.

#### Topic 2: The power of the group

A savings group is a self-help group. Saving and education are combined in a savings group, where people collaborate in a group for a longer period of time. Saving in a group strengthens the motivation because people develop a positive attitude to saving thanks to the conviviality, experience positive social pressure and observe that it is possible to save. An important aspect of the savings groups as self-help groups is the mutual social support, which comes from, among other things, sharing experiential knowledge. Savings groups can be seen as learning environments concerning experiences, where learning happens in the process of doing. People do not just learn skills, but also work on behavioural change, which also continues to work outside the group, in families and social networks around the savings group members.

## Tools

### Tool 1: The cash book

Sometimes you have no idea where your money is going. If you make a cash book, you have more overview. In addition: you will handle your expenses with more awareness! The savings group discusses which expenses each member would like to keep track of. For example: mainly food and drink? Or also other household expenses, or leisure expenses? Or expenses for pets and clothing?

A cash book is one of the things which help you with keeping track of your financial matters. A paper cash book is very useful to keep track of your daily payments. Make a habit out of writing everything down every day. This is easily done if you ask for a receipt for each payment (pin or cash).

Everyone can easily make such a cash book themselves. Below is the simplest version. All expenses are listed below each other. You can also divide the expenses in various categories. In this case, you use two pages and make columns for, for example: food, other household expenses, clothing, or transport. A cash book is useful to keep track of all **daily** payments.

Below is an image of a cash book. Discuss the text next to the image. Ask if the members notice that you spend more in one week, and less in the other.

| <u>Kasboekje</u> |                       |                |
|------------------|-----------------------|----------------|
| Week 50          |                       |                |
| ma 9/12          | brood en koekjes      | 4,65           |
|                  | peut                  | 2,10           |
| di 10/12         | ov kaart opladen      | 12,50          |
|                  | thee (station)        | 1,90           |
|                  | bloemen               | 3,99           |
| woe 11/12        | tuidscheijt           | 5,50           |
|                  | winterpeen, eieren    | 4,20           |
| vrij 13/12       | Lidl weekboodschappen | 37,83          |
|                  | groenten markt        | 6,00           |
|                  | kaas markt            | 8,10           |
| za 14/12         | Queten (snackbar)     | 12,00          |
|                  | <u>totaal:</u>        | <u>€ 98,77</u> |

### How do you make a cash book?

Take a notebook.

Look at the example on the photo for the layout.

Write down what is spent every day.  
Every day!

Always ask for a receipt. This makes it easier to remember what you spend.

You can save the receipt in a shoebox.

## Tool 2: Income per month and reservations

### The monthly budget

A budget is an overview for a period in the future. This lists your income and your expenses. You write down in a budget what you THINK your money situation is. A budget helps you to see how much money you may have. You can make a budget yourself. Why? If you have a good overview, you know what you can save. A good overview brings peace of mind. If you keep track of your expenses, it is easier to make a budget. You can easily write down your fixed costs. Those do not change much. You can look at other expenses in your cash book. With what is listed in your cash book, you can calculate approximately how much you spend in food per month.

### What is your income per month?

First, you check what you receive per month on average. That is your income per month. There is an amount for all types of income. You will need to convert some amounts. That is because you receive your income at various times in the year. For example, if an amount comes in per quarter. A quarter has 3 months. In that case, you divide the amount by 3 to calculate the monthly amount. You enter this amount on the monthly budget.

|  |
|--|
| <b>Paid per week:</b>  |
| The weekly amount x 52 weeks, divide by 12 = monthly amount                        |
|  |
| <b>Paid per four weeks:</b>  |
| The four-week amount x 13 (a year has 13 x 4 weeks), divide by 12 = monthly amount |
|  |
| <b>Paid per quarter:</b>   |
| Divide the quarter amount by 3 = monthly amount                                    |
|  |
| <b>Paid per year:</b>  |
| Divide the yearly amount by 12 = monthly amount                                    |

### What are your expenses per month?

Now look at what your expenses are per month. Here you also do not pay everything each month. So here you also convert what the expenses are per month. For example, your clothing: you think (you make an estimate) how much you spend on this per year and you divide this by 12. You enter this amount on the monthly budget.

## Reserving money

If you set aside money, then you are sure you also have money for expenses that do not come back every month. You reserve money for expenses. There are also fixed costs which you do not pay every month. You also set aside money for that. You make the whole clear if you set that money on a separate bank account, such as a savings account. If you need to pay it, then you can take the amount from that account. This way, you will never be surprised. Note down the money you set aside, also on your budget.

