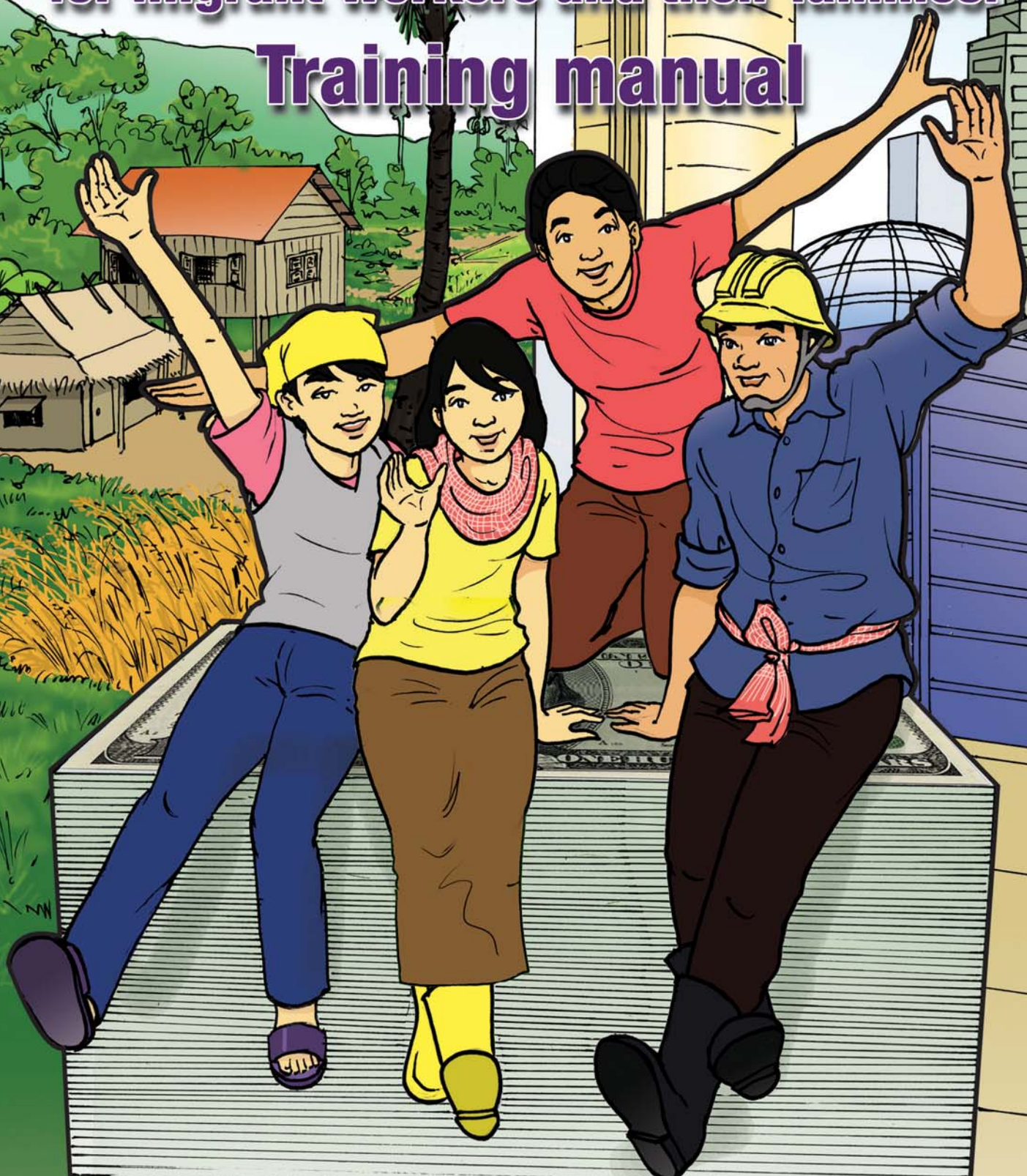


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Budget smart – Financial education for migrant workers and their families: Training manual



ILO DWT for East and South-East Asia and the Pacific
ILO Regional Office for Asia and the Pacific

**Budget smart – Financial education
for migrant workers and their families:
Training manual**

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First published 2011

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Budget smart – Financial education for migrant workers and their families: training manual / ILO DWT for East and South-East Asia and the Pacific. – Bangkok: ILO, 2011
xi, 380 p.

ISBN: 9789221249986; 9789221249993 (web pdf)

ILO DWT for East and South-East Asia and the Pacific

trainers manual / financial management / migrant worker / domestic worker / credit / saving / insurance / remittances / women workers / gender equality / Asia

03.03.3

ILO Cataloguing in Publication Data

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Printed in Thailand

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FOREWORD

Every year millions of women and men leave their homes looking for jobs with higher wages and better life opportunities for themselves and their family. With over 29 million migrant workers, the Asia and Pacific region is one of the world's most dynamic migration hubs. Growing inequality between and within countries, demographic pressures and demand for low skilled male and female migrant workers are expected to accentuate this trend. The presence of women in the migrant labour force, in particular in its lower echelons, has been increasing due to lower opportunities to secure productive work at home.

The chance to earn a higher income is the main reason for migration and many migrants send money back home. These remittances, whether they are sent within or across borders, are often a major financial resource for creating enterprises and jobs, providing education to siblings or children and social protection for the families left behind. However, in practice, remittances tend to be also used for daily consumption and the acquisition of consumer durables. This may not always maximize the net benefits to the household or to the local community.

Many migrant workers and their families lack basic literacy and numeracy skills, especially women. Moreover, if they are young, they are not always given the opportunity to take part in family decision making. As a result, labour migration may come with high costs and risks, including labour exploitation, indebtedness and human trafficking. For these different reasons migrants and their families would gain if they disposed of better financial knowledge and management skills to prepare for the migration experience, minimize the risks associated with migration, maximize its benefits and expand their life opportunities.

Above all, migrant workers and their families need to be able to analyze the costs and benefits of migration, set goals and make plans and budgets for realizing them. They need access to affordable and sustainable financial services including credit, savings, insurance and money transfer to help them to achieve their goals in life. Importantly, they need to know how to use these financial services and be able to make informed choices about financing migration costs, about savings and increasing savings capacity, about protecting themselves and their families against risk and abuse, about sending their remittances home and using them for productive investment.

To address these specific needs of migrant workers and their families, the International Labour Organization (ILO) brought its expertise on equality and non-discrimination, social finance and migration together and joined forces with Microfinance Opportunities (MFO) to develop a training package **Budget smart – Financial education for migrant workers and their families**. The training package contains two parts:

- Budget smart – Financial education for migrant workers and their families: **Training manual** for use by trainers from government institutions, recruitment agencies, organizations protecting workers' and women's rights, financial service providers, trade unions and migrant workers' associations.
- Money and migration: **Smart guide** for migrant workers.

The training package aims at assisting organizations engaged in teaching migrant workers and their families basic knowledge and management skills in finance such as financial decision making, earning and spending wisely through budgeting, and using financial services including loans, savings, insurance and money transfers.

The training package intends to reach women and men of all ages and their families and covers the whole migration cycle addressing the needs of both internal and international migrant workers, including prospective and returning migrant workers. It is relevant for internal and international migrant workers and suitable for migrant workers using both regular and irregular channels.

Using a participatory and action-oriented approach as well as stories of both internal and international migrant workers, the training package seeks to ease the learning process of migrant workers and their families, especially of those with little formal education for achieving sustained behaviour change.

Within the ILO the training package forms part of a series of tools for sharing knowledge and expertise in and between member States on safeguarding the fundamental human and workers' rights which regular and irregular migrant workers should enjoy in their home and host countries, and increasing women's role in decision making on money and migration. The training package builds on ILO and MFO experience in supporting financial education initiatives. Established in 2002 as a microenterprise resource centre that promotes client-led microfinance, MFO seeks to increase poor people's access to financial services by providing technical assistance in financial education, microinsurance and client assessment.

The training package is the result of cooperation between the ILO offices in Bangkok and Jakarta, including the ILO Decent Work Technical Support Team for East and South-East Asia and the Pacific, the Subregional Projects Combating Forced Labour and Trafficking of Indonesian Migrant Workers as well as Women Entrepreneurship Development and Gender Equality (WEDGE), and the ILO Social Finance Programme. We thank the authors of the training package, in particular Lillian Diaz and the MFO team based in Cambodia, as well as our ILO colleagues Valerie Breda and Nelien Haspels for their guidance and contributions along the way.

We would like to express our appreciation to the Ministry of Women Affairs in Cambodia as well as Bank Indonesia and the Ministry of Economic Affairs in Indonesia for supporting this initiative. We are also thankful to Alcestis Mangahas and Bill Salter in ILO Bangkok; Peter van Rooij and Lotte Kejser in ILO Jakarta; Seltik Heng of WEDGE Phnom Penh as well as to other ILO and MFO colleagues for their helpful technical comments and contributions. We gratefully acknowledge the financial assistance provided by the Governments of Australia, Ireland, Japan and Norway which complemented technical and financial contributions from the ILO.

The package intends to improve migration management both at the individual and institutional levels in sending and destination countries by providing organizations with a new tool for delivering financial education to women and men with relatively little education. It is hoped that organizations managing migration or reaching out to migrant workers and their families will find the training package useful in building the financial capability of migrant workers and their families for better opportunities in life and at work.

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ACKNOWLEDGEMENTS

We would like to extend our sincere thanks to the many organizations and individuals that shared their information and ideas with the team during the initial design of the training package and the market research carried out in Cambodia and Indonesia in 2009; to the participants of the two Validation and training of trainers' workshops, held in Cambodia and Indonesia in 2010; and to the co-trainers and ILO colleagues in Bangkok, Phnom Penh, Jakarta and Geneva for their valuable contributions.

Special words of thanks go to our ILO colleagues: Rim Khleang, Sophorn Tous and Socheata Kim in Cambodia; Bona Sigalingging, Irham Saifuddin, Muhamad Nour and Ria Rianingsih in Jakarta, Severine Deboos in Geneva, Annemarie Reerink, Nilim Baruah, Max Tunon, Pracha Vasuprasat, Paveena Eakthanakit and Sugunya Voradilokkul in Bangkok, as well as Linda Deelen in Santiago.

Finally, we would like to offer our thanks to Microfinance Opportunities for its contributions on the financial education curriculum design, development and delivery, in particular to Monique Cohen, MFO President and Founder, Bailey Butzberger, Training and Program Officer, as well as Michael Rios and John Weeks and his team at Our Books, Tola Kang at 17 Triggers.

The training package was developed with the contributions of the ILO Subregional Projects Combating Forced Labour and Trafficking of Indonesian Migrant Workers in Indonesia; Women Entrepreneurship Development and Gender Equality (WEDGE) in Cambodia; Equality and Decent Work Promotion for Women in Asia; Managing Cross-Border Movement of Labour in South-East Asia (ILO/Japan); and Tripartite Action to Protect Migrant Workers from Labour Exploitation (TRIANGLE).

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Phnom Penh, Bangkok, and Jakarta

PART 1 INTRODUCTION AND TRAINING PREPARATION

1. Rationale, aims and strategy

Migration for work is a choice many people make, looking for better job and income opportunities away from home and seeking a higher quality of life for themselves and their families elsewhere. A main “pull” factor is the attractiveness of the salary levels away in the city or abroad, which can be several times higher than the income they earn in their hometown or village. Other people are “pushed” into migration. Lack of jobs or skills, poverty, landlessness or violence are some of the reasons cited by migrants for seeking jobs away from home.

Large numbers of migrant workers, many of them young men and women from rural areas, as well as their families lack financial know-how and skills to budget, plan income and expenditure, and use savings, credit and insurance. This may lead to higher risks of indebtedness, labour exploitation and overall unproductive use of remittances at all stages of the migration cycle by migrant workers and in their home communities.

Financial education introduces concepts of money and ways to manage it well. The training package: **Budget smart – Financial education for migrant workers and their families** helps organizations to teach (prospective) migrant workers and their families about money and how to use it wisely. It offers the opportunity to learn skills related to earning, spending, budgeting, saving, borrowing and ways to make the most of one’s resources. It aims to remedy the low levels of education and the unequal power relations that often exist between women and men, and the younger and older generations in many poor and disadvantaged communities, when it comes to making decisions on money and migration.

Financial literacy among migrant workers and their families is a precondition for benefiting from migration. It serves as a foundation for migrant workers, especially young, male and female workers who are in transition from dependent to independent roles in financial management. It will increase their ability to manage money, their confidence and their readiness for the challenges and opportunities that migration may lead to.

Migrant workers need knowledge and skills not only to manage their day-to-day expenses, but to meet their needs throughout their life-cycle – education, marriage, children and income security when they become old or sick. They need knowledge and skills to use financial services – saving, borrowing and insurance – that can help them reduce vulnerability and build assets. Financial education can help migrant workers and their families to:

- Make informed choices about life goals and ways to achieve them through migration.
- Enable men and women alike to set and achieve short- and long-term financial goals at the destination and in the home community.
- Improve savings capacity by using a budget.
- Use financial products and services with confidence.
- Develop risk management strategies.

The overall aims of the training package: Budget smart – Financial education for migrant workers and their families are to:

- Prepare migrant workers and their families for the financial responsibilities of migration and help them to make sound financial decisions.
- Strengthen migrant workers’ behaviours that lead to increased saving, and more productive and responsible spending and borrowing.
- Promote equality between men and women and strengthen women’s role in family decision making on money and migration.

The financial education training package for migrants consists of two parts, **Budget smart – Financial education for migrant workers and their families: Training manual** and a **Money and migration: Smart guide for migrant workers**:

- The training manual provides in-depth information on how to organize and conduct interactive training on financial education for migrants for use by trainers from agencies

in charge of migration management such as government, employment and recruitment agencies, and financial, development, workers' or women's organizations reaching out to migrant workers and their families.

- The smart guide contains key financial education messages and skills for migrant workers and their families, the women and men who are considering to migrate, have migrated, or have returned from migration. It is relevant for internal and international migrant workers, and those using regular or irregular migration channels.

The training package was developed on the basis of the outcomes of market research and field testing in 2009 and 2010 in Cambodia and Indonesia. Priority themes selected by migrant workers and their families and key informants from government agencies and the private and non-profit sectors included: setting goals and family decision making, deciding to migrate, managing your money smartly, financial products and services, risk management and insurance, coming home and planning ahead.

To achieve sustained behaviour change, this training manual is based on a learner-centred approach. The learning sessions are active and engage participants in fun games and exercises. They include opportunities for self-development, family involvement and community exploration.

2. Training structure and content

2.1 Structure

Training manual

The training manual contains three parts:

- **Part 1: Introduction and training preparation** introduces the structure and content of the manual. It provides tips on how to use participatory training techniques, and conduct financial education for empowering women and men alike. It gives guidance for the design, planning and organization of training and includes session guides for the start and end of every training as well as training aids.
- **Part 2** consists of six **training modules** with 35 learning sessions covering almost 50 training hours in total. Every module provides the trainers with a step-by-step session plan, sets out the learning objectives, the activities and the main learning points and includes the training aids. The six modules cover:
  1. Setting goals and family decision making
  2. Deciding to migrate
  3. Managing your money smartly
  4. Financial products and services
  5. Risk management and insurance
  6. Coming home and planning ahead.
- **Part 3** provides **resource and reference materials** for trainers and migrant workers, in particular the MFO Content notes on budgeting, savings, debt management, bank services, financial negotiations, remittances and risk management and insurance that were used in preparing the training package.

Smart guide

The smart guide for migrant workers provides essential information and knowledge about migration and related money matters. It is intended for use as a workbook during the training and as a quick reference guide thereafter. It introduces ten money habits of successful migrants:

1. Think, discuss and decide if migration is right for you
2. Set a goal!
3. Ask how much it costs

4. Value your contract
5. Save money!
6. Keep track of your money!
7. Go to the bank
8. Remit smartly
9. Protect yourself!
10. Returning home!

Distribution of training manual and smart guide

In trainers' training all participants receive a full copy of the manual for trainers and the smart guide for migrants and their families prior to or at the start of the training. When the trainers in turn train migrant workers they will generally provide trainees with the smart guide and distribute the training aids for the exercises used during the training. Trainers can also share the content notes in Part 3 as reference materials as requested by their audience.

Introduction to the four main migrant workers characters

The training package uses the stories and experiences of four main characters, each representing a different group of migrant workers as follows:

- **Sokunthea** is a young Cambodian woman, single, who migrates to the capital city to work in a garment factory.
- **Dewi** is a middle-aged Indonesian woman, married who migrates abroad to work as domestic worker.
- **Vanita** is a middle-aged Cambodian woman, married, who migrates abroad to work as a shrimp peeler.
- **Tola** is a young Cambodian man, single, who migrates to the city to work as a construction worker.

2.2 Content of training manual

Module 1. Setting goals and family decision making

- Explains how to set short- and long-term goals in life.
- Discusses decision making within families.
- Highlights how to communicate effectively in the family when setting goals.
- Explores the costs and benefits of migration.

Module 2. Deciding to migrate

- Shows how to calculate the costs of migration and compares different options for financing migration.
- Introduces different ways of borrowing money to pay for migration, including advances of recruitment agencies.
- Explains the importance and main contents of employment contracts.
- Provides practical skills to convert currency.

Module 3. Managing your money smartly

- Illustrates how to make a migration plan and spend money wisely.
- Explains how migrant workers and their families can create family and personal budgets.
- Shows how to manage money and keep records to track income and expenditure.

Module 4. Financial products and services

- Outlines different types of savings services and ways of selecting savings products.
- Provides basic information about financial institutions and how to use their services with confidence.
- Explores both formal and informal ways to save and send remittances and how to use banking services.

Module 5. Risk management and insurance

- Analyses different types of risks and how to protect against them.
- Encourages savings for emergencies and introduces the concept of insurance.
- Gives practical examples of insurance policies for migrant workers and explains how to file a claim.
- Discusses life/death and health insurances.

Module 6. Coming home and planning ahead

- Provides an opportunity to assess the migration experience and consider how to make money in the future.
- Explores the advantages and disadvantages of wage- and self-employment.
- Discusses skills and job choices of women and men and how to learn more.

2.3 Session plan

Each training module contains around five learning sessions on the same theme. Every learning session takes between 60 and 120 minutes to complete and is uniformly structured as follows.

Module (number and title)

Session (number and title)



Aims – gives the objectives of the session



Target groups – identifies the appropriate target group for the session



Duration – indicates the recommended duration of the session



Materials – gives a list of training materials needed in the session



Training aids – lists the training aid(s) provided at the end of the session plan



Session plan steps – provides step-by-step guidance on the training content and process

Special text features are provided to facilitate training delivery and interaction:

- *Italics font* = instructions for the trainer (not to be read to the participants)
- Regular font = specific information, instructions or messages for the trainers to explain in their own words to participants
- Arrow (➤) = symbol that provides specific open questions to ask participants
- Box = special technical or summary information to share with participants
- Box with shaded borders = recommended flip chart text for use with the participants
- [Square brackets] = the “correct” answer to questions by participants
- (Parenthesis) = additional instructions or information.

The modular structure allows training organizers and trainers to adapt the training to the needs of specific groups of migrant workers and their families and select the most relevant subjects and exercises for every training event. Sessions can be shortened by deleting exercises and focusing on lecturing only. This affects training effectiveness especially for adult learners. Some of the learning sessions include activities that require advanced planning and preparation. These are explained in detail in the session plan and trainers need to think ahead of time about if and how they might organize these activities.

3. Promotion of participation and gender equality in financial education¹

3.1 Successful training methodologies

Good communication and the free exchange of information through a process of open dialogue are at the heart of all training and human resources development. All learning is ultimately an individual process of self-development and adult learners are responsible for their own learning. Different people learn in different ways and at different rates. Some learn best by reading, others by listening and again others by involvement in activities.

High levels of participation, interaction and dialogue between trainers and adult learners and between learners promote effective adult learning. The role of the trainer is to share knowledge and help learners identify their individual and collective needs, priorities and potential. Trainers are not only teachers but also facilitators of learning.

Many methods of instruction can be used during training. No single one is better than the others. Each method has advantages and disadvantages and is appropriate at different stages of the training as shown on the next page. A regular change of both the methods and pace will keep trainees interested and ready to learn.

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¹ For sources see the bibliography at the end of Part 1

Box 1: Training methods and participation levels				
Approach	Method	Activity	Participation	Learning
Teacher-centred approach Top-down  Bottom-up approach Learner-centred	Lectures	Listening	Low	“To receive” Passive  “To do” Active
	Demonstration through visual aids (e.g., pictures, films)	Seeing and listening	Low	
	Questions & answers	Answering and asking questions	Low to moderate depending on individual students	
	Brainstorming & discussion	Sharing and exchanging ideas	Low in large group; moderate to high in small group	
	Analysis & presentation (of case studies or problems)	Reading, analyzing, problem-solving, writing/drawing, and reporting	High	
	Role-play, games & exercises	Using creative, analytical and interpersonal skills	High to very high	
	Action-based activities (e.g. on the job training)	Doing the real thing or applying knowledge and skills in real action	Very high	

Traditional teaching most frequently relies on lectures, often in combination with visual aids and question and answer (Q&A) sessions. For large groups lecturing is the most common method of instruction. This type of training is content rich and strong in the cognitive learning domain. Lectures are most effective when the trainer is both an expert in the technical subject and able to deliver with a dynamic presentation style. Lectures are essential, but they need to be brief as attention spans of adult learners generally start to waver after 20 to 30 minutes, and they need to be complemented with other methods to make learning more effective.

Over the past few decades a range of additional training methods has been developed to stimulate adult learners to learn by asking them open questions, and finding their own answers with their own experience as a starting point. This engages them to feel, think and act and apply the new content in their own life and work. This approach has become known as participatory learning or dialogue education. It covers a range of interactive methods varying from brainstorming ideas to discussion and analysis of case studies to doing role-plays or games and analyzing their outcome.

It is best to use a combination of training methods and to alter the tempo of the training to best achieve the learning objective(s) a systematic and logical flow, also known as the experiential learning cycle.

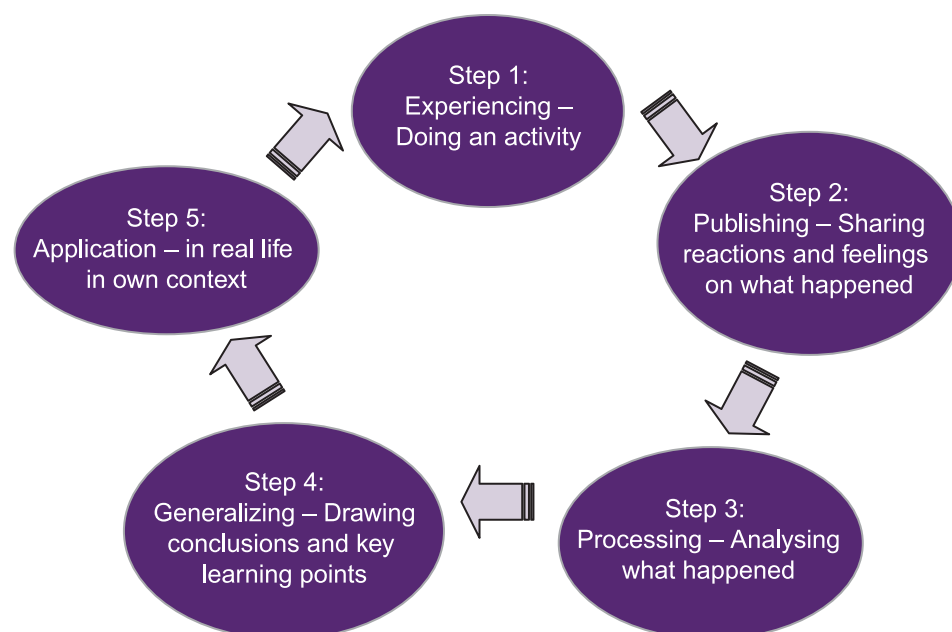
Experiential learning cycle

Participatory training can also be described as “**learning by doing**” or “**experiential learning**.” Action and “**experiencing**” by participants form the starting point of their learning. The “theory” provided by the trainer in the form of lectures and presentations is kept brief: a short

introduction of the session aims and instructions for the activity at the start of a session and a summary of the key learning points at the end of a session. The group first participates in an action by discussing a case study or doing a role-play.

Secondly, they share their feelings and observations on what they did. Then they move to the third step of analysing the experience and the fourth step of drawing learning points and conclusions from the exercise with the trainer. The last step takes place after the training when participants apply what they have learned in their own situation. See the figure below for the process.

Figure 1. Experiential learning cycle



“Learning by doing” methods have powerful learning effects because participants use all their skills and learn at many levels. During the ‘doing’, when playing a game or solving a riddle or problem, participants use their “**mind**”, “**heart**” and “**body**,” that is, all their intellectual, emotional and acting skills.

Key content and process characteristics of some main participatory methods are:

- **Brainstorming** is about discovering and listing new ideas, comments and opinions. It can be done in smaller or larger groups. The main aim is to generate and create ideas in a free flow without judgments.
- **Buzz groups** of two to three persons facilitate exchange of ideas, feelings, opinions and analysis allowing everybody to express their views in a small setting.
- **Role-plays** enable participants to act out an experience as in real life. They can increase self-confidence and have an empowering effect on the role-players if done voluntarily by the players and facilitated well by trainers.
- **Case studies** involve the presentation and analysis of a scenario or series of events, such as in a court case, that has happened or could happen, resulting in defining an opinion on how to go about solving a problem and developing recommendations.



For training that emphasizes active participation and open dialogue, it is essential that trainers use a style of training that is consistent with the values of participation. These comprise an open-minded and sharing attitude, respect for others, interest in diverse experiences, and willingness to change and engage in a critical review of opinions of self and others.

Adult learning

Trainers need to keep in mind the following adult learning characteristics for the successful training of adults as they:

- Come to training with established values, beliefs and opinions based on years of experience.
- Compare new knowledge and information with previously learned experiences.
- Tend to have a problem-solving orientation to learning. They relate the training to their own life and find it most useful if they can use it immediately.
- Have a deep need to be self-directing.
- Have pride, are sensitive to treatment and need to be given respect.
- Need a break frequently as adults' style and pace of learning may have changed. They tend to concentrate less than children because the subjects are not completely new to them.
- Finally, individual characteristics and differences among people increase with age.

Group size and dynamics

The size of groups affects the training dynamics. A large group means greater potential for diversity in talents, knowledge and skills, but less chance for active participation from all. A smaller group size allows for more active participation but a more limited range of contributions. The training method also determines the group size. For instance, a lecture can be given to either a small or large group, whereas games require smaller groups.

For an effective workshop, the group size should generally not be more than 25, if everyone is to have a chance to participate actively and equally. Between 26 to 35 participants is still manageable, but they will need to be divided in smaller groups more often and this means covering less training subjects.

What makes a successful trainer

The roles of the trainer are to teach and share their knowledge and skills, to facilitate the learning process of the participants, and to act as role model and change agent. A good trainer has both teaching and facilitation skills, including expertise on the subject and capacity to create an enabling and safe training environment.

The role of the trainer varies at the different stages of the experiential learning cycle:

- At the start of training – both in the training as a whole and in each session – the trainer takes control because participants are unfamiliar with the training contents and methods, and the group dynamics are not yet formed. Some participants may feel uncertain, apprehensive or shy about participating. At this stage the trainer's role is to direct the training and make participants feel at ease by creating a friendly and supportive learning environment.
- When the participants are comfortable, the trainer stimulates more active participation and encourages them to take the lead. At this stage, the trainer is mainly a facilitator.
- After participants have carried out a task, contributed and shared their experience, the facilitator returns to the trainer's role to help them switch from action to reflection and analysis, and finally, to draw the key learning points for application in real life.

Trainers need good **communication skills**. They need to know how to:

- Listen well.
- Use easy language and vocabulary that participants can understand well.
- Use non-verbal cues such as appropriate body language (e.g. how to stand and move around the room) and make eye contact with participants.
- Be fair and respectful to participants.
- Encourage diverse points of view and participation from everybody.
- Be alert, notice and respond to participants' changing needs.
- Take control and let go as necessary.

Trainers also need to have good **organizational skills**. Successful training requires careful preparation, organization and time management.

Trainers do not need to be ‘experts’ in everything and do not have all the answers. In a knowledge economy and organization, participants need to learn how to find new information by themselves. The trainer has a ‘**sign posting**’ role, showing the participants how to learn and give them directions on where to go. If trainers do not have enough knowledge on a specific subject, they can invite other resource persons for the sessions on that subject.

Ten success principles and practices for adult, experiential learning

Key terms	Description
Respect	■ Learners feel respected and feel like equal
Relevance	■ Learners learn best by drawing on their own knowledge and experience ■ Learning must meet the needs of learners in their real life
Thinking, feeling and doing	■ Learning should involve reflection and analysis, emotions and deeds: Using the mind, heart and body
20/50/90 Rule	■ Learners remember more when visuals support verbal presentations and best when they can practice and use the new information. People remember: - o 10 per cent of what they read - o 20 per cent of what they hear - o 30 per cent of what they see - o 50 per cent of what they hear and see - o 70 per cent of what they say - o 90 per cent of what they say and do
Dialogue	■ Adults learn better when they can discuss information ■ Learning must be two-way and allow the learner to enter into a dialogue with the teacher and other learners
Engagement	■ Learners get involved and committed to change through discussions and learning from peers in small groups
Immediate use	■ Learners tend to have a problem-solving orientation to learning ■ They relate training to their own life and find it most useful if they can apply the new learning immediately
Safety	■ Learners need to feel that their ideas and contributions will be valued – that they will not be ridiculed or belittled
Affirmation	■ Learners need to receive praise for every good effort
Accountability	■ Trainers need to be accountable to the learners: Their learning needs must be met, and the training should be useful to them

3.2 Tips for addressing gender equality in financial education for migrant workers

Ideas and stereotypes on the roles and responsibilities of men and women exist in most cultures and societies, and these often have negative effects on the chances and opportunities girls and women have in life, especially when families live in poverty. In many instances, low-income parents tend to invest more in the education of boys than girls; women face heavy workloads due to the combination of paid and unpaid duties; and they are excluded from decision making in the family, institutions and society and from participating in the public domain. Women may also face mobility constraints and are more exposed to violence at home or in the wider environment.

In response to increasing demand for women workers in female-dominated occupations in labour-intensive manufacturing and in services, especially domestic work, many women migrate to earn a better income and enhance the livelihood of their families. Migration offers opportunities, but female migrants with little formal education and qualifications are often less equipped than male migrants to fully benefit from migration, because of the gender stereotypes prevailing in their origin and destination countries.

Moreover, agencies in charge of migration management, recruitment of migrant workers or the provision of financial services are often male-dominated and may lack the expertise or commitment to provide quality services to female migrant workers. Financial challenges specifically faced by female migrants include relatively higher chances of cheating due to lack of education and exposure, generally lower wages in female-dominated jobs as compared to male-dominated jobs, and lack or loss of savings due to non-productive expenditures either by the migrant or the family back home.

For all these reasons it is important to ensure that female (prospective) migrants have access to financial education and address specific gender constraints in financial education for migrants and their families in the organization of training and in both the training content and process. Tips for doing so effectively are as follows.

Organization of training

- ✓ *Identify the specific gender inequalities* that may exist among migrants and their families who will receive financial education. Check for possible differences between men and women in:
  - *Education and training.*
  - *Financial decision making in the family.*
  - *Chances to participate in work and public life outside the home.*
- ✓ When training is targeted at both sexes, try to attract both men and women in sufficient numbers. Consider who needs to be trained as a matter of priority and set targets for the participation and representation of women among the training team and the participants. See Section 4.2 for further tips on getting the right people for every training.
- ✓ *Decide whether male and female migrants can be trained together or require separate training.* Separate training for men and women may be needed when:
  - There is strict sex segregation in the society.
  - Cultural or religious customs strongly discourage or prohibit women and girls to speak up in the presence of men and boys.
  - There is a need to build up women's self-confidence and capacity, and encourage them to speak more freely, first among themselves.
  - The topics of discussion are sensitive and tenuous between the sexes, such as unproductive use of remittances and broken relationships between migrant workers and their families due to absence from home.
  - Separate training for women-only and/or men-only groups is ideally followed by training in mixed-sex groups in most instances as inequalities in relations between men and women require changes in attitude and behaviour from both men and women.
- ✓ *How to increase women's participation in financial education:*
  - Be sensitive to practical obstacles to women's participation, such as their family responsibilities and make practical and logistical arrangements that facilitate women's participation, such as selecting times and locations that are convenient, and ensuring safe transportation, venues and accommodation.
  - When women are not allowed to travel alone, invite them in pairs or groups.
- ✓ When providing financial education to migrant workers and their families, *ensure that both parents and the spouses* of migrant workers have equal access to the training.

Training content

- ✓ *Identify participants' perspectives on gender equality promotion at the early start of the training* by carrying out a quick scan of participants' gender perspectives and set the scene for effective gender training in an attractive and non-threatening way.
- ✓ *Avoid jargon, keep it simple and to the point.* The concepts, definitions and strategies for gender equality promotion are straightforward and easy to understand. Everybody with any level of education has an idea of what is just and fair. Appealing to these feelings of social justice and common sense is more effective than getting into academic discussions and elaborate 'gender jargon'.
- ✓ *Avoid creating a divide between women and men,* for example, do not stereotype all women as victims and all men as aggressors as this is misleading and not true.
- ✓ *Resist making sweeping generalizations and ensure respect for everybody.* Draw out the women's perspective and respect the men's perspective, and vice versa as appropriate.
- ✓ *Design and use training materials that are relevant to the day-to-day experience of female and male participants* and highlight gender problems from the perspective of women and men. Use language that addresses both sexes.
- ✓ *Address concerns about different forms of discrimination simultaneously* (i.e. sex, age, race, ethnicity, social or national origin and migrant status), as it is not convincing and ineffective to address only gender inequalities but not the other forms of inequalities that migrant workers face.

Training process

- ✓ *Ensure enough 'speaking time' for both sexes and voice for the minority.* Men are generally more used to public speaking and tend to talk longer. If this happens, let the speaker finish but ask him to be brief. Women are often shy and need to be encouraged to speak. However, when a woman is too talkative, the same rule applies.
- ✓ *Put gender concerns and priorities on the training agenda* at the start and end of a workshop and address gender stereotypes whenever they come up.
- ✓ *Do not assume that all women have the same understanding of gender issues.* Keep in mind that women are not a homogenous group and will usually be more loyal to men of their own socio-economic or religious and cultural group, than to women from other backgrounds.
- ✓ *Actively involve men in gender discussions.*
- ✓ If there is resistance to address gender inequalities in financial education among training organizers or community leaders, *invite respected male and female gender advocates* to promote equality between men and women in the training.
- ✓ *Address sexist jokes proactively.* If men or women feel threatened by the subject they may start to make sexist jokes, use derogatory language about women (or men). Address this type of behaviour immediately by asking the persons in question whether they really believe what they say and why they believe it. Ask other participants for their opinion and start a discussion on the subject. It is important to make it understood (politely but firmly) that disrespectful behaviour is not tolerated.

4. Design and planning of financial education for migrant workers and their families

This section explains the training strategy and needs assessment, the selection of training teams and participants. It provides model training programmes and gives guidance on how to obtain feedback and evaluation during and at the end of training and write the report of the training.

4.1 Training strategy and needs assessment

The organizations aiming to raise awareness and build capacities on financial education with this training manual should decide what they want to achieve, whom they want to train on what and for what purpose. Key questions to ask are:

- How does training on financial education fit into the larger objectives and mandate of the organization(s) and what are the priorities?
- What are the end results expected from the trained trainers and/or migrant workers after the training?
- Who will benefit most from the training, which organizations or persons will most likely actually use the training and take further action measures?
- What are the skills and competencies of the trainers and/or migrant workers before the training?
- Do the training organizers and trainers have experience with organizing similar types of training? What are their strong and weak points and how can these be built on or overcome respectively in the planned training events?
- What in-house capacity on financial education and gender equality promotion exists and what expertise and resources are required from the outside?

Once these questions have been answered, those responsible for the training:

- Prepare a summary of the training needs, objectives and subjects.
- Validate these with the organizations initiating the training.
- Select target organizations and prospective trainers and trainees.
- Plan the logistics.
- What are the institutional arrangements and what is the division of duties?
- What human and financial resources are needed at what time and place?
- When the above has been agreed, prepare the training programme, subjects, and budget.

4.2 Selection of training team and participants

Training team

Participatory training on financial education for migrant workers and their families is preferably provided by a training team rather than one individual trainer as participatory training is more intensive than traditional teaching.

The trainers are expected to have sound technical expertise, knowledge and practical work experience on financial education and migration. At least one of the trainers should have gender expertise and at least one of them should know how to engage in participatory training. Trainers do not need to be senior experts in all training subjects. Senior experts can be invited for specific subjects, such as bank services or insurance products as needed.

Diversity in the training team is an asset. Make an effort to have at least one male and one female trainer and ensure that at least one of the trainers has the same race, ethnicity, migrant status, cultural or religious background as participants. Avoid common gender and other stereotypes, such as having a male, city-resident of the majority population group as the lead trainer and a woman, migrant or person from an ethnic minority group as his training assistant.

Key qualifications and selection criteria for financial education trainers are:

- Academic or work experience in promoting employment, safe migration, access to financial services, gender equality and social protection.
- Knowledge about financial education and issues faced by migrant workers and their families.
- Mandated and committed to provide financial education with participatory training methods.
- Good analytical capacity.
- Good "people", social and communication – speaking and listening – skills.

Participants

Practical points for consideration when selecting participants for training are:

- Decide on the total number of participants. As mentioned above, 20-25 participants are ideal for optimal participation. Between 30-35 participants is doable. More than 35 participants will make it difficult to have active and equal participation of everybody.
- Ensure a balanced representation among participants in terms of sex, age, type of organization and other criteria, as appropriate, such as ethnicity, migrant or health status, cultural, religious or political background. This is to allow for effective voice and representation of views and perspectives of all and to avoid domination of one group over the other in the training:
  - Generally the male/female ratio of representation should range between 40 and 60 per cent in mixed groups to allow for sufficient voice and balanced representation of all groups.
  - If an equal ratio is not possible, ensure a representation rate of at least one-third of participants from the under-represented, minority or disadvantaged group. Otherwise it will be difficult for them to have sufficient voice. Avoid tokenism, in other words, inviting only one or two persons of the under-represented group to make it look as if the training provides “equal opportunities and chances” for all. This is not effective, it may be counterproductive and may be difficult for those in the minority position.
  - If capacity building among the under-represented group is part of the training aims and strategy, set aside more training places for them; for example, two-thirds women and one-third men when the capacity of women needs to be built to redress the effects of (past) discrimination or for role-model purposes.
- Decide on the selection criteria for nominating organizations and on the profile of participants to be nominated. Be clear and specific about the selection criteria, profile and number of nominees to nominating organizations. If possible, ask for a number of candidates so that the most suitable candidates can be selected on the basis of individual merit and the desirable group composition during the training.

The following Training aids are provided for training organizers:

- Training aid 1 Information note: Training package: Budget smart – Financial education for migrant workers and their families
- Training aid 2 Example nomination form for trainers’ training on financial education for migrant workers and their families
- Training aid 3 Checklist for organizers: Planning of training
- Training aid 4 Checklist: How do you integrate gender equality in financial education?

4.3 Training preparation

Training programme design

The design of the training programme will differ depending on the priorities and resources of the training organizers, the training objectives and the size, make-up and needs of the target groups.

For this type of training it is best to schedule six training hours in total per day, divided up in four blocks of around 90 minutes each with two breaks of 30 minutes in the morning and afternoon and a lunch hour of at least 90 minutes. In this way, the training can be slightly extended as needed without adapting the overall time schedule.

Examples of training programmes for various audiences are provided in Training aid 5 for trainers’ training, prospective migrant workers and their families, and for migrant workers at the destination. These model training programmes are examples, **not blueprints** and need to be adapted and tailor-made to the needs of the participants and the situation at hand for every training.

Tips on time management

- Time the training in a period that suits the trainees.
- Allocate an appropriate amount of time for each session and each activity, and provide a break every hour and a half to two hours.
- Set a realistic timetable for the training. Effective learning is intensive, so keep the total training hours to six hours maximum as recommended above and allow for sufficient breaks. This enables participants to informally discuss the training with each other.
- Stick to the time. Make sure that a lecture is not longer than 20-30 minutes maximum. Cut lectures short if necessary. If you know you tend to speak longer than planned, set a strict time limit for yourself and use your watch for each presentation.
- Provide for a variety of training methods in each session because people concentrate better for longer periods if they can participate actively. Ask open questions during every presentation. The time of day also has effects on the concentration of your participants. Generally, people are fresh and ready to learn in the morning and are less concentrated right after lunch.
- If the time is up before you can finish an active session or a lively discussion, ask for a collective decision from the participants whether and for how long to continue. Do not keep people hungry because they will not learn on an empty stomach.

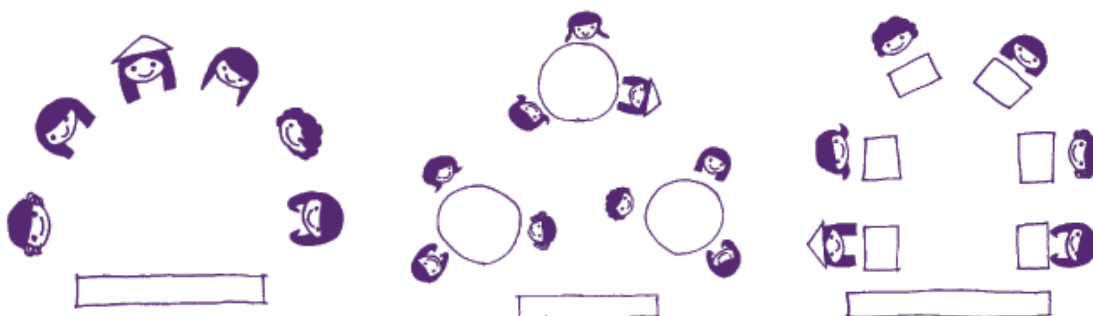
Training venue

Choosing an adequate training location is important because the type and set-up of the room(s) affect your participants' ability to learn. Action-oriented and experiential learning needs physical space to move around, because it involves "talking" and "doing".

When selecting the training venue, you should:

- Find a venue that is convenient for participants, for example, is it safe for female participants.
- Visit the training venue **in advance** to make sure that it is suitable for the types of training activities you are planning to do. Ensure that the space is large enough to accommodate all participants. If not, find a better alternative.
- Walk around the training venue and inside the training room(s) before the training, sit in various seats to check the view and change the seating arrangements if necessary.
- Allow for enough space to enable participants to move around and for easy repositioning of chairs, tables or mats.
- Check and try to eliminate possible distractions and make sure:
  - The training place is away from noise and traffic.
  - There is no blockage of view: Everyone can see everyone else in the room.
  - The sound system works and persons sitting the farthest from the trainer and one another can hear the trainer and each other talking.

Regarding the seating arrangements, the standard class room arrangement of chairs and tables in a row is not suitable for this type of training. Seating participants in smaller circles around tables or in a U-shape arrangement is recommended.





- It is important to prepare and check the training venue **before** the training starts.
- Test all equipment **before** the session and make sure they are available in sufficient numbers and work well (for example, lights, electrical sockets or power points, extension cords, microphones, headphones overhead projectors, video players, computers).

Session planning

A session guide is like a recipe: It tells you what training content and materials you need at every step of the training process and for how long. Even the most experienced trainers need a recipe and study it in advance, especially if the topics are new.

When preparing the training content, materials and process, it is helpful to ask: “**What participants must know**, should know and could know?” It is always tempting for trainers to give participants as much information as possible. However, people can not absorb too much information and will stop listening if lectures are too long. Smart trainers construct their session plan around what participants **must know** and build up the training step by step in a logical way.

There are three basic components in a typical training session as follows:

1. Welcome, introduction and objectives – Always briefly explain the objectives for each session to participants.
2. Actual training:
  - Select an exercise to start or do during each session. Keep in mind that after two weeks people generally tend to remember 20 per cent of what they hear, 50 per cent of what they hear and see, and 90 per cent of what they say and do.
  - Ensure that all have equal opportunities to participate in the process. Gently encourage shy and quiet participants in the group to participate and tell those who are too dominant to give others opportunity to speak.
3. Conclusion – Always finish a session with the key messages: What participants must know, and start every session with a brief summary of the previous session.

Prepare your training materials. Materials for action-based exercises may require preparation and include a wide range of things, from basic stationery like pens, papers, markers, scissors and tape, to handouts, case studies, pictures and other visual aids or games. Most sessions in this training manual provide the necessary training materials and aids but they may need to be adapted to suit the needs of your target audience. Before each training session, you need to consider:

- Are the language, types and quality of the visual aids appropriate for everybody?
- Do you have enough copies of all training materials for all participants?
- Make sure you have a few alternative exercises in reserve in case the need arises to change the training programme.

Making a training flowchart. When working with a training team or different training organizers and experts all of whom have their specific responsibilities, it is useful to draft a detailed training schedule or flowchart for the entire workshop, session by session and activity by activity. An example training flowchart and a checklist for trainers for the preparation of training are given as Training aids 6 and 7 respectively.

4.4 Training evaluation and reporting

Training impact assessment

It can be useful to measure changes in the knowledge, skills and attitudes of participants by asking them to fill in a questionnaire before and after the training. Training aid 8 provides a quiz on money and migration that can be used as a pre- and post-questionnaire.

Evaluations should be done during and at the end of every training. A workshop that includes a series of training sessions over several days should include daily evaluations as well as verbal and written evaluation exercises at the end of the training.

- A daily evaluation is an immediate and simple assessment of participants' feelings and views about the training on a particular day or session to check whether the training is on the right track and to get ideas for fine-tuning the training during the next days.
- An end-of-course evaluation is more comprehensive. It seeks participants' views on their satisfaction with the training, what they have learned, their reactions on the training contents and process, and seeks their suggestions to improve future financial education workshops.

Evaluations can be done in several ways and at different levels:

- Usually, the trainers assess the impact of the training by observing participants' behaviour or changes in behaviour during the training and the breaks. This is generally done by the training team during the day and they discuss it right after the day's sessions when preparing for the next day.
- Direct feedback from the participants during the training can be obtained by asking them to:
  - Give their views in plenary at the end of the day.
  - Write down their views and thoughts on a feedback worksheet or flipchart or in a box provided somewhere in the training room.
  - Fill out a one-page feedback form at the end of each day and an evaluation form at the end of the training.
- The feedback forms or flipcharts need to be analyzed by the training team at the end of each day and the summary outcome should be discussed with participants at the start of the next day.

A daily feedback form is provided as Training aid 9, and an example evaluation form for use at the end of a training is given as Training aid 10.

Training report

Writing a report about the training is usually part of every training to serve as a reference for future action, for the record, for superiors or for donors.

Different types of reports require different formats. Writing reports is a daunting task for many, but the task is easier with planning ahead. The first step in preparing a workshop report is to determine what type of report is needed for the training event that you are organizing, by asking the following questions:

- Why is the report needed?
- Who is the report for?
- Does it have a particular format or style?
- Who will be responsible for taking notes during the workshop?
- Who will write the report?
- Who will review and check the report before distribution?
- Who will produce and distribute it?
- If someone needs to be hired to prepare the report, has this been included in the budget and organized?
- Is there a strategic deadline for the report?

Preparing and writing a report is usually a team effort. To ensure that the work will be done, clearly identify who will take responsibility for what. The process of report writing involves the following steps:

1. **Collect information**, the notes about the training, the training aids and group work outcomes.
2. **Organize the information**: Decide how to organize the information: by topic, objective or day of the workshop and make an initial outline of the report.
3. **Analyze the information**: Identify key issues in the workshop, participants' learning process (how they learned and what they were particularly or least interested in), key findings and lessons learned.
4. **Write-up the report**: A good report should be clear and concise and cover only important information. Writing in chronological order by listing all the workshop activities and who did them is not recommended since this results in very long reports.
5. **Check and review the report**: Once drafted, the report should be checked, reviewed (and usually edited for better reading) by one of the trainers to make sure that the information is correct and no important information is left out.

See Training aid 11 for an example of a table of content of a workshop report.

5. The start and end of every training

The first and the last training sessions are standard for every training workshop of several days. Most training workshops start with an opening ceremony and an introduction and the last sessions are about the planning of future action and an evaluation of the training, followed by a closing ceremony. Guidance on conducting these sessions is given below.

Opening and closing ceremonies

Training events usually start with a more or less formal opening ceremony. The responsibility for the opening ceremony lies with the main training organizer. Guest speakers are invited from the host organizations and traditional ceremonies may take place. It is recommended to reserve around 30 minutes for the opening ceremony and have an early refreshment break to allow for informal discussions among the guest speakers, the participants and the trainers.

The closing ceremony is usually done along the same lines as the opening ceremony. If the organizers wish to provide participants with a 'Certificate of Attendance', this can be given to them by the keynote guest speakers. At the end of the ceremony, thank everybody for their contribution and wish them good luck.

5.1 Session guide 1. Introduction of programme and participants

The first session is crucial for setting a tone that is conducive for learning and active participation during the training. It starts with an “ice-breaker” – a light-hearted exercise that relaxes participants and creates a welcoming and friendly atmosphere in which all participants feel comfortable and encouraged to participate.



Aims

- Introduce the training objectives, content, programme and participatory training methodology
- Introduce the trainers and other participants
- Share expectations from and contributions to the training



Target groups

- Trainers
- (Prospective) migrant workers (and their families)



Duration

- 90 minutes



Training materials

- Flip chart, slides, cards in two colours, note books, pens, markers



Training aids

Each participant receives:

- A ring binder or a folder with the training programme and the list of participants
- One copy each of the Financial education for migrant workers and their families: Training manual (for trainers) and of the Money and migration: Smart guide for migrant workers (for trainers and migrant workers)



Session plan steps

1. Introduce learning objectives and participants – 45 minutes
2. Present training aims, content and methodology – 15 minutes
3. Share expectations and contributions – 10 minutes
4. Round up – 20 minutes

1. Introduce learning objectives and participants – 45 minutes

Share the session objectives.

Two options are given for the introduction of the participants:

Option 1:

Divide participants into pairs by asking them to form a pair with a neighbour. Each pair will interview each other for no more than three minutes per person and after the interview they will introduce one another. The interview includes information on:

- *Name – how the person likes to be called during the workshop*
- *Job and organization – what the person does for a living and where (workplace or organization)*
- *I like to: ... – nice or funny hobby or characteristic of the person.*

Give participants two minutes for this activity.

After two minutes, tell the pairs to switch roles, repeat the instruction. Stop the discussion after another two minutes and reconvene in plenary.

Invite the participants to introduce each other, one pair at a time until everyone has been introduced. If the participants are shy, the trainers introduce themselves with their partners first as an example. Make sure to give no more than two minutes to each pair. Keep the pace in the discussions.

Option 2 – Jigsaw puzzle

Before the training, prepare as many pieces of two-piece jigsaw puzzles as there are people in the training, including participants, trainers and organizers. For example, if there are 20 participants and two trainers, prepare 22 pieces of jigsaw pieces that will make 11 pictures.

Walk around the room with the bag of jigsaws or candies and ask each person to take one piece. When all in the room have a piece, ask everyone to get up and find their 'other half' with the matching piece of their jigsaw or candy. When the pairs are formed ask them to do the interview as explained above.

Alternatively, pairs of different coloured candies or similar items can be used.

2. Present training aims, content and methodology – 15 minutes

Thank the participants for the round of introduction. Then introduce the training aims using a slide or flipchart. In trainers' training, say:

In this training we will learn and exchange experiences about financial education and demonstrate many training methods with practical exercises.

In training of migrant workers and/or their families, say:

In this training, we will learn about money and migration and about fair and just decision making on money and migration matters in families.

Refer participants to the training programme and briefly go over its structure and contents. There is no need to read or explain the details of the training sessions at this stage.

Say:

The training programme is not fixed and can be adapted as needed. A participatory training methodology will be used throughout the training. Participatory training methodology is about sharing knowledge and experience through "learning by doing".

In trainers' training, add:

The trainers' job is to facilitate the learning of participants: Give guidance, help them in analysis and draw conclusions and learning points which they can later apply in real life. Trainers do not only provide learners with knowledge but help them learn by themselves.

Say:

Feel free to participate, ask questions and exchange ideas with others during the workshop. The quality of the training depends on your quality of participation. Everybody has the responsibility for his or her own learning. Active participation can help you discover your hidden talents and creativity, and, therefore, help increase your level of confidence and skills.

3. Share expectations and contributions – 10 minutes

Explain:

The trainers need to know what participants would like to learn and what they can contribute. This will help to make sure that the training programme is suited to their needs, and identify resources in the group.

Give each participant pieces of paper in two different colours and a marker.

Tell them that one colour, for example yellow, stands for expectations and the other colour, for example blue, stands for contributions.

Ask them to write:

- *Things they hope or expect to achieve during the training on a piece of yellow paper.*
- *Things they can contribute or share with others on a piece of blue paper.*

Their expectations and contributions can relate to content, training process, meeting people or any other aspect of the training.

Ask them to write clearly in big letters and be clear and specific. Participants do not need to write their names on the cards, and trainers may show examples while explaining as needed. If they make a mistake, they can ask for new cards.

Give the participants about five minutes for this activity. The trainers start collecting the cards as soon as they are ready and cluster them under the same topic on a flipchart, board or wall space.

4. Round up – 20 minutes

Briefly discuss the expectations and contributions under each topic. Ask the participants to clarify if some statements are not clear. Cover each of the main topics and explain to what extent expectations may or may not be fulfilled during the training workshop. Usually the majority of expectations will be in line with the training objectives.

In terms of contributions, emphasize that active participation and contributions from participants will be highly beneficial to themselves and to others during the training. Contributions from everyone are encouraged. Invite participants who are shy and did not write anything about their contributions, to share their ideas later in the training.

5.2 Session guide 2. Action planning and evaluation



Aims

Help participants to develop an individual action plan and apply the training in their day-to-day work

For trainers: Develop an action plan for follow-up in their organization

Help migrant workers (and their families) to review their short- and long-term goals and knowledge on money and migration, and plan for their future

Evaluate the training outcomes



Target groups

Trainers

(Prospective) migrant workers (and their families)



Duration

90 minutes



Materials

Flip chart, around 50 postcards in different styles (cartoon, abstract and realistic) with different subjects (landscapes, portraits, people, things and activities), stamps, slides



Training aids

10. Training evaluation form

12. Follow-up action plan



Session plan steps

1. Introduce learning objectives and individual action planning – 15 minutes
2. In trainers' training, prepare a follow-up action plan for organizations – 45 minutes
In training for migrant workers (and their families), review short- and long-term goals and plan for their future – 35 minutes
3. In trainer's training, carry out a written evaluation – 10 minutes
In training for migrant workers (and their families), review what participants learned on money and migration – 20 minutes
4. Carry out a verbal evaluation and round-up – 20 minutes

1. Introduce learning objectives and individual action planning – 15 minutes

Share the session objectives.

Ask participants to sit in one big circle. Display the postcards with the pictures upwards on the floor in the middle of the circle. Ask everybody to select one postcard that they like and go back to their seat.

Give each participant a stamp. Ask them to put it on the postcard and to fill in their address on the designated space on the postcards. Explain that participants need to create one to three key promises to themselves on things they plan to do or to change in their life and work after the training – like the New Year Resolutions that many people make every year. Give them some time to think and ask them to write their plans on their postcards. They can also draw a picture as they wish.

Ask two or three volunteers to share their promises in plenary and collect all the postcards.

Send the postcards to participants two weeks after the training to remind them of their follow-up plans.

2. In trainers' training, prepare a follow-up action plan for organizations – 45 minutes

Say:

The next exercise will assist you in planning follow-up measures to promote and organize financial education for (prospective) migrant workers and their families.

Ask them to prepare a follow-up action plan either individually or jointly. For example, if they come from the same or cooperating organizations, or work in the same place or near to one another, ask them to form groups accordingly.

Say:

The action measures should be SMART:

- S – Specific
- M – Measurable
- A – Achievable
- R – Realistic
- T – Time-bound and trackable.

Distribute one copy of Training aid 12 Follow-up action plan to each participant in each group. Explain it and ask them to plan and complete it individually or together. Keep some blank spares, if participants need clean copies. Give them around 20 minutes to complete the action plan. If they do it in a group ask them to put it on a flipchart so the others can see.

Ask three or four groups of participants to share their action plan and ask others to comment. Conclude this step by highlighting some of the outstanding action measures.

Arrange for photocopying of the completed follow-up action plans and ensure that:

- Every participant has a copy of their own or their group's action plan
- The trainer has a copy of each completed action plan for future support and coaching.

In training for migrant workers (and their families), review short- and long-term goals and plan for their future – 35 minutes

Say:

Now I would like you to look at the short- and long-term goals that you and your family have set at the beginning of the training course. Open your Smart guide on page 11 and take a few minutes to think about what you have written.

Ask:

- **Do you still agree with these goals?**
- **Do you feel you will be able to achieve these short- and long-term goals?**
- **Do you need to make any changes?**

Distribute a copy of Training aid 13 Individual action plan to each participant and explain that this exercise will help them to think again about their goals and about the actions to be taken to reach these goals. Explain the form and ask participants to complete it individually. After ten minutes ask the migrant workers to discuss the action plans with their family members if these are also attending the session, or in pairs with another migrant worker.

When they are finished, ask a few volunteers to share any changes that they may have made to their future goals or ways to reach them and say:

This action plan is your road map for achieving your goals and having a better future. Keep it with you and look at it as often as possible to make sure you are on the right track.

3. In trainers' training, carry out a written evaluation – 10 minutes

Recall the aims of the training and the learning objectives of participants in plenary.

Ask:

- **Do you feel that your expectations have been met?**
- **To what extent have you achieved your objectives?**

Say:

Evaluations are useful to improve future training. We will now carry out a written and verbal evaluation.

*Distribute the Training evaluation form (Training aid 10) for those who have lost it and give the participants time to complete it. Collect the forms **before** the closing ceremony for analysis by the trainers and organizers after the workshop.*

In training for migrant workers (and their families), review what participants learned on money and migration – 20 minutes

Recall the aims of the training and the learning objectives of participants in plenary. Say:

You may remember that at the very beginning of this training course, we did a Quiz on Money and Migration to better understand your knowledge and skills on migration and money management. We will do this Quiz again to check if the training was useful in helping you to better understand money and migration matters!

Distribute a copy of Training aid 8 Quiz on Money and Migration and give participants ten minutes to complete it. When they are finished, let them calculate their score and read what their score says about their understanding of money and migration.

Say:

Now open your Smart guide on page 7 and compare the score you have now with the one you had when you first did the Quiz.

- **Who has improved his/her score?**
- **Who has the same score or scored fewer points?**

Say:

Congratulate the participants who have improved their score and encourage the others once again carefully review their Smart guide to become a Money and Migration superstar.

Collect the Quiz and assess the scores of the participants after the session to find out whether the main messages came across successfully or whether the trainers need to make changes to ensure more effective financial education for migrant workers in the future.

4. Carry out a verbal evaluation and round-up – 20 minutes

Instruct participants to sit in one big circle to do a verbal evaluation. Ask each person to briefly mention one strong point and one weak point of the financial education course (for example, what they have discovered, what they liked and disliked, what they need further training on). The trainers join this evaluation.

At the end, summarize the main evaluation points, thank all for their participation and wish them good luck.

Training aid 1

Information note: Training package: Budget smart – Financial education for migrant workers and their families

1. What is the training package about and who is it for?

Financial education introduces concepts of money and ways to manage it well. The training package: **Budget smart – Financial education for migrant workers and their families** helps organizations to teach (prospective) migrant workers and their families about money and how to use it wisely. It offers the opportunity to learn skills related to earning, spending, budgeting, saving, borrowing and ways to make the most of one's resources. It aims to remedy the low levels of education and the unequal power relations that often exist between women and men, and the younger and older generations in many poor and disadvantaged communities, when it comes to making decisions on money and migration.

The financial education training package for migrants consists of two parts, **Budget smart – Financial education for migrant workers and their families: Training manual** and a **Money and migration: Smart guide for migrant workers**:

- The training manual provides in-depth information on how to organize and conduct interactive training on financial education for migrants for use by trainers from agencies in charge of migration management such as government, employment and recruitment agencies, and financial, development, workers' or women's organizations reaching out to migrant workers and their families.
- The smart guide contains key financial education messages and skills for migrant workers and their families, the women and men who are considering to migrate, have migrated, or have returned from migration. It is relevant for internal and international migrant workers, and those using regular or irregular migration channels.

2. Why was the training package designed?

Migration for work is a choice many people make, looking for better job and income opportunities away from home. A large number of migrant workers as well as their families lack financial know-how and skills to budget, plan income and expenditures, and use savings, credit and insurance. This may lead to higher risks of indebtedness, labour exploitation and unproductive use of remittances at all stages of the migration cycle by the migrant workers and in their home communities. Financial education can help migrant workers to manage their money, build their assets, protect themselves and expand their opportunities in life.

3. What are the aims?

The overall aims of the training package are to:

- Prepare migrant workers and their families for the financial responsibilities of migration and help them to make sound financial decisions.
- Strengthen migrant workers' behaviours that lead to increased saving, and more productive and responsible spending and borrowing.
- Promote equality between men and women and strengthen women's role in family decision making on money and migration matters.

The learning objectives of financial education for migrant workers and their families are to:

- Make informed choices about life goals and ways to achieve them through migration.
- Enable men and women alike to set and achieve short- and long-term financial goals at the destination and in the home community.
- Improve savings capacity by using a budget.
- Use financial products and services with confidence.
- Develop risk management strategies.

Training aid 2

Example nomination form for trainers' training on financial education for migrant workers and their families

1. Name: .....
2. Address and contact information: .....
.....
Phone number: ..... E-mail: .....
3. Sex: ☐ Male ☐ Female
4. Age: ..... years
5. Name of your organization: .....
6. Job title: .....
7. What are you main activities?
.....
8. Who are your clients (sex, age, income level, activities)
.....
9. What support or services are you providing to your target groups?
.....
10. How much experience do you have as a trainer?
☐ less than 1 year
☐ between 1-5 years
☐ more than 5 years
11. How much experience do you have in the fields of migration, microfinance and/or financial education?
☐ less than 1 year
☐ between 1-5 years
☐ more than 5 years
12. How much experience do you have in gender equality promotion?
☐ less than 1 year
☐ between 1-5 years
☐ more than 5 years
13. What do you expect from this training programme?.....
.....
14. Any other comments?
.....

Training aid 3
Checklist for organizers: Planning of training

No.	Tasks in planning of training	Yes	No
1	Has a training needs analysis been undertaken?		
2	Do I understand the nature of the financial education, migration and gender equality problems and am I sure these will be addressed by providing training?		
3	Have the priority training needs been identified? Are they clear? Can they be met during the planned training?		
4	Do I have a training strategy: Do I know what type of programme to organize and how to deliver it so that both men and women and those who are especially vulnerable will benefit?		
5	Am I clear about the objectives of the training?		
6	Have I identified the participants who will most likely benefit from the training and/or have the potential to share the knowledge and skills from the training?		
7	Have I considered cooperation with other groups or organizations that may benefit from the same type of training?		
8	Do I have a (team of) trainers with the right expertise and the right sex balance?		
9	Will other resource persons and/or translators be needed in the training?		
10	Are the inputs and resources available for this training?		
11	Have I checked the time and place of the training with the participants and the trainers?		
12	Do I have the training programme from the trainers?		
13	Have I sent letters of invitation and the nomination forms to participating groups or organizations?		
14	Have I received confirmation of participation and the nomination forms from all participants or participating agencies?		
15	Have I organized and consulted with the trainers on other logistical details, including: • Finalization of the list of participants with contact information and other information, including sex, age, education or job title/years of experience • Preparation of training materials and handouts for distribution • Check and confirmation of the training venue and facilities • Arrange transportation and accommodation for participants • Organization of food and refreshments for the workshop • Preparation of daily allowance for participants, if any • Confirmation of the availability of resource persons and translators, as needed • Arrangements for workshop evaluation and reporting		

Training aid 4

Checklist: How to integrate gender equality in financial education

If most of the answers to the following questions are 'yes', it means the training is gender-responsive. If more than half of the answers are 'no' or 'not sure', more attention is needed to integrate gender concerns into the training.

No.	Strategic fit	Yes	No	Not sure
1	Does the financial education programme include explicit attention to the gender dimensions in migration and financial education?			
2	In case there are pronounced gender inequalities among (prospective) migrants and their families, how are these addressed during the training?			
3	Does the financial education programme include information and guidance for promoting gender equality in decision making on money and migration?			
4	In case (prospective) migrant women or female family members of migrants are barred from attending financial education with men, is there a need to organize separate meetings or training for women?			
No.	Planning & Design	Yes	No	Not sure
5	Does the planning document show that a gender perspective will be included in the financial education programme?			
6	Have participants and resource persons been invited from organizations who are mandated, committed and capable of addressing the gender dimension to financial decision making among migrant workers and their families?  For example, successful female migrants, staff of financial service providers or women/gender units in ministries, gender focal points/women's desks of trade unions and employers' organizations, NGOs working on gender equality, gender/women's studies departments in universities.			
7	Are gender issues in financial education reflected in the training materials for the meeting/workshop?			
8	If there are pronounced gender inequalities in decision making on money and migration, is time set aside to discuss these on the financial education agenda?			
9	If gender expertise is required at the workshop, has it been included in the TOR as a prerequisite for selecting workshop trainers/facilitators and resource persons?			
10	Are sufficient resources for gender expertise included in the budget?			
11	Do logistical arrangements allow for equal, adequate and safe participation of women and men?			
12	Is there a gender balance among key speakers and participants?			
13	If it is expected that nominating organizations will mainly select men, have any specific measures been undertaken to encourage the selection of women as participants and resource persons?			

14	Is there a need for training more women (in trainers' training and/or financial education for migrant workers and their families) to redress the effects of (past) discrimination or for rolemodel purposes?			
No.	Preparation & Implementation	Yes	No	Not sure
15	Do the trainers/facilitators and resource persons have sufficient gender knowledge in general and familiarity with the gender dimensions of the workshop theme in particular?			
16	Are the logistics organized in such a way that they facilitate participation of men and women (e.g. convenient meeting time, date and venue, safe transportation and lodging for women)?			
17	Are both men and women equally encouraged and given opportunity to give their views and provide inputs to the discussion and meeting activities?			
18	Is there a mechanism in place that checks and monitors the following during the training? • Outcomes of workshop discussions on life goals and gender equality in financial decision making for migrant workers • Balanced contributions by male and female participants • Sex balance among resource persons and participants • Resources allocated and spent on promoting gender equality in money and migration			
No.	Reporting	Yes	No	Not sure
19	Does the report give a breakdown of male and female participants and indicate their status (e.g. junior, middle, senior)?			
20	Does the report specify whether gender issues were included on the agenda and how they were discussed?			
21	Does the report indicate how men and women took part in the discussion and activities (equally or unequally) and whether both sexes participated in any decision making during the training?			

Training aid 5

Example training programmes on financial education for migrant workers and their families

Example programme for trainers' training on financial education for migrant workers and their families

Given the length of the training manual (six modules with 35 sessions at around 50 training hours) not all training sessions can be delivered in a five-day trainers' training. Trainers should select a few sessions from all modules with a variety of training methods and select the training contents and methods that are most suitable for the group of trainers with respect to the migrant workers whom they will train (prospective migrants and their families in home communities, internal or international migrant workers, migrants in pre-departure training, migrant workers at their destination, returning migrants, etc.).

In the training programme, below the trainers lead and demonstrate a number of sessions during the first three days of the training, and participants facilitate selected sessions and receive feedback during a training practicum during the last two days of the training.

