



International
Labour
Organization

► Financial education

Manage your money smartly!



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Financial Education

Trainees Booklet

International Labour Organization

Preface

Making informed decisions about money is an important part of everyday life. Whether managing income, planning for future expenses, or dealing with financial uncertainty, having the right knowledge and tools can help people feel more confident and in control. And financial education's objective is exactly about that: to provide the practical skills enabling people from all backgrounds to take control of their money, make decisions with confidence, and build more stable and resilient lives.

This trainee's booklet has been developed as part of the **ILO's Financial Education Programme**, which supports individuals like you, workers, entrepreneurs, jobseekers, migrants, and others, to strengthen your financial skills and take practical steps toward greater economic security. It is intended to be used alongside in-person training sessions led by a certified trainer, and to serve as your personal learning guide throughout your financial education journey.

Whether you are managing your income, planning to save, considering getting a loan, starting a small business, or trying to manage irregular income streams, the content in this booklet offers useful tools, examples, and exercises designed to help you apply financial knowledge in your daily life. Topics covered include goal setting, budgeting, saving, borrowing responsibly, managing risk, and planning for the future. These skills can help you feel more in control of your finances and more prepared for both economic opportunities and financial challenges.

Improving your financial knowledge can make it easier to make informed choices, prepare for uncertainty, and take steps toward more stable and secure livelihoods. In many cases, financial capability supports efforts to access and sustain better work opportunities, manage self-employment or small businesses, and navigate transitions in life and work. It can be a stepping stone toward decent work, work that is productive, fairly paid, secure, and carried out in conditions of freedom, equity, and respect. Being financially informed allows you to better negotiate your rights, protect yourself against exploitation, and make choices that support your long-term well-being.

The ILO believes that everyone deserves access to knowledge and tools that can improve their quality of life. That's why for over 15 years, the ILO's Financial Education Programme has worked in partnership with local organizations, governments, and financial institutions to make financial education more widely available and adapted to different countries, languages, and realities.

We hope that this booklet becomes not only a guide but also a source of inspiration. By strengthening your financial capabilities, you are taking a step forward on your personal path toward greater confidence, opportunity, and stability.

We wish you an empowering and transformative learning experience.



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Introduction

1. Background

Welcome to the ILO's Financial Education Trainee's Booklet, which draws on over 15 years of experience implementing financial education across diverse regions and target groups. This booklet is designed as a generic one for different target groups in multiple locations.

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 learners.

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: SANDRINE

Target Group: *Business enabled by technology.*

Place of residence: *Kabeza.*

Gender: *Female.*

Age: 25

Marital Status and family: *Single, lives with her parents and two younger siblings. Contributes partially to household expenses.*

Economic activity: *Sandrine owns a small business selling clothing and accessories through social media. She buys merchandise in Kigali or imports it from Uganda and Kenya through intermediaries. She runs targeted digital advertising campaigns to attract local customers and others in different cities, offering home delivery through motorcycle taxi services coordinated via local apps. Technology is key throughout the business flow: sourcing, promotion, sales, and logistics. Her parents run a catering and event organization service that mainly serves weddings and some family gatherings in urban areas such as Kigali and secondary cities. She helps them occasionally.*

Level of educational attainment: *Completed secondary education. Technical training in digital marketing obtained through a TVET program and a short e-commerce course.*

Attitude to money: *She is organized with her finances and plans her expenses. She is cautious and does not like to take many financial risks.*

Financial characteristics:

- *She is very organized with her finances, which is why she keeps a business budget, a personal budget, and also one that she shares with her family.*
- *She uses mobile money to keep part of her savings.*
- *She is interested in obtaining information about business savings accounts, in order to access better financial products.*
- *Prefers to reinvest in the business rather than save long-term.*

Objectives:

- *Take a short marketing course for fashion influencers.*
- *To access formal credits.*
- *Buy professional photography equipment to improve the quality of her social media posts.*
- *Subscribe to a basic mobile inventory management software.*
- *Eventually to have a physical shop in a commercial street.*
- *Help with the education of her siblings.*

Secondary characters:

- *Her parents, Jean Bosco and Mukamana.*
- *Her siblings, Mugenzi and Uwase.*
- *Her friend, Ineza.*



Name: PATRICK

Target Group: *Start up.*

Place of residence: *Muhanga.*

Gender: *Male.*

Age: *26*

Marital Status and family: *Married, with a 3-year-old son.*

Economic activity: *Patrick owns a small motorcycle repair and maintenance workshop. He learned the trade while working as his uncle's assistant and later decided to open his own rented space. He started by repairing bicycles and selling spare parts near the central market in Muhanga, but over time was able to open his own workshop and expand into motorcycle repairs. He has two informal employees who assist with repairs and washing. Although business is steady, the income still does not cover all fixed and material costs, so Patrick works alongside his employees to keep the operation running. He recently opened a mobile money merchant account, to facilitate customers payments and track sales more efficiently. He is considering a basic customer registration system to build loyalty and offer promotions.*

Level of educational attainment: *Completed secondary education and a short technical course in motorcycle mechanics at a local TVET center.*

Attitude to money: *He is trying to be more organized with money and maintain separate budgets. He is risky with his savings, investing most of them.*

Financial characteristics:

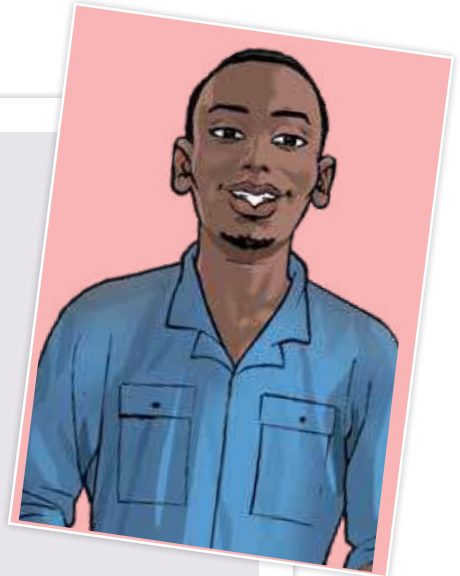
- *Sets aside a small percentage from each job as savings in a local savings group.*
- *He recently participated in a financial education course where he learned how to create a savings plan, which he is now putting into practice to become better organized.*
- *He is interested in expanding and improving his business, so he is exploring financing options to complement his savings.*
- *Does not use cards; prefers cash or mobile payments.*
- *Focuses on maintaining a positive daily cash flow to cover salaries and rent.*

Objectives:

- *Buy a new electric piano for Iradukunda.*
- *Improve his house and workshop.*
- *Purchase specialized tools and expand the workspace.*
- *Formalize his business and employees.*

Secondary characters:

- *His wife, Keza and his son, Iradukunda.*
- *His two employees, Manzi and Igiraneza.*



Name: MUTESI

Target Group: *Works for a company, has a side job.*

Place of residence: *Musanze.*

Gender: *Female.*

Age: *27*

Marital Status and family: *Recently married, no children, lives with her husband.*

Economic activity: *Works as a data entry at a local software company (part-time) that develops management solutions for small businesses (POS, e-invoicing, inventory). Even though it is not related to her studies, she likes her job because it allows her to have a stable and formal job. In parallel, she has started offering personalized tourist experiences to couples or small groups. The experiences she offers combine cultural visits (basket weaving workshops, traditional dance) with food tours. For now, she uses her days off or weekends for this activity. Promotes her private guiding services through social media and receives payments via mobile money. Her husband is a freelance photographer specializing in weddings, graduations, and community events. When he has a free weekend, he supplements his income by taking photos for tourists at Volcanoes National Park, selling printed or digital copies.*

Level of educational attainment: *TVET Diploma in Tourism and Travel Management, complemented by a digital marketing for tourism course at a Youth Centre in Musanze.*

Attitude to money: *She is organized with her money, but her partner is not, and they have many problems because of this. She carefully analyzes financial decisions before taking risks.*

Financial characteristics:

- *In her formal employment, she has a non-compete clause that does not allow her to engage in activities related to her current job, which is why she feels comfortable with her independent work as a tour guide.*
- *She receives her salary from her formal employment in a bank account, which allows her to save, have a debit card, and access savings products.*
- *She also uses mobile money for her personal expenses.*
- *Her husband is very disorganized and heavily indebted; he owes a lot of money to several people and organizations.*
- *She has life/health insurance to be covered in case of accidents.*

Objectives:

- *Turn her tourist experiences into a formal and sustainable business that allows her to leave her job as an employee.*
- *Save to obtain an official tour operator license.*
- *Take an official English course to improve her skills with foreign clients.*

Secondary characters:

- *Her husband, Ngabo.*
- *A client of her personal business, Mugwaneza.*
- *A colleague, Ange and her husband Eric.*
- *An HR worker at the software company, Sam.*
- *Ngabo's friend, David.*



Name: **SAMUEL**

Target Group: *Informal Gig worker.*

Place of residence: *Kimironko.*

Gender: *Male.*

Age: *24*

Marital Status and family: *Single, lives in a rented room with a friend, and sends part of his income to his parents in the Nyamagabe district. He has an older brother who lives abroad.*

Economic activity: *He works as a freelance delivery rider for a local food and grocery delivery platform. He uses his own bicycle and a smartphone to receive orders and plan routes. His income depends on the number of deliveries, so he works long hours on weekends and public holidays. When demand is low, he offers courier services to nearby businesses, promoting himself through social media.*

Level of educational attainment: *Completed Upper Secondary education.*

Attitude to money: *He finds it very difficult to organize his money and is risky when making financial decisions. He uses different types of credit when needed. He finds it very difficult to save consistently.*

Financial characteristics:

- *When he can, he helps his parents, just as his brother does, who is living and working abroad.*
- *Samuel's friend got his first formal job and receives his wage digitally.*
- *He is not very organized with money and sometimes has to borrow to cover unplanned expenses.*
- *He saves informally, in a safe at home.*
- *He is worried about having an accident one day and not having insurance.*
- *Does not have a formal bank account; uses Mobile Money to receive payments and money agents to send money to his family.*

Objectives:

- *Bave to buy a motorbike.*
- *Diversify his activities by offering transportation services to local tourists during the high season.*
- *Be covered by an insurance.*
- *Have a regular and steady income.*
- *Have a bank account..*

Secondary characters:

- *His mother and father in another district, Kalisa Jean Claude and Uwimana Grace.*
- *His brother that lives abroad, Gabin.*
- *His friend and roommate, Kevin.*
- *The accountant at Kevin's restaurant, John.*



► Set goals and communicate within your family

This is a self-assessment quiz. Answer each question honestly based on your current thoughts, behaviors, and actions. There are no right or wrong answers! It's simply a reflection of how you manage your money today. At the end of the module, you'll be able to return to this quiz and modify your answers if you feel something has changed in you after completing these lessons.



A1. Regarding the goals I want to achieve, I...:

- ☐ a. Clearly know my short-, medium-, and long-term goals and what I need to do to achieve them.
- ☐ b. Have some goals in mind, but I achieve them as I can, without any special planning.
- ☐ c. I'm not sure; I've never really thought about my goals.

A2. If I cannot achieve one of my goals, I...:

- ☐ a. Get frustrated because it was something I really wanted and now I won't be able to have it.
- ☐ b. Try not to stress and adjust my plans so I can try to achieve it later.
- ☐ c. If it's an important goal for me, I borrow money to achieve it no matter what.

A3. If my parents or someone very close asks me money, I...:

- ☐ a. Lend it immediately without hesitation or consulting anyone. If they are asking, it must be because they need it more than I do.
- ☐ b. First consult with my family to assess whether we are really in a position to lend that money
- ☐ c. I have never been in that situation. If I were, I honestly don't know what I would do.

A4. My opinion about the decision to migrate is that...:

- ☐ a. You have to dive into the adventure without overthinking it; many people have done well, and this time will likely be no exception. If you think about it too much, you might never do it.
- ☐ b. It is important to conduct a thorough analysis of the decision (advantages, disadvantages, economic and family costs), even if that means missing an opportunity.
- ☐ c. You have to listen to those who have already migrated and make a decision based on their experiences. They already know what to do and what not to do.

Remember to come back at the end of the module to see if your answers have changed!

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

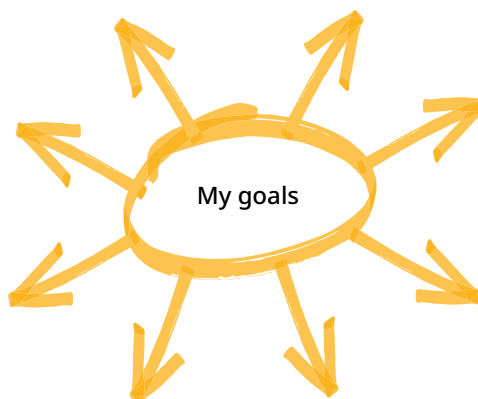
Sandrine's story

Sandrine is a 25-year-old woman who lives with her parents and two younger siblings in Kabeza. After finishing secondary school, she took a short course in digital marketing and started selling clothes and accessories online. What began as a hobby during her studies has now turned into her main source of income. Every week, she travels to Kigali or orders products from Uganda and Kenya through suppliers she contacts via social media. She promotes her merchandise through WhatsApp, Instagram, Tik-Tok and Facebook, and most of her clients are young people who appreciate her creativity and reliable delivery.

Although she is proud of how far she has come, Sandrine knows that managing both business and household responsibilities can be demanding. She contributes to some family expenses, helps her parents when they have many catering orders, and saves what she can from her profits. Sometimes she feels pressure to spend more—especially when she sees friends upgrading their phones or travelling—but she tries to stay focused on what matters most. She believes that good planning and discipline are what keep her business growing.

Recently, Sandrine started reflecting on what she wants to achieve in the next few years. In the short term, she hopes to increase her online sales and buy better photography equipment to make her products stand out. In the medium term, she wants to open a registered online store and have her own small delivery motorbike to rely less on third-party services. Her long-term dream is to become a well-known online fashion retailer, open a physical shop and to help her siblings finish their studies. Sandrine understands that she cannot reach all her goals at once, but she feels motivated to plan carefully and make each step count.

**What are Sandrine dreams?
Write them here!**



Training aid A1.1

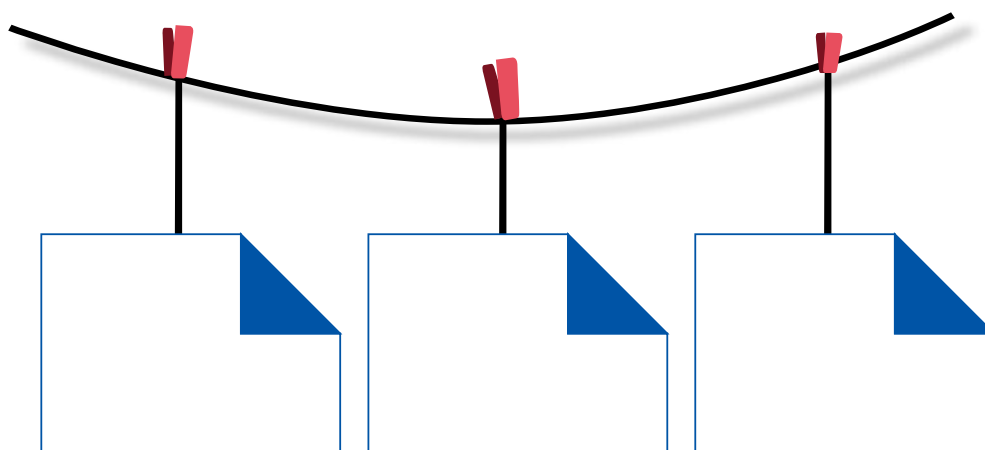
My goals

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

► Personal Goals

Short-term

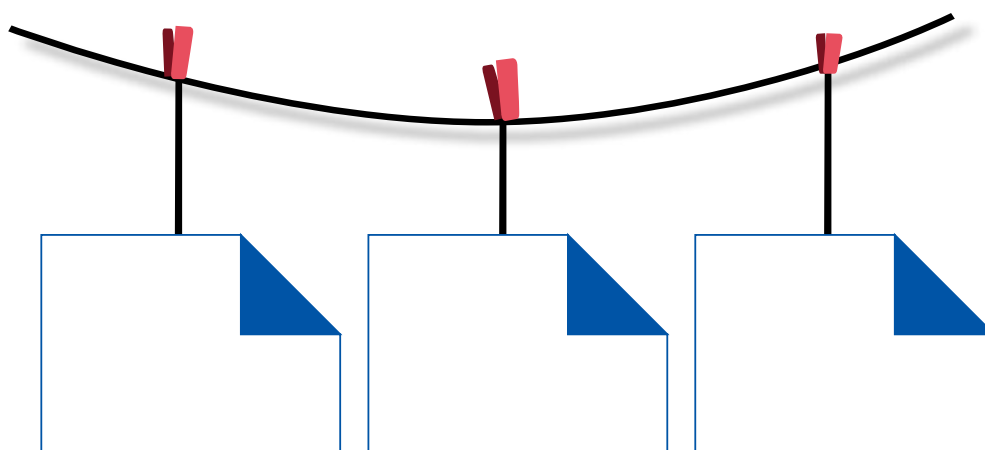
Long-term



► 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

Patrick's savings plan

Patrick is 26 years old and lives in Muhanga with his wife, Keza, and their three-year-old son, Iradukunda. He owns a small motorcycle repair and maintenance workshop and employs two informal assistants. Business is growing steadily, but Patrick often feels pressure to balance his family's needs with the expenses of running the workshop. He decided to take part in a free financial education training offered by an NGO for entrepreneurs in Muhanga to try to manage his money better.

He has many goals for the coming year. He dreams of buying an electric piano for his son, who loves music and often imitates tunes he hears on the radio. He also wants to buy specialized tools – like an hydraulic lift – that would make his work faster and more professional, and eventually expand his workshop by renting the space next door. In the longer term, Patrick hopes to formalize his employees and his business so he can qualify for larger repair contracts and offer stable jobs to his assistants.

After discussing with Keza, Patrick decides to focus on three priorities: the piano for his son, the specialized tools, and the money for buying all the materials he will need for the expansion of the workshop. He plans to save gradually from his repair jobs, setting aside a small amount each week and depositing it in the savings group he belongs to. Patrick also writes his goals down in a notebook to keep track of his progress and stay motivated.

Having a clear plan helps Patrick feel more organized and determined. Even if he cannot reach all his goals at once, he knows that by saving regularly and prioritizing what matters most, he can steadily improve his business and support his family's dreams.