## Tool 3: Where does my money go?

### Why is it important to know where your money is going?

If your wallet is empty again, and you have no idea how that happened? Then it is time to have a good look at what you are really doing. When do you have your wallet with you, when is your wallet opening? Which things are so expensive? If you know what is happening, you can change things.

### How do you discuss where your money is going?

For the first assignment (see below with the assignment) 'where is my money going' you can ask the question to the group: *which expense can go down?* Ask the members to have a critical look at their expenses and select one or more expenses which can go down. How much lower? And how will they manage to do this? Give the members the opportunity to share how they are going to save. Write down the solutions on the flap or ask the members to write them down on the yellow post-its. Mention the solutions one by one and ask the members what other possibilities there are.

For the second assignment 'where can it be cheaper' you ask the group the question: *Which saving tips do you have?* Everyone can call out saving tips. You write them down on the flap, or the members write them down on the yellow post-its. Members then tell each other how to pay attention to their money. This creates a pleasant atmosphere for this assignment, because basically everyone is busy with saving. It creates a connection and results in tall stories! Make sure to give them some suggestions yourself. Ask: which way to save

## ASSIGNMENT:

Write down below **WHERE DOES MY MONEY GO?**

- 1, Where does most of the money go to?
- 2, Where does the least amount of money go to?

Write below **ON WHAT CAN I SAVE?**

1. How much can you save?
2. How can you tackle this?

## Tool 4: Sustainability and my wallet

### Why is sustainability important for my wallet?

People often think that sustainability costs money. That you have to purchase an expensive new car to drive less polluting, that you have to put solar panels on your house, etc. But living sustainably means so much more! And you can save by living more sustainably.

### How do you discuss sustainability and my wallet?

Read the story of the 4 girls with the members. Talk with the group about sustainability, following the story and the things you can do.

The assignment: the members think about the 3 questions. If there is enough time, then the group discusses the answers.

### **The story:**

What does sustainability have to do with your wallet? Well, quite a bit. Four friends, Aisha, Amber, Noor and Nettie were talking about it. "What will I do with sustainability? Well, I will take a Tesla, of course: sleek, chic, fast and completely electric." "That is nice, Aisha, but even you really cannot afford that", Amber says. "Oh, but then I will find a guy with a Tesla. And then I will let myself be driven around in it", Aisha says triumphantly.

"I see sustainability more like throwing away less food, separating waste and not throwing frying fat in the sewer", Noor says. "That is because that results in enormous solidified fat lumps in the sewer. And entire neighbourhoods can get hopelessly congested from that. It can get so bad, that the dredge will come up just as fast: on the street and in the houses! And this dredge may cause dangerous diseases, that is what I saw on TV. Because those people can then no longer wash themselves."

"Also by buying less plastic stuff", Nettie says. "And teaching your family not to throw rubbish on the street, also no chewing gum and cigarette butts. Because that results in litter and plastic soup. That is very bad, especially in the sea. Or by taking things you no longer use to the thrift shop. After all, someone else could still enjoy that."

"Yes, that is nice, because I often buy my fabrics in the thrift shop", says Amber. "I love vintage fabrics. I often change old clothing in modern fashion. Reuse, that is the best thing", she says dreamily. "And it is also good for my wallet!" "What is 'vintage'?" Aisha asks ....

Sustainability has many faces:

- Using clean energy (such as green power or solar panels)
- Insulating the house (using less energy)
- Separating waste for recycling (glass, paper, plastic, vegetable, fruit and garden waste, or residual waste)
- Not littering
- Cleaning up litter in the neighbourhood
- ....

And also:

- Throw away less food
- Repair and reuse old items
- Go to the thrift store to purchase or drop off
- Use materials which do not pollute
- Buy less unnecessary items, so stop shopping
- ....

Make the assignment and discuss:

- What do you mean by sustainability?
- And what do you do sustainably?
- Do you also notice that sustainable is good for your wallet?
- If so, give an example...

### 2.2.3. Training: Social skills

| Module 8   | Themes about working together   |
|--|---|
| Intended outcomes and outputs                          | The social resilience, self-reliance, mutual trust, mutual support and motivation of the members grow   |
| Topics/issues to deal with and related working methods | If knowledge and social skills, motivation and self-confidence are strengthened, then people increase their ability to build up a supportive social network.<br>Topic 1: social isolation<br>Topic 2: social capital and mutual trust<br>Topic 3: social skills<br>Topic 4: social resilience |
| Training and learning methods                          | Talking and exchanging experience about collaboration, performing tasks, solving cooperation problems   |
| Suggested exercises/tools /activity                    | Tool 1: Smart meeting<br>Tool 2: Problems with cooperation? Solve it!   |

#### Topics

#### Topic 1: Social isolation

The savings groups assume both a financial and a social dimension of dealing with money. The assumption is that it is difficult for many people to get out of the vicious cycle of poverty in an individualised society such as the Netherlands. People with limited financial means are often also not able to fully participate in society. They can get into social isolation. In savings groups people engage in contact for a longer period of time with others with whom they can build up a connection (to a greater or lesser extent). The expectation is that this increases their social resilience in various ways.

