



International
Labour
Organization

► Financial education

Manage your money smartly!



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Trainees Booklet

Financial Education

For entrepreneurs and MSMEs
in Solomon Islands

International Labour Organization

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Introduction

1. Background

Welcome to the ILO's Financial Education Trainee's Booklet for Entrepreneurs and Micro, Small, and Medium Enterprises (MSMEs) in Solomon Islands. This booklet is designed specifically for people across Solomon Islands who seek to enhance their money management skills and build a more secure financial future. Developed within the framework of the "Business Growth for Young Entrepreneurs" project, this resource is made possible by the generous financial support of the African Development Bank and through close collaboration with the Government of Zimbabwe.

This booklet introduces fundamental knowledge, skills, and practical tools for effective money management, covering key topics such as earning, spending, budgeting, and utilizing essential financial services-including savings, credit, money transfers, and insurance. Through straightforward guidance and engaging exercises, this booklet empowers individuals to set financial goals, communicate confidently, understand and leverage financial products, negotiate with financial institutions, and manage risks.

The training materials aim not only to strengthen financial literacy but also to address educational disparities and social dynamics, such as gender and generational power imbalances, that can impact financial decisions. The booklet draws on ILO's comprehensive suite of financial education tools, adapted to reflect the unique needs and realities of entrepreneurs and small business owners in the Solomon Islands.

Intended to be used alongside the trainer's manual, this trainee's booklet contains exercises, case studies, and references that bring the learning to life. It serves as both a hands-on workbook during training and a valuable reference guide afterward, equipping participants with the knowledge to manage their finances effectively and confidently in their day-to-day lives.

2. Presentation of the Trainee's Booklet

Financial education, what is it about?

Financial education is the knowledge, skills and tools that enable you to better manage your money. The training you are going to attend will enable you to plan and prepare for your projects in the future. It offers the opportunity to learn skills related to earning, spending, budgeting, saving, borrowing and ways to make the most of your resources.

It will also give you the opportunity to think about communicating better on money matters with your family, your relatives, people you work with and to sort out some challenges when they arrive.

You will learn or review some traditional and digital tools to manage well your money.

The use, advantages and disadvantages of digital financial services will be explored in detail. Financial services such as credit, savings, money transfers or insurance won't have any secret for you.



How to use this Trainee's Booklet?

You should use this Trainee's Booklet during the training on financial education. The order of the chapters follows the modules and sessions of the training. However, feel free to read any chapter as you please!

This booklet includes many exercises and worksheets that you can fill for yourself.

3. What I know about financial management

Training aid INTRO.1

Quiz: “What I know about financial management”



“What I know about financial management”

1. It is easier to achieve your life's goals if you know what you want and set yourself precise goals to achieve them.

☐ True ☐ False

2. When you migrate or when you earn money, there are far fewer conflicts with your family about money.

☐ True ☐ False

3. It is easier to achieve a goal if you don't know how much it will cost: at least you won't be discouraged.

☐ True ☐ False

4. If I trust the other person, it is not necessary to sign an employment contract.

☐ True ☐ False

5. When you draw up a budget, you need to distinguish between essential (needs) and optional expenses (wants).

☐ True ☐ False

6. Why would you perform an “Income - Expense” calculation?

- ☐ a) To know whether you are in debt.
- ☐ b) To know how much money you have left after essential expenses, and if you are able to save.

7. To keep within your budget, you must remember how much you had planned to spend.

☐ True ☐ False

8. Receiving the salary in cash is faster and safer than other means of payment.

☐ True ☐ False

9. One of the criteria you need to take into account when choosing a method of saving is security.

☐ True ☐ False

10. You can borrow as much money as you want, regardless of how much you earn or are able to put aside each month.

☐ True ☐ False

11. Interest is the amount of money the borrower pays to the lender, in addition to repaying the loan itself, to be able to use the lender's money.

☐ True ☐ False

12. Being heavily in debt is just a matter of bad luck.

☐ True ☐ False

13. A debit card can be used to buy goods from retailers (even when you have no money in your bank account).

☐ True ☐ False

14. All financial institutions are the same and offer the same financial products.

☐ True ☐ False

15. It is up to each individual to choose a financial institution, depending on his or her needs.

☐ True ☐ False

16. You have gone into a bank and cannot see the various charges displayed. Is this normal.

☐ True ☐ False

17. A taxi-driver who transports your money to your family back home in the village is a formal money-transfer operator.

☐ True ☐ False

18. A risk is an event, more or less foreseeable, which may have positive consequences for you.

☐ True ☐ False

19. Everybody faces the same risks in life, whatever their personal circumstances.

☐ True ☐ False

20. To cope with an emergency, every household should have set aside at least:

☐ a) One month's income.

☐ b) Three months' income.

21. Compensation is the sum of money a customer pays to an insurance company to set up an insurance policy and ensure that it remains in force.

☐ True ☐ False

22. A health insurance policy ensures that you do not get into debt if you have a serious health problem.

☐ True ☐ False

4 • Fictional characters' identity cards

Training aid INTRO.2

Fictional characters' identity cards

Name: LEILA

Place of residence: Rural, Marovo.

Age: 38

Family: Married with Menase, they have two kids (aged 12 boy Solomon and aged 8 Alisi). They also own the house. The land was inherited through family. Their house is modest but functional, close to natural resources.

Level of educational attainment: Leila completed secondary school and developed her passion for handicrafts through family traditions and community learning. Leila has attended a local vocational or skills training program for small business management, arts, or crafts.

Economic activity: Leila owns a handicraft shop in Marovo, catering to both tourists and locals. She specializes in traditional wood carvings depicting Melanesian stories and wildlife. Her shop also offers shell jewelry and woven products like baskets, mats, and hats crafted from local materials such as pandanus and coconut leaves. She participates in local markets. Her husband Menase is a fisherman.

Financial characteristics: Their income is pretty irregular. His income depends on the weather, the catch, etc. Her income on the season. But all in all they can make it. Menase has recently opened a bank account as he sells to a big restaurant that asked him to pay this way and not in cash. They send some money to his parents in another island.

Objectives:

1. Travel to Honiara with the family for a weekend.
2. Save for school fees for her children.
3. She dreams about having a basic online store and/or have some social media presence.
4. Have a bank account.
5. Improve the shop's visibility in the city.

Secondary characters:

- Her husband, Menase.
- Her children, Solomon and Alisi.
- Her provider, Jone.
- Her friend, Mere.



Name: JONAH

Place of residence: Urban, Honiara.

Age: 20



Family: Lives with his mother Rosa and younger sister Tania. They live together in a house they own. He has a girlfriend called Elani.

Level of educational attainment: Secondary school.

Economic activity: Jonah is the main breadwinner of the family. He runs a small stall at Kukum Market in Honiara, selling betel nuts, lime, and leaves and herbs. The stall used to belong to his father, who recently passed away. His stall is neatly organized and attracts regular customers, including locals and visitors. Jonah manages his business daily, ensuring the quality of his products and engaging warmly with his customers. His sister helps in the market and they support their mother.

Financial characteristics: Jonah is very ambitious. Jonah is very interested in technology and ways to improve his business. He saves a bit in cash but mostly in his new digital wallet. He would love to have a formal bank account.

Objectives:

1. Adding more products to his stall - packaged snacks and more fruits.
2. Would love to open a small shop in a commercial street.
3. Take more trainings linked to financial education and entrepreneurship.
4. Start savings consistently to be able to rent his own house with his girlfriend one day.

Secondary characters:

- His mother, Rosa.
- His sister, Tania.
- His friend with similar businesses, Petero.
- His girlfriend, Elani.



Name: KENI

Place of residence: Urban, Honiara.

Age: 44

Family: Keni is married to Marita, and they have three children: Nerio (20), Kalina (12), and Tia (7). The family lives in a modest urban home near Keni's shop. Keni is a second-generation migrant, as his parents moved to Honiara years ago. His father remains a farmer, but Keni chose to settle in the city, where he has been building his livelihood for many years.

Level of educational attainment: Completed primary school and some years of secondary school. His kid aged 20 is pursuing now finishing a technical college in mechanics after finishing secondary school.

Economic activity: Keni runs a small shop on a busy road, selling noodles, soaps, and other essential products. The shop, housed in a simple concrete structure, has been growing steadily, and Keni is determined to expand it further. Over time, his shop has also become a gathering spot for both Micronesian and Melanesian residents, fostering a sense of community. Keni's eldest son, Nerio, works part-time at a car repair shop, while his wife, Marita, takes on occasional cleaning jobs in shops and homes to help support the family's income.

Financial characteristics: Keni is a member of a vendor association, where he receives training, and a Savings and Credit Cooperative Society (SACCO), giving him access to microloans. His financial management is improving, though he's not always consistent, thanks to the training sessions. He would love to have a bank account.

Objectives:

1. Create a covered area for his stall.
2. Add a fridge to offer cold drinks as well.
3. Improve his financial management.
4. Save for education of the two younger kids.
5. Improve their house and eventually buy their own.

Secondary characters:

- His wife, Marita.
- Their children: Nerio, Kalina, and Tia.
- His brother living abroad, Teano.



Name: ANA

Place of residence: Rural, Malaita.

Age: 37

Family: Ana is married to Sione, and together they have four children: Mateo (16), Lita (14), Vika (8), and Tano (4). The two older children attend secondary school and also help with farming tasks. The family lives in a house they built on their own land, which they fully own. Their lifestyle is largely self-sufficient, relying on the resources from their land for food and income. Ana's parents-in-law live with them and provide valuable support, especially by helping with childcare.

Level of educational attainment: Finished primary school.

Economic activity: They sell cacao to the cooperative they belong to. The cooperative exports the cacao from the farmers. They also sell small quantities to local buyers at the market to make easy cash. They also sell their small production of banana, pawpaw and pineapples. Ana is the one taking care of the stand at the market. Her husband does the farming work with her.

Financial characteristics: Ana is a member of a community savings group, which offers her access to training, equipment, and loans through the Development Bank of the Solomon Islands (DBSI). To ensure a more stable income, she is expanding into fruits and vegetables alongside her seasonal cocoa farming. She saves consistently through the group and is improving her record-keeping skills. Although she doesn't have a formal savings account yet, she hopes to open one for emergencies and farm investments.

Objectives:

1. Open savings account.
2. Better education for her children.
3. Buy clothes for her children.

Secondary characters:

- Her husband, Sione.
- Their children: Mateo, Lita, Vika and Tano.
- Her friend, Malia.
- Her parents in-laws, Tevita and Suliana.

▶ Set goals and communicate within your family



A1. What does the following proverb mean? "If a man does not know to which port he's steering, no wind is favourable to him."

- ☐ a. You need to have wind to be able to sail.
- ☐ b. It is easier to realize your life projects if you know where you go and if you set concrete goals.
- ☐ c. It is easy to steer one's boat when there is wind.

A2. What is the best way to achieve your future goals?

- ☐ a. To have short-term and long-term goals and save regularly to be able to achieve them.
- ☐ b. To have goals and hope that they will be achieved. It is important to have faith in myself.
- ☐ c. I am too young to have goals for the future, I can think of this in the future.

A3. Your parents call you to ask for money again for a ceremony in the village.

- ☐ a. I send them money right away as you always do what your parents ask.
- ☐ b. I disagree strongly and refuse to send any money.
- ☐ c. I discuss with them to better understand their needs and see how I can help them keeping in mind my goals and my savings plan.

A4. What is a savings plan?

- ☐ a. A financial product.
- ☐ b. A plan where you can see your goals, their costs, the date by which you want to reach your goals, and the amount that you must save to reach them.
- ☐ c. A moneybox.

A5. What should you do before deciding if you should migrate?

- ☐ a. I should go to the bank and check whether I can borrow money to migrate.
- ☐ b. I should list all advantages and disadvantages, calculate how much it would cost, and make an informed choice.
- ☐ c. I should only listen to and trust people who have migrated.

A6. How can you calculate the financial costs of migrating?

- ☐ a. By listing all preparatory costs, costs during the journey, costs once I arrive, and costs for my family back home.
- ☐ b. By estimating the cost of travel to the destination country.
- ☐ c. By listening to stories of migrants and returnees.

Answers: A1:b; A2:a; A3:c; A4:b; A5:b; A6:a.

1. Set your goals

Definition

A goal is *something you want to do*. Setting goals helps you to define what you want to do in life and hence to know what you need to do to make it come true.

Let's get to know one of our characters.

Case Study N° 1

Keni's story

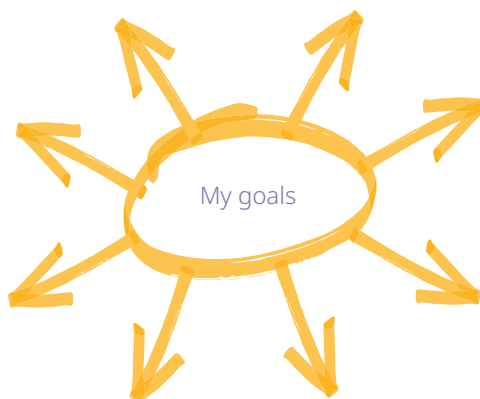
Keni is 44 years old and lives with his wife, Marita, and their three children, Nerio (20), Kalina (12), and Tia (7), in a modest urban home near his shop in Honiara. He is a second-generation migrant, as his parents moved to the city years ago from their rural village. His father remains a farmer, but Keni chose a different path, building his livelihood in the city. Their home, though simple, is filled with warmth, with Marita taking care of household needs and occasionally working as a cleaner in local shops and homes. Their eldest son, Nerio, is pursuing a technical college diploma in mechanics while working part-time at his friend Paseka's car repair shop.

Keni runs a small shop on a busy road, selling essentials like noodles, soaps, and other household items. The shop, housed in a concrete structure, has grown little by little over the years and now serves as a gathering spot for both Micronesian and Melanesian neighbors. Despite having limited formal education, Keni has developed strong business instincts. He is a member of the local vendor association, where he receives valuable training from Anote, the association's chief. He also belongs to a SACCO, giving him access to microloans. Although he is not always consistent with his record-keeping, the training sessions have helped him improve his financial management skills.

Keni is determined to grow his business and achieve his personal and family goals. In the short term, he hopes to create a covered area for his stall, protecting his customers from the sun and rain. He also wants to invest in a fridge to offer cold drinks, which many of his customers request. Together with his wife, he shares the goal of improving their home to create a better living space for their family. They also dream of having their own house one day. Medium-term, he aims to save enough money to open a bank account and improve his business management further. Looking ahead, Keni's long-term dream is to save for his younger children's education, ensuring Kalina and Tia have access to the opportunities he didn't.

Keni knows that careful financial planning is key to achieving these goals. He works hard to manage his income, contribute regularly to his SACCO savings, and apply what he learns from the vendor association to improve his business. With determination and clear goals, he is building a better future for his family.

**What are Keni's dreams?
Write them here!**



Training aid A1.1

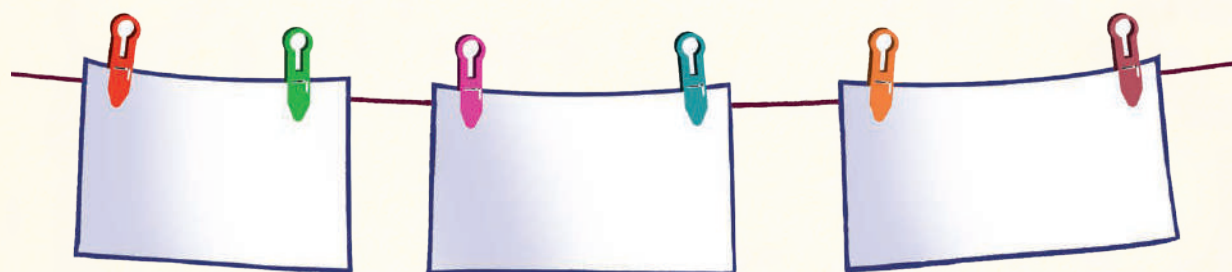
My goals

Have you ever thought about your goals? If so, write or draw them here!

Personal Goals

Short-term

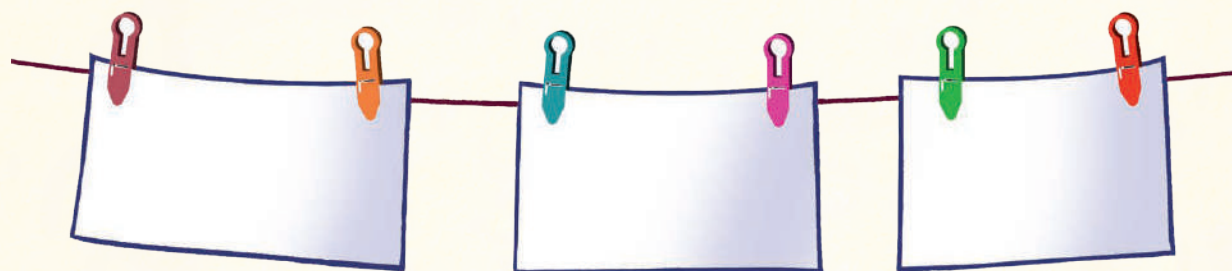
Long-term



Family Goals

Short-term

Long-term



Remember

All your objectives are important! Some objectives can be achieved faster than others.

Important

Managing your money well can reduce your stress levels.

2. Assess the costs of your goals and your priorities

Do you know the costs of your goals?

Do you know the costs of your goals? If you do, write the costs beside the goals you have written or drawn above. If you don't, it is very important that you find out. It is the only way to know how much money you need to achieve your goals. Meanwhile you can indicate an approximate cost that you can correct later.

Then, prioritize your goals indicating 1 for the most important, 2 for the second most important and so on.

Number	Personal or family goal	Goal	Estimated cost
1.			
2.			
3.			
4.			
5.			
6.			
7.			

Remember

Goals are generally easier to achieve if you think ahead and gather all the information you need to take a well-informed decision. It is vital that we assess how much it will cost to achieve our goals. Careful research is sometimes necessary (seeking information from suppliers, finding out about market trends, etc.).

You need to keep an eye constantly on the price of your goals. Remember to check for marketplaces on the internet. Sometimes you might even find very good second-hand goods.

Do not forget that prices rise over time! Therefore, build in a margin, i.e. save a bit more, in case the costs of achieving your goals increases in the next few years.

3. Make a savings plan to achieve your goals

Case Study N° 2

Leila's savings plan

Leila is 38 years old and lives with her husband, Menase, and their two children, Solomon (12) and Alisi (8), in rural Marovo. Their home, inherited through family, is modest but functional. Menase works as a fisherman, while Leila runs a handicraft shop, selling traditional wood carvings, shell jewelry, and woven products to both locals and tourists. Although she is passionate about her business, her income is seasonal, making it difficult to plan for larger expenses. Meanwhile, Menase's fishing income fluctuates depending on the weather and his catch. Despite these challenges, Leila is determined to improve her financial management and grow her business.

Leila and Menase have several goals for their family's future. In the short term, Leila wants to save for school fees for Solomon and Alisi, ensuring they are prepared for next year's payments. Additionally, Leila dreams of traveling to Honiara next with her children, both to visit family and to explore potential business opportunities. In terms of her shop, Leila plans to invest in a new shop sign, making her business more visible to passing customers. She also really wants to start having a basic online store and/or have some social media presence.

To achieve their goals, Leila and Menase carefully calculated how much they need to save each month. Leila contributes weekly to her Village Savings & Loan Association (VSLA) from the business earnings, and decides to keep the VSLA savings to build the shop's online presence. Menase supports their plan by setting aside extra savings whenever he has a good fishing week. By managing their finances wisely, they aim to reach their goals without compromising their daily expenses. With discipline and commitment, they are confident they can achieve their most important short-term, medium-term and long-term objectives, securing a more stable future for their family and business.



So, let's take a look at Leila's savings plan!

Leila's savings plan					
My goals	Date when I want to achieve my goal	Costs of my goal	Number of months before the date of achievement	Other sources of financing (if optional)	How much I need to save each month to achieve
Short-term goals (less than 12 months)					
School fees	March	1,000	10 months		100
Medium-term goals (1 to 3 years)					
Weekend trip to Honiara for the whole family	September next year	3,000	15 months		200
Long-term goals (more than 3 years)					
Sign for the shop	January in 4 years' time	8,000	40 months		200
Total amount I need to save every month to achieve all my goals (sum of the amounts in the right-hand column):				500	

Important

Once Leila reaches her short-term goal, she will need to adjust her savings plan and the money she needs to set aside each month to achieve her other goals.

Training aid A1.2

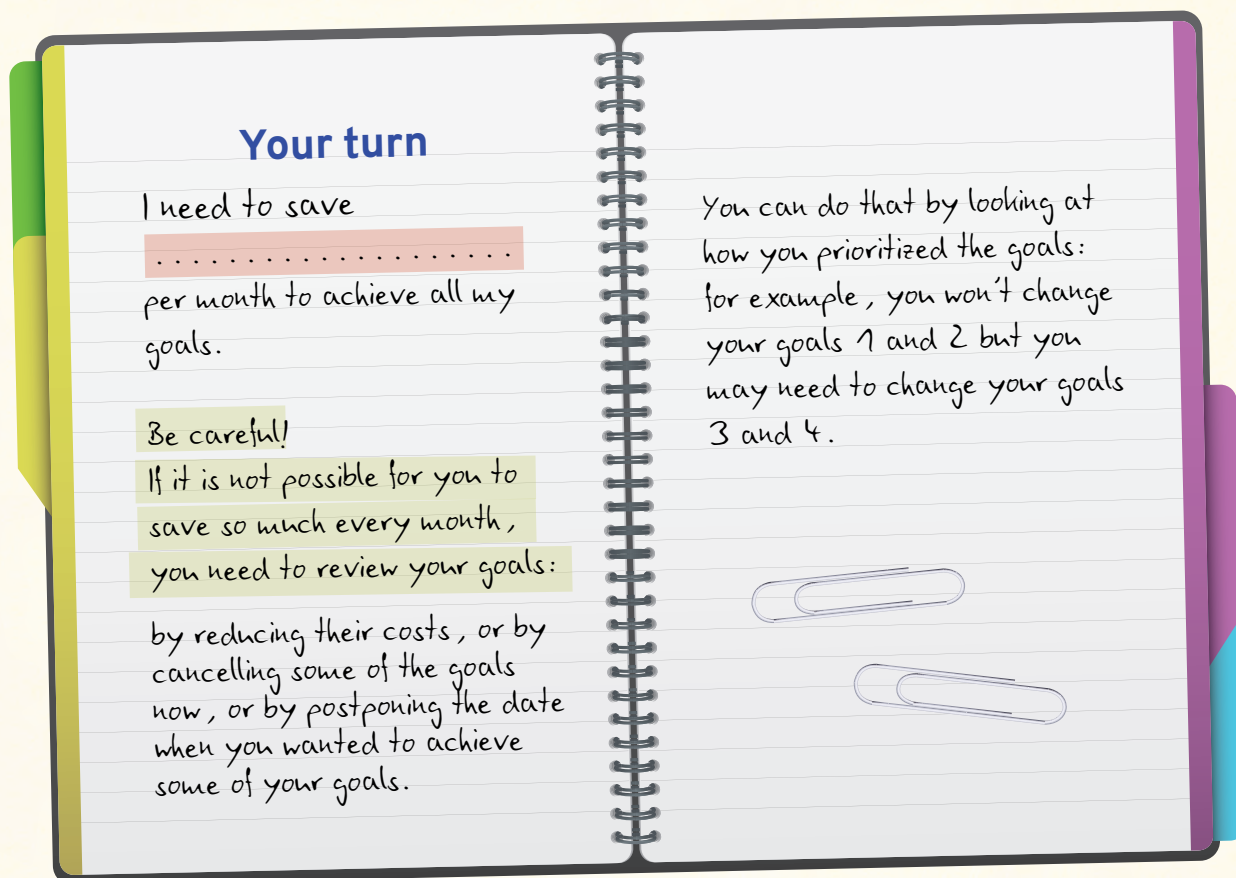
My savings plan

Now it's your turn!

Now let's summarize and fill the table below with all the information you have thought of: goals, priority, costs, date when you want to achieve your goal(s), and other sources of financing.

► My savings plan

My goals	Date when I want to achieve my goal	Costs of my goal	Number of months before the date of achievement of my goal	Other sources of financing (if optional)	How much I need to save each month to achieve my goal
Short-term goals (less than 12 months)					
Medium-term goals (1 to 3 years)					
Long-term goals (more than 3 years)					
Total amount I need to save every month to achieve all my goals (sum of the amounts in the right-hand column):					



Tip

Making your savings plan digitally, for example by using a spreadsheet, could be a very good idea to keep it at hand and adjust it when your situation changes.

Important

Making a savings plan may cause some distress, especially if you can't save as much as you want. Don't push yourself! Always remember that you can always adjust your savings plan.



Key messages

- It is easier to achieve your life plans if you know what you want and set yourself precise goals to achieve them.
- Some goals can be achieved quickly; others take years or even decades. Goals need to be classified as short, medium or long-term.
- People's goals change in the course of their lives and different family members will have different goals. It is important to make family members' different goals compatible with each other.
- Good communication is desirable in all families, especially in families with relatives living in a distant town, region or country.
- Defining one's goals and making the difference between myth and reality in setting goals makes it easier to reach them.
- It is important to seek reliable information in assessing the value and cost of achieving your goals. Make sure to check different marketplaces and providers on the Internet.
- You also need to be able to readjust your goals if they are too costly, and to be flexible in doing so (in the event of a change in your financial or social circumstances).
- Having a digital savings plan in a spreadsheet could be a great idea to be able to adjust it easily.
- Keeping your goals in mind is a sure way to achieve success.
- Making a savings plan helps you to achieve them more easily.



4 • Talk to your family about your goals!

Advice to discuss your goals with your family

- Think well about what you want (and the reasons why you want it) before you talk to your family.
- Don't be afraid to talk about your goals. All men and women – young or old – have a right to set their own goals.
- Find allies in your family: persons to whom you would have talked before and who could support you, persons who are respected in the family.
- To talk about your goals to your spouse and/or other family members, choose the right time, set a time when they are available.
- Be confident when you talk about your goals and listen to the opinions of the other people without interruption.
- Be respectful to your family members and flexible on your position.
- If there is a disagreement, examine the issue and look for compromise solutions that will benefit everyone in the family.