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

Patrick'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 of my goal	How much I need to save each month to achieve my goal
Short-term goals (less than 12 months)				
Electric piano for his son	June this year	120.000 RWF	6	20.000 RWF
Medium-term goals (1 to 3 years)				
To buy an hydraulic motorcycle lift	January next year	300.000 RWF	12	25.000 RWF
Long-term goals (more than 3 years)				
Workshop expansion	January in 3 years	1.800.000 RWF	36	50.000 RWF
Total amount I need to save every month to achieve all my goals (sum of the amounts in the right-hand column):				95.000 RWF

Important

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

Training aid A1.2

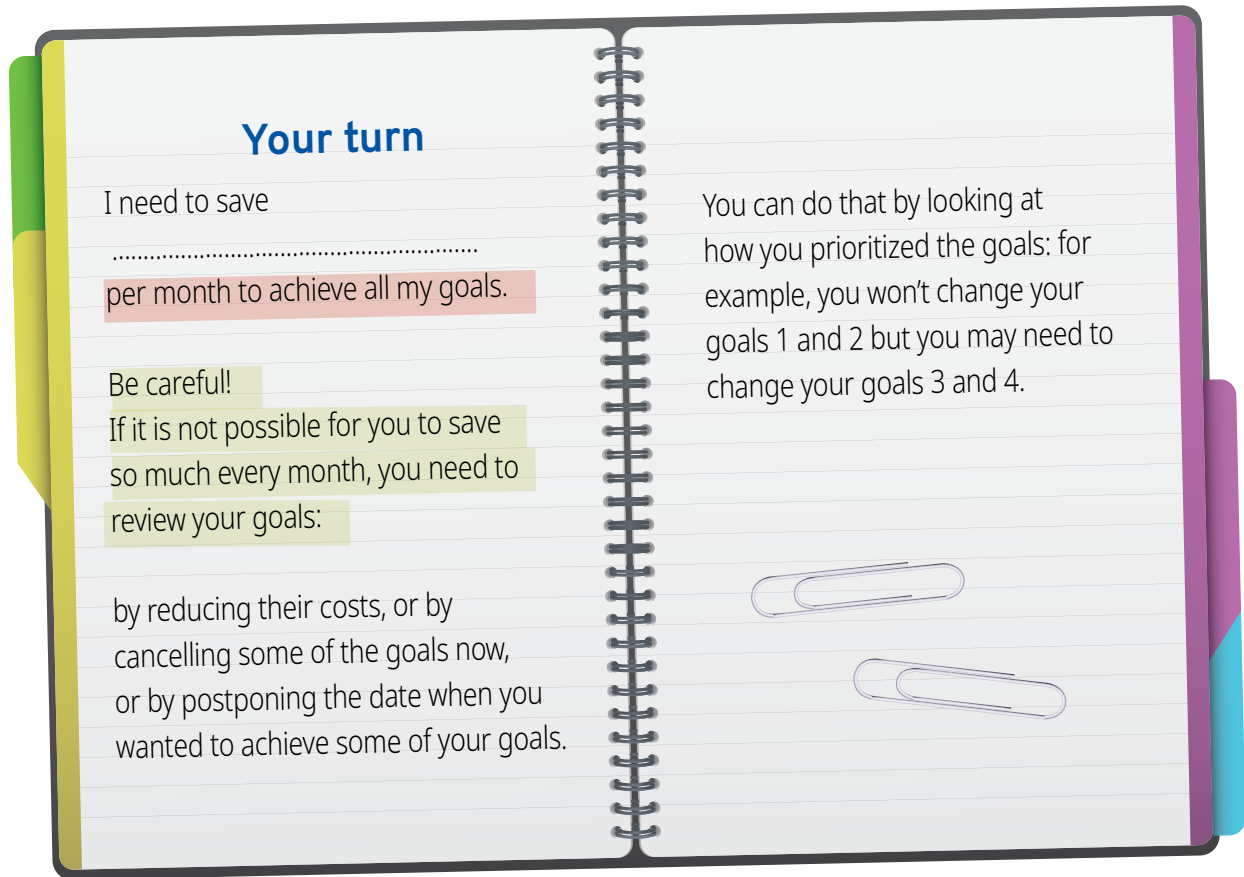
My savings plan

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	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):				

**TIPS!**

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.
- 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).
- Keeping your goals in mind is a sure way to achieve success.
- Making a savings plan helps you to achieve them more easily.
- Having a digital savings plan in a spreadsheet could be a great idea to be able to adjust it 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.

Dos and Don'ts of effective communication

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

Sandrine's online clothing business is doing well, and she wants to invest in a professional camera to take better pictures of her products. When she first mentioned it, her parents were hesitant. Her mother worried it was a waste of money, and her father preferred she help the family buy new catering equipment for their business.

Since then, the topic has come up several times, but each discussion ends quickly without real agreement. Sandrine feels they do not fully understand her point of view, while her parents think she is not listening to theirs. She now wants to have a proper conversation about it—but is unsure how to start without causing more tension.

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



Patrick's motorcycle repair workshop has been doing fairly well, and last month he earned more than usual. He wants to use part of this money to buy new tools that would help him work faster and attract more customers. When he mentioned this at home, his wife, Keza, was hesitant. She reminded him that they also need to buy new furniture.

Since then, they have talked about it several times, but each discussion ends without an agreement. Patrick feels frustrated because he sees the investment as a way to increase their income in the long run. Keza feels that family priorities are being overlooked. Patrick now wants to find the right moment to talk again, but he is unsure how to make the conversation productive without starting another argument.

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

Mutesi works part-time at a software company and spends weekends offering cultural and food experiences for tourists. She has been saving to apply for a tour operator license to formalize her business.

Her husband, Ngabo, is a freelance photographer. Recently, he asked her to help repay a loan he took to buy new camera equipment. Mutesi wants to support him but worries that using her savings would delay her own plans. Every time they discuss money, the conversation becomes tense and ends quickly.

Now, Mutesi feels it's time to have a proper discussion about their finances — but she's not sure how to do it without creating more conflict.

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**

Samuel works as a freelance delivery rider with a bicycle and shares a rented room with his friend Kevin. Lately, Samuel has been talking about buying a motorbike to get more delivery orders and earn more money. He would love to also work with tourists that come for the high season. He plans to start saving for it, but his income often runs out before the end of the month.

Recently, Kevin suggested that Samuel should focus on paying his debts first instead of trying to save. Samuel disagreed, arguing that having a motorbike would help him earn more. The discussion ended quickly, with both feeling misunderstood.

Samuel now wants to talk again, but he's not sure how to explain his idea without sounding defensive — or how to listen to Kevin's concerns without losing motivation.

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

Mutesi's problems

During a break at work, Mutesi shares her frustrations with her colleague, Ange. Managing money with her husband, Ngabo, has become increasingly stressful. Mutesi earns a regular income from her part-time job and her weekend tourism activities, but Ngabo's photography work is unpredictable. When payments are delayed, he sometimes borrows money without telling her, and Mutesi only finds out later when repayment becomes urgent.

She wants to discuss these issues openly, but every time she tries to bring up money, Ngabo gets defensive or avoids the conversation. The last time, he told her she worries too much and should "trust that things will work out." Mutesi feels excluded from financial decisions and fears that silence might make things worse.

Ange, on the other hand, explains that she and her husband, Eric, make it a habit to sit together once a week to discuss their household finances. They don't always agree, but they try to stay transparent and plan together. Mutesi admires that openness, but she isn't sure how to start such a conversation at home without causing more conflict.

Key messages



- Good communication is desirable in all families, especially in families with relatives living in a distant town, region or country.
- Communication can be improved by applying some simple principles: expressing yourself clearly and confidently, listening to others and making sure you have understood their opinions, keeping calm and being flexible...
- Speaking honestly to your family (especially those who have remained in their home village or those who are dependent on you) is difficult but has its advantages, for instance your family will understand you better.



5. Decide if migrating is the right choice for you

Case study N° 4

Uwimana Grace, Samuel's mother view on migration

I am Uwimana Grace, Samuel's mother. My eldest son, Gabin, left Rwanda three years ago to work abroad. He was always ambitious and wanted to support the family. He now works in a small logistics company and sends money home whenever he can. Those transfers help us pay for household expenses and sometimes cover Samuel's rent in Kigali when business is slow.

I am grateful for that help, but I miss Gabin every day. Life feels quieter without him here. When something breaks in the house or the roof leaks, I wish he were around to fix it like he used to. Samuel does what he can, but his delivery work keeps him busy, and he also has his own struggles.

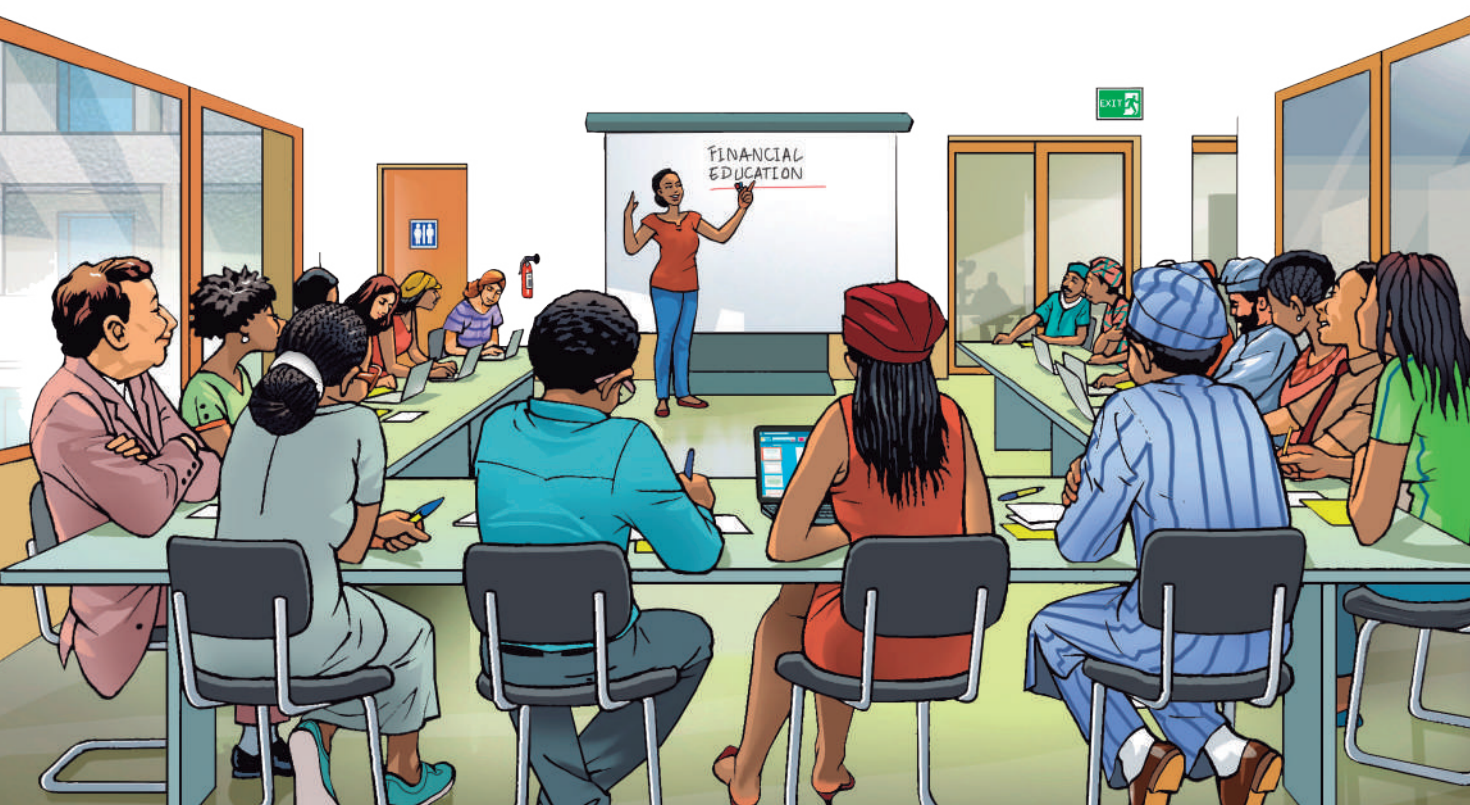
Sometimes I worry that Gabin is under too much pressure. He tells me life abroad is expensive and that saving is not as easy as people think. Still, he insists on sending something home because he wants his younger brother to have a better future. I understand his choice, but as a mother, I still dream of the day when both my sons will be together again — working here, close to family, and building something of their own.



Advantages and disadvantages of migrating

(From the migrants' point of view)

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.



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.
- 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.



Key messages



- There are many reasons why people migrate: to earn more, to better meet their needs and those of their families, to experience a different way of life, to acquire new knowledge or to escape difficult situations at home.
- People who do not migrate may also do a lot for their families by staying put. Helping one's family is not necessarily a matter of money.
- Families need to understand the advantages of migrating. They also need to consider the costs.
- Some of the advantages and disadvantages of migrating are money-related, but others have to do with social and family relationships.
- Families need to carefully identify the financial costs of migration so as to calculate whether or not migrating would be beneficial.
- A lot of false information is circulating on this subject. For example, whatever people may say, the streets are not paved with gold, neither at home nor in other places.



B

► Manage your money wisely

This is a self-assessment quiz. Answer each question honestly based on your current thoughts, behaviors, and actions. There are no right or wrong answers! It's simply a reflection of how you manage your money today. At the end of the module, you'll be able to return to this quiz and modify your answers if you feel something has changed in you after completing these lessons.



B1. When it comes to spending my money...:

- ☐ a. I first analyze whether it is something I truly need; if it is, I buy it. If it's not, I make sure I have enough money for my basic needs first. That way, I never run out of money to cover my essentials.
- ☐ b. Life is meant to be enjoyed! I can't always be thinking about every expense, so I just buy what I want and need; after all, that's what I work for!
- ☐ c. I have so little money that I can't afford to analyze how I spend it. I always run out of money before the end of the month, so it doesn't matter if I plan or not, it's never enough.

B2. If I have to sign an employment contract...:

- ☐ a. I sign it immediately! I don't want them to think I'm not interested in the job or that I might be a difficult employee.
- ☐ b. I take the time to read the contract and analyze my rights and obligations. If I have any doubts, I seek help to better understand what I'm about to sign.
- ☐ c. I give it to someone else to read and tell me whether I should sign it or not. I wouldn't know what to look for, so I rely on others to help me.

B3. To manage the money from my business and my family...:

- ☐ a. I don't do anything special. I keep all the money together and we spend it as needed. That's how we've always done it.
- ☐ b. I manage the money for my business, my family, and even my personal incomes and expenses separately. It takes more time, but it works better for me.
- ☐ c. I don't know! Another family member takes care of the money. I don't get involved in managing it.

B4. If by the end of the month I don't have enough money to pay for something important...:

- ☐ a. That doesn't usually happen to me, because I track my income and expenses to make sure I'll have enough money, at least for my basic needs.
- ☐ b. I borrow money. I can always ask a relative, friends, or even take out a loan.
- ☐ c. I leave those needs unmet. I don't like to borrow money and I don't know how to manage the little money I have.

B5. When I buy something or pay for a service...:

- ☐ **a.** I keep the receipts either physically or digitally, you never know when I might need them.
- ☐ **b.** I don't like collecting papers, so I only keep receipts for big purchases. I throw the others away.
- ☐ **c.** I throw away all receipts because I've never had any problems. If I ever do have an issue, I assume they'll help me even without a receipt.

B6. Receiving my wage through digital means makes me feel:

- ☐ **a.** Distrustful. Not being able to hold and count the cash in my hands isn't for me. I don't trust technology.
- ☐ **b.** Confident and secure. Digital channels are safe for receiving money and there are many ways to access and use it.
- ☐ **c.** Anxious. I would like to manage my money digitally, but I don't know how. I'm afraid I won't be able to access it when I need it.

Remember to come back at the end of the module to see if your answers have changed!



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?

.....

.....

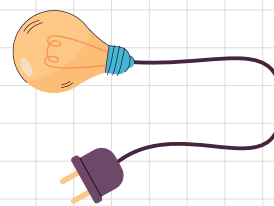
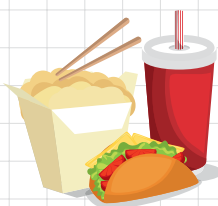
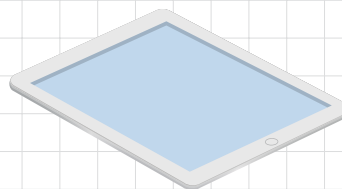
Definition



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

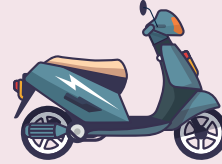
Wants and needs picture cards

Lottery ticket



Financial Education

Motorbike



Financial Education

Street food



Financial Education

Cash withdrawal



Financial Education

Housing



Financial Education

School fees



Financial Education

Smartphone



Financial Education

Water



Financial Education

Sim card



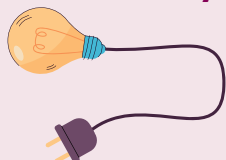
Financial Education

Healthcare



Financial Education

Electricity



Financial Education

Soda can



Financial Education

Cinema ticket



Financial Education

Ice cream



Financial Education

Expensive shoes



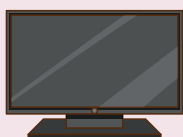
Financial Education

Cigarettes



Financial Education

Flat screen TV



Financial Education

Streaming services



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

Samuel faces an emergency

A few days ago, Samuel's parents Kalisa Jean Claude and Uwimana Grace called from Nyamagabe. Heavy rain had damaged part of their house roof, and they urgently needed money to buy new iron sheets. Without thinking twice, Samuel sent most of the cash he had earned that week through mobile money. He felt proud to help, even if it meant having very little left for himself.

This morning, on his way to deliver an order, the chain of Samuel's bicycle broke. It was a busy day, but now he couldn't work until it was repaired. When he checked his mobile wallet, he realized he didn't have enough to cover the repair cost. The small amount he had saved was already gone after helping his parents.

Samuel thought about what to do. He didn't want to lose a day of work, but he had no savings left. After thinking it over, he decided to ask his friend Kevin for a small loan to fix the bicycle — even though he had promised himself not to borrow again this month.

Case study N° 2

Patrick has a problem

Patrick and his wife, Keza, had been trying to manage their money more carefully. Every week, they set aside a small amount in their joint mobile money account, saving to buy an electric piano for their son, who loves music. It wasn't always easy, but they felt proud to be saving together for something that would make their child happy.

One afternoon, while checking the balance, Keza noticed that most of the money was gone. Confused, she asked Patrick what had happened. After a pause, he admitted he had used the savings to buy an expensive spare part for a client who promised to bring his motorbike in for repairs. The client never showed up — and now Patrick has both the spare part and a hole in their savings.

Patrick explained that he thought it was a good business opportunity and planned to replace the money once the job was done. But now, with no cash and no way to return the part, they will have to wait until another client needs the same piece. Keza feels frustrated and disappointed.





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 mobile money 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

Mutesi signs an employment contract

When Mutesi was hired by a local software company in Musanze as a part-time data entry officer, she was excited to sign her first formal employment contract. She had heard many stories from friends about short-term or verbal agreements that caused problems, so having an official contract made her feel secure and respected.

Since she was planning to start offering personalized tourist experiences to couples and small groups, she took the time to carefully read the contract to see if her idea might conflict with the job. That's when she noticed that the contract included a non-compete clause preventing staff from engaging in activities related to their current work. At first, she was concerned about this clause, but after reading it carefully, she realized that the restriction only applies to activities directly linked to software or data services, not tourism. Understanding this helped her feel confident again and reminded her of the importance of reading contracts thoroughly to know her rights and responsibilities.



**Case study
N° 4****Kevin, Samuel's friend, gets her first job**

Kevin, Samuel's friend and roommate, recently got his first formal job as a kitchen assistant at a busy restaurant in Kigali. He was thrilled to finally have stable work and a regular salary. On his first day, he signed the employment contract quickly, eager to start and confident that everything was in order.

At the end of the month, Kevin received his first payslip — but the amount deposited into his account was much lower than he had expected. Confused, he spoke with the restaurant's accountant, who explained that several deductions had been made from his gross salary. These included Pay-As-You-Earn (PAYE) income tax, Rwanda Social Security Board (RSSB) contributions for pension and health insurance, and a small deduction for local community health programs.

Kevin realized these deductions were standard for all employees in Rwanda, but he felt unprepared for the difference between gross and net pay. He promised himself to always review contracts and payslips carefully in the future and to adjust his personal budget so he could still save a small amount each month.