#### Topic 2: Social capital and mutual trust

The target group of the savings groups are people in a financially vulnerable position who want to increase their network. A savings group may mean an increase of social capital; those are the contacts who they can go to for information, support or advice. The savings group members establish those contacts for a longer period. This is positive, because the more contact, the stronger the social capital of people is. For social capital, it concerns standards of reciprocity and trust within social relationships.

We distinguish contacts which are close and with whom people have lots of similarities (connective social capital) and contacts who are further away and with whom one has less similarities (bridging social capital). Organised meetings such as the savings groups may contribute to connective - as well as bridging social capital. The bridging social capital of people is considered to be important to be able to move forward. Where connection mainly helps people to hold their own, bridging can help people to rise socially. It is considered an important aspect for addressing poverty, because bridging contact may result in new resources. Savings groups provide space for developing both types of capital. The choice of a

broad target group is deliberate; everyone can participate in a savings group, people with, and people without financial problems.

Strong connections have a positive effect on mutual trust between people. Members of a close-knit network can trust that mutual obligations are observed. This trust is important for the savings groups. It is, for example, a condition for the willingness to grant loans. Strong connections provide a great motivation to be helpful.

### Topic 3: Social skills

Members work together towards a purpose within the savings groups. Members share experiences, listen to each other, work together, make agreements, meet and practice leadership. The members strengthen their social skills by participating with a savings group.

#### Practicing with new social behaviour

Savings groups offer a safe social environment to practice with new social behaviour. In addition to learning by practicing, learning by observing is an important element within the savings groups. The mutual influence by members is of great importance in the savings groups. Other participants function as mirror and role model for social and financial behaviour and ensure social support and positive feedback. By observing the behaviour of others, people make that behaviour their own and start displaying similar behaviour, especially if they see that that behaviour results in positive experiences or rewards. There is a connection between social skills and the self-image of people. Studies show that social skills are related to the way someone thinks about themselves. This makes it plausible that acquiring social skills in the savings groups contributes to the self-confidence of members. And more self-confidence results in more entrepreneurial behaviour.

### Topic 4: Social resilience

For social resilience it concerns the 'the ability to stand up for yourself', 'being able to set limits when another person crosses them' and to be able to handle difficult situations. In English literature, '*resilience*' is described as not succumbing to pressure, stress or setbacks. 'Resilience is the possibility to deal with stress and difficult life circumstances in a way which stimulates the development of self-confidence and social competence.'

The concept of social resilience is closely related to "self-efficacy" (belief in one's own abilities), being able to handle difficult or changing situations and therefore goes beyond the concept of social skills. Social resilience assumes confidence in your own abilities, possessing essential social skills in dealing with others, but also being able to handle difficult situations, giving and receiving criticism and standing up for yourself and your own choices. Social resilience therefore forms a basic condition for maintaining healthy social networks and is necessary for sustainable self-sufficiency and emancipation.

The purpose of the savings groups that participants make connections with other participants is of importance, because contacts with others forms a source of social capital. People then have access to resources in the form of social relationships and this is connected to a wide range of positive effects. Stimulating connections between people is

also an important pillar of the participation society; after all, people have to support each other more.

In this module we provide tools for maintaining healthy social networks, because a social network is not 'created' out of nowhere. You need to work on it; it is often fun, easy and convivial, but sometimes it is difficult. Because if you do not understand each other properly, if people do not listen to each other, if you have to say 'no', what happens then? That is why these types of themes are discussed in this module.

The savings group decides which tools they want to discuss during the savings group period. The tools are included in the information folder of the members, which means that the members can also discuss these themes outside of the setting of the savings group in their private life.

## Tools

### Tool 1: Smart meeting

#### Why is smart meeting important?

We would like everyone to come on time. And for everyone to pay attention during the meeting. That is why there is the agreement that all telephones are switched off. Because the better everyone pays attention, the better the meeting will go. This gives more time to discuss a theme and learn from each other. Because saving is the most important at the savings group, but learning from each other is also very important (and, of course, allowing the other to finish speaking, and making and keeping the meeting convivial etc. etc.).