Time	Day 1	Day 2	Day 3	Day 4	Day 5
8.30 – 10.00	Opening ceremony Introduction of participants, training programme and expectations	Session 2.1: Calculate your migration costs	Session 4.6: How to send money home	Training practicum Session 1.4: Compare the costs and benefits of migration Peer review and comments	Training practicum Session 5.2: Save for emergencies Peer review and comments
Break 10.00 – 10.30					
10.30 – 12.00	Review of technical content (small group assignment by module) Training package: Training manual Smart guide	Session 2.2: Compare your options to finance migration	Session 5.1: Understanding risk and how to protect ourselves	Training practicum Session 2.4: Borrowing from a recruitment agency Peer review and comments	Training practicum Session 6.3: Pathways to making money: A job or a business? Peer review and comments
Lunch 12.00 – 13.30					
13.30 – 15.00	Session 1.1: Set short-term and long-term goals	Session 3.4: Money in/money out: Creating the budget of a migrant worker	Session 6.1: Self-evaluation of migration experience	Training practicum Session 2.5: Read your work contract Peer review and comments	Action planning Participants draft action plans and design training programme for their communities/ organizations
Break 15.00 – 15.30					
15.30 – 17.00	Session 1.2: Make decisions as a family Daily evaluation	Session 4.5: Remittance service providers Daily evaluation	Group work: preparation for training practicum Daily evaluation	Training practicum Session 3.6: Keep track of money in/money out Peer review and comments	Presentation of action plans evaluation Closing ceremony

Example training programme on financial education for (prospective) migrant workers and their families – during departure training or in the communities

Time	Day 1	Day 2	Day 3	Day 4	Day 5
8.30 – 10.00	Opening ceremony introduction of participants, training programme and expectations	Session 1.4: Compare the costs and benefits of migration	Session 2.4: Borrowing from a recruitment agency	Session 3.2: Be a smart spender	Session 3.6: Keep track of money in/money out
Break 10.00 – 10.30					
10.30 – 12.00	Session 1.1: Set short-term and long-term goals	Session 2.1: Calculate your migration costs	Session 2.5: Read your work contract	Session 3.3: Money in/money out: Creating a family budget	Session 3.7: Keep records to manage your money
Lunch 12.00 – 13.30					
13.30 – 15.00	Session 1.2: Make decisions as a family	Session 2.2: Compare your options to finance migration	Session 2.6: Smart currency conversion	Session 3.4: Money in/money out: Creating the budget of a migrant worker	Session 4.1: Compare savings services
Break 15.00 – 15.30					
15.30 – 17.00	Session 1.3: Communicate with confidence	Session 2.3: Borrowing to pay for migration	Session 3.1: Make a migration plan budget	Session 3.5: Money in/money out: Developing your own budget	Session 4.2: Select savings products
	Daily evaluation	Daily evaluation	Daily evaluation	Daily evaluation	Daily evaluation

Example training programme on financial education for migrant workers at destination

Time	Day 1	Day 2	Day 3	Day 4	Day 5
8.30 – 10.00	Opening ceremony Introduction of participants, training programme and expectations	Session 3.5: Money in/money out: Developing your own budget Daily evaluation	Session 4.2: Select savings products	Session 4.6: How to send money home	Session 5.3: Introducing insurance
Break 10.00 – 10.30					
10.30 – 12.00	Session 3.1: Make a migration plan budget	Session 3.6: Keep track of money in/money out	Session 4.3: Meet with financial institutions	Session 4.7: Bank cards, automated teller machines, (ATMs), debit cards and point-of-sale devices	Session 5.4: Your Insurance – Be ready to use it
Lunch 12.00 – 13.30					
13.30 – 15.00	Session 3.2: Be a smart spender	Session 3.7: Keep records to manage your money	Session 4.4: How to use a financial institution with confidence	Session 5.1: Understanding risk and how to protect ourselves	Session 5.5: What you need to know about life/death insurance
Break 15.00 – 15.30					
15.30 – 17.00	Session 3.4: Money in/money out: Creating the budget of a migrant worker Daily evaluation	Session 4.1: Compare savings services Daily evaluation	Session 4.5: Remittance service providers Daily evaluation	Session 5.2: Save for emergencies Daily evaluation	Session 5.6: What you need to know about health insurance Daily evaluation

Training aid 6
Example training flowchart

Workshop title Date and place					
Time	Session/topic	Exercise/activity	Format/seating	Equipment/materials	Responsibility
08.00 – 08.30	Registration		Table in front of training room	1 training folder for each participant	Secretary
08.30 – 08.45	Opening	Welcome remarks	U-shape or round tables		Directors
08.45 – 10.00	Introduction of participants, training programme and expectations	- Introduction of participants (ex. 1) - Presentation of training aims and programme		20 Jigsaw puzzles of 2 pieces each, flip chart, slides, cards in two colours, note books, pens, markers	Trainer 1
Break 10.00 – 10.30					
10.30 – 12.00	Review of technical content	Group assignment: - Review selected module - Present key points	Group seating	Flip chart, 6 signs (1 for each module), colored paper, Scissors, glue sticks, a hat or bag), slips of paper with numbers written on them	Trainer 1 Trainer 2
Lunch 12.00 – 13.30					
13.30 – 15.00	Session 1.1: Set short- and long- term goals	- Discuss goals - Compare goals - Picture your family's goals - Importance of family goals	U-shape or round tables	Flip chart paper, markers, string/yarn/rope, scissors, glue stick, masking tape, colored paper, scissors	Trainer 1
Break 15.00 – 15.30					
15.30 – 16.45	Session 1.2: Make decisions as a family	- Discussion - Role-play - Tips for making family decisions - Rights and respect in families	U-shape or round tables	Flip chart paper, markers, yarn/rope and scissors, envelopes, stickers (any color), soft ball, name tags	Trainer 2 Trainer 1
16.45 – 17.00	Daily evaluation	Individual exercise		Copies of daily evaluation forms	Trainer 1

Training aid 7
Checklist for trainers: Training preparation

No.	Trainers' tasks in training preparation	Yes	No
1	Do I have clear training objectives?		
2	Do I have the following information about my participants: • Total number by sex, age, race, ethnicity, social or national origin • Migrant and family status • Literacy, education, work and other relevant background		
3	Are there any participants with specific needs (members of ethnic minority, particular gender or other social or cultural considerations, or other special circumstances) and are these needs addressed?		
4	Have I checked the place and timing of the training with the workshop organizer?		
5	Has the training programme and schedule been developed?		
6	Have I discussed with other co-trainers (if any) about the content, training programme, training methods, and division of work for the preparation and delivery of the training?		
7	Have I included participatory training methods that are suitable for the participants?		
8	Have I developed or adapted the session plans and the training materials for this group of participants?		
9	Am I clear about the key messages (what your participants must know) for each training session?		
10	Have I included the right gender messages and set aside time to discuss them?		
11	Are the training aids and materials appropriate for the literacy level and learning style of the participants, and are they available in sufficient numbers?		
12	Do I have games and exercises for energizers and group dynamics?		
13	Do I have the training evaluation forms or a game or exercise for getting participants' feedback about the workshop?		
Before the training starts:			
14	Have I double-checked with the workshop organizer if all the logistical arrangements are in good order before the workshop begins, e.g., the training venue, rooms and other facilities, and workshop materials?		
15	Is the seating arrangement suitable for the workshop opening and my first session?		
16	Are my notes, computer, electrical equipment and all training materials ready for use?		

Training aid 8

Quiz on Money and Migration (also in Smart guide)

Money and Migration Quiz!

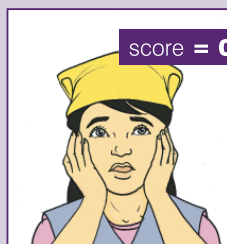
How much do you know about **money** and **migration**?
Take this quiz to find out! For each question circle an answer, then add up your points on the next page to see how you did.

1. If your mother asks you to migrate to the city, would you:
A) Say yes. You always do what your mother says.
B) Say no. You want to continue your education.
C) Say maybe. Suggest that your family discuss if you should migrate or not.
2. Do you know how much your migration will cost?
A) Yes! I know how much it will cost.
B) No. It's not important to me.
C) No. But, I want to learn more!
3. Is migration free?
A) Never.
B) Sometimes.
C) Yes. The costs are always paid by your employer or broker.
4. Do you keep a budget?
A) Yes. Regularly.
B) No. What is a budget?
C) No. But I know what a budget is.
5. If you sign a contract, what should you do with it?
A) Give it back to your employer.
B) Ask for a copy and keep it in a very safe place.
C) Ask for a copy and give it to your parents.
6. Which of the following is a good way to save money?
A) Hide money under your mattress.
B) Limit your expenses.
C) Borrow money from a friend when you need it.
7. Have you ever been to a bank?
A) Never. Banks are not useful for me.
B) No. But I plan to go.
C) Yes! I have a savings account.
8. If you are working in the city, how much of your salary do you send back to your family?
A) I send everything I can back to my family.
B) I send enough for them to reach their goals, but save some to reach my goals too.
C) Whatever amount my parents tell me to send.
9. How much should you save in your emergency fund?
A) Three times your average monthly salary.
B) US\$30.
C) I do not need an emergency fund.
10. If you migrate and come back, what will you do?
A) Look for a job that matches your skills.
B) Start a business.
C) I don't know. I never thought about it.

What's your **score**?

0 = C 3 = B 3 = A 10	0 = C 3 = B 0 = A 8	0 = C 3 = B 1 = A 9	1 = C 0 = B 3 = A 4	2 = C 0 = B 3 = A 2
0 = C 1 = B 3 = A 6	3 = C 1 = B 0 = A 7	1 = C 3 = B 0 = A 5	0 = C 0 = B 3 = A 3	3 = C 3 = B 0 = A 1

And write your score here!

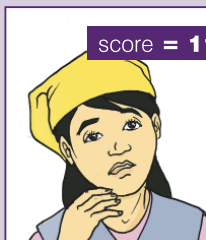


score = **0 – 10**

Look before you **Leap!**

Before you decide to migrate, you must read this guide! Pay carefull attention to the ten money habits of successful migrants described in this guide. You are at risk of being cheated, running out of money, or even accepting a job that is dangerous for your health and future.

Your chances of saving money and reaching your goals : 😞



score = **11 – 20**

Getting **Better!**

So you know a little bit about money and migrating. Good! You are off to a good start, and you already know some basic things to help you make smart decisions. But before you decide to migrate, you should read this guide!

Your chances of saving money and reaching your goals : 😐



score = **21 – 30**

You're a **Superstar!**

Wow! You know a lot about money and migrating. You are already off to a good start! If you decide to migrate, make sure to share your skills and knowledge with your family. While you're at it, be sure to share this guide with your friends and help them too.

Your chances of saving money and reaching your goals : 😊

Training aid 9
Daily feedback form

Financial education for migrant workers and their families (time and place)
Daily feedback form

Date: .....

Overall, how do you rate today's sessions?

Excellent	Good	So-so	Poor	Very poor
😊😊	😊	😐	😞	😞😞

Session 1

Excellent	Good	So-so	Poor	Very poor
😊😊	😊	😐	😞	😞😞

Session 2

Excellent	Good	So-so	Poor	Very poor
😊😊	😊	😐	😞	😞😞

Session 3

Excellent	Good	So-so	Poor	Very poor
😊😊	😊	😐	😞	😞😞

Session 4

Excellent	Good	So-so	Poor	Very poor
😊😊	😊	😐	😞	😞😞

Were you confused about something in any session? If yes, please explain.

.....
.....

What are your suggestions for making the sessions better?

.....
.....

Training aid 10
Training evaluation form

Please answer the questions below.

1. Overall, how do you rate the training on financial education for migrant workers and their families? (Check (√) in the box that applies.)

Excellent	Good	So-so	Poor	Very poor
😊😊	😊	😐	😞	😞😞

2. Which three (3) subjects were the most useful to you?

.....
.....

3. Which three (3) subjects were the least useful to you?

.....
.....

4. What additional topics would you like to include in this training?

.....
.....

5. Do you think the workshop was:
- ☐ Too long
☐ Too short
☐ Right length

6. Which training methods used in the programme would you like more of (e.g. trainers' presentations, handouts, energizers, games, role-plays, case studies, group work)?

.....
.....

7. Which training methods used in the programme (as mentioned above) would you like less of?

.....
.....

8. How would you rate the trainers' overall performance?

Excellent	Good	So-so	Poor	Very poor
😊😊	😊	😐	😞	😞😞

Remarks:

.....
.....

9. How would you rate the overall organization of this workshop (e.g. accommodation, breaks for refreshments, translation, administrative and logistical support, etc.)?

Excellent	Good	So-so	Poor	Very poor
😊😊	😊	😐	😞	😞😞

Remarks:

.....
.....

10. Do you feel adequately equipped to use the knowledge acquired through the workshop and take further action on teaching or applying the knowledge?

☐ Yes ☐ No

11. How would you like to modify/adapt the training for your target groups?

.....
.....

12. Any other suggestions you may wish to make:

.....
.....

Training aid 11

Example table of content of a workshop report

The main contents of a training workshop report usually comprises the following:

Title page

(title, place and time of workshop, authors of report and preparation date, as relevant)

Table of content

(with page number)

Summary of training outcomes

(with subheadings by objective, topics or day)

Conclusions and recommendations

(including key findings, main outcomes, lessons learned, summary of evaluations by participants and trainers)

Annexes:

1. Actual workshop programme
2. Actual list of participants
3. List and/or actual training materials and handouts used during the workshop
4. Outputs from participants such as results of group work and action plans
5. Results of evaluation or feedback of the workshop by participants
6. Trainers' evaluation on the training content and processes (optional)
7. Media records such as photographs, audio and video records.

Training aid 12
Follow-up action plan

Name(s):

.....

Organization:

.....

Place and date:

.....

Aims	Target groups	Outputs/activities	Who will do it	Time	Input	
					Available	Required

Training aid 13 Individual action plan

Name(s):

.....

Place and date:

.....

My Goals	Timeline	Actions to take to reach my goals	How much money is needed?
My short-term goals			
1.		1. 2. 3.	
2.		1. 2. 3.	
My long-term goals			
1.		1. 2. 3.	
2.		1. 2. 3.	

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PART 2 – TRAINING MODULES

Contents

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Module overview

Session title	Aims	Time
1. Set short- and long-term goals in life	• Enable members of the family to set short- and long-term goals • Find out about the different goals in the family	75 minutes
2. Make decisions as a family	• Identify how families make decisions • Find out whether every family member can participate in family decision making in a fair manner	90 minutes
3. Communicate with confidence	• Identify good and bad communication practices • Practice effective listening skills	105 minutes
4. Compare the costs and benefits of migration	• Identify how migrant workers and their families are affected by migration • Differentiate economic and social benefits and costs	105 minutes
Total		6 hours and 15 minutes

Module 1   Setting goals and family decision making

Session 1.1   Set short- and long-term goals in life



Aims

Enable members of the family to set short- and long-term goals
To find out about the different goals in the family



Target groups

Prospective migrant workers
Families



Duration

75 minutes



Materials

Flip chart paper, markers, string/yarn/rope, scissors, glue stick, masking tape, colored paper, scissors



Training aids

1.1.1 My goals



Session plan steps

1. Identify short- and long-term goals – 15 minutes
2. Compare goals – 30 minutes
3. Draw a picture about your family's goals – 15 minutes
4. Discuss the importance of family goals – 15 minutes

1. Identify short- and long-term goals – 15 minutes

Explain:

Successful migration starts with having a specific goal. A goal is something people want to achieve in the future. Today we will identify and practice setting short and long-term goals.

Let's start by reading a story together. This story is about a migrant worker and her dreams for the future.

The trainer can choose to read either the story of Sokunthea (an internal migrant worker) or the story of Dewi (an international migrant worker). Read the story using a loud and engaging voice.

The story of Sokunthea

Sokunthea is 20 years old and lives in a rural province. Sokunthea wants to be married in the future but now she dreams of learning to sew, getting good job experience and then starting her own sewing business back in the village. She is considering moving to the city to work at a garment factory. She knows that it takes time to find a job in the city, so she is trying to save money to be able to pay for food and a room while she applies for a job. She feels sad she will be leaving her little sister and parents behind, but she knows that she needs to earn a living. She wants to buy her little sister a present before she leaves. Sokunthea will also definitely need a new outfit. Her clothes are worn and old from working in the rice fields. While she plans to work at a garment factory, she does not know how to sew and will need to enroll in a short training course before applying for a job when she arrives in the city.

The story of Dewi

Dewi is 25 years old and lives in a rural province. Dewi and her husband have two small children. When Dewi and her husband take walks in the early evenings, they sometimes talk about investing in their farm so they can grow a variety of vegetables. They have many requests from wholesalers and restaurants to supply more vegetables. Dewi really wants her children to attend secondary school, but it is so expensive so she really wants to start saving for their future. In her free time, she has learned to take photographs with a second hand camera. She would love to someday buy a new camera and become a photographer. Money is tight, so they are contemplating whether Dewi should find out more about migrating to work as a domestic worker abroad.

Ask:

- **What are the main character's goals?**
- **Which of these goals can be met within a short period of time?**
- **Which goals take a longer time?**

As in the case of the main character, some goals are accomplished in a short period of time. Other goals are about the future and your goals in life. These are life goals.

Let's talk more about our own goals.

- **How many of you have a dream for the future?**

Encourage participants to raise their hands if they have a dream. Invite a few participants to briefly share their dreams in plenary.



We are going to be hearing more from Sokunthea and Dewi to learn more about their migrations. To meet the rest of the characters that will join us on our migration journey, see page 4 of the "Money and migration: Smart guide for migrant workers". Then on page 5, see if you can help them to reach the money they're searching for!

2. Compare goals – 30 minutes

Place three ten-meter pieces of string/yarn/rope in three different locations in the training room. These strings represent timelines. Knot one end of the string to indicate short-term and the other end will indicate long-term. Ensure that the locations provide sufficient space for participants to move. Indicate that one location is for prospective female migrant workers, the second location for prospective male migrant workers and the third location for families of migrant workers. Ask participants to move to the location for the group they identify with.

Distribute three copies of My goals (Training aid 1.1.1) to each participant.

Explain:

The string represents a timeline for your goals. Think about three things you want to achieve in the next few years – these are your goals. Some will be short-term goals, which may require only a few weeks or months to save the money you need to reach the goal. Others may be long-term goals, and might require a year or more of saving. Write or draw one goal on each balloon and your name. When you have finished, place the balloons along the timeline string. The knotted end of the string represents the short-term, while the other end represents the long-term.

Allow three minutes for writing and posting goals. Ask participants to review the goals that participants identified. Encourage them to walk around the training room.

Ask the following questions:

- **Are the majority of your group's goals short-term or long-term goals?**
- **Which are the common short-term goals?**
- **How are the female migrant workers' goals the same or different from the male migrant workers goals?**
- **How are the goals of prospective migrant workers the same or different from the goals of family members?**
- **What was challenging about identifying and classifying your goals?**

Summarize their responses and say:

- Goals are often different between family members as young and older people are at different stages in their lives. In other words, the goals people have often reflect where you are in your life cycle. The life cycle is made up of all the expected events you can anticipate in your life like studying, getting a job, marriage, having a family, investing in a home, sending your children to school, and retirement.
- Goals of husbands and wives, fathers and mothers, sons and daughters may also be the same or different, depending on how men and women are educated and what families and society expect from both sexes. If the gender roles of men and women are very different and they are expected to do very different things in life and at work, some family goals may be the same and others may be different.
- In a family, it is important to acknowledge and respect that each family member will have different goals depending on where they are in the life cycle.
- Each family member has the right to have his or her own goals.



Look at pages 10-11 of your Smart guide: Money habit 2 will help you to set your own and your family's goals.

3. Draw a picture about your family's goals – 15 minutes

Explain:

People work very hard each day so maybe dreaming of the future is a luxury. But if we have dreams, we can make plans with our families to reach our dreams. Now, you will work with your family and make a poster of your dreams for the future.

Divide the participants into groups by family.

Explain that the purpose of this activity is for them to discuss their dreams and goals with their families and to make a poster that represents their short- and long-term goals. Tell participants to list goals of the family as a whole and the goals of each individual. Instruct participants to create a poster that represents the goals they identified.

Distribute markers, masking tape or glue sticks, and scissors to each group and one sheet of flip chart paper. Encourage participants to use markers, colored paper, scissors, and masking tape/glue stick to develop the poster.

4. Discuss the importance of family goals – 15 minutes

Ask each family to post their family goals posters on the wall. Invite the participants to take a gallery walk and observe the posters developed by all the groups.

Ask a few volunteers:

- **How did you feel developing goals with your family members?**
- **Were you surprised by any of your family member's goals?**
- **Which goals were different and why?**
- **Which goals were more interesting? Why?**
- **What are some specific actions you can take to reach your goals?**

Conclude:

- People migrate to reach a goal in their life for themselves and/or their family.
- Goals can be more easily achieved if one plans and collects all information needed to make a sound decision.
- Goals of family members may differ. Family members need to respect each other's goals and encourage each other.
- Women and men of all ages should have equal rights, responsibilities and opportunities in life. This does not mean that young and older men and women have to always be treated exactly the same. It means that everybody has to have equal and fair chances in life and at work and be treated in a just manner.

Congratulate the participants on their hard work. Encourage them to take their poster home to remind them of their family's goals and keep it in a safe place.



As we are just beginning our migration journey, it will be useful to do the "Money and Migration Quiz" on page 6 in your Smart guide. You can score yourself using the answer key on page 7 (don't peek!) See what you know already and what you need to know more about to make your migration go smoothly and successfully. Good luck!

Training aid 1.1.1
My goals



Session 1.2   **Make decisions as a family**



Aims

Identify how families make decisions

Find out whether every family member can participate in family decision making in a fair manner



Target groups

Prospective migrant workers

Families



Duration

90 minutes



Materials

Flip chart paper, markers, yarn/rope and scissors, envelopes, stickers (any colour), soft ball, name tags



Training aids

1.2.1 How families make decisions role-play cards



Session plan steps

1. Discuss personal experience making family decisions – 10 minutes
2. Role-play how families make decisions – 40 minutes
3. Identify tips for making family decisions – 25 minutes
4. Review rights and respect in families – 15 minutes

1. **Discuss personal experience making family decisions – 10 minutes**

Explain:

Deciding whether or not a family member should migrate is an important decision. Today, we will identify some tips for good family decision making. Let's start by discussing some of your own experiences making family decisions.

Think about a decision your family has made this past week or month.

Ask:

- **How did your family make the decision?**
- **Who made the final decision?**
- **Who was involved in the decision making process?**
- **Who in your family was affected by the decision?**

Say:

We make decisions every day. In many families, some people have more power in decision-making than others. For example, if children are small, their parents will take all decisions for them. If children grow older and become youth and adults their parents will gradually give them more responsibility to take decisions, but there are also families where the parents expect their children to obey long after they have become adults. In many societies and families girls and women are at a disadvantage because they are given less power than men in making decisions on their life and work.

Families make important decisions that affect the well being of each of the family members. Many of you are deciding whether the benefits outweigh the costs of sending a family member to work in another place (*other city or country*).

In this session, you will learn new skills and techniques that you can use when you discuss this very important decision in your family.

2. Role-play how families make decisions – 40 minutes



Note to trainer: This activity calls for role-plays on family decision making situations. Divide the participants into four groups and give them ten minutes to prepare their role-plays which should last two to three minutes. You can use all role-play scenarios or select two role-plays that are most suitable for your target audience, choosing role-play 1 and 2 (about international migrants) or role-play 3 and 4 (about internal migrants). If you select only two role-plays, two groups can have the same scenario.

Allocate five minutes for each role-play presentation and ten more minutes for follow-up discussion at the end.

Explain:

Making family decisions is sometimes easy but can also be difficult. As you consider migration, you will probably begin to have more financial discussions with your family whether you are single or married. One of the most important decisions you will have to make is whether or not to migrate in the first place. Let's practice our acting skills and compare different ways families can make this very important decision.

Divide the participants into four groups. Explain:

Each group will get an envelope to guide a role-play. There are four pieces of paper in each envelope. Each piece of paper describes the personality and opinion of a family member.

Hand out the envelopes and allow everyone to read the personality traits for each character in their group. Explain:

Each character should be assigned to one group member for the role-play. Study their personalities and create the dialogue for a role-play. Each group will decide whether or not the main character should migrate or not.

Pass out name tags to all of the groups, and tell the group members to wear the name tag of their character.

After two groups have performed their role-plays, quickly debrief by asking the following questions:

- **What happened in the role-play?**
- **In your view, did all family members have an equal say in the family's decision making? Why or why not?**
- **Who dominated the decision making process? Why did they dominate the process? In your view, is that fair? Why or why not?**
- **How do you think the main character felt during the decision making process? Why did she feel that way?**

Congratulate all groups for their excellent acting skills. Award one group a small prize. For example, you could select the winner by judging which group receives the loudest applause or the group which had the richest discussion on the decision.

3. Identify tips for making family decisions – 25 minutes

Place a piece of string on the floor horizontally. Place a sign labeled "1" (easy) on one end and a sign on the opposite end labeled "10" (difficult).

Tell participants that you are going to ask them a question. At the signal (for example, a clap), tell participants to run and stand next to the number on the scale that represents how they feel. Explain that "1" represents easy and "10" represents difficult.

Ask:

- **On a scale of 1-10, how easy or difficult is it for you to talk about issues related to money with your family?**

Invite a few volunteers to share their views while they are standing in line.

Reconvene in plenary and summarize:

- As a young woman or young man, it may be hard to communicate with your parents about your goals because your parents may not want to listen and believe you should obey them. This may often be more difficult for girls than for boys as women may have a lower status than men in traditional societies and families.
- For some couples, talking about money causes stress and arguments and one spouse may dominate the other.
- If you can prepare ahead of time for a discussion with your parents or spouse about these issues, you may find it easier to talk with them and gain their support.

Ask:

- **What are some challenges you face when making family decisions related to money?**

List participants' answers on a flip chart. Some answers may include:

Challenges to family decision making

- Some older and/or male family members make all of the decisions
- Some members may not feel free to express their opinion
- Women may have low self confidence and sense of worth
- Gender stereotypes (e.g. idea that men make better decisions)
- Lack of respect among family members
- Finding the time to discuss important matters
- Seems like there is only one "right" solution
- Cultural and religious traditions
- There is no equality among family members

After listing challenges, distribute three stickers to each participant. Ask them to place their stickers on the top three challenges they face. If stickers are not available, you can ask each participant to use a marker and make a tick mark. Select the four highest rated challenges for the following group work activity.

Using the counting method (1-2-3-4) to form four groups. Assign each group a challenge to discuss. Explain that they must also discuss three possible solutions to this challenge. Distribute one piece of flip chart paper and several markers to each group. Invite them to make a drawing of their challenge and solutions.

Allocate ten minutes for discussion and drawing. After ten minutes, invite a representative from each group to present their challenge and solutions.

List their responses on a blank chart. Some examples of challenges and solutions are listed below for reference.

Tips for family decision making	
Challenges	Solutions/tips
■ Do not feel safe expressing own opinion ■ Women may have low self confidence and sense of worth ■ Gender stereotypes (e.g. idea that men make better decisions) ■ Some family members make all of the decisions ■ Lack of respect among family members ■ Finding the time to discuss important matters ■ Seems like there is only one “right” solution	■ Encourage each family member to express their opinion ■ Listen to each opinion without interruption ■ Treat each family member with respect ■ Set aside time to discuss important family matters ■ Examine the issue and identify more than one possible solution



Don't forget to look at page 10 of your Smart guide for more information on making family goals and tips on family decision making!

4. Review rights and respect in families – 15 minutes

Explain:

I invite everyone to stand up and stand in a circle. We will now review what we learned in this session. Let's play a game called “fill in the blank”. Let's practice.

- My favorite color is _____.

Throw a soft ball to a volunteer. Ask the volunteer to repeat the phrase and fill in the blank. The first volunteer can now throw the ball to another volunteer and repeat the exercise. Ask the last volunteer to return the ball to the trainer.

Do three more rounds in the same way with the following two questions

- The most important thing I learned today is _____.
- If family decisions involve all family member regardless of age or sex, then _____.
- One thing my family can do to improve our family decision making process is _____.

Reconvene in plenary and summarize:

- All family members have rights to voice their opinion, no matter their age or sex.
- In some families people have not learnt to listen to each other and respect each other's views.
- In some families there are power imbalances between young and old and women and men.
- All human beings have a right to have and express their own views and the views of everybody need to be respected.

Training aid 1.2.1

How families make decisions role-play cards

Role-play 1	Dewi's family
Father	very confident man and does not like to listen to others believes that his daughter-in-law, Dewi, should migrate abroad supports his son's decision no matter what does not think Dewi should have a say in the decision
Mother	a sweet woman who does not think that her daughter-in-law, Dewi should migrate abroad because she fears that Dewi will be lonely and miss her small children shy to express how she feels to her son and her husband
Husband	recently heard from some of his friends that women earn a lot of money working abroad really wants his wife Dewi to go abroad asks his wife for her opinion but does not listen to her reply
Dewi	quiet does not share her opinion because she feels that her husband should make the decision inside she is worried about going abroad without her family and living alone in a new country wonders how her children will cope without her

Role-play 2	Dewi's family
Father	very nice and respectful man his family is short of money and he is trying to consider ways to generate more income so he can invest in his farm he convenes a family meeting to discuss options and he wants to hear everyone's views
Mother	a sweet woman she feels that she and her son can expand the family business and sell fruits and vegetables does not want her daughter-in-law, Dewi, to migrate because she would miss her and because she is a very good salesperson at the store however, if Dewi goes, she could certainly help her son to take care of her two grandchildren
Husband	recently heard from some of his friends that women can earn a lot of money working abroad thinks it is a good idea for his wife to migrate only two years in order to save for the future he only wants her to go if she wants to go and she is happy
Dewi	a confident woman not afraid to express her views to her family members would like to migrate to work abroad only wants to migrate for two years if the family works together to save money to expand the family business would miss her family but hopes that her mother-in-law can help take care of her two small children

Role-play 3	Sokunthea's family
Father	a very confident man and does not like to listen to others firmly believes that his daughter, Sokunthea, should migrate to the city does not think that Sokunthea should have a say in the decision
Mother	a sweet woman does not think her daughter Sokunthea should migrate to the city because she fears that Sokunthea will be lonely also does not think it is fair that Sokunthea works so hard and her son does not work that much is shy but tries to express how she feels to her son and her husband
Brother	feels it is easy for women to migrate to the city to find jobs in garment factories really wants his sister Sokunthea to migrate to the city expects that her remittance will be used to pay for a motorbike
Sokunthea	quiet and does not share her opinion because she feels that her father should make the decision would prefer to work at an internet café where she can learn more computer skills instead of a garment factory which is where her father wants her to work hopes her father will change his mind

Role-play 4	Sokunthea's family
Father	a very nice and respectful man his family is short of money and he is trying to consider ways to generate more income so he can invest in his farm convenes a family meeting to discuss options and wants to hear everyone's views one option is for his daughter, Sokunthea, to migrate to work in the city as garment factory worker
Mother	a sweet woman does not think that Sokunthea should migrate because she heard that there are fewer jobs this year because of the economic downturn
Brother	does not want his sister to migrate because he will miss her knows that Sokunthea is a good student and wants her to finish secondary school because she is very smart wants his sister to be happy
Sokunthea	a confident woman not afraid to express her views to her family members would like to migrate to the city but thinks it is wiser to work in an internet café where she can learn computer skills would like to migrate if she can save some money to attend vocational training in the future

Session 1.3 Communicate with confidence



Aims

Identify good and bad communication practices
Practice effective listening skills



Target groups

Prospective migrant workers
Families



Duration

105 minutes



Materials

Flip chart paper, markers, masking tape



Training aids

- 1.3.1 Conversation between parents and children
- 1.3.2 Conversation between husband and wife
- 1.3.3 Conflict situation role-play cards for international migrants
- 1.3.4 Conflict situation role-play cards for internal migrants



Session plan steps

1. Identify the “dos” and “don’ts” of effective communication – 15 minutes
2. Identify good communication skills – 15 minutes
3. Demonstrate the rules of active listening – 15 minutes
4. Role-play a conflict and find a solution – 60 minutes

1. Identify the “dos” and “don’ts” of effective communication – 15 minutes



Note to trainer: Before you begin this session, identify two or three outspoken participants to speak first.

Explain:

Successful family decision making starts with good communication skills. Today we will identify and practice some basic “dos” and “don’ts” of good communication. Let’s start with a game. I need two volunteers to come forward. Can someone who is not afraid to talk in public go first?

Ask the volunteers to face each other. Explain:

You are opponents in a debate. Your goal is to defeat your opponent. I will give you a topic to debate, and when I say “go”, start arguing. Don’t bother to listen to each other; just make your case without stopping. You will be talking at the same time; feel free to shout over each other! When I yell “switch”, you must start arguing for the opposite side. At the end of your debate, I will ask the audience to declare the winner, who will then take on a new opponent.

Give the pair a topic to argue about, something light and insignificant. Make sure the topics you choose are relevant for your local situation. Possible topics include:

- Traditional music or modern hip hop music
- Being tall or short
- Wet or dry season
- Rice or noodles

Give each person a position (for or against) to take on the issue. They should quickly think of three or four reasons that their position is better. Tell them to begin the debate. After 30 seconds, yell “switch” and give the debaters 30 seconds to defend their new position. Then stop the debate and ask the rest of the group to declare a winner. The winner remains standing. Ask for a volunteer to take the winner on in a new debate.

After two or three debates, thank all the volunteers and ask the audience the following:

- **Why was it challenging to select a winner in these debates?**

For the debaters, ask:

- **How did you feel trying to make your case in this situation?**

For everyone, ask:

- **What words describe these conversations?** [Loud, angry, confusing, rude, ineffective, silly.]

On a flip chart, draw a vertical line down the middle of the paper, creating two headings, DO and DON'T. In the appropriate column, record participants' answers to the following questions:

- **Based on this experience, what should you NOT do when trying to communicate successfully?** [Shout, get angry, refuse to listen, say the same thing over and over, interrupt, reject the other person's ideas.]
- **What should you definitely DO to communicate effectively?** [Listen, admit the other person's point of view, stay calm, be respectful.]

Some examples of DO's and Don'ts are listed below for reference.

DO...	DON'T...
■ Be assertive ■ Clearly state what you want ■ Listen to your partner ■ Recognize her point of view ■ Show respect ■ Be flexible	■ Be passive ■ Get angry ■ Be rude or insulting ■ Reject your partner's ideas immediately ■ Lock yourself in 1 position

2. Identify good communication skills – 15 minutes



Note to trainer: Select four volunteers before the session or ask for volunteers. Choose either one or both of the role-plays: Conversation between parents and children (Training aid 1.3.1) or Conversation between a husband and wife (Training aid 1.3.2). Select the story that is most relevant to the local context.

Say:

Now that we have identified some basic communication skills, let's watch them in action.

Ask the volunteers you identified ahead of time to come forward and present the role-play.

Thank the volunteers for their excellent presentation and ask:

- **What good communication skills from our DO and DON'T chart did you notice?**
- **What did the family member do to avoid an argument?**
- **How did the family members show respect to each other?**
- **What was the compromise proposed in the role-play?**

3. Demonstrate the rules of active listening – 15 minutes

Explain:

Listening skills are critical to good communication. The person you are talking to needs to know that you care about what she is saying and that you have heard her. As the listener, you need to know that you have heard correctly. In a conversation, these listening practices are useful.

Display a flip chart with the rules of active listening so that all participants can see:

Rules for active listening

- Look directly at the other person.
- Repeat or summarize what the person has said to you before making your point.
- If you are not clear about what your partner has said, rephrase what you have heard in another way and ask your partner to confirm that you have understood.
- Ask clarifying questions to be sure you understand, or probing questions to get more information.

Say:

Let's practice this. I am going to select some of you to talk to. I will approach you and greet you so that you know that I want to speak to you, and then I will say something to you. You need to find a way to let me know you have heard what I said and understood it. You can repeat what I have said, rephrase it or ask a question. Then add something of your own to the conversation.

Beforehand, prepare some light or silly topics that you can discuss in a couple of sentences. These topics should come from your local context. You can prepare very general topics, or you can base your topic on stars of pop music or popular TV shows or a well-known story. Some examples are included below:

- I believe that traditional music is the best music in the world and better than new pop music. Traditional music and dance should be taught to all young people in order to maintain our rich culture and traditions.
- Staying up late at night is the most wonderful thing. The whole world is asleep except for you. You can see the moon and stars and enjoy the stillness of the night.

After each conversation, thank the volunteer.

Ask:

- **What did this person do to show that she was listening?**

Tell participants to think of a situation where they did not communicate well with a parent, spouse, child or friend. Ask:

- **What could you do differently in a similar situation in the future?**

4. Role-play a conflict and find a solution – 60 minutes



Note to trainer: This activity calls for participants to role-play conflict situations: Training aid 1.3.3 provides four conflict situations for international migrants and Training aid 1.3.4 gives four conflict situations for internal migrants. Select the four role-plays that are the most suitable for your local context.

Divide the participants into four groups and give them ten minutes to prepare their role-plays which should last three to five minutes. Although there are eight role-plays, limit the number performed to four. With more than four role-plays, participants may get bored watching. If you have more than 16 participants in your group (four groups of four people each), you may consider the following options:

- Make each group larger and tell participants to change and expand the scenario they have to incorporate a few extra people.
- Instead of performing role-plays, ask the groups to simply discuss the situation and identify one or more solutions which they share with the rest of the participants.

Allocate ten minutes for each role-play presentation and follow-up discussion.

Explain:

People often disagree about issues that involve money. Many of you are beginning to have more responsibility for yourself and your financial situation at home and at work. That means you will probably have more discussions, and maybe even conflicts, related to money. Today you are going to practice using the listening skills and communication DO's and DON'Ts from the last session, this time in make-up conflicts.

Divide the participants into groups of three or four. Explain:

Each group will select a card that describes a conflict. Each group should decide on a solution to its conflict. Make up a role-play showing the interaction between the people described and the solution you have chosen. The solution can be any solution. However, at least one of the characters in your role-play should try to demonstrate good communication skills.

After each group has performed its role-play, ask:

- **What communication skills did you notice among the actors in the role-play?**
- **What was the solution they presented?**
- **What are the other possible solutions to this conflict?**
- **What would you have done differently in this situation?**

After all the groups have performed, summarize the session:

- Communicating with confidence is an important skill to have when communicating with family members, friends and in the future with work colleagues and bosses.
- Explain what you want clearly and listen to the other side.
- Try to keep calm as you look for a compromise that will satisfy everyone involved.

Training aid 1.3.1
Conversation between parents and children

A conversation between parents and children	
Father	Why are you sitting there? Go fetch some sticks for the fire.
Daughter	Father, I understand that we need sticks for the fire, but I am busy at this moment doing my math homework.
Father	<i>(Cutting her off)</i> You are very disrespectful. When I ask you to do something you should do what I say. Young people nowadays are so different from the past.
Daughter	Fine. <i>(She walks away to fetch wood and as she is walking, she murmurs to herself.)</i> Why do I have to fetch the sticks? My brother never has to fetch wood, and he never does his homework. He should fetch sticks sometimes so I can do my homework after school.
Mother	It is getting dark, where do you come from?
Daughter	I just came back from fetching sticks. Mother, you know that I like to contribute to the household. But, I cannot finish my homework if every afternoon I must fetch sticks.
Mother	I see, but you know that we need sticks every day to be able to cook. I do not see what else we can do.
Daughter	Perhaps if my brother fetched sticks a few days and I fetch sticks a few days, we can take turns. That way we can both have time to do our homework.
Father	<i>(Enters the room)</i> What are you ladies talking about?
Mother	We were just talking about who in the family should fetch sticks. Our daughter does not have time to do her homework and fetch sticks everyday.
Son	<i>(Enters the room)</i> What is going on?
Mother	We are discussing who should fetch sticks. Your sister does not have time every afternoon to fetch sticks because she has homework to do.
Son	I can fetch sticks a few days a week. I like the exercise too.
Father	Starting now, you both should take turns fetching sticks. Maybe I will start taking turns cooking dinner too.

Training aid 1.3.2
Conversation between husband and wife

A conversation between husband and wife	
Wife	Hello, my dear! I want to talk to you about something important. Do you have some time now?
Husband	Okay, but I have to leave to see my friends in ten minutes.
Wife	When we were in our shop this morning, we spoke about me migrating abroad.
Husband	You know with the current economic crisis, times are tough and there are not many options. I think migration is a good option. We can save to expand our business.
Wife	Yes, I agree that migration is a good option for our family. But, I am very concerned about something. Can I share it with you?
Husband	Yes, you can tell me anything. Hold on, let me call my friend and tell him I will be late. <i>(Takes out mobile phone and pretends to talk to his friend.)</i>
Wife	I am concerned about who will raise our children when I am away. I do not want them to be raised without their mother's love. Nor do I want them to be too spoiled by their grandparents.
Husband	That is a good point. I can probably do more to take care of the children, but I will need help because I cannot be home in the afternoons.
Wife	Perhaps my sister can help out in the afternoons to help the children with their homework. She is very good with children.
Husband	That is a good idea. How do you think the children will feel about their auntie taking care of them in the afternoons when you work abroad?
Wife	What do you think if we talk about this at dinner with the children?
Husband	That is a good idea. Let's talk about this at dinner. We should explain to them why you are going and make sure they understand that they will always have their mother's and father's love.

Training aid 1.3.3

Conflict situation role-play cards for international migrants

Conflict 1

Neary works abroad. She is saving her money and opened a savings account so she can see her money grow. Her best friend, Lusi is eager to take out a consumer loan from a commercial bank. Lusi asks Neary if she can borrow her passport and work permit so she can take out a loan in Neary's name. (In this country, banks ask for a copy of a passport and a copy of work permit.) Neary does not want to give Lusi her passport but is afraid to lose her best friend. What should she do?

Conflict 2

Dewi is returning from working abroad for two years. She was able to save a lot of money while working as a domestic worker. When she returns, her brother and sister visit her and they want her to lend them money to migrate abroad. They pressure her because they believe that she has a lot of money. Dewi does not want to lend them the money because she and her husband have plans to expand their food processing business. She does not want to upset her brother and sister and does not know what to do. What should she do?

Conflict 3

Vanita works abroad as a shrimp peeler. She sends money to her father every three months and believes that her father spends the money on her younger sister's and brother's school fees, uniform and books. Vanita has just learned that although her father has been paying for her younger brother's school fees and other costs, he has *not* been paying for her younger sister's school fees. Vanita is disappointed and thinks this situation is unfair. What should she do?

Conflict 4

Sok works long hours in construction and has worked for one year with only one week off. He has told his supervisor that he needs a week off to attend the funeral of his mother. But at the last minute, the construction supervisor tells Sok that he has to stay and work. The construction supervisor thinks Sok is the best worker. Sok's family back home will be very disappointed and Sok is very sad too as he loves his mother, but he knows the supervisor may dismiss him if he does not obey and the family back home needs the money Sok sends regularly. What should he do?

Training aid 1.3.4

Conflict situation role-play cards for internal migrants

Conflict 1

Sokunthea works at a garment factory. She sets aside some money every month for savings. She wants to save in case of an emergency. But her roommate insists that Sokunthea lend her money so she can purchase a wedding present for a friend and pay for her transportation to attend the wedding. What should Sokunthea do?

Conflict 2

Wati works at a garment factory. It is pay-day and she is eager to receive her salary and overtime pay. As she walks outside of the factory with her best friends, they are attracted to the vendors who are selling fashionable clothes. Her friends want to buy matching jeans. Wati wants to follow her budget and does not have money set aside this month to purchase clothes. She does not want to buy the jeans but is afraid her friends will think she is not fashionable. What should Wati do?

Conflict 3

Amom works as a day labourer during the harvest season in her home province. She plans to save the money she earns in order to migrate abroad. She dreams of making money and joining her husband who also lives abroad. Her mother would like Amom to use her savings to purchase some household items. She tells Amom that her savings are so small that she will never have enough anyway. What should Amom do?

Conflict 4

Tola works long hours in construction and has worked for one year with only one week off. He has told his supervisor that he needs a week off to attend the funeral of his mother. But at the last minute, the construction supervisor tells Tola that he has to stay and work. The construction supervisor thinks Tola is the best worker. Tola's family back home will be very disappointed and Tola is very sad too as he loves his mother, but he knows the supervisor may dismiss him if he does not obey and the family back home needs the money Tola sends regularly. What should he do?

Session 1.4 Compare the costs and benefits of migration



Aims

Identify how migrant workers and their families are affected by migration
Differentiate economic and social benefits and costs



Target groups

Prospective migrant workers
Families



Duration

105 minutes



Materials

Flip chart paper, markers, colored note cards/sticky notes, scissors, ten pieces of paper in the shape of hearts, ten pieces of paper in the shape of money



Training aids

1.4.1 Types of jobs note cards
1.4.2 More benefits set you free poster



Session plan steps

1. Brainstorm reasons why people migrate – 15 minutes
2. Discuss how family members are affected by migration – 30 minutes
3. Compare benefits and costs of different types of jobs – 45 minutes
4. Practice your own benefit and cost analysis – 15 minutes

1. Brainstorm reasons why people migrate – 15 minutes

Explain:

How do people decide whether or not to migrate? How do you measure if the benefits of migration outweigh the costs of migration? How do you know if migration will make your family better off? This session will help families compare the costs and benefits of migration. Comparing costs and benefits is important so that families can decide if migration will help the migrant worker and their families achieve their life goals.

Let's start this session by closing your eyes. Think about all the people who you know who have migrated. Think about the reasons they have migrated. Think about all the good things that resulted from migration. Think about all the difficulties they faced on the way. How was their family affected by migration?

Ask:

➤ **What are some of the reasons why people from this community migrate?**

Encourage participants to share their views. Most participants will know people who have migrated in the past, either friends or family members.

Write down some of their responses on a flip chart. Some possible answers are:

Reasons people migrate

- Lack job opportunities at home
- Look for stable, secure income
- Build new skills and experiences
- Seek independence from family or community (e.g. bad marriage)
- Belief that all migrant workers earn a lot of money

On a flip chart, draw a vertical line down the middle of the paper, creating two headings: *Advantages and Disadvantages*.

In the appropriate column, record participant's answers to the following questions:

- **What has migration allowed them to achieve?**
- **What are some of the difficulties they faced during the migration?**

Advantages and disadvantages of migration (Migrant worker perspective)	
Advantages	Disadvantages

Review their responses and highlight any additional points from the flip chart below. These are sample responses and select points that are relevant to the local context. Add additional points, if appropriate.

Advantages and disadvantages of migration (Migrant worker perspective)	
Advantages	Disadvantages
■ Earn income ■ Support family to pay for basic needs ■ Learn new skills ■ New work and life experience ■ Independence/sense of freedom ■ Save for the future	■ Migration can lead to debt which may be difficult to repay ■ Finding a job can take time ■ High cost of living in destination ■ Constant fear of being deported ■ Unsafe and threatening work environment, (sexual) violence ■ High expectation from family to make a lot of money ■ They feel lonely or isolated ■ Social stigma in community when they return from living away

Summarize:

- There are many reasons why people migrate. Many migrants seek to generate income and provide for their families. They also seek a way to better provide for themselves and their families in the future. With limited income generating opportunities, migration is an option that many families consider.
- However, there are many difficulties that migrant workers may face before, during and after they migrate.
- Families should consider the benefits, in other words, what they can achieve as a result of migration. They also should consider the costs, in other words, what they may lose as a result of migration.

2. Discuss how family members are affected by migration – 30 minutes

Say:

Family members can also be affected by migration. Let's read a story together. This story is of a migrant worker and her family and how her family was affected by migration.



Note to trainer: You can choose to read the story of Sokunthea tailored for internal migrants or the story of Dewi tailored for international migrant workers. Read the story using a loud and engaging voice.

Sokunthea's family misses her

My name is Sita and I am Sokunthea's mother. When Sokunthea migrated 12 months ago, I was very sad because my youngest daughter was going to live and work far away. I have been very sad every day since she left. Although she loyally remits money every month, my husband and I have to use about half of the money to hire labourers during the wet season. It is hard to replace her because she is a good worker. But, we have been able to invest in better seeds so we expect this year's harvest to be very profitable. We also use her remittance to pay for our son's school fees so he can finish secondary and hopefully enter vocational training in the future. The money is not enough to pay for our other young daughter's education. Both our children miss their older sister because she would take care of them and play with them.

Dewi's family misses her

My name is Muhammed and I am Dewi's husband. When Dewi migrated 12 months ago, I was very sad because my wife was going to live abroad very far away from home. She remits money and as we agreed, we are depositing 50 per cent of all of the remittance into a savings account at a local financial institution. This will enable us to purchase equipment for food processing in the future. I always deposit the money because I know that we can expand our business and be successful. Since she has left, I have had to hire an employee for our small food processing business. No one can replace my wife because she is a very good worker. Although she remits money and is very loyal, I am very lonely and my two small children miss their mother. I do not know how to care for them well, so I often ask my sister to visit and help me out. I have also met a nice woman who is helping me take care of the children. She is very sweet and provides me a lot of attention.

Explain:

- **Which family members are affected by the main character's migration? How are they affected?**
- **What has migration allowed them to achieve?**
- **What are some of the difficulties they faced during the migration?**
- **What are other ways that families can be affected by migration that are not already covered on our list?**

Post the following flip chart and write down participants' answers on note cards and post them on the flip chart. If available, use sticky notes. Some possible answers include:

Advantages and disadvantages of migration (Family member perspective)	
Advantages	Disadvantages
■ Support family to invest in farm/business ■ Support household basic needs ■ Pay for children's education ■ Save money for the future ■ Proud that family member is working in a factory	■ Need to pay for labour to replace migrant ■ Family cohesion can be broken ■ Power imbalances may be strengthened (e.g. remittance is used to pay for younger brother's education and <i>not</i> for younger sister's education) ■ Husband or wife may become unfaithful ■ Ashamed that family member will be viewed as "lost"

Post the two Advantages and Disadvantages flip charts next to each other. Invite two volunteers to the front of the room. Give the first volunteer a stack of small pieces of paper cut in the symbol of a dollar bill (or any other symbol representing money). Give the other volunteer a stack of small pieces of paper cut in the symbol of a heart (or any other symbol representing emotions).

Explain:

We have seen that there are many benefits and costs to migration. Some are related to money. These are called economic benefits and costs. Some are related to social and family relations. These are called social benefits and costs. This small piece of paper (*hold up piece of paper cut in the symbol of money*) represents an economic benefit or cost. This other piece of paper (*hold up piece of paper cut in the symbol of a heart*) represents a social benefit or cost.

Invite the two volunteers to post their respective pieces of papers next to the responses on the flip chart. Encourage them to ask the other participants for support, as needed.

When they complete their work give them a round of applause for their efforts. Ask them to return to their seats.

Ask:

- **What is the difference between economic and social benefits and costs?**
- **Which type of benefit or cost – economic or social – is most important when deciding whether to migrate? Why?**
- **Why should families consider social – not just economic – benefits and costs?**

Summarize the discussion and explain:

- Family members and their families are affected by migration. Migrant workers and their families will experience both economic and social benefits and costs.
- Both economic and social benefits should be considered because the social consequences may be of higher value than money (e.g. not being able to see your children for two or four years when migrating abroad).

3. Compare benefits and costs of different types of jobs – 45 minutes



Note to trainer: *This activity calls for participants to identify and list different benefits and costs of migration, and to prepare a drawing. You should prepare in advance five note cards and write one type of job on each card that reflects the local context (refer to Training aid 1.4.1). This activity will work best if you choose migrant worker profiles that match the local context. Allocate 15 minutes for this activity and follow-up discussion.*

Explain:

People migrate to work in many different types of jobs. Now, we are going to look at various types of jobs and compare the benefits and costs of each type of job.

Divide the participants into five groups. Explain:

Each group will receive a flip chart paper and colored markers. I am holding five cards and each card lists one type of job. Can one volunteer from each group come and select a card?

After the volunteers return to their groups, explain:

Your first task is to draw a picture of the migrant worker on the left side of the flip chart. Feel free to name your migrant worker and to select her or his destination. Then, on the right side make a drawing of her/his family. Be imaginative when creating your drawing! You have five minutes.

Circulate and make sure that each group has necessary supplies such as flip chart paper, note cards and markers. After five minutes, explain:

Your next task is to write or draw all the benefits that the migrant worker and their family may gain from migration. Feel free to draw on the flip chart or use note cards.

After five minutes, explain:

You final task is to list all the costs which the migrant worker and their family may incur from migration. You have five minutes.

After five minutes invite all the groups to post their flip charts on the wall. Invite one representative from each group to present their group work. Limit their presentations to two or three minutes.

At the end of their presentations thank everyone for their hard work. Ask:

- **What are some of the similarities among the types of jobs?**
- **What are some of the differences among the types of jobs?**
- **Are there any differences between men and women workers? Why or why not?**

4. Practice your own benefit and cost analysis – 15 minutes

Post the More benefits set you free poster (Training aid 1.4.2). Ask a few volunteers to express what they see in the poster. Encourage two or three volunteers to share their ideas.

Explain:

When deciding to migrate, it is important for the benefits to outweigh the costs.

In this poster, you can see that when you have a lot of balloons or benefits you rise to the sky and achieve your goals. If you have too many costs then you will be weighed to the ground and you will not achieve your goals. The benefits and costs are not only financial, but also social. The key is to find a situation where the benefits are greater than the costs.

Also, note that not all benefits and costs are equal. You may send a family member away to work as a migrant worker, but is this person's absence worth it for an extra US\$10 a month? What about 50? 100? 200? It is up to you to decide where that value is.

Ask:

- **How can you ensure that benefits outweigh costs?** *[Discuss migration goals with your family and commit to them during migration; make a plan with your family about how the remittances will be used before you depart and commit to this plan during migration]*

Explain:

For this last exercise, please sit next to your family members. Discuss the following questions:

- **What are the potential benefits that migration will bring to the prospective migrant worker? Family members?**
- **What are the potential costs that migration will bring to the prospective migrant worker? Family members?**
- **How can your family ensure that benefits outweigh costs?**

After five minutes, ask a few volunteers to share their group discussion.

Congratulate all the groups for their excellent work.



To continue thinking about the costs and benefits of migration, go to page 8 of your Smart guide: Money habit 1 will help you to decide if migration is the right decision for you and your family.

Training aid 1.4.1
Types of jobs note cards

International migrant worker

Domestic worker

Manufacturing worker (e.g. garment factory)

Plantation worker

Caretaker for elders

Nurse

Internal migrant worker

Domestic worker

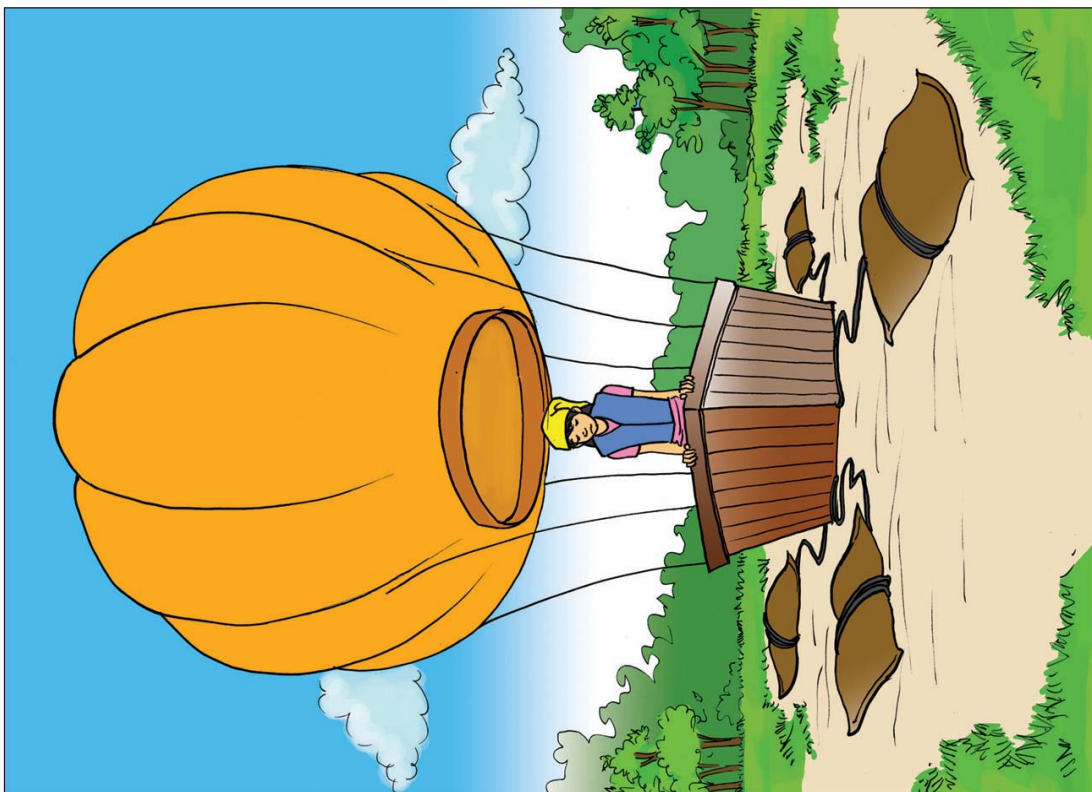
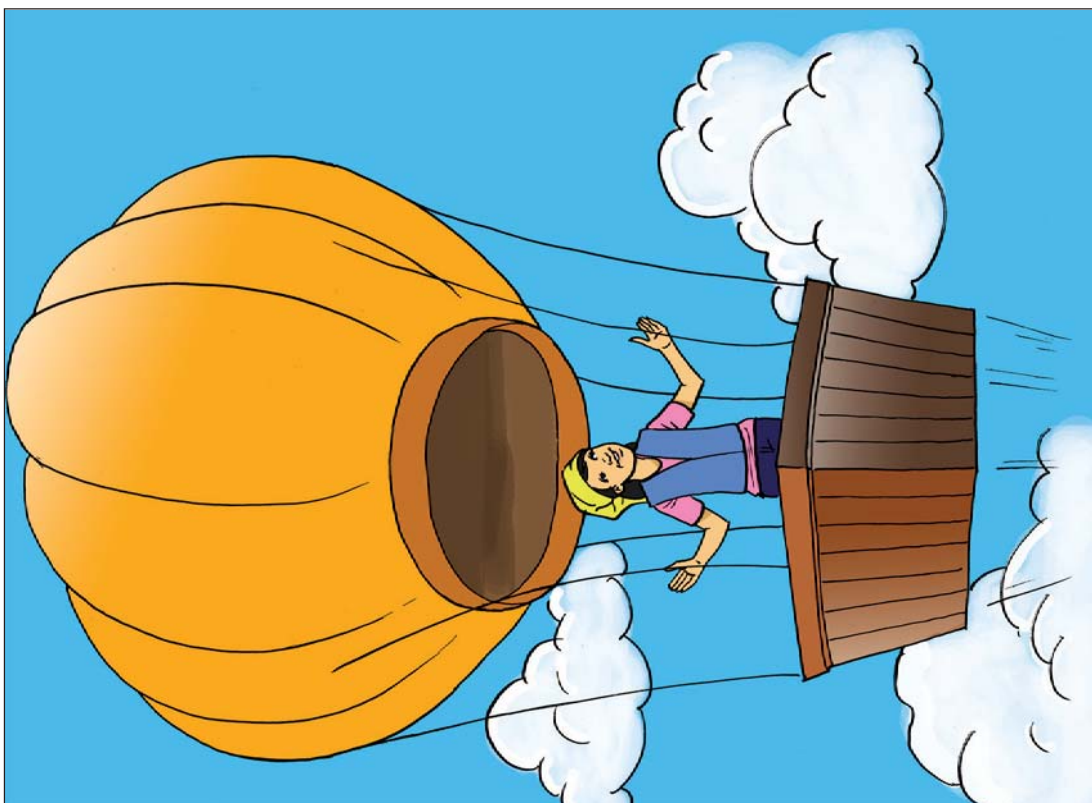
Garment factory worker

Farm labourer

Fishery worker

Restaurant worker

Training aid 1.4.2
More benefits set you free poster



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Module overview

Session title	Aims	Time
1. Calculate your migration costs	- Identify myths and facts about migration costs - Find out about different types of migration costs - Calculate personal migration costs	100 minutes
2. Compare your options to finance migration	- Find out different ways (options) of financing your migration - Compare the advantages and disadvantages of each option - Identify how to pay for personal migration costs	90 minutes
3. Borrowing to pay for migration	- Learn about credit terms and definitions - Identify the responsibilities associated with borrowing money - Identify features to consider when selecting a lender - List questions to ask a lender	110 minutes
4. Borrowing from a recruitment agency	- Define terms associated with borrowing from recruitment agencies - Calculate how much borrowing from a recruitment agency costs	90 minutes
5. Read your work contract	- Discuss the importance of an employment contract - Define key terms and concepts of common employment contracts - Create and practice a list of questions to ask an employer	90 minutes
6. Smart currency conversion	- Introduce foreign currencies - Calculate potential currency exchange loss using an example - Practice converting currency	105 minutes
Total		9 hours and 45 minutes

Module 2 Deciding to migrate

Session 2.1 Calculate your migration costs



Aims:

- Identify myths and facts about migration costs
- Find out about different types of migration costs
- Calculate personal migration costs



Target groups:

- Prospective migrant workers
- Families



Duration

100 (or 115) minutes



Materials

- Flip chart and markers, pens/pencils, note cards/sticky note cards
- Calculators, as needed



Training aids

- 2.1.1 Learning from other migrant workers
- 2.1.2 Breakdown of migration costs for Indonesian documented workers
- 2.1.3 Breakdown of migration costs for Cambodian documented workers
- 2.1.4 How much will my migration cost for internal migrant workers?
- 2.1.5 How much will my migration cost for international migrant workers?



Session plan steps

1. Discuss common myths about migration – 10 minutes
2. Categorize types of migration costs – 20 minutes
3. Listen to presentations by three migrant workers – 45 minutes
4. Calculate and compare migration costs – 10 minutes
5. Compare migration costs for international migrants – 15 minutes (optional)
6. Practice calculating own migration costs – 15 minutes



Note to trainer: This session will explore the overall migration cost structure for international and internal migrant workers. The session provides specific technical content for international and internal migrant workers because the migration cost structure is different. The trainer should choose the technical content that is most relevant to their trainees.

1. Discuss common myths about migration – 10 minutes

Say:

There are many stories about how much migration costs. This session will help migrant workers and their families understand the main costs they can expect to pay to migrate. With this information, you will be able to determine how much and how best to finance these costs in the future.

Explain the following:

For each statement I read, tell me whether you think it is true or false. We'll start with a practice exercise. Everyone stand up in a line, one behind the other. I will read the statement twice. When I say, "Go," move to the right if it is "True" and to the left if it is "False."

Read the statement twice, then say "1-2-3, Go!"

Today is _____ (*insert the correct day of the week*). (True)

The sky is _____ (*insert a wrong answer*). (False)

Okay, let's try the same exercise with statements about migration costs.

Before you begin, choose either the True/False statements for international migrants or True/False statements for internal migrants.

When participants are divided in how they answer, stop and explore the question; ask someone who answered correctly to explain. Clarify any questions. After each discussion, give participants time to re-position themselves before reading the next True/False statement.

True/False statements for international migrants

1. Migrating abroad is free if I use a broker or recruitment agency.
False.
2. Recruitment agencies and brokers sometimes charge more than it really costs for job placement.
True.
3. Local government officials, trade unions and NGOs provide information about migration costs.
True.
4. Friends or family members who have migrated previously can be a good source of information about migration costs.
True, but may also be false.
5. Migration costs to all countries like Hong Kong (China), Taiwan (China), Saudi Arabia and Malaysia are the same.
False.
6. If a thief takes all of my money, I do not have to pay back the money I borrowed to migrate.
False.

True/False statements for internal migrants

1. The only cost to migrate is the cost of transportation.
False.
2. I will find a job immediately when I migrate and be able to pay off my migration costs.
False.
3. Garment factories are always hiring workers.
False.
4. Friends or family members who have migrated previously can be a good source of information about migration costs.
True but may also be false.
5. I will have to pay for lodging and food in the city until I receive my first salary.
True.
6. If a thief takes all of my money, I do not have to pay back the money I borrowed to migrate.
False.

Say:

You did a great job distinguishing between what is true and what is false.

Reconvene and highlight these points:

- Migration is not free. However, it is common for some brokers and recruitment agencies to tell prospective workers it is free in order to attract more applicants. The worker will pay back these costs through a salary deduction.
- Migration costs are often higher than what is legally permitted under the law. The reality is that the government does not regulate many companies involved in recruiting workers so some companies charge more than what is legally permitted.
- This reality makes it difficult for migrant workers to know *exactly* how much it should cost to migrate. To overcome this challenge, migrant workers can gather information from different sources such as local government officials, trade unions, NGOs and former migrant workers to get a clear picture of the actual costs.

2. Categorize types of migration costs – 20 minutes



Note to trainer: In this step, the trainer should brainstorm the main migration costs for either international or internal migrant workers. Suggested responses are presented in flip chart boxes below to assist the trainer in the brainstorming activity for both international and internal migrant workers.

Ask participants to discuss the following question in pairs:

➤ **What are some of the main costs of migration?**

Distribute two or three note cards or sticky notes to each pair and invite them to write down or draw their responses on the note cards. Remind them to write only one idea per note card. After five minutes, invite them to post their note cards on the wall.

Review their responses and review additional answers below, if relevant to the local context.

Types of migration costs for international migrant workers

- Passport
- Work visa
- Work permit
- Health examination
- Local transportation
- Departure ticket
- Job orientation/training
- Broker fee
- Recruitment agency fee
- Accommodation and food during job orientation/training
- Accommodation and food at destination
- Local transport for families who visit their family member in pre-departure training
- Additional hired labour (to substitute the work previously done by migrant worker)
- New personal items such as clothing, suitcase, phone, etc.

Types of migration costs for internal migrant workers

- Work permit
- Health examination
- Local transportation
- Job orientation/training
- Broker fee
- Accommodation and food during job orientation/training
- Accommodation and food at destination
- Additional hired labour (to substitute the work previously done by migrant worker)
- New personal items such as clothing, suitcase, phone, etc.

Prepare a flip chart with two headings: Preparation costs and costs at destination. Invite two to three volunteers to come forward and categorize the note cards. Invite them to put the note cards under the corresponding sign. Encourage them to ask the other participants for assistance if they are stuck. If there is a debate about where a type of cost should be placed, encourage discussion and resolve any debate by placing the note card in between categories.

The flip charts below lists how migration costs can be categorized.

For international migrant workers	
Preparation costs	Costs at destination
■ Passport ■ Work permit ■ Health examination ■ Local transportation ■ Departure ticket ■ Job orientation/training ■ Broker fee ■ Recruitment agency fee ■ New personal items such as clothing, suitcase, phone, etc. ■ Additional hired labour (to substitute the work previously done by migrant worker) ■ Local transport for families who visit their family member in pre-departure training	■ Accommodation and food during job orientation/training ■ Job orientation/training ■ Accommodation and food at destination

For internal migrant workers	
Preparation costs	Costs at destination
■ Work permit ■ Health examination ■ Local transportation ■ Job orientation/training ■ Broker fee ■ Additional hired labour (to substitute the work previously done by migrant worker) ■ New personal items such as clothing, suitcase, phone, etc.	■ Accommodation and food during job orientation/training ■ Accommodation and food at destination

Ask:

➤ **What other migration costs should be added to this list?**

Say:

To calculate the amount you need to migrate, you should carefully check all possible costs that you may need to make.



For more practice calculating your migration costs, go to page 12 of your Smart guide! Money habit 3 'How much it costs' will help you to plan.

3. Listen to presentations by three migrant workers – 45 minutes



Note to trainer: Arrange for three community members who have previously worked abroad or in another city to participate in this activity as guest speakers. If they are not available, you can also invite a representative from a local trade union or NGO who supports migrant workers. Many of their staff members may have previously worked as migrant workers. Explain to them that they will be participating on a panel discussion. Give them a copy of Training aid 2.1.1 Learning from other migrant workers in advance so they can prepare their short presentations.

An alternate option for this activity is to interview the guest speakers and record their interviews in advance. You can plan the recordings (audio, digital, video) in advance and play the recording during this session. Make sure you test the volume and quality of recording in advance.

Explain:

In order to learn more about how much migration costs, we will listen to panel of guest speakers who have previously migrated. After their presentations, we will compare the different types of migration costs each speaker had to pay. Let's welcome our distinguished guests.

Allow each panelist a maximum of ten minutes to make his or her presentation. As each speaker is presenting, the trainer should record the types and amounts of their costs on a flip chart like the example below.

Migration costs			
Types of costs	Speaker 1	Speaker 2	Speaker 3
Document processing			
Visa processing			
Health examination			
Insurance			
Local transportation			
Departure ticket			
Job training			
Accommodation			
Food and basic needs			
Hired labour to replace migrant worker at home			
Total			

After all presentations are finished, encourage participants to ask questions to the guest speakers. Encourage questions but try to focus the questions on the topic.

To conclude the panel, ask the guest speakers:

- **What advice would you like to share about becoming a migrant worker?**
- **What are ways in which prospective workers and their families can prepare for migration?**

4. Calculate and compare migration costs – 10 minutes

Refer to the flip chart on migration costs that you just completed.

Explain:

We just heard presentations from our guest speakers. Let's look at the types of costs they had to pay to migrate and the amounts they had to pay.

- **What are the similarities or differences that you notice between the costs of each speaker?**

Write down the totals on the flip chart and discuss:

- **Which speaker paid the highest amount? Why?** [In most cases, international migration using regular channels will be the most expensive, but it may be the safest way and lead to better and higher-pay jobs. The regular channel typically is more expensive because documents are processed legally and workers enter into formal employment contracts.]
- **Which speaker paid the least amount? Why?** [In most cases, internal migration is the least expensive. However, internal migrants often have to pay for lodging, food and other basic needs until they receive their first salary.]
- **Which costs are paid before departure?** [Most migration costs are paid before departure such as document processing, visa processing, local transportation, etc.]
- **Which costs are paid at the destination?** [In some cases, migrant workers incur costs at the destination. For example, internal migrants often times do not find a job immediately. As they search for jobs, they need to pay for lodging, food and other basic needs.]

Say:

Migration costs vary according to a number of factors. These include:

- Whether you migrate internally or internationally.
- Whether you migrate using regular or irregular channels.
- Whether you involve a broker or recruitment agency.
- Transportation costs which are related to distance.
- Whether you will need to attend training before you depart.

5. Compare migration costs for international migrants – 15 minutes (optional)



Note to trainer: This step is relevant only if there are participants in the training who are considering migrating to other countries. If participants are internal migrants, skip and go to Step 6 and continue the session. Training aid 2.1.2 focuses on migration costs for Indonesian workers in Hong Kong (China) and Malaysia, while Training aid 2.1.3 focuses on migration costs for Cambodian workers to the Republic of Korea and Thailand.

To prepare for this activity, update the figures provided in Training aid 2.1.2 Breakdown of migration costs for Indonesian documented workers; Training aid 2.1.3 Breakdown of migration costs for Cambodian documented workers.

Allocate 15 minutes for this activity and follow up discussion.

Explain:

Migration costs may vary from country to country. Now, let's learn more about how much it costs to migrate to different destinations and why these costs vary.

Divide the participants into groups of 3.

Distribute either Training aid 2.1.2 Breakdown of migration costs for Indonesian documented workers or Training aid 2.1.3 Breakdown of migration costs for Cambodian documented workers. Distribute one pencil or pen to each group.