Training aid B2.1

Example of good employment contract



**LOCAL SOFTWARE
COMPANY LTD.**

ID
PHOTO

PERIOD CONTRACT

First Party

Employer:

Represented by Mr./Mrs.:

Address:

Telephone Number:

Second Party

Name:

Surname:

Gender:

Date of birth: (day /month /year)

ID No.:

Address:

Telephone Number:

*HAS AGREED THE FOLLOWING***Article 1:**

This contract confirms the employment of the second party by the company as a **Data Entry Officer** under the terms below.

Article 2:

The company accepts to employ the employee for 12 months with possible renewal. The position is **Data Entry Officer** in the **Operations Department**.

The company reserves the right to change the section or position as needed.

Article 3:

The basic salary is agreed at _____ **RWF per month**. All salary calculations shall comply with the national labour law.

Article 4:

Income-tax and social-security deductions shall be made in accordance with Rwandan regulations. Contributions to **RSSB** (pension and occupational hazards) will be made as required by the Labour Code.

Article 5:

The employee shall perform all duties diligently, maintain confidentiality, and follow the instructions of the employer or designated supervisor.

Article 6:

Morning: 08:00 a.m. – 12:00 p.m.

Lunch Break: 12:00 p.m. – 01:00 p.m.

Afternoon: 01:00 p.m. – 05:00 p.m.

Overtime may be required occasionally and will be compensated in accordance with company policy. The employee is entitled to two days off per week.

Article 7:

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

- Attendance bonus of ____ RWF per month for consistent punctuality
- Seniority bonus in accordance with the Labour Law
- Paid sick leave upon presentation of a valid medical certificate
- Maternity or paternity leave as defined by national law
- Paid annual leave of ____ days per year
- Public holidays as recognized in Rwanda
- Free transportation after overtime finishing later than 9 p.m., if applicable

Article 8:

The provisions of the **Labour Code**, **RSSB regulations**, and all related laws apply to this employment.

Article 9:

Upon resignation or termination, the employee must return all company property, including documents, digital equipment, and access credentials.

Article 10:

Upon expiry or termination of this contract, the employer will pay any outstanding entitlements as determined by the Labour Law.

Article 11:

Salary, bonuses, and allowances shall be paid not later than seven (7) days after the due date, either in cash or by bank transfer, as agreed by both parties.

Article 12:

The employee certifies that all information provided in the application is accurate. The employer may terminate the contract immediately in case of serious misconduct or breach of internal regulations.

Article 13:

During employment and for six (6) months after its termination, the employee shall not engage—directly or indirectly—in any paid or unpaid activity that competes with the company's core business, including but not limited to software development, data-entry services, data-processing, or digital-systems management for any other firm, client, or individual.

- The employee shall not share, use, or disclose any confidential information, client data, or business processes acquired during employment.
- This restriction does not apply to personal or unrelated activities such as freelance work in other fields (for example, tourism, education, or art), provided these do not conflict with the company's interests or working hours.
- Any breach of this clause may lead to disciplinary action or legal proceedings as permitted by Rwandan law.

Effective dates:

This contract comes into effect on _____ and expires on _____.

Signature by Company Representative

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.

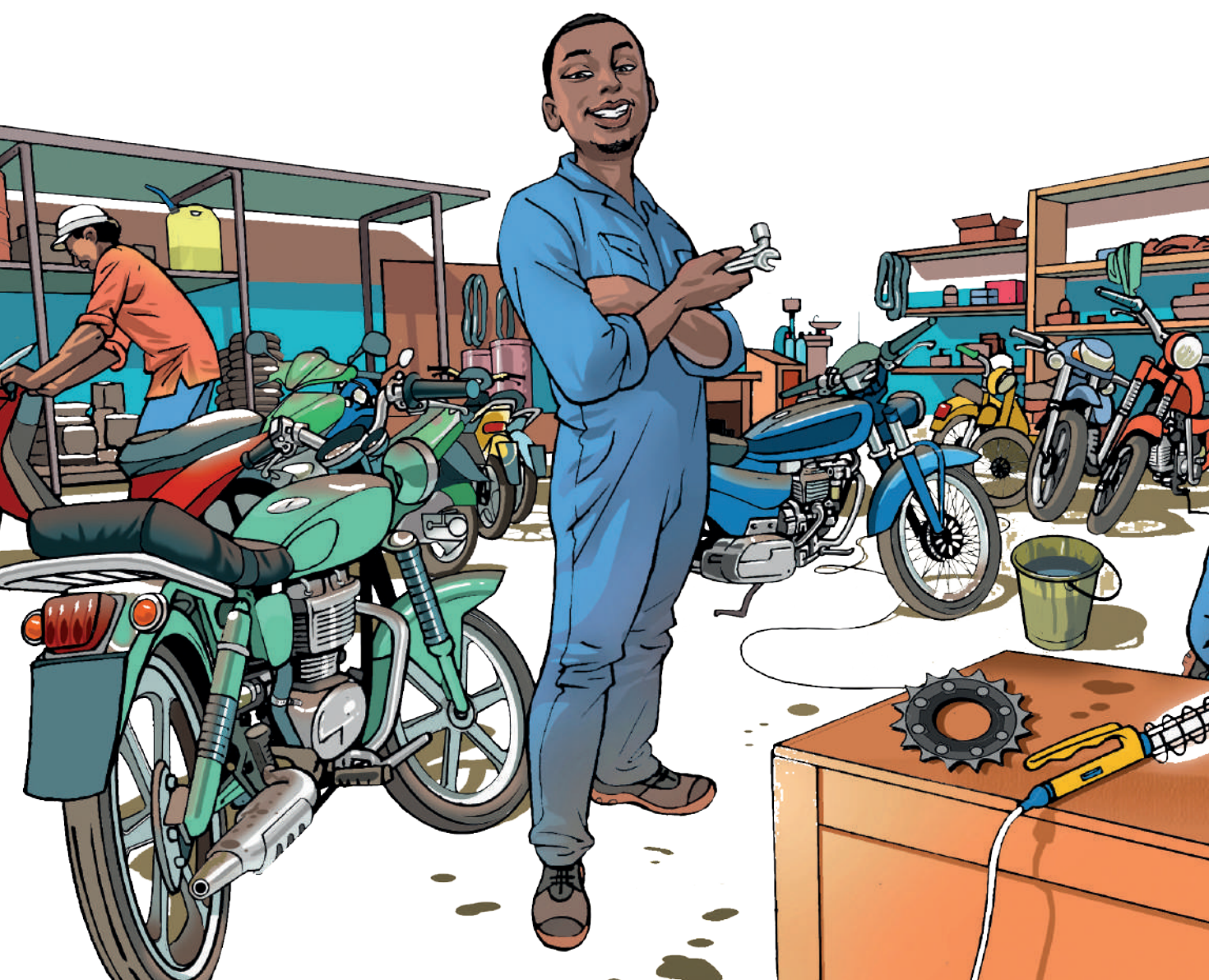
Definition



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 (USD)	Deduction	Amount
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 (USD)				Total deductions	
Employees' address				NET PAY	
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.



Key messages



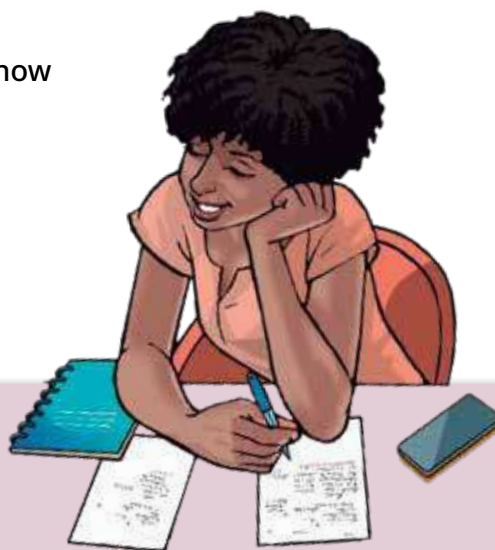
- An employment contract is a (legal) agreement between employer and worker.
- An employment contract should include a description of duties, responsibilities and rights, as well as employment and working conditions.
- Feel confident to ask questions to your employer about your contract, this is your right.
- A payslip is given to an employee when he/she is paid. It details the amount of pay (salary, bonus, overtime) and allowances and the deductions (tax, insurance, etc...).
- It is important to keep payslips in a safe place to show that you're employed.
- You may be asked to show them when you apply for a loan or a visa, or when you want to rent an apartment.

3. Create your budget!

Let's get to know a bit more about Sandrine and how she creates her different budgets.

Case study N° 5

Sandrine's business budget

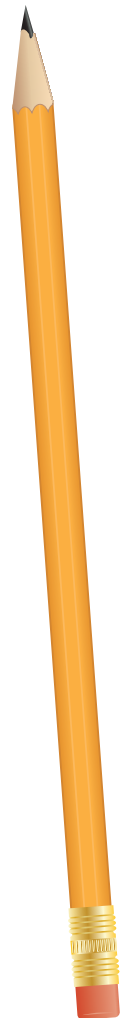


Yesterday evening, after completing her last delivery, Sandrine sat down to review her monthly business budget. She keeps a simple record on her phone, where she notes all sales and expenses for her online clothing shop. Because she updates it regularly, it only takes her a short time to summarize the month's figures.

This month, Sandrine earned RWF 1,200,000 from clothing sales and RWF 300,000 from accessories she promoted online. She expects similar results next month as she prepares a new social media campaign that she might promote with paid ads.

Next, she plans her monthly expenses. She spends RWF 350,000 on stock and packaging materials, RWF 120,000 on transport and delivery, and RWF 60,000 on mobile data. Rent and utilities for her storage space cost RWF 200,000, and she keeps RWF 400,000 as her own income. Finally, she includes a 3% provision for business taxes RWF 45,000. The paid social media campaign can cost her up to RWF 50,000. After reviewing all the figures, Sandrine feels confident that her business is running smoothly and that she can plan the coming month with greater clarity.

Sandrine's business empty budget

[illegible]

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

At the end of every month, Sandrine reviews her personal budget to see how she manages the income she takes from her business. She usually transfers RWF 400,000 from her online shop to her personal mobile wallet. That is her total personal income.

Her essential expenses include RWF 200,000 for her contribution to her household and RWF 60,000 for personal transport. She also plans to spend RWF 40,000 on other personal expenses.

In addition, Sandrine is thinking about setting aside RWF 50,000 for a short online marketing course for fashion influencers that she recently found. Before deciding, she wants to review her figures carefully and see how this new goal fits into her monthly plan.



Training aid B3.3

Sandrine's personal empty budget

Sandrine'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)	
Sub-Total (needs)	
Optional expenses (wants)	
Sub-total (wants)	
Total Expenses	
Income-expenses (personal savings)	



Training aid B3.4

Sandrine's personal budget

Sandrine's personal budget

Source of income	Amount
Fixed income	
<i>Salary</i>	400.000 RWF
Sub-total fixed income	400.000 RWF
Variable income	
Sub-total variable income	
Total income	400.000 RWF

Expenses	
Essential expenses (needs)	
<i>Contribution to the family budget</i>	200.000 RWF
<i>Transport</i>	60.000 RWF
<i>Other personal expenses</i>	40.000 RWF
Sub-Total (needs)	300.000 RWF
Optional expenses (wants)	
<i>Online marketing course</i>	50.000 RWF
Sub-total (wants)	50.000 RWF
Total Expenses	350.000 RWF
Income-expenses (personal savings)	50.000 RWF



Case study N° 7

Sandrine's family budget – Part 1

In Sandrine's family, both she and her parents contribute to the household income. Sandrine contributes RWF 200,000 to household expenses. Her father, Jean Bosco, runs a small catering service that brings in regular income, and her mother, Mukamana, supports the family through event decoration work. Together, her parents contribute about RWF 350,000 per month to the family budget.

In addition, Sandrine's younger brother, who recently started helping in their parents' business, contributes RWF 50,000 from the small earnings he makes on weekends. With these combined incomes, the family is ready to plan their monthly spending.

Case study N° 8

Sandrine's family budget – Part 2

After reviewing their business and personal budgets, Sandrine's parents decide it is time for the whole family to plan together. Each of them contributes to the household income, so they want to prepare a joint family budget to manage their expenses more clearly and avoid surprises at the end of the month.

Since they own their house, they do not have to pay rent, but they are currently spending RWF 100,000 on renovation work to fix humidity problems. They expect to pay RWF 40,000 for electricity and water. For food and household supplies, they plan RWF 250,000, and for transport and small errands, RWF 50,000.

The family also sets aside RWF 80,000 for health expenses, which includes a private policy they maintain together. The two younger children will need about RWF 20,000 this month for mobile phone airtime. They also need RWF 20,000 for the home internet bill. Finally, they decide to include RWF 25,000 as an optional expense to buy a small present for their neighbour's 50th birthday celebration.



Training aid B3.5

Sandrine's family empty budget

Sandrine'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)	
Sub-Total (needs)	
Optional expenses (wants)	
Sub-total (wants)	
Total Expenses	
Income-expenses	



Training aid B3.6

Sandrine's family budget

Sandrine's family budget

Source of income	Amount
Fixed income	
<i>Sandrine's contribution</i>	200.000 RWF
<i>Parent's contribution</i>	350.000 RWF
<i>Younger brother contribution</i>	50.000 RWF
Sub-total fixed income	600.000 RWF
Variable income	
Sub-total variable income	
Total income	600.000 RWF

Expenses	
Essential expenses (needs)	
<i>Renovation house</i>	100.000 RWF
<i>Food & Toiletries</i>	250.000 RWF
<i>Electricity and water</i>	40.000 RWF
<i>Transport</i>	50.000 RWF
<i>Insurance & Health expenses</i>	80.000 RWF
<i>Airtime younger children</i>	20.000 RWF
<i>Home internet</i>	20.000 RWF
Sub-Total (needs)	560.000 RWF
Optional expenses (wants)	
<i>Present neighbour</i>	25.000 RWF
Sub-total (wants)	25.000 RWF
Total Expenses	585.000 RWF
Income-expenses	15.000 RWF

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 Sandrine and her 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.

Training aid B3.7

My budget

My budget

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	

Key messages



- A budget is a tool for managing your income and expenses.
- A budget helps you decide how to spend your money in such a way as to achieve your goals.
- You need more than one budget to manage your income and expenses: personal, family and business budgets are all needed and separate budgets you need to become familiar with and start using.
- To draw up a budget, you need to calculate your income and expenses. You can then establish your savings capacity, i.e. how much money you can put to one side.
- It is very important to begin by calculating your essential expenses (the needs), before planning optional expenses (the wants). Make sure that you have enough for needs! This is another reason for budgeting.
- You may sometimes need to adjust your budget to take into account unforeseen circumstances or changes in your financial situation.

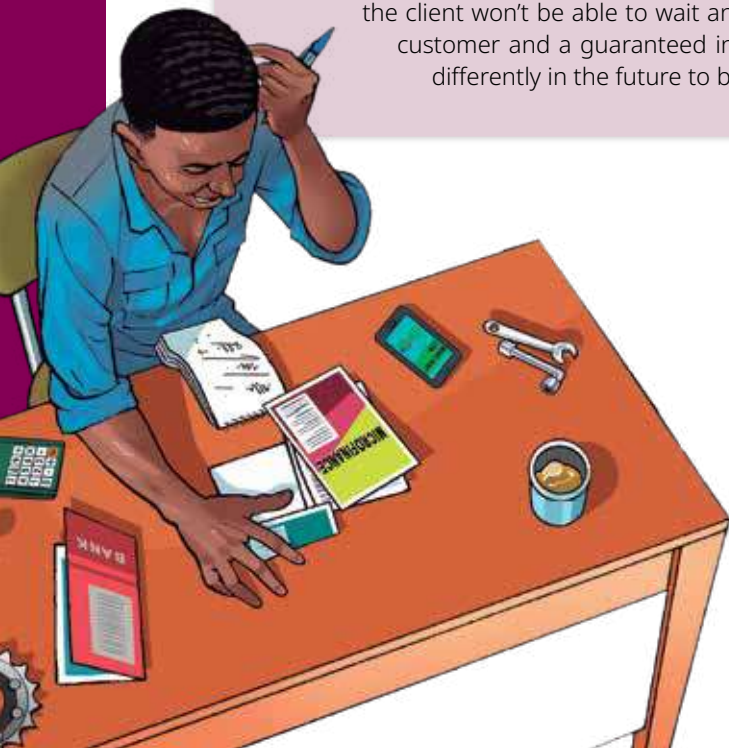
4. Keep track of and stay within your budget

Case study N° 9

Patrick's Budget Management

Patrick manages the daily finances of his motorcycle repair workshop. He tries to balance income, salaries, and materials carefully, but sometimes small, unexpected expenses make things difficult. This month, one of his informal employees asked for an advance payment to handle a family emergency. Wanting to help, Patrick agreed and paid him right away.

A few days later, Patrick realized that giving the advance had left him short of cash. Everything was going well, until Patrick reviewed his business budget and realized that he had promised a client that he would get a spare part, but now, with the advance he had given his employee, didn't have the money to buy it. He had to tell the client that he could only get the spare part next month. Patrick knows it is very likely that the client won't be able to wait and will end up going to another workshop, thus losing a reliable customer and a guaranteed income. He began wondering how he could manage his budget differently in the future to be more prepared when similar situations happen again.



Case study N° 10

Samuel's budget management

Samuel usually tries to be careful with his spending, but this month he wasn't as disciplined as usual. For his birthday, he decided to invite his friends for food and drinks at a small bar near his neighborhood. It was a great evening, and he felt happy to celebrate, but he ended up spending much more than he had planned.

He thought the following weeks would be busy with delivery orders, which would help him recover the money quickly — but business was slow, and his earnings turned out lower than expected. When his bicycle started making strange noises, Samuel realized he didn't have enough left to pay for the repair or cover his rent on time.

After thinking it over, he decided to ask his friend and roommate, Kevin, for a short-term loan. Kevin has a regular income from his new job at a restaurant and agreed to help, but Samuel now feels frustrated. He regrets not managing his spending better and wonders how to avoid such situations in the future, especially when work slows down.



TIPS!

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.



Income tracking sheet

Total income

Expense tracking sheet

[illegible]



TIPS TO STAY WITHIN YOURT 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 Sandrine's business

Sandrine's business

January, 3
Rent and utilities for her storage
space cost **RWF 200,000**

Sandrine's business

January, 5
She keeps **RWF 400,000**
as her own income

Sandrine's business

January, 6
She receives **RWF 100,000** from
accessories she promoted online

Sandrine's business

January, 7
Sandrine earned **RWF 300,000** from
clothing sales

Sandrine's business

January, 8
She separates a 3% provision for
business taxes **RWF 45,000**

Sandrine's business

January, 13
She receives **RWF 100,000** from
accessories she promoted online

Sandrine's business

January, 14
Sandrine earned **RWF 250,000**
from clothing sales

Sandrine's business

January, 16
Mobile data cost her
RWF 60,000

Sandrine's business

January, 18
She spends **RWF 350,000** on stock
and packaging materials

Sandrine's business

January, 21
Sandrine earned **RWF 200,000**
from clothing sales

Sandrine's business

January, 23
She receives **RWF 50,000** from accessories she promoted online

Sandrine's business

January, 25
The payment for the social media campaign cost her more than she expected and she ended up spending **RWF 85,000**

Sandrine's business

January, 27
Sandrine spends **RWF 120,000** on transport and delivery

Sandrine's business

January, 30
She receives **RWF 50,000** from accessories she promoted online

Sandrine's business

January, 31
Sandrine earned **RWF 450,000** from clothing sales



Training aid B4.4

Transaction Cards Sandrine's family

Sandrine's family

January, 3
Sandrine contributes **RWF 200,000**
to household expenses

Sandrine's family

January, 5
Sandrine's parents contribute
RWF 350,000 to the family budget

Sandrine's family

January, 6
Sandrine's younger brother
contributes **RWF 50,000**
to the family budget

Sandrine's family

January, 8
They spend **RWF 100,000**
on renovation work to fix humidity
problems

Sandrine's family

January, 13
They pay **RWF 40,000**
for electricity and water

Sandrine's family

January, 14
For food and household supplies
they spend **RWF 250,000**

Sandrine's family

January, 16
For transport and small errands,
they spend **RWF 50,000**

Sandrine's family

January, 18
The family had to spend **RWF 5,000**
to replace a broken light switch,
including paying a local electrician

Sandrine's family

January, 21
The family sets aside **RWF 80,000** for health expenses and a private policy

Sandrine's family

January, 23
They spend **RWF 20,000** for mobile phone airtime

Sandrine's family

January, 25
They pay **RWF 20,000** for the home internet bill

Sandrine's family

January, 27
They spend **RWF 25,000** to buy a small present for their neighbour's 50th birthday celebration



**CHECK
YOUR
ANSWERS!**

At the end of this module, you will find the answers to TRANSACTION CARDS in the ANSWERS TO EXERCISES. Don't look at it now! Do it once you've completed the activity and want to review your answers.