DO	DON'T
• Be self-confident. • State clearly what you want. • Listen to your partner. • Acknowledge the other person's point of view. • Show respect. • Be flexible and calm. • State your opinion, even though you owe the other person respect.	• Be passive or arrogant. • Shout. • Interrupt. • Get angry. • Be vulgar or insulting. • Repeat the same point several times. • Immediately reject the other person's ideas. • Adopt a defensive posture. • Show impatience.

Important

Talking about money can trigger a lot of emotions. Try to find someone you trust to talk about this. Not talking about your emotions have a negative effect your mental health.

Training aid A2.1

Role-play on conflict and negotiation

CONFLICT 1

Menase wants to increase the amount of money they send to his parents every month to help with their expenses, but Leila thinks they should continue sending the usual amount and keep the rest for their own savings. She argues that they have important financial goals, such as improving the shop, saving for their children's education, and expanding her market reach. Menase, however, feels a strong responsibility to provide more support to his parents. Leila understands the need to help family but worries that sending more will slow down their own progress. She is unsure how to convince Menase that they need to balance both responsibilities while staying on track with their goals.

Work out a role-play showing the interaction between the people described and the solution you come up with. At least one of the characters in your role-play must try to apply the rules for effective communication.



CONFLICT 2

Since their father passed away, Tania has been spending more time with her boyfriend and friends, seeking comfort in their company. As a result, she has been helping less at the stall, leaving Jonah to manage most of the work on his own. Jonah understands that Tania needs time to grieve and socialize, but he also relies on her support to keep the business running smoothly.

He doesn't want to pull her away from her friends, but he's struggling to keep up with everything alone. Jonah is unsure how to bring this up with Tania without upsetting her, but he knows they need to find a way to balance both her personal life and their shared responsibility to support their family.

Work out a role-play showing the interaction between the people described and the solution you come up with. At least one of the characters in your role-play must try to apply the rules for effective communication.



CONFLICT 3



Ana and her husband, Sione, live with his parents, who often ask them for money without explaining why. Ana and Sione suspect that they might be struggling with debts, but they are unsure how to address it.

Ana feels conflicted—she wants to help them, but she also worries that giving money without understanding the situation could affect their own savings and plans for the farm.

She and Sione are unsure how to bring up the topic without making his parents feel uncomfortable.

Work out a role-play showing the interaction between the people described and the solution you come up with. At least one of the characters in your role-play must try to apply the rules for effective communication.

CONFLICT 4

Keni and Marita have always worked together toward their family's goals. Recently, however, they found themselves in disagreement. Keni believes it is time to invest more in his shop—expanding the product range and finally purchasing a fridge to sell cold drinks, which many customers have requested. He feels this investment will boost their income, benefiting the whole family in the long run.

Marita, on the other hand, thinks they should focus on saving for their own home instead of continuing to rent. She dreams of giving their children a stable, permanent place to grow up. Marita worries that if they spend too much on the shop, they will fall behind on their savings for the house.

Both Keni and Marita understand each other's perspective, but they are unsure how to balance these important goals. The discussion leaves them both feeling conflicted—Keni sees opportunity in growing the business, while Marita feels security in owning a home.

Work out a role-play showing the interaction between the people described and the solution you come up with. At least one of the characters in your role-play must try to apply the rules for effective communication.



Case study N° 3

Ana's problems

During a break at the cooperative, Ana shares her frustrations with her friend Malia. She and her husband, Sione, are facing challenges with their farming income, especially during the off-season. The pressure of supporting their large family and covering expenses often feels overwhelming. Despite the tension, Ana and Sione are open with each other about their struggles. They regularly discuss their finances and try to find solutions together, even when it leads to difficult conversations.

Malia, however, has a different experience. She suspects that her husband is hiding financial problems from her, but she doesn't have the courage to confront him. Although she feels uneasy, she avoids the conversation, fearing it might lead to conflict. Malia envies Ana's open discussions with Sione but isn't sure how to start a similar conversation with her own husband.

5. Decide if migrating is the right choice for you

Case study N° 4

Keni's story: missing my brother

I am Keni, and I live in Honiara with my wife Marita and our three children. My brother Teano moved to Australia a few years ago. His support has been a huge help—he regularly sends money to our parents, ensuring they are well cared for.

While I am deeply grateful for his support, I truly miss having him here. Teano was always by my side, helping me with the shop, giving me advice on my business plans, and sharing his ideas for growth. Beyond that, he was a great support to our parents, often visiting them and helping with their needs. With him gone, I carry those responsibilities alone. I am proud of his success abroad, but I wish he were here to share in our family life and help me face the challenges of growing my business.



Advantages and disadvantages of migrating (From the migrants' point of view)

Advantages	Disadvantages
• Earning more money. • Being able to support the family by meeting basic expenses: food, health care, education, electricity... • Learning new skills. • Doing new jobs and gaining experience of life. • Having a sense of freedom and independence. • Saving for the future.	• Migrating may mean contracting a debt that will be difficult to pay back. • Finding a job abroad may take time. • The high cost of living in the destination country. • Constant fear of being repatriated (if in the country illegally). • Environmental risks of hazardous work and the threat of (sexual) violence (especially if in the country illegally). • Family expectations that you will earn a lot of money. • Loneliness and isolation. • Social stigmatization when you return from abroad.



Key messages

- People decide to migrate for multiple reasons: make more money, have a different experience, study, acquire new skills, leave conflicts in their countries of origin...
- You need to understand the benefits of migration, that is, what you can achieve with it. You also need to analyse the disadvantages or costs, that is, what you and your family may lose due to migration.
- These advantages and disadvantages of migration can be linked to money but also to social and family relationships.
- A lot of false information is circulating on migration: unlike what people say, money is not collected on the ground anywhere, neither at home nor abroad!

6. Calculate the financial costs of migrating

Migration is expensive, but do you really know how much it costs to migrate? Can you distinguish between different costs?

Training aid A3.1

Detailed analysis of the financial costs of migrating.

I am thinking of migrating:		Destination:
	What will it cost?	How shall i pay?
Preparatory costs		
Costs during the journey		
Costs in the town or country I am going to		
Costs upon return		
Costs for my family back home		
Total cost of migrating		

Important

It is very important to weigh up the costs and benefits, for yourself and your family, before taking the decision to migrate.



Key messages

- This table is an important tool that you and your family can use to work out how much it would cost to migrate.
- If you know the cost, you are better placed to assess whether the advantages of migrating outweigh the disadvantages, and whether it would be beneficial for a family member to go and work abroad (or for a migrant to come back home).
- Remember that it is difficult to know exactly how much it would cost for a worker to migrate. To make as accurate an assessment as possible, and for a true picture of the possibilities and drawbacks of going to live and work abroad, families can seek information from various sources: public agencies such as Migrant Resource Centres, trade unions, NGOs and returned migrants.
- Don't listen to everything people say about migrating; there are a lot of tall stories and sometimes people don't tell the whole truth because they want to protect themselves.





B



Manage your money wisely

B1. It is the end of the month; I've just received my salary:

- ☐ a. I rush to the market to buy this nice jacket I saw the other day.
- ☐ b. I set aside a part of my salary to achieve my goals.
- ☐ c. I buy a big present for my best friend's birthday.

B2. A budget is:

- ☐ a. A tool to decide, plan and use your money to achieve your goals.
- ☐ b. A sheet to record expenditures.
- ☐ c. A table.

B3. What is an employment contract?

- ☐ a. A note given to employees that details how much they will be paid and other allowances.
- ☐ b. A legal agreement between employer and work that specifies the duties, responsibilities and benefits for both parties.
- ☐ c. An informal letter that an employee receives before starting a new job confirming the conditions of his/her next employment.

B4. What are the three main parts of a budget?

- ☐ a. The date, the income and the expenditures.
- ☐ b. The income, the expenditures and the savings.
- ☐ c. The expenditures, the income and the signature.

B5. How shall I do to follow my budget?

- ☐ a. I have so many obligations that it is impossible to follow my budget.
- ☐ b. I don't do any budget because I believe in fate.
- ☐ c. I use tracking sheets to record my expenditures and income.

B6. Which one of the following items is not an advantage of receiving a digital wage?

- ☐ a. It is safer because there is a reduced risk of money loss.
- ☐ b. It is faster because as you do not need to queue to get your wage.
- ☐ c. As there might be low availability of ATMs it is easier to save money.

Answers: B1:b; B2:a; B3:b; B4:b; B5:c; B6:c.

1. Be a smart spender!

Questions

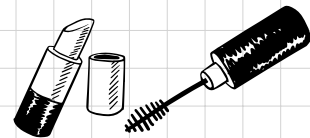
- Are you someone who likes spending or someone who likes saving?
- For example, do you often give up on things that you want?

Definition

Saving means not spending all your money and setting aside a part for a specific goal in the future. It means setting aside small or large sums of money, regularly or from time to time.

Exercise

According to your own situation, choose between necessary expenses (we call them needs) and optional expenses (we call them wants)! Circle the images that correspond to needs for you to distinguish them from the wants.



Training aid B1.1

Wants and needs picture cards

Lottery ticket



Financial Education

Motorbike



Financial Education

Plate of food



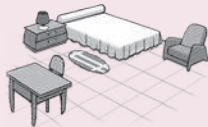
Financial Education

Cash withdrawal



Financial Education

Accommodation



Financial Education

School



Financial Education

Smartphone



Financial Education

Water



Financial Education

Sim card



Financial Education

Healthcare



Financial Education

Electricity



Financial Education

Soda can



Financial Education

Cinema ticket



Financial Education

Ice cream



Financial Education

Expensive shoes



Financial Education

Cigarettes



Financial Education

Flat screen TV



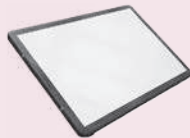
Financial Education

Camera



Financial Education

Tablet



Financial Education

Make-up



Financial Education

I would like to buy...

My needs	How much does it cost?
Total needs	
My wants	How much does it cost?
Total wants	

Attention!

Be careful! Sometimes, something can be a need for someone and a want for someone else.

For example, a mobile phone, a person can need it for a business, while others might only use it to call friends and family.

Do I have enough money to buy all the things I listed?

☐ Yes ☐ No

If I don't have enough money, I decide to give up the following wants:



Important:

You might spend to make yourself feel better. Some people describe this as feeling like a temporary high. But it will only do so for a short period of time. Be careful! If your budget is tight take a moment to distinguish always between needs and wants. Otherwise not having enough money later for your needs can be really stressful for you.

Read the stories of these characters and reflect about what is happening to them.

What could have they done differently?

Case study N° 1

Jonah faces an emergency

One morning, Jonah's mother, Rosa, starts feeling unwell, and her condition worsens throughout the day. Jonah and Tania take her to National Referral Hospital (NRH), but the facility is overcrowded, and the wait time is too long. Worried about her health, they decide to take her to a private clinic for faster treatment.

After receiving care, they realize the bill is much higher than expected. Jonah checks his savings, but he doesn't have enough to cover the full amount. With no other option, he turns to his girlfriend, Elani, asking to borrow money to pay for the medical expenses.



Case study N° 2

Ana has a problem

Ana has been working hard to become more organized with her money. She and her husband, Sione, share a common stash where they set aside savings for their children's education. They often discuss their finances and have always agreed that this money is strictly for their children's future.

One day, Ana discovers that the education savings are missing. Confused and alarmed, she confronts Sione. That's when he admits that he used the money to repay a friend he owed. When Ana asks what the debt was for, Sione refuses to explain, leaving her hurt and frustrated. Ana feels betrayed and unsure how to handle the situation, knowing that their children's education savings are gone and trust between them has been shaken.



Tips to save

- Set aside a bit of money every day or every week.
- Do not buy a new item if yours still works or if it can be repaired.
- Buy less presents for your family. Talk to them first and agree with them on your support.
- If possible, spend less on cultural or social ceremonies.
- Keep less cash in your wallet - you can start exploring other means of payment such as digital wallets and bank cards.
- If you send money to your parents or other family members, do not send all your money to them and keep part of it for your own needs and emergencies.
- Always keep in mind your long-term goals to remind you why you save!



Key messages

- You need to be able to distinguish between essential and optional spending.
- Saving for an emergency: saving is essential, an absolute need.
- “Manage well what has been earned by others”.
- Saving means giving up an immediate want to invest and achieve a goal in the future.
- Saving makes for security.



2. Understand your work contract and your payslip

Understanding your work contract is very important. If you understand it, it can protect you. But if you sign a contract without reading it or knowing what it means you can end in a bad situation.

Definition

Work contract: A (legal) agreement between employer and worker that specifies the duties and responsibilities and benefits for both parties.

Case study N° 3

Mere, Leila's friend, signs an employment contract

Mere, a close friend of Leila, recently secured a position at a government agricultural project in rural Solomon Islands. She was excited to have a stable job with a reliable salary, as it meant she could better support her family and start planning for her future. Eager to begin working, she signed her employment contract without reviewing it carefully, assuming it was just a standard formality.

However, when Mere received her first paycheck, she was surprised to see that the amount deposited into her account was lower than she had expected. Unsure of why this had happened, she went to the finance office for clarification. The staff explained that her gross salary was subject to mandatory deductions, including the Pay As You Earn (PAYE) tax, a progressive income tax taken directly from her wages. Additionally, there were deductions for the National Provident Fund (NPF), which provides retirement savings, and a small contribution toward health and social services programs.

Mere realized that these deductions were standard and necessary, but she felt frustrated for not having anticipated them when signing her contract. Now, she understands the importance of reviewing employment terms carefully before committing and plans to adjust her budget and savings plan accordingly. With better financial awareness, she hopes to manage her income effectively and make the most of her new job.



**Case study
N° 4****Elani, Jonah's girlfriend, gets her first job**

Elani recently started working at the Honiara Post Office, handling mail and assisting customers. Since this is her first formal job, she carefully reviewed her employment contract, wanting to understand her rights—especially regarding workplace safety and what would happen if she got injured on the job.

During a conversation with a colleague, Elani asked whether her contract included any protections in case of a work-related accident. Her supervisor explained that, as a formal employee, she is covered under the Workmen's Compensation Act, meaning that if she gets injured while working, her medical expenses and lost wages would be taken care of. Additionally, her contributions to the National Provident Fund (NPF) could provide financial support if she ever needed to take extended leave.

Hearing this reassured Elani, knowing she had some level of protection in case anything happened. She now feels more confident at work, knowing she understands her rights and the benefits available to her.



Training aid B2.1

Example of good employment contract



**SUPER AGRO
PROCESSING**

ID
PHOTO

PERIOD CONTRACT

First Party

Employer:

Represented by Mr./Mrs.:

Address:

Telephone Number:

Second Party

Name:

Surname:

Sex:

Date of Birth: (day /month /year)

ID No.:

Address:

Telephone Number:

HAS AGREED THE FOLLOWING

Article 1:

The company does not pay for this application.

Article 2:

The company accepts to employ the worker for 3 months starting on,

In section:....., Position:.....

The position can be changed upon company's requirement.

Article 3:

The basic salary is agreed at SBD per month. All salary calculations shall be based on labour law, attached to this contract.

Article 4:

Obligation of tax on salary and other contributions is the responsibility of the employee. Contributions to NSSF will be done according to the Labour Code.

Article 5:

The worker shall undertake to perform his duties and responsibilities according to the nature of his work and under the supervision and management of the employer or someone on his behalf.

Article 6:

Employees working time is as follows:

Morning from 7.00am to 12.00pm

Lunch break from 12.01pm to 01.00pm

Afternoon from 01.01pm to 04.00pm

Overtime work is on a volunteer basis from 04.00pm to 06.00pm in case it is required by the company.

One day off per week is entitled under this agreement.

Article 7:

The employer shall provide other benefits to the employees, as below:

- Attendance bonus of ____ SBD for employees who enter work on time.
- Seniority bonus accordance to the Labour Law.
- Free transportation to private address if overtime hours finish after 9.00pm.
- Food allowance for overtime work at a rate of ____ SBD per overtime shift.
- Paid sick leave when a valid doctor certificate is presented as proof.
- Maternity leave of __ days, with half pay including all allowances if worker has been employed for more than 1 year.
- Breastfeeding time of at least 1 hour during working time until baby is 1 year old.
- A total of __ annual paid leave days.
- Treatment and medical services for free for workers during working time in case of medical need.
- Days off in national holidays.

Article 8:

The provisions of the Social Security Law and its amendments, and the regulations and instructions issued pursuant thereto, shall be applied in accordance with the Labour Code.

Article 9:

Employees shall return all things that belong to the company at the time of resigning or dismissal.

Article 10:

When this contract expires the Employer must pay the employee the benefits determined by the Labour Law.

Article 11:

The employer shall pay the wage, bonuses, incentives, overtime, and any other entitlements that are part of the concept of wage (within not more than seven days of the date of entitlement) either in cash or through bank or electronic transfer as agreed on between the two parties.

Article 12:

Workers certify that all information provided in CV and application is accurate. The employer reserves the right to terminate the contract immediately if violation of any of these articles or violation of company's internal rules occur.

This contract comes into effect on _____ and expires on _____

Signature by Factory Representitive

Date / / (day, month, year)

Signature by Employee

Date / / (day, month, year)

3/3

Remember you can always:

- 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.

Training aid B2.2

Questions to understand your work contract

- | |
|--|
| • 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 written record of each payment? |
| • Will I be paid in cash or will the money be deposited in a 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? |
| • Will I receive safety training? |
| • Will my employer offer health and accident insurance? |
| • If I become pregnant will my employer let me continue working and provide maternity protection benefits? |



Attention: Remember that you can always ask questions to your future employer and seek advice from trade unions and other workers. Before signing the contract, they may be able to help you understand the terms and conditions of the contract. Later, if you face a problem with your employer, your trade union representative can assist you to resolve it.

Definition

A payslip is a note given to employees when they have been paid, detailing the amount of pay and other allowances given and the amounts of deductions (tax, insurance, salary advance, etc.)

Key information in a payslip

General information	Payments	Deductions
• Company's name and address • Employee's name and address • Employee's number • Month and year • Employee's bank account number (for bank transfer) • National insurance number • Payment method (cash or bank transfer)	• Basic Salary • Number of hours and amount • Number of overtime (OT) hours and amount • Food Allowance • Bonus • Incentive • Transportation • Seniority • Gross Pay	• Social insurance • Health insurance • Income tax • Trade union contribution • Loan repayment • Salary advance



Training aid B2.3

Example of a payslip



Company's name:

Employee's number		Employer's name		Date Period covered	ID of NSSF
Department		Section		Position	Employee since
Payment	Unit	Rate	Amount (SBD)	Deduction	Amount (SBD)
Basic salary				Social insurance	
Overtime				Health insurance	
Bonus				Income tax	
Allowances				Loan repayment	
Children				Salary advance	
Food				Union contribution	
Housing					
Transportation					
Seniority					
Other					
GROSS PAY (SBD)				Total deductions	
Employees' address				NET PAY (SBD)	
Payment method					

 **Attention:** Payslips are important documents that need to be kept in a safe place. The payslip shows that you have a regular income. You may be asked to show them when you apply for a loan or when you want to rent an apartment or house.

3. Create your budget!

Let's get to know a bit more about Keni and how he creates his different budgets.

Case study N° 5

Keni's business budget

Yesterday was the last day of the month and following the vendor's association suggestions after their budget training, Keni decided to stay at the shop to review his business budget. He uses his calculator, receipts and pencil and paper to track all the income and expenses related to his business.

First, he reviews his income. He has no fixed income, but he added up all the sales for the month. He estimates the total sales in SBD 14,500. He expects similar results next month, assuming there are no major changes expected.

Next, Keni reviewed his expenses from the previous month and started planning for the upcoming one. He will need to set aside SBD 3,500 for the shop rent. On top of that, he needs SBD 500 for electricity and other services. As he was taught, he also estimates his own salary in SBD 4,000. For taxes, Keni has SBD 500 allocated to pay for the government charges him. In terms of suppliers, as he expects a similar month to the previous one, he adds up how much he spent last month, and it was a total of SBD 5,000. He includes that figure in the budget. Last, as per the vendors suggestion, he subscribed to a new insurance policy protecting him while he is at the workplace in case something happens to him or the shop. He pays a monthly sum of SBD 300.

Additionally, this month Keni plans to buy grocery bags as many clients are asking him for that. He will invest a total of SBD 200.

Once he has reviewed all his expenses and income, Keni will calculate his net business income for the month.



Source of income	Amount
Fixed income	
Sub-total fixed income	
Variable income	
Sub-total variable income	
Total income	
Expenses	
Essential expenses (needs)	
Sub-Total (needs)	
Optional expenses (wants)	
Sub-total (wants)	
Total Expenses	
Income-expenses (net business income)	



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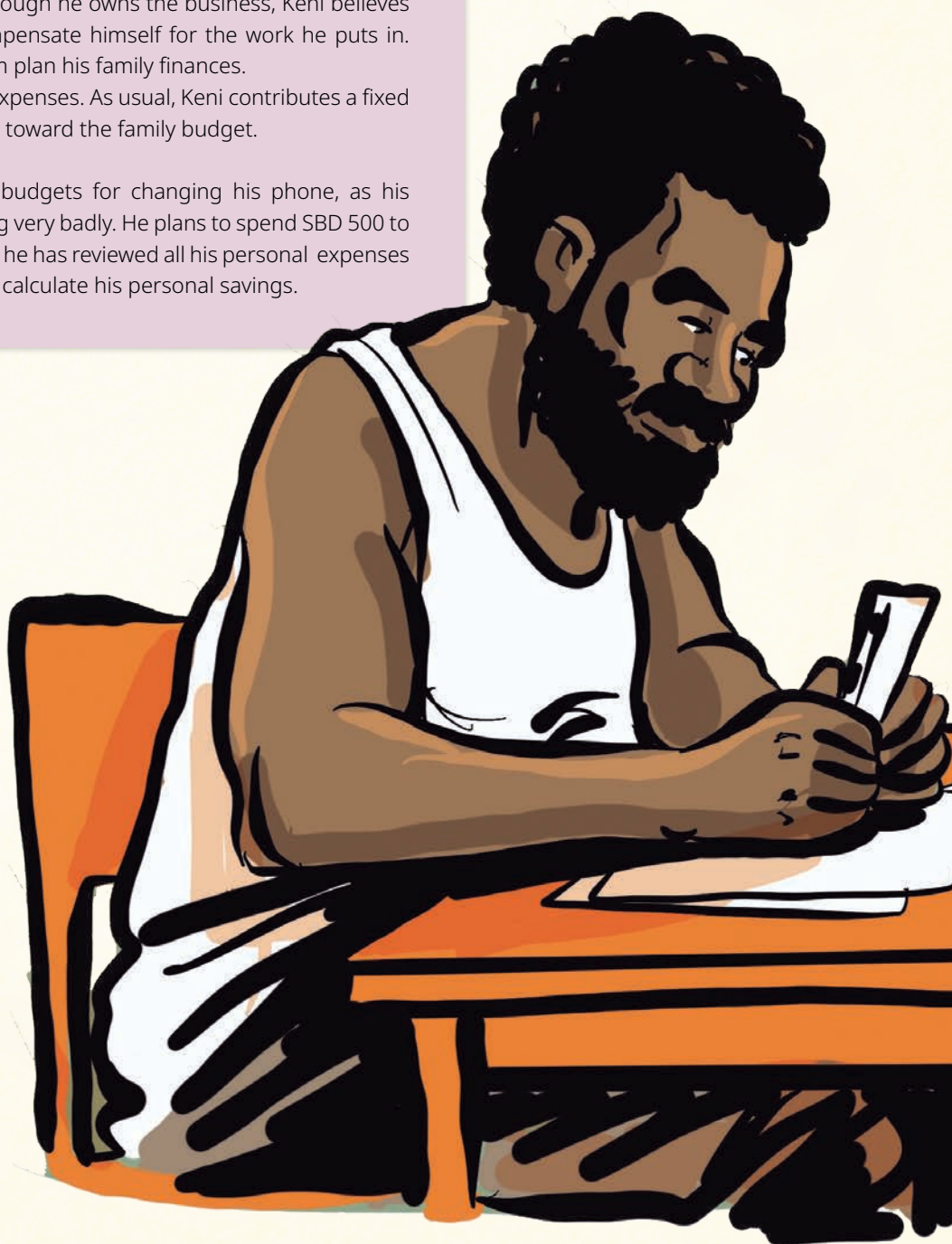
**Case study
N° 6****Keni's personal budget**

After completing his business budget, Keni moves on to review his personal finances. It was explained to him how important is to have separate budgets and always include a personal one.

First, he enters his fixed income of SBD 4,000, which is the salary he pays himself. Although he owns the business, Keni believes it's important to compensate himself for the work he puts in. That will also help him plan his family finances.

Next, he reviews his expenses. As usual, Keni contributes a fixed amount of SBD 3,000 toward the family budget.

This month he also budgets for changing his phone, as his current one is working very badly. He plans to spend SBD 500 to buy a used one. Once he has reviewed all his personal expenses and income, Keni will calculate his personal savings.



Training aid B3.3

Keni's personal empty budget

Keni's personal empty budget

Source of income	Amount
Fixed income	
Sub-total fixed income	
Variable income	
Sub-total variable income	
Total income	

Expenses	
Essential expenses (needs)	
Contribution to the family budget	
Sub-Total (needs)	
Optional expenses (wants)	
Sub-total (wants)	
Total Expenses	

Income-expenses (personal savings)	
---	--



Training aid B3.4

Keni's personal budget

Keni's personal budget	
Source of income	Amount
Fixed income	
<i>Salary from his business</i>	4,000
Sub-total fixed income	4,000
Variable income	
Sub-total variable income	
Total income	4,000
Expenses	
Essential expenses (needs)	
<i>Contribution to the family budget</i>	3,000
Sub-Total (needs)	3,000
Optional expenses (wants)	
<i>Changes his phone</i>	500
Sub-total (wants)	500
Total Expenses	3,500
Income-expenses (personal savings)	500



Case study N° 7

Keni's family budget – Part 1

On the last Sunday of the month, after completing his business and personal budget, Keni enjoys some time with his family. While the house fills with the comforting sound of kids playing and enjoying a family day, Keni and his wife Marita, sit down to prepare their family budget for the upcoming month.

First, they review their combined income. Like last months, Keni has decided to contribute a fixed amount of SBD 3,000 from his salary to cover family expenses. Marita, who works occasionally as a cleaning lady, contributes SBD 1,400 like in the past months. Sometimes this amount changes depending on her level of income, but she is confident this month will stay like that. With this, Keni and Marita are ready to plan their monthly spending.