There is an 'agenda' for every meeting of the savings group. This is a list with the order of the meeting. But ... just the right order is not enough. Together you can make sure that meeting is fun! This chapter gives you some smart tips.

#### Tips for conviviality:

- Make it pleasantly warm in the hall, not too cold and not too warm;
- Enough chairs for everyone and tables;
- Coffee, tea, water and/or a snack;
- The sound of mobile phones is off.

#### Tips for talking:

- Talking is listening, saying what you think of it and listening to what other people think. Afterwards it may be possible that you change your opinion. You learn something from each other in that case;
- Give your opinion, because others want to know what you think;
- Respect for each other: we allow each other to finish talking;
- Take the opinions of other people into account;
- You can tell if someone is disappointed, bored or tired. Take this into account;
- Has someone been quiet for a long time? You can encourage them to talk;

- Has someone been talking for a long time? You can interrupt them in a friendly manner;
- Is someone getting angry or nearly getting into a fight? Then the chairperson can stop the angry discussion for a moment to continue with the meeting. After the meeting the chairperson will have a chat with the person who was angry.

Tips for time:

- Date and time of the meeting should be clear for everyone;
- Always start on time;
- Also if someone is not yet there. If you wait for someone once, then the subsequent meetings will always start a little later, because: 'they will wait anyway';
- Beginning later is not fair for everyone who did come on time;
- The meeting always lasts one and a half hour. If it lasts longer, then the chairperson should ask the group and everyone needs to agree.

## Tool 2: Problems within the group? Solve it!

Everyone solves problems with cooperation in a different way. Because everyone is different. You can push your opinion, walk away, get angry, concede, or compromise. But what solves the problem? In a savings group, it is best to choose for compromises and not to walk away. This way, you help each other to find a solution. You can practice this in the savings group.

### Why is good cooperation important?

If people cooperate well, then this is because everyone has a role a task, or does a part of the work. Just like cooking a good meal together. Then not one single person has to do everything. And if everyone helps, then a group together can achieve something special. And then a meeting can go well and be convivial.

Sometimes someone does not know what task to do. They remain silent and wait. If you see this happening, you could ask what task someone would like to do. If they still do not know which task they want, you can ask if they want to pay attention and tell if things are going well in the group. Giving a compliment, for example. Keeping the atmosphere pleasant is an important task. But sometimes there are still problems in the group, and what to do if that happens?

### How does the trainer discuss the theme 'good cooperation'?

We do not discuss everything about cooperation with the group. We talk about how to find a solution, if there are problems in a group. We practice this.

- Agree that the entire group participates.
- Agree who the chairperson is.
- Agree who bring in a problem (this does not need to be a real problem, it can also be made up).
- Give a time for someone telling something. For example, no more than 3 minutes.
- Follow the steps of the exercise. The order of the steps is important. If someone starts asking questions in between or give suggestions and that is not part of the step

where you are at, the chairperson can say so. The group takes the steps in the right order. That is because that order is the secret ingredient: it works thanks to that order!

- Talk about how things went after the end.

### **The assignment during the savings group meeting**

If you have PRACTICED once, then it gets easier the next time, when it is really necessary. Because then you know how it works.

We agree on the following for the exercise:

- The entire group participates.
- Which member of the group wants to talk about a problem.
- Who the 'chairperson' is for the exercise.
- The chairperson has to ensure that everything goes properly.
- That everyone can say what they want to say in a friendly manner and that not everyone talks at the same time.

### **We follow the 6 steps below**

1. The group member talk about a problem. Not a big problem, just something they experiences which was not nice or which they were afraid of.

2. The chairperson summarizes the problem briefly. If the member thinks that what the chairperson says is correct, step 3 begins.

3. The group members can ask questions about the problem. Only ask questions to the group member! They answer every question. They explain the problem.

4. The group members can not give suggestions and solutions. The group member is not allowed to respond.

5. If the group has given all suggestions and solutions, the group members thank the group for the good advice. And ..... they say which advice they want to try out in the future.

6. The members of the group tell each other what they recognise in the problem. Maybe they experience the same thing sometimes. This way you help each other!