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.

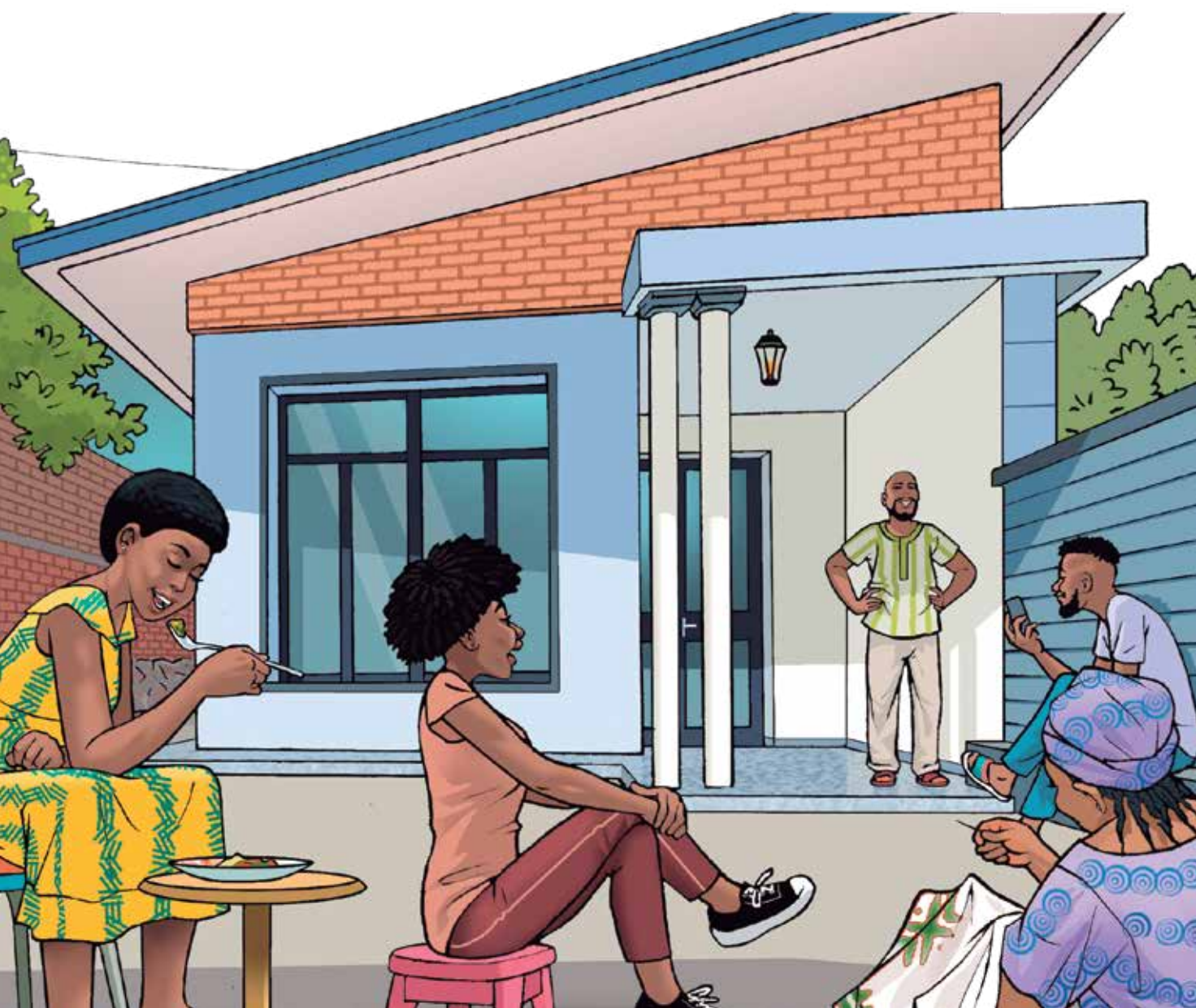
Key messages



- Remind yourself frequently how much you have planned to spend.
- Include in your budget some provision for unexpected spending needs.
- Involve your family in drawing up your budget and helping you keep to it.
- You must know your total income amount. Knowing how much you have coming in is an important aspect of managing your money and planning your expenses.
- You must know how much you are spending in total. This is important for managing your budget. You can adjust your expenses when you see you have spent more than planned.



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

Mutesi throws some receipts

One Saturday morning, Mutesi sat down to review the household expenses. She noticed that the electricity bill seemed higher than usual and wanted to check the last few receipts to understand the difference. But when she asked Ngabo, her husband, for the payment slips, he couldn't find them. He said he had "probably thrown them away" after paying the bills.

Mutesi felt frustrated. She tries to keep records of their main household expenses, but Ngabo often pays some of them in cash or mobile money without keeping proof. Last month, they had a similar issue with a repairman who charged them twice for a service, and without the receipt, they couldn't argue.

Now, Mutesi is unsure how to confirm whether the electricity company made an error or if their consumption simply increased. She starts thinking about how they could better keep track of receipts and payments in the future.

Case study N° 12

Patrick keeps his financial documents

One afternoon, a client arrived at Patrick's workshop to pick up his repaired motorbike. When Patrick told him the total cost, the client insisted he had already paid half of the amount in advance. Patrick was surprised — he clearly remembered receiving a smaller deposit.

The discussion became tense, but instead of arguing, Patrick went to check his records. For several months now, he has been keeping written notes of every repair, including the date, the client's name, the work done, and any advance payments. He soon found the signed receipt showing that the client had paid only 20% of the total repair cost, not 50% as claimed.

When Patrick showed the paper, the client checked it and realized he had been mistaken. He apologized and completed the remaining payment. Patrick felt relieved and proud. Keeping proper records, he realized, doesn't just help track money — it also protects trust and avoids unnecessary conflict.



TIPS!

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, mobile money 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.

Key messages



- Keeping records of your financial transactions may be useful when it comes to managing your money. You can always refer to these documents to check past transactions and help you with future planning.
- It is very important to keep them tidily and securely (in a watertight box or safe).

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**
Mutesi's wage paid on a bank account through an ATM

When Mutesi started working at the local software company, she got paid through a bank account for the first time

When Mutesi finished work last Friday, Sam called him over.

Sam Mutesi, your pay has gone into your bank account.

Mutesi Into my bank account?

Sam Yes. Remember when we went to the bank to open your account last week? We filled out the forms and gave them your ID. Everything is ready now, and I've transferred your salary directly there.

Mutesi Oh, I see. But I've never used this bank and account before. Anything special I should do now to get access to my salary?

Sam You should have your ATM card now. I guess you already received it, right? You can go to the machine or bank agent and withdraw what you need with your PIN. Or you can use your phone to check the balance in your home banking and even make payments.

Mutesi Thanks. I'm just used to use my other account and I forgot about this new account. Maybe I just withdraw everything or transfer to my other bank account?

Sam That's still possible. Or you can just keep both accounts active, remember this one is for free as the company pays for it. Maybe it is a good way to keep part of your savings from your formal job in this account only.

Mutesi Hmm. I've heard people say that. And I suppose it's good to have it saved somewhere I can't easily spend it.

Sam Exactly. And later, if you ever want to apply for something you are building a nice record with this financial institution.

Mutesi Alright. I guess I'll have to get used to handle two accounts. Thanks a million.

**Case Study
N° 14**
**Kevin, Samuel's friend, gets paid
for the first time through a mobile money account**

Kevin gets paid for the first time through a mobile money account. He speaks with John, the restaurant's accountant.

- | | |
|--------------|--|
| Kevin | Hello John, I was wondering when I'll receive my wage this month? |
| John | Hi Kevin! All wages were actually paid this morning. But remember, you're not receiving your wage in your bank account anymore—it's been transferred to your mobile money account. |
| Kevin | Trueeee. I totally forgot. I'm still a bit confused about how to go about this. |
| John | That's completely normal, Kevin. 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 mobile money account. Do you have mobile money on your phone? |
| Kevin | Yes, I do. Let me open it. Should I go to my account balance like I usually do? |
| John | 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. |
| Kevin | Alright, I see it now! The money is in my account. Now, I'd like to withdraw some of it. I use the mobile money a lot but I usually never withdraw the money. But today I need a bit of cash for groceries shopping. |
| John | Perfect. Now, click on "Withdraw" and enter the amount you want to take out. 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. |
| Kevin | 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, John! |
| John | You're welcome! |

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.
- Receiving your wage 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.
- 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

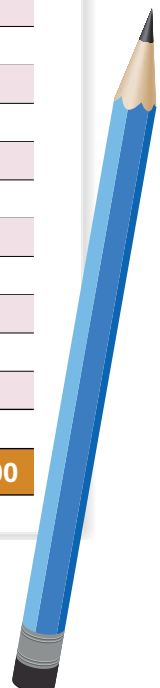
Answers to: Training aid B.3.3 Transaction cards character's business

Income tracking sheet

Name: **Sandrine's business**

Month: **January**

Date	Description of source of income	Amount of income
January, 06	Income from accessories she promoted online	RWF 100,000
January, 07	Income from clothing sales	RWF 300,000
January, 13	Income from accessories she promoted online	RWF 100,000
January, 14	Income from clothing sales	RWF 250,000
January, 21	Income from clothing sales	RWF 200,000
January, 23	Income from accessories she promoted online	RWF 50,000
January, 30	Income from accessories she promoted online	RWF 50,000
January, 31	Income from clothing sales	RWF 450,000
Total income		RWF 1.500,000



Name: Sandrine's business

Month: **January**

Date	Description of expense item	Amount spent	Planned	
			Yes	No
January, 03	Rent and utilities for her storage space cost	RWF 200,000	☒	☐
January, 05	Her own salary	RWF 400,000	☒	☐
January, 08	3% provision for business taxes	RWF 45,000	☒	☐
January, 16	Mobile data	RWF 60,000	☒	☐
January, 18	Stock and packaging materials	RWF 350,000	☒	☐
January, 25	The payment for the social media campaign	RWF 85,000	☐	☒
January, 27	Transport and delivery	RWF 120,000	☒	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
Total expenses		RWF 1.260,000		
Total income		RWF 1.500,000		
Savings (= income – expenses)		RWF 240.000		

Answers to: Training aid B.3.4

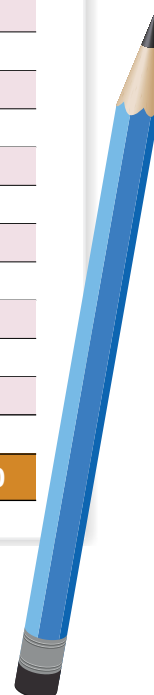
Transaction cards character's family

Income tracking sheet

Name: Sandrine's family

Month: January

Date	Description of source of income	Amount of income
January, 3	Sandrine contribution to household expenses	RWF 200,000
January, 5	Sandrine's parents contribution to the family budget	RWF 350,000
January, 6	Sandrine's younger brother's contribution to the family budget	RWF 50,000
Total income		RWF 600,000



Expense tracking sheet

Name: Sandrine's family

Month: January

Date	Description of expense item	Amount spent	Planned	
			Yes	No
January, 08	Renovation work to fix humidity problems	RWF 100,000	☒	☐
January, 13	Electricity and water	RWF 40,000	☒	☐
January, 14	Food and household supplies	RWF 250,000	☒	☐
January, 16	Transport and small errands	RWF 50,000	☒	☐
January, 18	Replace a broken light switch, including paying a local electrician	RWF 5,000	☐	☒
January, 21	Health expenses and a private policy	RWF 80,000	☒	☐
January, 23	Mobile phone airtime	RWF 20,000	☒	☐
January, 25	Home internet bill	RWF 20,000	☒	☐
January, 27	Small present for their neighbour's 50th birthday celebration	RWF 25,000	☒	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐

Total expenses	RWF 590,000
Total income	RWF 600,000
Savings (= income - expenses)	RWF 10,000

C

► Get to know savings methods and products



This is a self-assessment quiz. Answer each question honestly based on your current thoughts, behaviors, and actions. There are no right or wrong answers! It's simply a reflection of how you manage your money today. At the end of the module, you'll be able to return to this quiz and modify your answers if you feel something has changed in you after completing these lessons.

C1. My preferred way to save is...:

- ☐ a. In cash, usually hidden somewhere in my house
- ☐ b. In an institution, such as a bank.
- ☐ c. In a savings group, such as a VSLA or ROSCA.
- ☐ d. I give it to a friend or family member; if I manage it myself, I'll end up spending it.
- ☐ e. I use different savings methods; I don't save all my money in one place.

C2. If I need to save for a goal in a few years, like opening a business or taking a family trip, I...:

- ☐ a. Keep the money in a safe place at home until I've saved the full amount I need. I've always done it that way and don't know a better method.
- ☐ b. Use a formal savings product that allows me to store the money and earn interest so I'll have more money later.
- ☐ c. It's impossible for me to save for something that far in the future. I prefer to borrow or wait until the time comes and see if I can get the money then.

C3. If I'm thinking of opening a savings account in a financial institution, I...:

- ☐ a. Don't think it's for me. I have little money, so I don't see the benefit of opening a savings account to manage such a small amount.
- ☐ b. Don't know if they'll let me open one. I feel afraid and embarrassed to ask, so I'd rather stay as I am.
- ☐ c. I have some doubts, but I know what I need to ask in order to feel reassured before opening the account.

Remember to come back at the end of the module to see if your answers have changed!

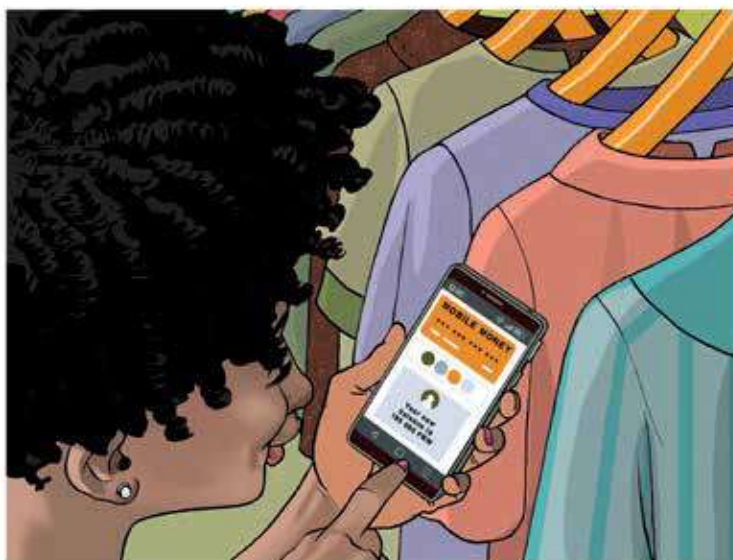
1. Choose a savings method!

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



SANDRINE. Sandrine regularly uses a mobile money account for various transactions and has recently started setting aside a portion of her income directly in the application to help build her savings.

2



PATRICK. Patrick saves his money in a group with other people he knows.

3



MUTESI. Since she opened her bank account, Mutesi prefers to keep her savings in the bank, as it offers her a formal way of saving and convenient ways of managing her finances.

4



SAMUEL. Samuel gets paid for many of his trips in cash and keeps his income in a little safe in his wardrobe.

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.



TIPS!

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.



**CHECK
YOUR
ANSWERS!**

At the end of this module, you will find a table with **ADVANTAGES AND DISADVANTAGES OF THE DIFFERENT SAVINGS METHODS** in the **ANSWERS TO EXERCISES**. Don't look at it now! Do it once you've completed the activity and want to review your answers.

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



! Save this information!

At the end of this module, you will find the **CHARACTERISTICS TO CONSIDER WHEN CHOOSING A SAVINGS METHOD** in the **ANNEXES AND KEY DOCUMENTS**. You don't need to check it now! But if you need to consult this information, that's where you'll find it.

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



ACCESS YOUR MONEY ANYTIME, ANYWHERE

Stress-free banking made for you.

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. The best way to start organizing your finances.

You also be able to use it through your mobile app and enjoy full control over your savings also digitally.

VISIT OUR WEBSITE, DOWNLOAD OUR APP OR 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. (the more you save, the more you earn).

NO MINIMUM BALANCE, ZERO FEES.



ELEGIBILITY

- Individual ages 18 and above with valid ID.
- Complete our forms online or at any of our branches.
- Utility bill issued within the last 3 months.

FEATURES

- Access to loans.
- Access to our broad range of cards.
- Internet and Telephone transfers available.
- Statements available upon request.
- Full banking app available.
- Bill payments.
- The best agency and internet banking of the country.

Icons for social media: X, Instagram, Facebook.

Option 2 - Business account

DESIGNED FOR YOUR BUSINESS GROWTH.

Our business account provides tailored solutions to meet your unique financial needs. Focus on expanding your business while we take care of your banking. Manage your daily financial transactions with ease.

Competitive Fees to Help You Save
We offer some of the most affordable fees in the market, specifically structured to support all kind of businesses.

BENEFITS

- Flexible account to meet daily business needs.
- Fully accessible through Internet or our exclusive APP.

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 solutions

Overdraft facilities, working capital solutions, tax payments and bulk payment.

Business Credit Opportunities

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

REQUIREMENTS

- Minimum deposit RWF 20,000
- Valid ID (national ID, passport or other legal and valid form of identification)
- Business registration (if available)

VISIT OUR WEBSITE OR YOUR NEAREST BRANCH AND OPEN TODAY YOUR BUSINESS ACCOUNT.

Option 3 - Time deposit account



Time Deposit Account

Grow Your Savings Securely with a Time-Deposit Account

Put your money to work—safely. A Time Deposit Account offers some of the highest interest rates available, helping your savings grow without the risks of volatile investments. Designed for your future goals or large upcoming expenses, this account locks in your funds for a fixed term, encouraging disciplined saving while earning a guaranteed return. Enjoy peace of mind with no maintenance fees, the option to use your deposit as loan collateral, and the confidence of knowing exactly what you'll earn. Let your savings grow while you focus on your goals.



TERM: FROM 3 MONTHS TO 3 YEARS



Main Features at a Glance

- **Attractive Fixed Interest Rates**
Earn competitive returns—up to 8%—with rates locked in from day one, so you know exactly how much you'll earn.
- **Low Minimum Deposit**
Start growing your savings with as little as RWF 50,000.
- **No Maintenance Fees**
Enjoy peace of mind—no account opening, maintenance, or closing fees. No hidden charges.
- **Single Deposit Structure**
Make one initial deposit and let it grow undisturbed. No top-ups allowed, helping you stay committed to your savings goal.
- **Early Withdrawal Penalties**
Withdrawals before maturity are subject to penalties—because disciplined saving pays off.
- **Track Record for Future Credit**
Build your savings history with us and unlock access to exclusive credit opportunities for your future plans.