Explain:

Each group will receive a handout. Your handout shows two tables. The first table shows the official costs to migrate to country _____ (fill in the blank). The other shows the official costs to migrate to country _____ (fill in the blank).

Say:

Your task is to review these tables. After you review them, underline or circle the costs that are different from table to table.

Allow five minutes for this activity. Ask:

- **What observations do you have on these tables? What surprises you?**
- **Which costs were different?** [Local transportation, departure ticket, job orientation, accommodation.]
- **Why do you think it costs more to migrate to some countries?**

Reconvene and summarize:

- There are some costs that are the same no matter where you migrate. If you go to another country you need to pay for a passport and possible other costs such as a fingerprint fee, and health examination.
- There are also costs that are different depending on the travel cost (destination), the type of job (skilled or unskilled) and whether or not training and accommodation is provided before departure.

6. Practice calculating own migration costs – 15 minutes

Ask:

- **What are the main types of costs you will incur when you migrate?**

Invite participants to sit with their family members. Distribute Training aids 2.1.4 and/or 2.1.5 How much will my migration cost for internal and/or international migrant workers? to each group. Instruct them to fill in the worksheet by writing or drawing and to calculate how much the migration of their family member will cost by writing or using counters, such as seeds or nuts.

Ask volunteers to share their worksheets with the group.

- **What surprised you about your total migration costs?**
- **Why is it important to know your migration costs?**
- **How can you and your family use this worksheet when planning your migration?**
- **What questions do you have?**

Reconvene and conclude:

- This worksheet is an important tool that you and your family can use to estimate how much it will cost your family member to migrate during the planning process. By knowing how much it will cost, you can better assess if the benefits of migration outweigh the costs.
- Remember that it is sometimes difficult for migrant workers to know *exactly* how much it will cost to migrate. To overcome this challenge, migrant workers can gather information from different sources such as local government officials, trade unions, NGOs and former migrant workers who have gone to that particular country to get a clearer picture of the actual costs.
- Do not trust all stories you hear from former migrant workers because they sometimes do not tell the full picture and may want to save face.

Training aid 2.1.1 Learning from other migrant workers

Ask the guest speakers the following questions:

1. Where did you migrate?
.....
2. What was your job?
.....
3. How long did you work there?
.....
4. What income did you earn working in this job?
.....
5. What were some important expenses and how much was it?
.....
6. What indirect costs did you incur?
.....
7. What options did you have to pay for these costs? What option(s) did you choose and why?
.....

Training aid 2.1.2
Breakdown of migration costs for Indonesian documented workers

Case 1: Hong Kong (China)

	Cost component (item)	Cost (and currency)
Recruitment and placement costs		
Additional personal expenses		
Total costs		

Case 2: Malaysia

	Cost component (item)	Cost (and currency)
Recruitment and placement costs		
Additional personal expenses		
Total costs		

Training aid 2.1.3
Breakdown of migration costs for Cambodian documented workers

Case 3: Republic of Korea

	Cost component (item)	Cost (and currency)
Recruitment and placement costs		
Additional personal expenses		
Total costs		

Case 4: Thailand

	Cost component (item)	Cost (and currency)
Recruitment and placement costs		
Additional personal expenses		
Total costs		

Training aid 2.1.4
How much will my migration cost for internal migrant workers?

How much will my migration cost?

I'm thinking about **going to**

_____

How much will it cost?

How will I pay?

Costs for **preparation**

Costs during **travel**

Costs in new **city** or **country**

Costs for my **family at home**

Total migration costs

Training aid 2.1.5
How much will my migration cost for international migrant workers?

How much will my migration cost?

I'm thinking about **going to**

_____

How much will it cost?

How will I pay?

Costs for **preparation**

Costs of **recruitment**

Costs of **placement**

Other **personal expenses**

Total migration costs

Session 2.2 Compare your options to finance migration



Aims

Find out about different ways (options) on how to finance migration
Compare the advantages and disadvantages of each option
Identify how to pay for personal migration costs



Target groups

Prospective migrant workers
Families



Duration

90 minutes



Materials

Flip chart and markers, pens/pencils, note cards in two colours
Calculators, as needed



Training aids

2.1.4 How much will my migration cost for internal migrant workers?
2.1.5 How much will my migration cost for international migrant workers?
2.2.1 How do we finance migration costs? picture cards
2.2.2 Advantages and disadvantages of financing options



Session plan steps

1. Prepare and present “How do we finance migration costs?” stories – 45 minutes
2. Compare advantages and disadvantages of financing options – 15 minutes
3. Choose how to pay for migration costs – 30 minutes

1. Prepare and present “How do we finance migration costs?” stories – 45 minutes

Say:

Welcome to the training session. In this session we will discuss and compare the different options available to pay for migration costs.

Form four groups. After the four groups have formed, say:

I will distribute a set of four to eight picture cards to each group. Each group will receive a set of picture cards that illustrate one method of paying for migration and the consequences of using the pictured method. Your task is to put the picture cards in order and to create a three-minute story. You will have ten minutes to prepare your story. You may want to choose one or two group members to present the story to the entire group.

Distribute one picture card set to each group (Training aid 2.2.1 How do we finance migration costs?). Circulate to each group during this activity to clarify the instructions.

After ten minutes, reconvene in plenary and invite each group to present their story. After each group presentation, ask:

- **What happened in the story?**
- **How did the family pay for the migration costs?**
- **What is a consequence of paying for migration costs this way?**

Summarize and highlight the five main ways on a flip chart

Five ways to pay for migration costs

There are five common ways that migrant workers and their families pay for their migration costs: sell an asset; use personal savings; borrow money from family/friends and other informal sources such as moneylenders; borrow money from a financial institution like a bank, credit union or microfinance institution; and receive an advance from a recruitment agency or employer.

- In one story the family **sells an asset** to pay for migration. Selling assets is a very common way for families to gain access to a lump sum of money. If an asset is a productive asset that the family relies on, selling an asset can also incur costs to the family. In this story, the family has to hire a motorbike to go to school or to work.
- In one story the young man **borrow money from a moneylender**. If the migrant worker faces an emergency (e.g. the migrant worker gets sick and cannot work), they are unable to pay the loan back right away. The family will face high pressure from the moneylender and possibly pay penalties.
- In one story the migrant worker uses her **savings** to pay for a sewing class. The consequence is that her savings balance is lower as a result of this withdrawal. However she does not have to pay back her money or pay additional interest.
- In one story the migrant worker is given an **advance** from the recruitment agency hired by her employer. It is common for recruitment agencies to provide an advance. The consequence is that the migrant workers will not receive their entire salary (or any salary at all) during the first few months of their employment since money will be deducted from their salary to pay for these costs.
- In one story the migrant worker **borrow money from a financial institution**. The consequence is that the migrant worker and her family have to pay back the loan and interest based on the repayment schedule.

2. Compare advantages and disadvantages of financing options – 15 minutes

Explain:

Now we will compare the advantages and disadvantages of the different ways to pay for migration costs.

Each group will receive two sets of note cards. The first set of note cards will be _____ (*fill in a color*). The other set of note cards will be _____ (*fill in another color*). You will also receive some markers.

Your task is to discuss all of the advantages you see in the option illustrated in your previous story. For example, if your picture card story illustrated sale of assets as a way to pay for migration costs, then you should discuss all the advantages of using sale of assets as a way to pay for migration costs. After your discussion, write down or draw up to five advantages on a set of note cards. Remember to write or draw only one idea per note card. You have five minutes for this task.

After five minutes, say:

Now your task is to discuss all of the disadvantages you see in the option. After your discussion, write down or draw up to five disadvantages on the other set of note cards. Remember to write or draw one idea per note card. You have ten minutes for this task.

When participants finish the task, instruct them to post their note cards on a flip chart with the table below (prepare in advance). The master flip chart should be blank. If a single flip chart is too small, tape two charts together or use a big board to create the table below.

Advantages and disadvantages of financing options		
	Advantages	Disadvantages
Sale of assets		
Savings		
Loan from money lender		
Advance from recruitment agency		
Loan from financial institution (such as bank, microfinance institution or credit union)		

Review participants' responses and congratulate them for their work. Review the answer key provided in Training aid 2.2.2 Advantages and disadvantages of financing options and add any missing points as relevant to the local context.



There are many different ways to finance your migration. For a chart of the advantages and disadvantages of each source, look at page 13 in your Smart guide.

3. Choose how to pay for migration costs – 30 minutes

Explain:

People typically use different options to pay for migration costs. Some families may be able to save the entire amount to migrate and can use their savings to pay for all the migration costs. Other families may sell an asset such as gold, but also borrow from a friend or money lender to pay for the rest of the migration costs. Others rely mostly on an advance given by a recruitment agency but use savings to pay for some of the indirect costs.

Ask:

➤ **What are the main migration costs?**

After two or three volunteers have given examples of migration costs, ask the participants to take out Training aids 2.1.4 and/or 2.1.5 How much will my migration cost for internal and/or international migrant workers? which they completed in the previous session.

Invite participants to sit with their family members. Ask them to discuss with their family how they plan to pay for each migration cost. Encourage them to discuss advantages and disadvantages of the options available to them and to choose the best option.

After five minutes, invite each family to fill in the last column of their worksheet. They should write down how they plan to pay for each cost.

After five minutes, invite two or three volunteers to share their worksheets with the group. Provide a round of applause after each presentation.

Ask:

- **What option(s) do you prefer and why?**
- **What can you do to learn more about each option?**
- **What questions do you have?**

Conclude by saying:

- You have many options available to pay for migration costs. Each option has its advantages and disadvantages. It is important to learn about and evaluate these different options with your family members.
- You may have to use more than one option to pay for your migration costs. Try to choose the least expensive option(s), when possible. Try to avoid high interest loans and consider formal financial institutions, which may offer lower interest rates than local moneylenders.
- Once you decide on a financing option, shop around and ask questions to find the best deal and to be informed. Remember that information is power!

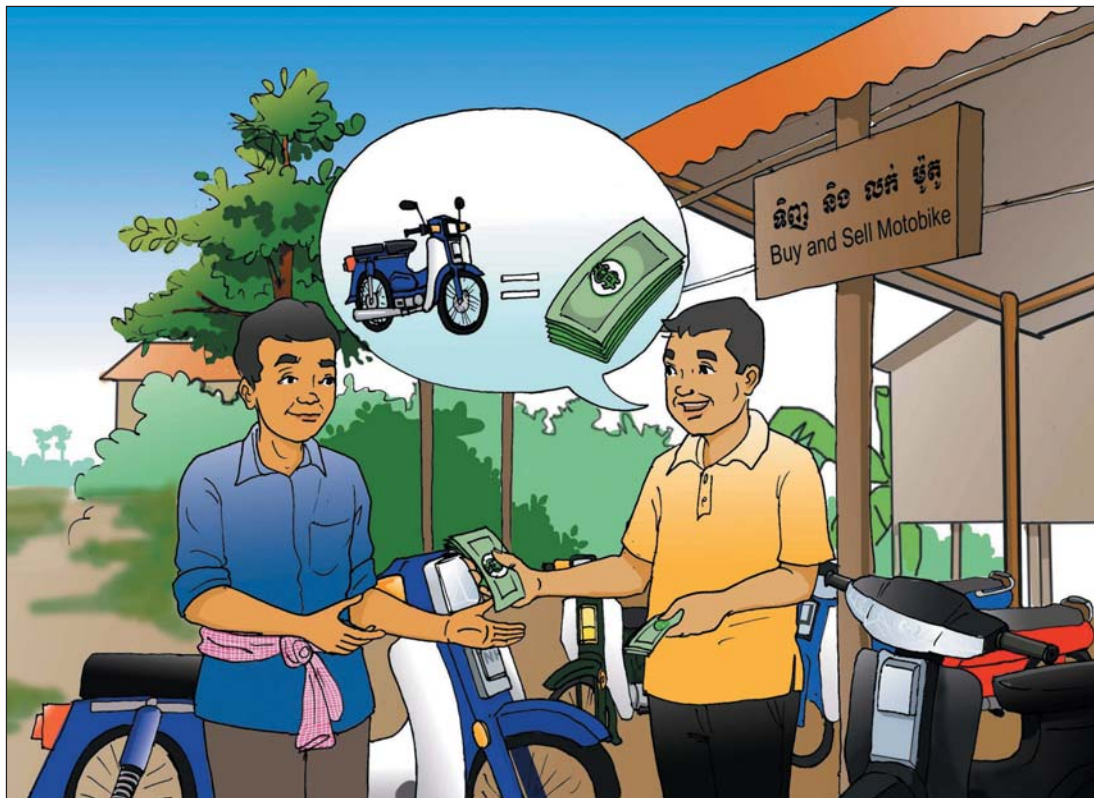
Training aid 2.2.1
How do we finance migration costs? picture cards

Set 1



Training aid 2.2.1
How do we finance migration costs? picture cards

Set 1



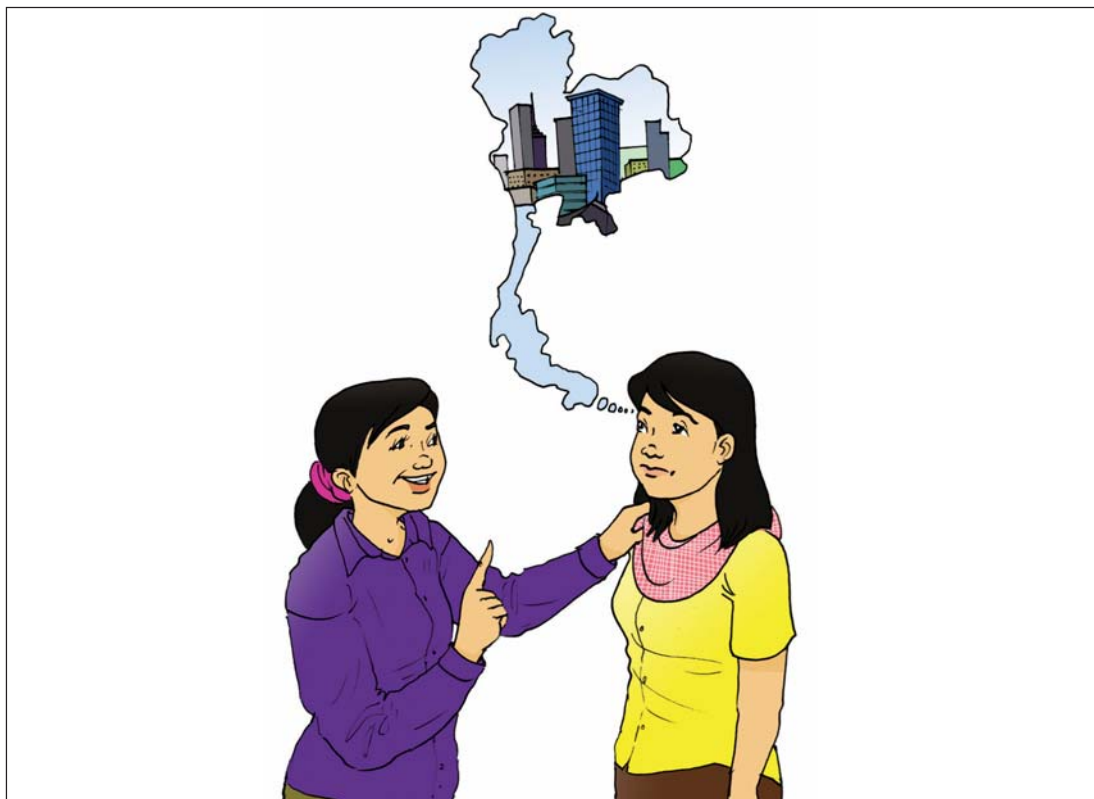
Training aid 2.2.1
How do we finance migration costs? picture cards

Set 1



Training aid 2.2.1
How do we finance migration costs? picture cards

Set 2



Training aid 2.2.1
How do we finance migration costs? picture cards

Set 2



Training aid 2.2.1

How do we finance migration costs? picture cards

Set 2



Training aid 2.2.1
How do we finance migration costs? picture cards

Set 2



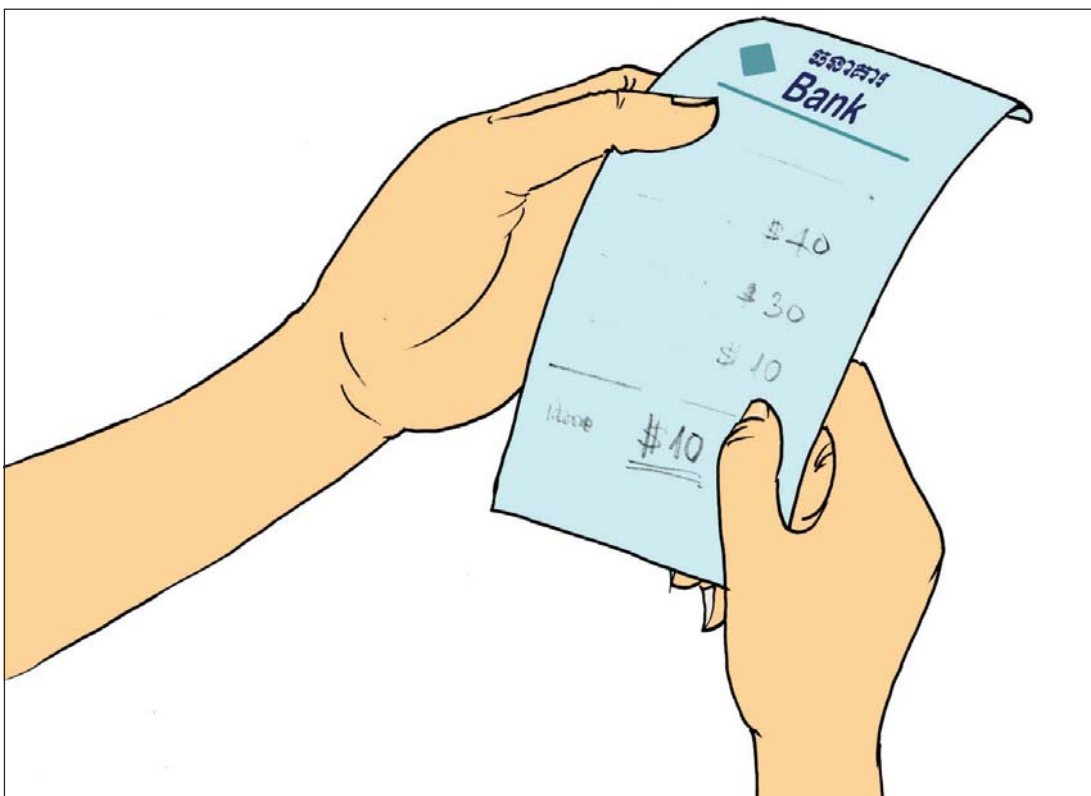
Training aid 2.2.1
How do we finance migration costs? picture cards

Set 3



Training aid 2.2.1
How do we finance migration costs? picture cards

Set 3



Training aid 2.2.1
How do we finance migration costs? picture cards

Set 3



Training aid 2.2.1
How do we finance migration costs? picture cards

Set 4



Training aid 2.2.1
How do we finance migration costs? picture cards

Set 4



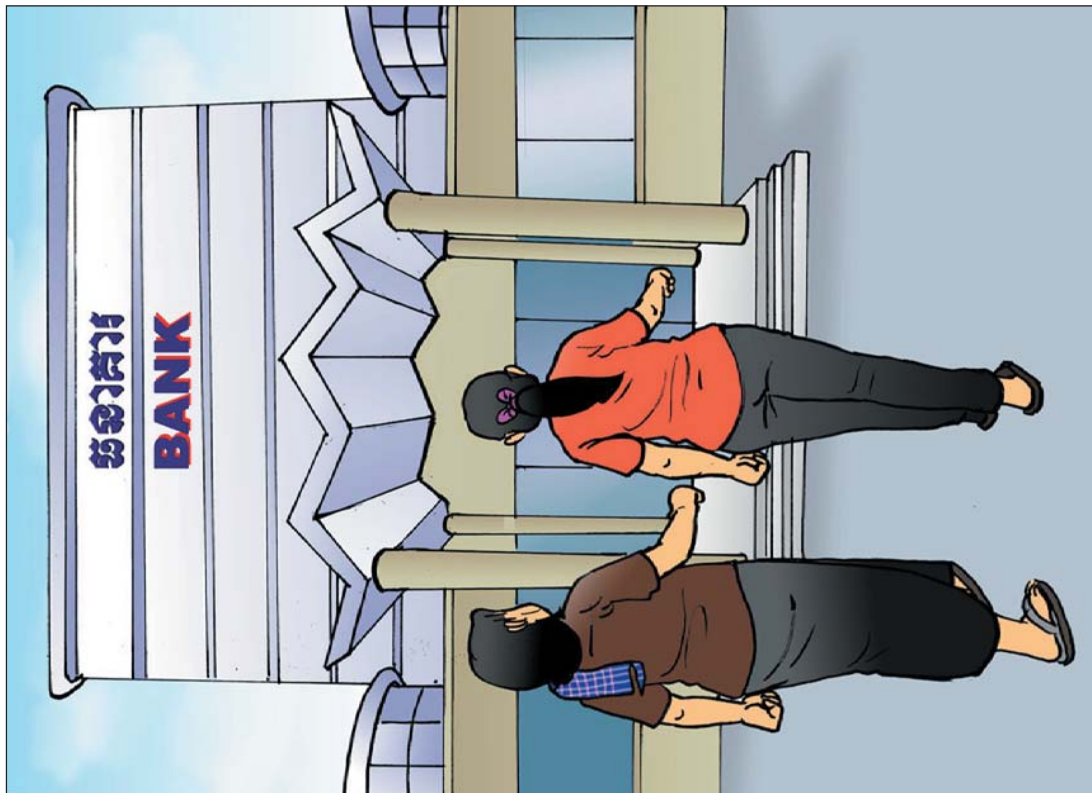
Training aid 2.2.1
How do we finance migration costs? picture cards

Set 5



Training aid 2.2.1
How do we finance migration costs? picture cards

Set 5



Training aid 2.2.1
How do we finance migration costs? picture cards

Set 5



Training aid 2.2.2
Advantages and disadvantages of financing options

Advantages and disadvantages of financing options		
	Advantages	Disadvantages
Sale of assets	– Fast – Pawn shops allow you to buy assets back	– May get a discounted price – If a productive asset, family may incur costs
Savings	– Own money – No interest	– Draw down savings – Savings takes longer to accumulate and as a result you may not be able to save all of the large amount necessary – Do not have money in case of an emergency
Loan from money lender	– Fast – Transaction at your doorstep – No application process	– Very expensive – Risky—operates by intimidation – Not protected by government laws – Easy to get into deep debt
Advance from recruitment agency	– Fast – Easy payment schedule – Can lend up to full amount – Provide gifts (e.g. 50 kg sacks of rice) to families	– Very expensive – Salary deduction can be up to 100 per cent of salary for a period of 4-18 months – If worker leaves their employment, they may have to pay back entire advance
Loan from financial institution (such as bank, microfinance institution or credit union)	– Fast – Access – Proximity – If registered, operates within laws – Social aspect/group support	– Loan size is typically small – May not have loan product appropriate to pay for migration costs – Cost of borrowing can be high – Some require group membership

Session 2.3   Borrowing to pay for migration



Aim

- Learn about credit terms and definitions
- Identify the responsibilities associated with borrowing money
- Identify features to consider when selecting a lender
- List questions to ask lender



Target groups

- Prospective migrant workers
- Families



Duration

- 110 minutes



Materials

- Container, flip chart paper, marker, stones or other counters (paper clips, candies)



Training aids

- 2.3.1 Credit terms and definitions cards



Session plan steps

1. Define credit terminology – 30 minutes
2. Identify the responsibilities associated with borrowing – 15 minutes
3. Select a lender – 15 minutes
4. Identify important factors to consider when choosing a lender – 30 minutes
5. Examine what you need to know when taking a loan – 20 minutes

1. Define credit terminology – 30 minutes

Explain:

In this session, we will learn about some important terms related to borrowing money. We will discuss what you can do when you need to borrow money, and how you can do this in a smart way.

Invite everyone to stand up and form a circle. Ask:

- **What are some of the sources of loans people use?** [*Family, friends, banks, credit unions, moneylenders, microfinance institutions.*]

Explain:

There are several sources of credit in our community. Some, like banks, are very formal and have specific requirements for anyone who wants to borrow money. Some try to make borrowing easy even for the poor. Some require you to join a group, and some require you to save before you can borrow. Before we really understand the differences between these lenders, we need to know some basic terms about loans.

In this activity, each of you must draw a card from this container. Some of the cards are terms, and other cards are definitions for those terms. First, read your card and decide whether you have chosen a term or a definition. Then, walk around the room, talk to the others, and look for your match. Don't worry if you don't know what the terms means. You will learn as you search for your match and eliminate the obvious mismatches.

This matching game includes five terms and five definitions—enough for ten people to play (Training aid 2.3.1 Credit terms and definitions cards). If you have more than ten people, run two games simultaneously. When each participant has drawn a card, tell them they have three minutes to find their match.

After the three minutes, ask each pair to read their term and its definition. Correct any mismatches. Ask participants to provide an example of when they have seen someone deal with each term.

If you feel it is necessary, you can shuffle the cards and repeat the exercise.

Congratulate the participants for their excellent work. Invite participants to return to their seats.

2. Identify the responsibilities associated with borrowing – 15 minutes

Say:

Turn to the person to your left and ask the following question:

- **Have you ever lent something to someone that was not returned to you?**

Give participants one minute to discuss and ask the next question:

- **Have you ever lent someone something that was damaged upon return?**

Ask the whole group:

- **How did you feel in those cases?**
- **What did you do?**

Explain:

The first responsibility of a borrower is to repay or return whatever she borrows on time. If you borrow money to pay for migration costs, it is important to pay back any loans on time.

Ask:

- **When borrowing money, what are the borrower's responsibilities?** *[To repay as agreed and on time.]*
- **If a loan is between family members or between friends, what are the borrower's responsibilities?** *[The terms of the loan between friends may be easier; there may be no interest. But the responsibility to repay is the same.]*
- **What are some of the consequences you face if you don't repay or fail to repay on time?** *[Lose friendships, make people angry, pay penalties for being late.]*

Say:

Borrowing comes with the responsibility to repay, and to repay on time. If you are borrowing from a moneylender or lending institution, you may have to pay interest on the loan. If you fail to repay, or even if you are late, you will likely face negative consequences. You will make people angry; they may begin to mistrust you. If you borrow from a formal financial institution, you may get into legal trouble for failing to repay.

Borrowing is serious business. Don't take it lightly!

3. Select a lender – 15 minutes

Explain:

There are several sources of credit – or “lenders” – in our communities. Some are more difficult to get a loan from than others, some are more expensive, some require you to spend time in groups, and some don't. Some require you to save before you can borrow. Each lender is a little different. Today we are going to identify the choices we have for borrowing and what we like and dislike about each choice.

Say:

Think of all the sources of credit you know of or have heard of, including informal and formal sources. Call out the source you think of and I will write down each lender as you say it. Remember, there are no wrong answers.

Write down the answers as participants brainstorm.

Sources of credit

When participants run out of suggestions, review the list for repetition and cross out any “doubles.” Then say:

Look at the list of lenders and think about which ones **you** would most want to borrow from. Choose the two lenders that you think are the best.

Initiate a voting process. Distribute stones or voting slips to participants and place the flip chart with your list on a table top or the floor. Ask participants to come forward and place a stone by each of the two lenders they have chosen. Alternatively, leave the flip chart on the wall and ask participants to come forward and put a check mark by the names of the lenders they want to vote for.

When the voting is done, identify the three lenders with the highest vote count. Write these as three column headings for the vertical columns on a blank chart for use in the next step.

4. Identify important factors to consider when choosing a lender – 30 minutes

Ask:

- **What is most important to you when choosing a lender? Is it the interest rate? The location of the lender? The collateral requirement?**

Keep a list as participants brainstorm.

Important considerations

When participants run out of suggestions, review the list for repetition and cross out any “doubles.” Then distribute three stickers to each participant.

Ask them to vote for the three most important considerations. Invite them to put the sticker next to the consideration on the flip chart.

Now write the five most important considerations, based on the previous ranking exercise. These are the row headings for the five rows of your chart. You should now have a table with three labeled columns and five labeled rows. The table below is an example; you may have different row headings down the left side depending on what participants say.

Next, initiate another ranking process. Explain to participants:

Rank the features of each lender from “most favourable” to “least favourable.” For each feature, put five counters in the box for the most favourable, four for the next most favourable, and so on. Give only one counter for the least favourable. For example, if you believe that Lender #1 ranks very favourably on **interest rate**, you would place five counters in the corresponding box. Do this for all the features for each lender.

- Which lender received the most items? Why was this lender preferred?
- What are the characteristics of your “ideal” lender?

- If your “ideal” lender does not exist and you definitely want a loan, what should you do? [Shop for your loan and compare lenders on cost, access, product choice, etc. to pick the lender that is right for you.]

5. Examine what you need to know when taking a loan – 20 minutes

In your groups, discuss the following question:

- **When you visit a financial institution to learn about loan products, what questions will you ask?**

Give the participants ten minutes for this exercise. Then ask for volunteers to share their ideas. Write their ideas on a flip chart.

Questions for lenders

Summarize their ideas and be sure to mention anything below that they did not say:

Questions for lenders

- What types of loans are available to pay for migration?
- What is the interest rate?
- How often must the loan principal and interest be paid?
- What is the amount of each installment?
- What are the collateral requirements?
- What fees are charged?
- What penalties are charged for late payments?
- Where are loan payments made?
- How long does it take to get a loan?
- How many times do you have to actually go to the loan office to complete the application?

Say to the group:

Name one new thing you have learned today that you will share with a friend or family member.

Ask two or three volunteers to explain what they will say. Thank everyone for working so hard.

Training aid 2.3.1
Credit terms and definitions cards

Terms	Definitions
Interest	The amount of money that the borrower pays to the lender, in addition to the loan amount, for use of the money of the lender
Collateral	An item of value that the borrower will have to give to the lender in case the borrower is unable to repay the loan (could be land, vehicle, savings, etc.)
Loan term	The period of time that the borrower has to use the loan money and repay it
Principal	The original amount of the loan, without interest
Guarantor	A person who will repay your loan in case you cannot pay; this person may be required to co-sign your loan agreement with the lender
Grace period	Period after receiving a loan and before the first payment is due

Session 2.4 Borrowing from a recruitment agency



Aims

- Define terms associated with borrowing from recruitment agencies
- Calculate how much borrowing from a recruitment agency costs



Target groups

- Prospective migrant workers who use formal recruitment agencies
- Families



Duration

- 90 minutes



Materials

- Flip chart paper, markers, masking tape



Training aids

- 2.4.1 Role-play: Dewi finds a flyer
- 2.4.2 Dewi's disappearing salary picture cards



Session Plan Steps

1. Discuss common myths about recruitment agencies – 15 minutes
2. Define advance and salary deduction – 15 minutes
3. Calculate total salary deduction – 30 minutes
4. Risks in borrowing from recruitment agencies and employers – 30 minutes

1. Discuss common myths about recruitment agencies – 15 minutes



Note to trainer: Before the training session, ask for two volunteers who can read to prepare the role-play in advance. Help them prepare as needed. Refer to Training aid 2.4.1 Role-play: Dewi finds a flyer.

Say:

Welcome to (**name of town or village**) Theatre! You are about to watch a theatre act called "Dewi finds a flyer". This is story of a young woman who finds an advertisement for a job in Malaysia. She is very excited and can already imagine earning a high salary. But will the job be as good as the advertisement says it will be? Let's find out.

Invite the volunteers to perform the skit. Once they finish, give a round of applause and thank them for their participation.

Ask:

- What happened in the theatre act?
- What types of migration costs are covered by the recruitment agency?
- Why did Dewi think the migration costs were free?
- What do you think will happen to Dewi if she migrates abroad?

2. Define advance and salary deduction – 15 minutes

Explain:

Many recruitment agencies and employers abroad offer migrant workers a loan, sometimes called an advance, to help migrant workers pay for the different migration costs. Let's learn more about these terms. Let's listen to what happened to Dewi since her conversation with her friend.

Post Training aid 2.4.2 Dewi's disappearing salary picture cards. Refer to the cards while telling the story. Tell the story in a loud and engaging voice.

Dewi's disappearing salary

Dewi decided to go to Malaysia to work as a domestic worker. The company paid for all Dewi's placement costs such as passport, visa processing, training and medical health examination. She was so happy that they covered all of these costs of her migration as she thought it was for free.

She took an airplane for the first time and the experience was wonderful. The family she works for is kind. However, she was quite surprised after one month of living in Malaysia, she did not get paid any of her salary.

Her employer told her that she had authorized the recruitment agency to deduct 100 per cent of her salary to pay back the advance. After six months, Dewi had paid back her advance through six salary deductions. She was relieved.

Ask:

- **What happened in the story?**

Encourage two or three volunteers to answer.

Explain:

The cost of documents and services such as passport, training and travel is often paid by the recruitment agency and not by the migrant worker as the migrant workers do not have the money to pay for it. However, recruitment agencies do not provide such payments for free, so the recruitment agency charges for these costs. In some countries, the employers of migrant workers pay part of these costs and the migrant workers pay the other part of the costs. Very often the migrant worker pays for all of the advance costs including additional fees that the recruitment agency may charge.

Then, post the definition of "advance" and read it out loud.

Definition of advance

An advance is a loan from a recruitment agency to pay for migration costs.

These migration costs typically include the costs of passport processing, work permit, medical examination, job orientation/training, accommodation, departure ticket; and other costs such as family sustenance either in the form of money or in-kind to offset the economic hardship the migrant workers' families face.

Ask:

- **How did Dewi pay back her advance?**
- **What is a salary deduction?**
- **What can you do to avoid experiencing the same surprise as Dewi?**

Encourage a few volunteers to answer. Then, post the definition and read the definition out loud.

Definition of salary deduction

A salary deduction is an amount of money that a recruitment agency or an employer withholds from your salary to pay back an obligation such as an advance payment loan.

In many countries, employers are legally prohibited from deducting 100 per cent of your salary.

Some employers may also deduct part of a migrant worker's salary because the migrant worker is provided with accommodation or food. Or, they may deduct an amount from a salary if they consider that the migrant worker has damaged or misplaced the employer's property.

Summarize the discussion:

- An advance is the loan you get from a recruitment agency. You pay back the advance through a salary deduction.
- The amount you receive as an advance should be equal to the sum of all your salary deductions. However, extra fees may be added. In some cases, the amount of the total salary reduction may be higher than the real migration costs.
- Workers typically authorize a salary deduction for a stated period of time by signing a loan agreement and/or an employment contract. Often migrant workers do not realize that they have to pay back the advance and have no idea how much they are charged for the advance.

3. Calculate total salary deduction – 30 minutes



Note to trainer: Before the session, prepare two examples of total salary deduction that are relevant to the local context. You may need to change the occupation and the amounts used in the suggested examples.

Prepare a flip chart or board, writing the column and row titles of the table on the next page. Do not fill in any of the figures. This will be done with the participants during the exercise.

Say:

Now let's review two case studies of migrant workers who have migrated to Malaysia and Hong Kong (China). Let's calculate how much each worker has to pay the agency back.

In the first example, Dewi works as a domestic worker in Malaysia. She has an employment contract for 24 months. Her salary is US\$200 per month. She has a 100 per cent salary deduction for the first six months of her employment to repay the advance she received.

Post the flip chart below. Ask the following questions and invite a participant to fill in the table:

- **What is Dewi's monthly salary?**
- **How long is Dewi's employment contract?**
- **What percentage of her salary did she authorize her agency to deduct?**
- **For how many months will her company deduct her salary?**

	Dewi	Muna
Monthly salary	200	
Length of contract (months)	24	
Percentage of salary deduction	100	
Amount of monthly salary deduction	200	
# Months of salary deduction	6	
(+) Total earning potential		
(-) Total salary deduction		
Total earnings (US\$)		

Say:

Now, let's make some calculations to see how much Dewi will pay back to her employer.

Ask the following questions and ask a participant to fill in the remaining rows on the same flip chart:

- **How much should Dewi earn over the 24-month time period?**
- **How much is Dewi's total salary deduction?**
- **How much will Dewi actually earn over the 24-month time period?**

	Dewi	Muna
Monthly salary	200	
Length of contract (months)	24	
Percentage of salary deduction	100	
Amount of monthly salary deduction	200	
# Months of salary deduction	6	
(+) Total earning potential	4,800	
(-) Total salary deduction	1,200	
Total earnings (US\$)	3,600	

Say:

Let's calculate the second example: Muna works as a domestic worker in Hong Kong (China). She has an employment contract for 24 months. Her salary is US\$400 per month. She has a 50 per cent deduction for the first ten months.

Ask the following questions and invite another participant to fill in the next column on the same flip chart:

- **What is Muna's monthly salary?**
- **How long is Muna's employment contract?**
- **What percentage of her salary will be deducted?**
- **For how many months will her salary be deducted?**

	Dewi	Muna
Monthly salary	200	400
Length of contract (months)	24	24
Percentage of salary deduction	100	50
Amount of monthly salary deduction	200	200
# Months of salary deduction	6	10
(+) Total earning potential	4,800	
(-) Total salary deduction	1,200	
Total earnings (US\$)	3,600	

Say:

Now, let's make some calculations to see how much Muna will pay back to her employer.

Ask the following questions and invite a participant to fill in the remaining rows on same flip chart:

- **How much should Muna earn over the time period?**
- **How much is Muna's total salary deduction?**
- **How much will Muna actually earn over the time period?**

	Dewi	Muna
Monthly salary	200	400
Length of contract (months)	24	24
Percentage of salary deduction	100	50
Amount of monthly salary deduction	200	200
# Months of salary deduction	6	10
(+) Total earning potential	4,800	9,600
(-) Total salary deduction	1,200	2,000
Total earnings (US\$)	3,600	7,600

Discuss the following series of questions to help participants identify the main differences between both cases.

- **What are the main differences between Dewi's and Muna's salary deductions?** *[The main differences are that Dewi pays her advance back in a shorter period of time; Dewi pays 100 per cent of her salary on a monthly basis while Muna pays back 50 per cent of her salary over a longer period of time.]*
- **What is the relationship between the amount of the advance and earnings potential?** *[Advances are typically lower for "lower-salary" destinations such as the Middle East, Malaysia and Singapore. Advances are lower and so is the monthly salary. The result is that total earnings are lower. Advances are typically higher for "higher-salary" destinations such as Taiwan (China) and Hong Kong (China). Advances are higher but so is the monthly salary. The result is that total earnings are usually higher in these destinations.]*

4. Risks in borrowing from recruitment agencies and employers – 30 minutes

Say:

It is standard practice for recruitment agencies or employers to provide an advance to prospective migrant workers. While an advance may sound like an easy way to pay for migration costs, there are some risks.

Ask:

- **How difficult do you think it is for Dewi and Muna to cope financially during the first months with little or no salary?**
- **What advice do you have for them to cope during the first months?**
- **What are some other risks in borrowing from recruitment agencies or employers?**
- **How can you protect yourself from some of these risks?**

Write down participants' responses on a flip chart. Some examples are provided below.

Protection steps

- Try to find out how much the actual migration costs are that are being paid for you.
- Make sure that you know exactly how much you will have to pay in total through salary deduction (ask and read the contract and/or loan agreement, discuss this with the recruitment agency or broker).
- Bring pocket money or an emergency fund so you have money during the first few months.
- If you must leave your employment because you are in danger, or if an employer and/or recruitment agency does not fulfill some or part of their obligations, document the problem, ask for assistance from other migrant workers, or a trustworthy organization and try to make sure you follow the formal procedure so you can be eligible for compensation, for example, by an insurance company.

Reconvene and summarize:

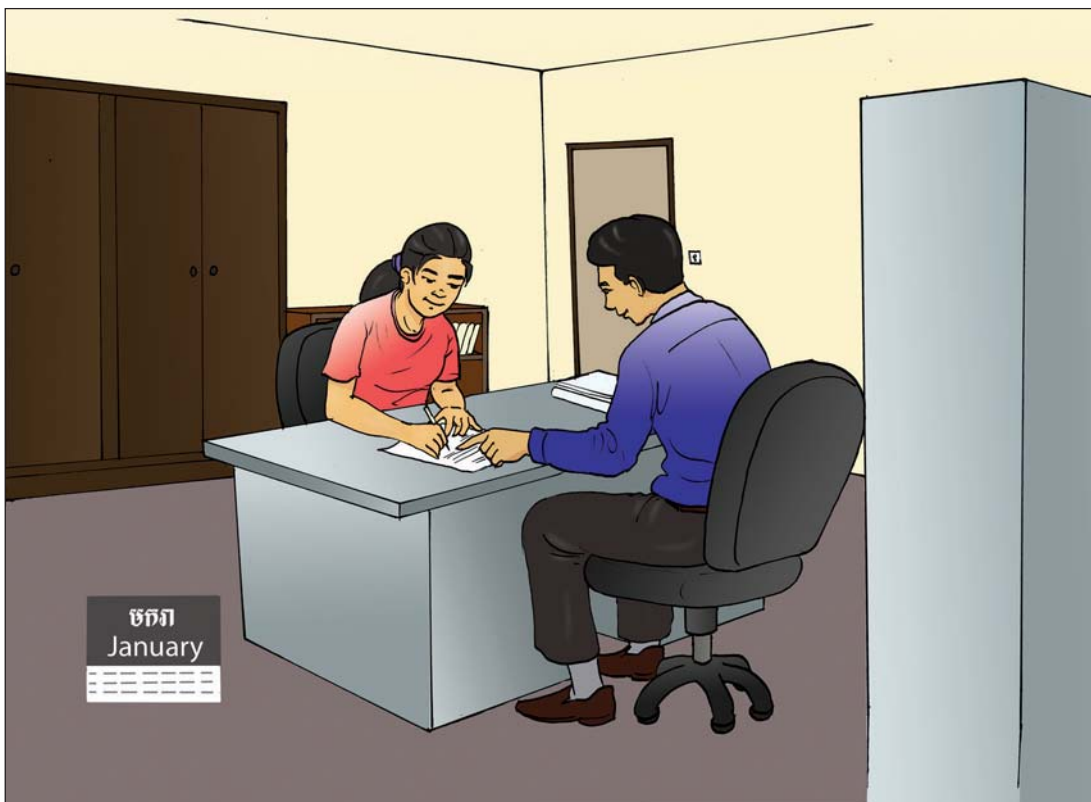
- Be sure you know exactly how much you authorize for salary deduction.
- Try to avoid authorizing a high percentage of your salary because this means you will have zero money during the first months.
- When you depart, bring an emergency fund or pocket money so you are prepared if you have an emergency.
- Be aware that if you leave your job prematurely, you will be responsible to pay back the total advance.
- If you must leave your employment because you are in danger, or if an employer and/or recruitment agency does not fulfill some or part of their obligations, document the problem, ask for assistance from other migrant workers or a trustworthy organization and try to make sure you follow the formal procedure. If you follow the formal procedure you may not have to pay back the advance. Your insurance benefit may provide compensation.

Training aid 2.4.1

Role-play: Dewi finds a flyer

Dewi finds a flyer	
Dewi	<i>(In a happy voice)</i> I just found an amazing flyer on a sign post!
Friend	Let me see.
Dewi	It says I can migrate to Malaysia and earn US\$200 per month. That means I can make more than US\$4,800 if I work there for two years. The recruitment agency will even give me some extra money to cover my expenses when I go to their training center.
Friend	That sounds great. I heard that at the training you learn English and how to take care of babies and elderly people too. But that training must be very expensive. My friend told me it lasts three months.
Dewi	No, it's free. The flyer says the company gives us food, accommodation and toiletries such as shampoo and soap all for free. They will even give our families a sack of rice once we register. My family would really benefit from a sack of rice.
Friend	<i>(Sceptical)</i> Do you really think it's all for free my friend? Those companies don't offer anything for free. Are you sure you don't have to pay something?
Dewi	I'm not really sure. My older sister told me that when she went to work abroad the company decreased her salary the first few months. I don't really remember.
Friend	You see. It is not all free. You are paying from your own money for the training, the accommodation and even the sack of rice.
Dewi	But the flyer says it is free!
Friend	You should always be careful when someone says something is "free" ... Nothing is "free". Companies need to make a profit. They are not charities.
Dewi	So what? I don't see the problem. I could never pay for all the costs to migrate.
Friend	What happens if you don't like your job in Malaysia? Do you have to pay them back if you come home early?
Dewi	I don't know. I probably have to pay back a lot or else there will be some type of negative consequence.
Friend	Be sure you ask questions to find out all of the necessary information before you sign up. I hope this is a good chance for you.

Training aid 2.4.2
Dewi's disappearing salary picture cards



Training aid 2.4.2
Dewi's disappearing salary picture cards



Training aid 2.4.2
Dewi's disappearing salary picture cards



Session 2.5 Read your work contract



Aims

- Discuss the importance of an employment contract
- Define key terms and concepts of common employment contracts
- Create and practice a list of questions to ask an employer



Target groups

- Prospective migrant workers who use formal recruitment agencies
- Families



Duration

- 90 minutes



Materials

- Flip chart, markers, masking tape, soft ball, colored note cards (six colors)



Training aids

- 2.5.1 Read your contract picture cards
- 2.5.2 Example of a good employment contract
- 2.5.3 Questions to understand a work contract



Session plan steps

1. Discuss the importance of an employment contract – 30 minutes
2. Define “employment contract” – 10 minutes
3. Identify key information in an employment contract – 20 minutes
4. Practice asking an agency or an employer questions related to an employment contract – 20 minutes
5. Review action steps – 10 minutes

1. Discuss the importance of an employment contract – 30 minutes

Explain:

In this session, we will learn about employment contracts. These contracts are important documents with important information. By the end of this session you will be familiar with an employment contract so when you sign a contract in the future you will know what you are signing and have confidence.

Form three groups. After the groups have formed, say:

I will give a set of eight to ten picture cards to each group. These cards illustrate a situation a migrant worker faces when she has to sign her contract and the consequence of the action. Your task is to put the picture cards in order and to create a three-minute story. You will have ten minutes to prepare your story. You may want to choose one or two group members to present or role-play the story to the entire group.

Distribute one picture card set to each group (Training aid 2.5.1 Read your contract picture cards). Circulate to each group during this activity to clarify the instructions.

After ten minutes, invite each group to present their story. After each group presentation, ask:

- **How familiar was each migrant worker with her employment contracts? Why do you think she signed it?**
- **What happened because she did not know what was in her contract?**
- **What could she do differently next time?**
- **Why do you think understanding your work contract is important?**

Congratulate them for their creative presentations. Explain and summarize:

- Not all migrant workers have a written employment contract. Some only have a verbal employment contract with their employer.
- Especially if you migrate far away it is better to have a written employment contract, that set outs the duties, responsibilities and rights of both the employer and the worker. However, you need to know what is in the contract before you sign it.
- Signing a contract is sometimes intimidating because employers or recruitment agencies may pressure you to sign the contract quickly; the contract may be in a foreign language; and it may include terms that are complicated.
- To overcome these challenges, you can:
  - Request a contract in your local language.
  - Read the contract and ask a friend to help you understand complicated terms.
  - Ask questions if you do not understand any part of your contract.
  - Never sign a contract or any other document if you do not know what it states.
  - Keep a copy of your contract in a safe place.
- Some migrant workers sign an employment contract in their home country without knowing what is in it. Many migrant workers also sign a second employment contract in the destination country with a lower salary and worse conditions. To avoid this, understand your contract as soon as you can.

2. Define “employment contract” – 10 minutes

Say:

Employment contracts contain important information that protects the duties, responsibilities and rights of both employers and workers. Do not become overwhelmed if your work contract has many pages. Let’s learn together what an employment contract is.

Ask:

➤ **What is an employment contract?**

Write down participants’ responses for “employment contract” on a flip chart.

An employment contract is _____

Post the following flip chart next to the participants’ definition. Ask them to compare their definition and the trainer’s definition. Congratulate them for their excellent definition.

Employment contract

- A (legal) agreement between an employer and a worker that specifies the duties and responsibilities and benefits for both parties.
- A contract should include a description of duties, responsibilities and rights. It specifies employment and working conditions, such as pay and hours of work.
- A contract is an agreement between two parties that both parties sign of their own free will. An employment contract should preferably be in written form, in a language understandable to both parties, signed by both parties and a copy given to each party.

3. Identify key information in an employment contract – 20 minutes

Distribute a copy of Training aid 2.5.2 Example of a good employment contract to all participants. Invite them to review the contract with the person on their right.

After five minutes, ask:

➤ **What are the main parts or sections in the contract?**

Encourage some responses. Post the following flip chart and explain the six main parts of every employment contract.

Information in an employment contract

- Name and address of employer and employee
- Duties and contract period
- Pay
- Working hours and schedule, and leave days
- Work/House rules
- Health, safety and insurance
- Contract renewal/extension
- Deductions

4. Practice asking an agency or an employer questions related to an employment contract – 20 minutes



Note to trainer: *For this step, the trainer should use scissors to cut the questions listed on Training aid 2.5.3 Questions to understand a work contract into 25 pieces of paper. Place the pieces of paper into a container.*

Say:

To understand all of the information in your employment contract, you can ask your recruitment agency or employer questions.

Instruct everyone to stand up and form a circle again and select one piece of paper from the container:

I would like you to think about one question you will ask your employer or agency when it is time to discuss and sign your contract.

After two minutes, say:

Now, I want you to think of a way that you can ask the question without speaking. In other words, how can you ask the question either acting or using gestures.

We will now play a game. Each person will act out his or her question.

Call on a random participant and ask him or her to say his or her question. Then, he or she can demonstrate the action. An example: "When will I eat my meals?" A possible action could be a person acting like she is eating rice.

Say:

Your job is to remember everyone's question and action. Let's all perform the first action.

Practice the first action:

Now, it is your turn.

Go around the circle clockwise and invite each person to say his or her question and do an action. Keep the momentum and ensure that everyone has a different gesture. If someone is stuck, you can skip him or her but make sure you return to him or her at the end.

When you complete the full circle, take a soft ball. Shout out one of the questions you remember and demonstrate the action. For example, act like you are falling and say “If I have an accident do I have health insurance?” Throw the ball to the person who had this question and action.

Ask the person to do the same. Repeat while the energy is high and until the questions become easier.

After a few minutes, end the game and congratulate the participants for their hard work.



Now you know how important asking these questions is. You are getting some very useful information! Go to page 15 of your Smart guide: Money habit 4 will help you remember some of these important questions.

5. Review action steps – 10 minutes

Wrap up the session, by discussing the following questions:

- **What is the most important thing you learned today?**
- **What will you do in the future to make sure you understand your contract?**

Summarize the discussion:

- Employment contracts contain important information that protects the rights and responsibilities of both employers and workers. Do not become overwhelmed if your work contract has many pages or has complicated terms.
- You have the right to ask questions. Try to prepare questions in advance to ask the recruitment agency, broker or employer.
- Ask questions to clarify any complicated terms.
- Try to keep to the golden rule: Never sign a contract that you do not understand. This can prevent many problems.
- If you have signed a contract that you do not understand, find out what it states as soon as possible. If you find problems such as no or too low salary, very long working hours or no time-off, discuss these matters with your employer, fellow workers and/or contact an organization to help you (embassy, migrant worker center, trade union).



Do you feel like you know all of the important parts of a contract? Let's find out! Go to page 15 in your Smart guide and do the quiz.

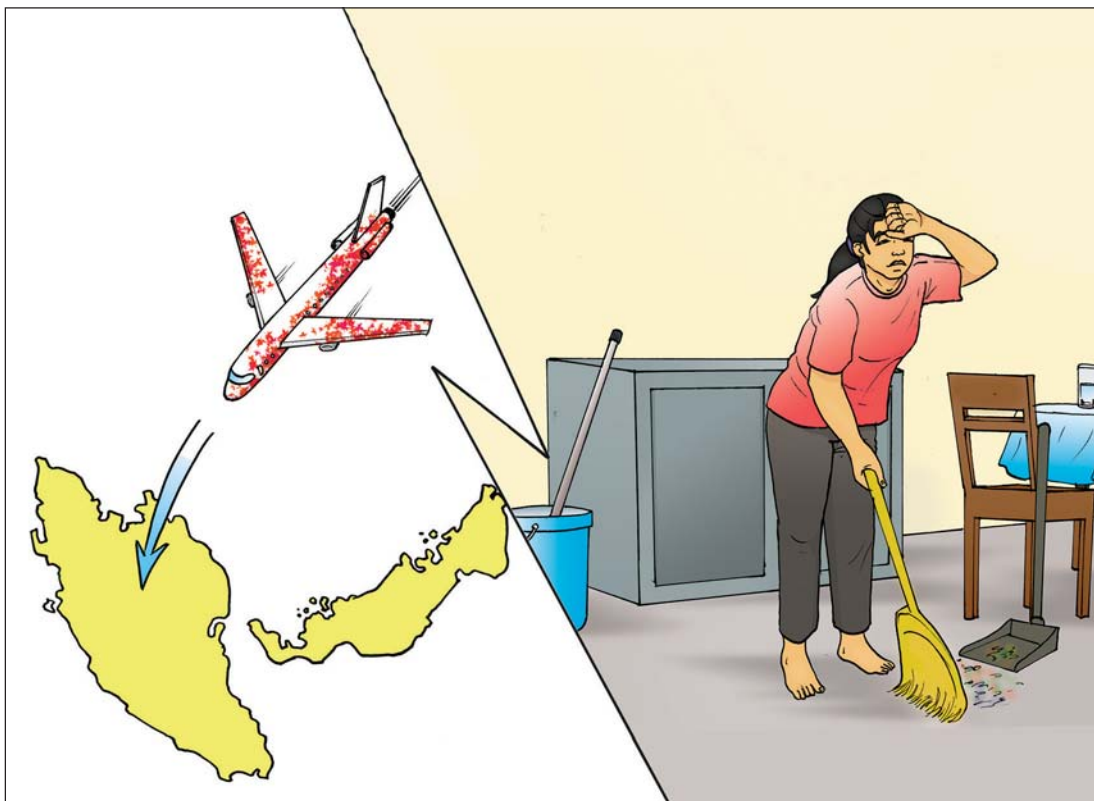
Training aid 2.5.1
Read your contract picture cards

Story 1



Training aid 2.5.1
Read your contract picture cards

Story 1



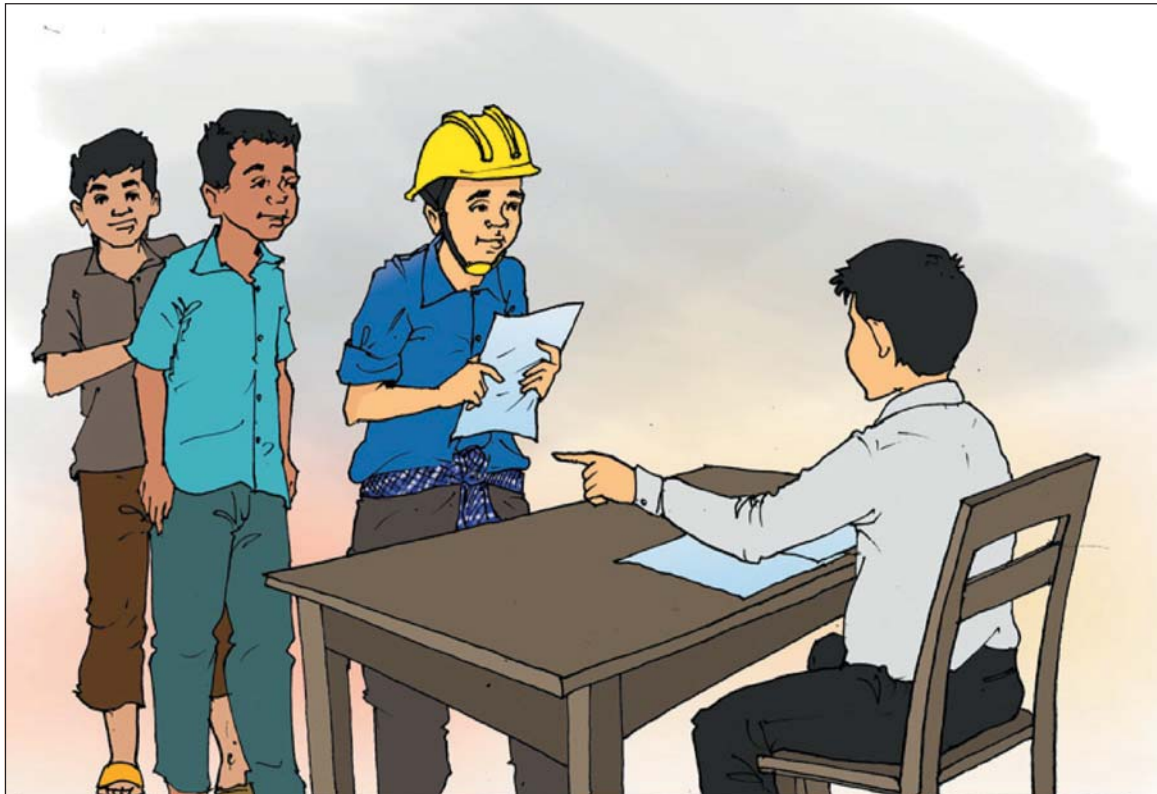
Training aid 2.5.1
Read your contract picture cards

Story 2



Training aid 2.5.1
Read your contract picture cards

Story 2



Training aid 2.5.1
Read your contract picture cards

Story 2



Training aid 2.5.1
Read your contract picture cards

Story 3



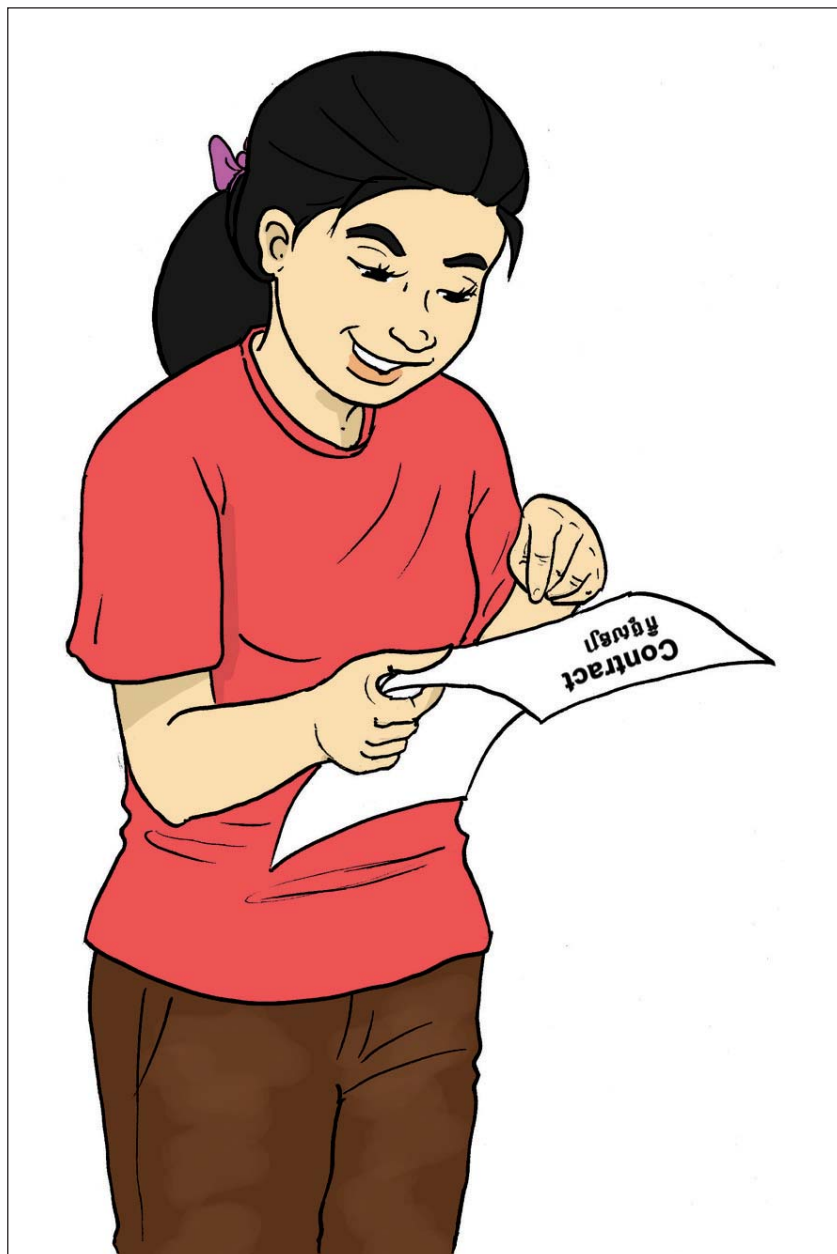
Training aid 2.5.1
Read your contract picture cards

Story 3



Training aid 2.5.1
Read your contract picture cards

Story 3



Training aid 2.5.2

Example of a good employment contract

Good employment contract	
A. Personal information	
Employer:	_____
Address:	_____
ID No.:	_____ Tel (Res): _____ Tel (Off): _____
Employee:	_____
Address:	_____
Place of origin (for contract purposes):	_____
ID No.:	_____
Marital status:	_____ Date of birth: _____
Employment agency:	_____
Address:	_____
Tel (off):	_____ Fax: _____ License No.: _____
B. Terms and conditions	
The employer and employee hereby agree as follows:	
1) Duration and effectivity: This contract shall be valid for _____ years/months.	
2) Scope of domestic work: The employee undertakes to perform diligently all duties listed below:	
1. Household chores	
2. Cooking	
3. Looking after aged persons in the household (constant care or attention is required/not required*)	
4. Baby-sitting	
5. Child-minding	
6. Others (please specify): _____	
Car washing is not part of domestic work, but is allowable provided there is additional corresponding compensation to the employee. Specialized care for the elderly is also excluded from the definition of domestic work unless the employee was hired mainly for that purpose.	
The number of persons in the household to be served on a regular basis comprises of: _____ adults; _____ minors (aged between 5 and 18); _____ minors (aged below 5); _____ expecting babies. _____ persons in the household require constant care or attention (excluding infants).	
3) Site of work: The employee shall work solely for the employer and his/her immediate household. The employer shall in no case require the employee to work in another residence or be assigned in any commercial, industrial, or agricultural enterprise.	
4) Transportation costs: If the employee is forced to live outside the residence of the employer, the employer shall pay an allowance for the daily cost of transportation from the employee's place of residence to the place of employment.	
5) Monthly salary/wages: In accordance with the minimum wage for the province in which the employee works, the employee shall receive a minimum basic salary of (currency)_____ per month from the effective commencement date of this contract, receipt of which shall be acknowledged in writing by the employee. An employer who fails to pay the wages due under this employment contract shall be liable to criminal prosecution. The employer and employee will mutually agree to payment in cash at the end of the month or direct payment into a bank account, to which the employee will at all times hold the passbook.	

6) Accommodation, meals and facilities: If it is mutually agreed that the employee will live in the residence of the employer, the employer shall provide the employee with suitable and furnished accommodation and at least three adequate meals at the proper times every day free-of-charge. Accommodation should comprise of a room or partitioned area with privacy, which may not be shared with an adult/teenager of the opposite sex. Facilities to be provided include at a minimum: light and water supply, toilet and bathing facilities, bed, blankets or quilt, pillows and a wardrobe.

7) Medical care/hospitalization: The employer shall bear the cost of medical services, including consultation, medicine, hospitalization, and dental care. The employee shall accept medical treatment provided by any registered medical practitioner. In case of an illness or injury arising out of or in the course of employment, the employer shall provide full wages for the first thirty (30) days of illness. In the event of a medical practitioner certifying that the employee is unfit for further service, or that continued employment is prohibited by law or is prejudicial to the employee's health, either party may, subject to the provisions of clause 17 of this contract, terminate the employment.

8) Working hours and rest periods: The employee shall not work more than eight (8) hours per day and shall be given at least a continuous period of eight (8) hours of rest daily. For any extra working hours incurred, the employee will be paid overtime at a rate to be set after consultation between the employer and employee.

9) Leave days: The employee shall be given one (1) day-off per week, on a day to be mutually agreed upon by the employee and employer, without deduction from the regular salary. If the employee consents to working on his/her day off, he/she shall be paid (currency)_____ per day as additional compensation. The employee shall also be entitled to ____ working days annual leave with full pay, and to the following nine (9) official holidays with full pay: _____

10) Working conditions and conduct: The employee is expected at all times to observe proper decorum and shall be courteous, polite and respectful to his/her employer and members of the employer's family. He/she shall also abide by all laws. The employer shall at all times treat the employee in a just and humane manner. Under no circumstances shall physical violence be used by the employer or any member of his/her household on the employee. The employer shall provide reasonable, secure and satisfactory working conditions conducive to a good employer-employee relationship and not subject the employee to ill-treatment or abuse such as non-payment of salary, sexual molestation, use of force or threat of violence by any member of the household.

11) Contract renewal/extension: The employee and the employer may, by mutual consent, renew or extend this contract for a period of ____ years, in which event the employee shall be given a salary increment of at least ten (10) per cent of the preceding salary rate.

12) Monitoring and dispute resolution: Any dispute—except those of a criminal nature—between the employee and the employer shall in the first instance be resolved by mediation by a neutral third party. If, for any reason whatsoever, the dispute is not resolved to the satisfaction of both parties, the matter shall be referred to the appropriate labour court at local level.

13) Deductions: It shall be unlawful for the employer to deduct any amount from the regular salary of the employee other than the compulsory contributions prescribed by national law. Such deductions must be issued a corresponding receipt. No deductions may be made for fees to the employment agency.

14) Termination of contract: Either party may terminate this contract in the event of any breach of its terms and conditions by the other party. If the employer breaches this contract, he/she shall be liable for the payment of severance pay according to the national labour law, after payment by the employer of any arrears of wages/salary.

Either party may cancel this contract, giving at least one month's notice to the other party. In such case, the employer shall pay to the employee all arrears of wages/salary and the employee shall accept the same in full discharge of all claims whatsoever. If any of the parties to this contract violates any of its terms and conditions, the other party has the right to claim damages.

18) Other provisions:

- (a) The employer shall enroll the employee in the National Social Security System for the duration of the contract of employment in accordance with the national law on social security.
- (b) The employer shall provide the employee a copy of this employment contract.

19) Non-alteration of contract: No provisions of this contract shall be altered, amended or substituted without the written approval of both parties.

In witness whereof, the contracting parties having read carefully and fully understood the terms and conditions of this contract, hereunto set their signatures below, this ____ day of _____, 20__ in _____

Employee

Employer

_____

_____

Agency position:

_____

Training aid 2.5.3
Questions to understand a work contract

Questions
What is the name of my employer?   .....
What is my employer's address?   .....
What is my employer's phone number?   .....
What are my daily duties?   .....
Who is my boss?   .....
How long will I work here?   .....
How often will I be paid? Weekly? Monthly?   .....
Will I be paid on the same day each time?   .....
Will I get a written record of each payment?   .....
Will I be paid in cash or will the money be deposited in my bank account?   .....
If I work overtime, will I be paid extra? How much?   .....
Am I expected to pay any deductions to my employer? How much?   .....
How many hours a day will I work?   .....

What time do I start and end each day?

.....

When is my day-off?

.....

How many days of holiday will I be given each year?

.....

Am I allowed visitors during the work day? During my time-off?

.....

Am I allowed to leave the house when I am not working?

.....

Do I have my own private room that I can lock?

.....

When will I eat? Will I eat the same as everyone else?

.....

At night, am I expected to sleep with and care for young, old, sick or disabled people?

.....

Will I receive safety training?

.....

What should I do if I or the people I care for have an accident?

.....

Will my employer offer health and accident insurance?

.....

If I become pregnant will my employer let me continue working and provide maternity protection benefits?

.....

Session 2.6 Smart currency conversion



Aims

- Introduce foreign currencies
- Calculate potential currency exchange loss using an example
- Practice converting currency



Target groups

- Prospective international migrant workers



Duration

- 105 minutes



Materials

- Flip chart paper, markers, masking tape, six envelopes
- World map, newspaper with published currency rates, small prizes



Training aids

- 2.6.1 Copies of bank notes of foreign currencies
- 2.6.2 Dewi converting currency abroad



Session plan steps

1. Introduce foreign currencies – 5 minutes
2. Practice identifying different foreign currencies – 10 minutes
3. Identify common do's and don'ts of currency conversion – 30 minutes
4. Select a currency exchange operator – 20 minutes
5. Identify important factors to consider when choosing a currency exchange operator – 30 minutes
6. Practice converting currency – 10 minutes

1. Introduce foreign currencies – 5 minutes

Post a map that includes Asia and the Middle East. The map you post should include the main destination countries where workers migrate.

Say:

This is a world map.

Point out the main countries workers migrate to such as Malaysia, Singapore, Thailand, Hong Kong (China), Taiwan (China), Saudi Arabia, United Arab Emirates (UAE), etc. Say:

In today's session you will learn about the different currencies that people use in different countries and you will practice converting currencies. You will need to know how to do this if you work abroad.

Open your wallet; pull out a local currency bill and ask:

➤ **What am I holding in my hand?**

This is local currency. It is issued by the Central Bank of this country and is the official legal tender in this country. Most transactions are conducted in this currency.

➤ **What other currencies can you name?**

➤ **Can you guess how many currencies there are in the world?**

There are about 182 currencies worldwide. From the United States of America (USA) to China, most countries have their own currency.

2. Practice identifying different foreign currencies – 10 minutes



Note to trainer: Prior to the session, copy bank notes from six different countries and place one bank note into each one envelope. There will be six envelopes each with one bank note inside. Refer to Training aid 2.6.1 Copies of bank notes of foreign currencies.

