

## Learning about saving money

Saving is an important skill for us all. It helps us to accumulate valuable assets and practice the disciplines of planning and managing our resources – skills that are essential for many parts of life. Aflateen promotes a holistic approach, and a broad definition of savings is encouraged to include not just money, but other material and non-material resources.

This Session introduces participants to the concept of saving money, and the Smart Saver Session later in this section explores saving other resources, guiding participants in planning, and practicing their savings habits.

**Lesson Objectives:** By the end of this Session, participants will be able to:

1. Identify three or more reasons why people save money, and priorities those reasons.
2. Identify three or more saving goals, and establish saving targets.

**Key Learning:**

- We all have different reasons for saving. Naming and prioritizing our reasons for saving will help focus our goals and motivate us to save.
- Personal savings targets are useful for planning how to achieve financial and personal goals.

**Materials Needed**

- Starter: Ball (e.g. soft ball, ball of string, or rolled up sock); three large sheets of paper, each with one of the following headings: *personal use*; *unexpected events*; *future opportunities*.
- Option 1: The Story of Ana (Figure 3.1); sets of Ana's Savings Cards (see below: cut up before the Session).
- Option 2: Savings Plan worksheet (see below).
- Reflect (optional): Cards with 1 to 10 written on them, OR red, orange and green 'traffic light' cards.

**Information for Facilitator**

- A co-facilitator would be helpful to record the responses to the Answer the Ball starter activity. If there is time, the participants could do both the main activities in this Session. If there is limited time, choose one.
- If choosing Option 2, participants may want to refer to the earlier Session: My Dream.
- The Story of Ana is only an example. It is advisable to adapt the story to local context, which would help the participants to easily identify with the situation.
- As the facilitator, be prepared to address unrealistic goals that may dishearten young people when they realize how difficult reaching them will be.
- Make sure to connect this lesson with conducting savings groups in their Aflateen Clubs. If participants haven't yet set up a saving process in the club, now would be a good time to do so. For more information, see Organizing Your Savings Process in the Facilitator Resources.

## 1 Start: Answer the Ball

### Method

1. Remind the participants of the enquiry questions from the end of the last Session that they were going to ask their family and friends
  - a. Do adults save and if so, what kinds of things do they save for?
  - b. Do young people save and if so, what kinds of things do they save for?
  - c. Why is it important to think about interest rates and inflation when saving?

NOTE: Interest is the additional money a financial institution or savings group pays to the saver as a percentage of their total savings, usually on a monthly or yearly basis. Finding a good interest rate can make your money grow faster. Inflation is the change in prices of items over time. Often this means that money loses value over time because you cannot buy as much for the same amount. If inflation is high it might be better to save items that increase in value instead of cash or to find a good interest rate to balance out the inflation.

2. Tell the participants that they are going to share their savings stories (from the information they gathered or from what they already know) by playing Answer the Ball.
3. Ask participants to stand in a circle and explain that you will start an unfinished sentence, and throw the ball to someone in the circle. The person who catches the ball has to complete the sentence. For example: “Adults save to... buy a house.”
4. After answering, that person repeats the same unfinished sentence, and throws the ball to another person in the circle, who then has to provide his or her own answer before repeating the process with someone new.
5. Ask the a volunteer to record the answers.
6. Continue, keeping things moving at a lively pace and changing the start of the sentence to also include:
  - a. Young people often save to...
  - b. Savings can help you...
  - c. Interest rates are...
  - d. Inflation is...
7. Place the sheets of paper headed with the following categories at the front of the classroom:
  - a. Personal Use (e.g. saving for a friend or family member)
  - b. Unexpected Events (e.g. sudden illness or an unexpected wedding gift)
  - c. Future Opportunities (e.g. a training course)
8. Recap the answers given and decide as a whole group which of the three categories each recorded answer belongs to.

## 2 Learn: Investigate and act

Choose one of the following two activities:

NOTE: Option 1 uses the The Story of Ana as a case study to explore saving priorities, while Option 2 gives participants the opportunity to think about their own personal saving goals and priorities, and to make a savings plan. If talking about a personal money plan is too sensitive for some, using The Story of Ana would be a good alternative.

### *Option 1: The Story of Ana*

#### Method (25-30min)

1. Describe Ana’s situation, as outlined in the Figure 3.1: i.e. Ana is soon to be married and is moving to start a new life in the city with her husband’s family. She has many demands on her money, and wants to save for many things including those things on the nine ranking cards.
2. Ask participants to form small groups of three or four, and give out one set of Ana’s Saving Cards (below) to each group.
3. Ask participants to look at the things that Ana needs to save for, and to consider which are the most important.
4. Explain that they need to place the cards in a diamond shape, with the most important reason for saving at the top and the least at the bottom.

Example programs for classroom involvement | Age Level: 15-18

MOST IMPORTANT MORE IMPORTANT IMPORTANT LESS IMPORTANT LEAST IMPORTANT	X X X X X X X X X
To buy a leaving gift for sister (who is upset about her leaving)	To buy new clothes for the move to the city
To contribute to the costs of the wedding day	To pay the rent on a house of their own
To be able to enjoy city life, which can be expensive	To take an evening class to further her education
To be able to afford to start a family	To have a small amount put back for emergencies
To have some money to be able to have some financial independence	

5. Ask the participants to move around the groups to see how others have prioritized the reasons for saving.
6. Discuss the similarities and differences in their ranking.
7. Emphasize that, like in the case of Ana, some goals can be accomplished in a short period of time, while others require more time.
8. Ask them:
  - Which of her savings goals can be met within a short amount of time?
  - Which savings goals will take the longest time to achieve?
9. Ask the groups to re-order their cards in a continuous line, putting the goals that can be met quickly at one end (short-term goals) and those that will take longer at the other (long-term goals): e.g



10. Share ideas as a whole group.

## Option 2: Making a Savings Plan

### Method (25-30min)

1. Distribute the Savings Plan worksheet (see example below).
2. Remind participants of the earlier My Dream Session, and their individual dreams and goals.
3. Tell them they are going to think about their dreams and goals, and how they can develop a savings plan to achieve them. Explain they will be considering the following:
  - a. What dreams and goals did they previously identify?
  - b. Are these dreams and goals still the same, or have they changed?
  - c. How much money will they need to achieve those goals?
4. Ask them to identify three goals: two short-term (ST) and one long-term (LT). Remind them that short-term goals might require a few weeks or months (up to six months), while long-term goals may take six months or more to realize.
5. Ask them to write the three goals in separate rows in the left hand column of the worksheet, e.g.