Case study N° 8

Keni's family budget – Part 2

After reviewing their total income, Keni and Marita begin to plan how they will allocate the money. First, they set aside SBD 1,500 for rent. For food and toiletries, they estimate SBD 1,000 will be needed to cover the family's needs.

The cost for electricity and water is expected to be around SBD 300. They also set aside SBD 200 for transport, as both need to commute for work. For health expenses they set aside SBD 300 in case something happens to any member of the family and they need to pay for these kinds of expenses.

For mobile phone services and data bundles, they will allocate SBD 200 like in the past months. Finally, they set aside SBD 350 for school fees, like every month.

In addition to these essential expenses, Keni and Marita decide to spend some money in one optional item. Marita explains to Keni they really need some new clothes for the kids, and they estimate that amount in SBD 300.



Training aid B3.5

Keni's family empty budget

Source of income	Amount
Fixed income	
Sub-total fixed income	
Variable income	
Sub-total variable income	
Total income	

Expenses	
Essential expenses (needs)	
Rent	
Food & Toiletries	
Electricity and water	
Transport	
Mobile Phones airtime	
School monthly fees	
Health expenses	
Sub-Total (needs)	
Optional expenses (wants)	
Sub-total (wants)	
Total Expenses	

Income-expenses	
------------------------	--



Training aid B3.6

Keni's family budget

Keni's family budget

Source of income	Amount
Fixed income	
<i>Keni's contribution to the family budget</i>	3,000
Sub-total fixed income	3,000
Variable income	
<i>Marita's contribution to the family budget</i>	1,400
Sub-total variable income	1,400
Total income	4,400

Expenses	
Essential expenses (needs)	
<i>Rent</i>	1,500
<i>Food & Toiletries</i>	1,000
<i>Electricity and water</i>	300
<i>Transport</i>	200
<i>Mobile Phones airtime</i>	200
<i>School monthly fees</i>	350
<i>Health expenses</i>	300
Sub-Total (needs)	3,850
Optional expenses (wants)	
<i>Clothes children</i>	300
Sub-total (wants)	300
Total Expenses	4,150
Income-expenses	250

Questions

- Have you already created a budget?
☐ Yes ☐ No
- If you have, have you written it down or only kept it in mind?
☐ Written down ☐ Kept in mind

Definition

A budget is a tool to decide, to plan and to use your money to achieve your goals.



Important: Remember, what we called 'NEEDS' in session B1 are now 'ESSENTIAL EXPENSES,' and 'WANTS' are now 'OPTIONAL EXPENSES.'

Exercise

You have seen during the training how Keni and his family create their budget. Now it is your turn! Create your own budget.

Be careful! The line « Income – expenditures » at the bottom of the table must be positive. If it is not, it means that you don't have enough income and not enough money for all your expenses. It also means that you don't have any money to save to achieve your goals.

If you're forecasting big expenses in a few months, start saving some money anytime you can, so that you can afford these big expenses and stay within your budget.



Key messages

- There is a tool used to manage your income – a budget.
- To create your budget, you need to calculate your income and expenses. With this calculation, you can define your savings capacity, meaning how much you can set aside each month.
- In case of emergencies or changes in your financial situation, you will have to adjust your budget to be able to cover all your expenses and save for your goals.
- A budget can help you to decide how to spend your money and save to reach your goals.
- Remember you can easily create a digital budget using a spreadsheet. There are also many apps to help you building a budget. It is a great way to compare what you planned with what actually happened.

4. Keep track of and stay within your budget



Case study N° 9

Leila's budget management

Menase recently came across fishing tools on sale and, unable to resist, bought them, believing they would help his work. However, he didn't fully consider the impact on their household finances. Now, when reviewing their finances, he and Leila find themselves short on money for their expenses and are unsure if they can continue saving as planned.

Leila is frustrated, as they had carefully budgeted every dollar for this month, while Menase believes the tools will benefit them in the long run. With limited funds left, they must now rethink their budget and find a way to recover from this financial setback.

Case study N° 10

Jonah's budget management

Jonah usually manages his stall at Kukum Market carefully, but this month, he wasn't as strict with his budget. He spent more than usual on adding new packaged snacks to his stall, hoping to attract more customers. However, sales have been lower than expected, and he hasn't made as much profit as he planned.

At the same time, one of his betel nut suppliers from the provinces has arrived, expecting payment for the latest stock. To make matters worse, an unexpected household expense came up, leaving him short on cash. With no other option, Jonah decides to borrow money from a local informal lender, someone he knows from the market, to pay his supplier on time. Now, he worries about how he will repay the loan quickly, as the high interest could make it even harder for him to stay on track next month.



Questions

There are many ways to make sure you stay within your budget. You can use a spreadsheet, or an app, like a lot of people are starting to use! There are many applications that can help you to keep track of your money. Take some time to explore them.

Let's get to know a way to stay within your budget.



Important: Routines can be good for maintaining good mental health when things are not going great. Keeping track of your budget can be a good exercise to focus and check how you are doing in terms of staying within your budget.

Tip: There are many apps that can help you staying within your budget. Check them out!

Income tracking sheet

Income tracking sheet

Name: _____

Month:

[illegible]

Training aid B4.2

Expense tracking sheet

Expense tracking sheet

Name: _____

Month: _____

Date	Description of expense item	Amount spent	Planned	
			Yes	No
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐

Total expenses

Total income

Savings (= income - expenses)

Tips to stay within your budget

- Remind yourself often of 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.
- Remember to check apps available for keeping track of your budget.

Training aid B4.3

Transaction cards Keni's business

Keni's business

On February 1st Keni pays
3,500 for rent

Keni's business

On February 2nd he paid his own
salary, so he spends **4,000**



Keni's business

On February 4th,
he pays **500** for electricity

Keni's business

On February 6th he pays **500**
for tax services and obligations

Keni's business

On February 7th Keni
receives **3,000** from his sales

Keni's business

On February 10th he spends
5,000 to pay his supplier

Keni's business

On February 12th Keni
receives **3,000** from his sales

Keni's business

On February 17th Keni
receives **3,000** from his sales

Keni's business

On February 18th Keni pays
200 for buying grocery bags

Keni's business

On February 18th Keni
pays **300** for the insurance

Keni's business

On February 25th Keni has to spend an additional **150** to repair the roof of his stall, which suffered some damage after a storm

Keni's business

On February 28th Keni receives **5,500** from sales to individual clients



Training aid B4.4

Transaction cards Keni's family

Ken's family

On February 1st Keni contributes
3,000 to his family budget

Ken's family

On February 1st they pay for
electricity and water **300**

Ken's family

On February 2nd Marita contributes
1,400 to her family budget

Ken's family

On February 4th, they pay
the school fees **350**

Ken's family

On February 10th they pay
1,500 for rent

Ken's family

On February 12th they spend **1,000** for
food and toiletries

Ken's family

On February 18th they
put apart **200** for transport

Ken's family

On February 23th he spends **200** for
internet and phone's cards.

Keni's family

On February 25th Keni pays **300** for health expenses

Keni's family

On February 27th they buy new clothes for children and spend **300**

Keni's family

On February 28th they have to replace some kitchen items that Marita has been asking for for a long time, so they spend **50**

Now it is your turn.

You can use TRAINING AID B.4.1 INCOME TRACKING SHEET and TRAINING AID B.4.2 EXPENSE TRACKING SHEET to track your own income and expenses, both for your business and family budgets.

This way you'll stay within your budget, and you'll ultimately reach your goals.



Key messages

- Remind yourself often what you planned to spend.
- Put in the budget something for unexpected spending needs.
- Get the family to participate in developing and sticking to the budget.
- You need to know your total income. Knowing how much you earn is an important step to take control of your money and allows you to plan ahead for expenses. You also need to know the amount of your total expenses. It is important to control your budget. You can adjust your expenses when you see that you spent more than expected.



Be careful! If you have irregular income, meaning that every month you earn a different amount, you can create your budget using an average income and then save when you earn more to balance the times when you earn less.

5. Keep your financial records

Case study N° 11

Jonah throws some receipts

Jonah was at his stall in Kukum Market when a betel nut supplier approached him, claiming that Jonah's father owed him money and demanding payment. Jonah was caught off guard—he believed his father had cleared all debts, but he also remembered that in his father's final months, things had become quite disorganized.

When Jonah took over the stall, he found an old folder with receipts and papers, but, assuming it was useless, he threw it away. Now, without any proof of payment, he can't be certain whether the debt is real or a misunderstanding. The supplier insists on being paid, and Jonah feels pressured to find the money—even though he isn't sure if the debt truly exists.

Case study N° 12

Ana keeps her financial documents

Ana recently received a payment from the cooperative, but it was lower than she expected. Concerned, she went to their office to ask for an explanation. The cooperative staff informed her that the payment matched the number of products they had recorded from her delivery.

However, Ana had kept all her receipts from the delivery, carefully organized. She showed them the records, which clearly listed all the products she had provided. After reviewing the receipts, the cooperative realized they had made a mistake in their records. They apologized and corrected the payment, ensuring Ana received the full amount owed to her.

Ana felt satisfied and proud, knowing that her tidy record-keeping had protected her earnings and secured the correct payment.



Tip: Moving from cash to digital payments can help you a lot in terms of having financial records every time you spend money.



Important: If you have a lot of worries you might feel that checking your bank account, digital wallet account or even reviewing your spending can be seen as an activity that will cause you more stress and discomfort. But remember: ignoring it or not thinking about money might make things worse in the future.

6. Receive, access and use your wage safely through digital means important



Important

• As a worker, you should always have a say on the way your wage is paid, either cash or digitally unless:

- there is a law in the country that stipulates the wage payment method or there is a collective bargaining agreement, i.e. an agreement between your employer and your trade union on that matter.

• If you are not sure what the situation is, make sure to speak with your employer, your trade union or workers' representatives on this regard.

• if your factory is already paying wages digitally or is considering to do it, you should also always have a say as whether you prefer to be paid to a bank account, a mobile money account, or a pre-paid card.

• If you already have an account or there are different providers, make sure to understand in detail the different conditions and fees they offer to be able to select the most convenient one. The extent to which your factory might cover some of these costs will depend on your employer. Feel confident to check with your employer!



**Case Study
N° 13**
Mere gets paid for the first time through a bank account

- Mere** Hi Lisa, I was wondering when I'll receive my pay for this month? I just checked my mobile money account and it is not there.
- Lisa** Hello, Mere! I actually sent out all the payments this morning. But remember, you're no longer receiving your wage through your mobile money account—it was paid to your bank account this time.
- Mere** Oh, right! I forgot about that. It's my first time getting paid this way.
- Lisa** No problem! Let me walk you through how to access it. Do you have your phone with you?
- Mere** Yes, here it is. What do I need to do?
- Lisa** First, open your messages. You should see a message confirming the payment was deposited in your bank account.
- Mere** Ah, yes, I see it! There's a message saying I received a payment. What should I do next?
- Lisa** Great! As it was explained in our sensitization training, try to open your banking app and enter your PIN.
- Mere** Alright, I'm signed in. Oh, I can see my balance here—it shows the full amount of my payment!
- Lisa** Perfect. To withdraw, remember you'll need your bank card and your PIN code, which you received last week. Remember where you put them?
- Mere** Yes, I kept them safe at home as they told me in the training. Should I ask someone in my family to come with me to the ATM if I need help?
- Lisa** That's a good idea! Just make sure not to share your PIN with anyone. It's best to memorize it and keep your card secure.
- Mere** And where is the nearest ATM? Is there one here close to our factory?
- Lisa** No, there isn't one on-site, but there's an ATM nearby—right next to the grocery shop on the main road. You should be able to withdraw your money there. And remember, it's a good idea not to withdraw all your balance at once. Just take out the amount you need for now.

Mere Got it. Thanks a million, Lisa! I'll go to the ATM later today once I get my card from home.

Lisa You're very welcome, Mere. Let me know if you have any other questions!

Case Study N° 14

Elani gets paid for the first time through a mobile money account

Elani Hello Michelle, I was wondering when I'll receive my wage this month?

Michelle Hi Elani! All wages were actually paid this morning. But remember, you're not receiving your wage in cash anymore—it's been transferred to your mobile money account.

Elani Yes, I know, but I'm still a bit confused about how to go about this.

Michelle That's completely normal, Elani. It can take a bit of time to get used to a new system. First, let's check if your wage has been deposited into your account. Do you have your mobile money on your phone?

Elani Yes, I do. Let me open it. Should I go to my account balance like I usually do?

Michelle Exactly! Just log in to the app, and when you click on your account balance, you should be able to see the updated amount with the wage we transferred.

Elani Alright, I see it now! The money is in my account. Now, I'd like to withdraw some of it.

Michelle Perfect. Now, click on "Withdraw" and enter the amount you want to take out. This works just like when you withdrew before from your digital wallet. You can take this to the usual mobile money agent, show them the confirmation message, and they'll give you the cash. Remember, you don't have to withdraw everything at once. Just take what you need for now.

Elani Got it! I'll only withdraw what I need for groceries. I really like to receive my salary in this account. This is really convenient—thanks, Michelle!

Advantages and disadvantages of getting access and using your digital wage

Advantages	Disadvantages
• Faster (no need to queue to receive wages). • Safer (reduce risks of loss, theft, etc). • Less pressure to give money to family/ friends/ colleagues. • Reduce temptation to spend on unnecessary items (withdraw only amount needed). • Easier to save. • Might help in accessing other financial services (savings, credit, transfers, payments). • Provides proof of wage payment. • Facilitates management of personal finances (easy access to financial records). • More accurate and timely payment.	• Fees (to open accounts, cash out money, transfers). • Low availability of ATMs. • ATMs not working properly (powercut, out of cash). • Queues at the ATM, agent or bank branch. • Not possible to make digital payments near my home or workplace. • Operating systems and customer service not available in my language.



Key messages

- When you are paid for your work digitally, you do not receive any wages in cash. It all goes into an account that you control. It is a safe way to receive your wage on time.
- Make sure to speak with your employer, your trade union or workers' representatives to understand your own situation regarding digital wage payment. Feel confident to check with your employer!
- If your factory is already paying wages digitally, you should also always have a say as whether you prefer to be paid to a bank account or a mobile money account.
- Getting paid digitally can have many advantages: it is fast, safe, it can make saving easier and might help you get access to other financial services. It can also have some disadvantages: fees, ATMS/cash agents availability and customer service availability in your own language.
- Dealing with formal financial institutions that offer digital financial accounts means that you are protected by rules and regulations that affect these institutions.
- Make sure you only withdraw from your account the money you need according to your budget. That way you are less likely to spend money on something that is not in your budget and to save more to get closer to your goals.

Answers to exercises

Answers to: Training aid B.3.3

Transaction cards character's business

Income tracking sheet

Name: Keni's business

Month: February

Date	Description of source of income	Amount of income
07/02	Income from sales	3,000
12/02	Income from sales	3,000
17/02	Income from sales	3,000
28/02	Income from sales	5,500
Total income		14,500



Name: Keri's business

Month: February

Total expenses	14,150
----------------	--------

Total income

14,500

Savings (= income – expenses)

350

Answers to: Training aid B.3.4

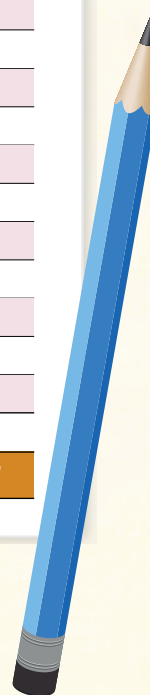
Transaction cards character's family

Income tracking sheet

Name: Keni's family

Month: February

Date	Description of source of income	Amount of income
01/02	Keni's contribution	3,000
02/02	Harita's contribution	1,400
Total income		4,400



Expense tracking sheet

Name: Keni's family

Month: February

Date	Description of expense item	Amount spent	Planned	
			Yes	No
01/02	Electricity and water	300	☒	☐
04/02	School fees	350	☒	☐
10/02	Rent	1,500	☒	☐
12/02	Food and toiletries	1,000	☒	☐
18/02	Transport	200	☒	☐
23/02	Internet and phone's cards	200	☒	☐
25/02	Health expenses	300	☒	☐
27/02	Clothes for the children	300	☒	☐
28/02	Replace kitchen items	50	☐	☒
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐

Total expenses	4,200
Total income	4,400
Savings (= income - expenses)	200



► Get to know savings methods and products



C1. What is in your view the best way to save?

- ☐ a. I keep my money home as it is more convenient.
- ☐ b. I deposit my money at the bank as it is safer.
- ☐ c. I put my money in the merry-go-round as I have many friends there.
- ☐ d. Each method has advantages and disadvantages. I review them carefully before choosing the method that is the most appropriate for my needs.

C2. You have accumulated some savings. You would like to use them to set up your own business in a few years. What savings account is the most appropriate for you?

- ☐ a. A regular savings account.
- ☐ b. A business savings account.
- ☐ c. A time deposit account.

C3. One of the criteria to consider when choosing a savings method is safety.

- ☐ a. True.
- ☐ b. False.

Answers: C1:d; C2:c; C3:a.

1. Choose a savings method!

Now that you have created your personal budget (or your family budget), you know how much you can save every month and how much you must save for each of your goals.

Training aid C1.1

Savings Methods



1

Leila belongs to a Village Savings and Loan Association. She makes monthly contributions.



2

Jonah regularly uses a mobile digital wallet for various transactions and has recently started setting aside a portion of his income directly in the wallet to help build his savings.

3



Ana is mostly paid in cash and keeps her money hidden under her mattress for safekeeping. She tries to stash it carefully to prevent anyone from accessing it.

4



Since he opened his bank account, **Keni** prefers to keep his savings in the bank, as it offers him the easiest way to track his personal, family, and business savings.

Questions

- What are the savings methods used by the characters above?
- Are they formal, semi-formal or informal?
- Each method has its advantages and disadvantages. At the end of this module, in the Section Answers to exercises you will find a table that summarizes the advantages and disadvantages of each savings method.

Tip: Investing in cryptocurrency has become a widespread investment decision by a lot of people. Even if the investment is regulated and done through formal institutions, it is very important you understand the high risks involved in this investment vehicle.

Remember that to include more characteristics in the table, you can think about:

- The safety of your money there,
- The possibility to withdraw your money when you want,
- The possible delays to withdraw your money,
- The possibility to save a lot or just a little bit of money,
- The possibility to avail a credit against your savings,
- The possibility that your savings generate some money (interests).



Important: Choosing a safe savings method can help you feel better. If you are constantly worried about your money's security, think which solutions you have at hand to stop this feeling.

Your turn!

I know the advantages and disadvantages of several savings methods. Looking at my goals and my budget again, I think the best savings method for my projects is:

Savings method	
My goals	Savings method



Key messages

- Saving provides security in the event of an emergency.
- Some needs/emergencies can be foreseen, others cannot. Saving enables you to plan for future needs or projects.
- When everything is going well, saving also enables you to plan for things you would like to do or have.
- You need to be familiar with the different savings methods to choose the one best suited to your needs.
- Consider that there are many financial services providers offering digital solutions that can make the opening of savings account much easier than before.



2. Select your savings products wisely

A savings product is for example, a regular savings account that generates 1% interest or a time (fixed) deposit account for five years. There are many different financial services providers with several savings products that you can choose from.

Definition

A **savings product** is a savings method for which we know the characteristics, such as:

- Ease of access / flexible withdrawals
- Convenience and ease of use
- Requirements for opening a savings account
- Safety
- Interest rate and tax advantages
- Cost of savings (fees)
- Liquidity
- Online access
- Purpose and goals of your savings strategy
- Customer service

Here are three popular savings products offered by financial institutions:

The regular savings account is adapted for when you want to make deposits or access your money any time. It is the most common savings account.

The business account is similar to a regular savings account but might include special features focused on your business operations. It can include facilities for transferring funds, pay bills, depositing checks, getting paid with digital means of payment and other special features for your business operations.

The time (fixed) deposit account is adapted if you want to make your money grow for longer term goals (you deposit a lump sum which you promise not to touch for a specific period of time).

Each type of product has advantages and disadvantages (for example, the different interest Rates or the possibility to do online transactions).

In the next pages you will find three brochures, one for each of these products. At the end of this module, in the Section **Answers to exercises** you will find a comparative table that summarizes the information from each brochure.

Training aid C2.1

Brochures for savings account

Option 1 - Regular savings account



REGULAR SAVINGS ACCOUNT

ACCESS YOUR MONEY ANYTIME, ANYWHERE.

OUR REGULAR SAVINGS ACCOUNT IS A SIMPLE AND CONVENIENT WAY TO KEEP YOUR MONEY SECURE AND ACCESSIBLE WHENEVER YOU NEED IT. OPEN AND MANAGE YOUR ACCOUNT EASILY.

YOU ALSO BE ABLE TO USE IT THROUGH YOUR MOBILE APP AND ENJOY FULL CONTROL OVER YOUR SAVINGS ALSO DIGITALLY.

COME TO OUR BRANCH AND ENJOY THE FREEDOM OF BEING OUR CLIENT.

OUR REGULAR SAVINGS ACCOUNT OFFERS FLEXIBILITY AND PEACE OF MIND. ENJOY VERY COMPETITIVE FEES AND INTEREST RATES, AND SIMPLE ACCOUNT MANAGEMENT.



Watch your savings grow with a competitive annual interest rate of up to 4% p.a.

MINIMUM BALANCE: SBD 20.00

ELEGIBILITY:

- Individual ages 18 and above with valid ID.
- Two references.
- Complete our forms at any of our branches.

FEATURES:

- Funds available "at call".
- Competitive tiered rate structure offering higher interest on higher balances.
- Internet and Telephone transfers available.
- Initial Account Opening deposit of \$20.00.
- Interest calculated daily, paid monthly.
- Statements available upon request.
- Very convenient electronic banking transactions.

Option 2 - Business account



DESIGNED FOR YOUR BUSINESS GROWTH

Whether you run a small enterprise, medium business, or a larger operation, our business account provides tailored solutions to meet your unique financial needs. Focus on expanding your business while we take care of your banking.

Competitive Fees to Help You Save

We offer some of the most affordable fees in the market, specifically structured to support Solomon Islands businesses.

BENEFITS

- Flexible account to meet daily business needs.
- Can be accessed by cheque or internet.
- Funds can be called on at any time.
- Chequebook and Billpay access.

Earn Interest on Your Deposits

Benefit from a competitive interest rate on your business deposits. Up to 5% p.a.

MAIN CHARACTERISTICS

• **Online Banking Platform**

Full access to our online platform, allowing you to manage transactions, track balances, and make payments with ease.

• **Dedicated Business Support**

Get specialized customer service support with our Business Account Hotline during business hours, or visit the Business Support Desk at select branches.

• **Vendor Payments and Transfers**

Make secure transfers to suppliers and partners, supporting seamless business operations.

• **Wide ATM Network Access**

Withdraw and deposit cash with no additional charges at our ATMs. For other bank ATMs, a nominal fee may apply.

• **Business Credit Opportunities**

After 6 months of account activity, qualify for special business loans tailored to help you grow.

REQUIREMENTS

- Minimum deposit SBD 100.
- Valid ID (national ID, passport or other legal and valid form of identification)
- References.

VISIT YOUR NEAREST BRANCH AND OPEN YOUR BUSINESS ACCOUNT

Option 3 - Time deposit account



MAKE YOUR MONEY EARN MORE WITH A TIME-DEPOSIT ACCOUNT

This account helps you gain high interest rates safely. Keep your hard-earned savings secure while earning a reliable return without the risks of volatile investments.

Perfect for future investments or substantial planned expenses, this account helps you grow your savings by keeping funds safely out of reach until maturity. Can be used as security for a loan or overdraft facility

TERM: FROM 3 MONTHS TO 3 YEARS



MAIN CHARACTERISTICS

COMPETITIVE INTEREST RATES:
Earn the highest rates in the market, with rates fixed in advance so you know exactly what to expect. Interest rates as of 6%

MINIMUM DEPOSIT:
Starting from SBD 2000

ZERO MAINTENANCE FEES:
Open, maintain, and close your time-deposit account with no hidden fees or transaction charges.

FIXED DEPOSITS ONLY:
Deposit your initial amount, and watch it grow—additional deposits are not permitted until maturity, helping you stay on track.

PENALTY FOR EARLY WITHDRAWAL:
Early withdrawals incur penalties to ensure account stability; terms apply.

FREE CERTIFICATE OF DEPOSIT:
Receive an official certificate as proof of your secure investment.

BUILD A SAVINGS HISTORY:
Establish a consistent savings record with us and become eligible for special credit options to support your future projects.

OPTION TO RE-INVEST INTEREST WITH PRINCIPLE OR PAID TO A NOMINATED ACCOUNT ON MATURITY



REQUIREMENTS

PROOF OF FUNDS:
Documentation of the source of funds for security compliance.
(for example, your money saved in our regular account)

IDENTIFICATION:
Valid national ID, passport, or other legal identification.

PROOF OF RESIDENCE:
Recent utility bill or lease agreement.

Apply NOW for a Time Deposit at your nearest branch nationwide.

Open a time-deposit account today and let your savings grow securely, while keeping your funds ready for the future!

Training aid C2.2

Matching goals to savings products situation cards



Matching goals to savings
products situation cards

Situation 1

Leila saves with a Village Savings and Loan Association (VSLA), but she still keeps some cash at home. As her business grows, she worries about security and the risk of losing her savings. Managing money is also becoming harder, and having cash makes it easier to spend unnecessarily. Seeing how her husband, Menase, uses his bank account safely, she's now considering whether a similar option could help her protect her savings and stay disciplined while working toward her financial goals.

»» What type of savings account can Leila opt for?

Financial Education



Matching goals to savings
products situation cards

Situation 2

Jonah has been thinking about his future with Elani, his girlfriend. He dreams of renting their own place one day and has started saving whenever he can. However, he worries that having easy access to his savings might tempt him to spend the money on other things before reaching his goal.

Jonah wants to find a way to grow his savings while keeping them safe from impulsive spending, even if it means he won't be able to access the funds easily for a while. He's also interested in earning some interest on his savings to help his money grow faster. Jonah is considering an option that could help him stay disciplined and ensure his savings keep increasing until he's ready to take this important step.

»» What type of savings account can Jonah opt for?