Form six groups and give the instructions:

- Each group will receive one envelope.
- Upon your signal (*clap*), each group should open the envelope and decide which country the currency belongs to.
- The first group to identify the country and post the currency on the map on the correct country will get a prize.

Distribute the envelopes and say:

Ready, Set, CLAP!

After the first group answers correctly, ask the rest of the groups to compete for second, third, fourth, fifth and sixth place. Award a small prize to all groups.

Summarize and post the following flip chart.

Currency	Country	Currency note
Hong Kong Dollar	Hong Kong, China	
Malaysian Ringgit	Malaysia	
Singapore Dollar	Singapore	
Saudi Riyal	Saudi Arabia	
New Taiwan Dollar	Taiwan, China	
Thai Baht	Thailand	
UAE Dirham	UAE	
US Dollar	USA	

Ask:

- What countries are you considering migrating to? What currencies do they use?

3. Identify common do's and don'ts of currency conversion – 30 minutes



Note to trainer: Prior to this activity, you can invite two volunteers who can read to participate in the role-play. Give each volunteer a copy of Training aid 2.6.2 Dewi converting currency abroad and invite them to prepare the role of the main character. You should prepare name tags or stickers to indicate the character you are playing – either a money exchange agent at the airport OR a bank teller. Wear a prop such a uniform, hat, or tie, if available.

Say:

In this activity, I will no longer be a trainer. As of this moment, I am a money exchange operator at the airport/bank.

Invite the first volunteer to stand up and begin the first role-play. After the first role-play is complete, invite the second volunteer to stand up and begin the second role-play.

Ask:

- What happened in both of these role-plays?
- Which of these women is more prepared?
- What did she do that showed she was prepared?

On a flip chart, draw a vertical line down the middle of the paper, creating two headings, *DO* and *DON'T*. In the appropriate column, record participants' answers to the following questions:

- **Based on this experience, what should you NOT do when converting currency?**
- **What should you definitely DO to convert currency?**

DO	DON'T

Review their responses and clarify any questions. Highlight additional points provided in the answer key below only if they are not covered in the previous discussion.

DO	DON'T
■ Know which currency is used in the country ■ Find out about the exchange rate ■ Ask what other fees are charged ■ Count the money you receive in front of the teller before you finish the transaction ■ Look for damaged or torn notes and ask to replace them ■ Ask a local friend or employer for assistance if there is a language barrier ■ Go with your employer, a friend or a fellow worker	■ Appear to be naive ■ Accept the exchange rate without verifying with other sources ■ Forget to count the money ■ Accept damaged or torn notes ■ Be in a hurry ■ Be manipulated by free promotions (such as free wallets)

4. Select a currency exchange operator – 20 minutes

Say:

There are several types of currency exchange operators in our communities and abroad. Some are more difficult to use than others, some are more expensive, and some require you to travel a long distance. Each currency exchange operator is different. Today we are going to identify the choices we have to exchange currency and what we like and dislike about each choice.

Ask:

- **Where do people convert currency?**

Post a blank flip chart and write down their responses. Some examples may include:

Types of currency exchange operators
■ Financial institutions (banks, credit unions)   ■ Foreign exchange operators (Western Union, Thomas Cook, American Express)   ■ Hotels/travel agencies   ■ Informal money exchange operators (market stalls/booths/shops, retail shops, located in airport)   ■ Individuals/family members

When participants run out of suggestions, review the list for repetition and cross out any "doubles." Then say:

example, if you believe that Operator #1 ranks very favourably on **exchange rate**, you would place five counters in the corresponding box. Do this for all the features for each currency exchange operator.

Count the stones or voting slips on each box and review the ranking results.

- **Which currency exchange operator received the most items? Why was this operator preferred?**
- **What are the characteristics of your “ideal” operator?**

6. Practice converting currency – 10 minutes



Note to trainer: Prior to this activity, the trainer should find a newspaper that lists the daily exchange rates for different countries in Asia. The trainer should prepare an example to show the participants how to convert their local currency into a foreign currency and vice versa.

Ask:

- **What is foreign exchange rate?**

Encourage a few responses. Post the following flip chart and review the following definition.

Foreign exchange rate

The value of a foreign nation's currency in relation to the home nation's currency.

Say:

Many of your employment contracts include the amount you will be paid. The amount is sometimes stated in a foreign currency. Let's practice what we learned today and practice converting foreign currencies into home currencies.

Ask:

- **Where can we find out about foreign exchange rates?**

Explain:

Foreign exchange rates change all the time. They are not the same everyday so you need to check the rate often. You can check your local newspaper, banks or foreign exchange companies or a website like www.xe.com/ucc for the most updated foreign exchange rates.

For this next activity, find a partner to work with. I will give each pair a value (written on a piece of paper), which states how much a typical worker will be paid in foreign currency. I want you to convert the amount into your home currency.

Distribute a piece of paper with a value written on it (prepare these in advance) and a photocopy of a daily newspaper or a bank's foreign exchange chart commonly posted on their website. Encourage the participants to use this tool to find the exchange rate.

After five minutes, ask each group to present their answers. Congratulate all the participants for their hard work.

End the session by asking:

- **What is the most important thing you learned in this session?**
- **What will you tell your friends or family members about smart currency conversion?**

Training aid 2.6.1
Copies of bank notes of foreign currencies



Training aid 2.6.1 Copies of bank notes of foreign currencies



Training aid 2.6.1
Copies of bank notes of foreign currencies



Training aid 2.6.2
Dewi converting currency abroad

Role-play 1	
Money exchange operator	Come to my counter. I can convert your currency – Indonesian Rupiah – and give you a good deal.
Dewi	What is the local currency here? This is my first time in Malaysia.
Money exchange operator	Young lady. It is the Malaysian Ringgit. How much can I convert for you?
Dewi	I have US\$40.
Money exchange operator	I can give you a good rate. The exchange rate is 3.00.
Dewi	<i>(Confused)</i> Well, ok. <i>(Hands over US\$40 to the money exchange operator)</i>
Money exchange operator	I will give you 120 Malaysian Ringgits. See your next time! <i>(Hands her the money and puts a big smile on his face)</i>
Dewi	<i>(Walks away and does not count money)</i> Thank you!

Role-play 2	
Bank branch officer	Good afternoon! What can I do for you?
Dewi	I would like to convert US\$40 into the Malaysian currency – Ringgit.
Bank branch officer	Today's exchange rate is 3.30.
Dewi	That is what I saw in the newspaper as well. Are there any additional fees?
Bank branch officer	Yes, I charge only a one per cent fee. Can I please see a copy of your identification?
Dewi	<i>(Hands over passport)</i> Yes sir, here it is.
Bank branch officer	I will give you 130 Malaysian Ringgits. <i>(Hands over money)</i>
Dewi	<i>(Counts money and notices a very old bank note)</i> The amount is fine but one of the bank notes is very old and worn. Can I please have a new bank note?
Bank branch officer	I am very sorry. Here is new bank note. Have a good afternoon!

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Module overview

Session title	Aims	Time
1. Make a migration plan	- Discuss the importance of migration goals - Identify pressures and solutions towards meeting these goals - List goals, time frame and amount of money needed to achieve migration goals	90 minutes
2. Be a smart spender	- Distinguish between needs and wants - Identify the importance of personal savings - Practice making spending decisions	80 minutes
3. Money in/money out: Creating a family budget	Create a family budget to achieve migration goals at home	80 minutes
4. Money in/money out: Creating the budget of a migrant worker	- Create the budget of a migrant worker - Adjust the budget to cover a budget shortfall	90 minutes
5. Money in/money out: Developing your own budget	- Develop a personal budget for six months - Examine 2 rules for savings	100 minutes
6. Keep track of money in/money out	- Discuss ways to stay within your budget - Practice tracking income and expense using simple worksheets	90 minutes
7. Keep records to manage your money	- Identify the different types of financial records and their purposes - Describe how they can organize and safeguard their financial records	60 minutes
Total		9 hours and 50 minutes

Module 3 Managing your money smartly

Session 3.1 Make a migration plan



Aims

- Discuss the importance of migration goals
- Identify pressures and solutions toward meeting these goals
- List goals, time frame and amount of money needed to achieve migration goals



Target groups

- Prospective migrant workers
- Their families



Duration

- 90 minutes



Materials

- Flip chart paper, markers, markers, glue stick, masking tape, 30 sheets of A4 paper, 30 envelopes



Training aids

- 3.1.1 Will they achieve their goals? case study cards
- 3.1.2 My family's migration plan



Session plan steps

1. Discuss the importance of setting migration goals – 30 minutes
2. Identify challenges and solutions to achieve goals – 20 minutes
3. Develop a migration goals poster – 15 minutes
4. Develop a migration plan as a family – 15 minutes
5. Commit to a migration plan by writing a family letter – 10 minutes

1. Discuss the importance of setting migration goals – 30 minutes



Note to trainer: This activity calls for participants to read and discuss a case study. Divide the participants into four groups and give them ten minutes to discuss. Allocate five minutes for each presentation and follow-up discussion.

Say:

In today's session, we will discuss the importance of making a migration plan. We will review why having a goal is important and how you and your family can make a plan and stick to it during your migration.

Explain:

The first step in making a plan is to set a specific goal. A goal is something you want to achieve in the future. An example of a goal is to start or expand a business; to build or improve a home, or to pay back a debt you owe someone.

Let's read the stories of Sokunthea, Dewi, Vanita and Tola and learn about the importance of migration goals.

Divide the participants into groups of four. Explain:

Each group will get a case study card. Read the case study out loud in your small groups and discuss the questions listed on the card. Each group will first identify what their main character's migration goal is. Then discuss whether or not you think the main character will achieve her/his goal.

Distribute one case study card to each group (Training aid 3.1.1 Will they achieve their goals? case study cards). After each group presents, write their responses on the following flip chart. Some sample responses are provided below.

	Goals	Achieve	Why? Why not?
Sokunthea (Garment factory worker)	Start a business	No	Her parents spend the remittance on other goals The family does not work together to achieve goals
Dewi (Domestic worker)	Expand a business	No	Dewi spends on unnecessary items while working abroad Dewi lends money to a friend
Vanita (Shrimp peeler)	Pay back loan Pay medical expenses	Yes	Vanita and her husband have a plan Family members work together
Tola (Construction worker)	Be a mechanic Home improvement	Yes	Tola has both personal and family goals Tola sets aside money for savings

Discuss by asking the following questions:

- **What are some examples of goals?**
- **Which goals should you achieve first?**
- **In your view, are these goals realistic? Why or why not?**

2. Identify challenges and solutions to achieve goals – 20 minutes

Explain:

The main characters met some challenges while working towards their goals.

Ask:

- **What are the main challenges migrant workers and their families face to achieve their goals?**
- **What other challenges do people face to achieve their goals?**
- **In your view, what should migrant workers and their families do to overcome those challenges?**

List participants' responses on a blank flip chart. Some examples of challenges and solutions are listed below for reference.

Tips for achieving migration goals	
Challenges	Solutions/tips
■ Do not have clear goals ■ Feel obliged to support family ■ Owe money (e.g. loan to pay migration costs) ■ Do not set aside money to reach goals ■ Spending on unnecessary expenses	■ Set a clear goal ■ Agree on the goal(s) with family members ■ Make a plan on how much money to set aside to reach goals ■ Save money (e.g. set up a savings account so you can save your own money) ■ Reduce unnecessary spending

Ask:

- **In your view, why do you think some migrant workers migrate more than once?**
- **How do you think this affects their families?**

Review their responses and summarize:

- Families can reach their goals if they work together. If they set a goal, and stick to a plan they can improve their own situation and the situation of their families.
- Some migrant workers migrate over and over again and feel like they have not achieved anything. Some migrant workers feel like they do not belong in the local community after working abroad. Setting clear goals and making a plan can help migrant workers measure their success and build their self-confidence.
- Families can be affected by repeat migration. In some families, children miss their mother and/or father who migrated and migrants miss their family. In other families the marriage can be threatened after a spouse migrates. These social costs should be considered.

3. Develop a migration goals poster – 15 minutes

Post the following flip chart and ask a volunteer to read the flip chart out loud:

Three stages of migration
■ First stage (short term): The migrant worker is focused on paying off the debt of the trip. The receiver pays off the debt with the money sent. During this stage there is little or no money left over from the remittance.   ■ Second stage (medium term): The migrant worker desires stability for the family back home and sends money to cover basic household's needs and home improvements.   ■ Third stage (long term): The migrant worker sends money home for productive investment such as buying a house or starting a business. The receiver may use some of the money to achieve his/her own financial goal.

- **Why do you think goals may change according to the stage of migration?**

Ask:

- **What are your migration goals?**
- **What is the specific thing you and your family want to achieve as a result of migration?**

Now it is time to develop your own migration goals and your plan to achieve them. In order for you to have a successful migration, first identify your migration goals.

A goal is something you want to achieve in a fixed period of time. You should be enthusiastic about your goals and discuss them with your family or friends. Your goals should be very specific so you can measure your success.

Think about these questions:

- **What are some of the goals you want to achieve by migrating?**
- **How many months or years will it take to achieve them?**
- **How much money will you need to accomplish each of these goals?**

Instruct the participants to work with their family members in the next activity. Explain:

The purpose of this activity is to discuss migration goals within families and to make a poster that represents the family's migration goals. List the goals of the family together and the goals of each individual together. You have ten minutes to finish this exercise.

Distribute one sheet of flip chart paper, markers, masking tape or glue sticks and scissors to each group. Encourage them to use the materials as creatively as possible.

After ten minutes, invite each group to hang their migration goals poster on the wall. Invite all the participants to line up and take a gallery walk to look at each other's drawings. Encourage participants to ask each other questions about their goals. When they finish, give them a round of applause.

4. Develop a migration plan as a family – 15 minutes

Say:

Knowing how much your goals cost is an important part of financial planning. In the next activity you will team up with your family and determine the goals you want to achieve during the migration period. You will have a chance to list your goals for each of the three stages of migration. You will calculate how much your goals cost and how much you need to set aside each week, month and year to achieve them.

Post the flip chart (see following page). Distribute Training aid 3.1.2 My family's migration plan.

Say:

Now, we will fill in my family's migration plan. For example, let's practice filling in this form for Dewi. During the first stage of migration, Dewi and her family want to pay back her debt. I will write down Dewi and her family's goal on the first row.

Write down the goal in the table and then continue to fill in the table by writing down the lump sum needed, when it is needed, and the amount of savings required per week or month.

Explain:

Now it is your turn to fill in your family's goals in separate rows in the left hand column of the worksheet.

When the participants are ready, ask a volunteer to share one of his/her goals. Say:

Now, develop a plan for reaching the goal for the first stage of migration. First, determine how much you need, when you will need the money, then figure out the amount you must save each week or month to reach the goal.

Ask a volunteer to share his or her plan. Say:

Now, develop a plan for each of your family's goals. When you are finished, calculate how much you need to save each week or month to reach your migration goals.

Ask a volunteer to share his or her calculation. Ask:

- **What do you like about your family's migration plan?**
- **How confident are you that you can reach your migration goals?**
- **What can you do to ensure you reach your migration goals?**



Note to trainer: If family members of migrants do not attend the training, participants can either work together on the family goals of one group member or each person fills in the sheet separately.

My family's migration goals and planning worksheet			
Goal	Lump sum needed	When needed?	Amount of savings required per week or month
First stage (short term)			
Second stage (medium term)			
Third stage (long term)			
Total savings required			

5. Commit to a migration plan by writing a family letter – 10 minutes

Say:

You have just worked as a team and used good communication skills to define your family's migration goals and developed a plan to reach them. The only way to achieve the goals is if you work as a family to stick to the plan.

In life, we all need reminders to help us stay on track. In order to stick to our migration plan, I want each of you to write a letter to a family member that will encourage him or her to follow the migration plan. For example, you may want to write your mother and suggest you open a savings account to save the remittance that your older sister sends to start a shop. You will have five minutes.

Give participants the following instructions:

1. Ask participants to sit with their family members.
2. Distribute one sheet of A4 paper to each person.
3. Circulate to motivate the participants to write a letter or make a drawing.
4. After five minutes, distribute a blank envelope to each participant.
5. Ask participants to write the name of the family member they are writing to and the date they want the family member to read the letter on the envelope.
6. Tell participants to give or send the letter to the family member on the selected date.

At the end of the session ask:

- **What is the most important thing you learned in this session?**
- **What questions do you have?**



To reflect more on engaging your family in your migration goals, go to page 30 of your Smart guide. You will be able to create a "Migration goal agreement with your family"

Training aid 3.1.1

Will they achieve their goals? case study cards

Case study 1 – Sokunthea

Sokunthea dreams of starting a business, “Wedding Dreams”. She decided to migrate to the city to work in a garment factory. She works overtime when she can. She sends half of her money home and her mother told her that she would save the money so Sokunthea could start a business. Last week, Sokunthea visited her parents and she learned that her mother did not save the money. Her mother bought a new DVD player and flat screen television. Sokunthea is very upset and thinks about how she can save enough money to start her business.

What are Sokunthea’s goals?

Do you think she will achieve her goals? Why or why not?

What do you think will happen to Sokunthea in the future?

Case study 2 – Dewi

Dewi read a flyer from a recruitment agency and was excited that she could earn a lot of money. Dewi and her husband agreed to save a portion of her earnings to expand their shop and start food processing. While Dewi is abroad she is very lonely and her only joy is from seeing her friends on Sunday afternoons in the park. They go shopping and sight seeing. One day her friend asked her to borrow money and she agreed. Her friend promised to pay back the loan after two months. It has been six months and her friend has not paid her back.

What are Dewi’s goals?

Do you think she will achieve her goals? Why or why not?

What do you think will happen to Dewi in the future?

Case study 3 – Vanita

Vanita went abroad to work as a shrimp peeler. A local broker told her he could help her to get a job abroad close to where her husband works. Vanita and her husband work very hard and send back almost all of their earnings to Vanita’s mother so she can pay back the moneylender. Vanita and her husband agreed that their first priority is to pay back the loan they took from the moneylender to pay for the migration costs. After they pay back the moneylender they want to pay for Vanita’s mother’s eye surgery. When they spoke to her last week, Vanita’s mother complained that her eyesight is very bad. Vanita and her husband set time aside every week to talk about their money and spend it wisely.

What are Vanita’s goals?

Was she able to achieve her goals? Why or why not?

What do you think will happen to Vanita in the future?

Case study 4 – Tola

Tola works as a construction worker in the city. His dream is to learn how to become a mechanic. Every month he saves money so he can pay for a vocational training course. He also wants to help his parents to improve their home in the village. Every month when he gets paid, he buys construction materials that can be used to fix the house. His parents are very grateful and support him to study in the future.

What are Tola’s goals?

Will he be able to achieve his goals? Why or why not?

What do you think will happen to Tola in the future?

Training aid 3.1.2
My family's migration plan



Goal



Lump sum
needed



When needed?



Amount of savings
required per week/month

	Goal	Lump sum needed	When needed?	Amount of savings required per week/month
First stage (short term)				
Second stage (medium term)				
Third stage (long term)				

Totals savings required

Session 3.2 Be a smart spender



Aims
Distinguish between needs and wants
Identify the importance of personal savings
Practice making spending decisions



Target groups
Prospective migrant workers
Migrant workers



Duration
80 minutes



Materials
Flip chart paper, markers, newspapers, magazines, markers, glue stick, masking tape, soft ball



Training aids
3.2.1 Wants and needs picture cards



Session plan steps
1. Distinguish between wants and needs – 15 minutes
2. Debate whether personal savings is a need or a want – 20 minutes
3. Identify challenges migrant workers face when making spending decisions – 30 minutes
4. List ways to be a smart spender – 15 minutes

1. Distinguish between wants and needs – 15 minutes



Note to trainer: Before the session, prepare a stack of picture cards. You may want to glue each picture on thicker coloured paper so you can re-use the picture cards in the future. Eliminate cards that are not relevant to your local context and add additional cards, as needed. Be creative and feel free to use magazines or the internet to make a stack of picture cards of wants and needs relevant to the trainees.

Say:

Very few people in the world have so much income that they can pay for everything they want to buy or do. Most of us must make difficult decisions and trade-offs, especially during times when our income does not cover all of our expenses.

There are no perfect answers when it comes to prioritizing and choosing among expenses, but there are some general guidelines. Today we will talk about how you currently make these decisions, and we will highlight some ways to help you set your own personal financial priorities.

Let's start this session with a small game called "Wants and needs." Please stand up and come to the front of the training room.

Place the picture cards (Training aid 3.2.1 Wants and needs picture cards) on the floor and spread out the picture cards so the participants can see them. Lay a piece of string/rope on the floor horizontally.

Explain:

There is a pile of cards that represent different items that cost money. As a group, you will have to decide which items you need and which things you want. If a picture card represents something you need, you will place the card above the line. If the picture card represents something you want, you will place the card below the line.

Encourage participants to work together to place the picture cards above and below the horizontal line.



Note to trainer: If there is a debate about whether a picture card is a want or need, tell participants to put the card directly on the line. Explain that needs and wants may be different among families.

At end of the game, ask:

- **What do you think is the difference between something you need and something you want?** *[A need is something that is a basic necessity you cannot do without. A want is something that is not needed for everyday survival.]*
- **Which of these expenses can be reduced or eliminated?** *[You can reduce wants. You can also change your habits and reduce some of your needs as well, such as the amount of electricity you use every day.]*
- **What can you do with the money left over from reducing or eliminating expenses?** *[Pay back debt faster, use for an important investment like education, save for the future.]*

Summarize:

- When you begin to receive a salary, you will be responsible for making spending decisions.
- Earning a salary means you will have more money in your pocket and will have many choices to spend your hard earned money. If you spend your money on unnecessary expenses, the money will run out and you may not be able to reach your goals.

2. Debate whether personal savings is a need or a want – 20 minutes

Say:

Sometimes migrant workers send most of their salary back to their families. They do this because they want to provide for their families. They want to help their families pay back debt, purchase basic needs and also invest in the future. Sometimes migrant workers feel bad saving money for their own personal needs and planning for their own future needs.

Let's read a story about a migrant worker and see what happens when she does not think of her own needs.

Choose either the story of Sokunthea (an internal migrant worker) or the story of Dewi (an international migrant worker). Read the story in a loud and engaging voice.

Sokunthea has an emergency

Sokunthea works at a garment factory. With her salary, she pays for the room she rents, electricity and food and she sends more than half of it to her parents. Last week, Sokunthea got very sick and could not stop vomiting. She was scared because she wanted to go to the hospital but she had not saved any money. So she borrowed money from her friend. Payday is next week, so her friend lent her US\$10 and Sokunthea agreed to pay her back US\$13 on payday. She used the money to go to the pharmacy and she bought medicine. She feels better now.

Dewi can't touch her money

Dewi completed her two-year contract. She is so happy because although she spent too much money in the beginning, she now has more financial discipline. She has been sending her salary to her husband to save for their food processing business. When she returned home, she discovered something that broke her heart. Her husband is very friendly with a neighbour who has been helping him to take care of their children. He says that they cannot use the money for the business anymore, but instead he has started to support the neighbour's children because she is a widow. Dewi is upset and goes to the bank to check and withdraw their savings. She realizes that the account is in her husband's name and she cannot withdraw even the little money that is left in the account. She is very unhappy.

Ask:

- **What happened to the main character?**
- **Why do you think she did not set aside money for herself?**
- **What could the main character have done differently?**

Instruct participants to form pairs and discuss the following question:

- **Is personal savings a want or a need? Why?**

After five minutes, invite two or three volunteers to share their views. Encourage the volunteers to explain why they believe savings is a want or need. Invite them to draw on their personal experiences as much as possible.

Reconvene and summarize:

- Earning your own salary is a result of your brave spirit to live somewhere far away and work hard for your money in jobs that require many hours and skills.
- Although we may want to support our families and provide for their needs, it is also important for you to set aside money for your own needs as well.
- Savings is a need for migrant workers. When you live far from home, you need to be able to take care of yourself if an emergency strikes. Protect yourself by setting up an emergency fund.
- Migrant workers can save in many ways. If you have access to formal financial institutions, consider opening a bank account where you work and/or in your local bank back home. You can remit money to your own account directly.

3. Identify challenges migrant workers face when making spending decisions – 30 minutes

Explain:

Sometimes people feel pressure when making spending decisions because their families have expectations.

Ask:

- **What are some of the challenges migrant workers face when making spending decisions?**
- **Who tries to influence them? Why?**

List their ideas on a blank flip chart. Some sample responses are provided below:

Influences on spending decisions	
Expectations and challenges	Who
■ Remit most or all salary home ■ Buy presents for families and friends when you come home ■ Spend on fashionable and trendy items ■ Spend on items to show improved financial status (e.g. show-off)	■ Parents, spouse ■ Parents, relatives, neighbours ■ Friends, work colleagues

Divide participants into three or four groups. Assign each group one expectation or challenge from your list. Instruct the groups to come up with three or four ways to deal with the pressure. Encourage them to be creative.

After ten minutes, invite each group to present their responses. At the end, give a round of applause and thank them for their hard work.

Summarize the main points. Highlight any additional points not covered in the previous discussion.

Influences on spending decisions	
Expectations/challenges	Solutions/tips
■ Remit most or all salary home ■ Buy presents for families and friends when you come home ■ Have a big party when you return ■ Spend on fashionable and trendy items ■ Spend on items to show improved financial status (e.g. show-off)	■ Make a migration plan ■ Agree how much you will remit before you depart ■ If you must buy gifts, buy smaller and less expensive gifts ■ Spend less on parties ■ Be confident to tell your friends that you are saving to reach your goals ■ Be confident that saving money is more important than showing-off ■ Carry less money or save money in a safe place so the temptation to spend is not there



To reflect some more on “needs” and “wants”, go to page 16 in your Smart guide: Money habit 5 will help you maximize your savings!

4. List ways to be a smart spender – 15 minutes

Explain:

I invite everyone to stand up and stand in a circle. We will now review what we learned in this session. Let's play a game called “fill-in-the-blank.” Let's practice.

- My favorite song is _____.

Throw a soft ball to a volunteer. Ask the volunteer to repeat the phrase and fill in the blank. The first volunteer can now throw the ball to another volunteer and repeat the exercise. Ask the last volunteer to return the ball to the trainer.

Now, let's play with a new question.

- In order to be a smart spender, I should _____.

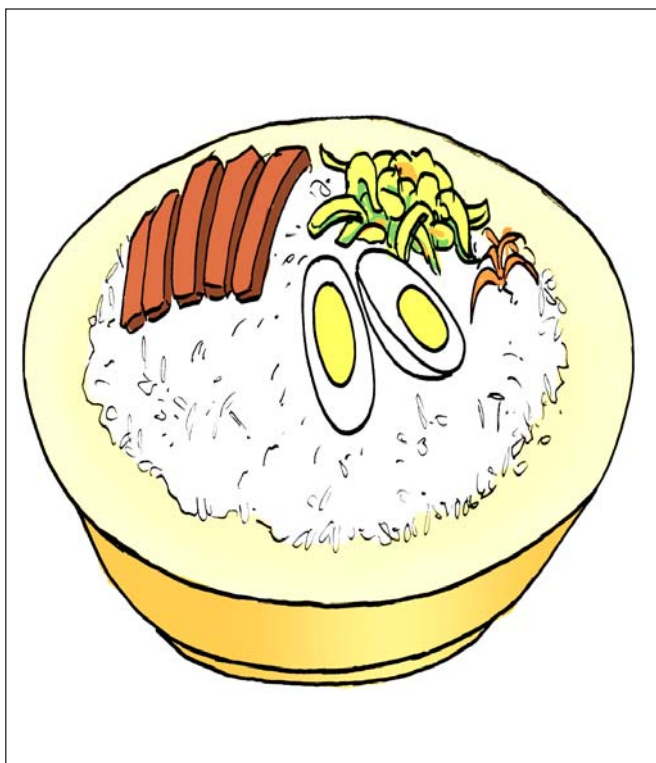
Throw the soft ball to a new volunteer. Ask the volunteer to repeat the phrase and fill in the blank. The first volunteer can now throw the ball to another volunteer and repeat the exercise. Repeat this exercise for a few minutes and probe for additional information when needed. Ask the last volunteer to return the ball to the trainer.

Now, let's play with a new question.

- If I am a smart spender, then _____.

Throw the soft ball to another volunteer. Ask the volunteer to repeat the phrase and fill in the blank. The first volunteer can now throw the ball to another volunteer and repeat the exercise. Repeat this exercise for a few minutes and probe for additional information when needed. Ask the last volunteer to return the ball to the trainer.

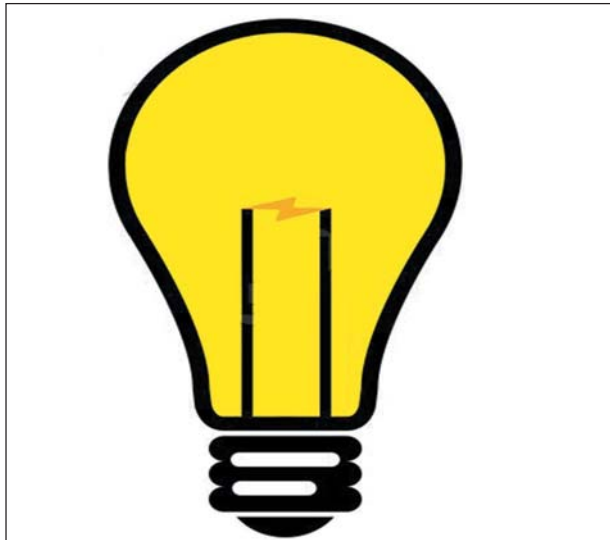
Training aid 3.2.1
Wants and needs picture cards



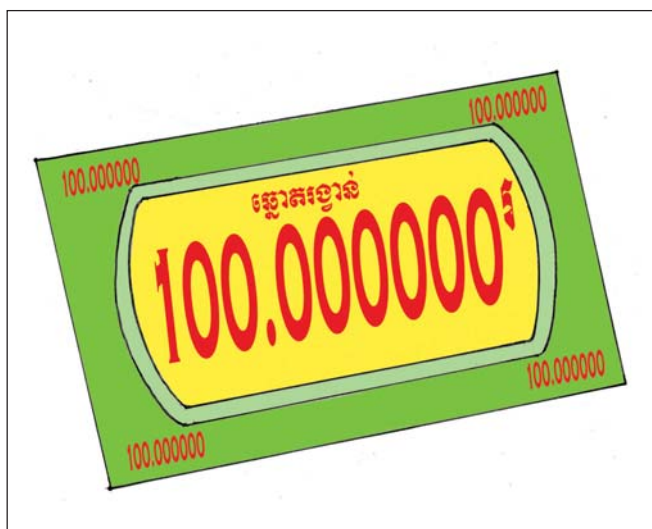
Training aid 3.2.1
Wants and needs picture cards



Training aid 3.2.1
Wants and needs picture cards



Training aid 3.2.1
Wants and needs picture cards



Training aid 3.2.1
Wants and needs picture cards



Session 3.3 Money in/money out: Creating a family budget



Aims

Create a family budget to achieve migration goals at home



Target groups

Migrant workers

Families



Duration

80 minutes



Materials

Flip chart paper, markers, masking tape



Session plan steps

1. Introduce the concept of budgeting – 5 minutes
2. Define the term “budget” – 15 minutes
3. Estimate total income of Dewi’s family – 15 minutes
4. Calculate expenses of Dewi’s family and the portion to save for goals – 15 minutes
5. Identify ways to save more of your remittance – 30 minutes

1. Introduce the concept of budgeting – 5 minutes

Start this session with a small energizer to start the session. Give the following instructions:

I will read a series of statements. If the statement is true for you, stand up. If it is not true, stay seated or sit down quickly.

Check understanding by doing three examples, building up speed:

Stand up if you _____.

- a. Like to eat ice cream
- b. Are wearing anything blue today
- c. Plan to spend any money today

Read the following statements in quick succession:

Stand up if you _____.

- a. Have any money saved now
- b. Have saved for something in the past
- c. Wish you had money saved
- d. Know how much money you have in your pocket right now
- e. Like to spend money
- f. Plan ahead for how you will spend the money you have
- g. Wish you had more money
- h. Know the amount of money you need for the week
- i. Know the amount of money you need for the month
- j. Have confidence that you can reach your priority savings goal

After reading all the statements, say:

All of these statements should make you think about managing your income. In this session, you will learn about a tool for managing income called budgeting. A budget will help you decide how to spend your money in a way that helps you achieve your goals.

2. Define the term “budget” – 15 minutes

Explain:

In this session, we are going to review a tool you can use to make spending decisions and to help you save money to reach your goals. Raise your hand if you have heard of a “budget”.

Ask:

- **What is a budget?**

Encourage volunteers to share their ideas. After two or three responses, review the following definition. Post the definition on a flip chart.

A budget is...

A budget is a plan that lays out what you will do with your money.

Post the sample budget on the following page for Dewi’s family after six months of migration.

Ask the group:

- **What are the three main parts of this budget?** *[Income, expenses, and savings.]*
- **What are the different sources of income?** *[Farm income (sell fruits and vegetables), business income (sell jam), and remittance.]*
- **Why do you think it is important to record the remittance as a separate source of income?** *[To help you reduce your dependency on the remittance and keep better track of how you spend your remittance.]*

Ask the following questions:

- **What are the expenses that are necessary (needs)?** *[Utilities, food, transportation, health care/medicine.]*
- **What are the expenses that are optional (wants)?** *[New mobile phone to always have the newest model, birthday party.]*
- **What are your questions about the main parts of a budget?**

Dewi's family budget after six months of migration	
Income	Amount (US\$)
Farm income (sell fruits and vegetables)	
Business income (sell pineapple jam)	
Sub-total	
Other	
Remittance	
Total income	
Expenses	
Necessary household spending (needs)	
Utilities	
Food	
Transportation	
Healthcare/medicine	
Communication (phone)	
Other	
Sub-total (needs)	
Optional spending (wants)	
The newest mobile phone model	
Birthday party	
Sub-total (wants)	
Total expenses	
Income – expenses	
Savings to expand business	

3. Estimate total income of Dewi's family – 15 minutes



Note to trainer: For low-literacy groups, the trainer can read the story out loud and then fill in the budget on a large piece of flip chart paper. If the participants are literate, form five groups and distribute Part 1 of the story and a mini budget to each group. Instruct the small groups to read the story and fill in the budget accordingly.

Tell the following story:

Dewi's family budget (part 1)

At the end of each month, Dewi's husband estimates his income and how he will spend it in the following month. The next month, August, is usually a good month for business. Therefore, he estimates he will earn US\$100 from selling fruits and vegetables. He also plans to earn US\$30 from the sale of pineapple jam. Yesterday, he spoke to Dewi and she will send US\$200 next month.

Stop the story and ask:

- **When does Dewi's husband complete his budget?** [At the end of each month, he estimates his income and how he will spend it in the following month.]
- **How much income does Dewi's husband estimate he will earn next month from farm income?** [US\$100]

Ask a volunteer to write down the amount on the flip chart.

- **How much income will Dewi's husband earn from selling jam?** [US\$30]

Ask a volunteer to write down the amount on the flip chart.

- **How much is Dewi planning to send her husband next month? [US\$200]**

Ask a volunteer to write down the amount on the flip chart.

- **How much money in total is Dewi's family planning to earn during the month of August? [US\$330]**

Ask a volunteer to write down the amount on the flip chart.

- **How did you calculate that amount? [US\$100+US\$30+US\$200]**

Make sure all the participants were able to calculate the amount. At the end of this step, the flip chart should look like the example below.

Dewi's family budget in August after six months of migration	
Income	Amount (US\$)
Farm income (sell fruits and vegetables)	100
Business income (sell pineapple jam)	30
Sub-total	130
Other	
Remittance	200
Total income	330
Expenses	
Necessary household spending (Needs)	
Utilities	
Food	
Transportation	
Healthcare/medicine	
Communication (phone)	
Other	
Sub-total (Needs)	
Optional spending (Wants)	
The newest mobile phone model	
Birthday party	
Sub-total (Wants)	
Total expenses	
Income – expenses	
Savings to expand business	

4. Calculate expenses of Dewi's family and the portion to save for goals – 15 minutes



Note to trainer: For low-literacy groups, the trainer can read the story out loud and then fill in the budget on a large piece of flip chart paper. If the participants are literate, form five groups and distribute Part 2 of the story and a mini budget to each group. Instruct the small groups to read the story and fill in the budget accordingly.

Say:

Now we are going to calculate how Dewi's husband is planning to spend the family's income during the month of August.

Ask a volunteer to record the expenses on the flip chart as you continue the story:

Dewi's family budget (part 2)

When Dewi's husband estimates his income for the month of August, he starts planning how he will spend that money. He first sets aside US\$100 to expand their food processing business. For utilities, he estimates he will spend US\$10. The monthly rent is US\$100. For food, he estimates US\$40, for transportation US\$10, and for his children's medicine, US\$20. Even though he resists buying new electronics, he really wants to buy a new phone with a colour screen that costs US\$40. Their son is turning five years old, so he plans to have a birthday party. He spends US\$10.

Then say:

With a partner, take five minutes to calculate the total family expenses that Dewi's husband thinks will be during the month of August.

Circulate around the room and make sure to answer participants' questions as necessary. After five minutes, ask for volunteers to answer the following questions. Record the amounts on the flip chart.

- **What is the total amount that Dewi's husband plans to spend during the month of August?** [US\$230]
- **How did you calculate this amount?** [US\$10+US\$100+US\$40+US\$10+US\$20+US\$40+US\$10]
- **How much does Dewi's husband plans to spend on his needs?** [US\$180]
- **How did you calculate this amount** [US\$10+US\$100+US\$40+US\$10+US\$20]
- **How much does Dewi's husband plans to spend on his wants?** [US\$50]

Dewi's family budget in August after six months of migration	
Income	Amount (US\$)
Farm income (sell fruits and vegetables)	100
Business income (sell pineapple jam)	30
Sub-total	130
Other	
Remittance	200
Total income	330
Expenses	
Necessary household spending (Needs)	
Utilities	10
Rent	100
Food	40
Transportation	10
Healthcare/medicine	20
Sub-total (Needs)	180
Optional spending (Wants)	
The newest mobile phone model	40
Birthday party	10
Sub-total (Wants)	50
Total expenses	230
Income – expenses	100
Savings to expand business	100

- How did you calculate this amount? [US\$40+US\$10]
- How much does Dewi's husband hopes to earn for the month minus the amount he plans to spend for the month? [US\$100]
- How did you calculate this amount? [US\$330 – US\$230]
- How much money does Dewi's husband set aside for their financial goal of expanding their food processing business? [US\$100]

Make sure all the participants were able to calculate the amount. Then ask:

- What are the specific needs for different family members in the family budget?
- Are there any differences between men and women, parents and children?

5. Identify ways to save more of your remittance – 30 minutes

Ask:

- What challenges could you face in saving a portion of your remittance?

Record participants' answers on a blank flip chart. Some sample responses are provided below:

Challenges to saving

- The remittance is barely enough to feed my family and pay basic needs
- My remittance is irregular
- I must use all of my remittance to pay back debt
- I don't have any other income aside from the remittance
- My friends and neighbours ask me for money because they know my relative works abroad

Separate participants into four or five groups. Explain:

For the last activity, you will work with your group to come up with a list of solutions or tips to overcome one challenge that we listed. After you create a list of solutions, your group should make a drawing that illustrates one or two solutions to overcome the challenge. You have ten minutes for this activity.

Distribute one piece of flip chart paper, markers, and note cards to each group.

After ten minutes, invite them to post their drawings on the wall. Invite all the participants to take a gallery walk.



Note to trainer: If there are no walls to hang the drawings, you can place the drawings on the floor in a circle. Invite the participants to stand in a circle (around the drawings) and ask them to slowly walk to the right and observe each drawing.



To learn how each of our characters has benefited from keeping track of their money, see page 19 in your Smart guide.

Conclude the session by asking:

- What is the most important thing you learned in this session?

Session 3.4 Money in/money out: Creating the budget of a migrant worker



Aims

Create the budget of a migrant worker

Adjust the budget to cover a budget shortfall



Target groups

Prospective migrant workers

Migrant workers



Duration

90 minutes



Materials

Flip chart paper, markers, note cards, masking tape

Calculators, if necessary



Training aids

3.4.1 Portraits of Sokunthea, Dewi, Vanita and Tola

3.4.2 Budget worksheet



Session plan steps

1. Identify and categorize income – 30 minutes

2. Identify and categorize expenses – 15 minutes

3. Create a budget – 20 minutes

4. Adjust a budget to cover a shortfall – 15 minutes

5. Review the concept of budgeting – 10 minutes

1. Identify and categorize income – 30 minutes



Note to trainer: Before this activity, set up four workstations in different parts of the room. Each workstation should have one piece of flip chart paper and a few markers. Place a sign on each workstation (see Training aid 3.4.1 Portraits of Sokunthea, Dewi, Vanita and Tola). Label the first workstation “Sokunthea”; the second “Dewi”; the third “Vanita”; and the last “Tola”. You will lead the participants through the process of developing a budget.

Say:

To make a budget it is important to know “money in” (income) and “money out” (expenses). This next activity will help us identify the main income and expense categories for different occupations.

Invite everyone to stand up and continue:

You will see that in this training venue, there are four workstations. The first workstation represents Sokunthea. The next workstation represents Dewi. The next workstation represents Vanita and the last station represents Tola.

Look at the portraits of each migrant worker, and think about which migrant worker you can relate to. In 30 seconds, I will give you the signal and you will run to the workstation you would like to work in. There should be no more than five people per work station, so if your workstation is full by the time you get there, please go to another workstation where there are less than five participants.

Ready, set, go! (Clap).

Your first task is to draw a picture of your main character in the centre of the flip chart paper.

While participants are drawing, distribute 12-15 blank cards and tape (or adhesive notes) to each group. If possible, distribute cards in two colours: one for income, one for expenses.

After five minutes, say:

Your next task is to list your main character's income sources (e.g. salary, tips, and/or overtime) and write or draw one source of income per card. Pick one colour card for all income sources and place these cards to the left of your migrant worker. Use the masking tape to post the income cards on the flip chart paper.

After five minutes, say:

Your next task is to list your main character's expenses (e.g. housing, food, transport, medicines) and write or draw one expense per card. Pick the other colour card for all expenses and place these cards on the right side of their migrant worker. Use the masking tape to post the expense cards on the flip chart paper.

After five minutes, invite one or two volunteers to introduce the main character they have been assigned to. Invite them to share their main income sources and their main expenses.

Invite all the groups to hang their flip charts on a wall. Congratulate them for their hard work.

Discuss:

- **What are the different types of income sources for migrant workers?** [Salary, overtime, part-time job, tips, bonuses, gifts, etc.]

Post the following flip chart. Ask:

- **Which types of income sources did each worker have?**

Income sources	Sokunthea	Dewi	Vanita	Tola
Salary				
Overtime				
Part-time job				
Tips				
Bonuses				
Gift				

Review each worker's income sources and place a check mark into the appropriate row. For example, if Sokunthea gets a salary, overtime and bonuses, place a check mark in the three appropriate boxes.

- **Why do the income sources vary between the workers?** [The income sources vary depending on type of occupation. For example, garment factory workers may receive a salary and overtime. Overtime pay can substantially increase total income.]

Explain:

Sometimes income sources are regular, in other words, are steady from month to month. I would like a volunteer to come up to place stickers on the income sources that are steady from month to month.

- **What income sources are regular, in other words, are steady from month from month?** [Salary or wage is the most common income source for migrant workers.]

Sometimes income sources are irregular, in other words, they change from month to month. I would like another volunteer to place stickers on the income sources that are irregular.

- **What income sources are irregular?** [Overtime, part-time jobs, tips, bonuses, gifts.]

2. Identify and categorize expenses – 15 minutes

Say:

Let's look at expenses.

- **What are the different types of expense sources for migrant workers?** *[loan repayment, housing, food, electricity, remittance, transportation, phone credit, medicine, cosmetics, recreation, wedding gifts, religious/cultural celebration.]*

Post the following flip chart. Draw four vertical lines, creating four headings: Sokunthea, Dewi, Vanita and Tola.

Expenses	Sokunthea	Dewi	Vanita	Tola
Loan repayment				
Housing				
Food				
Electricity				
Remittance				
Transportation				
Phone credit				
Medicine				
Cosmetics				
Recreation				
Wedding gifts				
Religious ceremonies				

Ask:

- **Which types of expenses did each worker have?**

Review each worker's expenses and place a check mark next to the appropriate row. Ask:

- **Why do the expense sources vary between the workers?** *[The sources of expenses will vary depending per occupation. In some jobs, the employer will pay for basic needs such as lodging and food. Most migrant workers will have to pay for basic needs such as housing and food.]*

Explain:

Sometimes expense sources are regular, in other words, are steady from month to month. I would like a volunteer to come up to place stickers on the expense sources that are steady from month to month.

- **What expenses are regular – or “steady” – from month to month?** *[Loan repayment, housing and food are the most common expense sources for migrant workers.]*

Sometimes expense sources are irregular – they change from month to month. I would like another volunteer to place stickers on the income sources that are irregular.

- **What expense sources are irregular?** *[Phone credit, medicine, transportation.]*

3. Create a budget – 20 minutes

Say:

Once you know your income and expenses, you are ready to develop a budget. Let's develop a budget together. But first, let's review what a budget is.

Raise your hand if you remember the definition of “budget.” (Session 3.3)

Encourage volunteers to share their ideas. After two or three responses, review the definition. Post the definition on a flip chart or use the flip chart from Session 3.3.

A budget is...

A budget is a plan that lays out what you will do with your money.

Here is a sample budget.

Post the budget flip chart (see below). Ask the group:

- **What are the three main parts of this budget?** [Income, expenses, and savings.]
- **What are the different sources of income?** [Salary, overtime, part-time job, bonuses, tips.]
- **Why do you think it is important to record the remittance as a separate expense category?** [To keep better track of how much you remit to your family.]

Explain:

Now, let's make a monthly budget for one of our workers. Let's choose one worker to be the "star" of today's session.

Choose one worker – Sokunthea, Dewi, Tola or Vanita – and post the sign (with his or her portrait) from Step 1 near the flip chart. Write his or her name on the top of the flip chart.

Let's begin by placing all the income cards in the appropriate boxes on the flip chart.

Monthly budget	
Income	Amount
Salary	
Overtime	
Part-time job	
Bonuses	
Tips	
Sub-total	
Total income	
Expenses	
Necessary household spending (needs)	
Housing	
Food	
Utilities (electricity, water)	
Transportation	
Remittance	
Healthcare/medicine	
Communication (phone)	
Other	
Sub-total (needs)	
Optional spending (wants)	
Cosmetics	
Recreation	
Total expenses	
Income – expenses	
Savings to reach migration goals	

Ask a volunteer to remove the main character's income cards and post them on the chart on the lines below the income heading. Ask a second volunteer to post the expense cards on the budget in the correct expense categories.

Now, I want us to come up with how much each item is worth.

Ask the volunteers to estimate how much each item is worth. Write down the amount next to each item and round to the nearest five or ten to make the adding easier.

When all the items in the budget have been given amounts, ask the participants to add all the incomes and expenses. Ask a volunteer to write down the sum of all the income amounts. Ask another volunteer to write down the sum of all the expenses.

Say:

The second last line is among the most important on the budget form. This line represents the difference between income and expenses.

When the number is positive, this means there is **surplus**, in other words, money is left over. When the number is negative, this means there is **deficit**, in other words, there is not enough money.

Ask:

- **In the case of the budget we just created, how can a surplus occur?** [It would mean that there is money left over after paying for all expenses. This can occur if there is more income than expected such as overtime or a bonus.]
- **In the case of the budget we just created, how can a deficit occur?** [Not enough income to pay for all expenses creates a deficit. This occurs if income is lower than expected when, for example, a bonus does not get paid or when you spend more than you expected to earn this month.]
- **How do we figure out the number that goes on the last line of the budget?** [We must subtract the total expenses from the total income. A positive number is a surplus and a negative number is a deficit.]

Show the calculation, subtracting total expenses from total income on the budget flip chart that you have been using as an example. Ask participants the following:

- **Does this budget show a surplus or a deficit?**
- **Why is it important to keep a record of your income and expenses?**

Summarize by saying:

Keeping a record of your income and expenses helps you to know where your money goes. If you have extra, or a surplus, you can save it to achieve your migration goal. If your budget tells you that you won't have enough money to pay for your expenses, or a deficit, you need to cut back on some of them. A good budget helps you to pay for what you need and save up for your goals.

4. Adjust a budget to cover a shortfall – 15 minutes



Note to trainer: You will continue with the results from the Step 3 activity. If the budget from the previous activity shows a surplus, continue with Part A. If it shows a deficit, skip Part A and start this step with Part B.

Part A.

Ask:

- **What should (worker's name) do with the money he or she has left over – the surplus?** [Save it, give it to his or her parents for help with household expenses, re-pay a debt, spend it.]

After participants have discussed various options for the budget surplus, return to the budget flip chart and remove one or more of the income cards to create a deficit. Continue with Part B.

Part B.

Say:

It looks like (*worker's name*) has run into a problem and does not have enough to cover his or her expenses for the month.

Go back to your groups to solve the migrant worker's deficit. The group that comes up with the most suggestions in three minutes wins a prize!

After three minutes, ask a volunteer from each group to report on the ideas they discussed. Record the suggestions on a flip chart with two columns, (adjustments to expenses and adjustments to income), as shown on the next page:

Budget adjustments		
Group	Adjust income	Adjust expenses
Group 1		
Group 2		
Group 3		
Group 4		

Count the ideas from each group to determine which group wins the prize. You can reject ideas that are unrealistic.

Summarize and highlight the two main ways to balance a budget:

There are two main ways to balance a budget:

1. Increase your income.
2. Reduce your expenses.



For more practice, see page 17 in your Smart guide and help Tola out with his budget! Fill out his income and expenses so that he can reach his goals! Then, you can try making your own budget, using the table on page 31.

5. Review the concept of budgeting – 10 minutes

Invite the participants to stand in two lines. Say:

We will now play a game.

We have two teams that will play against each other. You will represent your team one by one. I will ask a question which can be answered by either team. In order to answer, you have to “buzz” in. The “responder” may discuss with their teammates, but only the “responder” can say the answer.

After you have had a chance to be the “responder” you will step aside, and someone else from your team will take a turn.

Each correct answer receives one point. Each wrong answer loses one point, so be quick with your answer but think carefully! The team with the most points at the end wins! Are you ready?

Read the questions on the next page one by one. After each question, award the team who answers correctly one point, but also allow for alternative answers and differences of opinion if there are any.

Questions:

1. True or False. The only information you can find on a budget is a list of expenses. (False)
2. Give one example of “irregular income”. (Overtime, part-time jobs, tips, bonuses, gifts)
3. Name something you personally will have to add or subtract in your budget to prepare for your migration.
4. At what point in time do you create your budget: (A)
  - A. The beginning
  - B. The middle
  - C. The end
5. True or False. Expenses are the same for all migrant workers. (False)
6. When you have a deficit in your budget, what are the two options for solving this problem? (Increasing income, decreasing expenses)
7. Name the three main parts of a budget. (Income, expenses and savings)
8. Name two different things that you could do with a surplus. (Save it, spend it, give it to a family member for household expenses, pay off a debt.)
9. Using a budget can help you to achieve your _____. (Migration goals)
10. What is the definition of a budget? (A budget is a plan that lays out what you will do with your money.)

At the end of the game, congratulate the winners as well as all participants for doing a wonderful job!

Training aid 3.4.1
Portraits of Sokunthea, Dewi, Vanita and Tola



Sokunthea



Dewi

Training aid 3.4.1
Portraits of Sokunthea, Dewi, Vanita and Tola



Vanita



Tola

Training aid 3.4.2
Budget worksheet

My BUDGET

Month _____

Income	Amount	
Salary		
Overtime		
Part-time job		
Bonuses/tips		
		Total

Expenses	Amount	
Needs		
Accommodation		
Food		
Utilities		
Transportation		
Remittance		
Personal care		
Phone and internet (for work)		
Wants		
		Total expenses

Total income
surplus/deficit

—

Total expenses

=

Total

Next month, I will try to reduce or cut the following expenses	I can save

How much do you need to **save** each month to reach your migration **goals**?

Session 3.5 Money in/money out: Developing your own budget



Aims
Develop a personal budget for six months
Examine two rules for savings



Target groups
Prospective migrant workers
Migrant workers



Duration
100 minutes



Materials
Flip chart paper, markers



Training aids
3.5.1 What does it cost to live away?
3.4.2 Budget worksheet



Session plan steps
1. Review steps to make a budget – 10 minutes
2. Listen to presentations by three migrant workers – 30 minutes
3. Develop a personal budget – 30 minutes
4. Analyze savings potential – 15 minutes
5. Sing a song about savings rules – 15 minutes

1. Review steps to make a budget – 10 minutes

Say:

Now it's time for you to make a budget. Let's review the steps we should take to make a budget.

Ask:

➤ **What are the steps to make a budget?**

Encourage some volunteers to describe the steps to make a budget. After a few responses summarize the discussion and highlight the six steps below.

Steps to make a budget

- Step 1: Review your migration goals
- Step 2: Estimate the amount of income by source
- Step 3: List all expenses and amounts needed
- Step 4: Make sure the expenses are less than your income
- Step 5: Decide how much you will need to save to reach your migration goals
- Step 6: Review and adjust, as needed



You can find Sokunthea's income and expenses in your Smart guide on page 18. She tracks these to stay within her budget. Money habit 6 will help you keep track of your money. If you go to pages 32 and 33, you can begin tracking your own income and expenses!

2. Listen to presentations by three migrant workers – 30 minutes



Note to trainer: Arrange for up to three community members who have previously worked abroad or in another city to participate in this activity as guest speakers. If they are not available, you can also invite a representative from a local trade union or NGO who supports migrant workers. Often, staff of these organizations have previously worked as migrant workers. Ask them to participate in a panel discussion on income and expenses during migration. Give them a copy of *What does it cost to live away?* (Training aid 3.5.1) in advance so they can prepare a brief presentation (five to ten minutes).

An alternate option for this activity is to interview the guest speakers and record their interviews in advance. You can plan the recordings (audio, digital, video) in advance and play the recording during this session. Make sure you test the volume and quality of recording in advance.

Explain:

In order to estimate how much you will earn and spend when you migrate, we have invited three guest speakers to share their experience with you today.

Allow each speaker a maximum of ten minutes to make his or her presentation. After all presentations are finished, encourage participants to ask questions to the guest speakers. Encourage questions but try to focus the questions on the topic.

To conclude the panel, ask the guest speakers:

- **What advice would you like to share about managing your money as a migrant?**
- **What surprised you about living costs when you moved away?**

3. Develop a personal budget – 30 minutes

Explain:

Now it is your turn to make a budget for the next six months. If you plan to migrate in the coming six months, you will have to estimate your income and expenses at your destination.

If you find it difficult to estimate your income or expense categories, raise your hand and a guest speaker will come to you and assist you, (if possible).

Distribute a blank Budget worksheet (Training aid 3.4.2). Explain:

Start by filling in the types of income you receive and the amount you will get from each source for the first month.

After five minutes, say:

When you have finished, fill out the expenses portion of the budget.

After five minutes, say:

To figure out your surplus or deficit, subtract your total expenses from your total income. If you have a surplus, decide the amount you will place in savings.

Circulate among participants to offer help to anyone who wants it. Allow ten minutes for this task. Ask:

- **What questions do you have about developing your own budget?**

Explain:

You have completed your budget for month one. Good job! Your next task is to repeat this exercise for the next five months. Do your best to estimate your income and expenses for each month. If you plan to migrate in the next few months, think about how your income and expenses will change each month.

If you need assistance, raise your hand and a guest speaker or trainer will assist you, as needed.

After ten minutes, discuss by asking a series of questions:

- **How do you feel when you make a budget? Is it easy or difficult? Why?**
- **Did your income change over the six-month period? If so, why?**
- **Did your expenses change over the six-month period? If so, why?**
- **What happens during the month when you have a religious celebration? How does a celebration affect your budget?**

Summarize:

- Income may change during the first stage of migration because migrant workers will begin to generate a salary.
- However, international migrant workers, like Dewi, may not receive a salary during the first six to ten months because they are paying back their loan taken out to pay for the migration costs from the recruitment agency or broker.
- Income may vary from month to month because of irregular income such as overtime, part-time pay, bonuses and tips.
- Expenses may change during the first stage of migration because migrant workers may incur expenses for travel and settling in.
- Internal migrant workers may have to start paying for housing, food and other basic needs because they no longer live under the same roof as their family or they may also need to pay back loans.
- Remittances may become an expense once the migrant workers have generated sufficient money to send back to their relatives.

4. Analyze savings potential – 15 minutes

Ask:

- **Who included savings in his or her budget?**

Congratulate participants who included savings in their budget. Explain:

Deciding how much money to save is an important part of keeping a budget. We must be able to save on a regular basis to meet any short-term or long-term financial goals that we have. Savings is also very important in order to be able to cover emergencies.

Then ask participants to review their budgets and find ways they can save money. To do this, they must choose one or more expenses to cut.



Note to trainer: *Alternatively, you can ask participants to pick a partner and exchange budgets with each other. It will be the partner's job to identify expenses to cut. Working in pairs will be more dynamic, but only if you consider that participants will feel comfortable sharing their personal budget with someone else.*

Allow two or three minutes. Then ask a few volunteers to share those items they chose to cut. Ask:

- **How realistic are your decisions? Can you really do without the items you have cut?**
- **To find money to set aside as savings, we have focused on cutting expenses. What other way is there to have money to save? [The other option is to increase income.]**

5. Sing a song about savings rules – 15 minutes

Explain:

With savings, taking action can be harder than discussing ideas. It is easy to understand why savings is so important for our financial security, but harder to actually save. It is easy to conclude that “We have no money to save.” It is much harder to force ourselves to find a little something to save each day or each week, even if it is only a penny. To do this, you must follow the two basic rules for saving.

Show the following flip chart with the two basic rules for saving.

Two rules for saving

1. Spend less than you earn!
2. Save something every day or every week!

Divide participants into two groups and assign each group one of the rules for saving. If you have a large group, you can create four groups and assign each rule to two groups. Explain: Each group will make up a short song to sing about its assigned savings rule. Your tune should be easy to remember so that you can sing the song often. You can use a tune you already know, or make up a new tune. The song can include other words as well or simply repeat the savings rule to music.

Give the groups ten minutes to create their song. Then ask them to perform and teach their song to the others.



Note to trainer: Have fun with the song. It may seem awkward at first, but if participants create a song that is funny or memorable, ask them to sing it again periodically throughout the training. You can offer a prize to the participant who remembers the entire song, a participant who offers to sing it, the participant who initiates singing at the beginning or end of a session, or whatever criteria you choose.

Thank the participants for their creativity and musical entertainment!

Training aid 3.5.1
What does it cost to live away?

Ask the guest speakers the following questions:

1. Where did you migrate?
.....
.....
2. What was your job?
.....
.....
3. What were your main income sources? How much did you earn from each income source?
.....
.....
4. Was your income the same every month or did it change from month to month? If it changed, why did it change?
.....
.....
5. What were your main expenses? How much did you normally spend on basic needs such as housing, food, utilities, etc.? How much did you spend on wants or unnecessary items?
.....
.....
6. Were you able to have a surplus every month? Why or why not? What did you do to save money?
.....
.....

Session 3.6 Keep track of money in/money out



Aims

Discuss ways to stay within your budget
Practice tracking income and expense using simple worksheets



Target groups

Prospective migrant workers
Migrant workers



Duration

90 minutes



Materials

Flip chart paper, markers



Training aids

3.6.1 Income tracking sheet
3.6.2 Expense tracking sheet
3.6.3 Transaction cards



Session plan steps

1. List tips to stay within budget – 30 minutes
2. Present an income tracking sheet – 15 minutes
3. Present an expense tracking sheet – 15 minutes
4. Practice using income and expense tracking sheets – 20 minutes
5. Share how you will use these forms in your life – 10 minutes

1. List tips to stay within budget – 30 minutes

Say:

It is one thing to make a budget and another thing to stay within the budget. Let's listen to two stories and see how well our friends Dewi and Sokunthea stay within their budget.

Read the following story:

Dewi's story

Dewi made a budget with her family before migrating abroad. She received a phone call from her recruitment agency; they said her parents were demanding she send more money home. She was tempted but remembered that she had already sent the amount allocated in her budget. But, she felt very sad so she went to the bank to withdraw all of her savings. She gave the money to the recruitment agency and they gave her parents the money. Later that week, she developed a sore throat and became very sick. She was unable to buy the medicines and the doctor's visit with the money she had set aside for unexpected expenses.

Read the second story:

Sokunthea's story

Sokunthea had many expenses during the festival season. She planned for this in her budget. During the season, she purchased gifts for family and friends and special foods. From time to time, she added up her expenses to find out how much was left in her budget. She realized that she spent more on gifts and offerings than expected, so she looked carefully at her budget. She had put an amount in to buy a new mobile phone charm and other accessories. She decided to spend less on the mobile phone accessories to make up for overspending on gifts and food.

Ask:

- **Who is more committed to stay within her budget?**
- **What did Sokunthea do to stay within her budget?** *[She kept track of her spending so she did not spend more than budgeted; when she overspent on some things, she cut costs on others.]*

Ask the participants to turn to the person on their right and discuss the following question:

- **What can you do to stay within your budget?**

Ask participants to share their ideas. Summarize their ideas and emphasize these points:

How to stay within your budget

- Remind yourself often what you planned to spend
- Put in the budget something for unexpected spending needs
- Keep savings out of reach so you do not spend them
- Keep track of what you spend
- Make sure you do not spend more than is budgeted
- If you spend more on one item, spend less on something else
- Make a list of ways to cut planned expenses
- Get the family to participate in developing and sticking to the budget

2. Present an income tracking sheet – 15 minutes

Say:

To stay within your budget it is important to track your income and expenses and calculate exactly how much you earn and spend each month. This tool is called the Income tracking sheet.

Present the following flip chart using Training aid 3.6.1 Income tracking sheet.

My income tracking sheet		
My name:		
Month:		
Year:		
		
Total income		

Review the income tracking sheet. Ask:

- **When you migrate, when will you use the income tracking sheet?** *[On bi-weekly or monthly payday; when you receive a tip or bonus.]*
- **What method will your employer use to pay you?** *[Direct deposit to bank account; cash; withhold your monthly pay and pay at the end of the contract.]*

- **Should you use this sheet even if your employer does not pay you in cash?** *[Yes, you should use this sheet if your employer pays you in cash, by direct deposit or if they withhold your salary to pay you at the end of your contract.]*
- **If your employer pays you cash, should you check the money he or she gives you in an envelope?** *[Yes, it is not impolite to count the money your employer gives you in an envelope. It is your right to get paid the amount you agreed upon. Enter the amount into the Income tracking sheet only after you have verified the amount. If the amount is incorrect, speak to your employer.]*
- **If your employer pays you by direct deposit to a bank account, how can you check to see if the deposit was actually made?** *[If you can visit a bank, you can check your balance to ensure that the correct amount was credited to your account. If you cannot visit a bank, ask your employer to provide you a copy of the deposit or passbook.]*

Summarize and say:

The Income tracking sheet is an important tool because it will enable you to keep track of how much you earn each month. The Income tracking sheet can be used for both cash and non-cash transactions.

Ask:

- **What are the benefits of using an income tracking sheet?**

Summarize and highlight these important points:

- Know your total income. This tool helps you know exactly how much you earn each month. Knowing how much you earn is an important step to take control of your money and allow you to plan ahead for expenses.
- Sometimes employers may be late in paying salary. Some employers may forget to pay salaries at the end of each month. By keeping written records, you can remind your employer that your salary is due.
- At the end of your contract, sometimes employers pay migrant workers less than they expect. Some workers, especially domestic workers, may agree to get paid at the end of the contract. However, there are cases of employers paying less than expected. By keeping written records, you can show your employer how much is owed to you.

3. Present an expense tracking sheet – 15 minutes

Start this activity with a quick energizer to help participants reflect on the topic. Say:

- Stand up if you know how much money you spent on mobile phone credit last month.
- Stand up if you know how much you spent on local transport last month.

Observe how the group responds and say the following:

Even though we all spend money, few of us keep track of exactly how much we spend on certain items on our budget. Let's learn about a tool that will help us track how much we spend.

Present the following flip chart using Training aid 3.6.2.

Expense tracking sheet			
Name:			
Month:			
Year:			
			
Total expenses			
Total income – expenses			
Savings			

Review the sheet. Make sure everyone understands that each person will develop his/her own list of expenses depending on how the money is spent.

- **When you migrate, when will you use the Expense tracking sheet?** [Every time you spend money. You can fill in the form every evening or find time on your day-off to update your sheet.]
- **Should you use this form for small amounts? Why or why not?** [Yes, you should use this form because small amounts add up. For example, if you purchase breakfast every day for US\$0.25 that will add up to US\$5 for 20 working days.]

Summarize and say:

The Expense tracking sheet is an important tool because it will enable you to determine how much you spend each month. The Expense tracking sheet can be used for both cash and non-cash transactions.

- **How can you use the Expense tracking sheet in the future?**

Summarize and highlight these very important points:

- Know your total expenses. This tool helps you know exactly how much you spend each month. Knowing how much you spend is an important step to take control of your money. You can adjust spending for other expenses when you begin to see that you are spending more than you budgeted.
- Sometimes employers may deduct from your salary if you damage items or equipment: Employers sometimes charge more than the agreed upon amount for damaged or broken items. By keeping written records, you can keep track of all the expenses associated with damaging items. Ask your employer how much each item is valued so you can keep track and not be surprised when you are paid.

4. Practice using income and expense tracking sheets – 20 minutes



Note to trainer: Before this activity, the trainer should prepare transaction cards. Refer to Training aid 3.6.3. The transaction cards are designed so the main character has a surplus at the end of the month. If you change the units, remember to make sure that the total income is more than the total expenses.

Say:

Now, let's practice using our Income and Expense tracking sheet. For this activity, we will be tracking the income and expenses of one of our workers.

Post the Income and Expense tracking sheets next to each other in the front of the training room. Prepare the Transaction cards (Training aid 3.6.3).

Explain:

There is a stack of cards in the center of the room. Each card reveals a different transaction. Our task is to identify what type of transaction is taking place and record the transaction on either the Income tracking sheet or the Expense tracking sheet.

Fill in the tracking sheets with participants as follows:

- Ask one volunteer to start by entering the name, month and date on the two sheets.
- Ask volunteers to select a card from the top of pile and write down the transaction.
- When all the transactions have been recorded invite the participants to participate in a race.
- Ask them to calculate the total income and the total expenses.
- The first person to calculate the right number gets a small prize.

The sheets should look as follows:

My income tracking sheet		
My name: Sokunthea		
Month: March		
Year: 2010		
1/15/2010	Salary	US\$60
1/15/2010	New Year's bonus	US\$30
1/17/2010	Part-time job	US\$10
Total income		US\$100

My expense tracking sheet			
My name: Sokunthea			
Month: March			
Year: 2010			
			
1/1/2010	Rent	US\$10	Yes
1/1/2010	Electricity	US\$3	Yes
1/5/2010	New T-shirt	US\$2	Yes/No
1/7/2010	Weekly lunches	US\$2	Yes
1/10/2010	Remittance to mother	US\$25	Yes
1/10/2010	Bank charge	US\$2	Yes
1/14/2010	Weekly lunches	US\$2	Yes
1/20/2010	Telephone scratch card	US\$5	Yes/No
1/21/2010	Weekly lunches	US\$2	Yes
1/26/2010	Friend's wedding present	US\$5	Yes/No
1/28/2010	Weekly lunches	US\$2	Yes
Total		US\$60	
Total income – expenses		US\$40	
Savings		US\$40	

Explain:

Now, let's calculate Sokunthea's surplus or deficit this month.

- **What is Sokunthea's surplus or deficit?** [US\$40]
- **How did you make this calculation?** [US\$100 – US\$60]
- **What can Sokunthea do with the surplus?** [Set aside savings to reach her migration goals.]



Remember that you have an income tracking sheet, as well as an expense tracking sheet in your Smart guide on pages 32 and 33. Start tracking your money in and money out now!

5. Share how you will use these forms in your life – 10 minutes



Note to trainer: This activity will allow participants to reflect on why and how they can use the income and expense tracking sheets in their daily lives. You will need a ball and several key questions for this activity.

Ask the participants to form a circle. Explain:

I will call out a name and throw that person the ball. When you have the ball, listen to the question that I read and say the answer. If you are correct, you may choose who receives the next question. If you are not correct or if there is more than one answer, you may throw the ball to someone else who will receive the same question.

The questions can include:

- What is a budget?
- Name one piece of information you find on a budget?
- Name two types of expenses?

- *What will you do if you have a deficit? What will you do if you have a surplus?*
- *What is one way to stay within budget?*
- *Name one benefit of using income tracking sheet.*
- *Name one benefit of using expense tracking sheet.*
- *Name one thing you learned in this training session.*
- *When will you use these sheets in the future?*

Once participants finish answering the question, tell them to throw the ball to another person. Repeat the exercise until all the questions have been answered. Emphasize the session points and congratulate everyone for their hard work.

[illegible]

My expenses

[illegible]

Training aid 3.6.3
Transaction cards

Card 1

Young garment factory worker receives her monthly salary in cash on 15 January 2010. The value of the transaction is US\$60. The transaction is occurring in the finance and administration office at the factory.

Card 2

Young garment factory worker receives a New Year's bonus in cash on 15 January 2010. The value of the transaction is US\$30. The transaction is occurring in the finance and administration office at the factory.