## 2.2.4. Training: Personal development

| Module 9   | Themes about working on your dreams  |
|--|--|
| Intended outcomes and outputs                          | The social resilience, self-reliance, mutual trust, mutual support and motivation of the members grows   |
| Topics/issues to deal with and related working methods | As social and financial skills, motivation and self-confidence are strengthened, then people increase their ability to make financially healthy choices and build up a supportive social network.<br>Topic 1: social resilience<br>Topic 2: realising dreams |
| Training and learning methods                          | Discussions about making plans for the future and working on it  |
| Suggested exercises/tools /activity                    | Tool 1: Getting started with your dream  |

### Topics

#### Topic 1: Social resilience

This topic was also already mentioned in the previous module. Because increasing social resilience is also a focus in this module, in particular the ability to stand up for yourself. For social resilience it concerns the ‘the ability to stand up for yourself’, ‘being able to set limits when another person crosses them’ and to be able to handle difficult situations. In English literature, ‘*resilience*’ is described as not succumbing to pressure, stress or setbacks. ‘Resilience is the possibility to deal with stress and difficult life circumstances in a way which stimulates the development of self-confidence and social competence.’

The concept of social resilience is closely related to “self-efficacy” (belief in one's own abilities), being able to handle difficult or changing situations and therefore goes beyond the concept of social skills. Social resilience assumes confidence in your own abilities, possessing essential social skills in dealing with others, but also being able to handle difficult situations, giving and receiving criticism and standing up for yourself and your own choices. Social resilience therefore forms a basic condition for maintaining healthy social networks and is necessary for sustainable self-sufficiency and emancipation.

#### Topic 2: Realising dreams

In this module we provide tools for realising plans, wishes and dreams. After all, the members in a savings group are not just dealing with day-to-day matters, such as: how much can I save, how can I ensure that my final amount grows, how do I get to know the other members of the savings group, how do I fulfil my task in the savings group?

The savings group members choose a savings target and also look to their future with a broader perspective. Once people realise that the future starts today, that means that you can start thinking today about the possibilities that will be there after today. The tools in this module are developed to help members to put their dreams into words, explore possibilities and get to work on it. The savings group decides which tools they want to discuss during the savings group period. The tools are included in the information folder of the members, which means that the members can also discuss these themes outside of the setting of the savings group in their private life.

## Tools

### Tool 1: Getting started with your dream

Set a goal for yourself or getting started with a dream or ideal. This often helps to feel better. Come on! Let's get started! Go pick yourself up and think of positive things. This helps to feel happier. Sometimes it even gives the feeling that you experience an exciting adventure. You can also get started with that in the savings group. To change things in a good way.

#### 1. How does the trainer discuss the theme 'getting started with your dream'?

You ask the members whether they ever realised a dream. What dream? And how did it feel when you succeeded? You also ask if someone has a dream; something they would like to do. Try to have everyone say something. Now you propose to the group to look beyond that; perhaps there are more things you dream about and which you might be able to realise. Because if you have more dreams, then you can choose: what dream will I realise in the coming period?

Ask the members to make the assignment for themselves (below). They answer the 4 questions. Afterwards, discuss with the group what everyone noted down. Ask everyone to choose and write down what they will work on. As trainer you know that the choice is a snapshot in time. Everyone chooses for A right now, but it might be C next week. That is not important. What is important, is that the members talk with themselves and with others about how they will work on their dreams. And this gives energy!

#### 2. Why is working on your dream important?

If you always just do your best, always just work hard, and make sure everything goes well. If you never take time to sit on the couch and dream away with what you would like ... then you get exhausted. Then you get no new energy.

You have probably often changed something in your life. You have done so again this time: you went to join the savings group. This means you have set the goal to save. You can discuss lots of things in the savings group. You have met new people there. With those people you can talk about what makes you happy, and what you want to achieve.

Come on! Let's make plans! We step out of the rut and let's have a look at what makes us happy!

You can make yourself happy by doing something new. This could be anything:

- Volunteer work, such as cooking for homeless people
- Applying for a new job
- Attending a training or course
- Getting a driving licence
- Learning to swim
- Participating in 'The Voice'
- Starting a city garden with some people
- Starting a company with something you are good at
- .....

**The assignment during the savings group meeting:**

Imagine: what would I like to do most? What makes me happy? How do I find out what really makes me shine? The following questions may help to find answers:

- What makes you happy if you do it; what gives you new energy?
- What wishes and dreams do you have?
- If you have nothing else to do, what would you like to do most?
- Which people, which places on earth, which things to do, what music, or, for example, books do you prefer?

Write down what you would like to do most; which dream would you like to get started with?