GOAL	BY WHEN	IMPORTANCE	SAVINGS NEEDED	AMOUNT TO SAVE PER WEEK/MONTH	HOW TO EARN
Buy a new book (ST)	6 weeks	2	\$12	\$2 per week	Save pocket money
Buy a bike to get to work (LT)	1 year	1	\$240	\$20 month	Part-time work
Family outing (ST)	2 months	3	\$10	\$1-2 week	Save pocket money and combine money with other family members

6. Ask participants to decide how important each goal is, and to rank them in order of priority (1 as 'most important', 3 as 'least important').
7. Ask a volunteer to share one of his/her goals, and fill out the example Savings Plan on the flip-chart together, determining whether it is a ST or LT goal; when they will need the money; how important it is; the amount needed; the amount that needs to be saved every week or month to reach the goal; and the source of the earnings.
8. Ask participants to go through the same process with their own goals. Walk around and give any help to those who need it.
9. Now ask the participants to double the amount of time they have allowed themselves to reach their goals and to re-calculate the amount they need to save every week or month.

### Guide questions

- What was your reaction when you figured out the amount you needed to save each week or each month to reach your top priority goal?
- What happened to the amount of money you had to save each week or month when you doubled the amount of time to save for your goal?
- What can we learn from these calculations? Even if your goals come with a high price, you can often reach it by setting aside money regularly. (NOTE As the facilitator, be prepared to address unrealistic goals that may dishearten young people when they realise how difficult reaching them will be.)
- How will making a Savings Plan help you?
- What will you do differently now that you know how to make a Savings Plan?

### 3 Reflect

#### Method (10-15min)

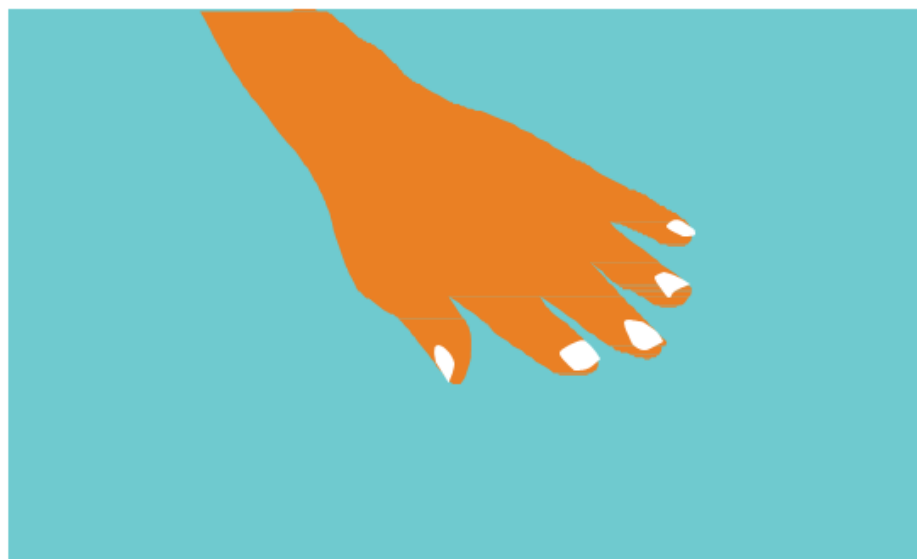
1. In pairs, ask participants to share three key reasons for saving and three personal savings goals.
2. Ask two or three pairs to feed back to the group.
3. To gauge participants attitudes after the activities and discussions about thinking ahead, prioritising goals and making a Savings Plan, you can do one of the following:
  - a. Show the card: Participants have a set of cards numbered 1 to 10. They hold up one card to indicate how likely they are to plan ahead and save. Card 1 means 'not likely' and 10 means 'definitely'. This is a quick way to gain an overview of the group.
  - b. Traffic lights: participants have a red, green and orange card. They hold up red if they don't intend to save, green if they do, and orange if they are not sure.
4. Ask participants why it is important to think about interest and inflation when saving.

#### Enquiry Questions for the next Session

Encourage participants to ask adults in their family the following questions about living expenses and spending habits, in preparation for the next Session: Learning about Spending

- What are the main things that adults spend money on?
- What do young people spend money on?
- What does 'spending responsibly' mean?

*Figure 3.1*  
*The story of Ana*



Ana is 20 years old and lives in a rural village. She is looking forward to her wedding in two months, and moving to the city to live with her husband's family. Before she leaves she wants to get a gift for her younger sister. She feels sorry to be leaving her behind, but so many adventures are waiting for her in the city! She will definitely need a new outfit. Her clothes are worn and ragged from working in the fields. While she plans to continue doing embroidery work to bring in a little money, she is really looking forward to working with her husband at his kiosk. Once she learns the business, he will be free to look for other work opportunities. And that will help them save up enough money to rent their own place more quickly. Ana knows that her husband's family will be expecting them to have a child soon, but she has other dreams for her new life in a place with so much going on.