Financial Education



Matching goals to savings
products situation cards

Situation 3

Ana recently received a payment from the cooperative for her cocoa harvest. As she and Sione discussed how to manage the money, Ana reflected on what she had learned about handling finances wisely. She realized that keeping cash at home wasn't the safest option and often made it tempting to spend on things outside their plans, such as unnecessary household purchases.

During a recent meeting, the cooperative introduced a savings product from a commercial bank, explaining that Ana could use it to receive future payments directly. The account would help them store their money safely, reduce the urge to spend, and make it easier to track their earnings and save consistently.

Ana felt that opening this account was a smart step forward, giving them more security and control over their finances while staying on track with their savings goals.

»» What type of savings account can Ana opt for?

Financial Education



Matching goals to savings
products situation cards

Situation 4

Keni has been managing his shop's finances with cash and a personal account, but as the business grows, he realizes he needs a better solution. He wants to open a special account that will help him separate his shop's earnings from his family expenses, making it easier to track profits and manage payments. He is also thinking ahead—having the right account could help him build a financial profile, which might one day allow him to apply for a formal loan to expand his business.

»» What type of savings account can Keni opt for?

Financial Education



Tips

Each type of product has its advantages and disadvantages (for example, a different interest rate or the possibility to operate it online). To choose a savings product, you must not only know the characteristics of different products. You should also know yourself well by asking the following:

- **Your personal situation:** what is your income? Your expenses (including the repayment of a debt)? How much did you save? How much do you put aside when all is well? How much could you set aside by managing your money better?
- **Your goals:** for what purpose do you want to save? For emergencies? To study? To invest in your business or for creating a new business? For accommodation? For retirement?
- **Your horizon:** for how long do you want to save / block your money?
- **Your behaviour:** do you want to take risks or not? Don't go into risky investments if you are not familiar with financial markets!.



Beware of false advertisements!

Remember that no savings product can assure you high returns without risk, especially in a short time.

What questions to ask a financial institution before selecting your savings product:

- Can I make withdrawals when I want?
- What is the interest rate?
- Do I need to pay taxes on the interest rate? If so, how much?
- Can I access my account online?
- May I take out loans against my savings?
- Is the savings schedule flexible? (In other words, do you have to deposit certain amounts at a fixed date?)
- Is there a minimum deposit when I open the savings account or a minimum amount that should always be on the account?
- Will I be charged for making anticipated withdrawals? If yes, how much?
- How would people normally use this type of account?
- As a national from another country, can I open an account here? What documents do you ask for?



Key messages

- For every savings goal there is an appropriate savings product.



Important: Entering or calling a financial institution to ask these questions might make you afraid or anxious. Remember you can always ask a friend or a colleague to accompany you until you feel confident to go alone. Remember that you can sort out many doubts by checking their webpages.



Annexes and key documents

Characteristics to consider when choosing a savings method

Ease of access / flexible withdrawals:

This refers to how easy or difficult it is for a person to withdraw their savings. For example, how many withdrawals the account holder is permitted to make from his or her account each month, or whether the bank or financial institution has ATMs or branches in all parts of the country (making it easier for the holder to access his or her account).

Convenience and ease of use:

Customers like convenience and want to be able to make a withdrawal as quickly as possible. Some people, for example, want their bank to be open at times when they themselves are not at work.

Requirement for opening a savings account:

Many people think you need to be well-off to open a bank account. This is not always true. Some banks require only a very small deposit (or none at all) if you want to open a savings account. However, requirements might include national IDs, proof of residence and/or services paid by person that might not be easy to comply with for many people. Opening bank accounts online have simplified this process a lot.

Safety:

When people choose to keep their money at home, there is a danger of it being stolen or lost. Some State-regulated financial institutions provide guarantees for small savers. In other words, if they go bankrupt, you will not lose your savings.

Interest rate and tax advantages:

When you save with a formal (or semi-formal) institution, you are rewarded for depositing your money with the institution concerned. The reward, or interest, is generally a percentage of the amount you have deposited. There may also be tax advantages in saving with formal institutions.

Cost of savings (fees):

Formal institutions may charge you for making transfers, withdrawing money from ATMs, etc. In need of quick access to money, it would be better to have a saving method that allows access to your money with a reasonable delay.

Liquidity:

Can you withdraw your savings from your account? How and on what terms? If you need money urgently, the method of saving you have chosen must allow you to withdraw all your money within a reasonable period of time. In the case of savings in kind (a property or livestock, for example), you may have to wait days or months before you can sell your asset and get your hands on the cash.

Online access:

To which extent you can use these services using electronic devices such as computers, tablets or phone. For some people the idea of handling their savings completely online is very important to not depend on opening times or filling paperwork to make transactions.

Purpose and goals of your savings strategy:

Depending on your reason for saving, some methods will suit you better than others (e.g. to save for a house or apartment, where large sums are involved, a formal method will be more appropriate than a tontine scheme or keeping your money under the mattress).

Customer service:

Many people base their choice on customer service, which is why they appreciate when institutions offer a service that allows them to communicate with a customer service agent to resolve their doubts or problems. Some institutions only have customer service via chat or email, others also offer telephone contact or even face-to-face contact at a branch.



Answers to exercises

Answers to: Advantages and disadvantages of the different savings methods (C1)

Savings method	Advantages	Disadvantages
Formal • Banks • The Post Office • Registered microfinance institutions • Registered savings and credit cooperatives • Insurance companies (for long-term savings products such as life insurance) • Mobile wallets • Fintechs • Apps	• The safest option. • Privacy (no one except the holder of the savings product knows how much is in the account). • Less temptation to withdraw money (easier to refuse requests) • You may receive interest. • You can access other financial products (current accounts, retirement savings accounts, loans, etc.). • A better way of managing your money (savings account statements). • Speeds up the payment of bills. • When the bank operates internet, mobile banking services or online savings accounts, you can check your balance and manage your savings 24 hours a day. • Many banks operate through Bank Agents that make their services much more accessible. • Digital providers also allow you to check your balance and manage your savings 24 hours a day.	• Not easily available for low income and illiterate people. • Might require IDs or proof of residence not easily available. • Bank employees are often sales personnel aiming to sell products, so they may put the interest of the bank first rather than the clients. • Remuneration rates vary from product to product. It can be very low. • Some products might have minimum deposit required for opening an account that may act as a barrier. • You may have to pay account charges. • A waste of time queuing at the bank. • The different products and charges are complex; fear of making a mistake. • Restricted opening hours (closed evenings and during weekends). • The effects of economic or political instability: financial crises, currency devaluations, blocking of withdrawals, impossibility of getting money out of the country (exchange controls). • Bank agents may have no sufficient funds to serve you.
Semi-formal • Savings groups • Self-help groups	• Easy access. • The fact that you are saving often means you can get a loan. • You can earn interest on loans made with savings.	• Few guarantees. • You cannot be sure of earning interest on your savings.

Savings method	Advantages	Disadvantages
Semi-formal • Village banks • Village Savings and Loan Associations (VSLAs) • Unregistered microfinance institutions • Unregistered savings and credit cooperatives • Unregistered loan institutions	• The savings group rules about the frequency and number of deposits encourage saving. • Discipline. • Makes for solidarity and strengthens social bonds among members	• Limited or no access to loans. • Being able to save or withdraw money is subject to the approval of the members. • Danger that a member will not abide by the rules (e.g., someone might disappear after receiving money from the group). • Depending on the degree of formalization, it may not be possible to appeal to the police if there is a problem. • Danger of the death of a member of the savings group. • You need to be part of a network in order to join a savings group. • Savings groups run a higher risk of failing (no management supervision by the authorities).
Informal • At home (in cash, in a safe or money box. • In kind (gold, jewelry, livestock, land, property, etc.) • Entrusting money to a friend, relative or trader	• Easy access. • The asset you have acquired may increase in value. • You have to sell your asset to get your money back (subject to the law of the market). • The friend, relative or trader is always available. • There are other advantages to saving in kind: production or sale of milk (in the case of cattle), jewelry can be worn for important events. • If you save in kind (livestock, property) you may be able to earn money (sale of meat/ milk, rent...).	• Not secure: value may fall over the years, risk of theft, sickness or death (in the case of livestock). • There may be a strong temptation to spend (if you keep money in the home). • Difficult to liquidate in case of emergency (selling an asset takes time). • Cost associated with savings in kind: food and veterinary costs for livestock, repairs to property.

Answer to: Savings products comparative table using fictional brochures (C2)

	Regular/ passbook savings	Business Account	Time deposit
Can everyone open this account? Is it possible to open it if you are an informal business owner?	Yes, anyone over the age of 18 with a valid ID and proof of residence can open this account. You will also need two references and complete some forms.	Yes, anyone over the age of 18 with a valid ID and proof of residence can open this account. You will also need references and a minimum deposit of SBD 100.	Yes, anyone over the age of 18 with a valid ID and proof of residence can open this account. You will also need proof of the source of funds.
Is there a minimum deposit when you open the account or whenever you want to pay money in?	Yes, there is a minimum deposit of SBD 20.	Yes, there is a minimum deposit requirement of SBD 100 to open the account.	Yes, there is a minimum deposit requirement of SBD 2,000 to open the account.
Can you make withdrawals at any time?	Yes, but no information about fees.	Yes, at no cost using their ATMs. For other bank ATMs, a nominal fee may apply.	No, withdrawals are restricted until the account reaches maturity. Early withdrawals are allowed but will incur penalties.
What is the interest rate?	Up to 4% p.a.	Up to 5% p.a.	Interest rates as of 6%.
Can you borrow money if you open a savings account?	The brochure does not mention any borrowing or loan options for this account.	Yes, after 6 months of account activity, you may qualify for business loans designed to support growth.	Yes, by establishing a savings history with this account, you may become eligible for special credit options in the future.
Is the timetable for making deposits flexible? (In other words, are you obliged to pay in a certain amount on a fixed date or can you make payments whenever you please?)	Flexible.	Flexible.	No, the deposit timetable is not flexible. Only the initial deposit is allowed, and no additional deposits can be made until the account matures.
Do you have to pay charges if you make an early withdrawal? If so, how much?	No.	No.	Yes, early withdrawals incur penalties. The specific amount or percentage of the penalty is not detailed in the brochure.
What are the customer service hours?	Customer service hours are not specified, but the account can be managed anytime through the mobile app.	Dedicated business support is available through the Business Account Hotline during business hours, though the exact hours aren't specified.	Customer service hours are not mentioned in the brochure.
What do you use it for?	This account is designed for secure, flexible savings with easy access to funds. It is ideal for keeping money accessible, managing transactions through the mobile app, and growing savings with a competitive interest rate.	This account is designed for business transactions, managing vendor payments, accepting digital payments, and accessing digital tools for financial planning and credit opportunities.	This account is ideal for medium and long-term savings goals, planned future investments, or large upcoming expenses. It offers a secure way to earn high, fixed interest on savings over a set period, helping users avoid unnecessary spending by restricting access to funds until the account matures.

Answer to: Matching goals to savings products situation cards (Training aid C.2.2)

Answers Situation 1

Leila should consider opening a **regular savings account**, which will allow her to keep her money secure, save in small amounts, and access funds when needed. To make the best choice, she should explore different financial institutions to understand their requirements and find the option that best suits her needs.



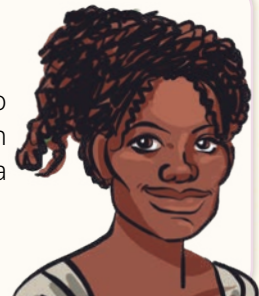
Answers Situation 2

Jonah should consider opening a **time deposit savings account** at the bank to ensure that the money he's saving for renting a house with Elani isn't easily accessible for other expenses. This way, he won't be tempted to spend it, and he'll also benefit from earning a higher interest rate on his savings.



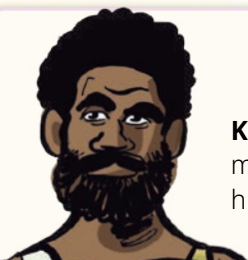
Answers Situation 3

Ana should try to open a **regular savings account**. She will be able to keep her cash safe, save small amounts and withdraw the money when she needs it. There are financial institutions that might allow Ana to open a bank account, like the cooperative explained to her.



Answers Situation 4

Ken should consider opening a **business account**. This will allow him to manage his business finances more efficiently. It will also help him to build his records with a formal financial institution to eventually ask for a loan.



D



► Use credit products wisely



D1. What do you think is the best way to finance a project?

- ☐ a. Borrow money.
- ☐ b. Use your savings.
- ☐ c. Borrow money and use your savings.
- ☐ d. Analyse your needs and resources and choose the best option accordingly.

D2. What is most important when choosing a loan?

- ☐ a. The interest rate.
- ☐ b. Refund conditions.
- ☐ c. No criteria is more important than others, we must study them all and choose the loan and the lender which correspond to our needs and our personal situation.
- ☐ d. The lender's geographic proximity.

D3. What is the term that does not belong to credit terms?

- ☐ a. The interest rate.
- ☐ b. Bail.
- ☐ c. Budget.
- ☐ d. Penalties.

Answers: D1:d; D2:c; D3:c.

1. Choose a method to finance your projects

Having studied various savings options in the previous module, we are now going to compare the different possible ways of raising money to achieve our financial goals and finance our projects.



Training aid D1.1

Stories of financing



Leila

Stories of financing

After months of careful planning, Leila finally decided it was time to take her family on a trip to Honiara. She had been saving diligently, and now she had enough savings to cover the travel costs for herself, Menase, and their children. It would be the first time Solomon and Alisi visited the capital, making the trip even more special. Leila knew that this **would use up a big part of their savings**, but since it was part of their plan, she felt confident in the decision. Most importantly, she didn't need to take out a loan or borrow money, allowing her to enjoy the experience without financial stress.

Financial Education



Jonah

Stories of financing

Jonah has been thinking about how to expand his stall at Kukum Market by adding more products, such as packaged snacks and fruits, to attract more customers. However, a few months ago, he had a similar idea, spent more than usual, but sales were not as good as he expected. In the end, he had to borrow money. This time, he wants to be more cautious, so he decides **to sell his father's old motorbike**, which has been parked unused for some time. He hesitates at first, as the motorbike holds sentimental value and was once useful for his father's deliveries.

Despite his doubts, Jonah chooses to sell it, believing that using the money to grow his business is the best decision for his future. With the additional stock, he hopes to increase his earnings and move one step closer to his dream of opening a small shop in Honiara.

Financial Education



Ana

Stories of financing

With the new school year approaching, Ana realizes that her children—Mateo, Lita, and Vika—all need new shoes. Their old pairs are worn out and too small. Ana feels ashamed at the thought of sending them to school on the first day without proper shoes, especially after the long summer break.

However, with the cocoa season just starting, Ana and Sione are short on cash, and their savings have run out. Desperate to ensure her children are ready for school, Ana decides to **borrow from an informal lender**, knowing that the interest will be high. She plans to repay the loan quickly as soon as she receives payment from their first cocoa harvest of the season, hoping to avoid falling into further debt.

Financial Education

Stories of financing



Keni

Keni has been a loyal client of his financial institution for some time, and now he qualifies for a loan with favorable terms. After carefully reviewing his numbers, he sees a clear opportunity: adding a fridge to his shop to sell cold drinks. With the steady demand from customers, he is confident that the increased sales will cover the loan repayments, including interest. Confident in his plan, he decides to apply for **a formal loan**, knowing it means committing to a repayment schedule. However, Keni believes this investment will drive his business growth and secure more income for his family.

Financial Education

There are generally four ways in which people raise money to fund a project:

- 1** Sell an asset, like Jonah.
- 2** Use personal savings, like Leila.
- 3** Borrowing money from informal sources of credit, like Ana.
- 4** Borrowing from a financial institution such as a bank, microfinance institutions, VSLAs or registered savings and credit cooperatives, like Keni.

At the end of this module, in the Section Answers to exercises you will find Training aid D.1.3, as a table describing the advantages and disadvantages of each financing method.

Training aid D1.2

The story of two businesses

Jonah

You are Jonah, and you run a betel nut stall at Kukum Market in Honiara. Today, you're meeting your friend Petero, who also owns a business at the market, to discuss how each of you has managed to finance and grow your businesses.

This is how you have funded and expanded your business: You started with the stall your father left you, along with SBD 800 in savings that you had built up from working with him after school. With this, you repaired the stall and bought your first batch of betel nuts, lime, and leaves, spending around SBD 500 on stock and SBD 100 on a second-hand scale.

Since then, your approach has been to grow slowly through savings. You make sure to save at least SBD 100 a month from your earnings in your BSP MyCash digital wallet, keeping it separate from your daily spending. Every few months, when your savings build up, you reinvest by adding new products—like packaged snacks and bottled water—or buying stock in bulk to save on costs.

Recently, you've been thinking about renting a small shop on a commercial street, but the cost is high. To reach that goal, you've increased your monthly savings to SBD 150, hoping to save enough within the next year and a half to cover the deposit and initial stock without needing a loan. You know this approach means your growth is slow, but it also keeps you debt-free and secure, even when sales are down.



Petero

You are Petero, Jonah's friend, and you also run a stall at Kukum Market, but your business is much larger. Today, you're meeting Jonah to talk about how you've financed and expanded your operations.

This is how you've funded and expanded your business: You started with SBD 500 from your savings, but from the start, you believed in growing fast through loans. Early on, you borrowed SBD 1,500 from a microfinance institution to buy a larger variety of stock—betel nuts, fruits, and packaged goods—and to build a bigger stall with a canopy and shelves.

As your sales grew, you decided to take another loan of SBD 2,000 to rent a small lock-up shop near the market, which helped you attract more customers and expand your inventory to include cold drinks. However, the monthly loan repayments of SBD 250 are high, and it leaves you with less money for savings. You manage to save about SBD 50 a month, but most of your profits go toward repaying the loans.

Recently, you were offered a bulk discount on imported snacks, which could greatly increase your profits. Without enough savings, you decided to borrow SBD 800 from your uncle, hoping to repay him quickly from the extra sales. However, you know that carrying so much debt is risky—especially if sales drop or something unexpected happens.

Questions

- How did Jonah and Petero expand their business?
- Which of the two businessmen is more likely to succeed? Why?
- Which person takes most risks?
- What advice would you give to Jonah and Petero?

Important: Having a lot of financial commitments can generate stress and affect your mental health. If you feel overwhelmed do not hesitate to ask for help.

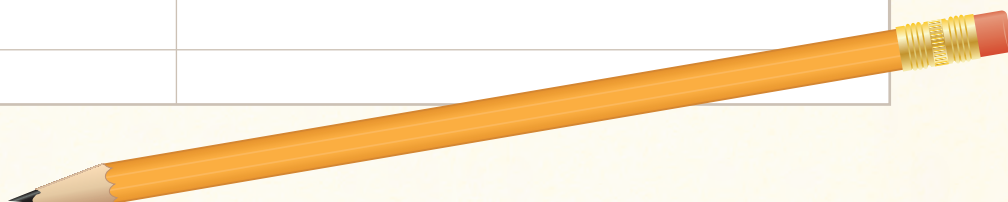




Your turn!

Looking at my goals and budget, I think the best option to finance my goals is:

My goals	Best financing option



Key messages

- There are several options to finance your goals.
- Each option has pros and cons. It is important to understand and review them carefully to select the option that matches the best your needs and your personal situations.
- You can also combine several financing options (borrowing and savings).
- Talk about the financing options to your family, in particular the members of your family who are involved in your goals (spouse, parents, children, siblings...).

2. Select your credit wisely!

There are several sources of credit. Some, such as banks, microfinance institutions or specialized loan companies, are part of the formal economy and lay down specific terms for any person or institution wishing to contract a loan. Some try to make it easier to get a loan, even for poorer people. Others require that you be part of a group, such as a tontine, or that you already have some money saved up.



Definition

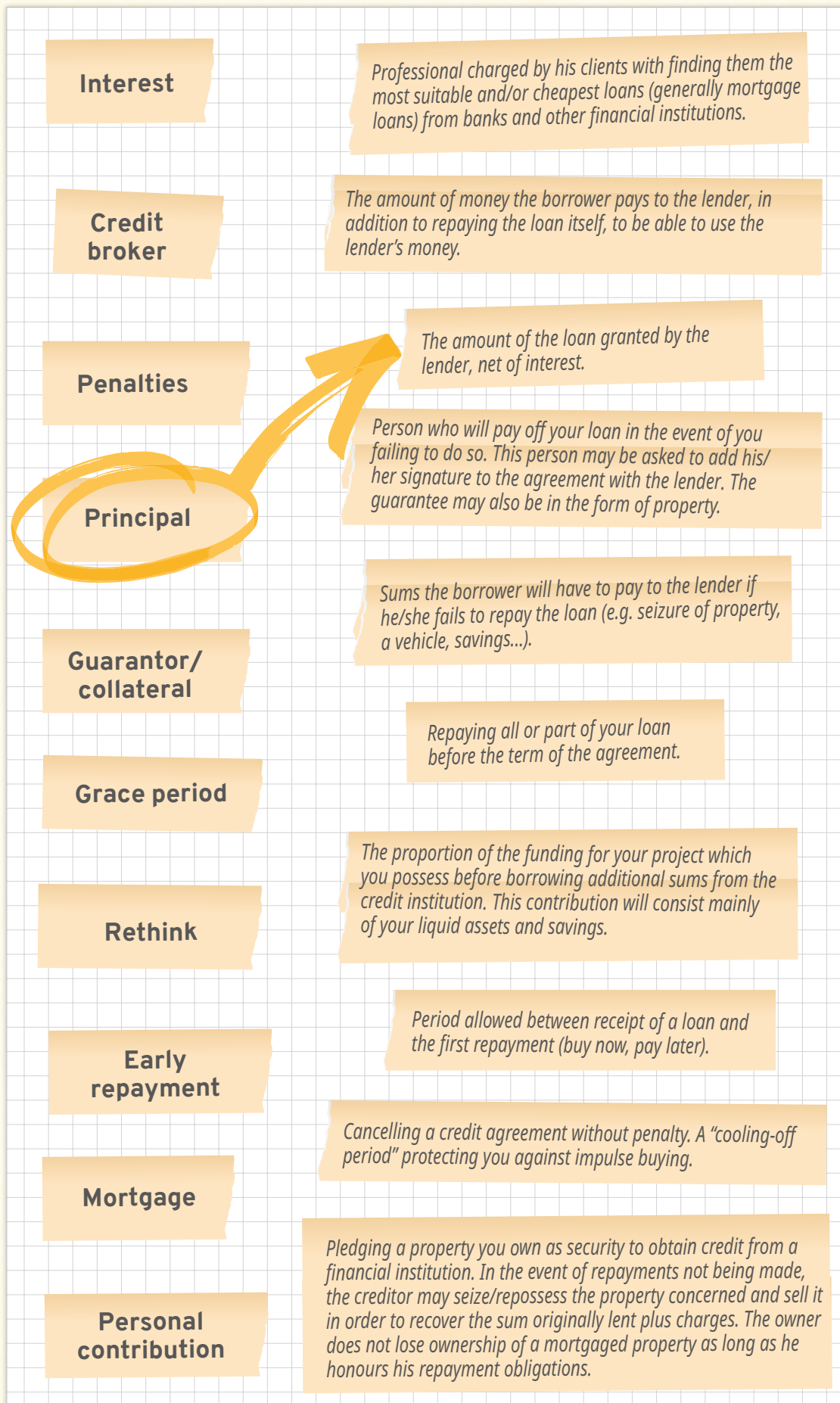
Loan: The act of giving money, property or other material goods to another party in exchange for future repayment of the principal amount along with interest or other finance charges.

Credit: A contractual agreement in which a borrower receives something of value now and agrees to repay the lender at some date in the future, generally with interest.

Training aid D2.1

Terms and definitions associated with credit/loans

Match each term credit with its definition. Do not worry if you are not that sure. At the end of the module in the section **Answers to exercises**, you will find the right answers.

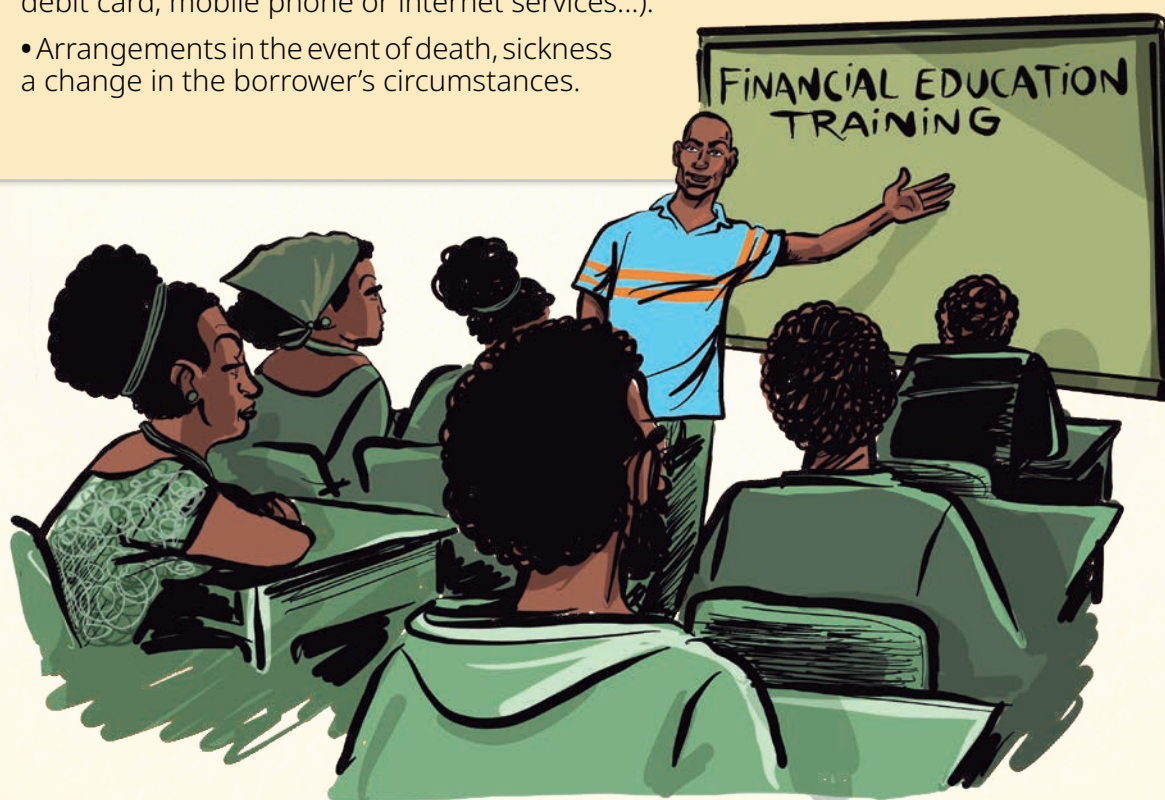


Questions

- In your opinion, what shall you analyse when selecting a lender?