### 2.2.5. Training: Digital literacy

|  |  |
|--|--|
| <b>Title of module 10</b>                                      | <b>Digital Literacy</b>  |
| <b>Intended outcomes and outputs</b>                           | The trainer can help the members of the saving group manage the group meeting online.  |
| <b>Key words</b>   | Digital literacy training; digital competences; digitalisation of meetings   |
| <b>Topics/ issues to deal with and related working methods</b> | Topic 1: Start a Meeting online<br>Topic 2: Bookkeeping online<br>Topic 3: Saving online   |
| <b>Training and learning methods</b>                           | Hands on learning experience; digital learning experience  |
| <b>Suggested exercises /tools</b>                              | Tool 1: Digital Competence Framework for Educators: <a href="https://ec.europa.eu/jrc/en/digcompedu">https://ec.europa.eu/jrc/en/digcompedu</a><br><br>Tool 2: GSuite for Education: <a href="https://sites.google.com/view/guidapergsuiteforeducation">https://sites.google.com/view/guidapergsuiteforeducation</a><br><br>Tool 2: Winkomun Numbers: <a href="http://www.winkomun.org">www.winkomun.org</a> |

#### Topics

##### Topic 1: Start a Meeting online

###### First digital contact

Before the group meeting, we contact participants one by one to help them familiarize themselves with the application (WhatsApp, Google Meet, Zoom, etc.) that we will use during the online meetings.

We help them to download the application (on the mobile and/or on the computer) and do the relevant audio and video tests. We give them the necessary tools so that they can check the speed of the data connection and thus decide how and where to connect during the group meeting. We do several tests with them so that they learn and become familiar with the chat and with the activation and deactivation of the microphone and the camera. We guide them to learn to share the screen and the documents they have on the computer.

###### Group meeting online

Each online meeting will be an opportunity to learn a topic related to digital literacy. At the beginning, 90% of the members of our savings groups have a basic level in digital skills and they do simple tasks with guidance. After 3-months group digital literacy training, they are

able to do simple task and/or routine tasks autonomy. After 6-months group digital literacy training, they straight forward problems by their own. Main topic covered:

- 1) Get the application: download and install on your device
- 2) Create and start a meeting: start an instant meeting and/or schedule in your calendar
- 3) Invite other to join you: add guest and/or get a meeting link to share
- 4) Join a meeting created by others
- 5) Set camera and audio
- 6) View people in video meetings
- 7) View chat and send chat messages to participants
- 8) Raise your hand during the meeting
- 9) Pin and mute participants
- 10) Present and share your screen during the meeting
- 11) Control mobile data usage in meetings

## Topic 2: Bookkeeping online

We recommend to do the accountability online using a shared spreadsheet accessible to the group members. Nonetheless, in the first online meetings during the Covid-19 lock-down, we have continued doing it in paper format, until the group has begun to develop digital skills. In these cases, the accountant is asked to take a photo of the filed documents and send it to the group chat. Main topic covered:

- Chose and get a cloud-based storage solution to save group files online
- Create, edit and format Docs (Group Bylaws)
- Create, edit and format Sheets (Bookkeeping forms)
- Upload, share and organise files in folders
- Manage file sharing options and transfer file ownership when group roles change.

The organization of accounting documents online is very important, as well as the management of sharing options to these documents. It is very important to learn how to transfer file ownerships when group roles changes and to review the documents permissions to edit the file. All group members can and should view the accounting documents, but only the bookkeeper can modify them during the group meetings. If the group has decided to activate other funds online (social fund, loans, kudos..), it could also decide to assign other members of the group to manage them:

- Bookkeeper (principal accountant): in charge of filing the general ledger form
- Savings Accountant (second accountant): in charge of filing the savings form
- Loans Accountant (third accountant): in charge of filing the loan form
- Social Fund Accountant (assistant accountant): in charge of filing the social fund form
- Kudo Accountant (assistant accountant): in charge of filing the kudo form

### Topic 3: Savings online

Saving was never easy, but doing it online can be even more complicated. The main strategy that savings groups have developed to continue saving during the pandemic have been to save during the online group meetings in a personal piggy bank that is open during the face-to-face meetings. The facilitator can encourage members to create their own piggy bank with materials they can easily find at home (cans, jars, wood) or reuse an old one. We can also take this opportunity to create a group branding piggy bank and to work on the identity of the group.

## 2.2.6. Quiz: Financial Health Check

|  |  |
|--|--|
| <b>Module 11</b>   | <b>Financial Health Check Quiz</b>                     |
| <b>Intended outcomes and outputs</b>                           | Assist customers with improving their financial health |
| <b>Topics/ issues to deal with and related working methods</b> | Financial health                                       |
| <b>Training and learning methods</b>                           | Quiz   |
| <b>Suggested exercises /tools</b>                              | Financial health check quiz template (excel)           |

### Topic

#### Topic: Financial health

The quiz can be used at the beginning of any financial education module related to budget management, financial planning or saving. It can be provided as online quiz or paper version.