Card 3

Young garment factory worker is paying her landlord rent and electricity in cash on 1 January 2010. The value of the rent is US\$10 and the value of electricity is US\$3. The transaction is occurring outside of the house where she rents a room near the garment factory.

Card 4

Young garment factory worker is walking with friends on a weekend day and she decides to buy a new t-shirt on 5 January 2010. The value of the transaction is US\$2. The transaction is occurring in a street market.

Card 5

Young garment factory worker pays the street vendor for five lunches she had the first week of January. The value is US\$2. The transaction takes place in front of the food stall.

Card 6

Her mother calls her and asks her to send money. Young garment factory worker goes to the bank and remits US\$25. The value of the remittance is US\$25 and the bank charge is US\$2. The transaction takes place on 10 January 2010. The transaction occurs at a bank.

Card 7

Young garment factory worker pays the street vendor for five lunches she had the second week of January. The value is US\$2. The transaction takes place in front of the food stall.

Card 8

Young garment factory worker ran out of phone credit so she buys a scratch card and buys phone credit on 20 January 2010. The value of the scratch card is US\$5. The transaction takes place on a street corner at a vendor.

Card 9

Young garment factory worker receives US\$10 for working one night at a restaurant to make extra money on 17 January 2010. She receives the money from the restaurant manager.

Card 10

Young garment factory worker pays the street vendor for five lunches she had the third week of January. The value is US\$2. The transaction takes place in front of the food stall.

Card 11

Young garment factory worker buys a wedding present for her friend on 26 January 2010. The value of the present is US\$5. The transaction takes place at a shopping mall.

Card 12

Young garment factory worker pays the street vendor for five lunches she had the fourth week of January. The value is US\$2. The transaction takes place in front of the food stall.

Session 3.7 Keep records to manage your money



Aims

Identify the different types of financial records and their purposes
Describe how they can organize and safeguard their financial records



Target groups

Prospective migrant workers
Migrant workers



Duration

60 minutes



Materials

Flip chart paper, markers, files, envelopes, boxes, notebooks, plastic bags, sample of key documents



Session plan steps

1. List the benefits of keeping records safe – 15 minutes
2. Identify financial records and their purposes – 20 minutes
3. Discuss how to organize and safeguard your financial records – 10 minutes

1. List the benefits of keeping records safe – 15 minutes

Keeping records of your financial transactions is helpful for managing your money. You can always refer to the recorded information to check past transactions as well as to inform future planning. In this session, we will review ways to keep your records safe.

Read the following story:

Dewi's story

Dewi is working abroad as a domestic worker. She has a bank account and receives bank statements from time to time, but never keeps them. She has been banking there for over a year and has not had any problems so she does not see the use. One day, she realizes that she has US\$200 less in her account than she thought. She is sure that there is some kind of mistake but has no records of her own to prove that she is not the person who withdrew US\$200. The bank cannot fix the problem unless she can prove it. Dewi is heartbroken because this means that she will not be able to send any money back to her mother who is sick and needs medicine.

Ask:

- **What could Dewi have done to avoid this problem?** *[She could have kept all of the documentation from her bank. It is important to have proof of each transaction so that the bank can fix mistakes as they happen.]*

Read the second story:

Sokunthea's story

Sokunthea recently migrated to another city. She found a good job that paid well but was still paying off her loan to the moneylender for the trip. She kept track of how much she owed in her head, but didn't know that you need to have written proof when you make your payments. When she went in to pay one day, the moneylender claimed that he never received last month's payment. Now, she not only has to pay this month's and last month's payment, but extra interest as well since she is late. Sokunthea tries to make him remember that she did pay, but he says it is not in his books. And if she does not have a receipt, then he must assume that she never paid. Sokunthea is new in the city and has no savings. She has no idea how she is going to come up with so much money.

Ask:

- **How did Sokunthea get into this situation?** *[She didn't keep any of her receipts as she was making her loan repayments.]*

2. Identify financial records and their purposes – 20 minutes

Tell participants:

Keeping records of your financial transactions is helpful for managing your money. You can always refer to the recorded information to check past transactions as well as to inform future planning.

Ask:

- **What are some other reasons to keep financial records?**

Listen to four or five responses. Then review the following information:

- Good records help you manage your income and expenses. The budget form, income and expense forms are records.
- Good records provide the specific amounts of past expenses that will help you develop a budget for the future.
- Documents like your contract and loan agreement are important in case you have a conflict with your employer.
- A copy of your insurance card is important because it will show proof that you are covered, if you have insurance.
- A copy of your passport is important if you misplace your passport while living abroad. It will help you get a replacement.
- Your passbook from a financial institution is important because you can keep track of your savings balance.

Ask the participants the following:

- **What documents and records are important to keep safe when you migrate?**

Ask participants to share their ideas. Summarize their ideas and list their suggestions on a blank flip chart:

Important documents

Distribute examples of these documents that you have collected to small groups of two or three participants.

Ask each group to study one or two documents and discuss the following question:

- **What information is provided by the document?**

After a few minutes, ask participants to respond and list the information next to the document type. Here is an example of what the lists can look like.

Financial documents	Information provided
Budget	Projected income and allocation to different expenditures
Employment contract	Employee's and employer's rights and responsibilities
Loan agreements	Amount of loan, salary deduction, time period
Monthly tracking form	Weekly and/or monthly income and expense records
Savings passbook	Amount and date of savings withdrawals and deposits
Bank statement	Deposits, withdrawals, interest earnings, fees on bank accounts
Insurance agreement	Insurance premiums, terms and conditions
Pay stubs	Amount of wages earned and date

Say:

Turn to a person sitting next to you and tell them which documents you have and which documents you need to get to improve your money management. How would these help you?

Give the groups three minutes for this. Then ask for a few volunteers to respond to the following.

- **What documents do you need to improve your money management and how will they help you?**

3. Discuss how to organize and safeguard your financial records – 10 minutes

Ask participants to pick a partner and discuss how to answer the following question:

- **How can you organize and safeguard these records?**

Ask a volunteer to report on their discussion. Ask others for additional contributions. Make sure that the following points are mentioned.

Maintaining financial records

- Keep budgets and income and expense tracking records in a notebook
- Have envelopes, files, boxes or plastic bags to separate and keep receipts, passbooks, loan documents, insurance forms
- Keep all the documents in chronological order
- Keep records where they are least subject to fire, floods, theft and other hazards

Demonstrate the record-keeping methods and techniques using the envelopes, files, plastic bags and boxes you have brought. As you show these, ask participants to comment on which of the methods they use and how. Ask them to comment on the method(s) that are most attractive to them.

Tell participants:

Now think about how you organize and safeguard your financial records and identify one or two ways you can improve your methods.

Give the participants a few minutes to think individually about how they can improve their methods. Then ask for two or three volunteers to share their ideas.

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Module overview

Session title	Aims	Time
1. Compare savings services	- Identify savings options - Distinguish between formal, semi-formal and informal savings services - Describe the advantages and disadvantages of formal, semi-formal and informal services - Identify the features of savings services that influence the choice for a savings method	70 minutes
2. Select savings products	- State the features of different savings accounts offered by formal financial institutions - Match savings goals with specific savings products - Identify the appropriate use for each type of savings product	85 minutes
3. Meet with financial institutions	- Identify available financial institutions in their area - Identify key features of savings products that influence which ones we choose - Develop a list of questions to learn about these features - Conduct interviews with financial institution employees - Analyze information gathered at the financial institution	120 minutes
4. How to use a financial institution with confidence	- Participate in a demonstration of the bank environment (people, lay-out, culture) - Name the documents and information needed to open a bank account - Practice using bank services (applications, deposits, withdrawals)	75 minutes
5. Remittance service providers	- Discuss different types of remittance service providers - Practice convincing a family member of the value of using formal remittance service providers - Generate a list of questions to ask remittance service providers	90 minutes
6. How to send money home	- Define steps to send and receive a remittance - Practice sending and receiving a remittance	90 minutes
7. Bank cards, Automated Teller Machines (ATMs), debit cards and point-of-sale devices	- Describe a bank card and a debit card - Identify strategies for choosing a Personal Identification Number (PIN) - Identify advantages and disadvantages of using bank and debit cards	80 minutes
Total		10 hours and 10 minutes

Module 4 Financial products and services

Session 4.1 Compare savings services



Aims

Identify savings options

Distinguish between formal, semi-formal and informal savings services

Describe the advantages and disadvantages of formal, semi-formal and informal services

Identify the features of savings services that influence the choice for a savings method



Target groups

(Prospective) migrant workers

Families



Duration

70 minutes



Materials

Flip chart paper, markers, masking tape, 15-20 blank cards, 30 pieces blank A4 paper, container (hat, bag, basket)



Training aids

4.1.1 Ways people save puzzle pieces 1-5



Session plan steps

1. Identify savings methods that are available in this community – 25 minutes

2. Discuss the advantages and disadvantages of different methods of savings – 25 minutes

3. Determine which savings service is safest – 10 minutes

4. Identify features that might influence our choice of savings method – 10 minutes

1. Identify savings methods that are available in this community – 25 minutes

Ask the participants to form pairs. Then ask:

➤ **What are the ways people can save?**

Distribute a piece of paper and markers to each pair. After five minutes, ask the pairs to post their drawings on the wall. Ask a few volunteers to share their responses.



Note to trainer: if the participants do not feel confident in their ability to draw, use Training aid 4.1.1 or photos of ways people can save.

Explain the following:

As you can see, there are many ways to save, and they're not always the same. Let's talk about our friends Dewi, Sokunthea and Vanita again. Each woman has her own preference about the ways she saves. Dewi prefers that her savings stay in the bank, where she won't be tempted to spend it. Vanita belongs to a savings group, where she puts away a little money with them every week. Sokunthea doesn't trust others handling her money and keeps it in a hiding place at home.

Post signs labeled "Formal", "Semi-formal" and "Informal" horizontally along the wall. Invite the group to help you decide which woman has chosen which method of saving. When participants have correctly identified that Dewi's method is "formal", read the definition:

A **formal** savings institution is regulated by a government agency to ensure the safety of savings. Usually, formal savings services pay interest on savings. And some institutions insure savings. This means that if the institution loses your money, the government will reimburse you for your losses up to a certain amount.

When they have correctly identified Vanita's method as "semi-formal", read the definition:

Semi-formal savings methods fall in the middle between the formal and informal. Semi-formal savings institutions offer organized services but are not supervised or regulated by the government. They include savings collectors, village banks and other microfinance-group mechanisms.

When they have correctly identified Sokunthea's method as "informal", read the definition:

An **informal** savings vehicle is a savings method you manage yourself, usually at home. You may keep your savings in cash, or jewelry or livestock. Savings of this nature does not have oversight from a government agency.

Now return to the list of savings methods people use in this community. Invite the group to help you decide whether each is a formal, informal or semi-formal way to save. Re-organize the drawings so that each drawing falls into the correct category. See the chart below to assist you.

Formal	Semi-formal	Informal
■ Bank ■ Regulated Microfinance Institution (MFI) ■ Post office ■ Credit union	■ Groups: Savings and credit associations, village banks, solidarity groups, self-help groups ■ Savings collector ■ Non-regulated MFI or cooperative	■ At home (in cash) ■ In kind (gold, jewelry, livestock, land, etc.) ■ Other

For each category, ask participants to raise their hands if they respond positively to the following question:

➤ **Who has used one of the services in this category?**

Announce to the group that those who raised their hands are the resource people for this category. Ask them the following:

➤ **How does the service work (deposit and withdrawal requirements, interest, etc.)?**

➤ **How have you used the service?**

➤ **Which service do you think will be available when you migrate?**

For each category of service, invite the group to ask the resource persons questions about the service. Clarify when necessary and keep a list of issues that remain unanswered or unresolved.

2. Discuss the advantages and disadvantages of different methods of savings – 25 minutes



Note to trainer: Prior to this activity, make a copy of Training aid 4.1.1. Each illustration shows one savings method. Cut each illustration into four or five puzzle pieces, depending on how many participants are attending your training. For example, if you have 25 participants, then you can cut each puzzle into five pieces. Place all puzzle pieces into a container such as a bag, hat, or basket.

Divide the participants into five small groups and ask every person to take one jigsaw puzzle piece from the container. When everyone has a puzzle piece, say:

Now, when I give you the signal (*clap*), I want you to quickly find other participants who have a piece from the same puzzle.

Once groups have completed the puzzles, distribute masking tape and ask the participants to tape the puzzle pieces together and discover which savings method their completed puzzle shows.

Give the groups the following instructions:

For the savings service on your picture, create a short role-play about the advantages and disadvantages of this service. You will perform it in front of the group and it should be no more than three minutes.

Give the groups five minutes for this exercise.

While they are working, post a blank table as shown below on a flip chart.

Savings service	Advantages	Disadvantages	Risk rating
Formal			
Semi-formal			
Informal			

When they have completed this discussion, bring the groups back together. One by one, ask them to show their completed jigsaw puzzle before doing their role-play. Write the advantages and disadvantages identified in the role-play in the appropriate columns on the flip chart. The result will look something like the table on the next page:

Savings service	Advantages	Disadvantages	Risk rating
Formal			
Banks Post office Credit union Regulated MFI	■ Safest option ■ Less temptation to withdraw and spend ■ May earn interest ■ Access to wider range of savings products (certificates of deposit, current account, pension funds, etc.) ■ Helps to manage money ■ Can save time on bill payments	■ Low remuneration ■ Minimum deposit required to open account may be barrier ■ May charge fees ■ Long lines and delays inside bank ■ Can be confusing ■ Less accessible to poor and those who cannot read and write	
Semi-formal			
Savings with group (village bank, non-regulated savings and credit association, etc.) Rotating Savings and Credit Associations (ROSCAs) Deposit collectors	■ Easy access ■ Savings often linked to credit ■ May earn dividends on loans made with savings ■ Group rules about frequency and amount of deposits encourages saving ■ Discipline	■ Safety not guaranteed ■ May or may not earn interest ■ May have limited or no access to loans ■ Limited access to savings or withdrawals subject to group approval	
Informal			
At home (in cash) In kind (gold, jewelry, livestock, land, etc.)	■ Easy access ■ Value might increase overtime ■ Must sell to access cash—decreases temptation	■ Not safe ■ Too easy to spend and 'waste' on non-essential items ■ Difficult to liquidate in case of emergency ■ Value could decrease overtime ■ Risk of theft or death (in case of animals)	

3. Determine which savings service is safest – 10 minutes

Ask:

- **What bad things can happen to your savings?** *[Savings get stolen or lost, lose value, are used to pay my own bad debts or the bad debts of others, used by family members, savings in gold can lose value if the price of gold drops, animals like cows and pigs can become sick or die.]*

Say:

Look at all the types of savings services we have talked about and answer the following question:

- **What savings services are safer than others? Why?**

Ask for a few volunteers to give their ideas and then explain:

We are going to evaluate each service for how safe your money is there. We will use a scale of 1, 2, 3 to rate each service. “1” is low safety. “2” is average safety—“sort of” safe. “3” is very safe.

Return to the chart and point out the last blank column.

Ask participants to consider each service and give it a “1”, “2”, or “3” depending on how safe they think it is. For each service, call on three volunteers to share their ranking and fill in the squares in this last column with their votes. If participants disagree, encourage discussion to air all points of view.

4. Identify features that might influence our choice of savings method – 10 minutes

Say:

We have many ways to save, each with its own strong and weak points. Some of us might be most interested in ways to increase our savings; others might be more concerned about convenience and look for the closest place to save.

Ask:

- **Many of you already save in formal, semi-formal and informal ways. What are some of the things you considered before deciding how to save?**
- **What are some of the reasons that you decided against another form of saving?**

Solicit a number of responses and write them on a flip chart. If all of the following are not named, add missing items from below to the list. Be sure to clarify any terms that are not understood.

Characteristics to consider when choosing a savings method

- Access to savings/flexibility of withdrawal
- Convenience and ease of use
- Requirements for opening a savings account
- Safety
- Interest rate
- Cost of savings
- Liquidity

Summarize the main points:

- **Access to savings/flexibility of withdrawal:** This refers to how easy or difficult it is for people to withdraw their savings. For example, how many times a month can you make withdrawals from your account? If your bank has an ATM network and/or many branches, this may improve access to savings.
- **Convenience and ease of use:** People tend to value convenience and want to be able to withdraw their savings in a timely manner. Some people need financial institutions to offer opening hours that match their work schedules.
- **Requirements for opening a savings account:** Many people think that savings at a formal financial institution is for rich people and that you need a lot of money to open an account. This is not always the case. Many banks have zero or low opening deposit requirements.
- **Safety:** When people save at home or in shared accommodations, there is a change of theft or loss of money. Some financial institutions are regulated by the government and offer insurance to small depositors meaning that in the event the bank fails, you will not lose your savings.

- **Interest rate:** When you save money in a formal (or semi-formal) institution, they give you a percentage of the money you saved as a reward for using their services.
- **Cost of savings (fees):** Formal institutions may charge fees for transactions such as transfers, ATM withdrawals, etc.
- **Liquidity:** Will your savings be available when you want to withdraw? If you need money fast, it is important that the savings method permit you to get the full amount in a timely fashion. Sometimes when we save in assets such as livestock, we have to wait a few days before we can sell the asset and have cash money.

Ask participants to turn to the person next to them and exchange their ideas about which of these elements would be or is MOST important to them:

- **If you had to choose one item from this list as the MOST important factor when selecting a savings method, which would you choose for yourself? Why?**

After five minutes, ask several people to share their partner's choice and why it is important.

Round-up with the following point:

Savers choose different kinds of methods because they each have different needs and priorities. It is important that you choose the method that is right for you.

Training aid 4.1.1
Ways people save puzzle pieces 1



Ways people save puzzle pieces 2



Ways people save puzzle pieces 3



Ways people save puzzle pieces 4



Ways people save puzzle pieces 5



Session 4.2   **Select savings products**



Aims

State the features of different savings accounts offered by formal financial institutions
Match savings goals with specific savings products
Identify the appropriate use for each type of savings account



Target groups

Migrant workers
Families



Duration

85 minutes



Materials

Flip chart paper, markers, masking tape



Training aids

4.2.1 Example of brochure for a passbook savings account
4.2.2 Example of brochure for a contractual savings account
4.2.3 Example of brochure for a time deposit account
4.2.4 Matching goals to savings products situation cards



Session plan steps

1. Match savings products to savings goals – 10 minutes
2. Present and discuss savings products of formal financial institutions – 20 minutes
3. Role-play to select a product to match specific savings goals – 45 minutes
4. Determine which type of account would be most helpful – 10 minutes

1. **Match savings products to savings goals – 10 minutes**

Say:

Now we are going to talk about the different types of savings products that are available and match the products to different savings goals. To do this, let us remember some of the things we learned in previous sessions.

First, let us review the features of savings services that are important. They include the following:

- Access to savings/flexibility of withdrawal
- Convenience and ease of use
- Requirements for opening a savings account
- Safety
- Interest rate
- Cost of savings
- Liquidity

Then say:

Let us also remember our short-term and long-term goals.

Ask the participants:

- **What is an example of a short-term goal? What is another example?**
- **What is an example of a long-term goal? What is another example?**

Continue:

Thank you for these examples. As you remember, a short-term savings goal is for an expenditure you expect to occur within one year. A long-term savings goal is a goal you expect to reach in two to three years or longer.

Whether you are saving for a home improvement or to pay for your children's school fees, you are putting money aside and resisting the temptation to spend it.

Ask:

- **How do you think your savings goal will influence how you save?** *[For short-term goals, you put aside as much money as you can within a defined period of time. When that period is over, you withdraw your savings to meet the goal—to pay the school fees or to pay for migration costs, for example. Then you start saving all over again. For long-term goals, you may save a smaller amount on a regular basis over a longer period. You hope not to withdraw it and just keep saving until you reach your goal.]*

Explain:

Banks and other financial institutions want you to keep your money with them. Because of this, they do things to encourage you, like give you the rewards we mentioned last time. The “reward” that banks give you is called “interest”. Interest is a small percentage of the money you have saved. The percentage that the bank uses is called the “interest rate”. The longer you agree to leave your money in the bank, the higher the interest rate the bank will pay. If you need to make frequent withdrawals, you will likely have an account that earns a lower interest rate.

Ask:

- **What features of a savings account will help you save when you are saving for the long term?** *[High interest rates – limited withdrawals.]*

Say:

Now, let's say you are saving for your child's school fees that are due every three months.

- **What features do you want your savings account to have?** *[Unlimited deposits and withdrawals – frequent access.]*

Say:

You can see that different savings goals require different savings products. Let us now learn about the typical types of savings products available at financial institutions.

2. Present and discuss savings products of formal financial institutions – 20 minutes



Note to trainer: In this Step you will help participants compare three types of savings accounts. You will provide samples of brochures for three types of accounts: passbook savings, contractual savings, and time deposits. Use Training aids 4.2.1 to 4.2.3. These samples are adapted from a microfinance institution. It is recommended that you go to a nearby formal financial institution and pick up brochures for these three types of savings products.

Explain that an advantage of saving at a formal financial institution, such as a bank, is the choice of savings accounts. Tell the participants that they will learn about the most common accounts.

Form six groups and distribute one sample brochure to each group. Two groups should receive a brochure for a passbook savings account (Training aid 4.2.1); two groups should receive a brochure for contractual savings account (Training aid 4.2.2); and two groups should receive a brochure for a time deposit account (Training aid 4.2.3).

Ask each group to review the brochure and to discuss the following questions. Post these questions on a flip chart.

- **Can you make withdrawals when you want?**
- **What is the interest rate?**
- **May you take out loans against your savings?**
- **Is the savings schedule flexible?**

- **Do you have to save on a set schedule?**
- **Is there a minimum deposit?**
- **Are there fees for breaking the rules?**
- **How would people use this type of account?**

After five minutes ask a volunteer from each group to present responses. Congratulate all the groups for their hard work.



See your Smart guide on pages 20-21: Money habit 7 will help you to decide which type of account is right for you.

Ask:

- **What are the similarities and differences among these savings accounts?**

Post the prepared flip chart below and review the key information.

Savings products of formal institutions			
	Regular/ Passbook savings	Contractual savings	Time deposit
Can you make withdrawals when you want?			
What is the interest rate?			
May you take out loans against your savings?			
Is the savings schedule flexible?			
Do you have to save on a set schedule?			
Is there a minimum deposit?			
Are there fees for breaking the rules?			

Say:

These accounts are different from each other, and each account can be good depending on your savings goal:

- The **regular or passbook savings account** is good for when you want to access your money any time.
- The **contractual savings account** is good because you can save a set amount each month to reach your goal.
- The **time deposit account** is good because it helps your money grow for longer-term goals.



See your Smart guide on page 20 for more information on the three types of savings accounts.

I am going to give you three different savings goals, and you tell me which product is best for that particular goal.

- Emergencies (*regular or passbook savings*)
- Regular needs such as religious celebration (*contractual savings*)
- Marriage (*time deposit*)

3. Role-play to select a product to match specific savings goals – 45 minutes



Note to trainer: This activity calls for participants to role-play situations. You will need to divide them into four groups and give them ten minutes to prepare their role-plays which should last from three to five minutes. In planning, allocate ten minutes for each role-play presentation and follow-up discussion.

Divide the participants into four groups. Explain:

Each group will receive a card that describes a situation (*Training aid 4.2.4*). Each group should decide what type of savings account the main character should open. Make up a role-play showing the interaction between the people described and the solution you have chosen. The solution can be any of the three savings account options.

After each group has performed its role-play, ask:

- **Which savings product did you select?**
- **Why did you select this savings options?**
- **How can you convince your family members about the benefits of the savings option you selected?**

Review the following answer key:

Situation 1

Sokunthea wants to save to enroll in a computer class next year. She has almost nothing saved now, but she thinks that if she can set aside US\$10 every month for a year, she will have just enough for the class. So, she can't be tempted to dip into these savings for anything else. Her mother does not think she should open a savings account at a financial institution. Her mother thinks that it is difficult to access this money once you deposit it. She thinks that Sokunthea should be contributing all her money to the family. If something happens, the money should be readily available to help out. What type of savings account should Sokunthea open? How can Sokunthea convince her mother of the benefits of opening a savings account?

Answer: In this case the compromise would be a regular savings account for the family and a contractual savings account for the migrant worker.

Situation 2

Vanita has just completed a learning session on savings for emergencies. Now she is determined to save every month, even if she can only afford a small deposit. She doesn't know what she might need the money for now, but she doesn't want an unexpected illness or accident to ruin her family. She sends money home to her husband whenever she can, telling him to save it for an emergency. When their daughter gets sick, her husband confesses that he has not been saving the money at all and there is nothing left. Vanita realizes that she must open her own savings account. What kind of account do you think she should open?

Answer: Passbook savings will allow her to make small deposits whenever she can and withdraw money when she needs to. Since she does not know when she might need to withdraw money for an emergency, she probably wouldn't want restricted access that would force her to pay a penalty if she takes money out before her contract period is up.

Situation 3

Muhammed just received US\$200 from his wife Dewi who is working abroad. He could spend this money on any number of important things, but he really wants to put it away so they can buy food processing equipment in one year. He does not want to be able to withdraw these savings and wants to earn the highest interest possible. What type of savings account should he open? How can he convince Dewi to open a savings account?

Answer: Since Muhammed does not plan to spend this money for one year, a time deposit account will earn the highest interest and keep her money safe from temptation to spend it on other things, as penalties are charged for early withdrawals.

Situation 4

Tola's mother wants to save a portion of the remittance she receives to put a new roof on the house. She wants to save a set amount each month for one year. She does not want to be tempted to spend the remittance, and she thinks a savings account will help them reach their family's goals. Tola's father does not think they should open a savings account at a financial institution. What type of savings account should they open? How can Tola convince his father to open a savings account?

Answer: A contractual savings account will allow them to make monthly deposit targets and save for a determined period of time.

4. Determine which type of account would be most helpful – 10 minutes

Ask:

- **When you migrate, which types of savings account would be most useful?**
- **Are you interested in more than one type of account? Why?**

Ask if participants have any other questions about savings products that financial institutions offer. Discuss and clarify any remaining issues. Ask:

- **What will you share from this lesson with your family?**

Listen to the ideas of two or three volunteers.

Thank the participants for their good work.

Training aid 4.2.1
Example of brochure for a passbook savings account

PASSBOOK SAVINGS ACCOUNT



When you want to access your money any time

Any easy, simple convenient way of keeping and withdrawing money at any time when you need it. Our passbook savings account offers flexibility in managing your money. There's no need to pre-inform the bank for deposit and withdrawal.

Advantages

- Use of US\$
- A high interest rate
- Very low initial deposit to open an account
- Free of charge for opening and transacting account
- You can deposit your money any time
- You can withdraw your money without prior notice
- Free savings passbook

Interest rates

Term	Minimum balance	Interest rate per year
	US\$	%
Daily	3	3.5
	100	4.5

Training aid 4.2.2

Example of brochure for a contractual savings account

CONTRACTUAL SAVINGS ACCOUNT



The saving that will make you really save money for the future

This account makes your goal of saving a big amount easy. It allows you to make deposits at your own pace, with the option to fulfill your monthly deposit commitments in advance. You can choose from 3 to 36 months with different interest rates.

Advantages

- Use of US\$
- A high interest rate
- Flexible alternatives of monthly deposit target and term to open an account with different desired interest rate
- Free to open an account
- Free savings account

Interest rates

Term	Minimum balance	Interest rate per year
	US\$	%
3-5 months	5	5
	50	5.5
6-8 months	5	5.5
	50	6.5
9-11 months	5	6
	50	7
12-36 months	5	6.5
	50	7.5

Training aid 4.2.3
Example of brochure for a time deposit account

TIME DEPOSIT ACCOUNT



A saving strategy to make your money earn more money

If you are thinking on what to do with your extra cash, this account will help you gain high interest rates. It's perfect for your future investments and substantial expenses you are planning for.

Advantages

- Use of US\$
- A high interest rate
- You can choose monthly interest withdrawal or interest withdrawal on maturity with different interest rates according to period chosen
- Free to open an account
- Free certificate of deposit

Interest rates

Term	Minimum balance	Interest rate per year
	US\$	%
3-5 months	50	5.5
6 months		6.5
9 months		7
12-36 months		7.5
1 month	50	5
3 months		6
6 months		7
9 months		8
12-36 months		8.5

Training aid 4.2.4

Matching goals to savings products situation cards

Situation 1

Sokunthea wants to save to enroll in a computer class next year. She has almost nothing saved now, but she thinks that if she can set aside US\$10 every month for a year, she will have just enough for the class. So, she can't be tempted to dip into these savings for anything else. Her mother does not think she should open a savings account at a financial institution. Her mother thinks that it is difficult to access this money once you deposit it. She thinks that Sokunthea should be contributing all her money to the family. If something happens, the money should be readily available to help out. What type of savings account should Sokunthea open? How can Sokunthea convince her mother of the benefits of opening a savings account?

Situation 2

Vanita has just completed a learning session on savings for emergencies. Now she is determined to save every month, even if she can only afford a small deposit. She doesn't know what she might need the money for now, but she doesn't want an unexpected illness or accident to ruin her family. She sends money home to her husband whenever she can, telling him to save it for an emergency. When their daughter gets sick, her husband confesses that he has not been saving the money at all and there is nothing left. Vanita realizes that she must open her own savings account. What kind of account do you think she should open?

Situation 3

Muhammed just received US\$200 from his wife Dewi who is working abroad. He could spend this money on any number of important things, but he really wants to put it away so they can buy food processing equipment in one year. He does not want to be able to withdraw these savings and wants to earn the highest interest possible. What type of savings account should he open? How can he convince Dewi to open a savings account?

Situation 4

Tola's mother wants to save portion of the remittance she receives to put a new roof on the house. She wants to save a set amount each month for one year. She does not want to be tempted to spend the remittance, and she thinks a savings account will help them reach their family's goals. Tola's father does not think they should open a savings account at a financial institution. What type of savings account should they open? How can Tola convince his father to open a savings account?

Session 4.3 Meet with financial institutions



Aims

- Identify available financial institutions
- Identify key features of savings products that influence which ones we choose
- Develop a list of questions to learn about these features
- Conduct interviews with financial institution employees
- Analyze information gathered at the financial institution



Target Groups

- Migrant workers
- Families



Duration

- [In this session, the three time periods below may occur on different days]
- Preparation: 75 minutes
- Field Visit: 120 minutes (2 hours)
- Debriefing: 45 minutes



Materials

- Flip chart paper, markers, masking tape, 15-20 notecards
- Samples of brochures and literature from two or three local financial institutions



Training aids

- 4.3.1 Questions to ask at a financial institution
- 4.3.2 Questions to ask at a financial institution (with suggested answers)
- 4.3.3 Field visit report form



Session plan steps

1. Recall the different savings services – 5 minutes
2. Assess the savings products of formal institutions – 45 minutes
3. Determine how well financial institution literature answers questions – 15 minutes
4. Finalize preparations for a visit to a financial institution – 10 minutes
5. Debriefing: Report on the meeting with the providers of savings services – 45 minutes

1. Recall the different savings services – 5 minutes



Note to trainer: The session involves a visit to a financial institution. Prior to this session, the trainer should contact (a) local financial institution(s) to arrange for a visit.

Ask the participants:

- **What are the different categories of savings services we talked about at our last session?** [Informal, semi-formal and formal.]
- **What are some of the differences between informal and formal savings services?** [Safety, interest rates, choice of savings product, convenience, access to savings withdrawals.]

Explain:

Today, we will get ready for our visit to some of our local banks to conduct interviews with bank employees to learn more about their services. To prepare, we are going to start by reviewing the features of a savings service that will be important for us to consider in choosing the service that is best for us.

2. Assess the savings products of formal institutions – 45 minutes

Ask:

- **Do you know the answer to the question: “Where is the best place to put your savings?”**

Explain:

Although the answer to this question may be different for each of us, we can work together to prepare questions that will help us answer it. Let us first review the characteristics of savings services to consider.

Display the table below, drawn with headings only on a flip chart. Ask:

- **How do you decide which financial institution to put your money in?**

Use their answers to fill in the left side of the chart. Distribute Training aid 4.3.1 Questions to ask at a financial institution to participants.

Characteristics to think about when choosing a financial institution	Questions to ask
Access to savings/flexibility of withdrawal	
Convenience and ease of use	
Requirements for opening a savings account	
Safety	
Interest rate	
Cost of savings (fees, penalties)	
Liquidity	

Ask:

- **How is the list in the handout different from our list?**
- **What questions do you have about these characteristics?**

Respond to participants' questions.

Split the participants into six groups. Assign each group one of the characteristics in the left column of the chart. For example, one group will take “Access,” one will take “Requirements for opening a savings account,” etc. Ask each group to answer the following question:

- **What questions will you ask to find out what the bank policies are regarding this specific characteristic?**

Give the groups ten minutes for this exercise. If convenient, have them write the questions for their item on note cards. Ask each group to present its questions to the large group. Invite them to post their note cards on the flip chart under the column heading Questions to ask.

At the end of the presentations, distribute Training aid 4.3.2 Questions to ask at a financial institution (with suggested answers).

Ask participants to compare their questions with those on the handout:

- **What questions will you add to your list?**

Conclude by saying:

You can see that interest earned is only one of the considerations, and sometimes it is not the most important one. Each of us will have to choose which of these features matters more to us in relation to our savings goals.

3. Determine how well financial institution literature answers questions – 15 minutes

Display information about local savings services around the room. Ask participants to select brochures to look at and prepare to share their observations with the whole group. Say:

The banks use their own language to describe their services. Read the brochures and ask yourself:

➤ **Which of our questions does the bank's literature answer?**

Give them ten minutes to review the banks' brochures and handouts. Then ask for a few volunteers to respond.

Ask the entire group:

➤ **How do you think the services offered respond to the conditions we discussed before?**

Name the conditions and ask for volunteers to comment on each condition.

- Access to savings/flexibility of withdrawal
- Convenience and ease of use
- Requirements for opening a savings account
- Safety
- Interest rate
- Cost of savings
- Liquidity

Summarize the discussion by saying:

We need to understand the terms and conditions of each institution's products to determine whether they are right for us. The same product will be slightly different at each financial institution.

4. Finalize preparations for a visit to a financial institution – 10 minutes

Organize participants into their field trip groups and ask each group to finalize a list of questions they want to ask at the bank. Encourage them to ask many questions as they may not have exposure to banks or other formal financial service institutions and may lack confidence. They may use the list generated earlier in the session or add to the list depending on the information that was provided in the bank literature.

Ask each group to select an interviewer and recorder for the field trip.

Conclude:

Use the opportunity of the field visit to find out about the available services in your area that match the goals of your real families. We will all gather information and share it at the next session.

Distribute Training aid 4.3.3 Field visit report form to each group.

5. Debriefing: Report on the meeting with the providers of savings services – 45 minutes

Give each group 15 minutes to assemble the information from the field visit and prepare its report.

Give each group five minutes to report on one savings product they learned about and how it fits their migration plan. After each report ask the participants the following:

- **What were the most attractive features of the financial institution you visited?**
- **What were the least attractive features of the financial institution you visited?**

At the end of the reporting, ask:

- **What did you learn from this exercise that you can apply in your own life?**

Give two or three volunteers an opportunity to share. Thank the group for their hard work.

Training aid 4.3.1
Questions to ask at a financial institution

Important conditions for saving	Questions to ask
Access to savings/flexibility of withdrawal	
Convenience and ease of use	
Requirements for opening a savings account	
Safety	
Interest rate	
Cost of savings	
Liquidity	

Training aid 4.3.2

Questions to ask at a financial institution (with suggested answers)

Important conditions for saving	Questions to ask
Access to savings/flexibility of withdrawal	➤ How often can I make withdrawals? ➤ Is there a minimum amount I must withdraw? ➤ What withdrawal penalties does this account have? ➤ Is there an ATM network?
Convenience and ease of use	➤ What are the bank's hours? ➤ How long is the wait to be served? ➤ Do clients receive account statements? How often? ➤ Do you offer telephone and/or electronic transactions?
Requirements for opening a savings account	➤ How much money is required to open an account? ➤ What documentation do I need?
Safety	➤ What is the reputation of the institution? ➤ What insurance or guarantees safeguard clients' funds?
Interest rate	➤ What is the interest rate on savings? ➤ How does it compare to other institutions? ➤ How often is interest paid? ➤ How is interest calculated? For example, is it a compound rate? (Is interest paid on both the principal and accrued interest?)
Cost of savings	➤ What fees are charged? (transfers, ATM withdrawal fee)
Liquidity	➤ How easy is it to withdraw funds from the account? ➤ Will the full amount be available? ➤ Are fees charged if the funds are withdrawn before a specified date?

Training aid 4.3.3
Field visit report form

Institution visited: _____ Contact person's title: _____

For each different product at the bank you visit, fill out the table as necessary.

Product(s): _____

Features	Details
Access to savings/flexibility of withdrawal	
Convenience and ease of use	
Requirements for opening a savings account	
Safety	
Interest rate	
Cost of savings	
Liquidity	

Session 4.4 How to use a financial institution with confidence



Aims

- Participate in a demonstration of the bank environment (people, lay-out, culture)
- Name the documents and information needed to open a bank account
- Practice using bank services (applications, deposits, withdrawals)



Target groups

- Migrant workers
- Families



Duration

75 minutes



Materials

Flip chart paper, markers, masking tape, small prized
Obtain these handouts for the session from a local financial institution:

- Bank application form for establishing accounts
- Bank deposit form
- Bank withdrawal form



Training aids

- 4.4.1 Inside a financial institution poster
- 4.4.2 Inside a financial institution: Description cards
- 4.4.3 Example of application form for starting an account
- 4.4.4 Example of deposit form
- 4.4.5 Example of withdrawal form



Session plan steps

1. Share personal stories of visiting or using a formal financial institution – 10 minutes
2. Match descriptions of roles and responsibilities with key bank features, staff and services – 15 minutes
3. Practice the opening of an account – 30 minutes
4. Practice filling out deposit and withdrawal slips – 20 minutes

1. Share personal stories of visiting or using a formal financial institution – 10 minutes

Explain:

Today we are going to learn what you need to do to start using a formal financial institution. First, let's find out who has already used a formal financial institution and what her experience has been.

Ask:

- **First of all, when we say “financial institution”, what are we talking about?** [*banks, credit unions, cooperatives, microfinance institutions, non-bank institutions.*]
- **Who has had personal experience with a formal financial institution or knows someone who has?**
- **What did you (they) like about it? Why?**
- **What didn't you (they) like about it? Why?**

Listen to the responses. Summarize and repeat the likes and dislikes when everyone has spoken.

2. Match descriptions of roles and responsibilities with key bank features, staff and services – 15 minutes



Note to trainer: You will need to read and prepare the description cards below in advance. When you prepare the cards (Training aid 4.4.2 Inside a financial institution: Description cards), make sure you use local words; some of the labels may need to be changed. This learning session helps participants get familiar with the various aspects of a bank, the staff, the information they need to take to the bank, the forms to fill out, etc.

Post the Training aid 4.4.1 Inside a financial institution poster on the wall.

Explain:

This is a poster of the inside of a financial institution. Financial institutions are open to all types of clients. Some institutions such as microfinance institutions have products specially tailored for low-income households.

Let's play a game.

Form two groups and say:

I have 11 description cards. Each card describes a certain person or object you will typically find in a financial institution. I will read out each card twice. I will then place the card in the center of the room.

Your task is to locate where in the financial institution you can find this person or object. After I read the statements, the first person to take the card, answer who or what it describes and paste it on the poster in the correct location will get a prize. If you have the correct answer, your team gets a point. The team with the most points wins a prize.

Read the first description card twice. After you read the description, encourage the participants to name the person or object and paste the description card in the correct location on the poster. After a group locates the correct answer, award them one point.

Description cards

You need to fill me out in order to open an account at the bank. After you fill me out you also need to present your personal identification documents to the bank officer to complete the process. Once you complete me and present your documents, you go to the teller and deposit money into your account. What am I? (**Answer:** Application form)

I sit at a desk in the branch lobby. My job is to help customers open accounts. I can give you an application form. I can also help you decide which accounts are more suitable for your needs. Ask me what products we offer and what forms you need to use. Ask me what documents you need to open an account. Don't ask me to accept deposits or to give you your money. Who am I? (**Answer:** Accounts Manager)

I oversee all the staff and make sure they are carrying out their responsibilities. In addition to the staff you see, I also supervise the staff who work in the back office doing the accounts and other jobs. Come to see me if you have problems that the other staff cannot solve for you. Don't come to me about opening an account. Who am I? (**Answer:** Branch Manager)

It is my job to handle the money and to record the transactions. I collect deposits from customers and I give them their cash withdrawals. Customers must provide proof of identification and have the correct form filled out for me to help them. Ask me how much money you have in your account or whether a deposit has arrived. Don't ask me to open an account for you. Who am I? (**Answer:** Teller)

My job is to protect the bank, the bank staff and the customers. In order to do my job, I need to keep an eye on everything that is happening in the bank. Don't ask me for information about how to open an account or what forms to use. Who am I? (**Answer:** Security Guard)

I contain information about the kinds of products offered and how much they cost. What am I? (**Answer:** Information board)

I hold all the forms that are necessary for carrying out transactions. You will need my forms if you want to conduct business with the Teller. What am I? (**Answer:** Document table)

You will need to fill me out completely and sign your name if you want to take money out of your account. What am I? (**Answer:** Withdrawal form)

You can use me to pay someone without using cash. When you fill me out and sign me, you are giving the bank permission to pay the person whose name you have written on me. The bank will pay that person with money taken out of your chequing account. What am I? (**Answer:** Cheque)

You will need to fill me out completely, including your account number, if you want to put money into your account. What am I? (**Answer:** Deposit form)

You can use me to withdraw cash without having to go to the bank or speak with an actual person. You insert your bank card, key in your PIN number on my number pad, and then you can take money out from your account. Just choose the amount you need, the account you want to take it from, and I will give it to you. Don't forget to take your card and withdrawal slip with you! What am I? (**Answer:** ATM machine)

Ask:

- **What questions do you have?**

3. Practice the opening of an account – 30 minutes



Note to trainer: In this step you will lead the participants through the process of filling out an application form to open an account. They should be able to answer the following questions based on the information learned from the previous exercise.

Based on the presentation, let's outline the steps necessary to open an account.

- **Where can you get information about the financial institution's products?**
- **Who is the first person you should go to see? Why?**
- **Who is the second person you need to see in order to open your account? Why?**
- **Where will you find an application to open a bank account?**

Say:

Now we are going to practice filling out the form to open a bank account.



This exercise will be most useful to the trainees if they practice with an actual application, deposit and withdrawal form. If it's not possible to obtain these, use Training aid 4.4.3 Example of application form for starting an account.

Ask:

Does everyone have an application form? I would like to invite someone to read out the headings for the blanks on the application form that need to be filled in.

As the participant reads the items, write them down on a flip chart. When she is done, you will have created a blank application form on the flip chart. Use this form to demonstrate how to complete an application. Use your own name or create a fictional character.

Information on application form
Account name:
Account type:
Currency type:
Date:
Signature:

Say:

On your own, please fill in your application form. You can refer to the poster for help. Don't forget to sign your form.

When you are finished, trade your form with the person sitting next to you. Ask that person if she would approve an account for you. If not, why not? Remember, to be approved, you need to present a completed, signed form.

When everyone has finished, ask:

- **Is everyone's application approved?**
- **What difficulties did you have when filling out the form?**
- **Did you have any difficulties with how the staff treated you and responded to your questions?**
- **What could you do if you are overseas and you do not understand all the terms on the application forms?**

Summarize the responses, and explain:

- It is the duty of people at a financial institution to treat all their customers with respect. Sometimes officials may discriminate their clients, for example because they are poor women or youth, come from rural areas or another country, or do not have much education. Remember: they are wrong and you are right.
- Be confident to ask the different people at the financial institution to assist you with completing the application form. They may have someone who speaks your language who can assist you to translate the terms into your language.
- Ask a friend or your employer to accompany you to the financial institution. Together, you can fill in the application.

Say:

Financial institutions will ask you to provide key documents to open an account. Each financial institution will have its own rules so make sure to check which documents you need to bring when you open an account.



Note to trainer: Before the session, check the document requirements from local financial institutions and list the documents needed to open an account on a flipchart, adapting or adding to the sample below. Ask for a volunteer to read this flip chart.

Examples of documents you may need to open an account

- Identity card or passport or family book
- Salary slip/pay stub or employment contract
- Proof of physical address, such as a utility bill

Ask:

- **Why do you think these documents are necessary?**

Summarize the reasons. Be sure to mention the following:

- To verify identity
- To verify employment
- To verify residence

Say:

Now, look at the information required for withdrawals and deposits.

- **What difficulties will you have in getting these documents and information together for the financial institution?**
- **What can you do to make sure that you have all the documents and information you need?**

4. Practice filling out deposit and withdrawal slips – 20 minutes



Note to trainer: For this step, insert local currency amounts to make the example relevant to your participants. You can use real blank withdrawal and deposit forms, or use the examples provided.

Explain:

Now we are going to practice depositing and withdrawing money from a savings account.



See the example of a deposit slip in your Smart guide on page 20 which you can practice filling out.

Form groups of three. Distribute one copy of Training aid 4.4.4 Example deposit form and one copy of Training aid 4.4.5 Example withdrawal form to each group. Ask:

- **Does each group have a blank withdrawal form and a blank deposit form?**

Say:

Assume that you are depositing US\$50 and withdrawing US\$20. Please fill out each form as completely as you can.

When they have finished, ask them to pass their withdrawal forms to the person on the right and the deposit form to the person on their left. Ask:

Please look at the completed deposit and withdrawal forms you have received. Imagine you are a bank teller and decide whether you can accept the form or not. You may refer to the flip charts at the front of the room.

When the completed forms you received are fine, post them on the flip charts. When information is missing or wrong, help your neighbour to complete the form properly.

Give participants two or three minutes to do this and ask:

- **What difficulties did you have filling out the forms?**
- **How can you avoid these difficulties when you go to a financial institution?**
- **What have you learned during this training that you will use in your own life?**

Thank participants for their hard work.

Training aid 4.4.1
Inside a financial institution poster



Training aid 4.4.2

Inside a financial institution: Description cards

You need to fill me out in order to open an account at the bank. After you fill me out you also need to present your personal identification documents to the bank officer to complete the process. Once you complete me and present your documents, you go to the teller and deposit money into your account. What am I?

I sit at a desk in the branch lobby. My job is to help customers open accounts. I can give you an application form. I can also help you decide which accounts are more suitable for your needs. Ask me what products we offer and what forms you need to use. Ask me what documents you need to open an account. Don't ask me to accept deposits or to give you your money. Who am I?

I oversee all the staff and make sure they are carrying out their responsibilities. In addition to the staff you see, I also supervise the staff who work in the back office doing the accounts and other jobs. Come to see me if you have problems that the other staff cannot solve for you. Don't come to me about opening an account. Who am I?

It is my job to handle the money and to record the transactions. I collect deposits from customers and I give them their cash withdrawals. Customers must provide proof of identification and have the correct form filled out for me to help them. Ask me how much money you have in your account or whether a deposit has arrived. Don't ask me to open an account for you. Who am I?

My job is to protect the bank, the bank staff and the customers. In order to do my job, I need to keep an eye on everything that is happening in the bank. Don't ask me for information about how to open an account or what forms to use. Who am I?

I contain information about the kinds of products offered and how much they cost. What am I?

I hold all the forms that are necessary for carrying out transactions. You will need my forms if you want to conduct business with the Teller. What am I?

You will need to fill me out completely and sign your name if you want to take money out of your account. What am I?

You can use me to pay someone without using cash. When you fill me out and sign me, you are giving the bank permission to pay the person whose name you have written on me. The bank will pay that person with money taken out of your checking account. What am I?

You will need to fill me out completely, including your account number, if you want to put money into your account. What am I?

You can use me to withdraw cash without having to go to the bank or speak with an actual person. You insert your bank card, key in your PIN number on my number pad, and then you can take money out from your account. Just choose the amount you need, the account you want to take it from, and I will give it to you. Don't forget to take your card and withdrawal slip with you! What am I?

Example of application form for starting an account

Training aid 4.4.4

Example of deposit form

GSB – GoodSafe Bank

DEPOSIT FORM

[illegible]Date   /   /

☐ Cash	☐ Cheque
☐ Riel	☐ US\$
☐ Baht	☐ Other

A/C name	

Cheque No.	Bank/branch Name	Amount
Total		

Amount in words	
<u>Depositor's signature</u>	

[illegible]

Training aid 4.4.5

Example of withdrawal form

GSB – GoodSafe Bank										WITHDRAWAL FORM	
A/C No.											Date ____/____/____
A/C name											
Amount number											
Amount in words											
Drawer's signature											
☐ Savings ☐ Demand deposit ☐ Health savings ☐ Riel ☐ Baht ☐ Education savings ☐ Individual retirement account ☐ US\$ ☐ Other											

Session 4.5 Remittance service providers



Aims

- Discuss different types of remittance service providers
- Practice convincing a family member of the value of using formal remittance service providers
- Generate a list of questions to ask remittance service providers



Target groups

- Migrant workers
- Families



Duration

- 90 minutes



Materials

- Flip chart paper, markers, masking tape, 30 sheets of A4 paper



Training aids

- 4.5.1 Informal remittance service providers
- 4.5.2 Formal remittance service providers
- 3.4.1 Portraits of Sokunthea, Dewi, Vanita and Tola



Session plan steps

1. List the different remittance service providers in the community – 15 minutes
2. Identify advantages and disadvantages of different types of remittance service providers – 45 minutes
3. Create a list of questions to ask a formal remittance service provider – 15 minutes
4. Practice convincing a family member to use a formal remittance service provider – 15 minutes

1. List the different remittance service providers in the community – 15 minutes



Note to trainer: This session is designed to address both in-country and international remittance service providers.

Say:

Today, we are going to explore the options you have for sending and receiving remittance in your community — as well as their advantages and disadvantages.

Form small groups of three. Explain that each group must draw a picture of one way that migrant workers send money to their relatives back at home. Distribute A4 size paper and markers to each group. If they have more than one idea, they can draw additional pictures.

After ten minutes, ask each group to post their pictures on the wall. Invite participants to stand up and take a gallery walk. Encourage participants to share their own personal experience using these different remittance service providers.

The chart on the next page lists some common types of remittance service providers. If possible, create a flip chart with the providers listed there. If there are other local examples, make sure to include them in the discussion.

Remittance services providers to send money within your country

- Banks
- Microfinance institutions (MFIs)
- Cooperatives/credit unions
- Mobile payment service providers
- Retail stores
- Money exchange booths/Money exchange operators
- Taxis/vans/other transportation providers
- Friends, family

Post two signs along the wall horizontally. The two signs should be labeled “Informal remittance service providers,” and “Formal remittance service providers”. As you post each sign define the term that is written on each sign.

Explain:

- **Informal remittance service providers:** These organizations are not regulated or supervised by the government. This type of provider includes retail shops and couriers.
- **Formal remittance service providers:** These organizations are regulated or supervised by the government. This type of provider includes money transfer operators (MTOs), commercial and rural banks, MFIs, cooperatives and credit unions.

Invite two or three volunteers to come forward and categorize the drawings created in the previous activity. Invite them to put the drawings under the corresponding sign. Encourage them to ask the other participants for assistance if they are stuck. If there is a debate about where a type of remittance service provider should be placed, encourage discussion and resolve any debate by placing the drawing in between categories.

The flip chart below lists how the remittance service providers can be categorized.

Formal remittance service providers	Informal remittance service providers
■ Banks ■ MFIs ■ Cooperatives/credit unions ■ Mobile payment service providers ■ Money exchange operators ■ Recruitment agencies	■ Retail stores ■ Money exchange booths ■ Taxis/vans/other ■ Transportation providers ■ Friends and family

Ask:

- **What other remittance service providers can we include on the list?**
- **What comments or questions do you have about these different types of remittance service providers?**

2. Identify advantages and disadvantages of different types of remittance service providers – 45 minutes

Say:

Let's start by reading a story together. This story is about our main characters and their experience sending money home.

Read the story using a loud and engaging voice.

Where is Tola's money?

Tola works in construction in the capital city. His mother called yesterday and she urgently needs money to buy medicine. Tola went to the market where taxis leaving to his province wait for passengers. He asked the taxi driver to deliver money to his mother. He paid a small fee for the delivery. It has already been 12 hours, and his mother has not received the money yet. Tola thinks the taxi driver is an honest man, but the road is dangerous so he has heard that when taxis break down they need to use the money in their pocket to pay for repairs. He hopes that is not the case because that means the delivery will be delayed.

Ask:

- **How did Tola send money?**
- **What happened to the money?**
- **What are the advantages or disadvantages of sending money using this method?**

Read the second story using a loud and engaging voice.

Sokunthea heads to the bank

Sokunthea works at a garment factory in the capital city. Her mother called this morning and she urgently needs money. Sokunthea's brother fell and he broke his ankle. Sokunthea went to the local bank and she filled in a money transfer application. Her mother in the province went to the local branch of the same bank and showed her ID card and she received the remittance. Sokunthea paid a small fee to send the money. The good news is that Sokunthea's mother just called, she received the money and the broken ankle is being set in the hospital right now.

Ask:

- **How did Sokunthea send money?**
- **What happened to the money?**
- **What are the advantages or disadvantages of sending money using this method?**

Divide the participants into four groups. Distribute Training aid 4.5.1 Informal remittance service providers to two groups. Distribute Training aid 4.5.2 Formal remittance service providers to the other two groups.

Explain:

In your group, first identify if your cards represent informal or formal remittance service providers. Then, discuss the following question and assign someone to report your results to the larger group. You have ten minutes.

- **What are three advantages and three disadvantages of your assigned type of remittance service provider?**

After ten minutes, post a blank flip chart with a format similar to the example below.

Advantages and disadvantages of remittance service providers		
Remittance provider	Advantages	Disadvantages
Formal		
Informal		

Say:

Please tell us what you think are the advantages and disadvantages of your assigned type of remittance service provider.

Fill in the flip chart as the groups report their results. (See completed chart below for more guidance.)

Summarize the groups' responses in the chart. Repeat for each group until everyone has reported. Be sure they mention the following:

Remittance service provider	Advantages	Disadvantages
Formal	■ Security (money is safe) ■ Liquidity (for savings) ■ Large, long-term loans ■ Cost ■ Reliability ■ Privacy ■ Income (money earns interest) ■ Choice of products ■ Allows you to build a credit history ■ Operates within banking laws if registered ■ Access to financial advice and other financial products	■ Can be far for rural residents ■ Restricted hours ■ Minimum deposit requirements may be too high ■ Charge fees on many accounts ■ Long lines take time ■ They may give disrespectful treatment of clients who are women, youth, come from a rural area or another country, or have little education
Informal	■ Access ■ Proximity ■ Speed ■ Trust (it may be located at the local store and you may have known the person for a long time)	■ They don't offer other financial services that might help you make the most of your remittance ■ It might be unsafe to claim your remittance in that place ■ It could be more expensive

Ask:

- **What do you notice about the advantages of formal remittance service providers in comparison with informal remittance service providers?**
- **What are some of the benefits of using a formal remittance service provider?**

Write down the responses. Summarize and highlight some of the main points below.

Benefits
<i>Internal migrants</i>   ■ You can deposit directly into a family member's savings account that can earn interest and your family member may be less tempted to spend it.   ■ You can deposit directly into your own savings account which can earn interest so when you come home you can have capital to start a business.   ■ You have access to other products offered by the provider like savings accounts, loans, and ATM card.   ■ It may lower transaction costs and thus is cheaper to send.   ■ You can receive bank account statements with all of your transactions including deposits or remittances, withdrawals, and account balance. This can help you manage your money while you are working away from home.

International migrants (additional benefits)

- When you finish your employment contract, you do not have to travel with cash on your return which can be dangerous.
- When you cash your final pay cheque, you can send the money home safely, and you will be able to resist demands for gifts from family and friends.
- If you bring your final pay cheque to cash in your own country, it is likely the bank will not be able to cash a foreign-issued cheque or you will be charged bank fees.
- It is more secure than an informal provider because the informal provider may meet legal barriers entering/exiting a country with other people's money.

3. Create a list of questions to ask a formal remittance service provider – 15 minutes

Invite participants to stand up and find their group members from the previous activity. Distribute one piece of flip chart paper to each group. Refer to Training aid 3.4.1 Portraits of Sokunthea, Dewi, Vanita and Tola and distribute the portrait of Sokunthea to the first group, the portrait of Dewi to the second group, the portrait of Vanita to the third group and the portrait of Tola to the last group.

Explain:

Our main characters Sokunthea, Dewi, Vanita and Tola are considering using formal remittance service providers to send money home. Let's help them by developing a list of questions that they can ask remittance service providers before sending a remittance.

With your group develop a list of questions that your main character should ask a staff member at a remittance service provider. You want to make sure that the remittance service provider meets his/her financial needs and offers him/her the advantages that we identified earlier.

Give the groups ten minutes to generate a list of questions for the formal remittance service provider. After ten minutes, ask a few volunteers to share their questions and record them on a blank flip chart.

Questions to ask formal remittance service provider

Be sure they mention the following questions for internal and international migrants:

Questions to ask formal remittance service provider

For internal migrants

- How do I send a remittance to my family member?
- What forms do I need to fill in to send money?
- Can somebody help me to fill in the form?
- What forms does the receiver need to fill in to receive money?
- What ID is needed to send money?
- What ID is needed to receive money?
- Do I need a bank account with the bank of the person I want to send money to?
- What are the minimum and/or maximum amounts that I can send?
- How long does it take for the receiver to get the money?
- How much does it cost to transfer?
- Will the receiver get the full amount or will they be charged a fee?
- How can I check if the receiver gets the funds?
- What is your policy to guarantee that the transfer is safe?
- How do I make a complaint if the money/cheque does not arrive?
- Can I cancel or change my transfer?

Additional questions for international migrants

- What exchange is used in the conversion?
- If I remit in local currency, what will the receiver get on his/her end?
- Do I need to come in person to the bank, or is there a mail-in application?
- Do you have bank or sales agents located _____ (location of family member)?

4. Practice convincing a family member to use a formal remittance service provider
– 15 minutes

Say:

Let's practice how to communicate this information to our family members. Turn to your partner and pretend you are talking over the phone to your family member. Share with him/her the benefits of sending the remittance through a formal remittance service provider that will be most convincing to him/her. After your partner is done, switch roles. Each person has five minutes to practice.

After the role-play, ask:

- **Was it difficult or easy to convince your family member? Why?**
- **How could sharing this information with your family member help to make the most of your remittance?**
- **Which remittance service provider option would you recommend to your family? Why?**



See your Smart guide on page 22: Money habit 8 will help you to remit your money smartly and safely. Your whole family should know the right questions to ask remittance service providers!

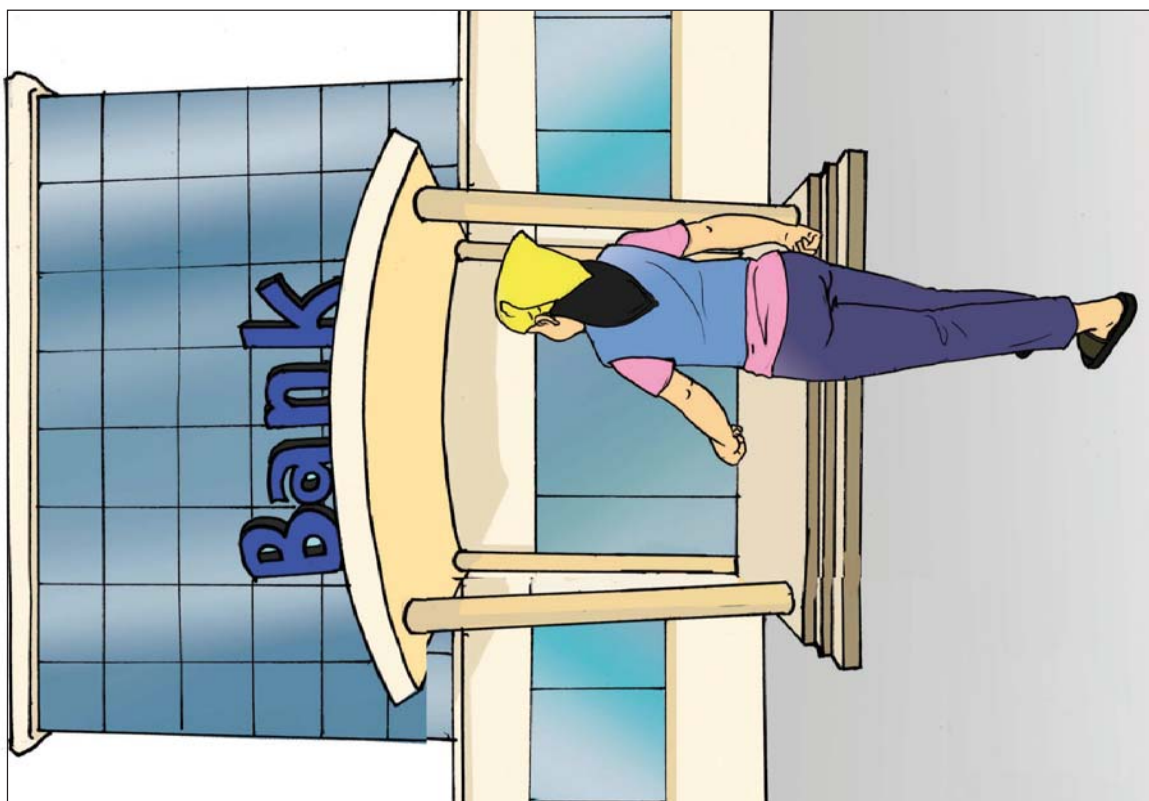
Ask:

- **What is the most important thing you learned in this session?**

Training aid 4.5.1
Informal remittance service providers



Training aid 4.5.2
Formal remittance service providers



Training aid 4.5.2
Formal remittance service providers



Session 4.6 How to send money home



Aims

- Define steps to send and receive a remittance
- Practice sending and receiving a remittance



Target groups

- Migrant workers
- Families



Duration

- 90 minutes



Materials

- Flip chart paper, markers, masking tape



Training aids

- 4.6.1 Steps to send and receive a remittance picture cards
- 4.6.2 In-country money transfer form of a bank
- 4.6.3 International money transfer form of a bank
- 4.6.4 International money transfer form of a money transfer operator



Session plan steps

1. List steps to send and receive a remittance – 30 minutes
2. Practice sending a remittance – 30 minutes
3. Review challenges to and tips for sending money home – 30 minutes

1. List steps to send and receive a remittance – 30 minutes

Say:

In this session, we will learn the steps to send and receive money using formal remittance service providers.

Invite everyone to stand up. Ask the participant to form a line in height order. After they have formed a line, use the counting method to form four groups: Invite all the “ones” to stand together, invite the “twos” to stand to stand together and so on.

After participants have formed four groups, say:

I will distribute a set of six or eight picture cards to each group. Each group will receive a set of picture cards that show the steps to send and receive money. Your task is to put the picture cards in order and to create a three-minute story. You will have ten minutes to prepare a presentation that shows the steps to send and receive money.

Distribute one picture card set to each group (Training aid 4.6.1). Circulate to each group during this activity to clarify the instructions as needed.

After ten minutes, invite each group to present their story. After each group presentation, ask:

- **What are the steps to send a remittance?**
- **What are the steps to receive a remittance?**

Summarize the steps and make sure to include the following points.

■ How to transfer money:

1. Contact or visit a bank or financial institution.
2. Fill in a short and simple money transfer form.

3. Approach staff and provide them the following information:
  - o The name and account number of the receiver (where the receiver holds an account with the financial institution).
  - o The name, identification card number or other document proving the identity of the receiver (where the receiver does not have a bank account with the institution).
4. Inform the receiver about the amount of money you have transferred, and within a few minutes the receiver can get the money at the bank or financial institution office.

■ **How to receive money:**

1. Go to the bank of financial institution office and provide its staff with the information concerning the amount of money and name of the person who is sending the money to you.
2. Show your identification card or other document proving your identity to the bank staff.
3. After checking on their computer system, the bank or financial institution staff will arrange and provide the money to you.

Summarize the discussion by asking a series of questions:

- **Is having an account a requirement to send or receive money?** *[Having a bank account is not a requirement for sending or receiving a remittance through a financial institution in most cases. Having an account is not a requirement for sending money through money transfer operators like Western Union and Money Gram.]*
- **What documents should you bring to the financial institution or money transfer operator?** *[You should bring your Identification Card (ID), passport and/or work permit. If you do not have an ID, some money transfer operators permit you to send money but will ask you to complete a “test question and answer”. The test question will be asked to the receiver and if the receiver answers it correctly, he/she will receive the money.]*
- **What documents do you have to fill in to send money?** *[Money transfer application form]*
- **What additional information do you need to know?** *[If you are sending an international remittance through a bank (also called a telegraphic transfer) you will need to bring:*
  - the receiver’s account number (known as IBAN or International Bank Account Number)
  - the name of the receiver’s financial institution where he/she has an account; and
  - the SWIFT code which is a code to identify banks.]
  - **What other questions do you have about sending or receiving remittances?**

2. **Practice sending a remittance – 30 minutes**



Note to trainer: In this step you will be leading the participants through the process of filling out money transfer application forms. You can provide the samples of forms used to send an in-country money transfer using a bank (Training aid 4.6.2); an international money transfer using a bank (Training aid 4.6.3); and an international money transfer using a money transfer operator (Training aid 4.6.4). It is best if you can go to a nearby remittance service provider to collect these forms and use them in this step.

Say:

Now we are going to practice filling out the form to send a remittance.

Ask:

- **What type of information do you think you will need to give the financial institution or money transfer operator when you fill in the form?**

Write the answers on a flip chart.

Information on money transfer form

Form pairs and distribute one copy of Training aids 4.6.2 to 4.6.4 to each pair. Invite each pair to select a form and identify the type of information they need to fill in the blanks.

➤ **How does our list compare with the information you need to complete on the form?**

Post the flip chart below and use this form to demonstrate how to complete an application for a money transfer operator. Use your own name or create a fictional character.

Information on application form	Money Transfer Operator (MTO)
Amount Destination (city/country) Amount in words	
Receiver information First name, last name Address City and country	
Sender information Name Address City and country Telephone number	
Optional services Check delivery MTO should telephone receiver Send message	
Date	
Signature	

Explain:

- MTOs sometimes have their own offices. They sometimes partner with financial institutions that will provide this service.
- MTOs such as Western Union and Money Gram require that you fill in an application form. You will need to provide information about the receiver such as their first name, last name, address, city and country. You will also need to provide information about the sender (you) such as your first name, last name, address, city and country and phone number.
- MTOs offer additional services. In some countries, they provide a service to deliver a cheque directly to the receiver's home. Another service you can request is the MTO to telephone the receiver to notify them that they have a remittance arrived. Another service is that the sender can send a message. Note, these additional services cost extra. You should ask to see how much it costs before selecting these options. They are not free!
- If the receiver does not have ID, you can still use a MTO. However, you will be asked to complete the **"test question and answer"**. In other words, you will have to make a question and provide the answer. When the receiver goes to the MTO office, the MTO staff will ask the receiver the same question. If the receiver answers the question correctly, then he/she will receive the money. You should pick a "test question and answer" that you are certain the receiver will answer correctly.
- Don't forget to sign the application.

Repeat this exercise to show how to complete an application for money transfer at a financial institution.

Information on application form	Financial institution
Currency Amount	
Name of sender/remitter Address Telephone ID Number	
Name of receiver Account number Bank Branch Swift code (BIC) Address Phone number	
Currency Rate	
Amount transferred Commission charges Cable Charges Other charges Total paid Payment mode (Cash/cheque/debit)	
Date	
Signature	

Reconvene and summarize:

- Financial institutions offer both in-country and international money transfer services. Financial institutions often refer to this as a “telegraphic” transfer.
- Financial institutions will also require that you fill in an application form. You will need to provide the same personal information about the sender (you) and the receiver as for the MTOs.
- When making an international money transfer, you will also need to provide the receiver’s account number, the name of the receiver’s financial institution and the financial institution’s SWIFT code.
- The SWIFT code is a bank identifier code. Each bank in the world has a SWIFT code.
- Make sure you ask your family member or visit the bank prior to migration and write down this important information so you can be ready to send your money home.

Say:

On your own, please fill in one of the application forms. You can refer to the poster for help. Don’t forget to sign your form.

After a few minutes, say:

Please trade your form with the person sitting next to you. Your partner will act as a remittance service provider. Ask your remittance service provider if she would send the remittance for you. If not, why not? Remember, to be approved, you need to present a completed, signed form.

Allow participants five minutes to review each other’s forms and discuss. Ask:

- **Did everyone remit money successfully?**
- **What difficulties did you have filling out the form?**
- **What can you do next time to be prepared to send a remittance to your family?**

3. Review challenges to and tips for sending money home – 30 minutes

Say:

➤ **What are some of the challenges people may face when sending money home?**

List the participant's answers on a flip chart. Some answers could include:

Challenges to sending money home

- The application form is in a foreign language
- Do not have receiver's personal information such as ID number, account number and bank information
- Do not know the cost of sending money
- Do not know the cost of receiving money
- Do not know how to notify the receiver that money is coming
- Financial institutions are not open when I can visit them (weekends, evenings)
- Staff do not treat me with respect and/or try to cheat me

After they list the challenges, distribute three stickers to each participant. Ask them to place their stickers on the top three challenges they face. If stickers are not available, you can ask each participant to use a marker and make a tick mark. Select the four highest rated challenges.

Invite the participants to gather with their group members from the previous group activity. Assign each group a challenge to discuss and invite them to brainstorm a list of possible solutions to this challenge. Distribute one sheet of flip chart paper and markers to each group. Invite them to make a drawing of their challenge and find up to three possible solutions.