Important features to consider when selecting a lender:

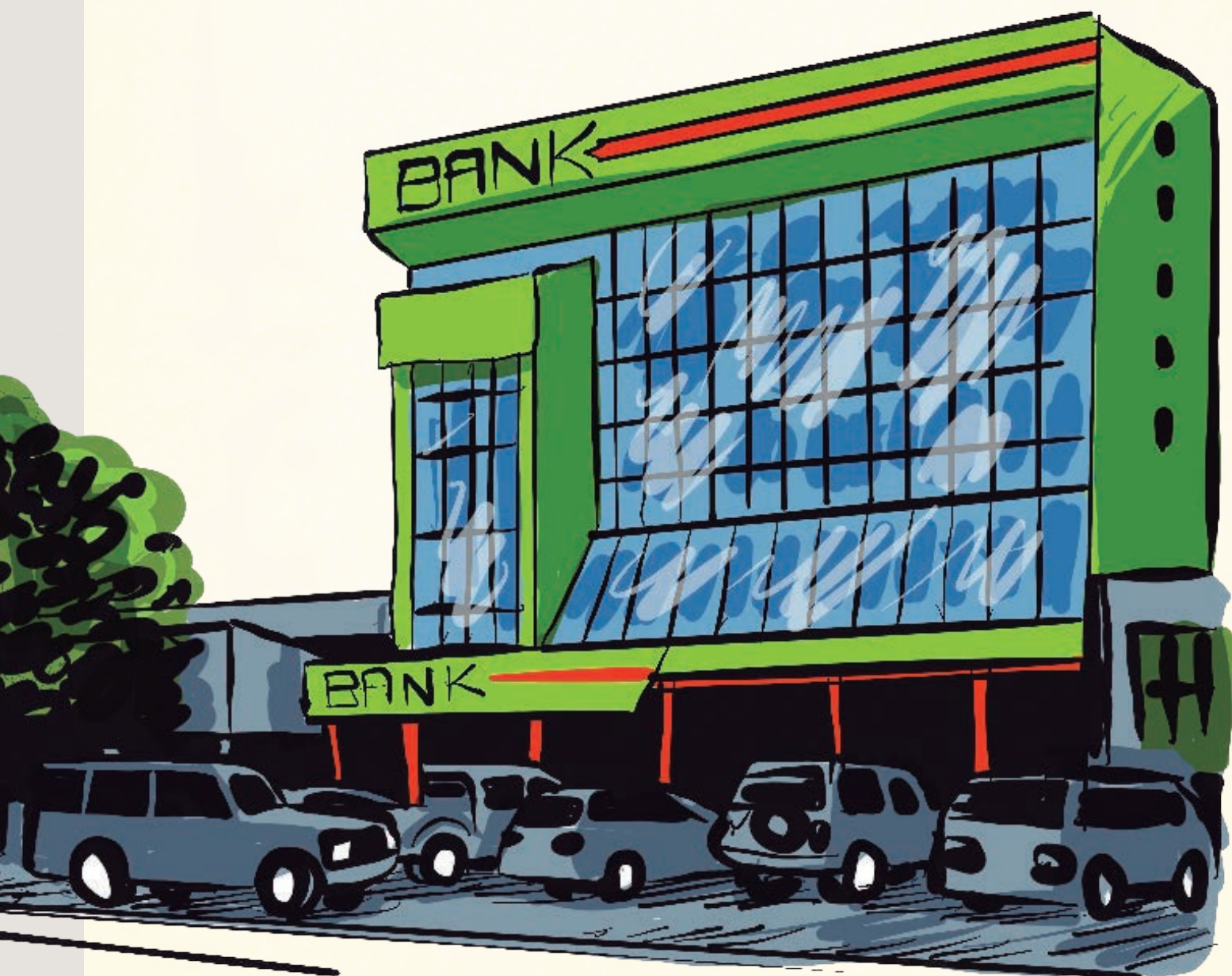
- Interest rate (fixed or variable).
- Annual Percentage Rate (APR), the true cost of taking the loan (including administrative charges, compulsory insurance).
- The amount you can borrow.
- How easy it is to get the loan (e.g., how much you must have saved before a loan can be granted, the amount of the guarantee...)
- Requirements (papers I need to present, chances they would give me a credit).
- How quickly you get the money.
- Penalties in the event of late repayment.
- Distance from my home.
- Online services.
- Methods of debt collection in the event of late payment (legal, intimidation, threats...).
- Grace period.
- Obligation to use the loan for a particular purpose (housing, productive investment...).
- Possibility of extending the term or being given a grace period.
- Possibility of accessing other financial services: current account, money transfer, debit card, mobile phone or internet services...).
- Arrangements in the event of death, sickness a change in the borrower's circumstances.





Key messages

- To use credit products successfully, you need to understand well the credit terminology.
- The borrower is responsible for repaying the loan according to the repayment schedule.
- Taking out a loan is a serious matter. Don't take it lightly.
- The rich man is the one who pays his debts (proverb)!
- To choose a loan and a lender wisely, you first need to know what products are available and who the lenders are, by gathering as much information as possible. With that information, you will be able to choose the product best suited to your needs.
- Which lender you choose will depend on the nature of your project, i.e., the goal you wish to achieve by taking out a loan.



3. Calculate the cost of your credit

Repayment capacity

Suppose after thinking well, you decided to take a loan to finance your project. Congratulations! You know how much you need, and you feel ready to go and see the financial institutions to find the right product for you. Before you go to see them, you will need to take the time to calculate your ability to repay a credit.

Let's focus on personal loans. According to the laws in force in many countries, a person cannot repay beyond a percentage of his/her monthly income. Depending on the country, this varies between 30 and 40% of the monthly income. If we exceed this percentage, there is a high risk of over-indebtedness. Moreover, a financial institution giving credit to a person who will have to pay back more than the percentage of his authorized income can be sued.



But beware! This is the maximum percentage tolerated, it is not the advised percentage which is rather of 30%.

As an example, we are going to calculate Elani's personal repayment capacity.

Case study N° 1

Elani's repayment capacity

After participating in a financial education training, Elani became more organized with her finances. She also realized that if they want to apply for a formal loan, the best approach would be to use her payslip, as her stable job at the Honiara Post Office would help them secure better loan terms.

Elani earns a fixed income of 6,000 SBD per month from her job. She and Jonah have been considering taking out a loan to buy a new motorbike, which would primarily help Elani get to work more easily but could also support Jonah's stall for deliveries and sourcing products. Before making a decision, they want to carefully assess Elani's repayment capacity to ensure they can manage the loan without straining their finances.

Monthly income: SBD 6,000

Monthly capacity to make repayments: 30% of monthly income > SBD 1,800.

On the basis of this calculation, then, she may not undertake to repay more than SBD 1,800 per month (on all the loans she may have contracted).

Personal capacity

Now, over to you! Calculate your own capacity to repay a loan.

Monthly income:

100%

Monthly capacity to make repayments:

30% of monthly income

Important: Borrowing money that take into account your repayment capacity will help putting your mind at ease.

Training aid D3.1

Calculating the cost of Elani's loan

They have calculated that Elani will need SBD 20,000 to buy the motorbike. They found the following financial products designed specifically for their needs. They are trying to work out which is the least expensive of the offers..

Name of product	Local bank	Microfinance institution	Digital loan
Annual Percentage Rate (APR)	13%	24%	40%
Term of the loan (months)	18	24	12
Amount repayable each month (monthly instalments)	SBD 1,228.95	SBD 998.48	SBD 2,049.43
Total amount repayable (Term of a loan x monthly instalment)	SBD 1,228.95 x 18 = SBD 22,121.13		
Real cost of loan (Total amount repayable minus amount of capital requested by Elani)	SBD 22,121.13 – SBD 20,000 = SBD 2,121.13		

1. What is the real cost of the loan offered by MICROFINANCE INSTITUTION?

2. And the real cost of the loan offered by DIGITAL LOAN?

3. Which, then, is the least expensive loan Elani is being offered?

 **Warning!** The cheapest loan may not necessarily be the best option for Elani's needs.

For instance, a loan with a lower overall cost might require monthly installments that exceed her repayment capacity.



Training aid D3.2

Brochures advertising loans

Option 1 – Local bank





THE BEST PERSONAL LOAN
FOR YOUR DIFFERENT NEEDS

USE OUR LOAN FOR YOUR
OBJECTIVES

THE MOST RELIABLE CREDIT
SOURCE IN SOLOMON ISLANDS

LOAN CALCULATOR

- **Amount:** SBD 20,000
- **APR:** 13%
- **Term of the loan:** 18 months
- **Monthly repayments:** SBD 1,228.95
- **Maximum amount of loan for employees with official payslip:** SBD 50,000.
- **Approval Time:** within 5 working days for bank customers

CONDITIONS

- One (1) valid government-issued photo ID
- At least 21 years old at the time of application but not more than 65 years old upon loan maturity
- For this personal loan, the repayment capacity will be assessed based on the applicant's salary slips.

VISIT OUR BRANCH AND LET ONE
OF OUR CUSTOMER SERVICE
AGENTS GUIDE YOU THROUGH
THE PROCESS.


BANK

Option 2 – MFI

YOUR PARTNER TO ACHIEVE YOUR OBJECTIVES.

LOAN CALCULATOR

- **Amount:** SBD 20,000
- **APR:** 24%
- **Term of the loan:** 24 months
- **Monthly repayments:** SBD 998.48
- **Maximum amount of loan:**
SBD 20,000

- 48 hours approval when presenting your payslip.
- Directly credited on your bank account or cash in hand.

YOU CHOOSE WHAT IS EASIER FOR YOU!

Enjoy the longest repayment period on the market.

VISIT US AND
FIND THE
BEST LOAN
FOR YOU.



THE RIGHT
AND EASIEST
LOAN FOR YOU



✉ mfi@gmail.com

🌐 www.mfi.com

Option 3 – Digital loan

HOME
SERVICES
ABOUT
CONTACT
SIGN IN

DIGITAL LOAN

THE BEST E-WALLET NOW OFFERS YOU THE FASTEST LOAN GET YOUR MONEY IN SECONDS!

Apply online to our loan and receive your money in minutes.
The newest and fastest way to access credit has arrived in the Solomon Islands!
Apply through our website or app.

LOAN CALCULATOR

Loan amount:	SBD 20,000
APR:	40%
Term of the loan:	12 months
Monthly repayments:	SBD 2,049.43
Maximum amount of loan	25,000 SBD

Immediate access to your approved loan if you are already our client.
If you are not yet our client, become one in seconds!

[24/7 customer service through our customer service chat.](#)

CONDITIONS

Only available for our digital wallet clients

Training aid D3.3

Table summarizing the arguments that influenced the character in choosing a lender and a loan

Factors	Local bank	Microfinance institution	Digital loan
APR / cost of the loan			
Term of the loan			
Ease of accessing a loan / conditions			
The amount he/she can borrow			
Repayment frequency			
Support and availability of non-financial services			

Your turn!!

Looking at my goals, my budget, and my repayment capacity, do I need a credit product?

☐ Yes ☐ No

If yes, for what goal?

What amount?

Now, look for information at financial institutions around you and fill in Elani's table, but for the goal you have decided you need a credit.

Warning! To be able to compare credit products, you need to ask how much the loan will cost you overall (that is, how much you will pay back in addition to the amount that you borrowed). This includes the interest rate on the capital borrowed, but also the administrative costs, insurance, other services offered. Like Elani, beware of low interest rates, which over a long period of time can actually be very expensive!.

Provider			
Annual Percentage Rate (APR)			
Term of the loan			
Amount repayable each month (monthly instalments)			
Total amount repayable (term of a loan x monthly instalment)			
Real cost of loan (Total amount repayable minus amount of capital			

The best product for my needs is



Business loans:

Questions to ask myself before taking my business loans

Question	Suggestions
1. Is this loan necessary for my business?	Borrowing can be an attractive option if it enables you to take advantage of a time-sensitive opportunity and/or it generates additional revenue that more than covers the cost of the loan. However, if your business already carries a lot of debt or if you lack collateral or a credit history, you may not be able to access a loan.
2. Why is my cash-flow important?	Your cash flow plan will help you determine how much money your business will need, why the money is needed and when it can be paid back.
3. How do I qualify for a loan?	To qualify for a loan from a financial institution, you have to first show the loan officers that your current business is doing well. You can do this by showing them the records of your previous sales, costs and profits. Then, you have to show the loan officers the purpose of the loan. Your plans for the following year should make it clear why your business will need to borrow the money. The loan officers will also want to see how the business will be able to make enough profit to pay back the loan. Your plans should provide them with that information.
4. How do I know if the conditions are good for me?	You should never accept a loan at a price that your business cannot afford, or with conditions that your business cannot comply with. The stronger your business becomes, and the more clearly you can document its capacity to operate profitably in the future, the easier it will be to access a loan and to negotiate its terms. You can increase your bargaining power by remaining loyal to a financial institution over a period of time.
5. What about repayments? How do I estimate this?	It is important to repay your loan when installments are due. Late payments will hurt your company's credit rating, which may make it difficult to borrow in the future. The cash to make the monthly loan payments should be generated from the business itself. If repayment of the loan must come from another source, the business would be getting deeper in debt, which would be a major concern. To ensure that your business can repay the loan when instalments are due, remember to include the instalment amount in your cash flow plan. Do not inflate your sales projections or the amount of loan requested in an attempt to ensure that you get the amount you need. This can lead to larger loan payments than your business has the capacity to repay.



Key messages

- In order to use well a credit product, you should understand well all the credit terms.
- Borrowing comes with the responsibility to repay, and to repay on time.
- Borrowing is a serious business. Do not take it lightly!
- In order to select your credit product, you need to know the different products, gathering information on the characteristics of each of them. With the information, you will be able to select the credit product that is the most adapted to your needs.
- Remember not all loans are the same. There are business loans, personal loans, student loans and others. Make sure to get the loan that fits your needs.



4 • Watch out! Do not get over-indebted!

Training aid D4.1

A tale of over-indebtedness

Part 1

Ana and Sione are having dinner with his parents, Tevita and Suliana. They are discussing their finances because Ana and Sione feel Tevita is increasingly asking for more and more money.

Suliana Tevita, I think it's time you ask the farmers' association for a loan.

Sione What do you mean mother? Those loans are only for productive reasons. Why would Tevita borrow money from them?

Tevita I know it is for productive reasons son but I think your mother is right. I could really use the extra cash right now. Things have been tight, and this could help us out.

Ana Sorry to jump in. But why are things so tight? We are paying for most of the expenses, what would you need the money for Tevita?

Tevita Look, I might owe our neighbour some money... and another friend too. I need to pay them back before it gets worse.

Sione Father, this is too much. You're already in debt, and now you're thinking of a loan from the association? This is no way to handle things.



Part 2

There's a loud knock on the door. Ana quickly peeks through the window and sees the neighbour waiting outside angrily.

Ana Sione, Tevita...it is the neighbour. He looks super angry. Why is he here?

Tevita Everyone, stay quiet. He might think we're not home, maybe he'll go away.

Sione What? What did you tell him? We cannot lie like this, we are not like that father and you know it.

Tevita Shh! I promised to pay him back today—at least part of what I owe. But I couldn't come up with enough cash. I just need a little more time... maybe we can sort something out by next week.

Ana This is too much, Tevita. We can't keep hiding like this. You need to face this, or it'll just keep getting worse.

Tevita I know, I know. I'll find a way to pay him back. Just... stay quiet, please.

Questions

- What is Tevita doing?
- Why is he borrowing from several lenders?
- What do you think will happen to Tevita?

Definition

Over-indebtedness is when it is impossible for a person to cope with/service their personal debts, including bank loans (while maintaining decent living conditions for themselves and their family).

Important:

You may feel ashamed about being over-indebted and this can affect your relationship with family and friends. Don't isolate and talk about your problems with people you trust.

Tips to stay away from over-indebtedness

- Only borrow the amount of money that you can manage to pay back. Be careful with easily accessible digital loans that might tempt you to borrow more than you can repay.
- Calculate your debt-to-income ratio. Calculate your total monthly income and the monthly payments you have to make to pay back your loans (monthly debt obligations). Compare these two figures and calculate the ratio. Usually, if your repayments reach 30 per cent of your monthly income, you should not take an additional loan. You can use many digital tools available for this.
- If you can't make the loan repayment on time, be honest with your lender and explain the reasons for such challenge.
- Listen to the advice of your lender, friends and family on how to pay back your loan.
- Reduce some of your daily life expenses in order to pay off the debt.
- Always keep some emergency savings so that you can cope with emergencies without affecting your loan repayments.
- **Take action!** Go and see your account manager at the financial institution. Do not wait until it is too late to ask for assistance.



Training aid D4.2

Consequences of over-indebtedness

Consequences of over-indebtedness

Card 1



You are close friends of Tevita, who has borrowed money from many of you but is now avoiding calls and failing to repay his debts. You're all concerned about his financial situation and want to discuss how to approach him about the issue.

Prepare a short role play in which you discuss the situation and decide what to do about him.

Financial Education

Consequences of over-indebtedness

Card 2



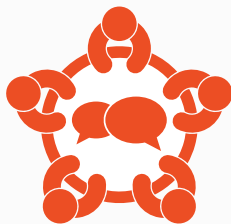
You are members of village association, and Tevita has borrowed money from the group but is now avoiding repayment and doesn't attend meetings anymore. You're all concerned about how this affects the group's funds and trust among members.

Prepare a short role play in which you discuss the situation and decide what to do about him.

Financial Education

Consequences of over-indebtedness

Card 3



You are Tevita's close family. He has borrowed money from many of you and has not repaid anything until now. You're all concerned about his financial situation and want to discuss how to approach him about the issue

Prepare a short role play in which you discuss the situation and decide what to do about him.

Financial Education

Your turn!

Are you over-indebted?

Are your monthly debt obligations over 30 per cent of your monthly income?

☐ Yes ☐ No

Do you use your loans more and more to cover your daily living expenses?

☐ Yes ☐ No

Do you ask more and more frequently for a delay to pay for recurrent expenses (rent, electricity bills...)?

☐ Yes ☐ No

Do you often take revolving credits (renewable credit)?

☐ Yes ☐ No

Some solutions

If you are already over-indebted, here are the solutions that can be offered by your credit institution:

- Reschedule the debt, i.e. reduce the amount repaid each month and lengthen the term of the loan.
- Interrupt payments for a given period.
- Sell an asset to pay off your most expensive debts (i.e., those that charge the highest rate of interest).

Do not hesitate to inquire about your credit institution's mediation services!



Key messages

- Repaying is a decision that shall be taken when you decide to borrow.
- Avoid borrowing to repay a loan!
- Money from a credit is not yours!

Annexes and key documents

Questions to ask a potential lender

- What types of loan do you offer? What sorts of project are funded by these loans (house purchase, business start-up, buying a car...)?
- What is the interest rate?
- What fees and charges are charged?
- What is the APR (i.e., true cost of the loan, including fees)?
- Do I have to provide guarantees to be granted a loan? If so, what guarantees?
- How much do I have to contribute, if anything?
- What is the frequency of the interest payments?
- When does each repayment have to be made? (Beginning of the month...)
- What penalties are levied in the event of late payment?
- Where do the repayments have to be made?
- How long does it take to be granted a loan and get the money?
- How many times will I have to come here to finalize the loan application?
- What documentation do I need to present to the lender to be granted a loan?
- Do I have to pay the remaining interest if I pay off the loan before term?
- Are there compulsory or optional insurance arrangements if I take out this loan? If so, how much do they cost and what are they for?
- How far away is the office where I need to make the payments from my place of residence/business?
- Do I need to attend meetings in order to get my credit?
- How long are these meetings?
- Do you check if I have other loans with other institutions?

Answers to exercises

Answers to: Advantages and disadvantages of the different ways of raising money (Training aid D.1.3)

Advantages and disadvantages of different ways of raising money

	Advantages	Disadvantages
Sale of assets/ property	• Avoid debt and related costs. • You use only your own resources. • More freedom to make decisions about your investment.	• Risk of the asset losing value. • If it is a productive asset, the family may incur additional costs or have to spend more from day to day. • The sale value may be much lower than the purchase value.
Savings	• Fast access. • No interest to pay. • More freedom to make decisions about your investment. • Less risk in investing if you are self-funded, as you have access to less money in one go. • No need to make future loan repayments. • Avoid conditionalities and/or requirements.	• You deplete your savings. • The money has to be saved over a long period, so will probably not cover all your needs. • Risk: you should not draw on your emergency funds, even if you are using your own resources. • You may lack financial resources in an emergency. • Not possible to react to certain business opportunities.
Borrowing from an informal lender (family, shopkeeper, friends, providers)	• Fast. • A local transaction. • No implementation procedure. • If from the family, possibly interest-free and with flexible repayment.	• Usually very expensive (except family or friends). • Risky: if you fail to repay, the lender may adopt "heavy" methods, including intimidation. • No legal protection in case of abuse by the lender. • Easy to get into debt. • You might not get hold of all the money you need. • In the case of the family, we can lose relationships by not paying.

Advantages and disadvantages of different ways of raising money

Borrowing from a financial institution (bank, microfinance institution or SACCO (Savings and Credit Cooperative Organisation))

Advantages

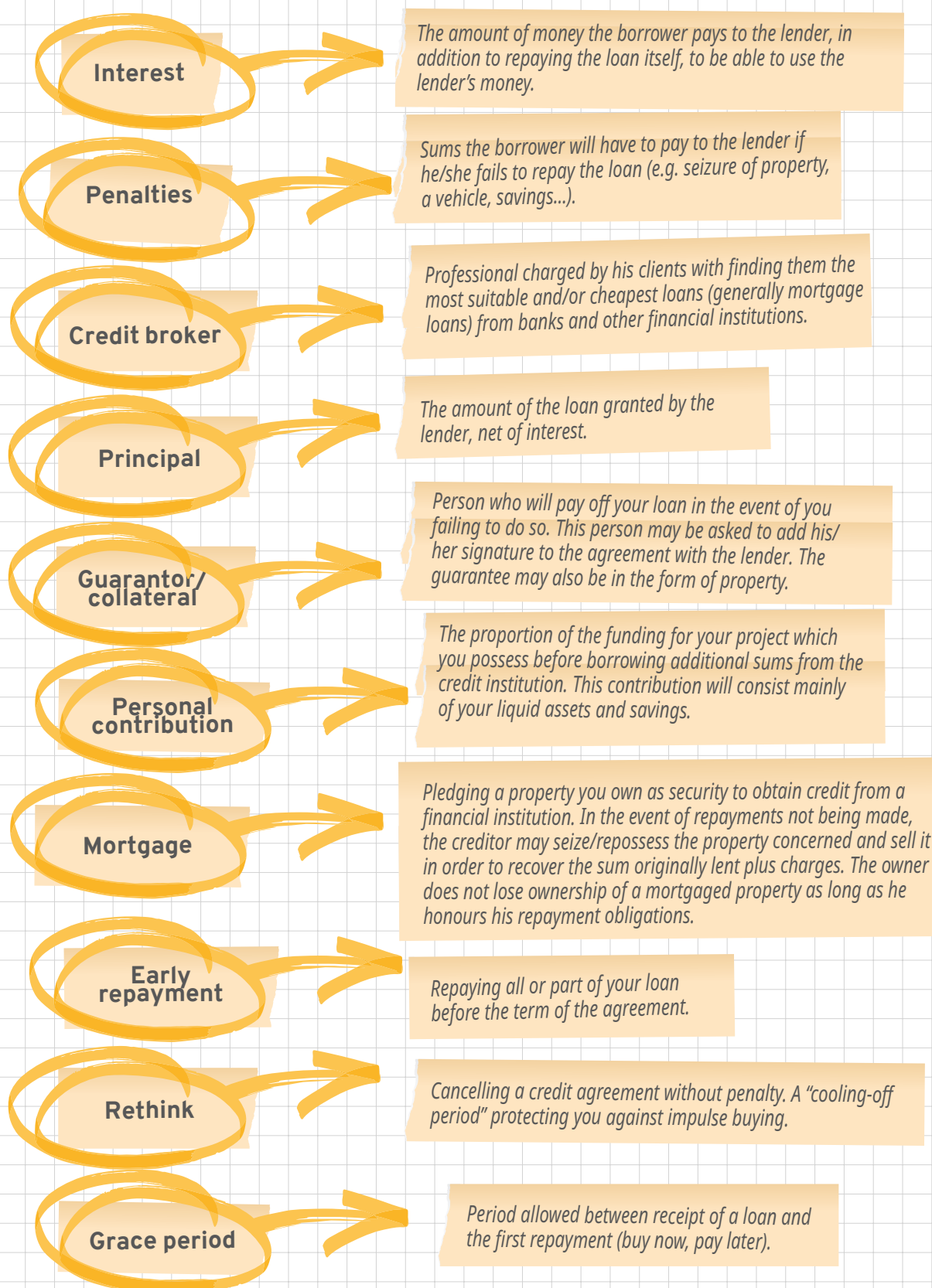
- Fast (depending on the provider).
- Accessible.
- Registered in accordance with legal requirements.
- Part of a group able to give advice (social aspects/collective support).
- Some with flexible guarantees or without guarantees.
- Access to a larger amount of money to carrying out the project.

Disadvantages

- In some institutions, you might not get hold of all the money you need.
- Might not have a product suited to your project.
- Interest rates sometimes high.
- Some require that you be constituted as a company.
- Formal guarantees may be required (payslips, mortgages).
- We may be excluded due to commercial background.
- Penalties if not repaid.