In a group training the exercise takes about 30 minutes and it can be done following way:  
*Trainer: I'd like to invite you to participate in an exercise, which is called Financial Health Check Quiz. We will check, how financially healthy is your family. Your task is to answer the questionnaire. We keep your results confidential, but we want you to mark on the score dashboard your general score.*

Exercise facilitation and filling in the quiz...

Once everybody finishes: *Questions for discussion:*

- *How satisfied are you with your results?*
- *What did you learn?*
- *What are your take-away?*

In a group training, as next step it may lead to brainstorming with participants about good practises related to any area (household management of its income and expenses, resilience to financial shocks and plans its financial future with the long-term perspective). The trainer may provide at the end the list of tips (needs to be adjusted to local context) and discuss who may want to introduce what changed. It can serve as a beginning of discussion about personal finance during counselling session as well.

The online version has 4 personas: Fighter, Wizard, Advanced, Master – depending on the score, the participant receives the tips related to the personas.

### Tool 1: The financial health check quiz template

- The additional questions: before and after depend on the institution which use the quiz. It is not essential part of the quiz however it may give some additional information
- The parts in red in quiz needs to be checked and adapted (if necessary)

The profiles are designed for online version of the quiz so are not necessary for classroom training, however the list of tips may serve as base for discussion about exchanging the good practises among participants.

See appendix 2 for templates

## 2.2.7. Training: Entrepreneurship and advising

| Title of module  | Entrepreneurship Training and Advising process in the SG  |
|--|---|
| Intended outcomes and outputs                          | The trainer can help group members to shape their small business units. Members trained in entrepreneurship and have acquainted tools to manage their small businesses.   |
| Key words  | Entrepreneurial skills, cost identification, credit management, small business management   |
| Topics/issues to deal with and related working methods | Topic 1: Initial session on "How to start your business". Starting a business vrs job search<br><br>Topic 2: Analysing the social and emotional situation of the group members<br><br>Topic 3: Analysing the business idea - canvas<br><br>Topic 4: Cost and budget management<br><br>Topic 5: Credit presentation and money management |
| Training and learning methods                          | Training sessions that can be face-to-face or virtual   |
| Suggested exercises/tools /activity                    | Tool for topic 2: <a href="https://drive.google.com/file/d/1BBeyAYeZwrlPy6k51LjE1zkP-dn6hWAe/view?usp=sharing">https://drive.google.com/file/d/1BBeyAYeZwrlPy6k51LjE1zkP-dn6hWAe/view?usp=sharing</a>   |

There is an option of creating SG from gathering together people who intend to start a business or seek employment, as a way to self-sustainability. In this way, they are not only united by a financial need but also by a common goal and in the end, these groups function as a meeting point between these people who end up sharing the fears and problems that their situations generate. In these groups, savings and the loans given out by the SG are to be invested in the entrepreneurial projects.

Down below the reader can find the methodology based on the experience in working Saving Groups with migrant entrepreneurs.

### Topics

#### Topic 1: Initial session on "How to start your business". Starting a business versus job search

In this case it is possible to work with people that didn't know each other before. Once there is a relevant number of people interested in the program, they participate in an initial workshop where they talk about entrepreneurship and the possibilities of starting their own business. The Saving Groups program is deeply explained, especially what saving groups are and how they work. In this session, doubts about starting a business are resolved and the way to work on the project and the requirements for participating in the groups are explained.

At the end of the workshop, entrepreneurs are asked if they wish to participate in the program.

Main topics covered:

- Presentation of the entity presenting the program and its services
- What does starting a business mean?
- Pros and cons of starting a business
- Business idea analysis
- Current legal forms
- Ways of financing the business
- Saving Groups and entrepreneurship

## **Topic 2: Analysing the social and emotional situation of group members**

After this first workshop, it is important to identify the personal situation of each candidate to determine whether they are at the right time to start a business or if it would be a better option to find a job. This information can be asked through an interview that should preferably be carried out by an entrepreneurial technician, although it may be done by a labor inserter or a social worker with experience in labor insertion. This is a very important process since there are a number of people who can find an entrepreneurial project as a labor change or life change but in fact it would be a better option to just find a job and work as an employer.

In the interview, it is important to gather data related to the immigration process, employment status, educational level, work experience, family income and expenses, work expectations and if they have a business idea, to collect the basic information about the sector and what type of business they want to start. All this information allows the technician to evaluate the personal situation of each member interested in participating in the program and develop an individual support plan, either to plan the business idea or seek employment.