Requirements



PROOF OF FUNDS

Documentation of the source of funds for security compliance.



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!



**CHECK
YOUR
ANSWERS!**

At the end of this module, you will find a table with **ADVANTAGES AND DISADVANTAGES OF THE DIFFERENT SAVINGS METHODS** in the **ANSWERS TO EXERCISES**. Don't look at it now! Do it once you've completed the activity and want to review your answers.

Training aid C2.2

Matching goals to savings products situation cards



Matching goals to savings products situation cards

Situation 1

Sandrine's online clothing business is doing well, and she has started setting aside part of her profits through mobile money. It's easy to use and helps her separate personal and business expenses. Lately, though, she has been thinking more seriously about how to make her business grow and operate more formally.

A friend mentioned that there are safer and more structured ways to save — especially for people who want to expand their business and qualify for credit in the future. Sandrine wonders if keeping her savings on the phone is enough or if she should explore other options that could help her build a stronger financial history. She feels ready to take the next step but is not sure where to begin.



What type of savings account can Sandrine opt for?

Financial Education



Matching goals to savings products situation cards

Situation 2

Patrick's motorcycle repair workshop in Muhanga has been getting more customers lately. After paying rent, materials, and his two assistants, he manages to save a little each week. Until now, he has handled most of his finances in cash or through mobile money and kept his savings in a small savings group in the neighborhood.

Recently, Patrick realized that family and business money often get mixed, making it hard to see what he really earns or spends. A friend told him that opening an account at a bank could help him organize his finances better and plan ahead. Patrick agrees it might be time to try something new—but he is still unsure which option would fit him best.



What type of savings account can Patrick opt for?

Financial Education



Matching goals to savings products situation cards

Situation 3

Mutesi has been saving part of her earnings from her weekend tourism activities to pay for an English course that will help her work with more international clients. Until now, she has been keeping her savings in the same account where she receives her salary, but she sometimes ends up using small amounts for other things.

She wants to make sure she can complete her savings plan before the course starts. A colleague mentioned another way of saving that keeps money aside for a while and could even bring a small return. Mutesi is curious to learn more about the different saving options and which one would help her stay on track with her goal.



What type of savings account can Mutesi opt for?

Financial Education



Matching goals to savings products situation cards

Situation 4

Samuel works as a freelance delivery rider and receives his earnings partly in cash and partly through mobile money. After paying rent and sending some money to his parents, he rarely manages to save much. Still, he dreams of buying a motorbike to increase his deliveries and earn more.

Recently, he decided to start setting aside small amounts every week from what he earns. He usually keeps the money on his phone or in cash, but it's hard to resist spending it when unexpected needs come up. A friend told him that saving through a bank could help him keep his money safer and manage it more easily. Samuel likes the idea, but he has never had a bank account before and isn't sure how to get started.



What type of savings account can Samuel opt for?

Financial Education



CHECK YOUR ANSWERS!

At the end of this module, you will find the answers to **MATCHING GOALS TO SAVINGS PRODUCTS SITUATION CARDS** in the **ANSWERS TO EXERCISES**. Don't look at it now! Do it once you've completed the activity and want to review your answers.



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? How much could you set aside by managing your money better?

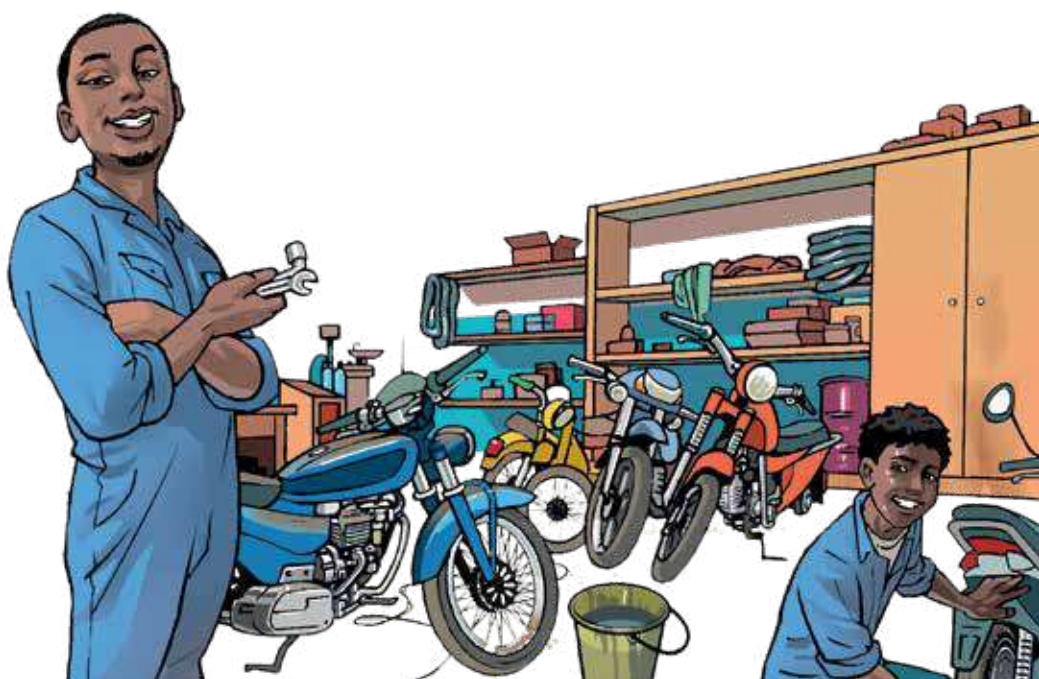
Your horizon: for how long do you want to save / block your money?

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?

 **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.

Key messages



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



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:

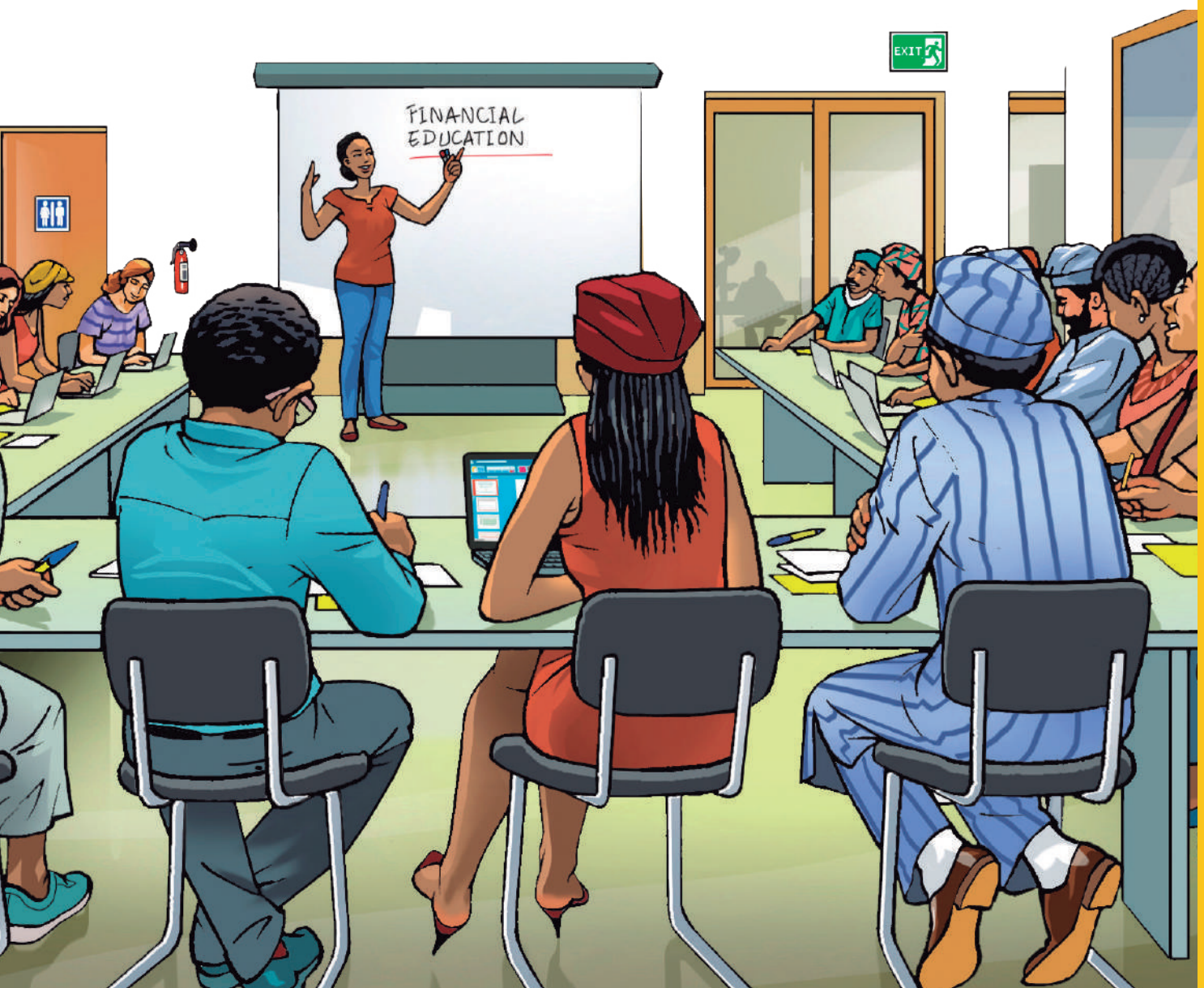
To which extent you can use these services using electronic devices such as computers, tablets or phone. For some people the idea of handling their savings completely online is very important to not depend on opening times or filling paperwork to make transactions.

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 • Village banks	• 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. • Limited or no access to loans.

Savings method	Advantages	Disadvantages
Semi-formal • 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.	• 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.

Answers 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.	Yes, anyone over the age of 18 with a valid ID and proof of residence can open this account. You will also need a minimum deposit of RWF 20,000.	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?	No minimum balance.	Yes, there is a minimum deposit requirement of RWF 20,000 to open the account.	Yes, there is a minimum deposit requirement of RWF 50,000 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.	Up to 8% p.a.
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.

	Regular/ passbook savings	Business Account	Time deposit
Do you have to pay charges if you break the rules?	The brochure does not mention any penalties or rule-breaking charges.	The brochure does not mention any penalties or rule-breaking charges.	Yes, there are penalties for early withdrawals.
How much?	-	-	The exact penalty amount or structure is not specified in the brochure.
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 type of account is suitable for individuals aiming to save for medium- or long-term goals, future investments, or major planned expenses. It allows savers to earn a fixed, high interest rate over a set period, while discouraging impulsive spending by limiting access to the funds until the deposit reaches maturity.

Answers to: Matching goals to savings products situation cards (Training aid C.2.4)



Answers Situation 1

Sandrine now keeps part of her business savings in a business bank account opened under her business name. This allows her to manage her income more securely, pay providers with ease, have all the business financial records in one place, and start building a financial record that can help her qualify for business credit in the future.



Answers Situation 2

Patrick decided to open a regular bank account to manage his money more clearly. It will help him separate family and business finances, keep his savings safer, and track his income and expenses more easily.



Answers Situation 3

Mutesi should consider opening a time deposit account at the bank so that she won't be tempted to spend the money, and she can also earn a small interest on her savings.



Answers Situation 4

Samuel should consider opening a regular savings bank account to keep his savings safer and more organized. This would help him avoid spending the money he sets aside and make it easier to track his progress toward buying a motorbike.

D

► Use credit products wisely

This is a self-assessment quiz. Answer each question honestly based on your current thoughts, behaviors, and actions. There are no right or wrong answers! It's simply a reflection of how you manage your money today. At the end of the module, you'll be able to return to this quiz and modify your answers if you feel something has changed in you after completing these lessons.



D1. "Borrowing money to finance a project or goal is a bad idea." Regarding this statement...:

- ☐ **a.** I agree. One should always avoid borrowing, no matter the goal or project.
- ☐ **b.** It depends. In certain situations, borrowing money may be more convenient than using my savings.
- ☐ **c.** I completely disagree! Borrowing money is always a good option because you can invest in your project now, and with the profits, not only repay the loan but also earn more.

D2. If I need to apply for a loan from a formal institution...:

- ☐ **a.** I talk to my partner beforehand so they are aware that I am applying for a loan and understand the implications it may have.
- ☐ **b.** I just go ahead and apply. There's no need to talk to my partner about it because it has no implications for them. The loan is in my name, so they don't even need to know, and nothing will happen to them if I don't fulfill my obligations.
- ☐ **c.** I've never applied for a loan, so I'm not sure what I would do.

D3. When choosing a credit provider, I...:

- ☐ **a.** Know which features are most important to consider and analyze different options before selecting a provider.
- ☐ **b.** Choose the one offering the lowest interest rate. The most important thing is to pick the option where I pay less.
- ☐ **c.** I don't trust formal institutions. I prefer to borrow from a relative, friend, or informal lender.

D4. When I have a debt I cannot repay...:

- ☐ **a.** I borrow money to pay off that debt and try to get flexible repayment terms from the new lender. I'll still need to repay the new debt, but at least the urgent issue is resolved.
- ☐ **b.** I disappear completely! I know I won't be able to pay, so I change my phone number, ask my family to say I'm not around, or avoid people connected to the debt. I feel ashamed, but it's the only thing I can do.
- ☐ **c.** I talk to the institution or the person I owe money to and try to find a solution together so I can repay the debt.

Remember to come back at the end of the module to see if your answers have changed!

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



Stories of financing



Sandrine

Sandrine has been putting aside small amounts from her online clothing sales each month. When she finds a good offer on a professional camera and lighting kit that could improve her product photos, she decides to use her own savings rather than borrow. The purchase will reduce her savings, but she prefers to avoid debt and invest gradually in her business, trusting that better photos will help her attract more clients and rebuild her savings over time.

Stories of financing



Patrick

Patrick recently formalized his motorcycle repair workshop and opened a bank account to manage both his family and business finances more easily. As his income became more stable, he started thinking about improving his home and buying new materials for the workshop. He especially wanted to build an extra room in the house for his son, Iradukunda, who is growing fast, and to create a small side entrance to the workshop to make it easier for clients to access.

Since his savings were not enough to cover all these plans, Patrick approached his bank to apply for a formal loan. Thanks to his regular deposits and good relationship with the bank, his request was approved. He now repays the loan monthly from his workshop earnings, feeling proud to manage both his family and business responsibilities in an organized way.

Financial Education

Stories of financing



Mutesi

Mutesi has been offering personalized cultural and food experiences to tourists in Musanze. Her business is growing. She uses digital tools to make it very efficient and modern. She now wants to apply for an official tour operator license to work with travel agencies. However, the registration and license fees are higher than she expected.

After discussing it with her husband, Mutesi decides to sell her old professional camera. Her husband now focuses on photography, and she usually takes photos with her phone, which is good enough for her needs. The sale gives her the amount she needs to cover the license fees without interrupting her savings plan. She feels relieved and motivated to take the next step in formalizing her business.

Financial Education

Stories of financing



Samuel

Samuel works as a freelance delivery rider and uses his phone to receive orders and plan routes. One morning, his phone suddenly stopped working, and he had no savings to replace it. Because he depends on it to work, he needed a new one immediately.

After asking around, Samuel decided to borrow money from an informal lender in his neighborhood. The lender charged a high interest rate but gave him the cash right away. Samuel was relieved to buy a new phone and keep working, but he now worries about how to repay the loan quickly and avoid falling behind.

Financial Education

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

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



**CHECK
YOUR
ANSWERS!**

At the end of this module, you will find a table with **ADVANTAGES AND DISADVANTAGES OF THE DIFFERENT WAYS OF RAISING MONEY** in the **ANSWERS TO EXERCISES**. Don't look at it now! Do it once you've completed the activity and want to review your answers.



Training aid D1.2

The story of two businesses

Sandrine

Sandrine runs a small online clothing and accessories business from her parents' home in Kabeza. She started with about RWF 500,000 of her own savings to buy initial stock, packaging, and a few paid posts on social media. From the beginning she chose a slow, steady path: every week she puts aside around RWF 25,000 from sales, keeping this money separate from normal business expenses.

Every 3–4 months, when her business savings reach a comfortable level, she upgrades something small that helps sales (for example, a backdrop or light stand) and keeps the rest as working capital. After a strong holiday season, she also reinvested an extra RWF 150,000 from profits to widen her product range ahead of graduation season. Sandrine prefers to grow with her own savings, avoids borrowing for now, and values the peace of mind that comes with low pressure and clear records.



Ineza

Ineza, Sandrine's close friend, sells similar products but chose a different route. She began with about RWF 750,000 of savings and added RWF 300,000 borrowed from a cousin to get started. As demand grew and she was eager in becoming a successful businesswoman, she opened a small physical shop in Kigali and took a bank loan of RWF 800,000 (USD 540) to renovate, buy mannequins and shelves, and stock trendier pieces. The shop attracts more walk-ins and supports her online page, so income is higher.

However, monthly rent, utilities, and loan instalments make cash flow tighter. To stay disciplined, Ineza tries to save about RWF 25,000 per week, but admits this isn't always possible during slow weeks. She appreciates the visibility a shop gives her brand, but also feels the added stress of fixed costs and repayments that don't pause when sales dip.

Questions

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



Important:

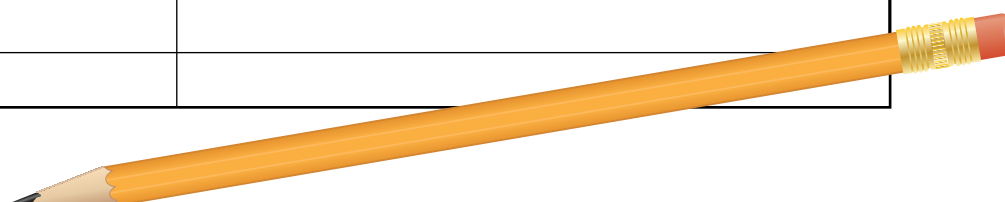
Having a lot of financial commitments can generate stress and affect your mental health. If you feel overwhelmed do not hesitate to ask for help.

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.