Answers to: Terms and definitions associated with credit/loans (Training aid D.2.1)



Answers to: Calculating the cost of Elani's loan (Training aid D.3.1)

Name of product	Local bank	Microfinance institution	Digital loan
Annual Percentage Rate (APR)	13%	24%	40%
Term of the loan (months)	18	24	12
Amount repayable each month (monthly instalments)	SBD 1,228.95	SBD 998.48	SBD 2,049.43
Total amount repayable (Term of a loan x monthly instalment)	$\text{SBD } 1,228.95 \times 18$ $= \text{SBD } 22,121.13$	$\text{SBD } 998.48 \times 24$ $= \text{SBD } 23,963.57$	$\text{SBD } 2,049.43 \times 12$ $= \text{SBD } 24,593.16$
Real cost of loan (Total amount repayable minus amount of capital requested by Elani)	$\text{SBD } 22,121.13$ $- \text{SBD } 20,000$ $= \text{SBD } 2,121.13$	$\text{SBD } 23,963.57$ $- \text{SBD } 20,000$ $= \text{SBD } 3,963.57$	$\text{SBD } 24,593.16$ $- \text{SBD } 20,000$ $= \text{SBD } 4,593.16$



Answers to: Table summarizing the arguments that influenced the character in choosing a lender and a loan (Training aid D.3.3)

Factors	Local bank	Microfinance association	Digital loan
APR / cost of the loan	• Lowest APR. • Lowest real cost of the loan.	• Average APR. • Average real cost of the loan.	• Highest APR • Higher real cost of the loan.
Ease of accessing a loan and conditions	• Possible, but she has to prove her ability to pay back the loan with her salary slip. She will need to become a client of the bank.	• Very simple procedure.	• Very simple but the instalment amount is higher than her repayment capacity.
The amount he/she can borrow	• Sufficient amount.	• Sufficient amount.	• Sufficient amount.
Repayment frequency	• Monthly.	• Monthly.	• Monthly.
Support and availability of non-financial services	• No.	• Yes.	• No.
Conclusion	• This is the loan with an average instalment, but lowest real cost. If she can repay that money per month seems the best option for her.	• The loan has a higher APR and real cost than the bank. However, as the term is longer, the instalment is not as high. It could be a good option is the does not want to repay so much per month. But she will need to understand she will pay more after the loan term.	• This loan is the shortest one but the instalment is too high for her. It has also the higher real cost of the loan despite the short loan term. That is because the APR is very high.

F i n a n c i a l E d u c a t i o n

E



Choose means of payments and money transfer products



E1. A withdrawal card is a card with which I can

- ☐ a. Make withdrawals and payments.
- ☐ b. Make withdrawals only.
- ☐ c. Make withdrawals, even when I have no money in my account.

E2. Someone just stole my bank card, what should I do?

- ☐ a. The thief does not have my password, so I am not worried. I won't do anything.
- ☐ b. I immediately contact my bank to block the card.
- ☐ c. I immediately contact my bank to issue a new card.

E3. A money transfer allows:

- ☐ a. To open a bank account.
- ☐ b. To move money from one place to another.
- ☐ c. To access a debit card to pay for your purchases.

E4. What is the safest method to send money?

- ☐ a. Ask a colleague to bring money home.
- ☐ b. Through a formal money transfer operator or digital wallet.
- ☐ c. Ask a relative.

Answers: E1:a; E2:b; E3:b; E4:b.

1. Use means of payment with security

In the previous modules, we explored how to choose loan and savings products suited to your needs. We are now going to explore how best to use the different means of payment, for example for paying for the things you buy.

If you want to pay for a purchase, what are the possible means of payment?

The different means of payment and payment operations

- | | |
|---|---|
| <ul style="list-style-type: none"> • Cash • Bank card • Payment via the Internet • Bank transfers and direct debits • Digital wallet | <ul style="list-style-type: none"> • Electronic mandate • Payment via mobile phone • Bartering |
|---|---|

At the end of this module, in **Answers to exercises**, you will find a table with advantages and disadvantages of each mean of payment.



Case study N°1

Leila is very happy with the card

Leila just received her new debit card for the bank account she recently opened, and she is excited to start using it. After activating the card, she made her first withdrawal at an ATM and later used it to buy groceries for her family. One of the things she appreciates most is the added security and convenience—she no longer needs to carry large amounts of cash, and the card allows her to safely manage the family's expenses.

With this new tool, Leila feels more confident in handling their household finances while keeping her business money separate.

Case study
N° 2

Teano, Keni's brother, uses the card

Teano, Keni's brother living in Australia, recently opened a new bank account and received a card that allowed him to make purchases easily. When he called Keni, he praised how convenient it was, saying, "You should see how handy this card is—it feels like having extra money in your pocket!"

At first, Teano felt in control, using the card to shop online and cover everyday expenses. But as time passed, he found himself spending more freely, always thinking he would check his balance later. When his statement arrived at the end of the month, he was shocked by the total—it was much higher than expected. Worse, he didn't have enough savings to cover the full amount. Now, Teano has to figure out how to repay what he owes quickly or risk falling into debt with additional charges.



Definition

Pre-paid or cash cards

A pre-paid card allows you to withdraw money from your account by entering it into a device called an automated teller machine (often abbreviated as ATM). In addition to the possibility of money withdrawal, you can check the balance of your account. You can buy food, fuel, and clothes, provided the person or shop you are paying to accepts cards. The money you use is deducted immediately from your balance. Some cards allow you to pay bills and recharge credit on your mobile phone. Each bank has its own network of ATMs but often you can use your bank card to withdraw 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. You can only use the money you have put in your balance. You can recharge it as many times as you want, through ATMs, bank transfers or even by use of network agents. Some digital wallets offer the possibility to recharge your pre-paid cards through the app.

Debit cards

A payment card allows electronic banking transactions. In addition to using it to withdraw money from ATMs, you can use a debit card to pay for the goods you buy in many stores.

You must have money in your account at the time of purchase. The amount of your purchase is deducted from your account immediately. You can regularly check your balance through the home-banking or cell phone. In some cases, you might receive a statement from the bank or financial institution, indicating the total amount deducted from your account as well as your balance.

Credit card

In general, a credit card allows you to make the same transactions as a pre-paid/cash card and debit card. The major difference is that it allows, that it also allows to have access to instant credit. That is, if you do not have money on your account, you can still make a purchase in a store by taking a loan from the financial institution who sold you the credit card (financial institutions, department stores ...).

Under the terms of the credit card purchase agreement, the amount of your purchase/loan will be deducted from your account (in one or several times, at an interest rate often much higher than that of conventional credit products). You will regularly receive a statement from the financial institution that sold you the credit card, indicating the total amount deducted from your credit, the amount repaid and the interest rate. Nowadays you can also check all this information *online*.



► Digital wallets

Case study N° 3

Jonah uses digital wallets

Jonah recently started using his digital wallet and quickly discovered how convenient it was for managing his payments. One afternoon, while shopping at a large convenience store in the center of Honiara, he decided to pay using his digital wallet for the first time. Instead of counting cash or waiting for change, he simply paid the shop following the instructions of the cashier who gave him a number to pay to and confirmed the payment with a few taps on his phone. The transaction was instant, and he received a receipt directly in his wallet app. Jonah felt excited about how quick and modern the process was.

Later that day, while exploring the app, he noticed he could also use it to pay some of his betel nut suppliers directly through their digital wallet numbers. This meant he could avoid carrying large amounts of cash to the market, which felt safer and more efficient. Jonah was thrilled at how technology was helping him manage both his personal and business expenses, making his life simpler and more organized.



Case study N° 4

Teano pays using a QR code

Keni speaks on the phone with his brother Teano. He has recently been hearing about QR payments in YouTube and wanted to check with his brother whether this was the case in Australia, where he lived. Teano tells him everything about it and Keni is very curious to understand how it works in detail. He would like his shop to become more digital on this regard, but he is unsure whether this is already available or not in Solomon Islands.

Teano explains in detail. He says for example that today, while at a clothing shop, he actually used the QR payment system. He explains to Keni that when he reached the counter, the shopkeeper mentioned that he can pay by scanning a QR code that was printed and clearly visible in front of him. He explains that then he opened his digital wallet app, pressed on SCAN QR and proceeded to scan the QR code displayed at the checkout. After a quick confirmation on his phone, the payment was completed instantly.

Teano explains that the system is great and much more convenient compared to carrying cash. He's delighted by the ease of the transactions and tell Keni he hopes this will be the case soon for him.

Definition

By digital wallet, we refer to an electronic device, online service, or software program that allows one party to make electronic transactions with another party bartering digital currency units for goods and services.

E-wallet

Advantages

- You can withdraw money in shops: no need to queue at a cash point or bank.
- You don't need to carry money around with you when paying bills or someone.
- Your e-wallet is protected by a PIN; your money is safe.
- You don't need to fill in any forms to withdraw or deposit money, as you do when you visit a bank.
- Retailers are rarely short of money.
- You do not need a bank account.
- Transactions are made immediately.
- It allows you to pay bills and send money in an easy, traceable and safe way.

Disadvantages

- You may forget your PIN.
- Your mobile phone might be stolen.
- If you do not monitor your expenses, it might be difficult to stick to your budget.

Security tips for digital wallets

- Do not share your PIN with anyone.
- Never keep a record of your pin close or together with your sim-card.
- Do not save your PIN as a contact in your phone.
- Always demand to look at the charges for the different transactions, especially when using an agent.
- When you are sending money to someone, double check the name and amount before inserting the PIN.

Case study
N° 5

Leila forgets the secret code

Leila went to the ATM to withdraw cash with her debit card but suddenly realized she couldn't remember her PIN. She hesitated but decided to enter what she thought was the correct code. After seeing an error message, she tried again, but it didn't work. On her third attempt, the ATM displayed a message: "Card blocked due to too many incorrect attempts."

Frustrated and unsure of what to do, Leila remembered that she had received the card directly from the bank. She decided to go there immediately to ask for help, hoping they could assist her in unlocking her card so she could access her money again.



Security tips for means of payment

- Use your means of payment carefully, always thinking about staying within your budget.
- Keep your card, check book, wallet and mobile phone in a safe place.
- Never lend your credit card or check book to anyone.
- Never sign a blank check (without putting the amount).
- Do not write your confidential code on your bank card or leave it nearby.
- Never send your confidential information by e-mail, SMS, fax ...
- Pay attention when performing a transaction on the Internet. Check the security of the web site you are using (the web address should begin with "https", there should be a padlock symbol in the bottom right of the screen...).
- Check your bank statements carefully and regularly.
- Report immediately to your bank of any sum debited from your account which you cannot explain.

Important

Managing your money, especially when you use different means of payment, can be complex. It can also be a very tiring activity. Follow the security tips above for your peace of mind.



Key messages

- There are various means of payment: cash, payment card or payment operation: bank transfer, direct debit/standing order, payment by mobile phone or via the Internet.
- Each means of payment is different. As with all financial products, each involves costs and has advantages and disadvantages, which often depend on the type of expenses you want to pay for.
- A cash card enables you to withdraw money, check your balances and, in some cases, also pay for goods, without having a bank account. A debit card is a card linked to your bank account that allows you to use ATMs and pay for goods and services.
- As well as enabling you to withdraw money and pay for purchases, a credit card gives you access to instant credit (if the necessary funds are not available in your account at the time of purchase).
- Digital wallets are a great way to digitalize the way you use your money and use less cash. It can be a great way to start using financial institutions.
- The use of means of payment presents risks! Use your means of payment with care always thinking to stay within the limits of your budget.



2. Get to know money transfer operators

We are going to explore your options when it comes to sending and receiving money, in this country and abroad. We shall consider the advantages and disadvantages of each method.

Case study N° 6

Ana uses an informal provider

Ana needed to send money to a friend in Honiara to settle a debt. Without a bank account or digital wallet, she relied on an informal transfer, giving the cash to a friend of a friend who was traveling to the city. She had heard of others using this method before and trusted it would be safe.

However, days passed, and her friend in Honiara called to say the money never arrived. Ana tried contacting the person who was supposed to deliver it, but they had disappeared without a trace. Frustrated and upset, Ana realized she had lost the money and had no way to recover it.

The experience left Ana determined to open a bank account with the help of the cooperative, knowing that having a secure and formal way to transfer money would help her avoid these risks and protect her finances in the future. Until she can open the account, Ana has decided to use only formal money transfer operators and never rely on informal methods again.



Notes

**Case study
N° 7****Keni uses a formal provider**

Keni recently opened a bank account dedicated to managing his shop's finances. He has been using it to pay suppliers, finding it much more convenient than handling cash.

This week, Keni needed to pay Jone, a local provider who supplies him with soft drinks. Wanting to complete the payment quickly, he decided to use his banking app. He logged in, navigated to the transfer section, entered Jone's account details, and authorized the payment. Within minutes, the transaction was processed. Keni felt satisfied, knowing he was keeping his business payments organized while also building a strong relationship with his supplier.



Definition

Informal money transfer operators

These institutions and individuals are not regulated or supervised by the State.

Formal money transfer operators

These institutions are regulated and supervised by the State.

Formal money transfer operators	Informal money Transfer operators
• The Post Office (via local office or Internet). • Money Transfer Operators. (Via agency or Internet) • Banks (via bank branch or Internet). • Digital wallets.	• Shopkeepers and traders. • Taxi and lorry drivers. • Friends and family.



Whatever the provider you choose to make a money transfer, be it formal or informal, you need to look at a series of criteria before making your choice:

- Costs of sending money (paid by the sender).
- Costs to receive money (paid by the receiver).
- Geographic proximity (for the sender and the receiver).
- Safety.
- Speed.
- Money exchange commission (if relevant).

Questions

- **And you? Do you send money to people, or abroad?**

☐ Yes ☐ No

- **If yes, for what reason?**
- **What method do you use?**

Personal situation

Looking at my personal situation, the best method to transfer money for me is.

This is because:

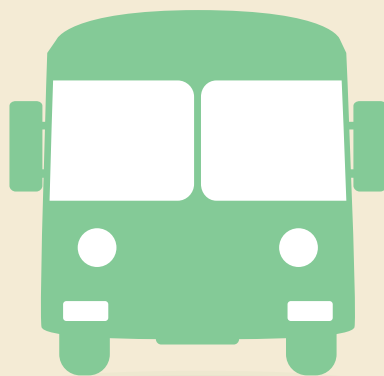


Key messages

- It is important to be familiar with the procedure for transferring money (documents to be provided, costs, operator's network ...).
- There are several ways to transfer money: cash to cash, bank account to cash, cash to bank account, bank account to bank account, cell phone to cell phone ...
- Choose your transfer method and your operator according to your situation and that of the person you are sending money to. Looking at characteristics such as the cost of sending, the exchange commission, the cost of receiving, the geographic proximity, etc.) enables you to take a decision that is best suited to your needs.
- Send money in a safe way, go for formal channels and facilitate the withdrawal for your relatives!

Training aid E2.1

Informal money transfer operators



Training aid E2.2

Formal money transfer operators



Training aid E2.3

The transfer methods chosen by the characters

Leila's method

Leila pays Jone, her provider, through the bank, using her bank's online banking platform. This way, she has a record of the financial transactions and can keep a proof of the transfer.

Jonah's method

Jonah uses his digital wallet to settle an outstanding debt with a provider, making the repayment quickly and easily through the app.

Ana's method

Learning from her past mistakes, Ana now uses a money transfer operator to securely send money to relatives and friends, avoiding the risks of informal transfers.

Keni's method

Keni pays his supplier's bills through the bank, using his bank's online banking platform. This way he has a record of the financial transactions and can keep a proof of the transfer.

3. How to send and receive money

Training aid E3.1

Stages in sending and receiving money transfers

METHOD 1: Through a money transfer operator

- Contact or visit a bank or financial institution (in person or online);
 - Fill in a simple and quick money transfer form;
 - Approach the clerk and give him/her the following information:
 1. The name and number of the payee's account (if the payee, i.e., the person you are sending the money to, has a bank account),
 2. The name and identity card number or other identity document number of the payee (if the payee does not have a bank account);
 - Inform the payee of the amount of money you have transferred and, depending on the time period indicated by the bank/agency (which may range from a few minutes to several days), the payee will be able to collect the money from the bank or agency, in cash or paid into their account (as you would have specified).
-
- Go to the bank or agency and give the clerk the necessary information concerning the amount of money being sent to you and the name of the person sending.
 - Show the bank clerk your identity card or other document proving your identity.
 - After checking on the computer system, the clerk or agent will give you the money.

METHOD 2: Through my bank using home-banking

- Enter the website of your banking institution. Complete your username and password.
- Once inside the system, select the account from which you want to send money.
- Click on Make Transfers / Send money. Sometimes this functionality can be found under a tab called Payments.
- Once inside Transfers section, you will have to complete the following information:
 - **Date of realization.**
 - **Destination:** Here you will have to complete the Alias and/or Bank account number of the payee.
 - **Currency:** Typically, local currency but can also be another international currency.
 - **Amount:** Complete the value of the transfer.
 - **Concept:** Choose the payment concept (Assets, Miscellaneous, Rent or another that appears in the drop-down panel).
 - **Description:** This is to send a message to the payee.
 - **Recipient's email:** So that a notification reaches the payee.
- Press Continue or Make Transfer and the money will be sent on the chosen date. Some banks might require an additional security step here (could be an SMS sent to your phone that you need to include for confirming the transaction, could also be an extra pin generated for these operations). Generally, you receive a confirmation on the same website or via email that the transfer has been made successfully.

- Enter the website of your banking institution. Complete your username and password.
- Once inside the system, select the account to which you have been sent the money. When you enter when viewing the account details, you should have a new income for the amount sent and a detail that indicates who and when has sent you the money.

METHOD 3: Through my digital wallet

- Access the application from your phone. It must be the same application that the payee uses.
 - Click on the menu and choose the option "Send Money".
 - In the "To" field you can choose a contact from your phonebook, a cell phone number or an email address.
 - Enter the value to send, choose the reason for sending the money (for example, return of the borrowed money or money for yesterday's dinner) and press the continue button.
 - Select the payment method. It can be the balance of your digital wallet or also any of the payment methods that you already have linked to your digital wallet (debit card, credit card or bank account). In case you want to do it through a new card, the application will ask you for the card details. By pressing continue, the application will confirm the sending of the money.
-
- You may receive a notification by your app directly on your phone that you have received money.
 - When you open the application, you will notice the payment instantly in your balance and last movements. The income of money is immediately available, that is at the same time as whoever send you the money completes the operation.

Notes

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Annexes and key documents

Questions to ask a formal money transfer operator



- How can I send money to a relative?
- What forms do I need to fill in in order to send money?
- What forms will the receiving person have to fill in?
- What identity document is required for sending money?
- What identity document is required for receiving money?
- Do I need to have a bank account with your bank in order to send money?
- How long does it take for the receiving person to get the money?
- If I transfer through an app in my phone, the person that receives the money needs to have the same app?
- What is the cost of a transfer?
- Will the receiving person get all the money I send, or will they have to pay additional charges on receipt?
- How can I check that the receiving person has in fact got the money?
- How will the receiving person be notified that the money has arrived?
- Can I cancel or amend my transfer?
- What exchange rate is used in converting my money into the currency of the receiving country (if I am sending money abroad)? What are the exchange costs?
- If I send money in Dollars, in what currency will the receiving person get the money?
- Do I have to come to the bank in person or is there a remote service for transferring money (internet, mail...)?
- Do you have branches or agents of your bank in _____ (place of residence of the relative you are sending the money to)?
- Can I send money through my phone if the other person does not have a digital wallet? If so, where can they withdraw the money I send?

Answers to exercises

Advantages, disadvantages and use of means of payment (E1)

Means of payment	Advantages	Disadvantages	Use
Cash	• Simple to use. • Very widely accepted (legal tender). • No charges. • Immediate purchase possible.	• Risk of theft or loss. • No remedy in the event of theft or loss. • Limits on the permitted amount of transactions (not everything can be paid for with cash, especially when large sums are involved). • It leaves no evidence on the transaction (could be problematic for budget management).	• For everyday purchases when small amounts of money are involved. • To limit what you can spend during a particular period or on a particular occasion. • To be able to buy something immediately.
Bank card	• Security (generally speaking). • Leaves a trace of the place and amount of the transaction, and the item purchased. • Protection against theft (secret PIN, the card can be cancelled if stolen). • Possible to make purchases involving large sums. • They can be linked to bank accounts in other countries (not necessarily where I live). • May give access to secondary products: e.g., legal assistance, insurance when buying airline tickets - Access to other financial services (insurances, legal assistance). • They can be linked to loyalty programmes that could lead to benefits/ discounts.	• Sometimes significant charges: annual fee, charges for withdrawals, payments made abroad... • Risk of not keeping track of your expenses. • Risk of forgetting when managing one's budget. • Cannot be used everywhere: depends on the retailer having a working terminal.	• For making everyday payments involving significant sums. • For making occasional large purchases. • For buying goods and services included related products" (e.g., paying for plane tickets if the card provides insurance).

Means of payment	Advantages	Disadvantages	Use
Bank transfers and direct debits	• No need to go anywhere or carry cash. • Purchases can be made 24/7. • Often enables you to access good deals.	• No one to refer to directly (if a problem arises). • Risk of scams if you buy from non-secure websites. • Possible delivery problems with items purchased online. • Risk of forgetting the expenses in the budget management . • Risk of not keeping track of expenditure.	• To access good deals. • For quick purchases offering a comparative advantage (clothes, books, DVDs, tickets for shows, plane tickets...) . • For rare items available only via the internet. • For paying bills (mobile phone) if you don't have a bank account . • Payment without physical contact.
Digital wallets	• No need to have a bank account, just a mobile number and sim card. • Easy way to send money to someone else. • Easy to pay bills. • Creates automatically a record of your spending. • Allows you to handle your money in a safe way. • Might pave the way to access other financial services.	• Risk of phone being stolen. • Risk of forgetting pin/ password. • Could create problems following your budget.	• Transfer money to other people. • Payment without physical contact. • Bills payment.



Answers to: Comparative table between different bank cards (E1)



Card	Pre-paid/cash	Debit	Credit
Where can you use this card?	• ATMs from your bank and other networks. • In shops that accept card payments.		
What can you do with this card?	• Check your balance. • Withdraw money. • Pay for goods as long as you have money in your balance.	• Check your balance. • Withdraw and deposit money. • Pay for goods as long as you have money in your account. • Transfer money to other accounts. • Recharge your phone.	• Check your balance. • Withdraw and deposit money. • Pay for goods as long as you have money in your account. • Pay for goods even if you do not have money in your account at that moment. • Pay for goods in instalments. • Transfer money to other accounts. • Recharge your phone.
Charges are immediate or deferred?	• Immediate	• Immediate	• Deferred, you will pay at the end of the month the total of your purchases. You will not face interest charges as long as you pay in time and do not finance the balance.
Which are the costs/charges for using this card?	Depends on the offer of each provider. You should get all the information and compare.		

Answers to: Advantages and disadvantages of money transfer operators (E2)

Money transfer operators	Advantages	Disadvantages
Formal	• Security (the money is safe, and the transfer is secure). • Long-term loans of large sums. • Reliability. • Confidentiality. • Choice of products. • Operates within the banking regulation framework, if declared officially. • Enables you to build up a credit record and establish your solvency. • Access to financial advice and other financial products. • Speed (depending on the method). • Discretion (sometimes a mobile phone number is all you need to get the money).	• Remoteness, for people living far from towns and cities. • Risk of being robbed as you leave the branch/agency. • Restricted opening hours. • Minimum amount requirements sometimes too high. • Costs can be high. • Having to wait at the counter. • More difficult to use for people who are illiterate. • Sometimes, lack of liquidity for transfers of large sums.
Informal	• Cost (depending on the method). • Access. • Local availability. • Speed (depending on the method). • Trust (you may be able to make the transfer via a local shopkeeper you have known for a long time). • No administrative procedures or forms to fill in.	• No other financial services that your transfers of funds might entitle you to. • Danger of receiver having to collect the money in an unsafe place (shop, public square...): risk of theft or assault. • Illegality of taking large sums in or out of a country (risk of the person carrying the money being arrested). • Risks of being robbed. • Counterfeit money.

F



► Get to know financial institutions and use them with confidence



F1. A financial institution is a public or private service that deals with financial operations such as savings, credit and payments.

- ☐ a. True.
- ☐ b. False.

F2. I've noted that there are more and more banks and digital financial services providers in my region:

- ☐ a. I should go and ask information; they may have attractive savings or credit products for me.
- ☐ b. What is the use, these banks and digital financial services providers are only interested in rich people and large companies.
- ☐ c. I would like to go and check but I'm afraid they tell me off as I don't have a lot of money.

F3. What is the sentence that is not a principle of client protection that financial institutions are required to respect?

- ☐ a. Prevention of over-indebtedness.
- ☐ b. Fair and respectful treatment of clients.
- ☐ c. Transparency.
- ☐ d. Offering presents to the customers.
- ☐ e. Responsible pricing.
- ☐ f. Mechanisms of complaint resolution.

Answers: F1:a; F2:a; F3:d.

1. Get to know financial institutions

Definition

Financial institution: Public or private service that deals with financial operations such as savings, credit and payments.

Definition

Banks: are organizations approved by the State as credit institutions to perform banking operations: mainly receiving funds from members of the public, performing savings and lending operations, and providing payment services. Banks may be publicly or privately owned, specialize in deposits or investments, make products or act as cooperatives or mutual societies.

A microfinance institution: is a financial institution specializing in banking services for low-income groups or individuals. Micro finance institutions provide account services to small-balance accounts that would not normally be accepted by traditional banks, and offer transaction services for amounts that may be smaller than the average transaction fees charged by mainstream financial institutions.

Finance companies: are profit-making organizations approved by the State as credit institutions. They cannot take deposits from members of the public or offer savings products.

Fintech: is the term used to describe any technology that delivers financial services through software, such as online banking, mobile payment apps and cryptocurrency. Fintechs is usually used as the term that englobes the companies offering financial services through technology.

Tips

To choose your financial institution well, you need to consider:

- The financial institution's characteristics
- The characteristics of the products you need according to your goals that this institution might offer: type of account, payment methods, savings and credit products, transfer products...

Notes

Training aid F1.1

Characteristics to be considered in choosing a financial institution

Characteristics to be considered in choosing a financial institution

Characteristics of the financial institution

- Characteristics of the financial institution.
- Geographical proximity.
- Reputation and trustworthiness of the financial institution.
- Provision and quality of non-financial services (business training, financial education...).
- Remote services (access to services through Internet, spending alerts via SMS, telephone banking, access to digital financial services...) and costs.
- Quality of service and staff (waiting times, respect for customers, languages spoken, speed of service...).
- If needed, conditions of joining the institution (subscription, frequency of meetings, decision-making powers of members...).
- Transparency regarding charges and terms and conditions, quality of the information given to customers.
- Products designed for specific groups of customers (students, salaried employees, pensioners...).
- Charitable works undertaken (solidarity fund, sponsorships, foundations...).
- (For people sending or receiving transfers to/from a relative), presence of the institution in the relative's region and geographical proximity to their place of residence.