Allocate ten minutes for discussion and drawing. After ten minutes, invite a representative from each group to present their challenge and solutions.

List their responses on a blank chart. Some examples of challenges and solutions are listed below for reference.

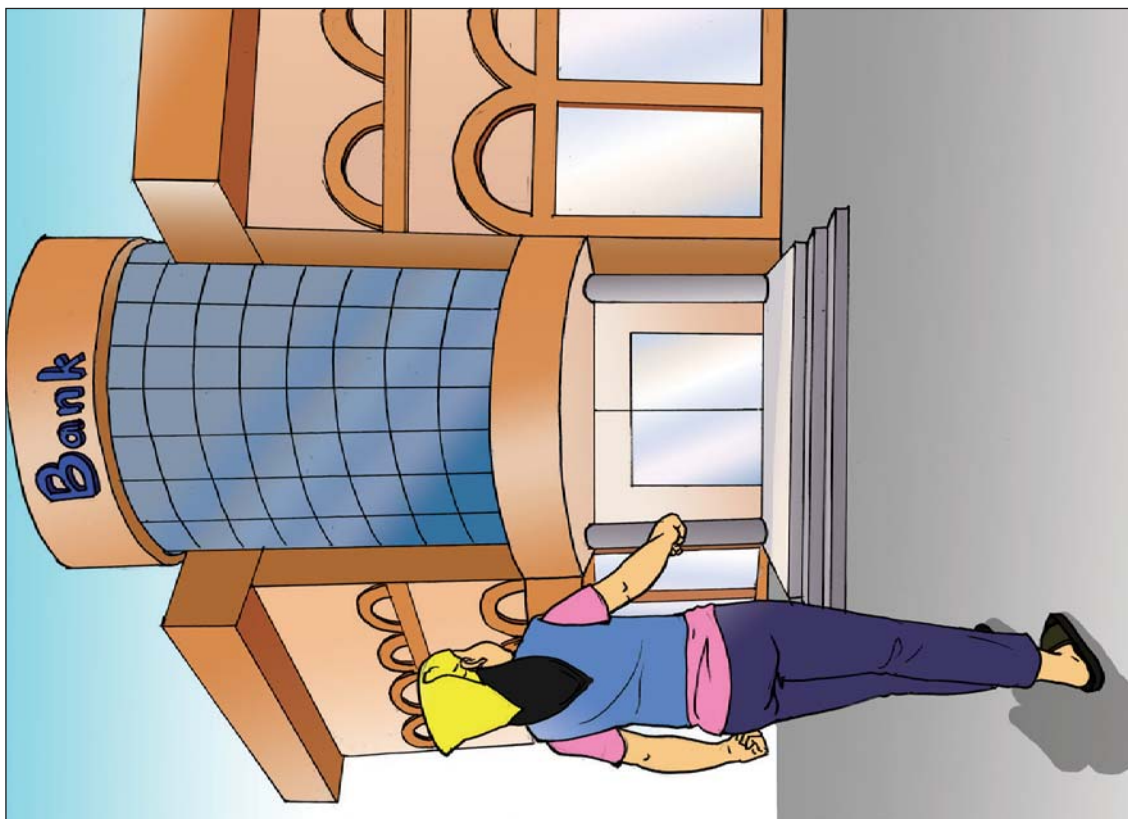
Tips for sending money home	
Challenges	Solutions/tips
■ The application form is in a foreign language ■ Do not have receiver's personal information such as ID number, account number and bank information ■ Do not know the cost of sending money ■ Do not know the cost or receiving money ■ Do not know how to notify the receiver that money is coming ■ Financial institutions are not open when I can visit them (weekends, evenings) ■ Staff do not respect me and/or try to cheat me	■ Ask the staff at a financial institution, or MTO for assistance ■ Ask a friend or your employer for assistance ■ Before you migrate, write down your family members personal information, including account information and keep this information in a safe place ■ Visit the bank where your family member has an account, and request the bank's SWIFT code ■ Ask staff at a financial institution or MTO how much it costs to send and receive money ■ Keep in mind that you are a valued customer and can go to another service provider ■ Compare rates of different remittance service providers and go to the one where you receive the best service

Conclude by asking:

- **What questions do you have?**
- **What did you learn that you can share with the people to whom you send or from whom you receive remittances?**

Ask a few volunteers to briefly share what they learned and ensure any outstanding questions on the topic for discussion are answered.

Training aid 4.6.1
Steps to send and receive a remittance picture cards



Training aid 4.6.1
Steps to send and receive a remittance picture cards



Training aid 4.6.1

Steps to send and receive a remittance picture cards



Training aid 4.6.1
Steps to send and receive a remittance picture cards



Training aid 4.6.2
In-country money transfer form of a bank

GSB – GoodSafe Bank		TRANSFER APPLICATION	
...../...../.....			
Transfer to:	Name		
	Address		
	Amount in figure ____		
	Amount in words		
	Name of remitter		
	Address		
Credit to:	Account No.		
	Name of beneficiary		
	Address		
SPECIAL INSTRUCTIONS (if any)			
IN PAYMENT OF THE TOTAL COST ☐ Debit my/our account..... ☐ Cheque No. (s)..... ☐ Cash I/D Number ____			

Training aid 4.6.3 International money transfer form of a bank

GSB – GoodSafe Bank			INTERNATIONAL TRANSFER APPLICATION	
Name of applicant		Name of receiver		
Name of company		Account number		
Type of business		Bank		
Phone number		Branch		
ID (IC/passport/KTP*)		Address		
Address				
(Mail address)				
		Phone number		
I. DETAIL	Ccy.: SGD/USD/IDR	Rate (____/____)		
II. Amount transferred**	III. Commission detail	IV. Total paid		
	1. Commission charges	V. Payment mode	Cash/cheque/debit account	
	2. Cable charges	VI. Detail		
	3. Other charges	I've agreed to be bound by the Terms & Conditions set forth on the reverse page of this form (Compliance with MAS Notice 626, Cc No. S515 and S260)		
Total charges	VII. Applicant signature _____			
For Bank use				
Teller ID:	Authorised by:	Checked by:	Bank ref. No.:	

* Copy ID required for transaction exceeding SGD 20,000 or equivalent
 ** Additional charges, may be imposed by third party banks which may reduce the amount received by the receiver

Application for:

☐

☐

Banker's draft/cashier check

 Telegraphic/electronic transfer/MEPS

..... □

Training aid 4.6.4

International money transfer form of a money transfer operator

To send money		WESTERN REMITTANCE	
Card No.	____		
Destination (city, country)	____		
Amount (in words)	____	/	/
First name	____		
Last name	____		
Address	____		
	____		
First name	____		
Last name	____		
Address	____		
	____		
Telephone no. ( )	____		
Optional services available at additional cost. Check services desired:			
☐ I want a check delivered to the following address:			
☐ I want Western Union to telephone the Receiver. ( )			
☐ Message to be sent:			
When sending less than US\$1,000 and the receiver does not have valid identification, complete the Test question and answer. (The maximum amount that can be picked up without I.D. is US\$1,000)			
Will the receiver have valid identification? ☐ Yes ☐ No			
If no, provide a test question:			
Answer			
Customer's signature		Date	

Session 4.7 Bank cards, Automated Teller Machines, (ATMs), debit cards and point-of-sale devices



Aims

- Describe a bank card and a debit card
- Identify strategies for choosing a Personal Identification Number (PIN)
- Identify the advantages and disadvantages of using bank and debit cards



Target groups

- Migrant workers
- Families



Duration

80 minutes



Materials

Flip chart paper, markers, masking tape, ten slips of paper with four digits written on each piece, copies of fake money (see Training aid 2.6.1 Copies of bank notes of foreign currencies)



Session plan steps

1. Define bank (or ATM) and debit cards – 15 minutes
2. Identify the advantages and disadvantages of using bank and/or debit cards – 25 minutes
3. Choose a PIN – 20 minutes
4. Demonstrate how to use PIN at an ATM – 20 minutes

1. Define bank (or ATM) and debit cards – 15 minutes

Explain:

In the last few sessions, we have explored how to open savings accounts and also how to send remittances using formal remittance service providers. In addition to going to the teller inside the bank, there are other ways to access the money in your account.

Ask the entire group:

- **What other ways allow someone to access the money in their bank account?** [Bank cards, debit cards, ATMs.]

Say:

Today we are going to learn about two special cards that are sometimes available with your account at the bank and how they work. The two cards are:

- An Automated Teller Machine (ATM) or bank card
- A debit card

Ask:

- **Has anyone here used an ATM or debit card?**
- **Can you describe to us how you used it and what you used it for?**

Post the definitions of each type of card. Ask a different participant to read each definition. After each definition, allow participants to ask questions and share their knowledge with each other.

Definition of ATM or bank card

A bank card is given to you by your bank and allows you to get cash from your account using a special machine called an Automated Teller Machine or ATM. In addition to withdrawing cash from your account, you can use an ATM to find out your account balance, transfer money from one account to another, and make deposits into your account. Some ATMs also sell postage stamps or air-time cards for mobile phones. Each bank has its own network of ATMs but you can use your bank card to withdraw cash from any ATM whether the ATM belongs to your bank or not. However, your bank may charge you a fee each time you use an ATM that is part of another bank's network.

➤ What questions do you have?

Definition of a debit card

A debit card is another way to make banking transactions electronically. In addition to using it at ATMs, you can use a debit card to pay for goods you purchase in many stores. You must have the money in your account at the time of purchase. The amount of your purchase is deducted from your account immediately. You will receive a regular statement from the bank, showing the total amount deducted from your account and your remaining balance.

➤ What questions do you have?

Explain the following:

ATM (or bank) and debit cards are often the same card but they function in different ways. You use bank cards to withdraw, deposit or transfer cash from one account to another. For withdrawals and deposits, you choose which account you want to use. In contrast, debit cards only take funds from your current (or chequing) account; usually you do not have a choice. Debit cards can be used to purchase goods. At the time of purchase, you can also choose to use your debit card to withdraw cash from your account as well as pay for the purchase. The store owner needs to have a special machine called a "point-of-sale" or "POS" device that enables such transactions with your bank.

Some of you may have heard about another type of card commonly known as a "credit card." ATM and debit cards are NOT credit cards; however, they make banking much more convenient by enabling you to use your account in multiple locations at any time. But, if you use these cards to withdraw cash or buy something, you must have money in your account to cover the amount of the transaction. A credit card is different. It offers instant credit to qualified card holders.

Let's return to our friends, Dewi and Sokunthea and listen to their stories.

Read Dewi's case study in a loud and engaging voice.

Dewi's first card

Dewi has just received her wages today. She wants to deposit it right away in her savings account because she wants to keep it safe. The bank is not open after she leaves work. But she has an ATM card from her bank and knows there is an ATM nearby where she works. Because the ATM is owned by the bank, she knows that she will not have to pay a fee to use her card there. At the ATM, she deposits her wages into her savings account. Because Dewi is running out of air-time for her cell phone, she also purchases an air-time card from the ATM.

Ask:

- **What type of card does Dewi have?**
- **What did she use the card to do?**
- **Where did she use the card?**

Record their answers on the flip chart at the bottom of the page. Correct or add answers as needed.

Continue with Sokunthea's case study:

Sokunthea's first card

On the way home from visiting a friend, Sokunthea spots a pair of sneakers on sale through a shop window. She needs a new pair of sneakers to replace her old shoes that are worn out. She doesn't have enough cash with her to buy them. But then she remembers she has her debit card with her and can pay for her sneakers using the card. When she tries to buy the sneakers with her debit card, the clerk tells her that her debit card has been rejected. Sokunthea does not have enough money in her bank account to purchase the sneakers. Sokunthea goes home disappointed.

Ask:

- **What type of card does she have?**
- **What did she use the card to do?**
- **Where did she use the card?**

Record their answers on the following flip chart. Correct or add answers as needed.

	ATM card	Debit card
Where can you use it?		
What can do you with it?		
Fees?		
Requirements?		



Note to trainer: Before this session, you should complete the table below. You can check with your local banks and fill in information related to both ATM and debit cards.

The completed table should look like this:

	ATM card	Debit card
Where can you use it?	At ATM machines provided by your bank and other banks	At participating retailers such as stores, restaurants, gas stations
What can you do with it?	Check balance, make deposit and withdrawal, transfer funds between accounts, purchase phone air-time, postage stamps, etc.	To pay for goods you purchase in many stores
Fees?		
Requirements?		

2. Identify the advantages and disadvantages of using bank and/or debit cards – 25 minutes

Say:

Bank and debit cards are changing the way bank customers interact with their bank.

Ask:

- **How will these cards help you?**
- **What would you like about using them?**
- **Do you see any negative aspects of these cards?**

Form four groups. Distribute a blank Advantages/disadvantages chart to each group.

Explain:

I will give each group a blank chart. Each group should brainstorm and come up with a list of the advantages and disadvantages of each type of card. Write down the main points on the flip chart paper. Resolve any disagreements. You will have ten minutes for this exercise.

When the teams have completed their charts, ask one of the teams to present its work. Ask the other team if it has made any different decisions on its chart.

Each team's completed table should look similar to the table below.

Advantages and disadvantages of ATM and debit cards		
	Advantages	Disadvantages
ATM or bank card	■ You can withdraw cash at any time, day or night. The banks don't need to be open. ■ ATMs offer the convenience of multiple locations. You can withdraw cash at any bank that is part of the system to which your ATM card is linked. ■ Your ATM card is protected by a PIN, keeping your money safe. ■ You don't need to fill out withdrawal and deposit slips as is required at the bank. ■ ATMs are faster than going to the bank—no long lines. ■ You can withdraw cash at ATMs in foreign countries.	■ ATM may be off-line (system down). ■ You may forget your PIN number. ■ Risk of robbery when you leave the ATM. ■ The ATM can break down or run out of cash. ■ Fees charged to use ATMs of other banks can become expensive.
Debit card	■ You don't have to carry cash around with you. ■ If your card is stolen, the thief cannot get your money without your PIN. ■ You can use it to pay at some retail shops. ■ Keeps your money safe.	■ If you forget your PIN number you cannot use the card. ■ The system can be off-line. ■ Training is needed. ■ Difficult to maintain spending discipline.

3. Choose a PIN – 20 minutes

Say:

The first thing an ATM asks you for is your “PIN.”

Ask:

- **What do you think PIN stands for?** [*Personal Identification Number*]

Explain:

To use your ATM or debit card, you must have a PIN. A PIN is usually a four- to six-digit number that you choose and keep private. Each time you use your ATM card, you enter the same PIN. You choose your PIN when you first receive your ATM or debit card.

Ask:

- **Why is it important to have a PIN?**

After listening to their answers, summarize:

The PIN is protection against someone else using your card to take money from your account. What if someone steals your wallet and finds your ATM card? What if you lose your ATM card? Only someone who knows your PIN can use your ATM card.

Ask:

- **What must you remember about a PIN?** [*What your number is!*]
- **What will happen if you try to use your ATM card but cannot remember your PIN?** [*You will not be able to gain access to your account.*]

Acknowledge all responses and emphasize the following:

You must remember the number itself! Choose a number that will be easy to remember. Keep your PIN number to yourself. Don't tell anyone else what it is!

Give ten people a slip of paper with a four-digit number written on it. Give them five seconds to look at the number before they fold up the strip. Quickly ask:

- **Who remembers the number?**
- **Does this number mean anything to you? Will you remember it tomorrow?**
- **How can you select a number that is meaningful to you?** [*You can choose names that are tied to family, your name, or your children's name. You can also choose important dates or birthdays that would be difficult to guess.*]

Write down their ideas on a flip chart.

Display a keypad of a mobile phone drawn on a flip chart. Ask someone to tell the group what it is. Explain the relationship between the numbers and letters on each key. Show participants how to choose a PIN using a word they know very well, such as their name. For example: MARY = 6279

Tell participants to create three different PIN numbers based on the following:

- A first name (your child's, your mother's, etc.)
- Part of your family name (for example, the first four letters or the last four letters)
- Your street number or post office box number
- Your date of birth

Give participants five minutes to create three different PINs. Ask for volunteers to share one of their PINs and explain how they created it.

Ask:

- **Which of these numbers will be easiest for you to remember?**

When everyone has a PIN, instruct participants to trade their PIN with a partner. Tell participants to test each other.

Ask:

- **What other ideas do you have for selecting a PIN?**

4. Demonstrate how to use PIN at an ATM – 20 minutes

Divide participants into pairs. Say:

Now that we know what a PIN is, let's look at how we use our PINs at an ATM. I am going to demonstrate how to make a withdrawal at an ATM. Please watch carefully and keep track of all the steps that I took to withdraw money from the ATM. If a step is not clear to you, don't worry. We will discuss all the steps afterwards.

Mime the following steps on how to withdraw money from an ATM. Be sure to demonstrate so that everyone can see you. Leave a few seconds between demonstrating each step so that participants can clearly see what each step involves.

How to withdraw money from an ATM

1. Insert your ATM card
2. Enter your PIN
3. Select "Withdrawal"
4. Several amounts will be displayed on the screen or enter the amount you want by pressing the numbered buttons. *(Say out loud: "Hmm... how much money do I want to withdraw? (amount) should be enough to pay for my medicine. Then press the correct number of buttons.)*
5. Choose the account you want to withdraw from if asked. *(Say out loud: "I want to take this out my savings account." Then press the button.)*
6. Take your cash. *(Pretend to count it. Put into your wallet.)*
7. Take your card. *(Put into your wallet.)*
8. Take your withdrawal slip. *(Examine the slip.)*

Give participants two or three minutes to discuss the steps they identified in their pairs. Ask a volunteer to share the steps that they saw. Then ask volunteers to identify in order the steps they saw. Record the steps on a flip chart, correcting or adding any steps they missed.

Ask:

- **When do you have to enter your PIN?** *[Immediately after inserting the ATM card]*
- **What questions do you have about these instructions?**

Distribute play money to each pair. Ask participants to practice with their partners the steps of withdrawing money. The first person will withdraw money, and the other will be a "human ATM." The "human ATM" can verbally prompt the partner if she forgets the next step.



Note to trainer: *If possible, arrange for participants to actually see a demonstration of an ATM machine and point-of-sale device. A local bank may be willing to organize such a demonstration. Some banks may even have demonstration machines you can bring to the training site. Or, find someone you know who has an ATM card and arrange for participants to meet him or her at an ATM machine for a demonstration.*

Conclude and ask:

- **What did you learn about bank and debit cards?**

Invite two or three volunteers to share their responses.

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Module overview

Session title	Aims	Time
1. Understanding risk and how to protect ourselves	- List protection steps people use in their daily lives - Debate the importance of protection steps - Match protection steps to risks	85 minutes
2. Save for emergencies	- List the type of emergencies and their consequences - Practice estimating the amount of money needed for emergencies - Include emergencies in savings goals	70 minutes
3. Introducing insurance	- Define insurance - Identify how an event affects those with and without insurance differently - Debate whether or not to buy insurance	70 minutes
4. Your insurance – Be ready to use it	- List the risks commonly covered by insurance schemes for migrants workers - Define the terms commonly used in an insurance policy (policy, premium, beneficiary, benefits, claim and insurance card)	120 minutes
5. What you need to know about life/death insurance	- Define the terms and benefits of a basic life insurance policy - Debate the common choices of beneficiaries	50 minutes
6. What you need to know about health insurance	- Recognize the benefits of health insurance - Identify main features of health insurance	40 minutes
Total		7 hours and 15 minutes

Module 5 Risk management and insurance

Session 5.1 Understanding risk and how to protect ourselves



Aims

- List protection steps people use in their daily lives
- Debate the importance of protection steps
- Match protection steps to risks



Target groups

- Prospective migrant workers
- Families



Duration

- 85 minutes



Materials

- Flip chart paper, 30 sheets of blank A4 paper, markers, masking tape, pens



Training aids

- 5.1.1 No worries role-play
- 5.1.2 Better safe than sorry role-play
- 5.1.3 Risk cards 1-5
- 5.1.4 My umbrella



Session plan steps

1. Introduction to the risk management module – 5 minutes
2. Protection steps in our daily lives – 10 minutes
3. Discuss the importance of protection steps – 30 minutes
4. Match protection steps to common risks – 25 minutes
5. Identify protection measures – 15 minutes

1. Introduction to the risk management module – 5 minutes

Explain:

In this module, we will learn about how we can protect our families when confronted with unexpected events that create problems for us. We will teach each other about what we already do in these situations and how we can do better. Some of us have savings accounts for emergencies, some hide money away, some buy assets. We will also learn about a financial product that offers protection. This product is called “insurance.”

In this training, you will learn what insurance is and how it works. With the knowledge you gain, you will be able to make your own decision on whether you will purchase insurance if you have the opportunity.

2. Protection steps in our daily lives – 10 minutes

Invite participants to stand up. Divide them into two teams. Ask each team to choose a team name. Write down the team names on a flip chart in the front of the room. Explain that you, the trainer, will act out different problems people face in life. Each group will try to identify what problem you are facing.

Say:

We will now play a game to identify how we protect ourselves from potential problems or unlucky events in our daily lives. I will act out a series of problems. Your task is to guess what problem I am acting. If your team answers correctly, your team will get one point. The team with the most points at the end will win a prize!

Act out the following problems. Feel free to insert different examples that are more relevant to the local context.

- *Trainer acts like a woman/man whose motorcycle ran out of gas.*
- *Trainer acts like a woman/man who was stung by a mosquito and now has malaria.*
- *Trainer acts like a child with diarrhea and/or stomach aches.*
- *Trainer acts like a woman/man falling asleep at work.*
- *Trainer acts like an older woman/man with a sore tooth.*
- *Trainer acts like a woman/man whose phone battery died.*

After each problem is successfully identified, ask both teams how they can protect themselves from the problem. Invite each team to shout out as many responses as possible. Award a point for each answer. Keep the energy high and award a small prize to the winning team.

At the end of the game, ask:

- **What did you learn from this activity?**
- **What are the consequences of these problems or unlucky events?**
- **How can you reduce the negative consequences?**
- **What are some protection steps that you take in your daily life?**

Summarize and emphasize the points in bold:

- **Protection steps** are actions we can take *before* a crisis or emergency occurs to help us respond. Protection steps help us to be prepared for a crisis or an emergency. By taking protection steps, people can either avoid a potential unlucky event or reduce the losses that result from an unlucky event. For example, many people are infected with malaria every year in Asia. One way to protect ourselves is to purchase and use mosquito nets. Although a mosquito net costs money, it may be cheaper to buy a net and avoid malaria than to be sick, not able to work and buy medicine in the future.
- **We take protection steps every day in our daily lives.** For example, we brush our teeth every day to keep our teeth healthy and strong. We also brush our teeth because we want to prevent tooth decay. If we get tooth ache, we may have to pay a dentist to perform a procedure that can be costly.

3. Discuss the importance of protection steps – 30 minutes



Note to trainer: Before the training session, ask for four volunteers who can read to prepare a role-play. Distribute Training aid 5.1.1 No worries role-play to two volunteers. Distribute Training aid 5.1.2 Better safe than sorry role-play to the other two volunteers. Help them prepare as needed.

Say:

Welcome to (*name of town or village*) Theatre! You are about to watch two role-plays called “No worries” and “Better safe than sorry.” These role-plays are about two migrant workers and how they view the risks they may face in the future.

Invite the two sets of volunteers to perform the role-plays. Once they finish, give a round of applause and thank them for their participation.

At the end of the two role-plays, ask:

- **What happened in these role-plays?**
- **Which family believes that protection steps are important? Why do you think they want to take protection steps?**

- **Which family believes that protection steps are not important? Why do you think they do not want to take protection steps?**

Post the following flip chart and write down their answers. Possible answers include:

Are protection steps important?	
Yes	No
■ Peace of mind or sense of security ■ May cost money upfront, but may be less expensive than future financial losses if risk occurs	■ You should not interfere with destiny or "God's will" ■ Protection steps are expensive ■ Better to live each day in the present and not worry about the future

Instruct participants to find a partner and work in pairs. Invite the pairs to discuss the following question:

- **In your view, are protection steps important? Why or why not?**

After five minutes, invite two or three volunteers to share their responses. Encourage debate if volunteers share diverse views.

Convene and summarize:

- **A risk is the possibility of a loss or injury.** Migrant workers can face risks along the migration cycle before they depart, during travel, at the destination and on transit when they return. Some common risks are: injury, theft, extortion and contract termination.
- **Cultural norms and beliefs play a big factor** in determining people's attitudes towards risk.
- **Protection steps** are important because they can help families reduce the losses that could result from a risk. Protection steps like saving for an emergency may help families have a sense of security and peace of mind.

4. Match protection steps to common risks – 25 minutes

Explain:

Now we will practice developing protection steps that can help us be prepared for a risk or unlucky event.

Divide participants into five groups. Distribute Training aid 5.1.3 by giving one risk card to each group.

Explain that participants have ten minutes to discuss the following questions in their group:

- **What risk is the migrant worker facing?**
- **How will this situation affect his or her income and expenses?**
- **What protection steps do you recommend to reduce the potential financial losses?**

After ten minutes invite a volunteer from each group to respond to the questions. Encourage volunteers to list as many protection steps as possible. Record their ideas on a flip chart.

Types of risk	Protection steps
Illness (Risk card 1)	
Accident (Risk card 2)	
Financial risk (Risk card 3)	
Contract termination (Risk card 4)	
Third party theft (Risk card 5)	

Summarize:

- **Protection steps help to minimize** the financial costs we may incur if an unlucky event happens.
- **Some examples of protection steps** are setting aside savings for emergencies, participating in a mutual aid group and/or purchasing insurance.

5. Identify protection measures – 15 minutes

Say:

Now that we have discussed protection steps, it is time to practice developing our own personal protection steps. We will each make our very own protection umbrella that will help us deal with risk.

Divide participants into pairs. Ask each pair to discuss and list the risks they may face when they migrate. After a few minutes, distribute Training aid 5.1.4 My umbrella to each participant. Distribute markers to each pair.

Say:

This umbrella will protect you from some of the risks that you may face. First, I want you to list or draw two potential risks you may face in the middle of the umbrella.

After two or three minutes, say:

Now, brainstorm together and make a list of protection steps you can take to prevent the risk from happening or to reduce the financial losses that may result from it.

After a few minutes, say:

Now, list or draw the protection steps inside the umbrella.

After a few minutes, say:

Now, draw a happy picture of yourself holding the umbrella.

After they complete their umbrellas, invite all the participants to stand in a circle. Ask them to place their umbrella on the floor. Now ask participants to walk around in a circle and look at each other's umbrellas. Encourage participants to ask each other questions for clarification.

Finalize the session, by asking:

- **What is the most important thing you learned in this session?**
- **How can you and your family take protection steps in your lives?**

Thank participants for all their hard work and active participation.

Training aid 5.1.1
No worries role-play

No worries	
Dewi	<i>(Talking on the phone)</i> Dear Husband, I am calling you from the training center. How are you? How are the children?
Husband	<i>(Talking on the phone)</i> My dear Dewi, it is nice to hear your voice. The children are fine, but they miss you.
Dewi	So, today they taught us about a product we can buy called insurance. They say that if we buy it then we are protected in the event I get sick. So, if I get sick, they will pay for the hospital expenses. What do you think?
Husband	My dear, you are so strong and healthy, why do the people at the training center tell you that you will get sick?
Dewi	You are right. I am very healthy. Maybe these people are trying to scare us.
Husband	<i>(Looking up to sky)</i> And you know God will take care of you when you are away, so don't worry about these things now.
Dewi	You are right, but I guess I was worried because I know that hospitals and medicine must cost a lot of money abroad.
Husband	Oh dear, don't worry about the future. Things always work out for us, so it is better not to think too much.
Dewi	But, the insurance only costs around US\$40. So it doesn't sound like a lot of money.
Husband	That is a lot of money, especially if we want to expand our food processing business as we planned. If you never get sick, then that is money lost.
Dewi	Yes, you are right. I have to return to my Cantonese class now.
Husband	I miss you and call me again soon!

Training aid 5.1.2
Better safe than sorry role-play

Better safe than sorry	
Sokunthea	<i>(Talking on the phone)</i> Mother, I am calling you from the capital city. I am on a break from work. How are you?
Mother	<i>(Talking on the phone)</i> I am well my dearest daughter. We miss you very much. You told me last time that you are living with three girlfriends close to the garment factory. How do you like it?
Sokunthea	It is good and we keep the room real neat. I even have nice posters hanging on the wall.
Mother	That is nice. I am happy that you sound happy.
Sokunthea	<i>(A bit sad)</i> The only thing that is concerning me is that many people get sick in the factory. I don't want to get sick, so I bought a face mask.
Mother	<i>(Surprised)</i> That is awful.
Sokunthea	One of my roommates just got sick and she missed five days of work. She also had to buy US\$20 worth of medicine. That is a lot of money. I hope I never get sick because I will not only get paid less but I will have to pay for expensive medicines.
Mother	Don't worry about getting sick. Eat healthy and sleep eight hours a night. Is there a way you can set aside some money every month? That way you can have an extra cushion to pay for medicines if you get sick.
Sokunthea	Mother, that is a good idea. But that means that I cannot send as much money home, is that okay?
Mother	Of course, you need to have money in case you get sick.
Sokunthea	Mother, I will set aside money and call it my health emergency fund. I won't touch it unless I have an emergency.
Mother	I hope you never get sick, but if you do it is better to be safe than sorry.

Training aid 5.1.3
Risk card 1



Risk card 2



Risk card 3



Risk card 4



Risk card 5



Training aid 5.1.4
My umbrella



Session 5.2 Save for emergencies



Aims

- List the types of emergencies and their consequences
- Practice estimating the amount of money needed for emergencies
- Include emergencies in savings goals



Target groups

- Prospective migrant workers
- Families



Duration

70 minutes



Materials

Flip chart paper, markers, masking tape, container (hat, bag, basket), calculators



Training aids

3.4.1 Portraits of Sokunthea, Dewi, Vanita and Tola



Session plan steps

1. List emergencies and their consequences – 20 minutes
2. Estimate the amount of money needed for emergencies – 30 minutes
3. Discuss how to maintain an emergency fund – 10 minutes
4. Review the benefits and mechanics of an emergency fund – 10 minutes

1. List emergencies and their consequences – 20 minutes



Note to trainer: Prior to this activity, make a copy of the portraits of Sokunthea, Dewi, Vanita and Tola (Training aid 3.4.1). Cut each portrait into four or five puzzle pieces, depending on how many participants are attending your training. For example, if you have 20 participants, then you can cut each puzzle into five pieces. This will allow you to form four groups of five participants. Before the session, place all puzzle pieces into a container and mix them up. You can use a plastic container, a bag, hat, or basket.

Say:

One of the most important reasons to have savings is to pay for emergencies and other unexpected events. Let us brainstorm the types of emergencies and unexpected events that can occur when people migrate.

Write participants' ideas on a flip chart. Then ask:

- **What emergencies do you think will have the most severe financial consequences during the migration process? Why?**

Types of emergencies

Circle the emergencies that they mention. Choose no more than five or six.

Say:

Now, let's discuss how our main characters may be affected by different emergencies.

Invite everyone to stand in the center of the training venue. Divide the participants into four small groups using the puzzle activity. Use a container to distribute one puzzle piece to each participant.

When everyone has a puzzle piece, say:

Now, when I give you the signal (*clap*), I want you to quickly find other participants who have a piece to complete a full puzzle.

Once groups have completed the puzzles, distribute masking tape and ask the participants to tape the puzzle pieces together and identify their main character.

Say:

Imagine that your group is representing the main character drawn on your puzzle. Discuss how to answer the following questions from the perspective of that character:

- **What are the emergencies that the main character is likely to face in the next two years?**
- **What will be the financial consequences for the main character and his or her family if these emergencies do occur?**

Give the groups five minutes to discuss these questions. While they are discussing, put up the blank flip chart with two columns labeled "Type of emergency and consequences" (see below). Then ask each group to report on a different type of emergency and the consequences.

Record their ideas on a flip chart.

Type of emergency	Consequences

When they are finished, summarize by saying:

- **Emergencies mean costs to migrant worker and their family.** The costs may include medical bills, unpaid wages, and transportation costs to return home.
- **Families sometimes borrow money or sell assets to cope with emergencies.** These coping strategies can sometimes be expensive. Planning ahead such as keeping an emergency fund is a way to be prepared if an emergency occurs.

2. Estimate the amount of money needed for emergencies – 30 minutes



Note to trainer: In this step, participants will review two case studies and calculate how much to contribute to an emergency fund. These cases should be based on actual earnings. Therefore, the case studies may need to be adjusted to fit the local context.

Ask participants:

- **What can be done to cope with emergencies?**

After hearing a few ideas, say the following:

Every migrant worker should have an easily accessible emergency fund to handle small emergencies. The emergency fund is important to consider when you are saving money, as it can help you manage many smaller unexpected events and prevent further losses. The rule for the amount of money to be kept in the emergency fund is as follows:

Post the following on a flip chart.

How much money should you save for emergencies?

Set aside at least three times your current average monthly income.

The more people you care for, the more money you are likely to need for emergencies and unplanned events. Larger families should keep six months average monthly income in an emergency fund. Let us practice estimating how much money to put in an emergency fund.

Show either Sokunthea's or Dewi's earnings on a flip chart. (See below and on the following page for these flip charts.) Choose Sokunthea if the participants are mostly internal migrants. Choose Dewi if the participants are mostly international migrants.

Ask two or three volunteers to help you add up the monthly incomes. Distribute a calculator to each of the volunteers. Use the following questions as a guide.

Questions about Sokunthea's earnings:

- **What is the total amount that Sokunthea earns over a 24-month time period?** [US\$700 + US\$800 = US\$1,500]
- **What is Sokunthea's average monthly income?** [US\$1,500/24 = US\$62.50]
- **What is the total amount Sokunthea needs to keep in an emergency fund?** [US\$62.50 x 3 = US\$187.50]

Questions about Dewi's earnings:

- **What is the total amount that Dewi earns over a 24-month time period?** [US\$1,775 + US\$3,025 = US\$4,800]
- **What is Dewi's average monthly income?** [US\$4,800/24 = US\$200]
- **What is the total amount Dewi needs to keep in an emergency fund?** [US\$200 x 3 = US\$600]

Sokunthea's income year 1	
Month	Amount (US\$)
January	30
February	30
March	30
April	30
May	60
June	60
July	60
August	60
September	60
October	100
November	90
December	90
Total	700

Sokunthea's income year 2	
Month	Amount (US\$)
January	60
February	60
March	60
April	70
May	70
June	0
July	70
August	70
September	70
October	90
November	90
December	90
Total	800

Dewi's income year 1	
Month	Amount (US\$)
January	0
February	0
March	0
April	0
May	0
June	250
July	250
August	250
September	250
October	250
November	250
December	275
Total	1,775

Dewi's income year 2	
Month	Amount (US\$)
January	250
February	275
March	250
April	250
May	250
June	250
July	250
August	250
September	250
October	250
November	250
December	250
Total	3,025

Explain:

In your groups, examine your main character's situation and decide how much she needs to keep in an emergency fund.

Give the groups approximately ten minutes to complete the exercise. Distribute calculators as needed. Bring the groups back together to share their responses.

Ask the following questions:

- **What are the difficulties that a migrant worker can have in trying to set aside this much money?**
- **What is your advice to them?**

List the difficulties and the advice on a flip chart similar to the following:

Difficulties	Advice
I prefer to send my salary to my parents and family members.	■ Save for your own personal emergencies so you can take care of yourself. ■ Start setting aside something, even if it is only a very small amount, every day or every week. The amount will grow.
When I save in my room, I am afraid the money will be stolen or lost.	■ Keep money in a secure location, preferably out of the house so it is not accessible. ■ Open a bank account.
My income is irregular.	■ Save different amounts each time you earn some income.
I must use all the available earnings to pay off debts.	■ Make a schedule to pay off the most expensive debts first.
I barely have enough money to cover my basic needs.	■ Look hard for ways to cut unnecessary spending.

Make the following point:

Remember, the purpose of your emergency fund is to cover small emergencies. Most of us will not be able to keep enough money to cover big losses such as complicated medical treatment or death in the family.

3. Discuss how to maintain an emergency fund – 10 minutes

Explain:

You will need your emergency fund from time to time. As you use it, it will decrease.

Ask:

➤ **What are your suggestions to maintain enough money in the emergency fund?**

Summarize participants' ideas. Make sure to state the following points:

- When you use the fund, replace the money as soon as possible.
- Decide how much you can contribute to the emergency fund each day, each week or each month, and stick to your plan.

Ask participants to get back into groups to discuss either Sokunthea or Dewi's case. Say:

Please discuss how to answer the following question:

➤ **In your view, should setting up an emergency fund be part of your migration goals and plan? Why or why not?**

Give the groups five minutes to discuss. Ask for two or three volunteers to share their ideas.

Make the following point:

Remember, it is important to include emergency fund as one of your financial goals.

4. Review the benefits and mechanics of an emergency fund – 10 minutes

Say:

Let's share what we learned today with our community. I will now give each group a sheet of flip chart paper, some markers and other materials. Your task is to develop a poster that you will hang somewhere in your community that shows the benefits of having an emergency fund and how to set it up. You have ten minutes for this task.

As they discuss distribute flip chart paper, markers and other materials to each group. Ask each group to hang their poster along the wall. Invite all the participants to walk around and observe the posters. Congratulate the participants for their excellent work.

Close the session by saying:

If you plan ahead for emergencies, you will have more success reaching all of your goals. With an emergency fund you can avoid using the savings you have for goals such as starting a business, making home improvements and investing in education. You can also avoid costly borrowing.



Having an emergency fund is very important! Go to page 24 of your Smart guide: Money habit 9 will help you to calculate the money that you should have in your emergency fund.

Session 5.3 Introducing insurance



Aims

Define insurance

Identify how an event affects those with and without insurance differently

Debate whether or not to buy insurance



Target groups

Migrant workers with insurance schemes

Families



Duration

70 minutes



Materials

Flip chart paper, markers, masking tape, ball of string



Training aids

5.3.1 Fake money



Session plan steps

1. Identify the importance of understanding your insurance policy – 20 minutes

2. Define the term “insurance” – 10 minutes

3. Understanding pooled risk: A simulation – 30 minutes

4. Agree or disagree – 10 minutes

1. Identify the importance of understanding your insurance policy – 20 minutes

Explain:

In this session, we will learn about a protection measure you might not know much about. It is called insurance. Some of you may have *heard* something about insurance, or know someone who has insurance. Many of you will have insurance coverage when you migrate abroad so this session will help you know what insurance is and how it works.

Sometimes migrant workers face risks such as medical illnesses, accidents, theft, contract termination or extortion. What happens in these situations? Let's listen to the stories of Dewi and Sokunthea and learn how each woman will cope with a risk that occurs at the destination.

Read in a loud and engaging voice.

Sokunthea cuts her hand

Sokunthea cut her hand yesterday on a cutting machine. She did her best to stop the bleeding and wrapped some bandages around the cut. She ignored the pain but by the evening her hand was very swollen. She went to work today, but she is in a lot of pain. She is afraid to tell her supervisor because she does not want to lose her job. Her supervisor gets angry when employees ask for time off. She also fears that the hospital bill will be too expensive and that she cannot afford to pay the medical bills for x-rays, bandages or other medicines. She thinks she has something called insurance, but she cannot remember if she can use it for a small injury like a cut. When her employer explained to her about insurance, the employer used very complicated terms. She is very worried. What if she needs expensive medicine and injections? What will she do?

Dewi falls off the ladder

Dewi had an accident yesterday. She fell off a ladder when she was cleaning windows. At first, her ankle only hurt a little. By the evening, however, her ankle was swollen like a balloon. This morning, she reviewed the insurance policy she received from the recruitment agency. When she signed her contract, the recruitment agency told her that she had insurance that would cover risks like medicine, doctor visits and hospitalization. She had to pay 400,000 Rupiah to pay for the insurance. The policy says that she is eligible for up to 40,000,000 Rupiah per event. This is such a relief. Dewi went to her employer and told her that she had an accident and she wanted to go to the hospital. She also requested to use the phone so she could call her recruitment agency. She called them to ask what forms she or the hospital needed to fill out in order to receive the coverage. Dewi was relieved that she would not have to pay the expensive hospital bills herself.

Discuss the story with participants. Ask:

- **How did the accidents affect Dewi and Sokunthea differently? Why?**
- **What do you think will happen to Dewi and Sokunthea next?**
- **Why do you think Sokunthea did not know how her insurance worked?**
- **What can migrant workers do to learn if they have insurance and how to use it?**

Summarize:

- Many migrant workers, especially if they are international migrants, have insurance coverage, but very often they do not know what it covers or how to use it. Many recruitment agencies, employers and even insurance companies do not clearly explain insurance schemes and they sometimes use complicated terms. Some migrant workers are shy and do not ask questions.
- Knowledge is power. Migrant workers who have insurance coverage need to know what events the insurance covers, what the benefit is for each event, and how to make an insurance claim. Migrant workers should have a copy of their migrant worker insurance card.
- Migrant workers can ask their recruitment agencies, employers, insurance companies, support organizations and local government offices whether or not they have insurance and how it works.

2. Define the term “insurance” – 10 minutes

Post the following flip chart:

Migrant worker insurance

Insurance is a form of protection for the migrant worker in the form of monetary compensation as a result of risks endured prior and during migration and the return journey.

Explain:

Typically an insurance company collects payment from customers for their insurance coverage. These payments are put together, or “pooled,” to create a fund that can pay benefits to the persons who suffer a loss.

Insurance is usually provided by a commercial company that works across the whole country, maybe even in neighbouring countries too. An insurance company will attract thousands of customers who pay into the pooled fund.

3. Understanding pooled risk: A simulation – 30 minutes

Say:

Let us look at how the “pooled” funds of a formal insurance company work.

Ask all participants to stand up. Divide the large group into two smaller, unequal groups, the first group with three-quarters of the participants, the other with the remaining one-quarter. (If your group is small, you can divide them one-third and two-third.) Give each participant the same amount of fake money (e.g. two notes of US\$20 for a total of US\$40 for each participant).

Say:

Those in the smaller group are migrant workers who all work as domestic workers in Hong Kong (China). This group does not have insurance and did not save and keep an emergency fund.

The members of the large group are also migrant workers, but they are customers of an insurance company.

Turn to the large group and say:

You are all currently working in different countries and each of you purchased a migrant worker insurance policy when you signed your employment contract. For this policy, you pay a “premium” or fee of US\$20 for one year. I will now collect US\$40 for two years, please.

Collect the premium payment from each participant in the large group (migrant workers who are insured). Then divide the large group into three smaller subgroups of equal sizes. Send one of these subgroups to stand near the small group that represents uninsured migrant workers in Hong Kong (China). Place the other two subgroups in different spots in the room.

Turn to the small group that represents uninsured migrant workers in Hong Kong (China).

Explain:

Now, members of this group are all migrant workers in Hong Kong (China) who **do not** have insurance. The group next to them is also working in Hong Kong (China) but they **do** have insurance.

The remaining two groups (*subgroups*) all purchased insurance from the same insurance company. They purchased the same migrant worker insurance policy, but the first group works in Singapore and the other group works in Malaysia.

Stand near the two groups of migrant workers in Hong Kong (China), and say with emotion:

Your contract has finished and you are now ready to return home.

On the way home, a tragedy occurred. The minivan carrying workers returning from Hong Kong (China) met a group of bandits on the road. They robbed the workers of their cash and possessions. The workers are safe and unharmed but very upset that they lost so much.

Say to the members of the uninsured group:

This is a tragedy! The bandits have stolen everything. What will you do now?

Show the money that the insurance company has to pay the insured customers who suffered damage to their property.

Explain:

Now, for those of you who are insured with my company, I can help you. I have US\$800 in premiums that I will divide up among the five of you. That means each of you will receive US\$160.

Pay the insured customers the money they are due as per their insurance policy.

Ask:

- **What happened to the migrant workers who did not have any insurance? What will they do?** *[They lost everything. They will borrow money and find other work, possibly migrate abroad again.]*
- **What happened to the group of migrant workers that had an insurance policy? Why was the insurance company able to pay all these migrant workers?** *[The insurance company collects premium payments from customers. Since many of them were not affected by the theft, the company has enough money to pay those who did experience loss.]*
- **What about the insurance customers who were not affected by the theft? Do they receive any benefit?** *[The insurance customers in the two other locations were not affected by the theft, so they did not have any claim to a payment.]*
- **What happened to the money that these unaffected migrant workers paid to the insurance company? Did they ever get it back?** *[The money these customers pay for their insurance policy is collected with other customers' payments to create the fund that pays benefits to those who make claims. If a customer never experiences an emergency that qualifies for an insurance payment, her premium payments will not be returned. You are paying for protection against the threat of something bad happening that could devastate you and your family. You are paying for peace of mind.]*

Optional. Ask participants to turn to a person sitting next to them to work with as a partner. Ask them to discuss the following question:

- **What are the advantages of having a large number of insurance customers living in so many different locations?** *[There is a bigger fund to cover losses. With customers spread out, it is less likely that the same event will affect everyone.]*

4. Agree or disagree – 10 minutes

For this activity, create space along the entire length of the training room. In this space, use string to create a line that is long enough for participants to stand side by side along it. Mark one end of the line with a sign that reads “Strongly disagree” and the other end with a sign that says “Strongly agree.” Place the sign “Not sure” in the middle of the line. Use the two remaining signs, “Agree somewhat” and “Disagree somewhat” to mark other positions along the line between the two ends.

Read the following statement, emphasizing the words in bold:

“Insurance offers protection against the **possibility** of loss. When you buy an insurance policy, you pay first for protection against something that might or **might not** happen. It is not worth it. I prefer to let my destiny happen. I will save a lot of money by not buying insurance.”

Ask participants:

Do you agree or disagree with this statement? If you strongly agree, go all the way to the end of the line and stand by the “Strongly agree” sign. If you strongly disagree, move to the opposite end by the “Strongly disagree” sign. If you are not sure, place yourself in the middle of the line by the “Not sure” sign. If you agree or disagree only somewhat, place yourself where you think you should be between the middle and either end of the line.

Ask volunteers at different points along the line to explain their position.

Explain:

We have different opinions about the value of insurance. That is natural. Some of you may feel that you do not have anything worth insuring. But remember insurance is another way you can protect your health and your family *before* something bad happens. This can be hard to do and there are not many ways to do it.

Ask:

➤ **What will you tell other family members about insurance?**

Conclude and summarize:

- Many migrant workers, especially if they are international migrants, have insurance coverage but very often they do not know what it covers or how to use it. To overcome this, migrant workers can ask questions and clarify if they have insurance, what it covers and how to use it. Some sources of information can be: employers, recruitment agencies, insurance companies, local government offices and support organizations.
- Insurance is based on the concept of pooled risk. In simple terms, this means that large groups share the losses resulting from an event like an illness, accident, theft or contract termination. The person affected by an event benefits from the contribution of many other people who were not affected.
- Insurance reduces the vulnerability of individuals and households by replacing the uncertain prospect of large losses with the certainty of making small insurance premium payments.

Training aid 5.3.1
Fake money

20 Dollars

50,000 Rupiahs

20 Dollars

50,000 Rupiahs

20 Dollars

50,000 Rupiahs

20 Dollars

50,000 Rupiahs

Session 5.4 Your insurance – Be ready to use it



Aims

List the risks commonly covered by insurance schemes for migrant workers
Define the terms commonly used in an insurance policy (policy, premium, beneficiary, benefits, claim and insurance card)



Target groups

International migrant workers with insurance scheme (using Indonesia example)
Families



Duration

120 minutes



Materials

Flip chart paper, markers, 15-20 note cards, masking tape, container, ball of string, prizes



Training aids

- 5.4.1 Insurable risk puzzle pieces 1-10
- 5.4.2 Ask questions role-play
- 5.4.3 Risk types and amount of compensation for Indonesian migrant workers
- 5.4.4 Steps to make a claim
- 5.4.5 Documents required to make a claim



Session plan steps

1. Identify types of insurable risks – 20 minutes
2. Review basic insurance terms – 20 minutes
3. Match benefits to covered events – 30 minutes
4. Identify the steps to make a claim – 20 minutes
5. Create a list of questions to ask an insurance provider – 15 minutes
6. Review key insurance terms – 15 minutes



Note to trainer: This session targets international migrant workers who are covered by insurance and uses the specific case of Indonesia. Adaptation to the local context is needed if this session is used in other countries.

The session duration is 120 minutes. The trainer may want to divide the session in two parts. Another suggestion is to invite a guest speaker or representative of an insurance company to come to the training and answer participants' questions related to this compulsory insurance scheme in Indonesia.

1. Identify types of insurable risks – 20 minutes



Note to trainer: Prior to this activity, make copies of Training aid 5.4.1. Each picture shows an insurance risk covered by the Ministry for Manpower and Transmigration, Republic of Indonesia's Insurance for Indonesian Migrant Workers scheme (Regulation of Minister for Manpower and Transmigration, Republic of Indonesia Number Per.07/MEN/V/2010). You should cut each picture into three or four pieces, depending on how many participants are attending your training. For example, if you have 24 participants, then you can cut each puzzle into three pieces. This will allow you to form eight groups of three. Place all puzzle pieces into a container (e.g. a bag, hat, or basket).

Explain:

Today, we will learn basic information about insurance. Many migrant workers in Indonesia have an insurance policy so it is important that you know what risks it covers and how to use it. In Indonesia, there is a type of insurance for international migrant workers which is compulsory and recruitment agencies pay money to a designated insurance company. Let's first review what types of risks insurance schemes typically cover.

Invite everyone to stand in the center of the training venue. Divide the participants into eight small groups using the puzzle activity. Use a container to distribute one piece of a jigsaw puzzle to each participant.

When everyone has a puzzle piece, say:

Now, when I give you the signal (*clap*), I want you to quickly find other participants who have a piece to complete the puzzle.

Once groups have completed the puzzles, distribute masking tape and ask the participants to tape the puzzle pieces together and identify which insurable risk is shown.

Say:

With your group, discuss the following question:

➤ **When during the migration process can this risk occur?**

While they are discussing, create space along the entire length of the training room. In this space, use string to create a line that will represent a timeline representing a two-year migration cycle. Mark one end of the line with a sign that reads "Pre-placement" and the other end with a sign that says "Post placement." Place the sign "During placement" in the middle of the line.

Say:

Migrant workers face many risks and the good news is that there are insurance schemes available by government and insurance companies to provide you compensation if one or more of these risks occur to you. Insurance schemes typically insure workers while they are in pre placement, during placement and post placement:

- **Pre-placement** refers to the time period (up to five months) after the signing of the placement contract.
- **During placement** refers to the time period (up to 24 months) when you work at the destination.
- **Post placement** refers to the time period (up to one month) after the end of the last work contract or until you have returned to your place of origin.

Ask each group to present their risk and hang their insurance risk puzzle at the appropriate point along the timeline where the risk could occur. If some groups feel that some insurable risks can happen at multiple times, give them an extra photocopy of the completed insurable risk puzzle so they can post it at multiple points.

The following table shows how insurable risks can be classified among pre-placement, during placement and post placement.

Pre-placement	During placement	Post placement
■ Risk of death ■ Risk of illness ■ Risk of accident ■ Risk of failure to depart not caused by the migrant worker candidate ■ Risk of physical, psychological and/or sexual abuse	■ Risk of failure of placement not caused by the migrant worker ■ Risk of death ■ Risk of illness ■ Risk of accident inside and outside of working hours ■ Risk of contract termination ■ Risk of facing legal problems ■ Risk of unpaid wages ■ Risk of deportation ■ Risk of physical, psychological and/or sexual abuse ■ Risk of loss of mental stability ■ Risk of replacement to other job or place without consent	■ Risk of death ■ Risk of illness ■ Risk of accident ■ Risk of losses caused by third party during the travel to the place or origin ■ Risk of physical, psychological and/or sexual abuse

Summarize and ask:

- **When does this insurance scheme begin coverage?** *[Five months after the signing of the placement contract.]*
- **When does this insurance scheme end coverage?** *[Up to one month after the end of the last work contract or until the migrant worker has arrived at his/her place of origin no more than one month after the end of the last work contract.]*

2. Review basic insurance terms – 20 minutes



Note to trainer: Before the training session, ask for one volunteer who can read to prepare a role-play. Give Training aid 5.4.2 to that volunteer. You and the volunteer will perform the role-play together.

Ask:

- **How many of you have used insurance or know someone who has purchased insurance?**
- **What are some of the difficulties you face when using insurance?** *[Complicated terms, claim procedures is hard to understand, claim process is lengthy.]*

Then say:

Insurance has terms that are new to many of us. We should not let these terms make us shy or scared. Instead, let's learn about the key terms used in insurance so we will understand and use our insurance policy if the need arises.

Today we will use a role-play to help explain these terms.

Say:

Welcome to (**name of town or village**) Theatre! You are about to watch a role-play called "Ask questions."

Invite the volunteer to perform the role-play with the trainer. At the end of the performance congratulate the volunteer for her performance.

Say:

Let's review some of the insurance terms that Dewi learned when she visited the insurance agent.

Ask the following questions and award a small prize after each correct answer:

- **What did Dewi learn by asking the insurance agent questions?** [Key terms and definitions, how much the premium costs.]
- **What is an insurance policy?** [The contract between the customer and the company]
- **What is a premium?** [The price or cost of the insurance policy, often divided into monthly or quarterly payments.]
- **What are benefits?** [The amount that the insurance company will pay when a covered event takes place.]
- **What is a beneficiary?** [The person who receives the cash payment made by the insurance company.]
- **What is a claim?** [The request for insurance payment after a covered event has taken place; usually requires documentation to prove the loss being claimed.]
- **What is an insurance participant card?** [A card issued by the insurance company as a proof of the policyholders' involvement in the insurance programme.]

Post the following flip chart on the wall:

Term	Definition
Policy	■ Document given to the policyholder by the insurance company that states the terms and conditions of the insurance contract.
Premium	■ The money a policyholder pays to the insurance company to activate the insurance policy and keep it valid.
Benefits	■ The money that the insurance company pays to either the person who submits the claim or to his or her beneficiary.
Beneficiary	■ The person who receives the insurance money when an insured event occurs.
Claim	■ A request for payment for a loss that is covered by the policy.
Insurance participant card (KPA)	■ Card issued by the insurance provider as proof that the policyholder has paid a premium.



Do you think you know the meaning of all of these terms? Test your knowledge by playing the matching game on page 25 of your Smart guide!

3. Match benefits to covered events – 30 minutes

Say:

In Indonesia, the migrant workers insurance scheme covers 13 insurable events. Each insurable event will pay a different benefit level. Let's review how much the insurance company will pay when a covered event takes place.

Distribute Training aid 5.4.3 Risk types and amount of compensation for Indonesian migrant workers. Form pairs and assign each pair a number from "1" to "13". Invite each pair to discuss the following questions:

- **What is your assigned risk or event?**
- **What is the benefit if this covered event occurs?**

After two minutes, invite each pair (in order) to present their risk or event and the benefit the insurance will pay if the event occurs.

When pairs have finished presenting, ask:

- **What risks were you surprised this insurance scheme covers?**
- **Why were you surprised?**
- **What questions do you have?**

Summarize:

- There are 13 types of risks covered under this insurance scheme.
- The main risks are: death, sickness, work accident, risk of departure cancellation, risk of physical abuse and rape, risk of failure to be placed, risk of termination, risk of dealing with legal matters, risk of wage not paid, risk of troubled repatriation, risk of loss caused by other party during journey to the place of origin, risk of loss of sense, risk of being relocated to other work place without consent.
- The benefit level varies according to risk or event. Some risks pay a high benefit, or the maximum coverage of 40,000,000 Rupiah. It is important for you to know the benefit for each risk so you can follow up with the insurance company and make sure they pay you or your family the right amount.
- All family members should be aware of the risks that are covered by the insurance scheme.

4. Identify the steps to make a claim – 20 minutes



Note to trainer: Participants will work in pairs to play a card game in this step. Before this activity, photocopy Training aid 5.4.4 Steps to make a claim so there are enough copies to distribute to half of the participants. Cut each copy into four cards. Assemble sets of four cards.

Say:

If an insurable event has occurred, the migrant worker or a family member will need to present an insurance claim to the insurance company.

Ask:

- **What is a claim?** *[The request for insurance payment after a covered event has taken place; usually requires documentation to prove the loss being claimed.]*

Form pairs and distribute a set of four cards to each pair. Ask each pair to put the cards in order and identify the five steps to make a claim. After five minutes, invite two or three volunteers to present. Post the following flip chart and highlight the following points:

Steps to make a claim

1. Within 12 months, fill in the claim form.
2. Submit documents such as the letter of claim signed by the migrant worker or a family member, the original insurance participant card (KPA), and a photocopy of the personal ID or passport of migrant worker.
3. Verify that the compensation paid matches the benefit you should be paid.
4. If you do not get paid within seven days, follow up with the insurance consortium.
5. If you get paid much less than you expected, make your complaint heard, find out why and try to address it.

Summarize:

- To make a successful claim you should follow these steps. Don't forget to fill in the claim form and submit the necessary documents.
- Each insured event may require different documentation. For example, if you have an illness, you will be required to submit a statement letter from the hospital or public health clinic and a detailed bill for medication and care costs from the hospital or public health clinic. If you undergo any physical, psychological or sexual abuse, you will be required to submit a medical report from the hospital, a statement letter from the local police station and a detailed bill for the medication and care costs from the hospital.
- It is your right to make a complaint if the insurance company does not pay you in the seven-day time period or if they pay you less than you expect based on what is stated in the policy.

Distribute Training aid 5.4.5 Documents required to make a claim. Say:

This list provides you with a list of the documents you or your family member will need to submit if an event occurs. Take a few minutes to review it now.

Ask:

- **What are your observations about this list of documents?**
- **How can this list help you in the future?**

5. Create a list of questions to ask an insurance provider – 15 minutes

Divide participants into groups of three or four. Assign each group one term and its definition from the list of definitions posted on the wall (see flip chart below). Distribute three note cards to each group.

Questions about insurance	
Policy	
Premium	
Benefits	
Beneficiary	
Claim	
Insurance participant card	

Explain:

Your group's task is to discuss what you want to know about the term you have. Develop a list of questions you would ask the representative who explains the insurance policy to you.

Give the groups five minutes to discuss their term and write down their questions on the note cards. Remind them to write one question per note card. Circulate to make sure that everyone understands the basic definition of the term they were assigned.

When they have finished, ask each group to report their questions. Post their note cards on the flip chart. Check the questions you generated together against the following list. Add any questions that participants have missed. Some possible questions include:

Questions about insurance

Policy

- What type of policy is it?
- What events does it cover?

Premium

- What is the amount of the premium?
- How is it to be paid? (in cash, deducted from the loan, etc.)
- How frequently do we pay the premium? (monthly, quarterly, annually)

Benefits

- What benefits does the insurance policy guarantee to the policyholder?
- Which events will trigger payment of benefits?

Beneficiary

- Who can be named as a beneficiary?
- How many beneficiaries can be named?
- Are there special provisions if benefits are paid to a named beneficiary who is a child?

Claim

- How does the policyholder submit a claim?
- What type of documentation does she or he need?
- When should she or he submit a claim?
- What should you do if the benefit paid is much lower than the claim made?

Insurance participant card

- How do I get an insurance participant card?
- What happens if I lose my insurance participant card?

Ask:

- **Who can answer your questions about an insurance policy?**
- **Why is it important to ask questions?**

6. Review key insurance terms – 15 minutes

Invite the participants to stand in two lines. Explain that you will play a game to conclude this session.

Say:

We will now play a game. In this game, two teams will play against each other. Each person will have a turn to represent the team as the “responder.” I will ask a question which can be answered by either team. In order to answer, you have to “buzz” in. The “responder” may discuss with their teammates, but only the “responder” can say the answer.

After you have had a chance to be the “responder” you will go back to your team, and someone else from your team will take a turn.

Each correct answer receives one point. Each wrong answer loses one point, so be quick with your answer but think carefully! The team with the most points at the end wins! Are you ready?

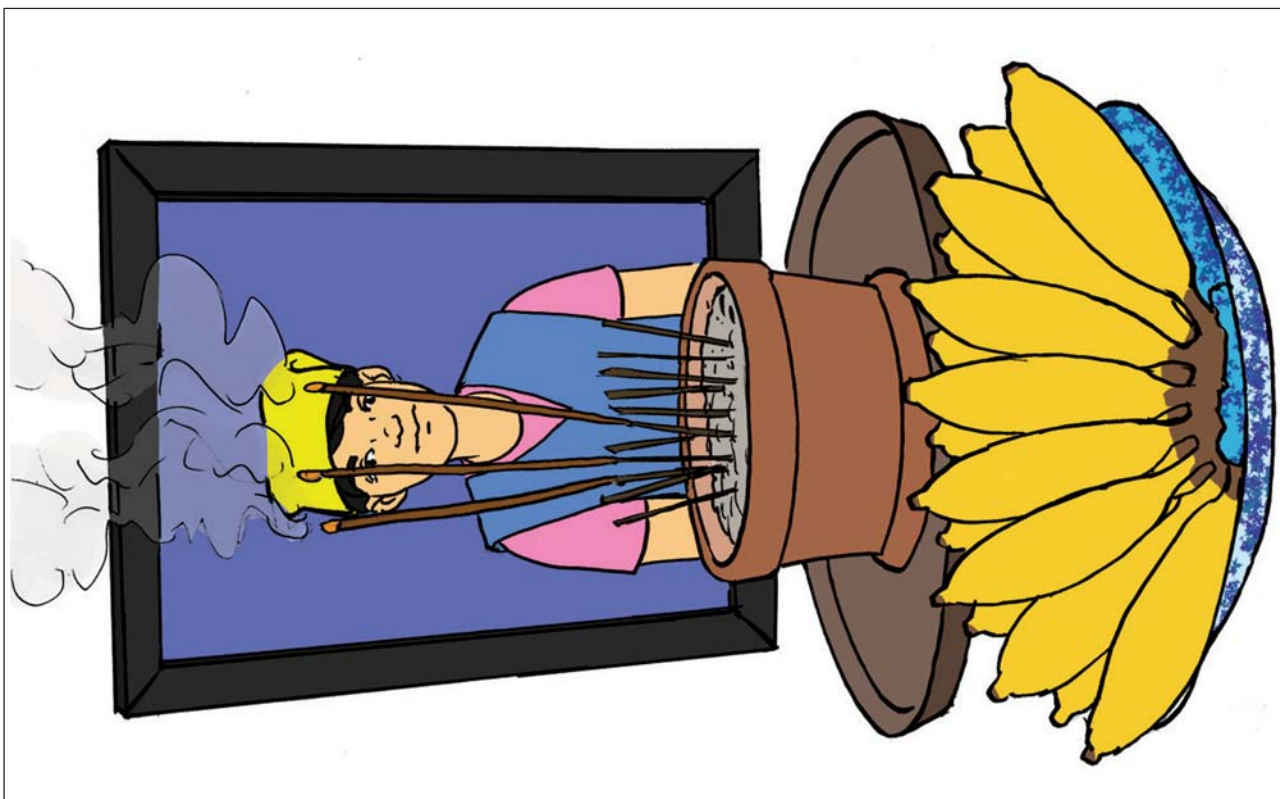
Read the questions below in order. After each question, award the team who answers correctly one point, but also allow for alternative answers and differences of opinion if any occur.

Questions:

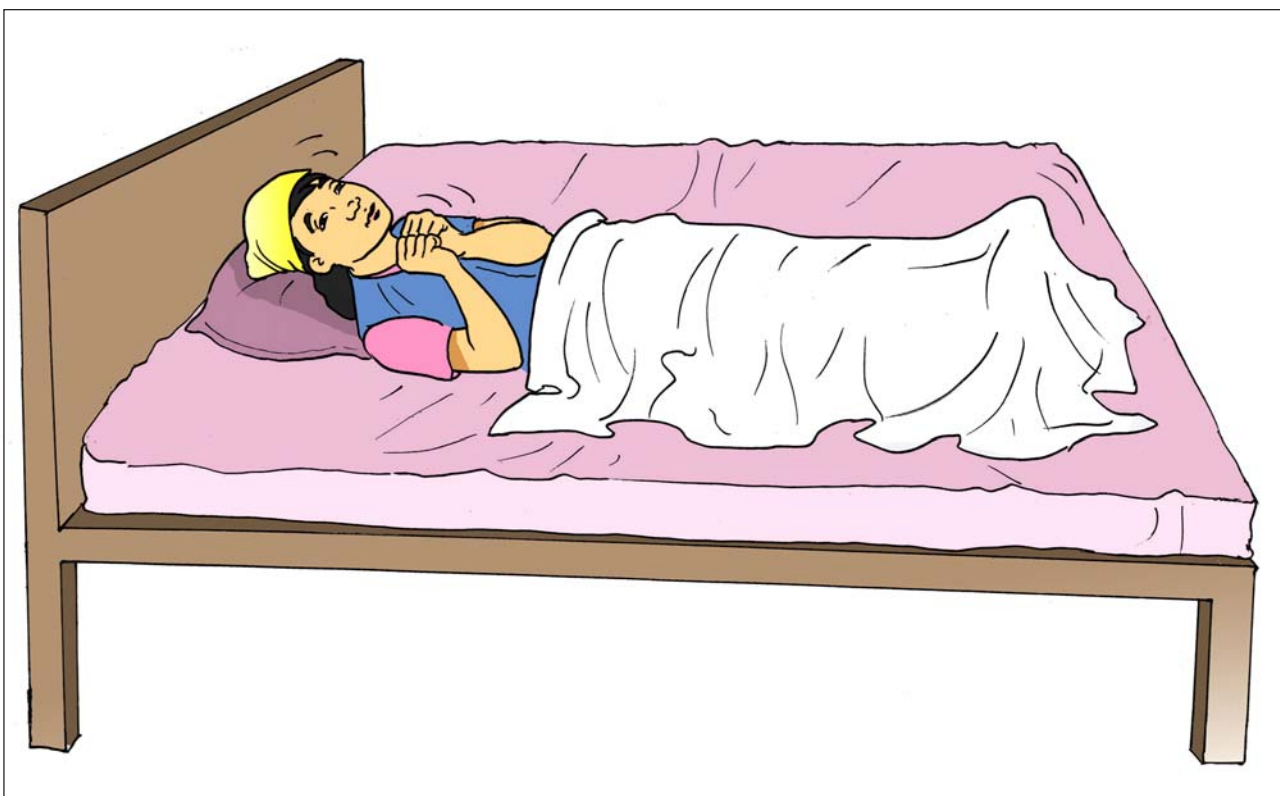
1. True or False. Insurance is a form of protection against loss. *[True]*
2. When does the insurance cover you: *[A, B and C]*
  - A. Pre-placement
  - B. During placement
  - C. Post placement
3. Give one example of an insurable risk covered by the Indonesian Migrant Workers insurance scheme. *[Death, sickness, work accident, risk of departure cancellation, risk of physical abuse and rape, risk of failure to be placed, risk of contract termination, risk of facing legal problems, risk of unpaid wages, risk of troubled repatriation, risk of loss caused by third party during journey to the place of origin, risk of loss of mental stability, risk of being relocated to other workplace without consent.]*
4. Name the five steps to make a claim to an insurance company. *[Within 12 months, submit a claim form. Submit documents. Verify that the compensation paid matches the benefit. If you do not get paid within seven days, follow-up with the insurance company. If you get paid less than you expected based on what is stated in the policy, file a complaint.]*
5. Name one way you **personally** will remember the five steps to make a claim.
6. True or False. You must submit your insurance participant card when you submit a claim. *[True]*
7. What is a beneficiary? *[The person who receives the money when an insurable event occurs.]*
8. Name one example of a support document you must submit along with the claim form. *[Death certificate, statement of local police, medical report, detailed bills for the medication and care costs from hospital, placement contract, employment contract, passport, statement letter from Representative of Indonesia in destination country, statement letter of employment termination.]*
9. Purchasing insurance is an example of _____. *[Protection against risk]*
10. True or False. I can submit a claim to the insurance company any time. *[False]*

At the end of the game, congratulate the winners as well as all participants for a job well done!

Training aid 5.4.1
Insurable risk puzzle pieces 1-10



Death



Illness



Accident



Failure to depart



Job termination before end of employment contract



Physical abuse



Unpaid wages



Losses caused by third parties during travel

Training aid 5.4.2
Ask questions role-play

Ask questions!	
Dewi	<i>(Speaking to the audience in a dramatic voice)</i> My name is Dewi. I plan to migrate abroad. I have heard so many stories of migrant workers who have insurance but do not know what insurance is and how it works. I want to be prepared so I plan to meet an insurance agent today to learn more. I am not afraid to ask questions. <i>(Dewi walks towards a desk of an insurance agent.)</i>
Insurance agent	Good afternoon! How can I help you today?
Dewi	Good afternoon! I hear that migrant workers can purchase insurance to cover risks when migrating abroad. I realize that this may be deducted from my salary, but I want to understand what insurance is and how it works.
Insurance agent	You are a wise woman! When you migrate there are many risks you can face, so being insured is a wise investment. Let me give you a policy to review. <i>(The insurance agent hands a sample policy and then goes back to his or her desk to read a newspaper.)</i>
Dewi	<i>(Looking with puzzled face)</i> Excuse me sir, but I do not know what an insurance policy is. Can you please explain this term to me?
Insurance agent	<i>(Enthusiastically)</i> It is very good to ask questions! An insurance policy is a contract between the client and the insurance company. The policy includes all the information you need for example, how much benefit you will receive if a risk occurs.
Dewi	I see. It sounds a lot like my employment contract.
Insurance agent	Yes, that is correct. So, in order to get insurance, you have to pay a premium to cover you during pre-placement, during placement and post placement. The premium in your situation is about US\$40. <i>Insurance agent grabs a mobile phone and begins to dial a phone.</i>
Dewi	<i>(Again, with puzzled face she thinks of leaving but instead returns and continues to ask questions.)</i> Excuse me, the word 'premium' sounds like a fancy word. Can you explain to me in simple words what a "premium" is?
Insurance agent	In the world of insurance, premium is the price you pay to the insurance company for the protection described in your policy like death, accident, health and other type of risks.
Dewi	Oh...I understand. So if I pay a premium, does that mean I or my family get compensation if something bad happens like an accident?
Insurance agent	<i>(Enthusiastically)</i> That is exactly what it means. In the insurance world we call this a benefit. Benefits are the money that the insurance company promises to pay you if a loss covered by the policy occurs. For example, if you become ill while working abroad, the insurance company will pay a portion or all of your medical bills and hospitalization.
Dewi	Oh, that makes sense. Now, I have something to ask that I feel sad asking. But, what happens if... <i>struggles to say the next phrase</i> something terrible happens....and I don't come back.