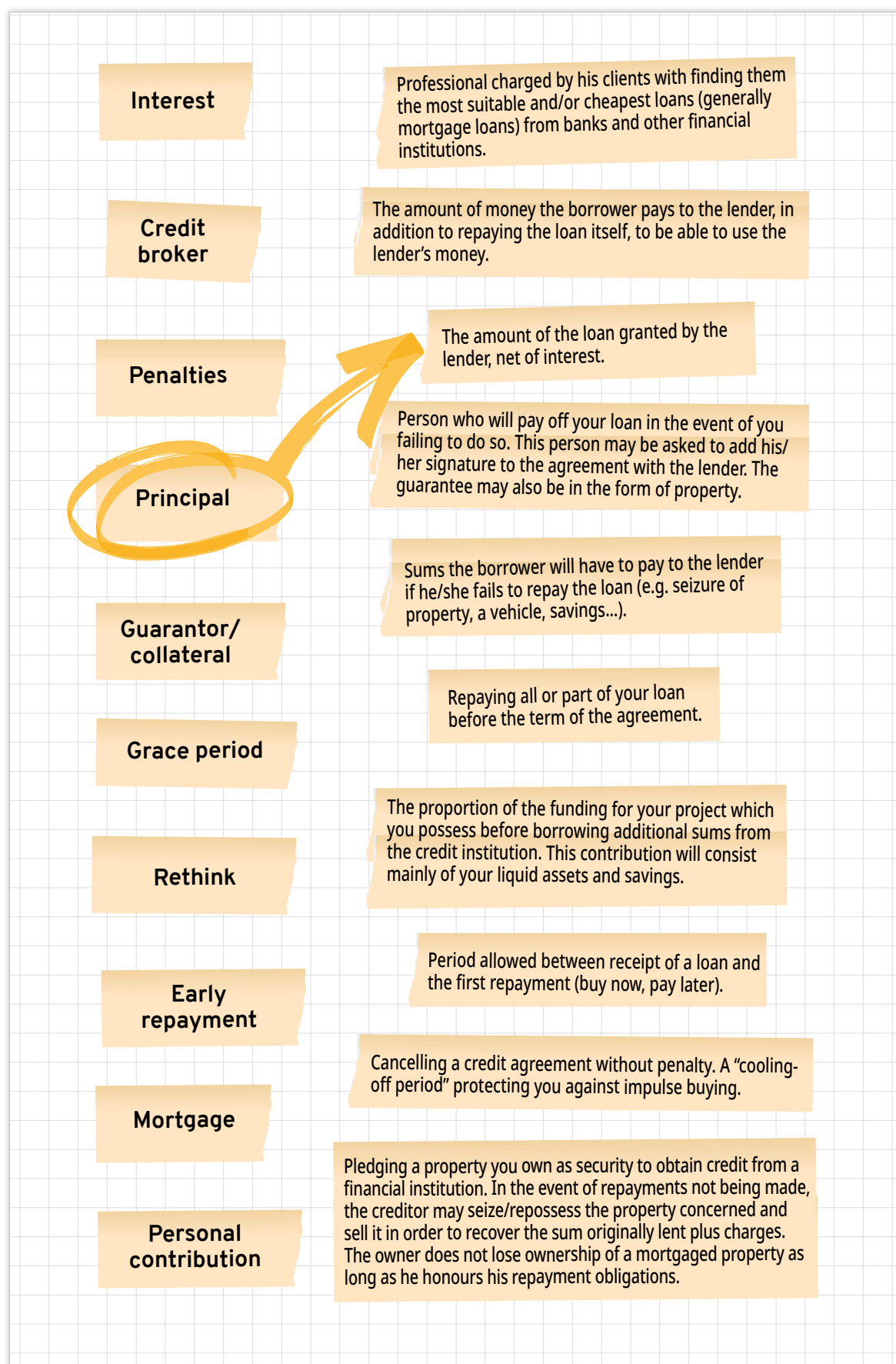
Credit: A contractual agreement in which a borrower receives something of value now and agrees to repay the lender at some date in the future, generally with interest.



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.





CHECK YOUR ANSWERS!

At the end of this module, you will find the answers to **TERMS AND DEFINITIONS ASSOCIATED WITH CREDIT/ LOANS** in the **ANSWERS TO EXERCISES**. Don't look at it now! Do it once you've completed the activity and want to review your 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 or a change in the borrower's circumstances

If you are looking to obtain a loan from a financial institution: which questions could you ask in order to obtain the information you need?

.....

.....

.....

.....



Save this information!

At the end of this module, you will find the QUESTIONS TO ASK A POTENTIAL LENDER in the ANNEXES AND KEY DOCUMENTS. You don't need to check it now! But if you need to consult this information, that's where you'll find it.

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 Patrick's personal repayment capacity.

Case study N° 1

Patrick's repayment capacity

After participating in a financial education training, Patrick became more organized with her finances. He also realized that if he wants to apply for a formal loan, the best approach would be to use his payslip, where he officially receives a salary from his own motorbike shop.

Patrick earns a fixed income of RWF 300,000 per month from his job. He and his wife have been thinking about taking out a loan to buy all the materials they need for building the extra room for their soon in the house but also to create the small side entrance to the workshop, so clients can enter easily. Before going ahead, Patrick wants to be sure she can handle the monthly loan repayments without putting too much pressure on her budget.

Monthly income: RWF 300,000

Monthly capacity to make repayments: 30% of monthly income > RWF 90,000

On the basis of this calculation, then, he may not undertake to repay more than RWF 90,000 per month (on all the loans he may have contracted).

Still, he needs to be cautious—it's important that he reviews his budget carefully to ensure he can manage the loan repayments alongside her other regular expenses.

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 Patrick's loan

They have calculated that they will need roughly RWF 1,000,000 to buy all the materials at once at a good price. 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)	18%	24%	50%
Term of the loan (months)	36	18	12
Amount repayable each month (monthly instalments)	RWF 39,232.85	RWF 66,702.10	RWF 107,585.12
Total amount repayable (Term of a loan x monthly instalment)	RWF 39,232.85 x 36 = RWF 1,412,382.69		
Real cost of loan (Total amount repayable minus amount of capital requested by Patrick)	RWF 1,412,382.69 – RWF 1,000,000 = RWF 412,382.69		

Over to you!

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 Patrick is being offered?

Warning! The cheapest loan may not necessarily be the best option for Patrick's needs. For instance, a loan with a lower overall cost might require monthly installments that exceed his repayment capacity



**CHECK
YOUR
ANSWERS!**

At the end of this module, you will find the answers to **CALCULATING THE COST OF CHARACTER'S LOAN** in the **ANSWERS TO EXERCISES**. Don't look at it now! Do it once you've completed the activity and want to review your answers.



Training aid D3.2

Brochures advertising loans

Option 1 – Commercial bank

COMMERCIAL BANK


YOUR TRUSTED PARTNER FOR LONG-TERM SUPPORT!

NEED MORE BREATHING ROOM IN YOUR BUDGET?

Our new **36-month loan** gives you low monthly payments so you can manage your cash flow stress-free.



EXAMPLE FOR A
RWF 1,000,000 LOAN

RWF 1,000,000

LOAN TERM 36 months

MONTHLY PAYMENT RWF 39,232.85

APR 18%

WHY CHOOSE US?

- **24/7 AI ASSISTANT:**
Get loan info anytime with our smart chatbot.
- **PHONE SUPPORT:**
Speak to our helpful advisors from Monday to Saturday.
- **TRANSPARENT TERMS:**
What you see is what you get — no hidden fees.
- **REPUTATION YOU CAN TRUST:**
A well-established bank with your security in mind.

GET IT APPROVED WITHIN 3 WORKING DAYS!

REQUIREMENTS

COMMERCIAL BANK


Must open a **personal account** with us.

Provide basic ID and income verification.

IDEAL IF YOU PREFER SMALL MONTHLY PAYMENTS AND LONG-TERM STABILITY.

CALL US OR VISIT ANY OF OUR BRANCHES

ONE OF OUR CUSTOMER SERVICE AGENTS WILL GUIDE YOU THROUGH THE STRESS-FREE PROCESS

Option 2 – Microfinance Institution



MICROFINANCE INSTITUTION

YOUR TRUSTED PARTNER TO ACHIEVE YOUR OBJECTIVES

A smart loan with support to grow!

Choose our 18-month loan and enjoy faster repayment with human-centered service.

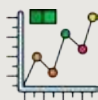
EXAMPLE FOR A RWF 1,000,000 LOAN



Loan term:
18 months



Monthly payment:
RWF 66,702.10



APR:
24%

REQUIREMENT

Must become a registered MFI client.
Provide ID, proof of residence, and simple financial history.

A great balance between cost and repayment time, with added training to help you succeed.

WHY CHOOSE US?



Free ONLINE Financial Education Training:
Learn how to budget, save, and invest.



On-site Support: Talk to our team directly at any of our local branches.



Community-based approach: You're more than a client—you're a member.



Flexible terms for group or individual borrowers.



The fastest approval time, directly credited in your bank account or cash in hand.

VISIT US AND FIND THE BEST LOAN FOR YOU.

Option 3 – Digital loan

HOME
SERVICES
ABOUT
CONTACT
SIGN IN

DIGITAL LOAN

“TAP, BORROW, AND LEARN ON THE GO”
SPEED MEETS SMARTS
YOUR LOAN IN MINUTES!

Get up to speed with our NEW 12-month digital loan, designed for mobile users who want fast access and a longer repayment time than any other digital loan in the market.

LOAN CALCULATOR

EXAMPLE FOR A RWF 1,000,000. LOAN

Loan term:	12 months
Monthly payment:	RWF 107,585.12
APR:	50%

WHY CHOOSE US?

- INSTANT DISBURSEMENT**
to your mobile money account
- GAMIFIED FINANCIAL EDUCATION APP:**
Learn money skills through fun challenges
- FULLY DIGITAL PROCESS:**
No paperwork, no queues
- SECURE AND ENCRYPTED:**
Your data stays safe

REQUIREMENTS

Must be registered with our mobile money app.

Provide phone number and digital ID (e.g. national ID or verified SIM).

PERFECT IF YOU WANT FAST ACCESS AND CAN HANDLE HIGHER MONTHLY PAYMENTS

Training aid D3.3

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

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



**CHECK
YOUR
ANSWERS!**

At the end of this module, you will find the answers to TABLE SUMMARIZING THE ARGUMENTS THAT INFLUENCED THE CHARACTER IN CHOOSING A LENDER AND A LOAN in the ANSWERS TO EXERCISES. Don't look at it now! Do it once you've completed the activity and want to review your answers.



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 Patrick'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 Patrick, beware of low interest rates, which over a long period of time can actually be very expensive!

Factors			
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 requested)			

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

- To make a wise choice of loan and credit institution (lender), you first need to be familiar with the different products and know how to calculate and compare the costs of the loans on offer. Armed with this information, you will be able to choose the product best suited to your needs.
- Your choice of lender will depend on the nature of your project, the goal you wish to achieve by taking out a loan.

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

Training aid D4.1

A tale of over-indebtedness

Part 1

It's a quiet Sunday evening. Mutesi and Ngabo have just finished dinner when Mutesi opens the mobile banking app on her phone.

Mutesi Ngabo, our joint account is almost at zero again. That's strange—I transferred money last week for our monthly expenses. What happened?

Ngabo I had to use part of it to repay a digital loan. They were already sending me reminder messages every day.

Mutesi A digital loan? Since when do we have that? You didn't tell me.

Ngabo It wasn't a big one. I thought I could cover it easily, but I had to borrow again to rent some lights for that big wedding job in town. The client still hasn't paid me, so things got a bit tight. As I could not borrow from the savings group, I even had to ask my friend David as the digital loan amount was so limited.

Mutesi So, let me understand this—you repaid one loan, took another, and now you're waiting for someone else to pay you while in the meantime you use our money? This is the first time I'm hearing about any of this!

Ngabo I didn't want to worry you. I'm actually thinking of applying for a small bank loan to cover all my debts, also with you, and have some extra cash. Once that comes through, I can settle the rest.

Mutesi Ngabo, that's not solving the problem. You're just adding more debt. Why didn't you tell me sooner?

Part 2

The next evening, there's a loud knock at the door. Mutesi looks out the window and sees David, one of Ngabo's friends waiting outside with a serious face.

Mutesi Ngabo, David looks upset. Is that the friend you borrowed from?

Ngabo Yes... he wants his money back. I told him I'd pay today, but I still don't have it. Maybe if we stay quiet, he'll go away.

Mutesi You can't be serious! We can't hide from people we owe money to.

Ngabo I just need a bit more time. I'll find a way next week.

Mutesi Ngabo, avoiding him won't help. We have to talk to him, explain, and make a plan. Otherwise, this will just keep getting worse.

Ngabo Please. Just let it go for now. I'll find a way to sort it out.

Questions

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



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.

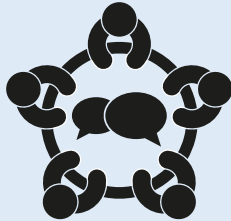
Take action! Go and see your account manager at the financial institution. Do not wait until it is too late to ask for assistance.

Training aid D4.2

Consequences of over-indebtedness

Consequences of over-indebtedness

Card 1



You are close friends of Ngabo, who has borrowed money from many of you but is now avoiding calls and failing to repay his debts.

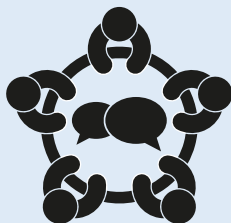
You're all concerned about his financial situation and want to discuss how to approach him about the issue.

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



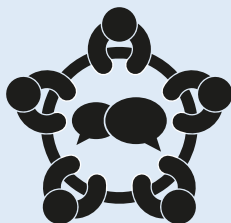
You are members of the savings group, and Ngabo has borrowed money from the group but is now avoiding repayment and doesn't attend meetings anymore. You are all concerned about how this affects the group's funds and trust among members.

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 Ngabo'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

- When you borrow money, you are effectively taking a decision to repay the debt.
- Avoid borrowing to repay a loan!
- Money lent to you 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	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 the different ways of raising money

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

Advantages

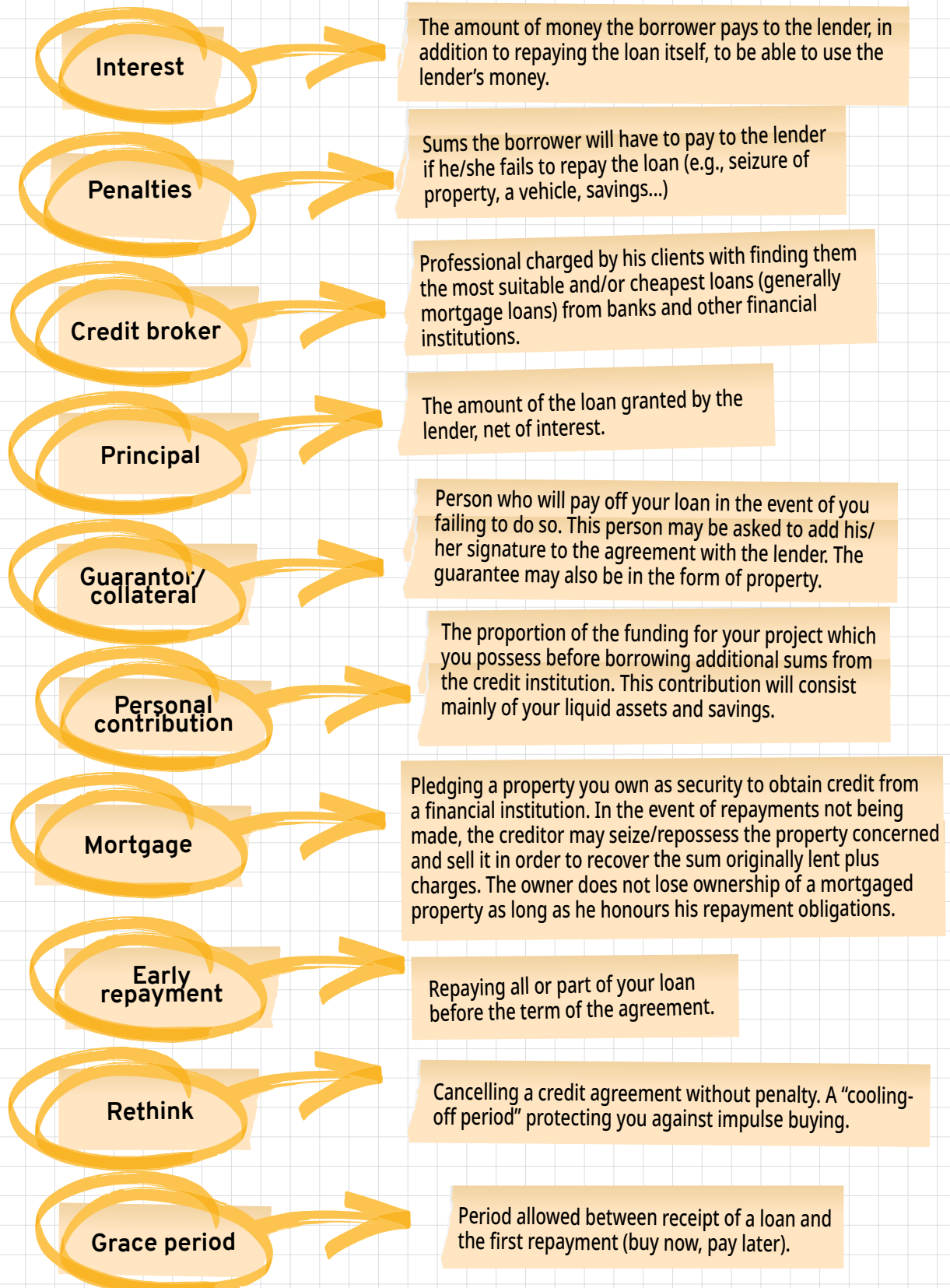
- Fast (depending on the provider).
- Accessible.
- Registered in accordance with legal requirements.
- Part of a group able to give advice (social aspects/collective support).
- Some with flexible guarantees or without guarantees.
- Access to a larger amount of money to carrying out the project.

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 Patrick's loan (Training aid D.3.1)

Name of product	Local bank	Microfinance institution	Digital loan
Annual Percentage Rate (APR)	18%	24%	50%
Term of the loan (months)	36	18	12
Amount repayable each month (monthly instalments)	RWF 39,232.85	RWF 66,702.10	RWF 107,585.12
Total amount repayable (Term of a loan x monthly instalment)	RWF 39,232.85 x 36 = RWF 1,412,382.69	RWF 66,702.10 x 18 = RWF 1,200,637.84	RWF 107,585.12 x 12 = RWF 1,291,021.42
Real cost of loan (Total amount repayable minus amount of capital requested by Patrick)	RWF 1,412,382.69 – RWF 1,000,000 = RWF 412,382.69	RWF 1,200,637.84 – RWF 1,000,000 = RWF 200,637.84	RWF 1,291,021.42 – RWF 1,000,000 = 291,021.42



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 • Highest real cost of the loan	• Average APR • Lower real cost of the loan	• Highest APR • Average real cost of the loan
Ease of accessing a loan / conditions	• Possible as he is already client of the bank	• Possible as long as he becomes a member of the Microfinance Institution	• Possible as long as he uses this mobile money app
The amount he/she can borrow	• Sufficient amount	• Sufficient amount	• Sufficient amount
Repayment frequency	• Monthly	• Monthly	• Monthly
Support and availability of non-financial services	• AI bots • Customer service	• Financial Education Training • Customer service	• Financial Education game within the APP
Conclusion	• This loan costs more in total because it takes longer to repay, but the monthly payments are the smallest, so it's easier to pay each month. It could be the smartest option if he wants a low monthly payment in a longer period of time	• This loan has a medium interest and medium monthly payments. Because it takes less time than the bank loan, he pays more each month but less in total. If he can afford paying that much per month, this could be a good option to be done with the loan in half the time of the one offered by the bank	• This loan lasts the shortest time. But because the interest is quite high, the monthly payment is very high and beyond his repayment capacity. He would end up paying less than with the bank but the financial pressure each month would be too high for his repayment capacity

E

► Choose means of payments and money transfer products

This is a self-assessment quiz. Answer each question honestly based on your current thoughts, behaviors, and actions. There are no right or wrong answers! It's simply a reflection of how you manage your money today. At the end of the module, you'll be able to return to this quiz and modify your answers if you feel something has changed in you after completing these lessons.



E1. If I want to withdraw money from an ATM, the card I need to have is...:

- ☐ a. Debit card.
- ☐ b. Credit card.
- ☐ c. Debit or credit card, both allow me to withdraw money from an ATM.
- ☐ d. I don't know.