Characteristics of the financial institution's products (in this case, savings)

- Access to savings/flexibility of withdrawals
- User-friendliness
- Digital access
- Conditions for opening a savings account
- Safety
- Interest rate
- Possibility of accessing other products and services provided by the financial institution
- Costs of saving (charges, penalties)
- Liquidity
- Ethical values of the product (sustainable finance, environmental, Islamic...)

Questions to ask

Training aid F1.2

Questions to ask the financial institution



Characteristics to be considered in choosing a financial institution

Characteristics of the financial institution

- Geographical proximity

Questions to ask

- Is there a branch of the financial institution near me (near my house, my place of work or other convenient location such as my children's nursery)?
- If I have a payment card, is there an ATM nearby (near my house, place of work or other convenient location, such as the gym...)?

Characteristics to be considered in choosing a financial institution

- Reputation and trustworthiness of the institution (question to ask yourself or your friends/family)

- Provision and quality of non-financial services (business training, financial education...)

- Remote services (access to services through Internet, spending alerts via SMS, telephone banking, access to digital financial services...) and costs

Questions to ask

- Does this financial institution have a good reputation?
- What does my family think of this institution?
- Does this financial institution inspire me with confidence?
- Have I heard of problems relating to the institution in the press or through friends and family?
- Do I know anyone who has had a problem with this financial institution? What sort of problem? How was it resolved?

- Do you offer training services for customers/ members? If so, on what topics? Who can take advantage of them? Are they free?
- Are you involved in solidarity or sponsorship activities?
- Are you involved in humanitarian activities?
- Do you have advisors to help customers manage their investments and accounts?

- Do you provide remote services?
- What kind of services can I access through Internet?
- Can a customer find out their balance online?
- If so, is this service included free of charge when someone opens an account? If not, how much does the service cost?
- Can I be notified of payments I have made by SMS?

Characteristics to be considered in choosing a financial institution

- Quality of service and staff (waiting times, respect for customers, languages spoken, speed of service...)
- If appropriate (mutual societies), conditions of membership
- Transparency regarding charges and terms and conditions, quality of the information given to customers (questions to ask yourself)
- Products designed for specific customer groups (students, salaried employees, pensioners...)

Questions to ask

- What are the bank's opening hours?
- What is the average waiting time before a customer is dealt with by a member of staff?
- Do you have a nationwide ATM network?
- Will I be charged if I withdraw money from another ATM (in another area, abroad, or belonging to another bank)?
- Are there conditions for becoming a member of your financial institution? What are they?
- How much is the subscription? Is it payable weekly, monthly, annually...?
- How often do members' meetings take place?
- Is one obliged to attend these meetings? If so, what penalties apply if someone fails to attend?
- What are the decision-making powers of the members?
- Are the charges and conditions displayed on the premises of the financial institution?
- Does the institution provide explanatory brochures or other means of information (website...)? If so, did I get all the information I needed by reading the brochures/consulting the information?
- Is the documentation provided easy to understand?
- How does one open or close an account? How much does it cost?
- Do you have any products or financial services designed especially for people like me? (young people, shopkeepers, employees, women, businessmen/women...)

Characteristics to be considered in choosing a financial institution

- Charitable works undertaken (solidarity fund, sponsorships...)

- Presence of the institution abroad or in the region and geographical proximity to the place of residence of the relative sending or receiving money

Characteristics of the financial institution's products (savings)

- Access to savings/flexibility of withdrawals

- User-friendliness

- Digital access

- Conditions for opening a savings account

- Security

- Interest rate

Questions to ask

- Is your institution involved in charitable works? If so, what are they? Who are the beneficiaries (children with disabilities, the sick...)?

- Is there a branch of the financial institution close to the place where my family lives (their home, place of work or other convenient location), as I will be sending and receiving money to/from them?

- How often can I make withdrawals?
- Is there a minimum amount per withdrawal?
- Will I have to pay penalties if I make withdrawals from this savings account?

- Do customers receive statements relating to their savings account? How often?
- Do you offer a telephone and/or online banking service?

- To which extent can I operate my savings account online?

- What is the minimum deposit if I open a savings account?
- What documents do I need to show you?

- What insurance or guarantees are there for protecting customers' funds?

- What is the interest rate with this savings account?
- How does the rate compare with that of other institutions?
- How often is interest paid?
- How is interest calculated? Is the rate fixed or variable?

Characteristics to be considered in choosing a financial institution	Questions to ask
• Possibility of accessing other products and services provided by the financial institution	• By taking out a financial product, will I have access to other products and services? If so, what are they? At a more favourable rate?
• Costs of saving (charges, penalties)	• What will it cost? (What charges are made for transfers, for withdrawals from ATMs) • What are the management charges for a savings account?
• Liquidity	• Is it easy to withdraw funds? What is the procedure? • Can I withdraw the total amount if I want to? • Are there charges to pay if the funds are withdrawn before a certain date?
• Ethical values of the product (sustainable finance, environmental, Islamic...)	• Does the financial product meet ethical standards? Which standards? • Does the product carry a label attesting to its compliance with these standards?

Your turn

According to my goals, my personal situation, and my financial needs, I choose a financial institution with the following characteristics:

Example: access to the services through Internet

1.
2.
3.



Key messages

- To select a financial institution, you need to review its characteristics and products and choose those which best suit your needs.
- You can find the information on brochures of financial institutions and you can also ask questions to the institutions' employees.
- When you choose savings or credit products, keep in mind that the interest rate is the only one aspect to take into account among many others.



2. Use financial institutions with confidence!



Case study N° 1

Jonah speaks about financial institutions

Jonah was once skeptical about formal financial institutions, but after struggling to manage his cash and discovering the convenience of digital tools, he decided to change his approach. He started using a digital wallet, which quickly became his favorite way to handle transactions. Now, after each market day, he deposits part of his earnings into the wallet. This not only helps him keep his money safe but also allows him to save steadily for future expenses and business goals. "I no longer worry about having all my money in cash," Jonah shared with his sister, Tania.

Recently, Jonah also started exploring the idea of opening a formal bank account, encouraged by his friend Petero, who shared how it helped him grow his savings. "The savings account can help me grow my money, while the digital wallet makes day-to-day payments simple," Jonah explained to Tania.

Tania, however, had a bad experience with a financial institution in the past—hidden fees and poor service left her frustrated, and she returned to managing everything in cash. But hearing about her brother's positive experience with a trusted provider, her interest was renewed. Inspired by Jonah's confidence, Tania asked for his help to find a reliable provider, eager to set up both a savings account and a digital wallet to manage her finances more effectively.

Questions

- Why does Tania not trust financial institutions?

You must know that as a customer of a financial institution, you have responsibilities, but you also have rights!

Let's learn about these rights!



Important: If you had a bad experience with financial institutions, it is possible that entrusting them with your money can cause you anxiety or stress. Inform yourself before making a decision. Remember: you have rights.

Training aid F2.1

Descriptive cards

Descriptive cards N° 1

I have to be filled in if you want to open a bank account. After you have filled me in, you must present your identity documents to a member of staff to complete the process. When you have filled me in and presented the necessary documents, you can go to the counter and deposit money in your account.

Descriptive cards N° 2

I sit at a desk in the entrance hall of the agency. My job is to help customers to open bank accounts. I can give you an application form for opening a bank account. I can also help you decide which bank account best meets your needs. Ask me questions about the products we offer and the forms you have to fill. Ask me what documents you need to open an account. Don't ask me to take deposits or give you sums of money.

Descriptive cards N° 3

I supervise all the staff and make sure they are working correctly. As well as the staff members you can see, I supervise those who are working behind the scenes in their offices, managing people's accounts and doing other things. Come and see me if you have problems that the other members of staff cannot sort out. Don't come and see me to open an account.

Descriptive cards N° 4

My job is handling money and recording transactions. I take customers' deposits and issue them with cash when they make withdrawals. Customers must present proof of their identity and a correctly complete form before I can deal with them. You can ask me how much money you have in your account or whether a payment has arrived. Don't ask me to open a bank account for you.

Descriptive cards N°5

My job is to protect the bank, the bank staff and our customers. To do that, I need to keep an eye on everything that goes on in the bank. Don't ask me for information on how to open an account or fill in forms.

Descriptive cards N° 6

I display information on the kinds of products offered by the bank and how much they cost.

Descriptive cards N° 7

I hold all the forms required for performing transactions. You will need my forms if you want to carry out banking business with the counter staff.

Descriptive cards N° 8

You will need to complete me in every detail and sign me if you want to withdraw money from your account.

Descriptive cards N° 9

You can use me to pay someone without the need for cash (i.e., banknotes or coins). When you complete and sign me, you are giving the bank permission to pay the person whose name appears on me. The bank will pay the person with money drawn from your account.

Descriptive cards N° 10

You will need to complete me in every detail, including your account number, if you want to pay money into your account.

At the end of this module, you will find the right answers in **Answers to exercises**.



Key messages

- In order to select a financial institution, you need to review its characteristics and its products and choose the ones that are the most adapted to your needs.
- To review the characteristics and the products of a financial institution, it is important to review the brochures, leaflets as well as ask the right questions to the staff: feel free, it is their job to answer your questions!
- Entering a bank or another financial institution does not mean you have to commit to open an account; you can start by gathering information.
- Everyone can, in theory, access services from financial institutions (if you can provide the required documentations!): you need to find the institution that meets your needs the most.
- As a customer of a financial institution, you have rights!



Training aid F2.2

Using an ATM for withdrawing money

Now we are going to practice using an ATM, simulating a cash withdrawal from a savings account

Step 1: Insert atm card



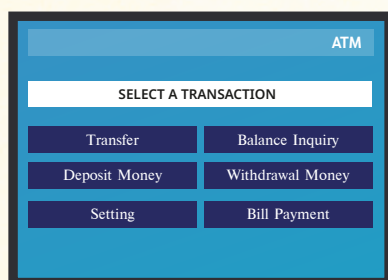
Insert your ATM card in the ATM machine (You may see a green slot or any kind of slot).

Step 2: Enter 4 digit atm pin



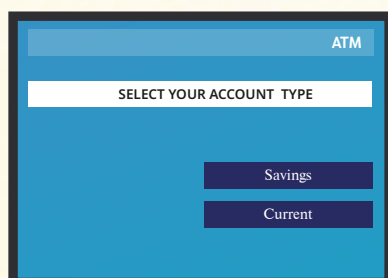
Using the keypad you have to enter your 4-digit password. But always remember that no one can see your password while you are entering a password and also do not share this password with anyone. More than 3 times the wrong password, your ATM card can be blocked.

Step 3: Select your transaction



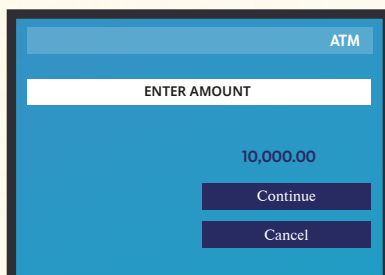
At this moment, you can see many options appearing on the screen, such as money withdrawal, transfer, balance enquiry, etc. In this case, you should select "Money withdrawal" or "Withdraw money".

Step 4: Select your account



In case your ATM card is connected to different bank accounts, you will need to select which bank account you want to make the withdrawal from.

Step 5: Enter the amount



For this step, you have to enter the amount you want to withdraw and press enter.

But make sure your withdrawal amount does not exceed your balance in the account otherwise the transaction will fail.

Step 6: Collect the cash



After all these steps, you have to collect your money from the lower slot of the machine.

Step 7: Select another transaction or finishing the session



At this moment, you can select if you want to do another transaction or end your session. After pressing end your session make sure you take your ATM card.

You must know that as a customer of a financial institution, you have responsibilities, but you also have rights! Let's learn about these rights!



Training aid F2.3

Principles of customer protection

Principles of customer protection

Appropriate product design and delivery.

Financial institutions should ensure that their products and distribution channels are designed in such a way as not to harm their customers' interests. They should take into account their customers' characteristics when designing their products and distribution channels.

Principles of customer protection

Prevention of over-indebtedness.

Yes, it's perfectly normal. There is no such thing as a right to borrow money. By preventing its customers from getting heavily into debt, the bank is protecting you. This principle requires that financial institutions take measures to ensure that loans are granted only if borrowers can prove they are able to repay, and that loans do not put the borrowers at risk of getting heavily into debt.

Principles of customer protection

Transparency.

You should ask the bank staff for further information. This is your right, and financial institutions are bound to comply with the principle of offering a clear and responsible system of charges. In other words, the charges and conditions associated with financial products must be written clearly and communicated in a language that is easy for customers to understand.

Principles of customer protection

Responsible pricing.

Ask your advisor at the bank for more information. Financial institutions must ensure that their charges, conditions and procedures are affordable for customers, while enabling them as businesses to make a reasonable profit. Financial institutions should make every effort to ensure that funds deposited with them yield a fair rate of interest.

Principles of customer protection

Fair and respectful treatment of clients.

Financial institutions are bound to treat their customers fairly and respectfully. They must not practice discrimination in any form. They must ensure that adequate measures are in place to detect and remedy instances of corruption and any aggressive or abusive behaviour on the part of their agents and staff, especially when making loans and recovering debts..

Principles of customer protection

Mechanisms for complaint resolution.

Financial institutions must have mechanisms for intervening in a timely manner in the event of problems and complaints on the part of their customers. They must use these mechanisms to resolve individual problems and to improve their products and services..

Principles of customer protection

Privacy of client data.

Confidentiality regarding a customer's personal data must be respected in accordance with the laws and regulations of individual countries' legal systems. Such data may be used only for the purposes defined when it was given and as legally permitted, unless agreed otherwise with the customer..



Training aid F2.4

Descriptive cards - Principles of customer protection

Descriptive cards N°1

I run a small business in Solomon Islands, selling handmade baskets to local and regional markets. Recently, I took out a loan from a microfinance institution to expand my business. They approved the amount I requested, but the repayment schedule is weekly. My sales are very seasonal, and I earn most of my income during the tourist season when demand is high. With the current weekly repayment schedule, I'm struggling to make payments since my income is inconsistent throughout the year.

Is it normal?

Financial Education

Descriptive cards N°2

I'm a small-scale farmer in Solomon Islands, and I already have two loans with my bank: one for farming equipment and another to cover school fees for my children. Recently, I've been thinking about applying for another loan to buy a second-hand truck to help transport my produce to market. However, the bank has refused my application for this new loan, citing concerns about my existing debt. I feel frustrated because the truck would help me grow my business, and I'm unsure what to do next.

What can I do about it?

Financial Education

Descriptive cards N°3

I recently opened an account with a financial institution to save for my children's education. They handed me a brochure outlining the fees, interest rates, and terms, but the information is written in very small print and uses complicated language. I've asked for clarification, but the staff keeps referring me back to the same brochure. I still don't fully understand what charges I might incur, and I'm concerned I might end up paying more than expected.

What should I do?

Financial Education

Descriptive cards N°4

I opened a current account to manage my daily expenses and a savings account to set aside money for future needs. However, I'm frustrated because the fees for maintaining my current account seem quite high, while the interest rate on my savings account is very low. It feels unfair that I'm paying so much for basic services while receiving minimal returns on my savings.

This seems to be unfair. Is this normal?

Financial Education

Descriptive cards N° 5

I recently lost my job and now find myself unable to keep up with my loan repayments. I'm really worried about how the bank will handle this situation. I hope they treat me fairly and don't resort to aggressive measures, as I'm already under a lot of stress. I'd like to discuss possible options, but I'm afraid of being treated harshly or unfairly during this difficult time.

Could they come to my home and take my possessions or those of my family, or worse?

Financial Education

Descriptive cards N° 6

I recently received a notification from my bank about a new fee being applied to my savings account. This fee was never mentioned when I opened the account, and I feel it's unfair to be charged without prior notice or clear explanation. I've already tried calling customer service, but they only gave me vague answers. I want the bank to provide a proper explanation and a transparent answer, so I can fully understand this new charge and decide if I need to take further action.

Is there someone at the bank who can help me?

Financial Education

Descriptive cards N° 7

I recently received a significant sum of money, and I'm concerned about privacy. My bank employee, who manages my personal account, seems aware of this deposit, even though I never discussed it with anyone at the bank. I'm beginning to worry that my personal financial information might not be as secure as I thought.

Can he discuss it with a member of my family without my permission?

Financial Education

Answers to exercises

Answers to: Descriptive cards (Training aid F.2.1)

Answers descriptive cards N°1

**Application form for
opening an account**

Answers descriptive cards N° 2

Customer service agent

Answers descriptive cards N° 3

Branch manager

Answers descriptive cards N° 4

Bank clerk

Answers descriptive cards N° 5

Security guard

Answers descriptive cards N° 6

Display board

Answers descriptive cards N° 7

Document display shelves

Answers descriptive cards N° 8

Withdrawal slip

Answers descriptive cards N° 9

A cheque

Answers descriptive cards N°10

Paying-in slip

Answers to: stages for opening an online account (F2)

Here you have an example of the steps to open an online account. Remember that they may be different depending on the account you want to open and the provider you choose.

Step 1. Download the app of your selected provider on your phone. Usually you can find these in the different apps stores (Google Play Store, Apple App Store, Huawei AppGallery).

Step 2. Select “open a new account”

Step 3. Read and agree our terms and conditions

Step 4. Enter your mobile number.

Step 5. Enter the one-time PIN that the provider will send to your phone as SMS.

Step 6. Fill in your personal information.

Step 7. Scan your valid ID.

Step 8. Take a selfie.

Step 9. Review and confirm your application.

Step 10. Create your user name and password account.

Step 11. Access your newly created online account. Congratulations!

Notes

Answers to: Descriptive cards - Principles of customer protection (Training aid F.2.4)



Descriptive cards N° 1

I run a small business in Solomon Islands, selling hand-made baskets to local and regional markets. Recently, I took out a loan from a microfinance institution to expand my business. They approved the amount I requested, but the repayment schedule is weekly. My sales are very seasonal, and I earn most of my income during the tourist season when demand is high. With the current weekly repayment schedule, I'm struggling to make payments since my income is inconsistent throughout the year.

Isso é normal?

F i n a n c i a l E d u c a t i o n

Client protection principles applied

Appropriate product design and delivery.

Financial institutions should ensure that their products and distribution channels are designed in such a way as not to harm their customers' interests. They should take into account their customers' characteristics when designing their products and distribution channels.

Descriptive cards N° 2

I'm a small-scale farmer in Solomon Islands, and I already have two loans with my bank: one for farming equipment and another to cover school fees for my children. Recently, I've been thinking about applying for another loan to buy a second-hand truck to help transport my produce to market. However, the bank has refused my application for this new loan, citing concerns about my existing debt. I feel frustrated because the truck would help me grow my business, and I'm unsure what to do next.

What can I do about it?

F i n a n c i a l E d u c a t i o n

Client protection principles applied

Prevention of over-indebtedness.

Yes, it's perfectly normal. There is no such thing as a right to borrow money. By preventing its customers from getting heavily into debt, the bank is protecting you. This principle requires that financial institutions take measures to ensure that loans are granted only if borrowers can prove they are able to repay, and that loans do not put the borrowers at risk of getting heavily into debt.

Descriptive cards N° 3

I recently opened an account with a financial institution to save for my children's education. They handed me a brochure outlining the fees, interest rates, and terms, but the information is written in very small print and uses complicated language. I've asked for clarification, but the staff keeps referring me back to the same brochure. I still don't fully understand what charges I might incur, and I'm concerned I might end up paying more than expected.

What should I do?

Financial Education

Client protection principles applied

Transparency.

You should ask the bank staff for further information. This is your right, and financial institutions are bound to comply with the principle of offering a clear and responsible system of charges. In other words, the charges and conditions associated with financial products must be written clearly and communicated in language that is easy for customers to understand.

Descriptive cards N° 4

I opened a current account to manage my daily expenses and a savings account to set aside money for future needs. However, I'm frustrated because the fees for maintaining my current account seem quite high, while the interest rate on my savings account is very low. It feels unfair that I'm paying so much for basic services while receiving minimal returns on my savings.

This seems to be unfair. Is this normal?

Financial Education

Client protection principles applied

Responsible pricing.

Ask your advisor at the bank for more information. Financial institutions must ensure that their charges, conditions and procedures are affordable for customers, while enabling them as businesses to make a reasonable profit. Financial institutions should make every effort to ensure that funds deposited with them yield a fair rate of interest.

Descriptive cards N° 5

I recently lost my job and now find myself unable to keep up with my loan repayments. I'm really worried about how the bank will handle this situation. I hope they treat me fairly and don't resort to aggressive measures, as I'm already under a lot of stress. I'd like to discuss possible options, but I'm afraid of being treated harshly or unfairly during this difficult time.

Could they come to my home and take my possessions or those of my family, or worse?

Financial Education

Client protection principles applied

Fair and respectful treatment of clients.

Financial institutions are bound to treat their customers fairly and respectfully. They must not practice discrimination in any form. They must ensure that adequate measures are in place to detect and remedy instances of corruption and any aggressive or abusive behaviour on the part of their agents and staff, especially when making loans and recovering debts.

Descriptive cards N° 6

I recently received a notification from my bank about a new fee being applied to my savings account. This fee was never mentioned when I opened the account, and I feel it's unfair to be charged without prior notice or clear explanation. I've already tried calling customer service, but they only gave me vague answers. I want the bank to provide a proper explanation and a transparent answer, so I can fully understand this new charge and decide if I need to take further action.

Is there someone at the bank who can help me?

F i n a n c i a l E d u c a t i o n

Principles of customer protection

Mechanisms for complaint resolution.

Financial institutions must have mechanisms for intervening in a timely manner in the event of problems and complaints on the part of their customers. They must use these mechanisms to resolve individual problems and to improve their products and services.

Descriptive cards N° 7

I recently received a significant sum of money, and I'm concerned about privacy. My bank employee, who manages my personal account, seems aware of this deposit, even though I never discussed it with anyone at the bank. I'm beginning to worry that my personal financial information might not be as secure as I thought.

Can he discuss it with a member of my family without my permission?

F i n a n c i a l E d u c a t i o n

Principles of customer protection

Privacy of client data.

Confidentiality regarding a customer's personal data must be respected in accordance with the laws and regulations of individual countries' legal systems. Such data may be used only for the purposes defined when it was given and as legally permitted, unless agreed otherwise with the customer.



G



► Risk management and insurance

G1. Which of the following sentences is not related to a risk?

- ☐ a. Run into bankruptcy.
- ☐ b. Be sad.
- ☐ c. Have a work accident.
- ☐ d. Be victim of a fire.

G2. The list below shows protection measures against risks, except one, which one?

- ☐ a. Have savings.
- ☐ b. Subscribe to an insurance.
- ☐ c. Send money.
- ☐ d. Use a mosquito net.

G3. Insurance offers a protection against the possibility of a loss.

- ☐ a. True.
- ☐ b. False.

G4. What is an exclusion?

- ☐ a. A Document given to the policyholder by the insurance company that states the terms and conditions of the insurance contract.
- ☐ b. Specific condition, circumstance, or situation usually listed in a contract as being not covered.
- ☐ c. A request for payment for a loss that is covered by the policy.

Answers: G1:b; G2:c; G3:a; G4:b.

1. Manage risks

A risk is a more or less foreseeable danger that can have a damaging impact on us or on our family. Risks have different probabilities to happen and their consequences are different, from minor to very serious, depending on the nature of the risk and of the characteristics of the people or places that are affected.

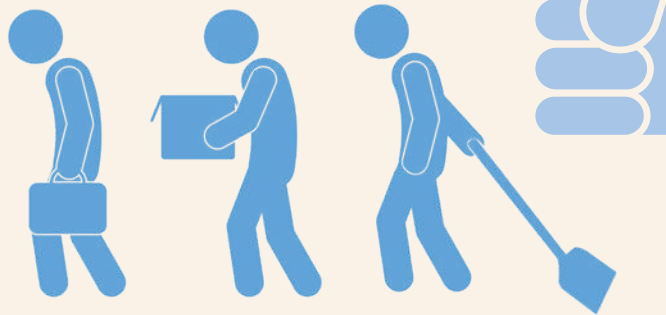
Definition

A danger is a situation in which there is the possibility or threat that something unwelcome or unpleasant happen.

Training aid G1.1

Risk cards

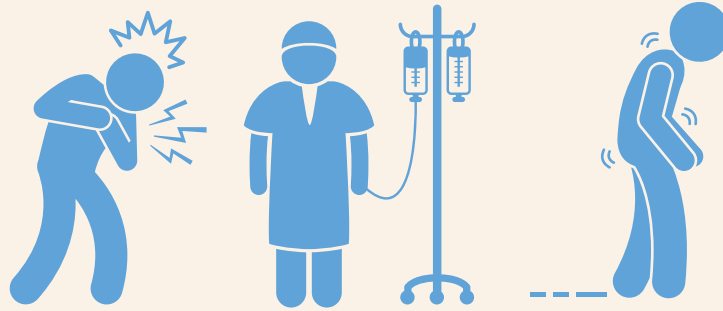
Unemployment



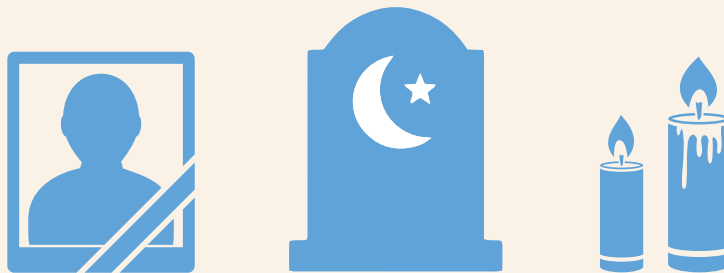
An occupational accident



Sickness



A death



Fire





Taking into account the risks that you and your family can face, write the risks in the boxes according to their frequency (probability to happen) and their costs. As an example, death is something that happens very rarely (once!) but it has very high costs for the family.

		Costs		
		Not very significant	Fairly significant	Very significant
Frequency	Rare			Example: death
	Medium			
	Frequent			

As you can see, the various risks are more or less likely and may have different consequences, from minor to very serious, depending on the nature of the risk and the characteristics of the person or places affected.