Insurance agent	Most insurance policies for migrant workers cover the risk of death. In that case, you will have to select a beneficiary. A beneficiary is the person who receives the benefits that the insurance company pays for. Many migrant workers select their spouse or their parents as beneficiaries under the insurance policy.
Dewi	Some of my friends have told me that it is very hard to get an insurance company to pay all they promise to pay. I hope that is not true.
Insurance agent	Many people think that because they do not understand the claim process. A claim is the request for payment that a policyholder sends to the insurance company when she or he suffers a loss.
Dewi	What papers do I need to submit a claim?
Insurance agent	You will need to fill in a claim form and also keep support documents. In the event you are sick, for example, you will need a statement letter from the hospital or public health clinic and the bill specifying the costs of medication and care.
Dewi	That is good to know. I think I will keep my insurance and other documents in a safe place.
Insurance agent	And you should also take extra special care of your insurance participation card. This card is very important because it is the card issued by the insurance company as a proof. Do you have any more questions?
Dewi	That is all for now. I feel more informed and happy about insurance. I will think about this information and sign up next time. Good afternoon!
Insurance agent	Good afternoon Dewi.

Training aid 5.4.3

Risk types and amount of compensation for Indonesian migrant workers

**Regulation of Ministry of Manpower and Transmigration
Republic of Indonesia
No. Per.07/MEN/V/2010**

**Concerning
Indonesian Migrant Workers (IMW) Insurance**

No.	Types of risks covered	Programme type	%	Sum insured
1	Death risks	Death insurance (death not because of work accident) Funeral fees	100 100	100% × Rp. 50,000,000 100% × Rp. 5,000,000
2	Sickness risks	Health insurance system in the placement country: – Hospitalization (including doctor, medicines, radiology, surgery, laboratory, emergency treatment) – Outpatient (including doctor control, medicines, dental examination and tooth extraction) – Extension treatment in the country		According to the medicines and treatment cost based on the payment receipt and maximum Rp. 40,000,000 for each event of sickness According to the medicine and treatment cost based on the payment receipt and maximum Rp. 20,000,000 for each event of sickness
3	Work accident risks	Work accident insurance: – permanent total disability compensation		Rp. 50,000,000 + economy airfare and transportation fee from debarkation airport/port to IMW place of origin.
		– permanent partial Disability compensation, The coverage is adjusted to the percentage scale from sum insured: a. 1) right arm starting from the shoulder joint	75	With a maximum Rp. 50,000,000 regulation 75% × Rp. 50,000,000
		2) Left arm starting from the shoulder joint	65	65% × Rp. 50,000,000
		b. 1) right arm from the top of shoulder joint	65	65% × Rp. 50,000,000
		2) left arm from the top of shoulder joint	55	55% × Rp. 50,000,000
		c. 1) right hand from the top of the wrist	60	60% × Rp. 50,000,000
		2) Left hand from the top of the wrist	50	50% × Rp. 50,000,000
		d. one foot from the groin or ankle	50	50% × Rp. 50,000,000
		e. 1) right thumb	25	25% × Rp. 50,000,000
		2) left thumb	25	25% × Rp. 50,000,000
		f. 1) other right fingers	25	25% × Rp. 50,000,000
		2) other left fingers	25	25% × Rp. 50,000,000
		g. one toe	25	25% × Rp. 50,000,000

No.	Types of risks covered	Programme type	%	Sum insured
		h. hearing for both ears	25	25% × Rp. 50,000,000
		i. hearing for one ear	25	25% × Rp. 50,000,000
		j. total blindness for both eyes	100	100% × Rp. 50,000,000
		k. total blindness of one eye	50	50% × Rp. 50,000,000
		l. blindness but can still see the lights	50	50% × Rp. 50,000,000
4	Risk of departure cancellation not caused by the mistakes of prospective IMW	Risk of cancelation of departure not caused by the mistakes of the prospective IMW	110	The amount of placement cost according to the cost structure of each destination country as charged by PPTK [recruitment agency]
5	Risk of physical abuse and rape	Risk of physical abuse		The amount is the same with the regulation for total disability as stipulated in point (3) with a maximum of Rp. 50,000,000
		Risk of rape		Rp. 50,000,000
6	Risk of failure to be placed not caused by the IMW's mistakes	Cancellation of contract by the business partner or employer before an IMW starts the work according to the employment contract not because of the IMW's mistakes		Rp. 20,000,000 plus economy airfare and transportation fee from the debarkation airport/port to the IMW place of origin
7	Risk of termination of employment	a. less than two months	10	10% × Rp. 25,000,000
		b. two months or more and less than three months	15	15% × Rp. 25,000,000
		c. three months or more and less than four months	20	20% × Rp. 25,000,000
		d. four months or more	30	30% × Rp. 25,000,000
8	Risk of facing legal problems	Advocacy and legal fees		To the amount of the expenses with a maximum of Rp. 100,000,000
9	Risk of unpaid wages	Risk of unpaid wages		Equivalent to the amount of the unpaid wage. If the wage is eventually paid by the employer, the paid amount is to be passed on to the insurance company
10	Risk of troubled IMW repatriation	Risk of troubled IMW repatriation		Economy airfare and transportation fee from the debarkation airport/port to the IMW place of origin
11	Risk of loss caused by other party during the journey home to the place of origin	Loss of IMW properties during the journey home from debarkation to the place of origin		Compensation of the value of the properties lost with a maximum of Rp. 10,000,000
12	Risk of loss of sense	Risk of loss of mental stability		Rp. 25,000,000 plus economy airfare and transportation fee from the debarkation airport/port to the IMW place of origin

No.	Types of risks covered	Programme type	%	Sum insured
13	Risk of IMW being relocated to other working place/other place without the consent of the IMW. Letter of reference from the Indonesian representative or consulate in the placement country.	Risk of IMW being relocated to a different working place/other place across countries with a different employer		The amount is equal to 24 (twenty-four) months salary plus transportation fee from the debarkation airport/port to the IMW's place of origin
		Risk of IMW being relocated to a different working place/other place across countries with the same employer		The amount is equal to 12 (twelve) months salary plus economy airfare and transportation fee from the debarkation airport/port to the IMW place of origin
		Risk of IMW being relocated to a different working place/other place in the same country with a different employer		The amount is equal to 6 (six) months salary plus economy airfare and transportation fee from the debarkation airport/port to the IMW place of origin

Signed in Jakarta
On 31 May 2010

Minister of Manpower and Transmigration
Republic of Indonesia

DRS. H.A. Muhaimin Iskandar, M.Si.

Training aid 5.4.4
Steps to make a claim

Within 12 months, fill in the claim form

Submit documents such as the letter of claim signed by the migrant worker or a family member, the original insurance participant card (KPA), a photocopy of personal ID or passport of migrant worker

Verify that the compensation paid matches the benefit you should be paid

If you do not get paid within seven days, follow up with the insurance company

If you get paid less than you expected, make your complaint heard, find out why and try to address it.

Training aid 5.4.5
Documents required to make a claim

**REGULATION OF MINISTER FOR MANPOWER AND TRANSMIGRATION
REPUBLIC OF INDONESIA
NUMBER PER.07/MEN/V/2010**

CONCERNING

INSURANCE FOR INDONESIA MIGRANT WORKERS

**MINISTER FOR MANPOWER AND TRANSMIGRATION OF
THE REPUBLIC OF INDONESIA,**

**CHAPTER V
CLAIMS AND COMPREHENSIVE DOCUMENTS**

Article 17

- (1) TKI [migrant worker] candidate/TKI or legal heir can present insurance claims to the consortium through local district/city bureau.
- (2) Claims as meant in number (1), must be presented at the latest within 12 (twelve) months from the occurrence of insured risks as meant in Article 4.
- (3) In the event of claims submitted after 12 (twelve) months as meant in number (2), the right to claim shall be obsolete.
- (4) Claims as meant in number (1), shall attach:
  - a. General.
    - 1) letter of claim signed by TKI candidate/TKI or legal heir and sufficient stamp;
    - 2) KPA (original);
    - 3) photo copy of personal identification of TKI candidate/TKI or legal heir; and
    - 4) in the event of claim made by legal heir then it must be accompanied with a statement letter of legal heir (original) acknowledged by village/neighbourhood chief where the legal heir resides.
  - b. Specific pre-placement insurance programme.
    - 1) Death.
      - a) death certificate from hospital;
      - b) statement from local police if death caused by accident;
      - c) medical or autopsy report from hospital or public health clinic; or
      - d) statement letter from local village/neighbourhood chief.
    - 2) Illness.
      - a) statement letter from hospital or public health clinic; and
      - b) detailed medication and care costs from hospital or public health clinic.
    - 3) Handicap caused by accident.
      - a) statement letter from hospital or public health clinic;
      - b) statement letter from local police; and
      - c) detailed medication and care costs from hospital or public health clinic.

- 4) Failure to depart not caused by TKI candidate.
  - a) statement letter from local head of district/city bureau; and
  - b) placement contract.
- 5) Physical, psychological or sexual abuse.
  - a) medical report from hospital medic;
  - b) statement letter from local police station; and
  - c) detailed medication and care costs from hospital.
- c. Specific TKI insurance programme during placement.
  - 1) Placement failure not caused by TKI.
    - a) work contract;
    - b) placement contract; and/or
    - c) statement letter from Representative of the Republic of Indonesia in the country of placement.
  - 2) Death.
    - a) death certificate from hospital;
    - b) statement from local police station if death caused by accident;
    - c) medical or autopsy report from hospital or public health clinic; and/or
    - d) statement letter from Representative of the Republic of Indonesia in the country of placement.
  - 3) Illness.
    - a) statement letter of illness from hospital and/or medical statement stating further necessary care in Indonesia;
    - b) detailed medication and care costs from hospital; and/or
    - c) statement letter from Representative of the Republic of Indonesia in the country of placement.
  - 4) Handicap caused by accident.
    - a) statement letter of illness from hospital and/or medical statement stating further necessary care in Indonesia;
    - b) statement letter from local police station;
    - c) detail medication and care costs from hospital; and/or
    - d) statement letter from Representative of the Republic of Indonesia in the country of placement.
  - 5) Job cut prior to the end of work contract.
    - a) work contract;
    - b) placement contract;
    - c) statement letter of job-cut from user; and/or
    - d) statement letter from Representative of the Republic of Indonesia in the country of placement.
  - 6) Face legal problems.
    - a) statement letter from relevant office at the country of placement;
    - b) work contract; and/or
    - c) statement letter from Representative of the Republic of Indonesia in the country of placement.
  - 7) Unpaid wages.
    - a) work contract; and/or
    - b) statement letter from Representative of the Republic of Indonesia in the country of placement.

- 8) Deportation of problematic TKI.
Statement letter from Representative of the Republic of Indonesia in the country of placement.
  - 9) Physical, psychological and/or sexual abuse.
    - a) medical report from hospital medic;
    - b) statement letter from local police station;
    - c) detail medication and care costs from hospital; and/or
    - d) statement letter from Representative of the Republic of Indonesia in the country of placement.
  - 10) Loss of mental stability.
    - a) medical report from hospital at country of placement; and/or
    - b) statement letter from Representative of the Republic of Indonesia at the country of placement.
  - 11) Risk of TKI being moved to other workplace/place against the will of TKI.
Statement letter from Representative of the Republic of Indonesia at the country of placement.
- d. Specific post-placement insurance programme.
- 1) Death.
    - a) death certificate from hospital;
    - b) statement from local police station if death caused by accident;
    - c) medical or autopsy report from hospital or public health clinic; or
    - d) statement letter from local village/neighbourhood chief.
  - 2) Illness.
    - a) statement letter from hospital or public health clinic; and
    - b) detailed medication and care costs from hospital or public health clinic.
  - 3) Handicap caused by accident.
    - a) statement letter from hospital or public health clinic;
    - b) statement letter from local police; and
    - c) detailed medication and care costs from hospital or public health clinic.
  - 4) Damages caused by third party during the return to place of origin by attaching statement letter from local police station.
  - 5) Physical, psychological and/or sexual abuse.
    - a) medical report from hospital medic;
    - b) statement letter from local police station; and
    - c) detailed medication and care costs from hospital.
- (5) Consortium is obliged to pay compensation claim at the latest 7 (seven) working days starting from the completion of requirements as meant in number (4).
- (6) Compensation claim payment as meant in number (5) is obliged to be reported by the consortium to Dirjen [Director General] and district/city bureau.

Session 5.5 What you need to know about life/death insurance



Aims

Define the terms and benefits of a basic life insurance policy
Debate the common choices of beneficiaries



Target groups

Migrant workers and families with access to life/death insurance



Duration

50 minutes



Materials

Flip chart paper, markers, masking tape



Session plan steps

1. Define life insurance – 15 minutes
2. Who should you choose as a beneficiary? – 20 minutes
3. Life insurance exclusions – 5 minutes
4. Choosing a beneficiary – 10 minutes



Note to trainer: Make the content relevant to the local situation: Go to a local insurance company before this session and find out what types of life insurance policies are available and collect application forms and brochures. Use these as training aids during the session.

1. Define life insurance – 15 minutes

Explain:

Now that we understand some of the basic insurance terms, let us look at the different kinds of insurance. One of the most common is life/death insurance.

Ask:

- **When the main income earner in a family dies, what is the impact on the family?**
- **What will the family have to do if the main income earner dies?** [*Borrow money, use savings to pay expenses until they can find a new source of income such as other family members getting a job.*]
- **Does anyone know of a family that has suffered such a loss? How did they cope?**

Explain:

Life insurance can help us to cope with this situation. Life insurance is usually purchased by adults who have a family to look after. If a policyholder dies, the company will pay a cash benefit to the beneficiary named in the policy, usually a member of his or family. The family can use this money to pay funeral expenses and their living expenses until they can replace the income of the person who died.

Ask:

- **What do you think the benefits of life insurance are?**

2. Who should you choose as a beneficiary? – 20 minutes

Explain:

We have heard this word “beneficiary” before. In the last session, we met Dewi and she was exploring an insurance scheme available for international migrant workers. Dewi would be the beneficiary in a health insurance scheme because she would receive the benefits that resulted from an accident or illness that requires medical treatment, medicine or hospitalization. In the case of life insurance, the beneficiary would be different.

Ask:

- **Who is the beneficiary for a life insurance policy?** *[The policy insures the life of the policyholder who names a beneficiary to receive payment upon his/her death. When the policyholder is dead, the money does him/her no good, but it can help the family he or she leaves behind.]*

Say:

Let us pretend that we all know Dewi’s sister, Anita. Anita is married and has four children. Anita also works as a migrant worker abroad. She decides to purchase a migrant worker insurance policy. The death benefit is worth 40,000,000 Rupiah plus a 5,000,000 Rupiah funeral benefit. This means that if she dies, the insurance company will pay 45,000,000 Rupiah to her beneficiary. Anita must choose a beneficiary.

Ask:

- **How should Anita choose her beneficiary?**
- **What characteristics should a beneficiary have to manage a large sum of money?** *[trustworthy, responsible, healthy physically and psychologically.]*
- **Who are good candidates to be the beneficiary for a life insurance policy?** *[Family members such as spouse, parents, children, siblings.]*

Say:

Now let us identify the strengths and weaknesses of some candidates as beneficiary of a life insurance policy.

Divide participants into three groups. Assign each group one of the following beneficiaries: husband, eldest child or policyholder’s adult sibling.

Explain:

Each group is the voice of a woman who has just purchased a life insurance policy. This woman has just chosen the beneficiary for her policy – the person I assigned to your group. Your task is to list the advantages and disadvantages of selecting this person as a beneficiary.

Ask:

- **Why do you think this person is the best person to be the beneficiary of your life insurance policy?**
- **Why are the other candidates not acceptable to you?**

Give the groups ten minutes to develop their arguments in favour of their “choice” of beneficiary. Post the following flip chart:

Candidates for beneficiary			
	Husband	Child	Adult sibling
Advantages			
Disadvantages			

Ask each group to present. Encourage comments and discussion after each presentation. Be sure that the following points are mentioned.

Candidates for beneficiary			
	Husband	Child	Adult sibling
Advantages	■ Father knows best ■ Will need help caring for children ■ Will be able to invest money to increase family security	■ Money intended for children's welfare; should go directly to them	■ Can protect money intended for children against demands or expectations from the husband and his family
Disadvantages	■ Might spend the money on unnecessary things	■ Children not mature or responsible enough to make financial decisions	■ Might run away with the money ■ Might spend it on his/her own children in addition to or instead of orphaned nieces and nephews

Explain:

There is no "right" answer regarding who makes the best beneficiary. It will depend on your family circumstances and who you trust to use the insurance money to provide for your loved ones. Whoever you name as beneficiary should understand what your wishes are regarding the use of the insurance money in the event of your death.

It is important to select a beneficiary who will ensure the well being of your family, especially your children. If your life circumstances change, say for example you are divorced or your husband marries a second or third wife; you can change the beneficiary designation to ensure the interests of your children are taken care of.

Ask:

- **What are the most important selection criteria when selecting a beneficiary?**
- **When would you change the beneficiary designation in your policy?**

3. Life insurance exclusions – 5 minutes

Explain:

Special circumstances that the policy does not cover, or will not pay benefits for, are called "exclusions." The term exclusions was not mentioned earlier. Exclusions vary by the type of insurance policy, but common events or events that the policyholder could make happen so they can claim benefits are typically excluded.

Ask:

- **For the case of life insurance, can you think of a situation in which the death of the policyholder would not be covered?** *[Death by suicide is often excluded; in India, some life insurance policies exclude death by snake bite and murder.]*
- **Why do insurance companies exclude death by suicide from their life insurance policies?** *[Because the policyholder can take his or her own life just so that his/her family can receive the life insurance payment.]*
- **What questions do you have?**

Conclude:

Insurance can seem complicated. But now that you understand the basic idea, you can decide if the protection from the insurance is worth the cost of the premiums. You also know that not every policy is the same. It is worth the effort to understand each component and make sure you understand and accept all the conditions. Make a commitment to talk to your insurance agent about these issues.

4. Choosing a beneficiary – 10 minutes

Explain:

For this next activity, sit next to your family members. Discuss the following question:

- **Who should be the beneficiary of your life insurance policy?**
- **Why is this family member the best person to be the beneficiary?**

Reconvene and summarize:

- It is very uncomfortable to think of death. Life insurance is a product that families can use to cope with the expenses that will result when a breadwinner dies.
- Choose your beneficiary wisely and discuss this with your family. You should select a family member you trust with your money and someone you believe will consider the needs of each of your family members.
- Tell the insurance provider who you choose as your beneficiary. It is important to include your beneficiary's name in the insurance policy.

Session 5.6 What you need to know about health insurance



Aims
Recognize the benefits of health insurance
Identify main features of health insurance



Target groups
Migrant workers and families with access to health insurance



Duration
40 minutes



Materials
Flip chart paper, markers, masking tape



Training aids
5.6.1 Health insurance mini-cases



Session plan steps
1. Why consider health insurance? – 10 minutes
2. Who is covered for what? – 10 minutes
3. Understanding health insurance – 20 minutes



Note to trainer: Make the content relevant to the local situation: Go to a local insurance company before this session and find out what types of health insurance policies are available and collect application forms and brochures. Use these as training aids during the session.

1. Why consider health insurance? – 10 minutes

Explain that the focus of the session will be on health insurance. Ask:

- **What medical costs do you have or expect to have on a regular basis?** [Answers will vary but can include children's check-ups, vaccinations, periodic clinic visits for minor health problems, malaria treatment.]
- **What are some of the unexpected medical expenses that you might face?** [In the event of a serious illness or accident, you could face high costs of hospitalization, doctors' fees and medicines.]
- **What can happen to a family when someone has a serious illness or an accident occurs?** [The family can spend its savings on medical care; it can go into debt; it can be forced to sell assets to cover medical costs. Many of us live in fear of the financial hole we will fall into if a medical emergency occurs.]
- **Who can share a personal experience with a health crisis, either one that has happened in your own family or to someone you know?**

Explain that health-related expenses often keep families in poverty, and that health insurance can help them with these expenses.

2. Who is covered for what? – 10 minutes

Explain:

We have learned the basic terms you need to know to decide about insurance. But some of these terms are defined a little differently depending on the type of insurance. For example, we now know that the "beneficiary" usually is the person who receives the benefits, often cash, paid by the insurance policy. In the case of a life insurance policy, the benefits are paid when the policyholder dies, so that person obviously cannot be the beneficiary. Let us think about the beneficiaries of a health insurance policy.

Ask:

- **Who is the beneficiary for a health insurance policy?** *[Usually the policyholder and, at an extra cost, his or her immediate family.]*
- **If you have a health insurance policy that covers you and your children specifically, can you claim benefits for the medical expenses of your aging mother too?** *[No]*

Explain:

If you want to purchase a health insurance policy, you will have to decide which family members to include in the policy. Some policies charge extra premiums for each family member you add to the policy. Some offer a basic package for a family of four, and charge extra for any more family members. Most have rules governing the age of the children you can include on your policy. Your children over the age of 18 or 21 or 25 may have to have their own separate policy. It is very important to learn the rules that each policy uses to calculate the premiums for insuring your family.

Every type of insurance includes some *exclusions*, or circumstances that do not qualify for benefits. Exclusions are described in detail in the policy. You should understand what they are before signing up for an insurance policy.

Ask:

- **What kinds of things might be excluded from a health insurance policy?** *[Sometimes insurance companies will exclude coverage for common incurable illnesses, such as HIV/AIDS. Some policies will exclude coverage of health conditions that the policyholder had before purchasing the policy. These are known as “pre-existing conditions.”]*
- **What questions do you have about health insurance?**

3. Understanding health insurance – 20 minutes



Note to trainer: In this step, participants will read mini-cases that highlight common issues or questions related to health insurance. These cases should be based on an actual insurance policy that participants may be able to purchase. Therefore, these may need some adjusting to fit a policy available in your area.

Ask participants to form pairs and give each participant a copy of Training aid 5.6.1 Health insurance mini-cases. Assign each pair one of the following cases. (Some pairs may work on the same case if you have more than four pairs.) Ask them to read and discuss the case. After five minutes, each pair should share their case and answers with the rest of the participants.

Case 1

Chanta fears that she cannot afford the premiums on the new health insurance policy that is being offered through her microfinance institution. But she knows that her son will need to have surgery in the next year. Even though the insurance premium is set for one year of health care coverage, Chanta wants to purchase the insurance for three months, starting one month before her son's surgery and ending two months after.

- **Can Chanta purchase the one-year policy for three months only? Why or why not?**

Case 2

Sarom and Vuth are trying to decide which kind of health insurance to buy: hospitalization insurance to pay for the high cost of medical care in the case of an accident, or routine coverage for the family. Vuth works as a carpenter which puts him in harm's way every day. But the couple also has three children, and Sarom always seems to be struggling to pay a number of medical bills. When a child gets sick, she usually has to borrow from the moneylender who charges very high interest. But the couple does not feel that they can afford both types of insurance.

- **Which type of insurance should Sarom and Vuth buy?**

Case 3

Chit and his wife signed up for health insurance for themselves and their three children. In the summer, Chit's nephew comes to live with the family. A bad case of malaria sends the boy to the hospital.

- **Will Chit's policy cover the cost of care for his nephew?**

Case 4

Fatima signed up for a health insurance policy and used the interest on her savings account to pay the premiums. During the first year, no one in Fatima's family had any health problems. Fatima thinks she should get a refund of at least some of her premiums because she did not use any of the medical care that they paid for.

- **Is Fatima entitled to a refund? Why or why not?**

Make sure the participants' responses reflect the following answers.

Mini-case answers

Case 1

Can Chanta purchase the one-year policy for three months only? Why or why not?

Chanta cannot purchase insurance for only three months because her insurance policy's premium is set for one year. She cannot decrease the number of months and pay less premium for only the period she plans to draw on the fund.

Case 2

Which type of insurance should Sarom and Vuth buy?

Sarom and Vuth should purchase hospitalization insurance because Vuth's job puts him at a high risk of an accident. Since Vuth is the income-earner in the family, the financial consequences will be severe if he has an accident and does not receive proper medical care. If he cannot return to work, the family will lose its source of income. Even though Sarom usually has to borrow money to pay for her children's routine care, she still has a chance of repaying the loan if her husband continues to work.

Case 3

Will Chit's policy cover the cost of care for his nephew?

Chit's policy will not cover the cost of care for his nephew. The policy only covers his immediate family.

Case 4

Is Fatima entitled to a refund? Why or why not?

Fatima is not entitled to a refund because her health insurance protects against risk. Even if her family does not become ill or need to see a doctor, her premiums will not be refunded to her.

Tell participants to discuss the following question for two minutes with their partner:

- **If you have the opportunity to purchase health insurance, will you purchase it? Why or why not?**

After two minutes, ask:

- **What will you share with your family about insurance?**

Conclude:

Insurance can seem complicated. But now that you understand the basic idea, you can evaluate if the protection from the insurance is worth the cost of the premium. You also know that not every policy is the same. It is worth the effort to understand each component and make sure you understand and accept all the conditions. Make a commitment to talk to an insurance agent about these issues.

Training aid 5.6.1 Health insurance mini-cases

Case 1

Chanta fears that she cannot afford the premiums on the new health insurance policy that is being offered through her microfinance institution. But she knows that her son will need to have surgery in the next year. Even though the insurance premium is set for one year of healthcare coverage, Chanta wants to purchase the insurance for three months, starting one month before her son's surgery and ending two months after.

Can Chanta purchase the one-year policy for three months only? Why or why not?

Case 2

Sarom and Vuth are trying to decide which kind of health insurance to buy: hospitalization insurance to pay for the high cost of medical care in the case of an accident, or routine coverage for the family. Vuth works as a carpenter which puts him in harm's way every day. But the couple also has three children, and Sarom always seems to be struggling to pay a number of medical bills. When a child gets sick, she usually has to borrow from the moneylender who charges very high interest. But the couple does not feel that they can afford both types of insurance.

Which type of insurance should Sarom and Vuth buy?

Case 3

Chit and his wife signed up for health insurance for themselves and their three children. In the summer, Chit's nephew comes to live with the family. A bad case of malaria sends the boy to the hospital.

Will Chit's policy cover the cost of care for his nephew?

Case 4

Fatima signed up for a health insurance policy and used the interest on her savings account to pay the premiums. During the first year, no one in Fatima's family had any health problems. Fatima thinks she should get a refund of at least some of her premiums because she did not use any of the medical care that they paid for.

Is Fatima entitled to a refund? Why or why not?

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Module overview

Session title	Aims	Time
1. Review your migration experience	- List progress made in achieving migration goals - Identify achievements, challenges and ways to overcome challenges - List future goals	80 minutes
2. Learning about making money in the future	- Learn about different ways of earning money - Identify advantages and disadvantages of different work options	90 minutes
3. Pathways to making money: A job or a business?	- Learn about the advantages and disadvantages of money-making through wage employment and own business - Find out about one's own money-making talents and preferences	50 minutes
4. Skills and job choices for women and men	- Find out what gender stereotypes are and how they influence choices in life and at work - Learn how to select a type of job or business according to your skills and preferences rather than your sex - Check available money-making opportunities in the labour market	75 minutes
5. How do I learn more?	- Discuss how to learn more about jobs - Identify possibilities for networking - Develop an action plan to learn more about occupations	60 minutes
Total		5 hours and 55 minutes

Module 6 Coming home and planning ahead

Session 6.1 Review your migration experience



Aims

- List progress made in achieving migration goals
- Identify achievements, challenges and ways to overcome challenges
- List future goals



Target groups

- Returning migrant workers



Duration

- 80 minutes



Materials

- Blank sheets of A4 paper, markers, pens, glue, glue sticks, glitter, small stickers



Session Plan Steps

1. Make a timeline of your migration experience – 15 minutes
2. Assess how migration goals were met – 20 minutes
3. Discuss challenges and ways to overcome them – 30 minutes
4. Picture your future – 15 minutes

1. Make a timeline of your migration experience – 15 minutes

Explain:

Welcome! Many of you have just returned from working abroad or in another city or province in your country. You probably have both good and bad experiences that you remember from your time living away from home. This session will provide you with an opportunity to discuss your achievements, challenges and future goals.

We are going to take two or three minutes and remember our experiences by making our own timelines.

Distribute one blank sheet of A4 paper and one marker to each participant. Show a sample and say:

To begin, draw a horizontal line across the piece of paper. Write down the date you migrated on the starting point on the left; and the date you returned on the end point on the right.

My timeline	
1 January 2008	31 December 2010

Now, I want you to recall some of your most important achievements. An achievement is something you completed that you feel proud of. For example, an important achievement might be that you saved enough money to expand your family business at home.

Distribute three or four pieces of paper in the shape of a star and one pen to each participant.

Say:

Select three or four achievements that are really important to you and write each achievement on a star. Use masking tape to paste the stars – your achievements – along the timeline.

Show a sample by sticking a star on the timeline and write down an achievement such as “the day I received my first salary.”

 My timeline	
1 January 2008	31 December 2010

Say:

Now I want you to recall some of the things you have learned. For example, you may have learned to speak a foreign language like English better.

Distribute three or four pieces of paper in the shape of a heart to each participant. Say:

Select three or four things you learned that are very important to you and write each learning on the heart. Use masking tape or glue to paste the things you learned along the timeline.

 My timeline	
1 January 2008	 31 December 2010

After ten minutes, invite everyone to post their timelines at the front of the room. Tell participants to walk around and read the timelines of their peers.

Encourage two or three participants to share their timelines. Give a round of applause after each presentation.

2. Assess how migration goals were met – 20 minutes

Before you migrated, you and your family will have discussed what you wanted to achieve by migrating. You may also have developed a migration plan with your family or by yourself. You developed two or three goals that you wanted to achieve. Close your eyes and remember what your migration goals were.

Ask:

➤ **What were your migration goals?**

Instruct participants to form pairs and ask one person in each pair to discuss the following questions:

➤ **Did you reach your migration goals?**

➤ **What helped you achieve your migration goals?**

➤ **What obstacles did you face in achieving your migration goals?**

After five minutes, instruct them to switch and discuss the other person's experience.

At the end, invite participants to share some of their discussion. Encourage them to share the factors that helped them achieve their goals (e.g. set aside savings each month, did not spend on unnecessary items, discussed with family how to spend remittances).

3. Discuss challenges and ways to overcome them – 30 minutes

Explain:

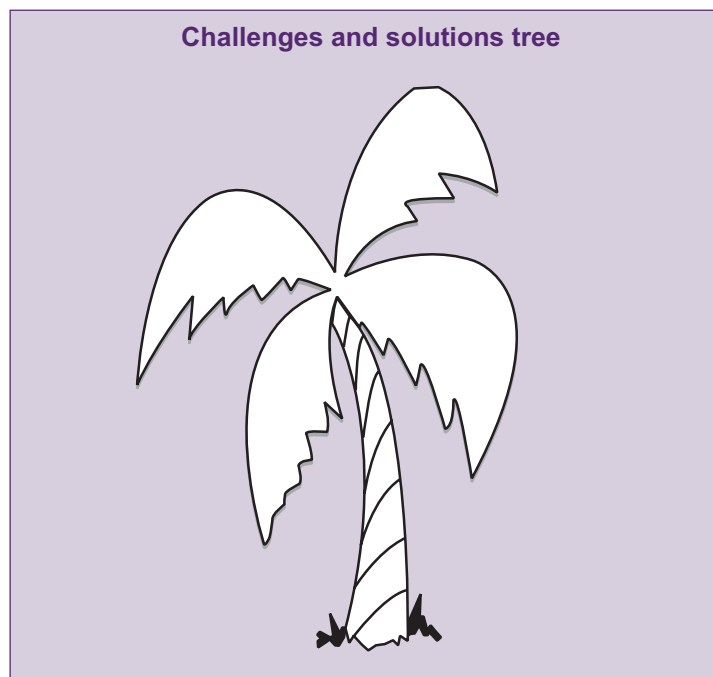
Reaching your migration goals is not always easy. There are obstacles that make reaching migration goals difficult. For example, there are stories of:

- Women and men whose contract was terminated early and they were not able to save enough money to reach their goals.
- Migrant workers having to leave their jobs because of harassment by the employer.
- No savings at home upon return because the husband, wife, parents or children have spent all remittances on unnecessary items.
- Children not recognizing the migrant worker as their mother or father anymore.

Rather than be sad, let's discuss what we can learn from these experiences so we can avoid similar obstacles next time around and warn our friends about them.

Instruct participants to continue working in pairs from the previous step. Distribute a piece of flip chart paper and markers to each pair. Say:

With your partner, I want you to draw a picture of a tree like this.



Say:

Now write down the main challenge you faced reaching your migration goal along the tree trunk.

Continue:

Now, I want you to come up with three or four actions you can do to overcome these challenges. Write down each action on a leaf.

When they finish instruct them to post the Challenges and solutions tree on the wall. Invite all the participants to take a gallery walk and observe all the Challenges and solutions trees.

Ask:

- **What additional solutions would you like to add?**
- **What other observations do you have?**

4. Picture your future – 15 minutes

Distribute a blank sheet of A4 paper and two or three markers to each participant. Place extra supplies such as scissors, coloured paper, glitter, and glue sticks nearby so that participants can use them for this activity.

Say:

Many of you have reached enormous achievements during your migration. You can be very proud. You may have even achieved some or all of your goals. Even when you have met only some of your goals, you have gained a lot of valuable experience and skills that you can use in the future.

Let us now think about the future, and about some of the important questions you will have to answer for yourself. How will you earn money, will you get a job or open a business? Do you want to start a family? Will you stay at home or choose to migrate again? What is your vision for three to five years from now? What is your next goal?

I want you each to draw a picture of your future. Feel free to be creative.

After ten minutes, ask a few volunteers to share their pictures. Conclude the session:

It is okay to be both happy and sad. You are going through a big transition. The next training sessions will help you decide your next step – for example, if having your own business or getting a job is a good idea for you.



Note to trainer: *If a digital camera is available wrap up this session with taking pictures of the participants and their timelines and/or pictures. The trainer can print the photos and distribute at the next session.*

Session 6.2 Learning about making money in the future



Aims

Learn about different ways of earning money
Identify advantages and disadvantages of different work options



Target groups

Returning migrant workers



Duration

90 minutes



Materials

Flip chart paper, markers, masking tape, 25-30 note cards



Training aids

6.2.1 Interview questions for guest speakers



Session plan steps

1. Explore options for the future – 60 minutes
2. Discuss advantages and disadvantages of different work options – 25 minutes
3. Summarize key learning points – 5 minutes

1. Explore options for the future – 60 minutes



Note to trainer: Arrange for four or five adults (role models) to participate in this activity as guest speakers. Ideally, the adults should be former migrant workers. The adults should represent different careers. Some examples include:

- Women or men owning or managing a small (service) business.
- Women or men working in wage employment.
- Women or men working at home (examples: unpaid family workers, sub-contracted home workers).

Explain to guest speakers that they will be interviewed by workshop participants about different options to earn a living after returning home. Give the guest speakers a copy of Training aid 6.2.1 Interview questions for guest speakers in advance so they can prepare to answer questions.

Say:

Today we will have an opportunity to listen to the experiences of community members who have chosen different ways to earn a living.

Organize participants into as many groups as there are guest speakers. Distribute Training aid 6.2.1 Interview questions for guest speakers. Allow two or three minutes for participants to review this document.

Ask:

➤ **What questions do you have about this document?**

Then say:

In order to learn more about different ways to earn a living, you will interview guest speakers who do different types of work. When you start the interview, make sure to select two or three questions from the interview questions that are important to you.

Arrange the guests in different locations throughout the room. Each group will meet with each guest speakers for seven to ten minutes, and ask questions from Training aid 6.2.1 Interview questions for guest speakers. After ten minutes, ask the groups to rotate to the next guest speakers.

When all groups have finished conducting all the interviews, ask guest speakers:

- **What advice would you like to share about choosing the most appropriate way to earn a living?**
- **What are the ways in which migrant workers can prepare for their future career?**

Allow five minutes for this discussion. Thank the guest speakers for their participation.

2. Discuss advantages and disadvantages of different work options – 25 minutes

Now that we have a clearer understanding of different ways to earn a living, we can compare the advantages and disadvantages of working in your own business, getting a job and working at home (paid or unpaid).

Organize participants into four groups. Assign each group a work option. Explain:

Your task is to discuss all of the advantages you see for your assigned option. After a short discussion, write down or draw up to five advantages on a set of note cards. Remember to write or draw only one idea per note card. You have five minutes for this task.

After five minutes, say:

Now your task is to discuss all of the disadvantages you see in the option. After your discussion, write down or draw up to five disadvantages on the other set of note cards. Remember to write or draw only one idea per note card. You have ten minutes for this task.

When participants finish the task, instruct them to post their note cards on a flip chart with the table below (prepare in advance). The master flip chart should be blank. If a single flip chart is too small, tape two or three charts together or use a large board to create the table below.

	Advantages	Disadvantages
Migrate again		
Own business		
Wage employment		
Work at home (paid and unpaid)		

After five minutes, quickly review the note cards and summarize the main points for each work option.

3. Summarize key learning points – 5 minutes

Ask:

- **What was the most important thing you learned while working abroad/away from home?**
- **What was the most surprising lesson that you will use in the future?**
- **What will you try to avoid in the future?**

Summarize:

- As you plan your future, learn as much as you can about different options for work that are possible for you. Identify their advantages and disadvantages so you can make good decisions.
- Know the pitfalls and challenges of each work option, and think of ways to overcome the challenges.
- If you have the opportunity, try to develop skills to prepare for the work and life you want to have in the future.

Congratulate everyone for their work and decision making.

Training aid 6.2.1

Interview questions for guest speakers

Ask the guest speakers the following questions:

1. What is your way of making a living? How do you make money since returning?
.....
.....
2. How did you get started in this work?
.....
.....
3. What experience do you need to have to do this type of work?
.....
.....
4. What type of training and education is required?
.....
.....
5. How much money do you need to start this type of work? Where can you obtain the financing?
.....
.....
6. What are the working conditions?
.....
.....
7. What are the main challenges to this type of work?
.....
.....
8. What are the main benefits to this type of work?
.....
.....
9. What should be my first step if I want to do this type of work?
.....
.....

Session 6.3 Pathways to making money: A job or a business?



Aims

Learn about the advantages and disadvantages of money-making through wage employment and own business
Find out about one's own money-making talents and preferences



Target groups

Returning migrant workers



Duration

50 minutes



Materials

Flip chart paper, markers, masking tape, pens



Training aids

- 6.3.1 Wage employment or own business checklist
- 6.3.2 Wage employment or own business checklist key
- 6.3.3 Own business or wage employment cards



Session plan steps

1. Explore individual characteristics – 15 minutes
2. Compare advantages and disadvantages of wage employment and own business – 30 minutes
3. Summarize key learning points – 5 minutes

1. Explore individual characteristics – 15 minutes

Say:

In this learning session, we will learn about the advantages and disadvantages of money-making through wage employment and through having your own business.



Note to trainer: For this next activity, create space along the entire length of the training room. In this space, use string to create a line that is long enough for participants to stand side by side along it. Mark one end of the line with a sign that reads “Wage employment” and the other with a sign that says “Own business.”

Say:

Now think about yourself. Decide if you think you are a wage earner, or if you prefer to have your own business.

If you think you are a wage earner, go all the way to the end of the line and stand by the “Wage employment” sign. If you think you want to start your own business, move to the opposite end by the “Own business” sign.

Give participants a few minutes to make their choice and position themselves on the line. Ask three or four volunteers to share their views:

➤ **Why did you choose wage employment or own business?**

Distribute Training aid 6.3.1 Wage employment or own business checklist. Distribute one pen to each participant. Say:

Take a few minutes to read the list. Mark with a check mark (✓) next to each statement that you agree with and that you feel describes you.

After three minutes, say:

For each of the following statements, stand up if you agree and made a checkmark on your paper.

- I am self-disciplined.
- I am confident that I can succeed on my own terms.
- I want to be my own boss.
- I want to make my own decisions about how I work.
- I want to have flexibility in my work.
- I want to receive a wage on a regular basis.
- I want opportunities for promotion.
- I like social contact with co-workers.
- I want to learn new skills from my boss or manager.

Distribute Training aid 6.3.2 Wage employment or own business checklist key.



Do the quiz in your Smart guide on page 26 to see what kind of work you would most enjoy when you return from your migration. Some may prefer wage employment and others may prefer to start their own business. Do the quiz to find out which one you prefer!

Explain:

This exercise helps you analyse if you should consider wage employment or own business. If your checkmarks are mostly in the first section, this means that you might consider being an entrepreneur and having your own business. If your checkmarks are mostly in the second section, this means that you might be better suited at finding a job with a regular wage. We are going to explore this further together.

2. Compare advantages and disadvantages of wage employment and own business – 30 minutes



Note to trainer: Prior to this activity, make a copy of Training aid 6.3.3 Own business or wage employment cards and cut into 16 cards.

Say:

Let us compare the advantages and disadvantages of wage employment and own business by having a small competition.

Organize participants into four groups. Instruct the groups to discuss advantages and disadvantages for both wage employment and own business. Allow five minutes for this discussion.

Next, give each group a set of cards with the advantages and disadvantages of both wage employment and own business (use Training aid 6.3.3). Give each group a flip chart drawn with a blank table as shown below.

Each group will have five minutes to decide which advantages and disadvantages belong to wage employment and which ones to own business. Instruct them to arrange their cards on the flip chart so you can see them. Once time runs out, they will not be able to make any changes.

Own business		Wage employment	
Advantages	Disadvantages	Advantages	Disadvantages

After five minutes, go through each characteristic and review how each group categorized it.

Below are the characteristics and the suggested categorization; however, if participants want to argue for a different answer, you can act as the judge and determine if the group made a valid point.

Own business		Wage employment	
Advantages	Disadvantages	Advantages	Disadvantages
You can set your own hours	You have to work many hours each day to make any money	You receive wages on a regular basis	You cannot set your own schedule
Don't need educational degrees or certificates	Business income varies, but business expenses are more constant (e.g. utilities, supplies, marketing)	You can have opportunities for promotion	Your work hours may not be convenient for you
You are your own boss and can make your own decisions	You usually need capital to get started	Social contact with co-workers	You have no control over work conditions
You can do work you like	Responsibility for business success is stressful	Less stressful, you can leave your work behind at the end of the day	You have limited opportunities to make decisions

The group that gets the most correct answers wins!

3. Summarize key learning points – 5 minutes

Say:

Now that we have discussed advantages and disadvantages of each type of employment, position yourself on the line between “Wage employment” and “Own business” again.

Ask:

➤ **Did anyone change his or her position? Why?**

Summarize:

Select what fits your personality, your goals in life and what earns the best money.

Congratulate everyone for their work and thank the guest speakers for their participation.

Training aid 6.3.1

Wage employment or own business checklist

Wage employment or own business checklist

- ☐ I am self-disciplined.
- ☐ I am confident that I can succeed on my own terms.
- ☐ I want to be my own boss.
- ☐ I want to make my own decisions about how I work.
- ☐ I want to have flexibility in my work.
- ☐ I want to receive a wage on a regular basis.
- ☐ I want opportunities for promotion.
- ☐ I like social contact with co-workers.
- ☐ I want to learn new skills from my boss or manager.

Training aid 6.3.2

Wage employment or own business checklist key

Checklist key

- ☐ I am self-disciplined. (Own business)
- ☐ I am confident that I can succeed on my own terms. (Own business)
- ☐ I want to be my own boss. (Own business)
- ☐ I want to make my own decisions about how I work. (Own business)
- ☐ I want to have flexibility in my work. (Own business)
- ☐ I want to receive a wage on a regular basis. (Wage employment)
- ☐ I want opportunities for promotion. (Wage employment)
- ☐ I like social contact with co-workers. (Wage employment)
- ☐ I want to learn new skills from my boss or manager. (Wage employment)

Training aid 6.3.3

Own business or wage employment cards

Set your own hours	Work long hours to make money	Wages paid on a regular basis	Cannot set your own schedule
Don't need educational degrees or certificates	Income changes, but expenses are constant	Social contact with co-workers	You might have to work at inconvenient times
You are your own boss and can make your own decisions	Need capital to get started	Opportunities for promotion	No control over work conditions
You can do work you like	Responsibility for business success is stressful	You can leave your work behind at the end of the day	Limited opportunities to make decisions

Session 6.4 Skills and job choices for women and men



Aims

Find out what gender stereotypes are and how they influence choices in life and at work
Learn how to select a type of job or business according to your personal qualities and skills
Compare income earning potential and identify job availability in the labour market



Target groups

Returning migrant workers



Duration

75 minutes



Materials

Flip chart paper, markers, masking tape, pens



Training aids

- 6.4.1 Job pictures
- 6.4.2 Personal qualities and skills
- 6.4.3 Income earning potential and job availability



Session plan steps

1. Analyze gender stereotypes – 15 minutes
2. Choose an occupation – 30 minutes
3. Identify income earning potential and job availability – 20 minutes
4. Summarize key learning points – 10 minutes

1. Analyze gender stereotypes – 15 minutes

Post the following statements on a flip chart (you can replace these with stereotypes common in your country or region).

Ask:

- **What do these statements have in common?** *[They reflect beliefs commonly held about men and women in a particular group or part of the population and in society.]*

Stereotypes

- Women are too emotional to hold positions of leadership
- Young men are irresponsible
- Young girls only care about fashion
- Men like to fight
- Women must do the work inside the house and men the work outside the house

Say:

Such beliefs are called *stereotypes or prejudices*. In the next exercise we are going to find out whether these ideas are useful and advantageous for men and women or whether they may harm their opportunities.

Separate participants into single sex groups with three or four to a group.

Ask the women to make a list of commonly held beliefs or stereotypes about men. Ask the men to make a list of commonly held beliefs or stereotypes about women.

After five minutes, ask each group to present its list. Ask the women:

- **Are there any statements in the men's list that you disagree with? Why?**

Ask the men:

- **Are there any statements on the women's list that you disagree with? Why?**

Explain that most men and women in every society have ideas, beliefs and stereotypes about the roles, characteristics, abilities and likely behaviour of women and men. In some groups and societies there are many differences in what men and women can and cannot, and should and should not do. In other groups and societies, girls and boys have more chances to develop according to their own characteristics and gender roles are more flexible. In some societies, gender beliefs and stereotypes limit the opportunities girls and women have to develop in work and in life. Gender stereotypes vary from one society to another, and change overtime in all societies. Often these stereotypes are more myth than reality, although at one time they may have been true in some places.

Ask everyone:

- **How do you think that gender stereotypes have influenced the type of work that our mothers and fathers have done?**
- **How have they influenced our own choices of an occupation and decision to migrate?**

2. Choose an occupation – 30 minutes



Note to trainer: Before the session, collect pictures of a wide selection of tools, equipment or parts of a uniform that are used in well-known occupations (see Training aid 6.4.1 for ideas). Choose 12-15 occupations that are the most relevant to the local context and photocopy them twice (each participant should select one picture). Display them on a table, the floor or on the wall. Create an additional display space on a table, the floor or a wall and put three labels "Women", "Men" and "Both." Put the category "Both" in the middle.

Say:

When choosing an occupation, there are many points to consider, like your skills and interests, and the expected income and availability of jobs. We will now discuss these in the next exercises.

One by one, select one job picture and decide what occupation it represents. Then, decide whether that occupation has traditionally been considered women's work, men's work or both. If you cannot guess the occupation from the picture, ask the other participants for their suggestions and then decide whether it is usually done by men, by women or both. Announce your decision and place the object in the appropriate space.

When all participants have had a turn, go through the lists of women's and men's occupations and the list of occupations that can be done by both. For the occupations that are listed under "Women" and "Men", ask:

- **What are the skills and qualities needed for this occupation?**
- **Can men (for the women's occupations) and women (for the men's occupations) also have these skills and occupations?**
- **Do you know a man or woman who does a job that is traditionally associated with the opposite sex? How does this work out for them?**

During the discussion, participants will generally agree that many of the occupations can be done by both sexes. Shift some of these occupations from the "Men, Women" lists to the "Both" list. There is no need to discuss all occupations or move all of them to the 'Both' list. Explain that it is best for both women and men to select a job or business according to their personal qualities and skills, rather than the sex they have.

Invite participants to view the job pictures and ask each participant to select one job picture and write on a colour card two personal qualities and two skills that the occupation requires. Give some examples of personal qualities and skills from Training aid 6.4.2. After a few minutes, invite a few volunteers to share their ideas. Give preference to volunteers who selected a job which traditionally is done by the other sex.

Explain:

- All occupations require specific skills and personal qualities. To find the right one for you, you need to know what skills the occupation requires and what skills, personal qualities and interests you have. It is essential that your skills and qualities match the work you want to do.
- Nowadays in modern countries and labour markets the difference between men's and women's jobs and occupations is becoming less important, although it still exists. The first person in a community to do a job that is usually done by the other sex will face questions and perhaps bad remarks, but these will generally stop when people find that the person is doing the job well. They then realise that they should only judge others based on their abilities, not based on stereotypes and prejudices on what jobs are appropriate for women and for men.

3. Identify income earning potential and job availability – 20 minutes

Explain:

We just reviewed many different types of jobs and discussed the qualities and skills needed to perform them. Let's explore the earning potential of each of these jobs.

Hang the following flip chart (Training aid 6.4.3) on the wall or put it on the floor. Initiate a voting process. Ask participants to come forward and put a check mark by two jobs that they consider to have a good income earning potential and are available to them. When the voting is done, identify the three jobs with the highest vote count. Ask:

- **In your view, which jobs have the most potential? Why?**
- **What are key points to consider when choosing an occupation?**

Ask a few participants to give their views.

4. Summarize key learning points – 10 minutes

Summarize:

- Some jobs earn more than others. One important factor for determining pay is whether there is a demand for a certain job in the labour market. If you see that there is a need for more people in a certain occupation, this could be a good job opportunity for you. If nobody is doing a certain type of job, perhaps you can think of being the first.
- What skills and qualities are required for jobs with good pay? Do your skills and personal qualities match the work you want to do? If you have the skills, you may be able to create a new job nobody has thought of before.
- Keep in mind that it is best to pursue a job that you are interested in and for which you think you have the talent, even if it goes against dominant stereotypes and beliefs.

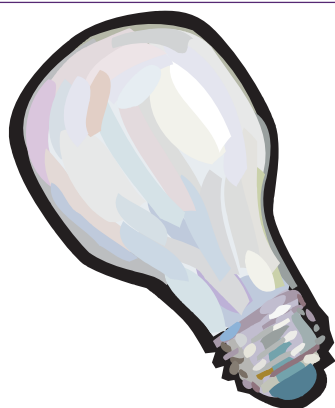


Once you have decided on a few different options for what you would like to do when you return home, fill in the first two boxes on page 27 of your Smart guide. It will help you to identify what you want to do and the skills you need to do it.

Ask:

- **What is the most important thing you learned during this session?**

Training aid 6.4.1
Job pictures



Electrician



Carpenter



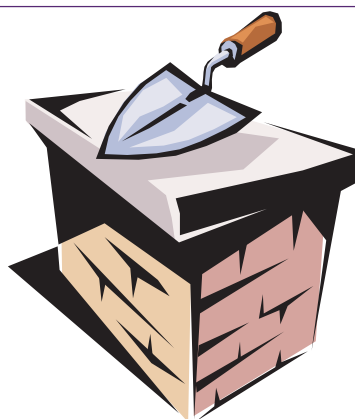
Plumber



Accountant



House painter



Mason



Doctor



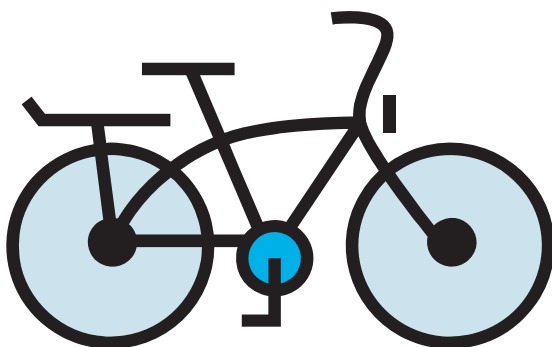
Police officer



Postal worker



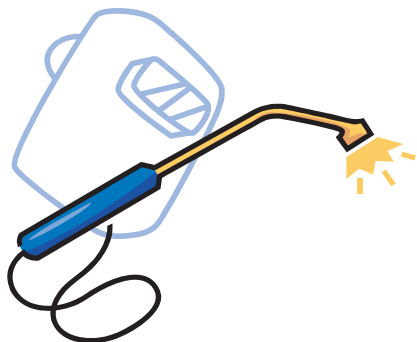
Driver



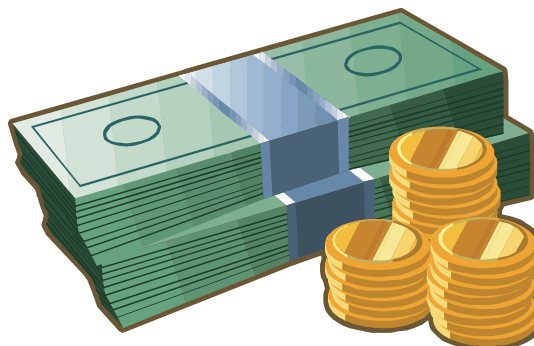
Bicycle mechanic



Car mechanic



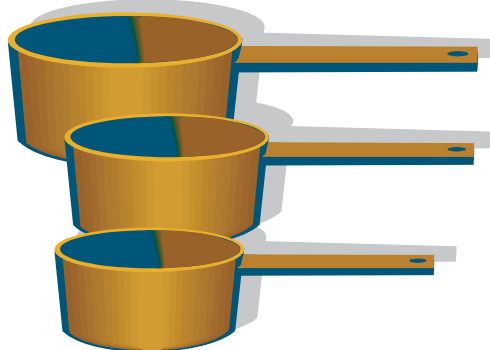
Welder



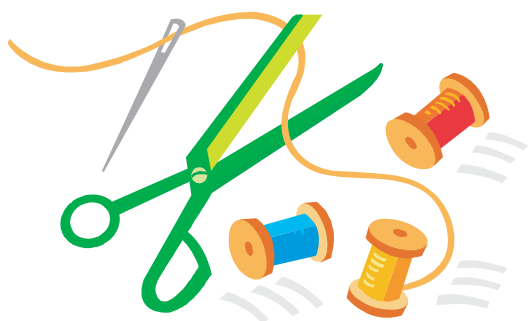
Bank clerk



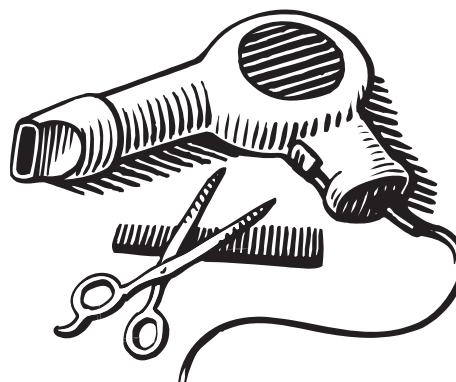
Pharmacist



Cook



Tailor



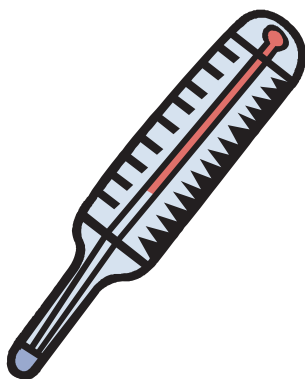
Hairdresser



Secretary



Teacher



Nurse



Cleaner



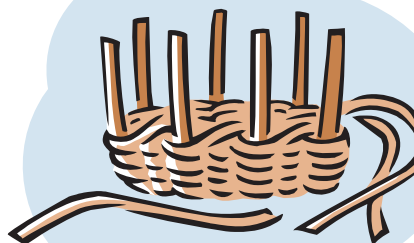
Childcarer



Market vendor



Textile worker



Weaver



Elderly person caretaker



Farmer/Field worker

Training aid 6.4.2
Personal qualities and skills

Personal qualities	Interests and skills
• Able to concentrate • Adventurous • Ambitious • Analytical • Calm • Cheerful • Competitive • Hardworking • Friendly • Honest • Funny/witty • Motivated • Organized • Imaginative • Persuasive • Punctual • Quiet • Reliable • Self-confident • Shy • Resourceful	• Working with hands (pottery, welding, carpentry) • Working with computers • Electrical (wiring, repair) • Physically strong • Good at sports • Drawing and painting • Video, film • Graphic design • Fixing things (assemble/disassemble) • Good with numbers • Cooking, baking, food processing • Speaking to groups (public speaking) • Good writing skills • Caring for children • Teaching others • Organizing, coordinating • Selling to others, convincing people • Working outdoors • Handling money • Transportation (buses, cars, boats) • Managing information.

Training aid 6.4.3
Income earning potential and job availability

Income earning potential	
Types of jobs	Income earning potential
Electrician	
Carpenter	
Plumber	
Accountant	
House painter	
Mason	
Doctor	
Police officer	
Postal worker	
Driver	
Bicycle mechanic	
Car mechanic	
Welder	
Banker	
Pharmacist	
Cook	
Tailor	
Hairdresser	
Secretary	
Teacher	
Nurse	
Cleaner	
Childcarer	
Market vendor	
Textile worker	
Farmer/Field worker	
Weaver	
Elderly person caretaker	

Session 6.5 How do I learn more?



Aims

- Discuss how to learn more about jobs
- Identify possibilities for networking
- Develop an action plan for future money making



Target groups

- Returning migrant workers



Duration

- 60 minutes



Materials

- Flip chart paper, markers, masking tape, pens, whistle or loud bell, A4 sheets of paper



Training aids

- 6.5.1 How to learn more
- 6.5.2 Action plan worksheet for future money making



Session plan steps

1. How to learn more about an occupation – 20 minutes
2. Learn to network! – 20 minutes
3. Develop an action plan for future money making – 20 minutes

1. How to learn more about an occupation – 20 minutes



Note to trainer: Before this activity, make a list of support institutions (e.g. training, financial) and their addresses and contact information to give to participants.

Say:

We have talked about many kinds of work. You have matched your own personal qualities and skills with possible occupations. You understand the differences between having a wage job and having your own business. Now, what is the next step? Do you want to migrate again or earn income in your community? How can you learn more about the type of work and occupations that you are interested in pursuing? Let's look at some options.

Ask:

- **What are some ways you can learn more about wage employment and entrepreneurship?**

Ways to learn more

Summarize participants' responses and highlight the following:

- **Job shadowing:** Spend a day with someone who does a type of work that interests you. Observe what they do; follow them where they go; listen to their conversations with customers or co-workers.
- **Training resources:** Visit a vocational training institute where students can learn a specific trade such as carpentry, auto mechanics or tailoring. Find out what courses are offered, how long the course of study is, what the entrance requirements are and how much it costs.

- **Apprenticeships:** Find opportunities for apprenticeships. An apprentice works for free with an established craftsperson or entrepreneur to learn skills. The period of the work with the teacher is called an apprenticeship.

Distribute Training aid 6.5.1 How to learn more to each participant. Ask them to review the document.

After five minutes ask:

- **What type of information is presented in the handout?**
- **How can you use this information in the future?**

2. Learn to network! – 20 minutes

Explain:

It may seem difficult or even impossible to take the next step. You might not know anyone who has a job that you would like to shadow. Or you might be wondering how to identify new job opportunities in your community or elsewhere. You can begin by *networking*.

Ask:

- **What is networking?**

Discuss participants' ideas. Then post and read the definition of networking on a flip chart.

Networking

Networking is the informal process of contacting the people you know who might be able to give you some information about the topic that interests you. Even if that person knows nothing about your topic, she or he might be able to put you in contact with someone who does. Slowly, you build a web or net of connections.

Form four groups. Explain that they will practice one aspect of networking. Give each person a sheet of paper and a pencil to write their own notes. Give the group a flip chart divided into two columns labelled "Groups we know" and "Jobs we know."

Groups we know	Jobs we know

Post the instructions below written on flip chart and read them aloud.

Practice Networking!

- Each of you should make a list of groups you are associated with. These can be schools, clubs, sports teams, religious groups, migrant workers' groups, women's groups, youth groups, etc. Assign a secretary to write these groups in the column labelled "Groups we know."
- Make a list of all the occupations done by people whom you know—family, friends, neighbours, etc. Write these in the other column.
- Taking turns, each of you will state an occupation that you want to learn more about.
- Using the lists of jobs you have made and the groups of people you are connected to, your fellow group members will respond by identifying people who might be able to provide some useful information concerning the job you want to learn about. Anyone who can make a suggestion from some other source should do so.



Note to trainer: If a group cannot make one suggestion to the person taking her turn, you might consider stopping action and bringing her chosen job to the rest of the participants. Use a whistle to call everyone's attention to the person in need of an idea and ask if any of the other participants can suggest someone to contact.

Ask:

➤ **What were some of the ideas offered in your groups?**

Allow two or three minutes for discussion.

3. Develop an action plan for future money making – 20 minutes

Give each participant an Action plan worksheet for future money making (Training aid 6.5.2) to complete. Explain: List three jobs in order of your preference. For each job you choose, write down the questions you have about it. Finally, think of one thing you can do to learn more and answer your questions. When you are done, exchange your form with your neighbour. Take two minutes to read each other's plans and give each other feedback.

My jobs/occupations	My questions about this job/occupation	What I will do to answer these questions and learn more
1.		
2.		
3.		

Say:

We have come to the end of our session on how to learn more about finding a new job. I have not given you any easy answers on how to do this. However, I hope you have a way to identify good choices and learn more about them.



Remember to continue filling out page 27 in your Smart guide. Now that you know about networking, who can help you achieve your goals when you return home? Whom will you tell about what you learned on money and migration – fill in page 29. It asks you about the things that you have learned from the training which you can teach someone else.

Once you have completed all of the activities in the Smart guide, remember to refer back to it often! Page 35 has a checklist of all of the things you need to do before you migrate. It is good to remind yourself frequently of your goals, your family's goals, and the decisions that you have made together to make sure you make those dreams come true!

Ask:

➤ **What will you share with your family or friends about this workshop?**

Thank participants for their hard work and wish them safe travels and good luck!

Training aid 6.5.1 How to learn more

List of training resources

Name of organization	Address	Contact person

List of financial institutions

Name of organization	Address	Contact person

List of local government offices

Name of organization	Address	Contact person

Training aid 6.5.2
Action plan worksheet for future money making

My jobs/occupations/ business	My questions about this job/occupation	What I will do to answer these questions and learn more
1.		
2.		
3.		

PART 3 RESOURCE AND REFERENCE MATERIALS

MFO content notes on financial education

Content note 1 Budgeting: Use money wisely

To take control of your money, be aware of how and where you spend it, and give it more purpose.¹

Definition

“A budget is a plan that lays out what you will do with your money.”²

A budget is a fairly simple tool that anyone, rich or poor, can use to manage money. A budget serves as a master plan for the future. Budgets are a road map that can help you get from where you are now to a financial goal down the road. Financial goals can be short-term, such as getting out of debt, meeting day-to-day expenses without borrowing, paying school fees, or saving for a special need or desire. Goals also can be long-term, such as saving for a house or retirement. Making a budget will help you allocate your resources to meet multiple goals.

You can do three things with your money: spend it, save it, or invest it:

- You spend money for day-to-day needs such as food, housing, transportation, clothing, healthcare, debt repayment, and discretionary expenses such as tea, movies or vacations.
- You save money for unexpected emergencies, unexpected opportunities, or to meet short- and medium-term financial goals.
- You invest money in business ventures to earn income over the long-term.

The best advice for how to manage these three parts of your financial life is simple to say but harder to accomplish:

*Spend wisely,
Save regularly,
Invest prudently.*

These are the fundamentals of money management. A budget will help you allocate your money across these three categories and make your daily money decisions a little easier.

“A good budget helps you to pay for what you need and save up for what you want.”³

Budget benefits

A budget:

- ☐ Eases decision making about spending and saving
- ☐ Encourages cautious spending
- ☐ Encourages disciplined saving
- ☐ If followed, helps you to meet financial goals
- ☐ Helps you take control of your money

¹ W. Griffith: *Bill Griffith's 10 steps to financial prosperity* (Chicago, Probus Publishing, 1994).

² G. Neale and C. Edwards: *Money doesn't grow on trees, A parent's guide to raising financially responsible children* (New York, Children's Financial Network/Fireside, 1994).

³ Ibid.

How do you make a budget?

1. *Keep track of your income and expenses*

The first step is to keep careful records of the money coming in to your household (income from all sources) and the money going out (expenses). You can then use this information to create a *cash-flow statement* that shows where your money comes from and where it goes during a specified period of time. In other words, it tracks the *flow* of your income. Analyzing your cash-flow can help you figure out whether your expenses are greater than your income. It will help you identify where you can cut back on spending and ways you can save more (Gardner and Gardner 1998).

To make a cash-flow statement, select a recent time period—a week or a month—for analysis. List all your sources and amounts of income during this period. Your *total income* should include any of the following types of income that pertain to your household: your salary after all deductions, average business income, spouse's income, other household members' incomes, rental income, remittances and any other sources of income. If you have a source of income that comes in only periodically (e.g. quarterly, or twice a year), you can estimate how much it amounts to over one year, and divide by 12 to determine how much this income would be on a monthly basis.

Next, list your *expenditures*, including necessities (food, housing, clothes, transport, etc.), debt repayments and discretionary or optional expenditures. Do not include extraordinary or one-time expenses, only those expenses you typically have during this period.

Finally, subtract the total expenditures from the total income. The result is your *net income*—the difference between your income and expenses during the period. In the sample cash-flow statement in Figure 1, Josephine has US\$35 at the end of the month that she can decide to save, invest or spend.

Repeat your record-keeping over several periods (weeks or months) so that you can identify the differences between periods and come to know the fluctuations in income and expenses. When are you likely to spend more money than you have coming in as income? When is your income higher? Can you save more during those periods? When are your expenses higher? What irregular expenses do you have? Are these necessary expenditures?

**Figure 1: Josephine's cash-flow statement
November 2003**

	Amount
The money Josephine makes	
Business income	
Kiosk	US\$200
Used clothes sales	US\$300
Farm income	US\$175
Husband's casual work	US\$200
Rental income	US\$50
Remittances	US\$75
TOTAL INCOME	US\$1,000
The money Josephine spends	
<i>Necessary Expenses</i>	
House rent	US\$300
Utilities	US\$45
Food	US\$150
Transportation	US\$25
School fees	US\$75
Medical expenses	US\$50
Clothing	US\$20
Sub-total	US\$665
<i>Discretionary spending</i>	
Video rental	US\$32
Ice cream	US\$18
Church offering	US\$80
Sub-total	US\$130
<i>Debt repayment</i>	
School tuition	US\$35
Bank loan	US\$85
Moneylender loan	US\$50
Sub-total	US\$170
TOTAL SPENDING	US\$965

2. Create budget categories that are appropriate for you

Once you have estimated your monthly net income (Step 1 above), the next step is to think about appropriate categories for your budget. You must decide how specific or general to make each category. Keep it simple. The two most basic budget categories are spending and saving. Figure 2 shows some of the specific items under each of these categories.

3. Set your financial goals

Goals can vary—from meeting basic needs, to getting out of debt, to educating children, to buying a house. Some are short-term to be accomplished quickly, others are long-term. Once you decide on your priority goals, figure out the cost of each and set a time frame for achieving it. Next, estimate how much you must allocate to savings every month to achieve each goal. If this amount is more than you think you can afford, make adjustments—extend the time you need to save the desired amount, reduce the cost, or change the goal.

Figure 3 provides an example of financial goals. Comparing the amount that Josephine wants to save each month towards her short-term goals (Figure 3) to the amount she has available for saving (Figure 1), a shortfall is evident. With her current income and expenses, Josephine cannot save as much as she wants to each month. She can adjust her savings goals, saving less for each specific goal and extending the time it will take her to accomplish them. And, she can look hard at her expenses to find places to cut down in order to free up more of her income for saving.

Figure 2: Possible budget categories

Spending

- ☐ Necessities (rent, school fees, health, utilities, food, insurance, transportation, clothing, ROSCAs)
- ☐ Debt repayment (loans, hire purchase, other debt)
- ☐ Discretionary expenses (entertainment, charitable contributions)

Savings

- ☐ Emergency fund
- ☐ Short-term savings
- ☐ Medium-term savings
- ☐ Long-term savings

Figure 3: Josephine's short-term financial goals

Goal	Cost	When?	Savings/Month
1) House repairs	US\$180	12 months	US\$15
2) School fees	US\$320	8 months	US\$40
3) Son's operation	US\$160	4 months	US\$40
Total savings needed per month			US\$95

4. Allocate your income across your budget categories

If your cash-flow statement provides a good and detailed estimate of your current income and expenditures, you should be able to identify opportunities to reduce spending and save more. When you allocate money across budget categories, consider your priorities and financial goals. If, like Josephine in the example, you don't have enough income to pay for daily necessities, repay debt *and* save for specific goals, you know that you will need to make adjustments in the budget. You can reduce your price expectations (for example, use less expensive materials to repair your house) or extend the time for achieving your goals (give yourself 18 months instead of 12 months to save for house repairs). Be realistic. See Figure 4 for an example of a budget allocation.