E2. If I need to lend my credit card to someone, I...:

- ☐ a. Call them and give them my card details verbally. That's the safest way to do it.
- ☐ b. Send the details in writing or as a photo, and once they've used them, I delete them immediately. That way, they won't make a mistake entering the details, and by deleting them, I'm sure no one else can use them.
- ☐ c. Don't lend my credit card to anyone.

E3. If I need to send money to someone far away, I...:

- ☐ a. Send it with a relative or friend. It's the cheapest and safest way. If it's someone I trust, I won't have any issues.
- ☐ b. Send it via bank transfer, mobile money, or similar method. It may be more expensive, but it's the safest way to send money.
- ☐ c. It depends on the situation; ultimately, there's no method that's always safer than another.

E4. To send money through a transfer operator...:

- ☐ a. I need to give them my personal information so they can identify who is sending the money
- ☐ b. I don't need to provide my information; the transfer can be anonymous. I only need the recipient's information.
- ☐ c. I don't know.

Remember to come back at the end of the module to see if your answers have changed!

Case study N° 1

Mutesi is very happy with her card

Mutesi recently received a new bank card from the local software company where she works. Her salary is now transferred directly into her account each month. At first, she wasn't sure she needed the card, since she already managed most of her transactions through mobile money. But after a few weeks, she began to appreciate how much easier it made things.

One afternoon after work, Mutesi stops at an ATM near the bus station. She uses the card to check her balance and withdraw some cash for small household expenses. While there, she also changes the secret code that was sent to her when the card arrived.

Back home, Mutesi sets aside part of her salary for family support and keeps the rest in the account for her personal plans, like saving for her tour operator license. Having her salary go directly to the bank helps her feel more secure, organized, and in control of her money.

Case study N° 2

Ineza, Sandrine's friend, gets a new card

Ineza, Sandrine's friend, has been a loyal client of her bank for several years. She manages her shop's account responsibly and always repays her business loan on time. Recently, the bank informed her that, because of her good record, she now qualifies for a new type of card that allows her to make purchases even when the money is not immediately available in her account.

At first, Ineza was very happy. She felt that the bank trusted her and that the card would make running her business easier. She started using it for small things related to her shop — packaging, accessories, and a few online ads. But little by little, she began using it for personal expenses too: lunches with friends, new shoes, and a birthday gift for her niece.

When she checked her balance at the end of the month, Ineza was surprised to see how much it had added up. Now she wonders how to manage her payments and avoid extra costs next month.



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 mobile money 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.

Questions

- Where can you use each card?
- What can you do with each card?



At the end of this module, you will find the answers to COMPARATIVE TABLE BETWEEN DIFFERENT BANK CARDS in the ANSWERS TO EXERCISES. Don't look at it now! Do it once you've completed the activity and want to review your answers.



► Mobile money

Case study N° 3

Patrick uses mobile money

Patrick used to pay most of his bills in cash, walking to the nearby office to settle his electricity each month. But since he started managing his finances more carefully, he now prefers to handle payments through his mobile money. He finds it easier to track expenses and avoid confusion at the end of the month.

One afternoon, after finishing a busy day at the workshop, Patrick realized the electricity bill was due. Instead of closing early to queue at the payment office, he opened his mobile app, entered the company meter number, and paid directly from his wallet. Within seconds, he received a message confirming the transaction. The receipt automatically saved in the app, which he later marked in his records.

Patrick felt proud and relieved. The process was quick, safe, and transparent—no risk of lost receipts or errors. For him, using the mobile money has become part of keeping the workshop organized and staying on top of all his payments.

Case study N° 4

Samuel uses a QR code for the first time

One evening, Samuel and his friend Kevin went out for dinner to celebrate Kevin's contract extension at the restaurant where he works. They chose a new fancy café near their neighborhood in Kimironko, where they often meet after work.

When it was time to pay, the waiter pointed to a printed QR code on the counter.

"You can pay here with your mobile wallet," he said.

Although he had mostly used mobile money before, this was his first time trying a QR payment. Curious, he opened the app, selected "Scan to Pay," and pointed his phone at the code. Within seconds, the payment went through, and he received a confirmation message.

Samuel was amazed by how easy it was—no need for small change or waiting for the waiter to bring back the balance. On the way home, he told Kevin that he could see himself using QR payments more often, especially for quick errands or deliveries. It was his first experience paying this way, and it made him feel more confident using digital financial tools.



Definition



By mobile money 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.

Advantages

E-wallet

- 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 mobile money

- 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

Mutesi forgets his secret code

After returning from a short holiday with her husband, Mutesi wanted to withdraw some cash to buy a few household items before returning to work. She stopped by the ATM near the main road and inserted her bank card, which she had received from her employer a few weeks earlier.

When the screen asked for her secret code, she hesitated. She hadn't used the card since before the holidays and wasn't completely sure she remembered the right digits. She tried once — the screen showed "Incorrect PIN." Thinking she had made a small mistake, she tried again carefully, but the same message appeared.

Feeling nervous, she tried one last time, but the ATM displayed: "Card blocked after three failed attempts. Please contact your bank."

Frustrated, Mutesi realized she would need to visit the bank branch the next day to unblock her card. Luckily, she still had some money in her mobile wallet to cover small expenses, but she promised herself to store her PIN safely so this wouldn't happen 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).
- 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
- Mobile money 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.



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

Samuel uses an informal provider

Samuel's older brother, Gabin, lives and works in South Africa. A few months ago, Gabin had lent him some money to cover rent when work was slow. Now that Samuel's deliveries had picked up again, he wanted to send something back—not because Gabin asked for it, but as a gesture of gratitude for his help.

One afternoon, a friend of a friend mentioned that he would be traveling to Johannesburg, the same city where Gabin lives. Samuel saw this as a convenient opportunity to return the money without paying the high fees charged by money transfer operators. It was the first time he had ever sent money abroad, and he thought this way would be fast and easy.

A week later, Gabin called to say he hadn't received anything. Samuel tried to reach the traveler, but his phone was off. Days went by with no reply. The money never arrived. Samuel felt frustrated and embarrassed—he had only wanted to do the right thing, but instead learned that sending money through people he barely knew could be riskier than paying a small fee for a formal transfer.

Case study N° 7

Sandrine uses a formal provider

Sandrine recently opened a business account to manage her online clothing shop more efficiently. She has started using it for important payments related to her business, finding it safer and more convenient than handling cash.

This week, she needed to pay for the subscription of a basic mobile inventory management software she recently hired to help track her stock. Wanting to complete the payment quickly, she decided to use her bank's mobile app. She logged in, went to the transfer section, entered the company's account details, and confirmed the payment.

Within minutes, the transaction was processed. Sandrine felt satisfied, knowing she was keeping her business payments organized and professional while making progress on one of her business goals.



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) • Mobile money	• 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?
- What are the advantages and disadvantages of each method?

Personal situation

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

This is because:

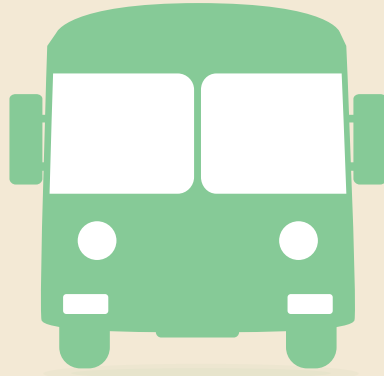


At the end of this module, you will find a table with **ADVANTAGES AND DISADVANTAGES OF MONEY TRANSFER OPERATORS** in the **ANSWERS TO EXERCISES**. Don't look at it now! Do it once you've completed the activity and want to review your answers.



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



Sandrine's method

Sandrine uses her **MOBILE BANKING APP** count to settle a bill with a provider, making the repayment quickly and easily through the app linked to her business account. transfer operator.



Patrick's method

Patrick uses his **MOBILE MONEY** account to settle a bill with a provider, making the repayment quickly and easily through the app.



Mutesi's method

Mutesi uses her **MOBILE MONEY** account to send and receive payments from friends and relatives, making transactions quickly and easily through the app.



Samuel's method

Samuel uses a **MONEY TRANSFER OPERATOR** to securely send money to his parents, avoiding the risks of informal transfers.

Questions

Our characters are planning to use formal money transfer operators to send money...

- What questions should they ask the formal provider before sending their money?

! Save this information!

At the end of this module, you will find a detailed list of QUESTIONS TO ASK A FORMAL MONEY TRANSFER OPERATOR in the ANNEXES AND KEY DOCUMENTS. You don't need to check it now! But if you need to consult this information, that's where you'll find it.

Key messages



- Send money safely! Go for formal operators and make it easier for your family to receive the money.

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;
 - proach 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.
 - Enter the website of your banking institution. Complete your username and password.
 - Once inside the app, select the account to which you have been sent the money. When you enter and view 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

- Dial ***182#** on your phone
 - Select **"send money"** on the menu
 - Select **"To a Momo user"**
 - Enter the phone number to send the money.
 - Enter the exact amount you want to send.
 - Confirm the **recipient's name** (as displayed).
 - Enter your **PIN** to authorize the transaction.
 - Wait for the **confirmation message** (both sender and receiver get an SMS).
-
- In case of receiving, you will get an SMS You immediately receive an SMS notification confirming: the amount received, the sender's name and number and your new MoMo balance
 - The money is automatically deposited in your MoMo wallet — no action needed to accept it.
 - You can check your balance anytime by dialing ***182#**, then selecting **5. My Account → 1. Check Balance**.

Training aid E3.2

Form for transferring money
(transfer operator's form)

Money transfer form

Date:

Amount

,

,

Currency

SENDER INFORMATION

Surname:

Name:

Address:

Telephone number:

Date and place of birth:

ID card or passport number:

RECEIVER INFORMATION

Surname:

Name:

Test question in case the receiver does not have a valid identification:

Optional services available at additional costs. Check services desired:

I want a check delivered to the following address.

I want you to telephone the receiver.

Message to be sent.

CUSTOMER'S SIGNATURE

Training aid E3.3

Form for transferring money (bank's international transfer form)

Money transfer form

Date:

Amount:

SENDER INFORMATION

Surname:

Name:

Address:

Account number:

RECEIVER INFORMATION

Surname:

Name:

Address:

IBAN Number (International Bank Account Number, max 34 characters):

BIC Number (Bank Identification Number, between 8 and 11 characters) or SWIFT code:

CUSTOMER'S SIGNATURE

Key messages

- It is important to be familiar with the procedure for transferring money (documentation required, costs, operator's network...).
- There are many different ways of transferring money: cash to cash, bank account to cash, cash to bank account, bank account to bank account, payment card to cash, bank card to bank account, bank card to bank card, bank card to mobile phone, mobile phone to mobile phone...The technology is evolving all the time. Keep yourself well informed about the new methods, as you might find them more convenient than the older ones.
- Considering your personal circumstances and those of the person you are sending money to when choosing your transfer method and operator (cost of transfer, foreign exchange commission, cost of receiving, geographical proximity...), will enable you to come to the best possible decision.

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

Answers to: 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.
Mobile money	• 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

This is a self-assessment quiz. Answer each question honestly based on your current thoughts, behaviors, and actions. There are no right or wrong answers! It's simply a reflection of how you manage your money today. At the end of the module, you'll be able to return to this quiz and modify your answers if you feel something has changed in you after completing these lessons.

F1. In my opinion, online banks...:

- ☐ **a.** Are less secure than traditional banks. I prefer to avoid them.
- ☐ **b.** Are as secure as traditional banks. They're a valid option.
- ☐ **c.** I don't know what an online bank is.

F2. If a formal financial institution has abusive charges or conditions, I...:

- ☐ **a.** Believe institutions can set whatever terms and charges they want. All I can do is choose another institution that better suits my needs.
- ☐ **b.** Can file a complaint, because institutions must ensure that their charges, conditions, and procedures are affordable for customers, while enabling them as businesses to make a reasonable profit.

Remember to come back at the end of the module to see if your answers have changed!

1. Get to know financial institutions

Definition

Financial institution

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

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. Microfinance 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...

Training aid F1.1

Characteristics to be considered in choosing a financial institution

Characteristics to be considered in choosing a financial institution	Questions to ask
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...)	

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

- 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...)

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...)?

- 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?

Characteristics to be considered in choosing a financial institution

Characteristics of the financial institution

- | Characteristics to be considered in choosing a financial institution | Questions to ask |
|--|--|
| <ul style="list-style-type: none"> • Remote services
(access to services through Internet, spending alerts via SMS, telephone banking, access to digital financial services...) and costs | <ul style="list-style-type: none"> • 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? |
| <ul style="list-style-type: none"> • Quality of service and staff
(waiting times, respect for customers, languages spoken, speed of service...) | <ul style="list-style-type: none"> • 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)? |
| <ul style="list-style-type: none"> • If appropriate (mutual societies), conditions of membership | <ul style="list-style-type: none"> • 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? |

Characteristics to be considered in choosing a financial institution

Characteristics of the financial institution

- 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...)
- 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

Questions to ask

- 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...)
- 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?

Characteristics to be considered in choosing a financial institution	Questions to ask
Characteristics of the financial institution's products (savings)	
• Access to savings/flexibility of withdrawals	• 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?
• User-friendliness	• Do customers receive statements relating to their savings account? How often? • Do you offer a telephone and/or online banking service?
• Digital access	• To which extent can I operate my savings account online?
• Conditions for opening a savings account	• What is the minimum deposit if I open a savings account? • What documents do I need to show you?
• Security	• What insurance or guarantees are there for protecting customers' funds?
• Interest rate	• 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?
• 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?

Characteristics to be considered in choosing a financial institution

- Costs of saving (charges, penalties)

- Liquidity

- Ethical values of the product (sustainable finance, environmental, Islamic...)

Questions to ask

- What will it cost? (What charges are made for transfers, for withdrawals from ATMs)
- What are the management charges for a savings account?

- 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?

- 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



- When choosing a financial institution, you need to study its characteristics and products and find out which are best suited to your needs.
- When studying a financial institution's characteristics and products, it is important to read the brochures carefully and ask the staff questions. Don't be shy! Ask them about anything that is not clear.
- Before becoming a customer, you should compare several financial institutions and choose the one best suited to your needs.



2. Use financial institutions with confidence!

Case study N° 1

Samuel and Kevin speak about financial institutions

Samuel and his friend Kevin were having dinner at home after a long day. Kevin had just received his second salary from the restaurant where he works and was checking his balance on his phone. Excited, he told Samuel how easy it was to manage his money through the bank's mobile app. He could see every transaction, pay bills, and even save small amounts directly from his account.

Samuel listened curiously. He had always used mobile money for his deliveries but, he had been looking into opening a regular savings account to save there for his motorcycle; however, he doesn't fully trust it yet because he has heard stories from colleagues who had to pay high maintenance fees or couldn't understand the bank statements.. Kevin explained that his employer had helped him open one when he signed his contract and that the bank didn't charge high fees if the account was used regularly. He also mentioned that he now receives a payslip every month and can keep better track of his earnings.

Hearing this, Samuel began to think that maybe opening a bank account could help him too. It would make his payments more organized and safer, and he could even start saving for his motorbike. Kevin encouraged him to visit the bank to ask questions and find out which account would suit him best.

Questions

- Why does Samuel 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.



**CHECK
YOUR
ANSWERS!**

At the end of this module, you will find the answers to DESCRIPTIVE CARDS in the ANSWERS TO EXERCISES. Don't look at it now! Do it once you've completed the activity and want to review your answers.

Important:

- 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!

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



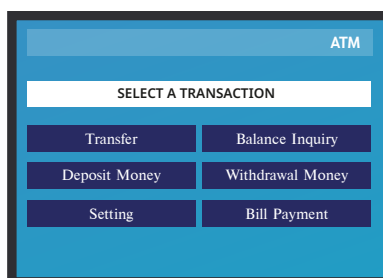
Insert your ATM card in the ATM machine (You may see a green slot or any kind of slot).

Step 2: Enter 4 digit ATM PIN



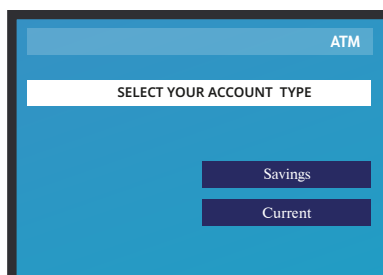
Using the keypad you have to enter your 4-digit password. But always remember that no one can see your password while you are entering a password and also do not share this password with anyone. More than 3 times the wrong password, your ATM card can be blocked.

Step 3: Select your transaction



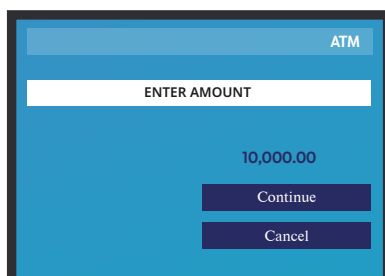
At this moment, you can see many options appearing on the screen, such as money withdrawal, transfer, balance enquiry, etc. In this case, you should select "Money withdrawal" or "Withdraw money".

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!

Questions

If you had to open an online account... do you know what steps you should follow? Write them down below!



**CHECK
YOUR
ANSWERS!**

At the end of this module, you will find a table with an example of STAGES FOR OPENING AN ONLINE ACCOUNT in the ANSWERS TO EXERCISES. Don't look at it now! Do it once you've completed the activity and want to review your answers.

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, 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, 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



Key messages

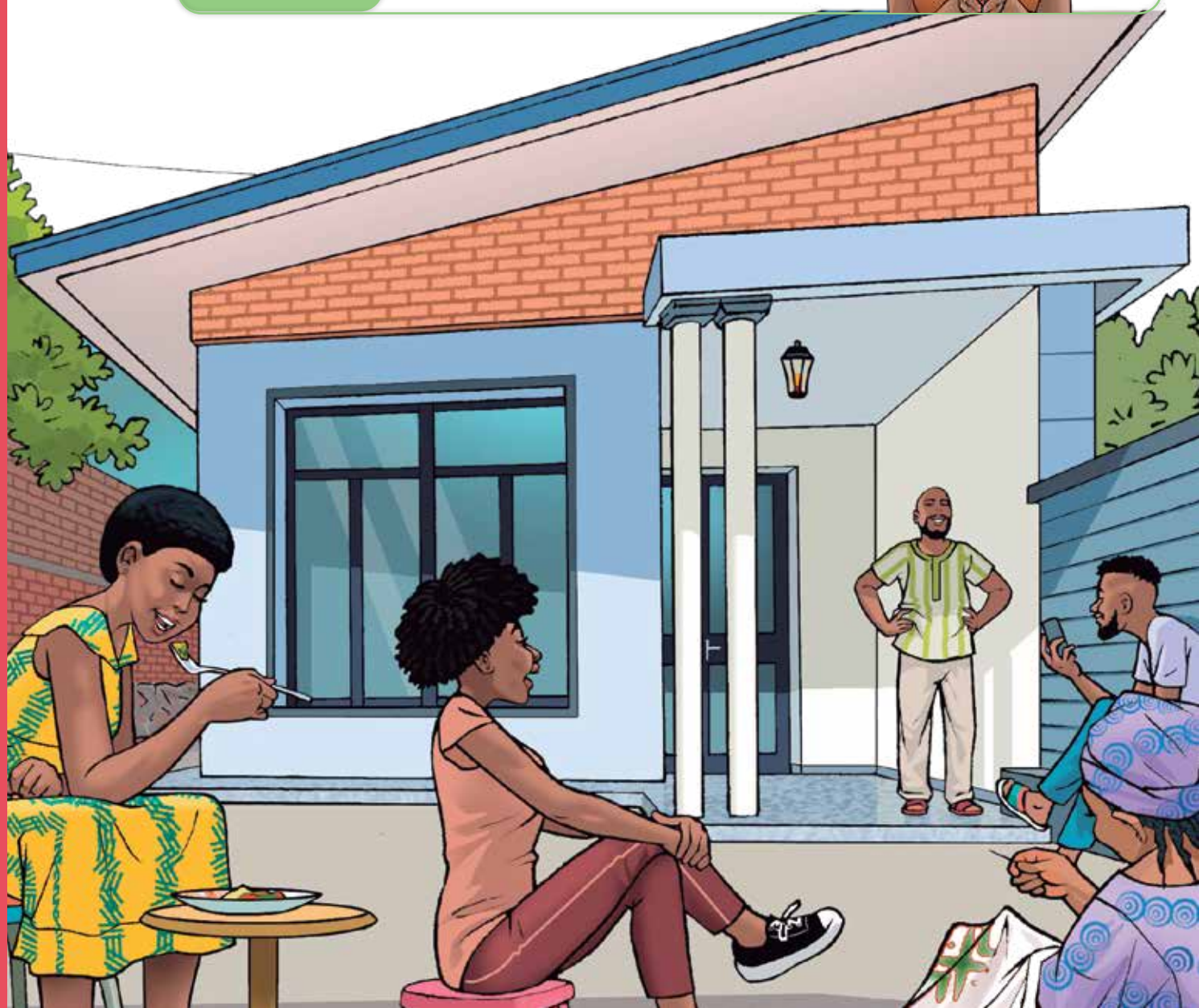


- By going to a bank, you are not necessarily committing yourself; you can begin by seeking information.
- Anyone can access the services provided by financial institutions (provided they have the appropriate documents). You just have to find the one that suits you best.
- As the customer of a financial institution, you have certain rights!