Remember

There are different protective measures you can take to protect yourself:

- Eliminating/avoiding the risk (e.g., by brushing your teeth).
- Transferring the risk to a third party (a mutual benefit association or insurance company).
- Predict the impact of risk and prepare against it (by saving, for example).



There are different measures you can take to protect yourself and your family against this risk. Write these measures under an umbrella!

Training aid G1.2

My umbrella



Key messages

- Risks are inherent to life.
- Some risks can be foreseen, and you need to take measures so that their impact will be lower.
- It is essential to have an emergency fund so that minor emergencies do not affect you too much; saving is key to reducing your vulnerability.
- For other emergencies, personal savings might not be enough: you need to use insurance.
- You need to take measures to protect yourself and your family
- For business owners, take into account that there are many occupational safety and health risks at the work place. You should take into account these costs.

2. Tips to create your emergency fund

- Start putting money aside for personal emergencies on a daily or weekly basis, even if the amounts are small. Little by little, your fund will grow.
- Keep your money in a safe place, preferably out of the house, so no one can get at it. Opening a savings account, if possible, could be a good idea.
- Save varying amounts, depending on how much you are paid on any particular occasion. It is not necessary that you always save the same amount.
- Do everything you can to cut out unnecessary expenditure. Everyone can save, however little they earn, if only a small sum.



Case study
N° 1

Keni's emergency fund

Keni and Marita have decided to start building an emergency fund to prepare for unexpected expenses. To do it, they decide to create a table that indicates all her family income during the last year.

The table looks like this:

Month	Amount
January	4,400
February	4,400
March	4,400
April	4,450
May	4,480
June	4,500
July	4,500
August	4,550
September	4,570
October	4,530
November	4,500
December	4,550

Questions about Keni and her family:

- What is the total amount Keni's family earns over a 12-month period (consider there might be fixed and variable income)?
- What is the family's average monthly income?
- What is the total amount they need to set aside in an emergency fund?

Answers: 1. 53,830 / 2. 4,485 / 3. 13,455

Remember

Your emergency fund is intended to cover expenditure for relatively minor emergencies. Most of you will not be able to put money aside for major emergencies, such as a long course of medical treatment or a death in the family.

If you plan for emergencies, you are more likely to achieve your goals. If you have an emergency fund, you will avoid having to draw on the savings you have made for starting a business, making home improvements, investing in education (yours or your children's). And you will avoid having to borrow and pay a high rate of interest.

3. Understand your insurance policy

INSURANCE: What is the idea?

The principle of insurance is to defend ourselves against a risk we may face (accident, illness, theft...) and to set aside some money to receive a compensation the day the event will occur.



Definition

Insurance is a form of protection, for anyone who has subscribed to an insurance contract, in the form of monetary compensation as a result of an accident or of any event covered by the insurance.

Mutual benefit association is a non-for-profit organization that is owned collectively by its members. It provides insurance to its members and acts in their best interest.

Insurance company is a business that provides insurance services. Its goal is to make profits.

Case study
N° 2

Ana has an accident

Ana spends long hours on her cocoa farm without proper protective gear. One day, while cutting cocoa pods with her knife, the blade slipped and severely cut her hand. She tried to stop the bleeding, but the injury was too serious to treat at home.

The local clinic in her village offered only basic medical care, so Ana had to visit a private clinic, where the treatment, including stitches and medication, cost her a significant amount of money. With no savings available, she was forced to borrow from an informal lender to cover the expenses.

Ana remembered that some farmers from the cooperative had been discussing a special insurance scheme for cocoa farmers, which helps cover medical costs from accidents like hers. She had never paid much attention to it before, thinking it wasn't necessary.

Now, burdened by the debt and high medical costs, Ana regretted not exploring the insurance option earlier. She decided to learn more about the scheme offered through the cooperative, realizing that having insurance could protect her family from financial strain if something like this happened again.



Case study
N° 3

Keni has an accident

While arranging stock in his shop, Keni accidentally slips and injures his arm. The sudden fall leaves him in pain, and he worries about the cost of treatment. However, Keni recently enrolled in a workplace insurance policy offered through the vendor's association—an initiative introduced for the first time in the Solomon Islands.

Without delay, Keni contacts his insurance provider and is guided through the process to access medical care. The insurance covers his doctor's consultation, treatment, and medication. Keni is relieved that his accident-related costs are fully covered. Feeling grateful for this essential protection, he is happy to know that his membership in the vendor's association has brought him real security for the future.



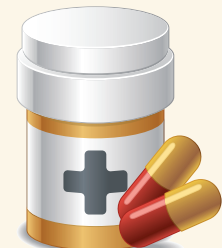
 **Important:** Sometimes our stress can have an impact on our body. If money management worries you this can result in physical health problems.

Training aid G2.1

The treasure pot game playing cards

Treasure pot game

3 Tokens


Medicines

Financial Education

Treasure pot game

7 Tokens





Hospital

Financial Education

Treasure pot game




Good health



Good health

Financial Education

Treasure pot game

4 Tokens





Doctor

Financial Education

Treasure pot game

You never know when or how much you will have to pay for your health. Sometimes the health expenses are so large that they go beyond our financial capacity. This is the reason why it is important to pool risks through a subscription to insurance.

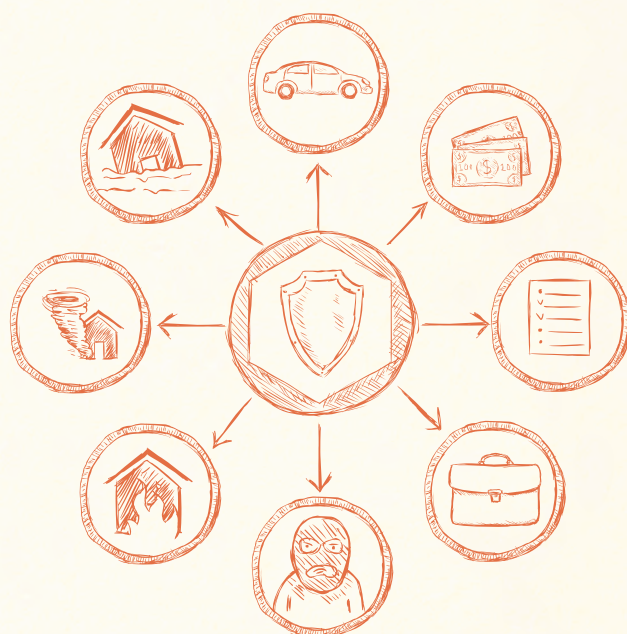
The secret of risk pooling lies on the fact that we all contribute with a part of our resources to a common pot. We do not need to draw from this pot all at the same time. However, insurance works only if all contribute together.

You need to pay in advance to be sure to have access to healthcare services, those covered by the insurance. The extent of the healthcare services you can Access depends on the level of you contribution. The more you contribute, the more services you have access to.



Key messages

- **Insurance:** a tool for income preservation and social protection.
- To be insured is to prevent risks.
- **Insurance:** pooling of risks.



Attention: Some workers, especially workers who receive a salary from formal enterprises (i.e., from a company registered with the State services and that pays taxes), have insurance coverage but often they don't know what it covers or how to use it. Sometimes, insurance company employees do not clearly explain insurance mechanisms, and they use complicated terms. Remember also that now the community-based health insurance (CBHI) is a very good way of having an insurance policy that protects you in case of health issues.

Remember

Knowledge is power. You should know what insurance is (events covered, payment, how to make a claim). Always keep your insurance card with you, if you have one.

4. Use your insurance policy

People face many different risks in the course of their life and each period of their lives come with a number of different risks. Some risks are general and may happen to anyone. Other risks may be specific to categories of people.

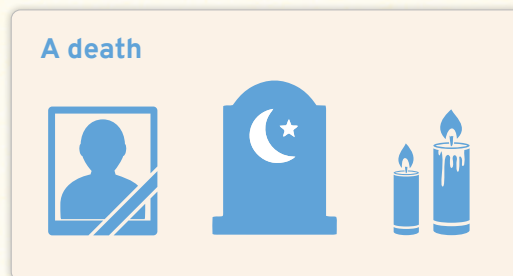
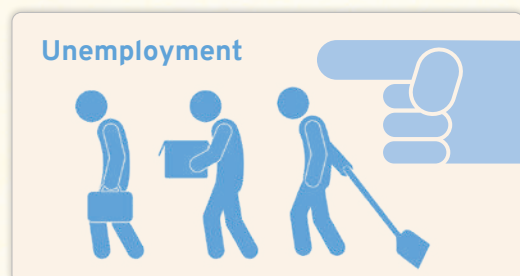
Let's look at the specific risks faced by people.

General risks	Risks specific to certain categories of people
• Death • Sickness • Accident • Theft • Your house burning down • Loss of job/unemployment • Physical, psychological and/or sexual abuse	Business owners and entrepreneurs: • Risk of economic losses • Risk of health and safety accidents at the workplace • Reputational risks • Liabilities risks



Training aid G3.1

Risk cards



Questions

- Do you have an insurance policy? If you don't, would you like to have one?

☐ Yes ☐ No

- Do you know the key insurance terms?

☐ Yes ☐ No

Let's review the key terms and definitions:

Basic insurance terms

Compensation or pay-out	<i>The amount the insurance company pays to the insured person when the event against which they are insured (often referred to as the risk: accident, fire, illness...) has occurred, subject to presentation of a valid claim.</i>
Policy	<i>The agreement between the insured (the customer) and the insurance company. The policy sets out the terms, conditions, duration, risks covered and exclusions.</i>
Premium	<i>The price or cost of an insurance policy, often split into monthly or quarterly instalments.</i>
Insured (person) / member / beneficiary	<i>The person who receives the insurance pay-out when a risk covered by the policy arises.</i>
Claim	<i>Request for compensation following a loss covered by the insurance policy.</i>
Insurance card	<i>Card issued by the insurance provider as proof that the policyholder has paid for a premium.</i>
Deductible	<i>Es la parte que se «sustraе» del pago que hace la aseguradora por la pérdida sufrida por el asegurado. Puede ser un monto específico o un porcentaje del monto total del seguro contratado en la póliza.</i>

To make a successful claim you should follow some steps. Remember you will need to fill in a claim form and send all the necessary documents.

Training aid G3.1

Stages in making an insurance claim

Stages in making an insurance claim



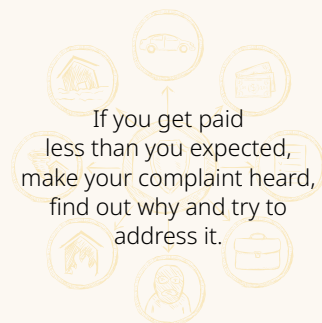
Financial Education

Stages in making an insurance claim



Financial Education

Stages in making an insurance claim



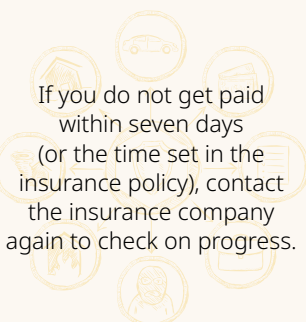
Financial Education

Stages in making an insurance claim



Financial Education

Stages in making an insurance claim



Financial Education



Key messages

- In order to find the insurance product that best meets your needs, you first need to identify the risks you and the persons you want to insure face.
- Insurance uses specific terms - You should learn them well in order to understand the available insurance products and make informed choice.
- Each insured risk may require different documentation when making a claim.

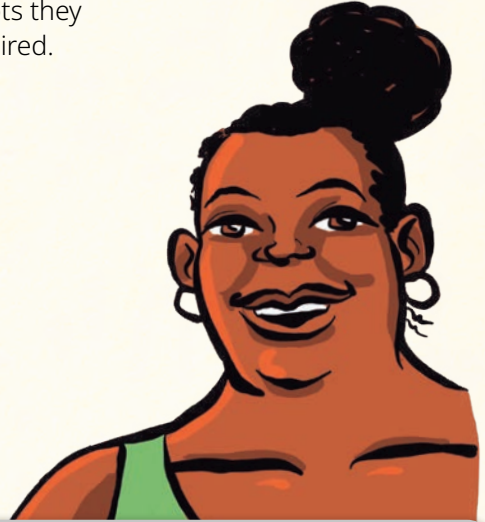
5. Choose your right insurance product

We are now going to help our characters to solve some doubts they might have about the accident insurance policies they have hired.

Training aid

G4.1

Insurance cases studies



Case study #1 Leila

One weekend, Mere, Leila's friend, was involved in an accident while traveling to visit family and suffered an injury to her leg. Unsure of the details of her workplace insurance, she wonders whether her treatment costs will be covered by the policy, even though the accident happened outside of work hours.

- **Will Mere's insurance cover the costs of the accident? Why?**

Case study #2 Jonah and Elani

One afternoon, Jonah injured his back while lifting heavy bags of betel nuts at his market stall. As he sat in pain, he began to wonder whether Elani's formal insurance, provided through her job at the post office, could cover his medical expenses. Jonah has never had insurance himself and isn't familiar with how it works, but he knows that Elani has workplace insurance as part of her employment benefits.

He is unsure if her insurance extends to family members or if it only covers accidents that happen to Elani during work hours. Jonah feels confused and decides to ask Elani to help him understand what her policy covers and whether it could help with his treatment.

- **Would Elani's workplace insurance cover Jonah's medical expenses? Why or why not?**

Case study #3 Ana

A few weeks after her accident on the cocoa farm, Ana decided to look into the accident insurance scheme offered through the cooperative. Wanting to protect her finances from future medical expenses, she felt it was time to prepare for any future mishaps.

However, as she thought about the recent injury to her hand, Ana wondered if the insurance could cover the medical expenses from that accident, even though it happened before she enrolled in the scheme. Unsure how insurance policies handle past incidents, Ana decided to contact the provider to ask if the clinic costs related to her injury could still be reimbursed.

- **Would Ana's insurance cover the medical expenses from that accident? Why?**



Key messages

- Insurance may look complicated. But, now that you understand the basics, you can evaluate if the protection your insurance offers is worth the cost.
- 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.
- It is very important to learn the rules that each policy uses to calculate the premiums for insuring your family.
- Insurance policies are not all the same. It is important to understand the policy and its conditions before subscribing to it. Be confident to talk to an insurance agent, your employer or your trade union representative if you have any doubts.
- If you're interested in buying an insurance policy, or if you have any question, immediately talk about it to an insurance agent, your employer, or your union representative.



Annexes and key documents

Challenges in putting money aside for an emergency fund (G.1)

Challenges	Advice
I prefer to give all my earnings to my parents and family (family obligations particularly strong in the case of young people and mi - grants).	• Save for personal emergencies so you can take care of yourself when your family can't help you (especially for those living far from home). • Start putting money aside for personal emergencies on a daily or weekly basis, even if the amounts are small. Little by little, your fund will grow.
When I keep money in my room, I'm afraid it might be stolen or lost.	• Keep your money in a safe place, preferably out of the house, so no one can get at it. • Open a savings account (for an emergency fund, the best solution is a flexible saver, which means you can withdraw your money at any time).
My income is irregular (e.g., seasonal).	• Save varying amounts, depending on how much you are paid on any particular occasion.
I have to use all my disposable income to pay off debts.	• Draw up a timetable for paying off your debts, starting with those on which you pay the highest interest. • At the same time, start putting money aside for personal emergencies on a daily or weekly basis, even if the amounts are small. Your savings will grow.
I can barely cover my basic needs.	• Do everything you can to cut out unnecessary expenditure. • Everyone can save, however little they earn, if only a small sum (mention a small amount in the local currency that could put aside each day, week or month).

Answers to exercises

Insurance cases studies (Training aid G4.1)



Solution case study #1

Will Mere's insurance cover the costs of the accident? Why?

No, the insurance will not cover Mere's treatment costs because the policy only provides coverage for accidents that occur at the workplace. Since her motorbike accident happened outside of work, the insurance is not applicable in this situation.



Solution case study #2

Would Elani's workplace insurance cover Jonah's medical expenses? Why or why not?

No, Elani's workplace insurance would only cover her, not Jonah. Workplace insurance typically provides coverage only for the employee and applies to accidents or injuries that happen to the insured person. Since Jonah is not listed under her policy and the accident occurred during his own work, he would not be covered under Elani's insurance.



Solution case study #3

Would Ana's insurance cover the medical expenses from that accident? Why?

No, the insurance Ana purchased will not cover any accidents that occurred before the policy was taken out. Insurance covers accidents from the date the policy becomes active.

Training aid Final 1

Individual action plan

Name(s):

Date and place:

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 medium-term goals			
1.		1. 2. 3.	
My long-term goals			
1.		1. 2. 3.	
2.		1. 2. 3.	

Training aid Final 2

What I know about financial management (with answers)



“What I know about financial management”

1. It is easier to achieve your life's goals if you know what you want and set yourself precise goals to achieve them.

☒ True ☐ False

2. When you migrate or when you earn money, there are far fewer conflicts with your family about money.

☐ True ☒ False (The fact that you are earning money may give rise to conflicts over how it should be managed).

3. It is easier to achieve a goal if you don't know how much it will cost: at least you won't be discouraged.

☐ True ☒ False (If you do not know how much you need, it is more difficult to achieve goals. For example, knowing that a goal is over-ambitious will enable you to take corrective measures and so achieve it, e.g. by changing your goals or increasing your income...).

4. If I trust the other person, it is not necessary to sign an employment contract.

☐ True ☒ False (The employment contract protects the employment relationship, both for the employer and the employee. If an employment contract is not signed, the conditions and responsibilities of the job could be frequently modified or even not respected).

5. When you draw up a budget, you need to distinguish between essential (needs) and optional expenses (wants).

☒ True ☐ False

6. Why would you perform an “Income - Expense” calculation?

☐ a) To know whether you are in debt.

☒ b) To know how much money you have left after essential expenses, and if you are able to save.

7. To keep within your budget, you must remember how much you had planned to spend.

☒ True ☐ False

8. Receiving the salary in cash is faster and safer than other means of payment.

☐ True ☒ False (Digital means of payment are faster and safer than receiving your salary in cash. They also have other advantages, such as having a formal record of the payment, facilitating savings, giving you access to other financial services).

9. One of the criteria you need to take into account when choosing a method of saving is security.

☒ True ☐ False

10. You can borrow as much money as you want, regardless of how much you earn or are able to put aside each month.

☐ True ☒ False (You can borrow according to how much you can pay back (the capacity to repay), which amounts to a bit less than your saving capacity. Otherwise, you risk over-indebtedness).

11. Interest is the amount of money the borrower pays to the lender, in addition to repaying the loan itself, to be able to use the lender's money.

☒ True ☐ False

12. Being heavily in debt is just a matter of bad luck.

☐ True ☒ False (It may be due to bad luck, but also to poor decision-making, e.g. taking on too big a loan).

13. A debit card can be used to buy goods from retailers (even when you have no money in your bank account).

☐ True ☒ False (To buy on credit, you need to have a credit card or a debit card with an overdraft facility from your bank).

14. All financial institutions are the same and offer the same financial products.

☐ True ☒ False (Each institution offers different products).

15. It is up to each individual to choose a financial institution, depending on his or her needs.

☒ True ☐ False

16. You have gone into a bank and cannot see the various charges displayed. Is this normal.

☐ True ☒ False (Banks are obliged to display their charges legibly and in a way everyone can understand).

17. A taxi-driver who transports your money to your family back home in the village is a formal money-transfer operator.

☐ True ☒ False (This taxi driver's financial activity is surely not recognised by the state. So, it is an informal money-transfer operator).

18. A risk is an event, more or less foreseeable, which may have positive consequences for you.

☐ True ☒ False (The consequences of risk are negative. This is why it is a good idea to insure against risks).

19. Everybody faces the same risks in life, whatever their personal circumstances.

☒ True ☐ False

20. To cope with an emergency, every household should have set aside at least:

☐ a) One month's income.

☒ b) Three months' income.

21. Compensation is the sum of money a customer pays to an insurance company to set up an insurance policy and ensure that it remains in force.

☐ True ☒ False (Compensation is the money paid to a customer after he or she has made a valid claim on the insurance company. The definition given above is for an insurance premium).

22. A health insurance policy ensures that you do not get into debt if you have a serious health problem.

☒ True ☐ False

Definitions

General

Goal

A goal is something you want to do in the future.

Formal/informal

In general, something that is formal respects the forms, meaning that it fits into a framework, a structure, or a law. It is also something that is legitimate and recognized by an authority.

Unlikely, something that is informal will not be subject to strict and official rules or framework. For example, the informal sector gathers businesses that are not registered and do not pay taxes.

Budget

A budget is a tool to decide, to plan and to use your money to achieve your goals.

Employment contract

A (legal) agreement between employer and 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, 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.

Financial institution

A financial institution is a public or private service that deals with financial operations such as savings, credit and payments.

Savings and credit cooperative

A Savings and Credit Cooperative is a democratic, unique member driven, self-help cooperative that strive to meet the financial needs of its members. It is owned, governed and managed by its members.

Savings accounts

A regular savings account

A regular or passbook savings account (also known as demand deposit account) in a financial institution allows the account holder to make deposits or withdrawals at any time. The amount and timing are not set in advance. The savings are remunerated according to an interest rate (usually annual). This savings account usually cannot be used to make direct payments.

Contractual savings account

A contractual savings account in a financial institution allows the account holder to link his/her deposits with the achievement of specific goals. The account holder deposits a set amount on a regular basis

for a specified period of time. After the maturity date the client can withdraw the entire amount plus interest (interest rate is set in advance). Early withdrawal is either prohibited or penalized.

Time deposit account

A time deposit account in a financial institution allows the account holder to deposit a lump sum, which he/she promises not to touch for a specific period of time. The client can choose from a range of possible terms. Since this type of account presents constraints (duration and amount blocked) for the client, it usually pays the highest interest of any savings product.

Credit**Interest rate**

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.

Principal

The original amount of the loan, without interest.

Loan term

The period of time that the borrower has to use the loan money and repay it.

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.).

Grace period

Period after receiving a loan and before the first payment is due.

Rethink

Cancellation of the credit contract. In some countries the loan agreement is not legally binding until several days or weeks after signing. During this period no payment can be made from the lender to the borrower. It ensures an efficient protection against impulse buying.

Early repayment

The borrower is always free to repay all or part of his/her debt before the expiration of the loan agreement, and that without incurring penalties.

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.

Over-indebtedness

The inability for a person to cope with his or her personal debts.

Payment methods

Cash card

A cash 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 (ATM) or cash dispenser. 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 airtime credits or allow you to pay some invoices (electricity...). Each bank has its own network of ATMs but often you can use your bank card to withdraw 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.

Debit card

A debit card is another way to make banking transactions electronically. In addition to using it to withdraw money from 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 immediately from your account. You will regularly receive a regular statement from the bank, showing the total amount deducted from your account and your remaining balance.

Credit card

In general, a credit card allows you to carry out the same transactions as cash and debit cards. The major difference is that it also enables you to access instant credit. In other words, if you do not have money in your account, you can still make the purchase by taking out a loan from the institution that sold you the credit card (financial institutions but also supermarkets, department stores, others).

Depending on the features of your credit card contract, the amount of your purchase will be deducted from your account (in one or more instalments, at an interest rate that is often much higher than standard credit products...). You will receive a regular statement from the institution that issued the credit card, showing the total amount to be repaid, the amount already paid off and the interest rate.

Money transfers

Informal money transfer service providers

These organizations are not regulated or supervised by the government. This type of provider includes retail shops, friends and couriers.

Formal money transfer service providers

These organizations are regulated or supervised by the government. This type of provider includes money transfer operators (MTOs), banks, microfinance institutions, savings and credit cooperatives, and mobile phone providers.

Risk and insurance

Risk

A risk is the possibility of a loss or injury.

Insurance

Insurance is a form of protection, for anyone who has subscribed to an insurance contract, in the form of monetary compensation as a result of accidents or any event covered by the insurance.

Insurance company

An insurance company is a business (profit oriented) that provides insurance services.

Mutual benefit association (cooperative)

A mutual benefit association (cooperative) is a non-for-profit mutual organization, which provides insurance to its members.

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 card

Card issued by the insurance provider as proof that the policyholder has paid a premium.

Exclusion

Specific condition, circumstance, or situation usually listed in a contract as being not covered.

Trainee's Booklet

ILO Financial Education for entrepreneurs and MSMEs in Solomon Islands

The ILO's Financial Education Programme addresses the pervasive issue of limited financial literacy, recognizing it as a critical constraint in various development contexts and a limiting factor contributing to the reduced incomes of vulnerable groups. The objectives of the programme are to:

- Advance the ILO's mandate for promoting decent work by equipping individuals with the essential knowledge, skills and attitudes required for effective financial management, thus better preparing them to access decent work opportunities.
- Equip future financial education trainers with adequate knowledge and skills in finance and interactive facilitation techniques, to give them the keys to support vulnerable groups in making informed financial decisions.
- Strengthen the resilience of vulnerable groups by upgrading their financial literacy levels and encouraging them to use adequate products and services, appropriately meeting their needs, throughout their financial journey.

The ILO's Financial Education Programme is acclaimed for its meticulously designed financial education training materials that are carefully translated and adapted to diverse contexts, geographic locations and target groups, including low-income women and men, youth, migrants, refugees, entrepreneurs, small businesses, farmers, fisherfolk and salaried workers. They are suitable for both adult learners and those with limited formal education. The training materials are designed following a participatory approach facilitated through an engaging curriculum, including the creation of fictional characters, role plays, relatable case studies, brainstorming and small group discussions. The materials are crafted for diverse learning environments, be it individual sessions, classrooms or online platforms. Recognizing the evolving landscape of education, the programme offers a modular approach, allowing partners to tailor training programs to specific needs. The training materials include a range of practical topics, including budget planning, savings management, prudent spending, wise borrowing and effective risk management, essential to building a solid basis of financial skills relevant to all types of vulnerable groups.

This trainee's booklet is developed for the women and men participating to ILO Financial Education trainings. As a complement to the trainer's manual, the trainee's booklet serves as a training companion and exercise workbook to ILO Financial Education participants and as a reference guide afterwards. The trainee's booklet provides all the information related to the various training activities, exercises, role plays to enable participants to follow the training programme more smoothly. Participants can then easily follow the training's case studies, featuring fictional characters, matching their local country context and socio-economic environment. The trainee's booklet also includes the programme's key messages as well as templates and tools, useful to help them manage their money wisely.

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