What other factors will influence your budget?

1. *Your money beliefs*

Beliefs about money are based on what we have seen, heard, and experienced in the past. We build our behaviors on them. However, some common beliefs about money are not accurate and they hold us back unnecessarily. For example, many of us believe that we cannot manage money well because we are not good at math (Pohl, 2001). Figure 5 offers some common beliefs about money. Can you think of any others? What are some of your personal beliefs about money? What ideas about money or cash or banking are common in your area or particular to your ethnic group?

2. *Your money personality*

Your past behaviour in managing money is a reflection of your money personality. Are you a hoarder? A spender? A money avoider (such a person may spend easily but understand little about money)? A money amasser? A risk taker? A risk avoider?

Most people are a blend of more than one personality. Knowing your “personality” can help you counteract tendencies that may get in the way of achieving your financial goals (Godfrey and Edwards, 1994; Pohl, 2001).

3. *The “financial phase” of your life*

The amount of money coming in and amounts you allocate to spending, saving, or investing varies at different stages of life. When you are young, you will spend most of your money, but as you reach middle age, you will be able to save more. If you are over 65, falling income may force you to save less and spend more. When you make a budget, think about the financial phase of your life. In designing financial education, consider common patterns in the financial phase of life among your clients.

Nothing ever stays the same—Your budget will change!

Overtime, changing circumstances may require you to revise your budget. If your income goes up, you can allocate more to savings. If your income goes down, you may have to save less in order to pay for basic necessities. If you have another child, you may decide to save more for education. If the price of basic needs go up at a faster rate than income, your budget will need to be adjusted. Monitor your budget regularly so that you are prepared to adjust it in response to your changing circumstances. Budgets will also sometimes fail. Failure is generally due to: (1) a serious emergency (a natural disaster or sudden illness) that forces unplanned spending; (2) lack of commitment or self-discipline; or (3) unrealistic goals. For emergencies, you can protect yourself against the negative impact of unexpected events by creating an emergency fund that is part of your budget. As you learn about and understand money and finances, you will be able to set more realistic financial goals and find the self-discipline to achieve them.

Figure 4: A simple budget allocation

Spending	
Necessities (housing, food, etc.)	60%
Debt Repayment	10%
Discretionary expenses	10%
TOTAL SPENDING	80%
Savings	
Emergency fund	10%
Short-term savings	5%
Long-term savings	5%
TOTAL SAVINGS	20%

Figure 5: Rate yourself: True or false?

- ☐ Managing money is complicated
- ☐ A person needs to be good at math to be good with money
- ☐ My friends would leave me if I earned more money than they did
- ☐ It takes a lot of money to invest
- ☐ My debt is too big to do anything about it
- ☐ I trust my husband to make good choices for me
- ☐ Poor people cannot save money

How do you stay within your budget? Discipline!

Making a budget is a simple task. Anyone can do it. But following a budget, and sticking to it, can be much harder. It takes discipline! You must respect each part of the budget, from establishing financial goals, to controlling your spending, to honoring your commitment to save. The following guidelines will help you find the discipline you need for each aspect of your budget.

For setting financial goals:

- Set specific short- and long-term goals for your money.
- Set up at least one goal that you can reach quickly to reward yourself for saving.
- Review your financial goals and budgets overtime.

For spending:

- Reduce what “goes out” as a key form of saving (Rutherford, 2000). Wise spending helps you save.
- Make a list of all the possible ways to spend less on daily expenses. You can save more overtime by cutting back on regular day-to-day expenses than by cutting back on one big-ticket item.
- Keep track of how much you spend on everything.

For saving:

- Save first! Follow the 10 per cent solution—save 10 per cent of what you earn. One strategy is to save first and then think about how to spend what’s left over. Easier said than done, this strategy is a good way to achieve your financial goals.
- Save 3-6 months of operating expenses in an emergency fund before you allocate saving for other purposes. This will protect you in case of family illness or unemployment and reduce your reliance on short-term debt to meet emergency needs.
- Keep savings out of reach. If you keep your savings at home, you are likely to feel pressure from your family members to spend that money.

For investing:

- When you are considering an investment, identify the nature and psychology of its associated risk. You can think about risk as a matter of chance, and ask, “What are the chances that I will make a big profit or suffer a big loss?” But a second aspect of risk is much more important, “What are the consequences of taking this risk?” In other words, what will happen to me if the investment fails?
- Figure out your tolerance for risk. Remember other occasions in your life that involved taking risks. How did you handle those? How did they make you feel?

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Content note 2 Savings: You can do it!

Definition of saving

Savings is money put aside by an individual or household for use in the future. A key to good money management, savings help individuals and households manage risk, deal with emergencies, smooth income, build assets, and meet financial goals. People save by putting money aside when it comes in and by spending less when it goes out.

Reasons to save

“... there are many times when poor people need sums of money that are bigger than what they have in hand. The need for these ‘usefully large lump sums’ arises from life cycle events such as birth, education, marriage and death, from emergency situations, and from the discovery of opportunities to make investments in assets or businesses. The only reliable and sustainable way they can obtain these sums is to build them, somehow or other, from their savings...”⁴

You can use savings to meet both expected and unexpected needs. They help to smooth cash flow, allow for optional expenditures, and invest in assets and businesses. In case of emergencies and crises, savings enable you to respond immediately and, overtime, recover from related loss of income or property.

Savings play a key role in meeting financial goals. These can include short-term goals (weeks or months) such as buying stock for a business or paying school fees; medium-term goals (1-3 years) such as home improvement expenses or a visit to the family; or long-term goals (over three years), such as to buy a house or save for retirement.

Ways to save

“Managing money well begins with hanging on to what you have. This means avoiding unnecessary expenditure and then finding a safe place to store whatever money is left over. Making that choice—the choice to save rather than to consume—is the foundation of money management.”⁵

You can choose to save through formal, semi-formal or informal institutions, and in the form of cash or non-cash.

Non-cash forms of saving are assets, such as jewelry, consumer durables, or livestock that can quickly and easily be converted to cash and generally retain their value. Land is also an asset in which you can invest and hold your savings; it retains its value but is less liquid than livestock.

Informal savings include saving cash at home, which keeps your cash very accessible and allows you to avoid the transaction costs associated with saving at formal savings institutions. This form of informal savings has two significant disadvantages: the temptation to spend the money and the risk of theft. You need strong discipline to both avoid spending these savings yourself and deny the pleas of other family members. Furthermore, money saved at home does not earn any interest, and thus may lose value overtime. Saving in-kind (gold, livestock or land) is another form of informal savings.

Semi-Formal savings encompass deposit collectors and group savings mechanisms, including rotating credit and savings associations (ROSCAs), village banks, solidarity groups and self-help groups. Familiar and simple, the group mechanism encourages discipline, scrutiny

⁴ S. Rutherford: *The poor and their money* (New Delhi, Oxford University Press, 2000), p.1.

⁵ Ibid., p. 2.

and support among members. The advantage of ROSCAs is that each member receives a lump sum of money at one time, with no loan or interest payments. However, a corresponding limitation is that members typically do not earn interest on money they have saved. Members of self-help groups borrow from their collective savings with the obligation to repay with interest, but they also receive periodic dividends. Limitations of group savings include instability of the groups, disagreements among members, and limited access to funds.

Formal savings involve financial institutions, including banks, credit unions, cooperatives, post offices or microfinance institutions, and offer another widely used option for saving cash. Savings in these financial institutions are generally safe and earn interest. They offer a range of savings accounts tailored to different financial needs. However, the requirements for opening and maintaining an account such as minimum deposits, user fees, and withdrawal requirements can be costly. These requirements are challenging if you make small, frequent deposits or withdrawals. Limited bank hours may make it difficult for you to access your money quickly in the case of emergency. Finally, where banks have failed, people tend to lack confidence in them.

Savings options at formal financial institutions

Formal financial institutions offer a wide variety of savings products. *Regular or passbook savings* is the most widely used type of account for regular transactions because the timing and amount of deposits and withdrawals are flexible. Typically, you are allowed a set number of “free” transactions each month, and will be charged a fee for any additional ones. In exchange for the right to make frequent transactions, the bank pays very low interest on passbook savings accounts. Account transactions are tracked through a passbook, and a minimum deposit is usually required in order to open the account. This account is appropriate when you need to make regular deposits and withdrawals, and require easy access to your savings.

Contractual savings are an alternative form of savings that require you to deposit a fixed amount on a regular basis over a pre-determined period of time. Although contractual savings can be structured in many ways, access to savings often is restricted until the contract is fulfilled, and you will be charged a penalty for withdrawing your funds early. This type of account will be useful if you have a regular source of income that enables you to meet a commitment to save at regular intervals for future goals.

Time deposits require a fixed sum to be deposited for a pre-determined amount of time and interest rate. They are not accessible during this period of time, but generally yield a higher interest rate than regular or contractual savings. You may be interested in this account if you receive a lump sum of money that you do not need immediately. To save for a future goal and earn maximum interest, you can use this account to place that money out of reach for a pre-determined amount of time. You choose how long that period will be based on your estimation of when you might need the money. Time deposits vary from six months to five years, and typically, the longer the time period you choose, the higher the interest rate will be.

Important factors for deciding where to save

When deciding where to save, you should consider the following:

- **Deposit requirements for the savings account.** Is there a minimum deposit required to open the account? Is there a minimum balance required to keep the account open? Are small deposits accepted? Can variable sums be deposited? Can deposits be made frequently? What paperwork is required?

- **Terms of use.** Is the saving programme compulsory or voluntary? Do you have to commit to saving a set amount at regular intervals or over a certain time period? Are there rules about how much you must deposit and when? Are there rules about how much you are allowed to withdraw and when? Can you withdraw the money at any time without penalty?
- **Cost.** What fees are charged for deposits, withdrawals, or passbooks? Some forms of saving may lose value during times of inflation or economic instability. You need to consider such costs even though they do not involve payment of actual fees.
- **Access/ease of use.** Is the account convenient? What are the institution's hours of operation? Is it open at convenient times? How far is the institution from your home or workplace? Are transactions quick and confidential? What is the quality of customer service? Is the atmosphere comfortable and friendly? Are there long lines at the teller windows? Is information on the account easily available? Does it provide statements? Are they easy to understand? Are the application procedures easy to follow? Does it have an ATM network?
- **Safety.** What is the reputation of the institution? Does it have insurance or other guarantees to safeguard funds? Are the telephone or electronic transactions safe? Is the bank or its branch located in a safe neighbourhood location?
- **Liquidity.** How easy is it to withdraw funds from the account? Will the full amount be available? Are fees charged if the funds are withdrawn before a specified date?
- **Interest.** Will your savings earn interest? If so, how much? How and when is the interest paid? What is the difference in interest rates earned across different types of savings products or plans?

How to make a savings plan

A savings plan is a critical tool for managing money to meet short-, medium-, or long-term financial goals. To make a savings plan, follow the steps outlined below:

1. Set savings goals.
2. Figure out how much you need to save over what period of time to meet your savings goals. Set a savings target.
3. Figure out how much you are earning over this period of time, the regularity (or irregularity) of your earnings, and how much you can expect to save on a regular basis.
4. Identify which expense you can cut back (for example, video rental, cigarettes, or tea breaks) and reallocate this amount to your savings.
5. Decide where you will save. Identify places to save, available savings products, and their pros and cons.
6. Plan how much and how often you will save. For example, you could put a specified amount aside in an envelope when you are paid or at the end of each business day and keep it in a safe place until you are able to take it to the bank. Go to the bank on a set day of the week or month. If you are a wage earner and your employer is linked to a bank, consider a deduction from your paycheck that is automatically deposited into your savings account.
7. Keep track of your savings. Monitor progress towards your savings target on a regular basis by checking the amount you have saved and how close you are to your goal. Check bank statements, passbooks, or other sources of information on your savings.

Rules of thumb for savings

While basic principles of money management can apply to everyone, decisions to save or consume depend very much on your level of income, access to loans, access to appropriate savings products, and personal discipline. Nevertheless, there are a number of rules of thumb that you can use to guide decisions about savings and consumption.⁶

- ◆ Save as much as you can as soon as you can. The more you save, the better off you'll be.
- ◆ Save as you earn.
- ◆ Try to save 10 per cent of your income even if you don't have a specific purchase or investment for which you are saving.
- ◆ Pay yourself first—put 10 per cent of your earnings aside for savings before you do anything else. If you can't afford 10 per cent right away, start with less, but save something.
- ◆ Calculate how your money can grow overtime if you save regularly in an account that earns interest.
- ◆ Don't carry a lot of cash—avoid temptation to spend it!
- ◆ Spend carefully. If you purchase big items, consider how much you could resell them for. Look for opportunities to save money by bulk buying of non-perishables.
- ◆ Pay off your debts. Some people recommend paying down your debt before you start to save; others recommend saving even while paying down debt because it is important to begin building assets as soon as possible. This choice will depend on individual priorities, situation, and means. Total household debt should not exceed 36 per cent of household income.
- ◆ Keep three to six months of living expenses in an emergency fund at all times. It can be used in case of job loss, unexpected illness, and to meet other emergency needs. An emergency fund will reduce your anxiety.
- ◆ Keep emergency funds in a separate account. Open two savings accounts—one for emergencies that is easy to access and doesn't have any penalties for withdrawal, and one for savings for other goals that is harder to access (and therefore less tempting to withdraw the money). Keeping some savings "out of reach" is important.
- ◆ Find savings products that match your savings goals.

Good savings behaviour requires discipline; discipline is learned through practice!

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⁶ Researchers have shown that many rules of thumb about life-cycle savings are as effective in "optimizing the utility" of those decisions as sophisticated financial models (Rodepeter and Winter, 1999).

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Content note 3 Debt management: Handle with care

When you borrow money, you enter the world of debt. It has rules, players and strategies. One of the best things you can do for yourself is to learn how to use debt well.

Definitions

Debt: What you owe when you borrow something—cash or tangible goods—from someone else, or when you purchase on credit.

When you borrow money from another person or institution (such as a bank or credit union), the lender expects to be repaid. Usually the person who lends the money charges interest—a fee for the use of that money. One can be in debt to family members, friends, informal lenders or financial institutions.

Sample sentences of word usage

1. After borrowing money to purchase a refrigerator, Miriam is in *debt* to her mother.
2. With a loan for school fees and another one for her business, Alexa is carrying as much *debt* as she can afford.

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

For the borrower, the loan is a liability (a sum that is owed). This debt must be repaid regardless of income or cash flow.

Sample sentences of word usage

1. Sarah has a small *loan* from her village bank that she must repay in four months.
2. The government programme makes in-kind *loans* of seeds that farmers repay in produce at harvest time.

Credit: The ability to borrow, or the sum available for borrowing.

Banks and other financial institutions will approve credit to customers who have a good record of repaying their loans on time. Purchasing “on credit” means getting the item you want without fully paying for it at the time of purchase. The buyer makes a commitment to pay for the item in installments or on a certain date in the future.

Sample sentences of word usage

1. Because Marta repaid her last loan on time, she has a good *credit* standing at the bank.
2. Shopkeepers should only sell on *credit* to those customers they know and can trust.

Default: Failure to pay back a loan.

Sample sentences of word usage

1. Josephine *defaulted* on her loan after her husband was injured in a car accident and she had hospital bills to pay.
2. Elizabeth borrowed money from her brother to pay back her bank loan and avoid *defaulting*.

Components of credit

If you borrow money from a bank or other formal lender, you will hear the following terms associated with your loan. It will be important to understand what each means for your specific loan.

- *Loan size.* The amount you borrow.
- *Loan term.* Period of time you have to use the loan money and repay it.
- *Interest rate.* Percentage of the total loan amount charged to the borrower for the use of money borrowed. Interest is usually charged on a monthly basis.
- *Fees.* Administrative charges in addition to interest which are usually paid once, at the time the borrower takes the loan.
- *Grace period.* Period after receiving a loan and before the first payment is due.
- *Repayment schedule.* The frequency of loan payments (e.g., weekly, biweekly, monthly).

Why borrow?

We need to borrow money for many reasons. Mostly, we borrow to:

1. invest;
2. respond to an unexpected emergency; or
3. consume (purchase an item for which we do not have enough money at the time of purchase).

A loan provides you with a lump sum of money that might be difficult to obtain otherwise. It enables you to take advantage of business opportunities, respond to emergencies, make home repairs or purchase something you need. But borrowing money can be expensive and carries obligations to repay on time. For these reasons, taking a loan is not the same as using your own money that you may have through wages, business profits or savings. The chart below outlines the advantages and disadvantages of taking a loan.

	Taking a loan	Using your own money
Advantages	You gain access to more money than you have in savings. You get money quickly when you need it for emergencies.	You avoid the costs of borrowing. You are free to use your money as you wish. You face less risk when you finance your business growth in smaller increments based on what you can afford to invest. You avoid the obligation of future loan repayments.
Disadvantages	You bear the cost of borrowing (with interest, fees and time to apply). You are responsible for repaying your loan on time, and face penalties for late payment. You must meet the requirements of group membership (attend meetings on time, etc.) if the loan is through a group.	You have limited access to needed capital. Your business grows more slowly. You have limited ability to respond to opportunities.

Risks

For every borrower, debt is a risk. If you can't repay your loan, there will be consequences! Even with careful planning, you may have problems making loan payments. Many unplanned events can turn this risk into reality, such as the following:

- When your income is interrupted due to illness or necessary absence
- When the investment of the loan results in a loss
- When your household and business expenses are greater than your income
- When unexpected events create an urgent demand for cash (e.g. to pay doctors' expenses, funeral costs, etc.)

Situations like these are common among the poor. Yet, loans must be repaid, regardless. If you face difficulties making your loan payments, what are your options?

To get the money for loan payments, you might need to reduce your spending or sell something of value. You can ask your friends and relatives to help you, but there is a risk that you will eventually "use up" their goodwill towards you.

If you fail to pay altogether, or default on your loan, what are the consequences? You may lose access to sources of credit in the future. You may strain relationships with other members of your credit group; you might suffer humiliation in the community and lose the goodwill of your friends and family. Defaulting on a loan may damage your confidence and self-esteem.

Borrow wisely

The risks that come with taking a loan should make you think carefully about when and how much to borrow. Loans can open new doors, but you need to know when taking a loan is a wise decision. Good uses of loan capital include the following:

- Purchasing inputs in bulk at a lower price that will increase profits
- Financing productive assets such as machines that help you improve productivity, i.e., a water pump that enables an additional harvest, or food-processing equipment that adds value to a crop
- Purchasing an asset that makes a new business possible, such as a cell phone or a refrigerator

Simply put, borrowing is good when it helps you gain financially and bad when it becomes a financial burden.

Use of the debt	Good debt	Bad debt
Purchasing an asset or consumer durable	The asset or goods purchased outlast the time it takes to pay off the lender. The income earned from the asset exceeds the cost of the loan.	Debt is still owed after the item is consumed or the income earned from the asset is less than the cost of the loan.
Working capital	The loan makes it possible to pursue a business opportunity that is profitable enough to repay the loan and have something left. The loan helps you save money on inputs or inventory and thus increase your earnings from the final product.	You cannot earn enough to repay the loan. You have other less-costly sources of financing. You cannot get the loan in time to take full advantage of a specific opportunity.
Emergency loan	The loan helps you solve an immediate problem without undue hardship.	The loan terms are too costly, or cannot be adjusted to your ability to repay.

The costs of borrowing

The main cost associated with a loan is the interest charged for the use of the money. This is usually calculated as a percentage of the total loan amount, and you typically pay it in monthly installments as part of your loan payment. In addition, many lenders also charge administrative fees which you usually pay once, when you take the loan. Interest and fees are charges that you pay directly to the lender. These “direct costs” are usually cash payments.

However, there are other expenses associated with borrowing that may not be so obvious. Sometimes applying for and taking a loan forces you to spend money for transportation to attend meetings or go to the bank to fill out application forms. These activities may take you away from your business, forcing you to close it or hire someone to “mind the store” while you are away. Although these additional “indirect costs” may not be part of the cash loan payment, they are real and should be considered when choosing a lender.

Choosing a lender

The cost of a loan will vary depending on the type of loan you seek and the lender’s policies regarding interest rates, fees, savings requirements, and collateral. Before you borrow, compare the costs of the loan you want among several lenders.

Choosing a lender is not only about costs. You might also want to consider the following:

- Location (Is the lender close to your home or business?)
- Product offerings (Does the financial institution offer other types of loans or savings services that interest you?)
- Customer service (Do you feel comfortable there? Is the staff friendly and helpful?)

Questions to ask a lender

- What types of loans are available?
- What are the collateral requirements?
- What are the savings requirements?
- What is the interest rate?
- What fees are charged?
- What are the penalties for late payments?
- How long does it take to get a loan?
- How many times do you have to actually go to the loan office to complete the application?

How much debt can you afford?

Too much debt can cause serious problems.

The term “over-indebtedness” refers to household debt that is too high relative to household income. How do you figure out how much debt is too much? Unfortunately, there is no rule of thumb about a safe debt-to-income ratio, although 20 to 30 per cent of household income is widely used. Should your household always avoid carrying more than one loan at a time? Not necessarily, especially if you face a crisis and need cash urgently.

Before taking on a loan, you should consider both the costs and risks of borrowing. Answer the following questions based on your own circumstances:

1. What percentage of my household and/or business budget can I afford to make available for debt repayment? Will I have enough left over to adequately cover other household expenses?
2. Can my guarantors afford to repay my loan? How will they feel towards me if they have to do so?
3. What are the consequences if I cannot repay my loan? What is the value of the collateral (for example, a motorbike, house, etc.) I have pledged?

Controlling debt

As a borrower, the debt trap can sneak up on you. Because it occurs slowly, you may not see it coming. Suddenly you owe more than you can afford to pay and the way out is nowhere in sight!

The persistence of debt is one factor that keeps poor people in poverty. For most of us, living with debt has always been and continues to be a reality. Because your need for credit typically does not go away, you are likely to renew existing loans. In fact, given ever-changing circumstances, at some point you may need more than one loan at a time. This can happen when you are faced with an unexpected crisis and need cash urgently.

Whether managing existing debt, or deciding if you can afford to take a second loan, make sure your debt obligations will not control your life—that you will still be able to pay for your basic needs and daily expenses. Two simple rules will help you control your debt:

1. **Don't borrow more than you can afford to repay.**
2. **Save money regularly for emergencies so you do not always have to borrow.**

The bottom line

Debt is not our enemy. Bad credit habits are. Use credit well and use it wisely.

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Warning signs: Debt is out of control!

As your debt mounts and becomes a burden, warning signs appear. They include the following:

- Using credit to purchase things you once bought with cash
- Getting loans or extensions to pay your debts
- Using savings to repay loans
- Using credit for living expenses

Content note 4 Bank services: Know your options

Do you need a place to save your money? Do you need to borrow money? Do you need to send money to a relative in another country? Do you need a very secure place to store something valuable? If you answered “yes” to any of these questions, you need a bank; most people do. Banks are essential in our societies to ease the flow of money in financial transactions that occur at all levels, from the individual saver to the giant corporation.

For centuries, banks have been a place to save and borrow. In most communities they have been, traditionally, powerful institutions feared for their ability to take the homes and businesses of honest people who fall behind on their loan payments. However, the banking industry has changed dramatically in past decades. Banks now offer many products and services in addition to savings and loans. Increased competition from other financial institutions is driving them to be friendlier and more concerned about keeping customers happy. And new technologies, such as Automated Teller Machines (ATMs), are making banking faster and more convenient.

How do banks work?

A bank takes in money from depositors—clients who save at the bank—and lends money to borrowers. It pays the saver to deposit her funds (in the form of interest paid on the amount of savings) but charges the borrower for using its funds (in the form of interest on each loan). Because the interest it charges for loans is higher than the interest it pays on savings, the bank makes a profit. It also earns income from the fees it charges customers for most bank transactions. These include application fees on loans, fees on ATM transactions, and fees for sending money to another person.

Banking can be a risky business. Banks need to lend money to borrowers in order to make a profit, but they also need to have some cash available for savers who want to withdraw their funds. Maintaining this balance is challenging. Banks also run the risk of making bad loans that are not repaid.

Such risk, combined with the banks’ key role in supporting the economy, have led governments to adopt rules and regulations that help manage these risks. Banks are required, by law, to have deposit insurance that protects savers and to hold enough capital to protect themselves from bankruptcy.

Government regulation distinguishes formal banks from other financial institutions that offer many of the same services. In addition to banks, sources of credit include NGO-sponsored microfinance programmes, retail shop owners, employers and local moneylenders. Rotating savings and credit associations come in diverse forms and offer people a place to save and gain access to a larger sum of money. Many people save at home “under the mattress.” These options for borrowing and saving range from semi-formal institutions to informal neighbourhood groups, but none offer the same security that banks can. Government regulations force banks to be conservative in the way they handle money.

What are a bank’s common products and services?

Banks offer savings and credit with different types of savings accounts and loans that are tailored to a variety of client needs. You can also purchase insurance through your bank, send money to a relative far away, and have the bank pay your regular bills with funds drawn from your account. For those with extra funds, banks offer

Box 1: Bank failures

Despite government regulation designed to protect banks and their customers, banks can and do sometimes fail. When a bank closes, customers may experience delays in retrieving their money because the bank’s assets are frozen while its financial position is resolved. Often, customer accounts are transferred to another financial institution that purchases the assets from the failed bank.

investment services. Let's look more closely at the choices you have for those functions that most people go to a bank for—savings and loans.

Options for saving

Most banks offer savings accounts that respond to different savings goals—short, medium and long term.

Short-term savings. Those who need a place to make regular deposits and frequent withdrawals can choose a current or ordinary savings account. Such an account offers few restrictions. It also pays a very low interest rate. It enables you to avoid the risk of carrying large amounts of cash and helps you keep track of how your money is spent. This type of account is best for regular financial transactions (e.g., daily or weekly deposits or withdrawals). It offers an easy place to save for short-term needs such as household items, holidays, and periodic bills that you know you will have to pay.

Medium- and long-term savings. However, if you have longer-term goals for which you want to save, banks offer several “deposit” accounts designed to *encourage* deposits and *discourage* withdrawals. These accounts, known by different names in different areas of the world (e.g., fixed-deposit accounts, certificates of deposit) pay higher interest than the ordinary savings account. In fact, the interest rate goes up with the amount held on deposit, thus encouraging clients to save. They discourage withdrawals with a range of restrictions that vary from bank to bank, but include the following:

- Minimum balance in order to earn interest
- Minimum balance to avoid service charges
- Limited number of free withdrawals per month
- Penalties charged on withdrawals within a specified period

Generally, savers are rewarded for their discipline; the longer a saver is able to leave her funds on deposit, the more interest she will earn.

That banks offer multiple ways to save helps you manage your money and maximize your savings earnings. If you are hesitant to commit your savings to longer-term deposit account that restricts your withdrawals, start with an ordinary account and save a small amount each week or month. Gradually, you may accumulate a surplus that you don't need for regular expenses which you can transfer to a deposit account that pays a higher interest rate.

Credit: Many types of loans

Because banks earn their income on loans—from the interest borrowers pay for temporary use of the banks' funds—they try to attract many clients with a variety of loan products. In fact, banks' diversity of products is a significant advantage compared to other financial institutions. Banks offer loans for personal use, business investment, car purchases, construction and home purchases. Each type of loan comes with terms and conditions that correspond to the way the money is to be used. For example, a housing loan typically has a much longer term than a personal loan. In addition to specific loans from the bank to the borrower, bank clients can access credit through overdraft facilities on their checking account and bank-issued credit cards.

Box 2: Common categories of bank lending

Personal loans are made for personal, family and household purposes—home improvements, travel, car repairs, and debt consolidation. To qualify for such a loan, you have to prove your ability to repay, offer good credit history, and provide some item of value as security to guarantee the loan.

Business loans can finance a business start-up or expansion. They include lines of credit for working-capital needs and term loans. Banks usually lend only to legally established businesses that can provide proper business and legal records as well as a business plan.

Other financial services

Today banks can offer much more than a place to save and borrow. Financial professionals can help you develop a financial plan to meet your goals, write a will, transfer money to accounts in other countries, and take over payment of your regular bills. The bank charges a fee for each of these services.

Banking is electronic!

“Going to the bank” used to mean long lines in the bank hall, and long delays. However, the introduction and spread of electronic banking has transformed the meaning of that phrase. In many urban areas, you can do most of your banking at conveniently located Automated Teller Machines (ATMs) whenever you want to, 24 hours a day.

With an ATM card issued by the bank, you can make deposits and withdrawals, get account balances, and transfer funds from one account to another at dozens of ATM kiosks. Each bank maintains its own network of ATMs, but for a higher transaction fee you can use your bank card to withdraw cash from any ATM.

ATM cards make banking much more convenient by enabling you to use your account in multiple locations at any time. But, if you use these cards to withdraw cash or buy something, you must have money in your account to cover the amount of the transaction.

Telephone banking services enable you to do your banking without leaving your home. To conduct routine transactions by telephone, you work through an automated voice recognition facility; for each transaction, it instructs you which numbers to press on your telephone keypad. Customer service representatives can help you with more complex questions. Banking via telephone is also available in some places.

And for those with access to computers, banking over the internet is likely in your future. Banks are investing heavily in this form of electronic banking and encourage their customers to use it. In fact, some newer banks exist only on the internet; they have no buildings or bank halls. If you have a recent computer that can run the necessary software, ask your bank about internet banking.

Debit cards are available to clients with current accounts. The debit card is linked to your account; you can use it to make purchases at many stores and to conduct banking transactions at ATMs. In fact, often the ATM and debit card are the same. Although the cashless purchases that a debit card permits make it seem like a credit card, it only allows you to spend the money you actually have available in your account. The amount of each purchase you make is deducted from your account immediately. If you don’t have enough money in your account for the purchase, the merchant will not accept the sale.

Electronic banking is convenient banking. It saves the customer time and is less expensive for the bank. You can do your banking at any time of the day or night and can avoid carrying large amount of cash. However, ATM and debit cards do have some disadvantages, as outlined in Box 3.

Box 3: Risks associated with ATMs and debit cards

ATMs can malfunction or run out of cash.

You may forget your Personal Identification Number (PIN), and without it you cannot use the ATM.

Clients using an ATM, particularly in isolated locations and at night, are at risk for robbery as thieves assume anyone leaving an ATM has just withdrawn cash.

Banks charge a fee for each ATM transaction. These fees can add up.

It is more difficult to maintain saving discipline with such easy access to your account.

The benefits of banks

Many of us are afraid of banks. The bank offices are so formal and intimidating. The products, services and fees associated with them are confusing. Some of us assume that we are too poor to take advantage of them. However, banks are likely to offer ways to save and borrow that can be very helpful to you, including the following:

- As a saver, you can enjoy the security that banks offer while “growing” your savings with interest income.
- The selection of accounts enables you to manage different savings goals simultaneously.
- Using a bank imposes discipline that is difficult to maintain when you try to save at home.
- Saving at a bank keeps your money out of reach of others who will pressure you to spend it or who will be tempted to spend it themselves.
- As a borrower, you have a similar rich selection of loan products from which to choose.
- By borrowing from your bank, you can build an official credit history that is more widely recognized than credit experience with informal lenders.
- Banks are regulated by the government, minimizing your risk in depositing your funds with them.

Box 4: ATM and debit cards are NOT credit cards!

A **credit card** offers instant credit to qualified card holders. When you use a credit card to pay for goods, you are actually borrowing money from the bank which issued the card. Instead of deducting the amount of each purchase from your account at the time of purchase (as happens with ATM and debit cards), the bank will pay the vendors and send you a credit card bill every month showing all of the purchases you made with the credit card. If you do not pay this bill within 30 days, the credit card company will begin charging you interest on the unpaid balance.

Although credit cards offer instant credit and a convenient way to pay for most expenses, they also make it very easy and tempting to purchase items and spend money that you do not have. When this happens, the amount you owe on your credit card increases very quickly, compounding every month that you are unable to pay off the full balance due.

Today, banks are easier and more convenient to use. Because they are eager for customers, you can “shop” for the bank that will both respond to your needs and serve you well. Invest time learning about your local banks; compare their terms on similar products of interest to you. Talk to the bank staff. Find out how they can help you. Remember, you choose the bank, the bank does not choose you.

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Content note 5 Financial negotiations: Communicate with confidence

“The real winners in life are the people who look at every situation with an expectation that they can make it work or make it better.”⁷

Definition

Negotiation: Communication with others for the purposes of reaching agreement. Financial negotiation involves reaching agreement about money.

Negotiation is a part of our daily life. It is the way people get what they want from others. Negotiation occurs between those whose interests overlap but are not entirely the same.⁸ It works best if participants see themselves as problem-solvers instead of adversaries.

In negotiation there are four possible outcomes.

- **Win-win.** Both participants in the negotiation get something they want or need, if not everything. They both have a positive feeling and are willing to negotiate again. This is the preferable outcome of negotiation.
- **Lose-lose.** Neither person involved in the negotiation gets what they want.
- **Lose-win and win-lose.** One participant gets what she wants and the other gets nothing. The participant who loses is likely to be unwilling to negotiate with the winner again.
- **No outcome:** Neither person wins nor loses. They decide not to negotiate.

Financial negotiations can make a difference

There are three key areas in which financial negotiations can be useful:

- Dealing with suppliers
- Seeking financial services
- Making decisions involving members of the household, including a spouse

At some point, you or someone you know is likely to negotiate a price with a supplier or buyer in business, determine repayment conditions with a lender, or decide with a spouse how to use household money.

Getting to win-win: Build your confidence!

Being prepared to negotiate will increase the chances that you will get what you want. Women, more than men, tend to lack confidence in themselves, which can make it more difficult for them to negotiate successfully. They often negotiate with people who are in a position of power because they are men, have more experience in negotiation, or have had more exposure to different situations in the world. You can build your confidence by preparing for the negotiation. The time you spend thinking carefully about what you want and how best to obtain it will be a good investment.

How can you prepare for negotiation? Here are some questions that can guide you.

1. *What do you want and why?* Think about your wants, needs, interests and concerns. Why do you want this? For what purpose?

Example

I want to get a good price when I purchase food in the market place. I have a limited amount of money to feed and care for my family and I must make it go a long way. If I can pay a little less for food today, I will have some money to put into savings to manage emergencies.

⁷ P. Stark and J. Flaherty: *The only negotiating guide you'll ever need: 101 Ways to win every time in any situation* (New York, Broadway Books, 2003), quote from B. Pletcher, p. 9.

⁸ R. Fisher and W. Ury: *Getting to yes: Negotiating agreement without giving in*, 2nd ed. (New York, Penguin Books, 1981).

2. *What are the interests and motivations of the other person?* Knowing what the other person wants will help you find a “win-win” solution. A common mistake in negotiation is to neglect to think about the position of the other person; understanding only your own point of view and your own interests can lead to failure. It is important to work alongside those with whom you are negotiating to find a suitable agreement for all. Question the person with whom you are negotiating to understand her position and underlying interests.

Example

The seller also wants to get a good price. He has to cover his costs of supplies and running a business. He wants to make a profit so he can meet the needs of his own family.

3. *What are the possible agreements that will satisfy all parties in the negotiation?* Recognize that you and the other person have differences. Think about all the possible options that will result in a positive outcome for both sides.

Example

The buyer wants a good price, but she is also concerned with quality and availability of the product, ease of purchase and transportation. The seller wants to do a good business by having regular clients, beating the competition, getting paid in cash and reducing the time for each transaction. Some areas of agreement might be as follows:

- If the seller lowers the price, the buyer will pay in cash instead of on credit.
- The seller offers to lower the price if the buyer purchases more each time she buys.

4. *What will you do if you cannot agree?* Negotiation does not always result in agreement. You should identify what alternatives you have if this happens. Knowing what your options are will make it easier for you to decide when you should give up the negotiation and walk away. The alternatives may not be as desirable, but sometimes the only agreement possible is too unsatisfactory to accept and an alternative solution may be more appropriate.

Example

The buyer thinks the price is too high and the seller does not offer any acceptable alternatives. Resolutions include the following:

- The buyer goes to a different seller (perhaps sacrificing on preferences for product quality, variety or appearance).
- The seller chooses not to sell to this customer.

5. *How can you use other experiences to support your points or ensure fairness?* Can you think of examples of commonly accepted solutions in similar situations? Introducing guidelines drawn from other situations can be persuasive. To do this effectively, you must do some research to find the right information and relevant examples. This takes time, but information is a powerful tool in negotiation.

Example

The buyer shares the prices offered by other sellers for the same product. Or she shares information about the actual price of producing the product and the generally accepted profit margin.

6. *How will you communicate effectively?* Remember the two sides of communication: speaking clearly and listening carefully. Decide what you want and clearly state your interests. Think about how you want to say these things and use words that the other person will hear and understand. Then, listen closely to the other person. Sometimes it is difficult to really hear what he is saying because you are absorbed by your own ideas, or think you already know what his intentions are, or are distracted by your emotions.

You can confirm that you heard a person correctly by restating back to him in your own words what he said.

Keep the discussion focused on the issue. Don't let yourself get sidetracked in the negotiations by returning to points of conflict. Try not to react to something the other person said that is not relevant. Bring the conversation back to what you want by restating the issue.

Example

Wife: I am worried that we do not have extra money to deal with emergencies. I would like to save more money with my women's group.

Husband: You just want to hide money away to buy new clothes.

Wife: *(acknowledges his feelings but sticks to what she wants):*
I see you are upset about my saving with the group. I want to find a way to help us avoid expensive loans from the moneylender like we had to get last year when our daughter got sick. The group has an account at the bank. I can save small amounts and the money will be safe.

Husband: You are just changing the subject!! Pretty soon you will be buying jewelry with our money.

Wife: *(not reacting to his outburst, staying on message):*
I love you and our family. I want to set aside some money for security. I see other families so in debt they have to cut back on what they eat. I don't want this for us if the flood or sickness comes. Perhaps I can take a few pennies each week from the house money that I would normally spend for tea and keep it in the group savings account.

Husband: Oh, all right. We can try it and see what happens.

7. *What if you are negotiating with a friend or someone you know?* Build a good relationship with the person with whom you negotiate, but separate the relationship from the problem you are negotiating. If you have a good working relationship with someone, negotiation will come more easily. Your relationships will be more positive if you can:
- communicate well—seek advice, listen and ask questions, spend time with a person;
  - be trustworthy, consistent, and honest; and
  - honor your commitments and follow up on what you say you will do.

Be sure to separate your relationship with the person from the issues you want to negotiate. A relationship involves acceptance, respect, trust, and different emotions. Issues for negotiation may include an amount of money (for example, a price charged for a service, or the amount of a loan), terms and conditions, setting dates (for completion of work being contracted, or repayment of a loan) and so on. The solutions to building relationships and solving problems are very different.

Example

To build a good relationship, the seller frequently asks the buyer questions about her personal situation. How is her family? How is business doing? How is her health? He also asks her how satisfied she is with his product. He listens and when she returns she finds he has made improvements that she suggested.

On the other hand, the buyer tells the seller she will bring her friends to buy his product. When she does so, he gains new clients and realizes that this person does what she says she will do.

8. *What do I need to do to make sure that the decision agreed upon actually takes place?*
Decide what commitments are needed to reach the desired outcome. This is especially useful if negotiations will take time.

Example

The expected outcome of negotiation in the case of the buyer and seller described above might be as follows:

- The buyer has agreed to purchase products in bulk.
- The seller has agreed to supply them on a certain date at the agreed-upon price.

Good or bad negotiations?

Below are sample dialogues that show good and bad negotiation style. Can you identify which is good and which is not so good? Why?

Negotiation example 1

Wife: You spend too much on tea and going into town. I don't have any money to buy food. What am I going to do?

Husband: You drink too much tea yourself. You are not managing the money I give you well. We are poor, woman.

Wife: You always accuse me of these things while you are always away and we are suffering with a leaky roof.

Husband: It's not my fault the roof leaks. I've fixed it a hundred times. The roof is old.

Wife: You should find a way to repair the roof for good. We are so short on cash, I'll have to go to the moneylender to borrow just to buy food.

Husband: Then we will just owe more. Oh, what a life!! I'm going to get some tea.

Negotiation example 2

- Wife:** I think it would be useful for our family to save more. More savings would help us put a roof on the house. You would not have to patch it so often.
- Husband:** We have no money to save. We have difficulty meeting our expenses already.
- Wife:** I understand we have problems meeting our needs. That's just it. We have to borrow, so we end up owing even more money. I met a wise woman who said everyone should save for three months of expenses. What do you think about that?
- Husband:** Three months? It is too much.
- Wife:** Maybe we could try for at least one month to start. I think I can cut down on buying tea every time I go to the market.
- Husband:** You are right that we always end up borrowing. I can cut down from three cups of tea a day to two.
- Wife:** Yes, I think I can drink less tea and put that money in savings. I think I will use less oil in our cooking, too.
- Husband:** I will get a ride to the market with our neighbour once a week to spend less on transportation.
- Wife:** Can we agree to put an extra 10 in savings in the bank each week?
- Husband:** Yes, let us start this week.

Tips for negotiation

- Prepare ahead of time
- Know what you want
- Have confidence you can win
- Be ready to satisfy the other person's interests
- Be open to new and creative solutions
- Gather information about the issue from others who know
- Listen to the other person
- Don't argue; work on a joint solution
- Don't reject ideas; reframe them toward finding solutions
- Look the other person in the eye
- Speak with confidence
- Don't push; use persuasion by drawing the other person into agreement
- Don't become angry
- Find opportunities for agreement
- Reference expert opinion

Common negotiating mistakes

- ☐ Starting to negotiate before you are ready
- ☐ Negotiating with the wrong person
- ☐ Locking in a position
- ☐ Feeling powerless during a negotiating session—an indicator of a lack of preparation
- ☐ Losing control
- ☐ Wandering away from the goals and limits you have set
- ☐ Worrying too much about the other person
- ☐ Blaming yourself for others' mistakes
- ☐ Not focusing on closing the negotiation

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Content note 6 Remittances: Make the most of them

Introduction

Being separated from family is never easy, but there are an estimated 150 million people worldwide who are making that sacrifice to earn better wages and send remittances home to their families. Recorded migrant remittances have skyrocketed over the past fifteen years from just \$30.4 million in 1990 to \$240 billion in 2006. The true size of remittances, including unrecorded flows, is even larger (Ratha, 2007). Remittance flows are second in size to foreign direct investment and larger than official development assistance.

There are three types of remittances: intra-regional, domestic and international. Domestic remittances are the most common in developing countries. The majority of remittance receivers in Latin America and other regions are women. The main recipients of remittances from the US in 2006 were Southeast Asia, Latin America, and Eastern Europe (IFAD, 2007).

The typical amount of money a remittance sender sends to developing countries is \$100-300 per month. Approximately 80 to 90 per cent of remittances go towards consumption, while 10 to 20 per cent are used for formal or informal savings and investments (IFAD, 2007). Remittances make up 10 per cent of the household income of people sending money from the US to Latin America and 50 to 80 per cent of the income of people in Latin America receiving money from the US (IDB, 2004).

Many remittance receivers find themselves with an array of financial choices and options that they do not fully understand. They also lack trust in financial institutions to further explore these financial options. As a result, new financial products and service options offered by formal remittance service providers (banks, microfinance institutions (MFIs), credit unions, etc.) are not used effectively or to their full advantage. For example, all too often remittances received through formal financial institutions are saved “under the mattress” rather than in a formal financial institution. As a result, many remittance receivers do not leverage their remittances to access other financial products such as loans to start up a small business. Consequently, they may miss out on an opportunity to improve their economic well-being.

Financial education can help remittance receivers around the world to manage their money better and become more informed consumers of financial services. Financial education can provide remittance receivers with the knowledge and skills to evaluate their options and select the most appropriate financial products, to understand how product features differ, to calculate and compare costs and to determine what they can afford and what products are best suited to their needs. Financial education empowers the remittance receiver with the knowledge and skills to engage in a dialogue with the sender about different options for sending remittances through formal channels and how remittances can be used to meet the financial goals of both the sender and the receiver.

Stages in the migration process

How the remittance is used often depends on where the sender is in the migration process, as well as the relationship of the sender with the receiver and level of communication between the sender and receiver about how to use the remittance. If the remittance receivers don't have financial goals of their own, they are more likely to perpetuate their dependency on remittances.

The motivation of a migrant to send money home usually depends on which stage of the migration process he or she is currently in. There are typically three stages in the migration process:

Stage 1: (Short-term) The migrant is focused on paying off the debt of the trip. The receiver pays off the debt with the money sent. During this stage, there is little or no money left over from the remittance.

Stage 2: (Medium-term) The migrant desires stability for family back home and sends money to cover basic household needs and home improvements.

Stage 3: (Long-term) The migrant sends money home to invest in a productive project such as buying a house or starting a business. The receiver may use some of the money to achieve his/her own financial goal.

The length of time a migrant stays at each stage can vary according to the situation of each family. Understanding the stages of the migration process can serve as a tool to help remittance receivers identify where they are in the process and plan how to use their remittances wisely. It is important for the receiver to graduate or move from one stage to the next stage, until they reach the final stage and invest the remittance in a productive project such as buying a house or starting a business since this allows them to make the most of the remittance.

Current behaviours of remittance receivers

Remittances are used mainly for basic needs such as schooling, food and healthcare. They are also used for education, housing, land purchase, investments, savings and unexpected events such as funerals and weddings.

A study done by the IDB/MIF in 2003 found that in Honduras, 77 per cent of remittance recipients use the funds for general expenditures while 4 per cent use the funds for savings, 4 per cent for investment and 10 per cent for education. In Guatemala, 68 per cent of the remittance recipients use the money for general expenditures, 11 per cent for savings, 10 per cent for investments and 7 per cent for education. Finally, in Mexico, 78 per cent of remittance recipients used the money for basic needs such as rent, food and medicine, 10 per cent for savings, 8 per cent for investments, 1 per cent for the purchase of land and 7 per cent for education (WOCCU, 2004).

In a regional technical assistance project implemented by the Asian Development Bank (ADB), the objective was to understand remittance flows in specific South-East Asian sender and recipient countries. The main difference between South-East Asian sending behaviour and Latin American sending behaviour is that in South-East Asia, remittance sending behaviour remains consistent overtime and does not diminish the longer the migrant stays in the host country as it does in Latin America.

According to a study by the ADB, in the Philippines, 60 per cent of remittance receivers first use their remittances for food, followed by education and savings. In Indonesia, 72 per cent of remittance receivers prioritize their spending on food, followed by housing and education. Savings, followed by education and food, is the number one priority of 81 per cent of remittance receivers in Malaysia.

Unfortunately, many remittance receivers do not manage their remittances in a way that makes the most of their remittances. For example, they combine the remittance income with other sources of income causing remittances to be used only for daily or basic financial household needs instead of using them as means to accumulate assets and generate additional income. Often times, the remittance income is taken for granted and the receiver does not save a portion of it.

In many cases, remittance receivers assume that they will continue receiving the remittance for an indefinite period of time and begin to depend on the remittance as a frequent and consistent source of income. However, in many cases the remittance income may not always be consistent or frequent. Studies show that migrants who are further along in their life-cycle and have fewer family responsibilities in their home country remit less money home (Pozo, 2002) than those migrants who are not as far along in their life-cycle. For example, although half of the Latino immigrants who have been in the U.S. for ten years or less are regular remittance senders, the money flow declines the longer they stay. Also, the frequency of the

remittance may decrease overtime. A study in Mexico showed that in cases where the remittance sender has been away for five years or less, the remittance receivers are nearly twice as likely to report receiving regular remittances as receivers whose family members have been away for longer (Pew Hispanic Center, 2003).

Productive ways to use remittance

Given the possibility that the remittance could be inconsistent or decline, it is important for remittance receivers to have a contingency plan so they are prepared if and when they stop receiving the remittance. If the money from remittances represents more than half of the receiver's total income, then he or she may depend too much on the remittance. It is important to recognize the proportion of income that the remittance represents in order to avoid dependency on it. Some suggestions for remittance receivers to minimize dependency on remittances include:

- Behave as if they won't receive the remittance next month
- Have other sources of income (small business, salaried job)
- Cover basic household needs with income from a business or job
- Manage the remittance as a separate source of income

In addition to reducing dependency on remittances, there are many strategies that receivers can use to make the most of their remittances. For example, if migrants are in stage one of the remittance process, receivers can look for a more affordable loan than a loan from the money lender to pay off the trip of the migrant. One option for making good use of the remittance is to use it to generate additional income by starting a business. This can help receivers invest in their future and ensure they will have an income even if they stop receiving the remittance. Another strategy for maximizing the benefits of the remittance is to prioritize saving and create an emergency fund.

Strategies for remittance receivers to save a portion of remittances

- Decide to save a portion of the remittance.
- Agree with family here and abroad to save a portion of the remittance.
- Decide what amount they want to save every day or week based on their financial goals.
- Find ways to spend less and save the remittance to reach their financial goals.
- Find people who save their remittances and ask them for ideas about how to save the remittance.
- Don't carry a lot of cash—avoid temptation to spend it!
- Try to avoid claiming the remittance on market days.
- Spend carefully. Look for opportunities to save money by bulk buying of non-perishables.
- Cut costs such as household expenditures, debt payments and optional expenses.

A remittance can also be used to access other financial products. For example, a remittance can be used as a guarantee or collateral to obtain a business or housing loan at some financial institutions. A remittance can also be received in a savings account, allowing the receiver to earn interest on the portion of the remittance left in the account. These products are two examples of financial products that can help receivers better manage and leverage their remittances.

Options for receiving remittances

There are many options for receiving remittances. Remittance service providers fall into two categories: informal and formal.

Informal remittance service providers are organizations that provide transactions involving only money transfers or remittances. This type of provider includes money transfer operators (MTOs), retail shops, and couriers.

Formal remittance service providers are organizations that provide several types of financial transactions or services, including money transfers/remittances, loans, deposits and insurance. This type of provider includes commercial and rural banks, MFIs, cooperatives and credit unions.

In the best case scenario, the choice of remittance channels is made through a mutual agreement between the sender and receiver, but often times the decision is made by just the sender. Senders may look at cost and convenience while recipients look mostly at convenience. Remittance transfers by informal remittance service providers involve a minimum amount of paperwork which is often easier and more appealing for clients that lack documentation. Speed is also important to both senders and receivers, and despite the higher transaction costs associated with MTOs many people still choose MTOs as their preferred remittance service provider instead of banks or MFIs because of their speed, reliability, convenience and customer service. Others choose banks or MFIs because these remittance service providers allow clients to have access to numerous financial products.

Remittances can serve as an entry point to the financial sector and then as leverage for other financial products ranging from personal savings to loans. Below are key points for remittance senders and receivers to consider about the two types of remittance service providers.

Remittance service provider	Advantages	Disadvantages
Formal	• Security (money is safe) • Liquidity (for savings) • Large, long-term loans • Cost • Reliability • Privacy • Income (money earns interest) • Choice of products • Allows clients to build a credit history • Operates within banking laws if registered • Access to financial advice and other financial products	• Can be far away for rural residents • Restricted hours • Minimum deposit requirements may be too high • Charge fees on many accounts • Long lines take time
Informal	• Access • Proximity • Speed • Trust (it may be located at the local store and the client may have known the person for a long time)	• They don't offer other financial services that might help receivers make the most of their remittances • It might be unsafe to claim the remittance in that place • It is more expensive for the family members abroad

To help remittance receivers choose the best remittance service provider for their needs, it is important to ask the remittance service provider questions related to accessibility, cost, safety, convenience, ease of use and other factors and then communicate their findings to the sender. Some questions for remittance receivers to consider include the following:

- Can they receive the remittance directly into a savings account?
- Will they receive a bank statement for their account with remittance deposits?
- Can they receive the remittance with an ATM or debit card?
- What other products will be available to them if they receive the remittance here?
- Can they receive a loan for a small business or a house if they receive the remittance here?

- Does the remittance service provider have branches in the city where their family member lives abroad?
- How expensive is it to send the receiver the money?
- How long does it take to receive a remittance from the city where the sender lives?

Benefits of receiving remittances through formal channels

The advantages of using banks/MFIs for remittance transfers include the ability to purchase linked products and have access to a range of financial products such as savings accounts, loans, mortgages, credit cards and insurance. Banks and MFIs provide greater security and are able to charge lower transaction costs than informal remittance service providers. They also offer a range of remittance products such as cash-to-cash, in which the sender gives the money transmitter cash and then the receiver is paid out in cash by the receiving agent; cash-to-account, in which the sender provides cash to the money transmitter and it is deposited in the receiver's account; and account-to-account, in which money is transferred directly from the remittance sender's account to the receiver's account (GAO, 2005).

Many formal financial institutions also offer debit cards, which are the least expensive of any remittance transfer method and have become a popular way to send and receive remittances. For example, remittance transfers can be transferred through two debit cards linked to the same account. In this system, both the sender and the receiver have a debit card linked to the same account and the sender can transfer funds from a checking or savings account into the remittance account or deposit funds directly into that account.

Despite the benefits of using formal remittance service providers, less than 5 per cent of remittance transfers in Latin America are done through deposit institutions such as credit unions, banks or MFIs (Orozco, 2004). A study by the Pew Hispanic Center (2003) showed that 70 per cent use Western Union or MoneyGram, 11 per cent use banks and 17 per cent use informal means (mail or couriers).

Many remittance receivers don't want to save their remittances in a formal financial institution due to lack of trust or access to financial institutions. However, formal financial institutions can provide many benefits for clients who participate in the remittance transfer process. These benefits include:

- Ability to save part of remittance in a savings account, earn interest and be less tempted to spend it
- Access to other products such as loans or insurance
- More security than informal remittance service provider because thieves may not know the receiver is taking out remittance
- Lower transaction costs and thus cheaper to send
- Possibility to receive remittance through debit card, pre-paid card, or ATM, which is faster, often cheaper, and more convenient
- Range of products that can meet financial goals in short, medium, and long term according to different stages of migration process
- Remittance can be deposited directly to savings account
- Ability to receive bank account statements detailing all transactions including deposit of remittance, withdrawals, and account balance. This can help better manage the remittance.

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Content note 7 Risk management and insurance: Protect your family's future

No one likes to think about the bad things that can happen to them, but for many people, unexpected shocks are a daily threat. Low-income families are particularly vulnerable to potential losses from a host of situations and may be ill-prepared to cope financially with their negative impact. Small and frequent shocks, such as children's illnesses, may only have short-term impact, while more significant events, such as the destruction wrought by natural disasters or the death of an income earner, can bring financial ruin. Such crises wipe out the hard won gains painstakingly accumulated overtime. As families go deeper into debt and/or sell assets to pay their unexpected expenses, their climb out of poverty can easily be thwarted.

The purpose of this Content Note and the accompanying Trainer's Guide, entitled *Risk Management and Insurance: Protect Your Family's Future*, is to promote understanding of the options for managing risk, including both protective steps taken in anticipation of a crisis and reactive measures taken after the fact. One increasingly common risk management option is microinsurance, a financial instrument that protects assets by reducing loss from any of the many risks one might encounter. However, to date, insurance has been widely misunderstood and mistrusted. This training programme explains the fundamental concepts underlying insurance and the terms that define it. Its goal is to provide basic information and build understanding of a range of ways to manage risk—including insurance—so that people can determine which make the most sense for them.

Coping with shocks: Reaction or protection?

Shocks are not new; neither are the pain and expense that come with dealing with them. From country to country, the list of risks is very similar: accident, illness, death of an income earner, fire, theft, natural disaster and economic shocks caused by events such as hyperinflation. The consequences of these risks are significant and may include grief, financial hardship, loss of income, loss of productive assets and lost economic opportunities. As one microfinance client in the Philippines said, "Life is one long risk."

Most people react to crises *after* they occur. Faced with the unexpected and immediate costs of an emergency, they might borrow or sell something of value like an animal, jewelry or a motorcycle. Reacting to a crisis in these ways can incur additional expenses including interest on loans taken and/or lost income due to the forced sale of assets.

To cope with the threat of a crisis, it is possible to plan ahead, and protect oneself and one's family by saving independently or through a local savings and credit group. Some people have the opportunity to join a mutual aid group, such as the burial societies common in parts of Africa. These are steps to take *before* a crisis happens.

These financial protection steps are similar to other things people do to protect themselves and their families. For example, a man repairs his roof to protect his home against damage from wind and rain; a woman locks her door to protect her home (or business) against theft; and a farmer tethers his pigs to protect his crops from getting trampled. Putting some money aside for emergencies is a form of protection, making it easier to respond when a crisis does occur. Those who have savings may be able to avoid selling a valuable asset, or at least borrow less, easing the financial pressure associated with repayment.

Definitions

"Protection steps" are actions taken *before* a crisis happens.

"Reaction steps" are actions taken *after* a crisis has occurred.

Faced with a serious crisis, many people will not have enough money saved to pay all of the related expenses, and thus, are likely to need both protection and reaction strategies. Pedro's story (see Box: Pedro's Accident) shows how both types of strategies can be used to

respond to an emergency. His family's savings enabled them to borrow less and repay their loan faster after the accident.

While saving before an event has obvious advantages for anyone who faces a crisis, it also has disadvantages. Protective measures require discipline to sacrifice and save regularly. Some protest against putting aside scarce resources for an event that might happen in the future, instead of investing surplus cash to make money now. Some are convinced that they just do not have any extra money to set aside as savings.

The following table outlines the advantages and disadvantages of reaction and protection strategies.

Pedro's accident

Last year, a terrible bus accident occurred outside the district capital. Pedro, a teacher in town who lives with his parents on their farm, broke his leg in two places. After a brief stay in the hospital, Pedro had to stay home from work for several weeks until he was strong enough to move around on crutches. At first, his family was in shock. How would they pay the hospital bill and meet daily expenses without Pedro's salary? But they sat together to figure out how much they would need and made a plan to raise the money.

- They could borrow half of the total amount needed from Pedro's aunt and uncle.
- Their savings (set aside to purchase a dairy cow) would cover one-quarter.
- Pedro's mother would take in laundry to earn one-quarter and eventually repay the aunt and uncle.
- Pedro's two younger brothers would quit their after-school soccer team to replace their mother on the farm.

Comparing reaction and protection strategies		
	Advantages	Disadvantages
Protection strategies • Savings • Savings/loan groups • Mutual aid groups <i>(if they exist in the area)</i>	• Having money saved to cover at least some of the costs is less stressful • May avoid going to family and friends or to the moneylender for money • Saving for emergencies before they occur is less expensive than paying interest on a loan after they occur	• Requires sacrificing other needs and desires • Requires having surplus income to save or pay for membership in a mutual aid group • It is difficult to save enough to pay all the costs of a serious crisis • If no emergency occurs, may pay for nothing other than "peace of mind" • Requires discipline
Reaction strategies • Borrow • Work longer hours • Find new ways to earn money • Reduce expenditures • Sell assets	• Pay only when and if something happens • Invest surplus cash in other things like a business • No sacrifices in the present for something that might or might not happen in the future	• Interest on loans is expensive • Loan payments are another burden, on top of the struggle to recover from lost income • May be forced to sell assets if do not have enough income to make loan payments • Reduces the ability to earn income in the future • Reduces the ability to cope with future emergencies • May reduce the ability to borrow in future if the assets sold could have been used for collateral

Choosing between using savings or borrowing

Savings usually involves sacrifice that is made for a larger purpose such as educating children and/or buying a house. Those who have enough savings for an emergency must decide whether to use those savings or take a loan to cover expenses in response to a crisis. In some situations, borrowing may be the better option. If the crisis a victim faces *does not* keep her from earning income, she can resist using her savings and consider a loan. If she can continue working, she may have the capacity to repay a loan. Those facing a crisis should look for a loan that is tailored to emergency response, with terms and conditions designed to help people to cope with unexpected, sometimes additional debt.

In other situations, using savings can be a better option than borrowing if the crisis *does* prevent the victim from earning income. She could use savings to meet expenses instead of borrowing. Otherwise, she will be burdened with loan payments that she may not be able to make.

Guidelines for using savings or credit

If the emergency faced affects the ability to earn income, use savings to pay expenses. If the emergency does not stop or reduce income, consider taking a loan to pay for unexpected expenses.

Pooled risk

Another protection step that can help one manage risk is joining a community-based emergency fund. These exist in many forms, including welfare societies, burial societies, or Friends in Need Groups⁹. Group members deposit small amounts of money regularly in a fund in return for the right to make a claim when a crisis befalls their households. Generally, these groups define their purpose very specifically – that is, they exist to protect members against a particular type of crisis. Burial societies, for example, help members cover the costs of funerals.

These informal group-based mechanisms give members access to a large lump sum of cash when a crisis occurs. How are they able to do this? The small contribution of each member creates a bigger fund than any single person would be able to save up on their own. By pooling their funds in this way, members are sharing the risk of a costly crisis befalling one of them. Participants in such informal mechanisms typically know each other, which makes it easier to place their trust in the reciprocal exchanges between friends, neighbours and relatives.

A key aspect of this type of “pooled risk” is that members’ contributions to the fund are not refunded even when no claim to group funds is made. Any member who is lucky enough to avoid the crisis for which the fund exists, and therefore does not need its support, does not get a refund. Members’ contributions stay in the fund. Joining this type of informal mutual aid society buys peace of mind. If and when a crisis happens, the victim will be able to respond without depleting her savings or borrowing more than she can afford to repay.

However, one weakness of a local mutual aid society lies in the similarities between its members. People who live in the same community have a greater chance of experiencing the same crisis. For example, if a flood strikes a village causing many deaths, the local funeral society may not have enough money in its fund to make lump sum payments to many members at once.

⁹ Known generically as “mutual aid societies,” these groups exist for many different needs, but they tend to be more common in Africa.

Microinsurance

Microinsurance is a financial product that offers another form of protection against the possibility of a loss. Microinsurance also applies the idea of pooled risk, just on a bigger scale. Instead of sharing the risk among a small group of community members as mutual aid groups do, microinsurance spreads the risk to a much larger number of people (i.e., policyholders) who are more diverse in where they live, what kind of work they do, and how much money they earn. When a lot of people from many different places buy the same insurance policy, the money they pay for their insurance policies goes into one fund that the insurance company uses to pay benefits to those policyholders who are hit with a crisis. In this way, everyone pools their funds and shares the risk of a crisis happening to any one of them. Microinsurance is a risk pooling mechanism tailored to the needs of low-income families in terms of costs, duration, coverage and delivery. Purchasing microinsurance is an action to take *before* a crisis occurs in order to protect against loss and give peace of mind.

In contrast to the familiarity of a community-based mutual aid society, people who buy insurance must place their trust in a commercial entity. It is the insurance company, not the policyholders, that manages the funds, collects the premiums and pays out the claims. When an insured event happens, one has to trust that the insurance company will respond. Thus, one must choose an insurance company that is reputable, financially sound, and regulated in some way.

There are many different types of insurance for each of the risks most people face. Property insurance will protect a home, business or other valuable assets against theft and damage due to fire or natural disasters. In many countries, the government requires anyone who owns a motor vehicle – such as a car or motorcycle – to purchase vehicle insurance. Health insurance can protect one against the high cost of medical care. Some health insurance policies will only pay for the catastrophic events that require expensive hospital stays and treatment; others will pay for routine medical care, including regular check-up visits to the doctor. Life insurance provides a payment to the family of the policyholder upon his death, allowing the family to better manage the loss of his income. Many microfinance institutions require that borrowers purchase a “credit-life” policy which will pay the borrower's outstanding loan balance should the borrower die before the end of the loan term.

The confusion about what insurance is, how it works and how it can help leads to widespread reluctance to purchase insurance or renew existing policies. For many, insurance is a perplexing product. However, people can begin to find the basic answers they need by learning to ask some key questions about insurance.

The following table defines the basic terms people need to understand when discussing insurance. These terms are common to most types of insurance policies. They are likely to be used in discussions with a sales agent or an insurance company representative. However, while these are very common elements of insurance, they will be a little different with each policy. Thus, it is very important to learn everything possible about each term in relation to the specific policy under consideration. Following the table is a list of questions about each term that can serve as a guide for anyone who is trying to learn specific details about an insurance policy.

Insurance terms and definitions	
Insurance term	Definition
Policy	The printed document that states the terms and conditions of the insurance contract
Premium	The money a policyholder pays to the insurance company to activate an insurance policy and keep it in force
Benefits	The amount of money that the insurance company pays either to the policyholder or to his or her beneficiary
Beneficiary	The person who receives the insurance money when an insured event occurs
Claim	A request for payment for a loss that is covered by the policy
Exclusions	Specific conditions or circumstances listed in the policy that are not covered and for which the policy will not pay any benefits
Eligibility	The criteria that determine who can purchase an insurance policy (e.g. age limits on who can buy an insurance policy; often one must be at least 18 years old)
Deductible	The amount of money that a policyholder agrees to pay, per claim or per accident, toward the total amount of an insured loss. Insurers use this mechanism to share risk with policyholders and reduce false claims.
Waiting period	The time a policyholder must wait before his or her coverage becomes effective. For example, life insurance policies typically have a delay between the time policyholders begin paying premiums and when the coverage is active, reducing the risk that someone who is about to die will purchase a policy.

Questions to ask the insurance agent

Policy

- What type of policy is it? What events does it cover? Who does it cover?

Premium

- What is the amount of the premium?
- How is it to be paid? (in cash, deducted from the loan, etc.)
- How frequently is the premium paid? (monthly, quarterly, annually)

Benefits

- What benefits does the insurance policy guarantee to the policyholder?
- Which events will trigger payment of the benefit?

Beneficiary

- Who can be named as a beneficiary?
- How many beneficiaries can be named?
- Are there special provisions if benefits are paid to a named beneficiary who is a child? Does the insurer notify the beneficiary?

Claim

- How is a claim submitted?
- What type of documentation is needed?
- When should a claim be submitted?

Exclusions

- What events are named as exclusions to this policy?

Eligibility

- What are the criteria for who can purchase this insurance policy?

Deductible

- What is the amount of the deductible?
- Does this amount ever vary? Is it the same for every claim?
- What if the cost of the event (the loss or medical expense, for example) is less than the deductible amount?

Waiting period

- When will the policy be active?
- What if something happens during the waiting period? Is one entitled to any benefit?

Most frequently asked questions

Although insurance is difficult to understand, it is a critical part of good risk management. Below is a list of common questions that people often raise about insurance.

- **Which kind of insurance should I buy?**
This decision depends on the events that you fear the most, those that will cause the greatest harm to your financial well-being. For many people, medical expenses, especially those associated with unexpected illness or injury, prevent them from saving and attaining any financial stability. When available, health insurance is usually a good investment. Business owners must think about how to protect the tools, equipment or production space that they need to run their business. Remember also that in most places, vehicle insurance is required by law.
- **What documentation do I need to purchase insurance?**
This answer will vary with each insurance company and type of policy. Health insurance may require a doctor's exam. Property insurance may require proof of ownership for the property to be insured.
- **Who should I name as the beneficiary of my life insurance policy?**
The choice of beneficiary depends on who needs the life insurance money and for what purpose. Money intended for children's welfare should go to either the children or their guardian. Money intended to pay funeral expenses, outstanding loans and other expenses should go to the person responsible for handling such matters upon your death.
- **Do I still have coverage if my policy has lapsed and I am saving to pay the renewal premium?**
No. If the insurance premium is not paid, the policy is not active.
- **If I do not submit a claim against my insurance policy during the period covered by my premium, do I get any refund?**
No. The premium from each policyholder is collected in a fund that is used to pay benefits when a covered event takes place. If that event does not happen to you, your premium stays with the fund to ensure that money is available to those who do face a crisis.
- **Can I sign up for an insurance policy only when I think I will need it?**
It is very difficult to predict when a crisis will occur. Most policies are active for a defined period, such as a quarter (i.e., three-month period) or a year, and the premium charged covers that period of time only.

Each insurance company will answer these questions a little differently. It is said that insurance companies sometimes avoid or at least delay, paying claims. But very often, negative experiences of this type are rooted in misunderstanding about the insurance product and

related policies. While the insurance company has the responsibility to educate its customers, this Content Note offers some basic tools to understand insurance and acquire the information needed to decide how insurance can help manage the risks one faces.

The road to financial security often follows a zig-zag path that depends on the frequency and severity of shocks that threatened one's assets and income. It also depends on one's ability to respond to those shocks. It can be difficult to decide to spend scarce resources based on the mere possibility that something bad might happen. If the anticipated crisis does not take place, one may believe that one paid insurance premiums for nothing. However, protective measures taken in anticipation of a crisis can make a huge difference in the financial cost a family pays if the crisis does occur. Among these protective measures, microinsurance is a good investment to reduce the financial loss that shocks can cause.

Budget smart – Financial education for migrant workers and their families:

Training manual

Migration for work may provide opportunities for a better life to migrant men, women and their families. However, it may also lead to labour exploitation, indebtedness or human trafficking if they are not prepared and lack basic management skills. When migrant workers know how to plan and make informed financial decisions, they can realize their goals in life. This Training manual introduces basic knowledge, skills and tools related to earning, spending, budgeting and using financial services. The manual is part of a training package aimed at mitigating the risks and maximizing the benefits associated with migration. The package contains:

- This Training manual for use by trainers from government, recruitment agencies, organizations protecting workers' and women's rights, financial service providers, trade unions and migrant workers' associations
- A Money and migration: Smart guide for migrant workers for use as a workbook during training with key financial education messages and tips for use before, during and after migration.



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ISBN 9789221249986