Due to some reasons related to the migration process or their current vulnerable situation, some people are not in a position to start a business but have the profile for participating in SG, so they could participate in the groups and be offered assessment to labor insertion, while they can access the entrepreneurship training with the rest of the members.

Main topics covered:

- Migratory situation
- Family situation
- Economic situation of the person and his family
- Job characteristics
- Identification of the business idea

## **Topic 3: Analysing the business idea – Canvas**

Once the interview is over, the team of advisers and trainers should evaluate each case to start the individual accompaniment work and incorporate them into a SG that will meet once every two weeks. Cross-cutting themes are identified for all users on a personal level,

such as: fear management, teamwork, conflict management, etc. And the training program is carried out, which will happen every time the group meets up, twice a month, one on business content that is carried out by a technical specialist in entrepreneurship issues and another on personal work that can be carried out by a social worker or a psychologist.

The training should take up the first half of the meeting, usually 1'5h, and then take half an hour to go through the saving and credits process. It is recommended to start with the SG process in the fourth month though, which is explained later in the document.

According to experience, an accompaniment program can last up to three years and the first one is the one with the highest training intensity. For the second and the third year it usually changes from the fortnightly meetings to monthly meetings, until the group is autonomous and can keep up with the meetings and the savings without the presence of the facilitators.

The first business content training is Canvas Business Model. In this training, the business analysis methodology under the Canvas method is explained and participants are invited to make their own Canvas models in order to initially analyze the business model of their project and its feasibility. This training is usually divided into three sessions until all the participants have the content clear. It is recommended to work with one of the entrepreneur's businesses that is analyzed between all the participants and then they are asked to bring their own Canvas Model to the next session. It requires individual accompaniment by the entrepreneurship advisor to finish this process.

Main topics covered:

- Business idea - Value strategy
- Partners
- Customers
- Cost structure

#### **Topic 4: Cost and budget management**

Once the business idea analysis process is finished, the focus is put on them understanding how to calculate fixed and variable costs. It must be taken into account that these people could already have small businesses that operate informally such as selling food, fashion accessories, repairing and making clothes, selling different products on credit, handicrafts and sale of second-hand products, etc. In this module they have to understand how much they can charge for their products, whether they are manufactured or simply intermediated, how much the entire operation costs them and how much it would cost them if the business were legalized.

The entrepreneurial advisor must work with a very simple language in terms of terminology, since many of the concepts are often confusing and / or are called differently in each of the countries of origin of the participants. It is suggested that the trainer use the participants' businesses as examples so that they feel a greater connection to the training and can better understand the concepts.

Main topics covered:

- Costs
- Difference between fixed and variable costs
- Production costs
- Treasury
- Budget
- Credit concepts in banking

## **Topic 5: Credit presentation and money management**

Once the group has been gathering for four months and they start to get to know each other better, it is a good time to start with the savings process. First of all, group agreements should be defined and signed by the whole group, as it has already been explained in the module “2.2.3 Before the group can start”.

In this topic it is important to highlight that there is an entity that promotes SG and entrepreneurship that has developed a methodology where the same entity is a member of the group and doubles the money saved by the members. That is to say that for every euro saved, the entity puts the same amount, expanding the group's circulating fund. Once the participants understand this situation, they are able to start saving larger amounts of money, for example they go from saving 10€ each meeting to 50€ per meeting, since they understand that as the fund expands, more people in the group are eligible for a credit.

As it was mentioned at the beginning of the module, in this kind of SG, the loans are strictly meant to be invested in the entrepreneurial projects and as the entity participates as a member of the SG, before presenting a loan for consideration, the proposal is coordinated with the entrepreneurial technician. The advisor evaluates and requests the budgets and proof of payments that confirm the investment of such money. Therefore it is important that this entire process will happen once the cost lessons are completed.

Once the proposal is approved by the advisor, it is previously sent to the other members via email and WhatsApp, so that they can evaluate it and vote at the meeting. Once at the SG meeting, the project presentation is made and the other participants can jointly evaluate the project and vote for the approval of the loan. It is carried out in a credit committee format where the doubts that other members have about the project are resolved. In the entrepreneurship SG, endorsers are not usually asked because in principle all participants endorse the others.

Main topics covered:

- Entrepreneurship project
- Project costs
- Investment justification
- Presentation of the project
- Public presentation
- Credit committee: evaluation

## Tools

### Tool 1: Questionnaire for social and emotional situations

This tool is closely linked to the topic 2. See appendix 3.

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## APPENDIX 1: Bookkeeping forms

## APPENDIX 2: Financial Health Check

## APPENDIX 3: Questionnaire for social and emotional situations