**CHECK
YOUR
ANSWERS!**

At the end of this module, you will find the answers to **DESCRIPTIVE CARDS - PRINCIPLES OF CUSTOMER PROTECTION APPLIED** in the **ANSWERS TO EXERCISES**. Don't look at it now! Do it once you've completed the activity and want to review your answers.



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, 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 this normal?

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, 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?

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?

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

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?

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

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?

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

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?

Financial Education

Client protection principles applied

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?

Financial Education

Client protection principles applied

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

This is a self-assessment quiz. Answer each question honestly based on your current thoughts, behaviors, and actions. There are no right or wrong answers! It's simply a reflection of how you manage your money today. At the end of the module, you'll be able to return to this quiz and modify your answers if you feel something has changed in you after completing these lessons.



G1. Everyone is exposed to certain risks. However, I believe that...:

- ☐ **a.** Some risks can be avoided. If you know how to prevent them, they don't have to happen.
- ☐ **b.** Risks cannot be avoided; you never know what might happen. All we can do is be as prepared as possible in case they do.

G2. Having an emergency fund is for me...:

- ☐ **a.** Just a hope; I wish I could have enough money to build one someday. With the little money I manage, creating an emergency fund is impossible for me.
- ☐ **b.** Very important! I actually have a small emergency fund and try to add to it whenever I can.
- ☐ **c.** I don't know what an emergency fund is, I've never had one.

G3. Regarding insurance, I...:

- ☐ **a.** Don't think it's worth getting insurance. I prefer to take the necessary precautions to avoid problems, and if something does happen, I'll figure it out then.
- ☐ **b.** Currently have insurance and believe it's worth having.
- ☐ **c.** Don't have information about insurance, so I don't have a clear opinion.

Remember to come back at the end of the module to see if your answers have changed!

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

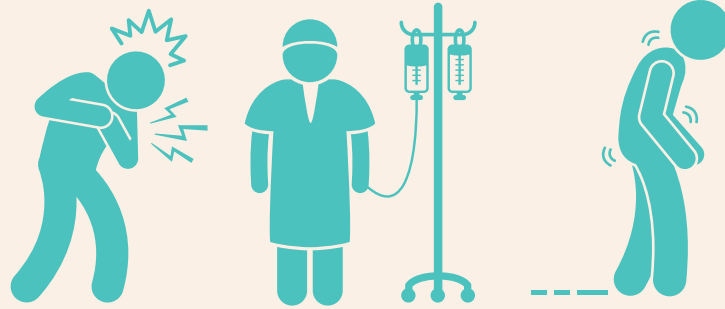
Unemployment



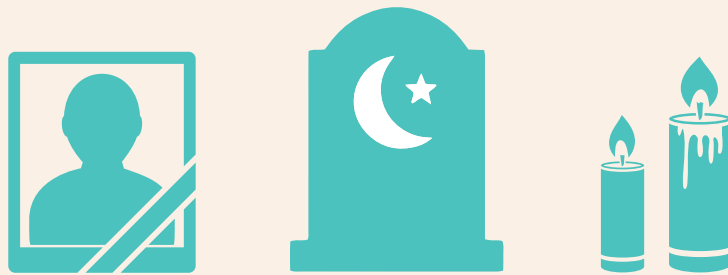
An occupational accident



Sickness



A death



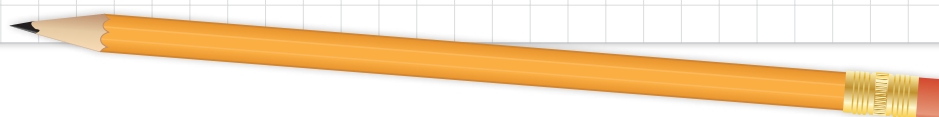
Fire



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.
- Protecting myself and protecting my family: you need to have strategies in place to cover both aspects.
- 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.

- 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

Patrick's emergency fund

Month	Amount
January	RWF 500,000
February	RWF 500,000
March	RWF 600,000
April	RWF 600,000
May	RWF 600,000
June	RWF 600,000
July	RWF 500,000
August	RWF 500,000
September	RWF 500,000
October	RWF 600,000
November	RWF 550,000
December	RWF 550,000

Patrick and Keza 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 his family income during the last year.



Questions about Patrick and his family:

What is the total amount Patrick'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



**CHECK
YOUR
ANSWERS!**

At the end of this module, you will find the answers to CHARACTER'S EMERGENCY FUND in the ANSWERS TO EXERCISES. Don't look at it now! Do it once you've completed the activity and want to review your answers.



Now that you know how to build an emergency fund:

- What challenges may a family come up against when trying to save so much money? How would you advise them?

! Save this information!

At the end of this module, you will find a table with CHALLENGES IN PUTTING MONEY ASIDE FOR AN EMERGENCY FUND in the ANNEXES AND KEY DOCUMENTS. You don't need to check it now! But if you need to consult this information, that's where you'll find it.

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

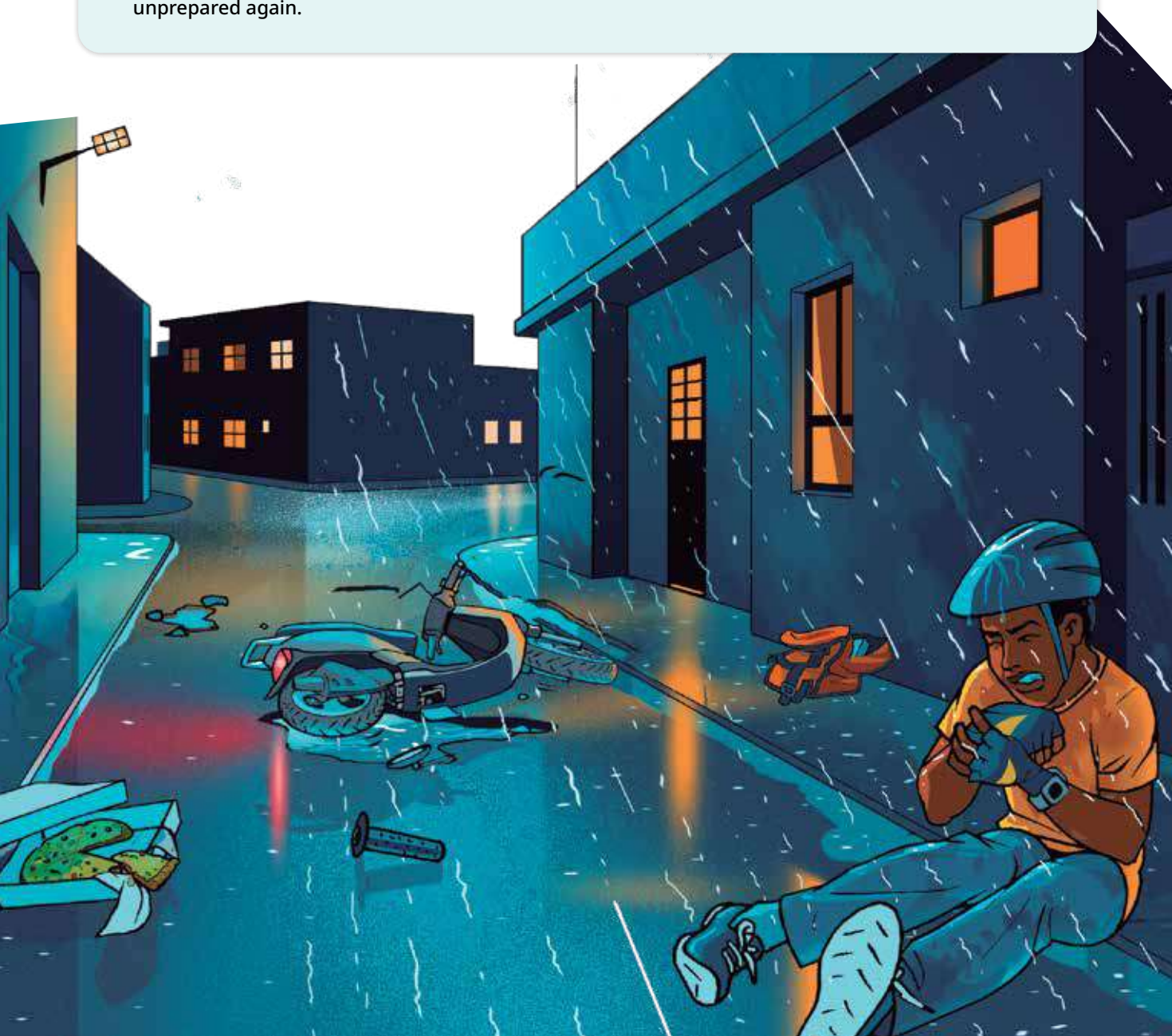
Samuel has an accident

Samuel had been working long hours as a freelance motorbike delivery rider. One rainy evening, while returning from a delivery, his motorbike slipped on a wet street and he fell hard, injuring his leg. A passerby helped him reach a nearby clinic, but the doctor advised that he needed an X-ray and proper treatment at a larger hospital in Kigali.

Because Samuel works independently, he didn't have any health or motor insurance. The treatment, medication, and transport costs quickly added up. With no savings left, he had to borrow from a friend to cover the expenses.

As he rested at home, Samuel remembered that some of his fellow riders had joined *mutuelle de santé* for basic health coverage and others had enrolled in private motorbike insurance plans through cooperatives to protect themselves from accidents. He had always thought those options were too complicated or unnecessary.

Now, with his leg still sore and the debt on his mind, Samuel regretted not getting insured earlier. He decided that once he recovered, he would explore both community health insurance and motor insurance for freelance riders—so that an accident like this would never leave him financially unprepared again.



Case study N° 3

Mutesi injures her ankle

One morning at the software company where she works, Mutesi accidentally spills hot coffee on the floor while carrying a tray to a colleague's desk. As she rushes to clean it up, she slips and twists her ankle badly. The pain is sharp, and she immediately worries about how much medical treatment might cost.

She remembers that, as part of her formal employment, the company provides workplace accident insurance through RSSB's occupational risk scheme. After informing her supervisor, Mutesi contacts the human resources office, which guides her through the process to receive medical care. To her relief, the insurance covers her consultation, X-ray, and medication.

A few days later, as her ankle begins to heal, Mutesi feels grateful that she didn't have to pay for her treatment. What could have been an unexpected financial setback became a reminder of the protection that comes with formal employment. She now feels reassured, knowing that being insured gives her real peace of mind.

RSSB is the Rwandan Social Security Board. It is the national institution that manages social protection for workers in Rwanda, including pensions, health insurance, and workplace accident coverage.

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

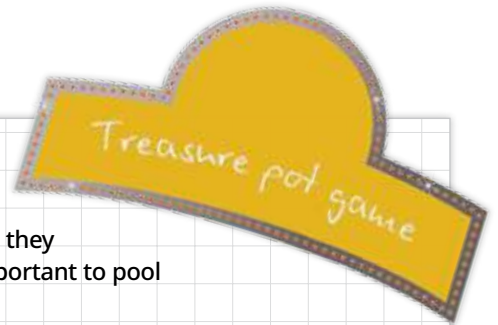
Treasure pot game

4 Tokens




Doctor

Financial Education



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 your contribution. The more you contribute, the more services you have access to.



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.

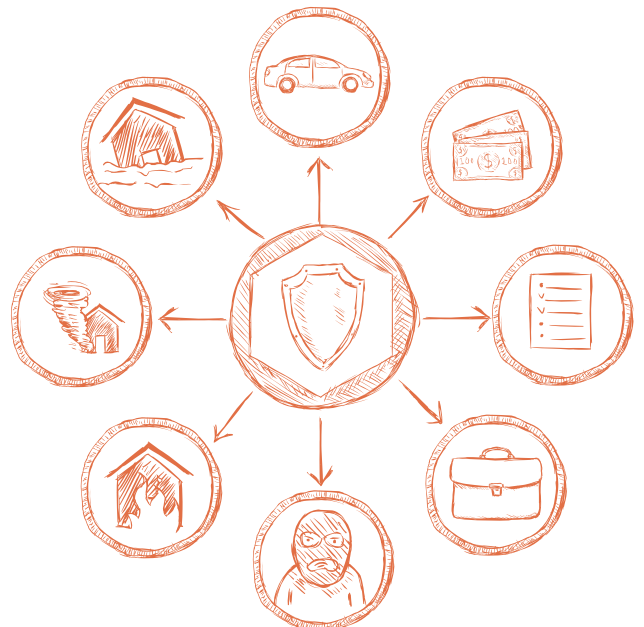
Remember

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.

Key messages



- **Insurance:** a tool for preserving income and affording social protection.
- Taking out insurance is a preventative measure.
- **Insurance:** sharing risks and betting on the likelihood of a problem or crisis arising.



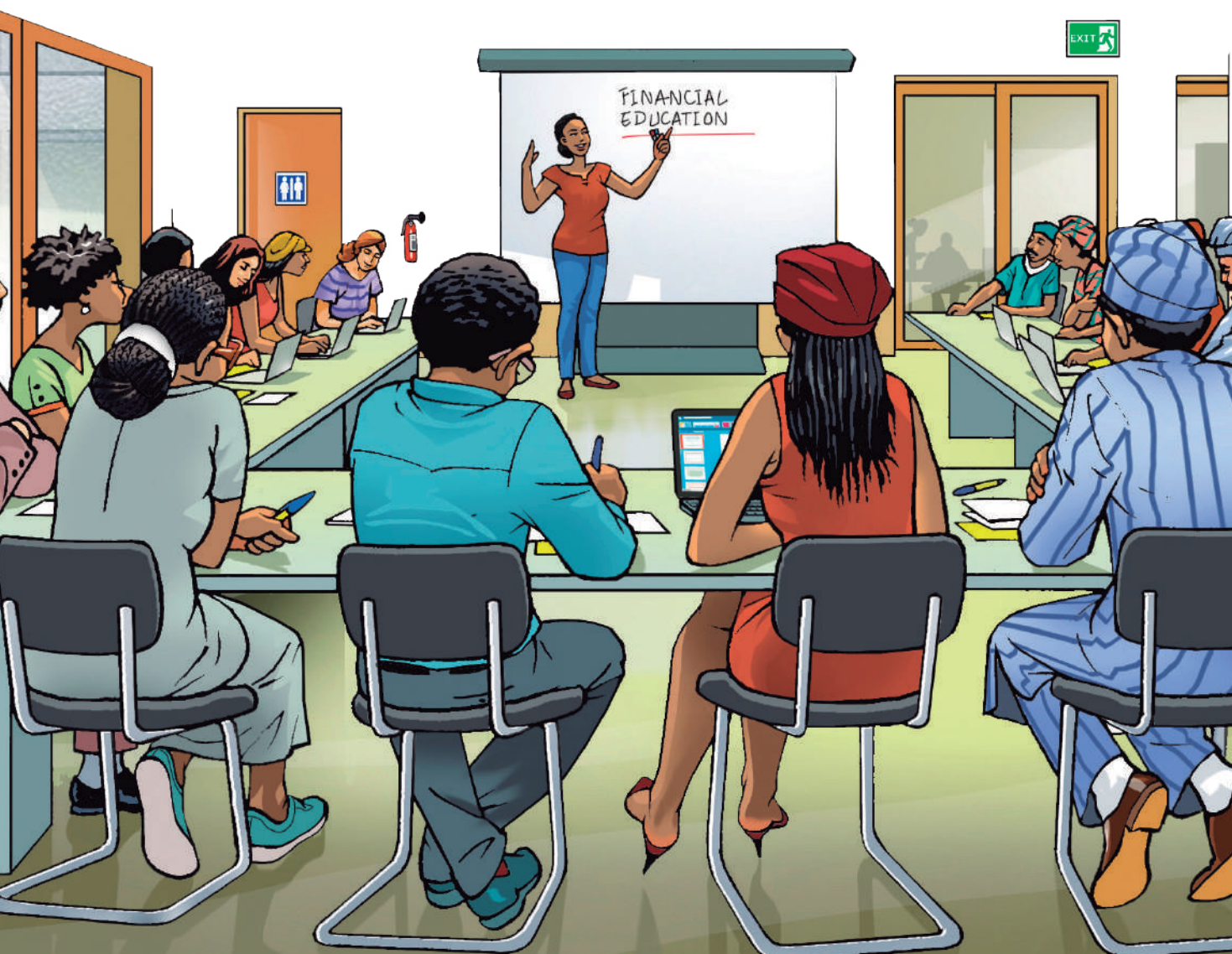
4. Use your insurance policy

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.

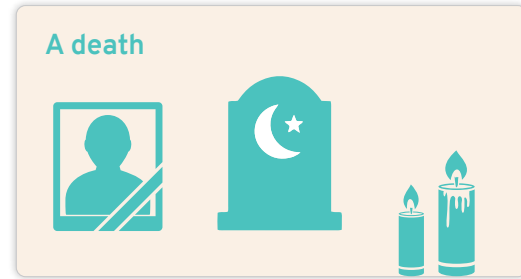
General risks

- Death
- Sickness
- Accident
- Theft
- Your house burning down
- Loss of job/unemployment
- Physical, psychological and/or sexual abuse



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>It is the portion "deducted" from the payment made by the insurer for the loss suffered by the insured. It can be a specific amount or a percentage of the total insurance amount specified in the policy.</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 G3.2

Stages in making an insurance claim

Stages in making an insurance claim

Complete the claim form as soon as possible after the damage/loss occurred (within 12 months, depending on the terms of the policy).

Financial Education

Stages in making an insurance claim

Submit the required documents: letter of claim signed by the policyholder, membership card, photocopy of your identity document...

Financial Education

Stages in making an insurance claim

If you get paid less than you expected, make your complaint heard, find out why and try to address it.

Financial Education

Stages in making an insurance claim

Verify that the compensation paid matches the benefit you should be paid.

Financial Education

Stages in making an insurance claim

If you do not get paid within seven days (or the time set in the insurance policy), contact the insurance company again to check on progress.

Financial Education

Key messages

- To find the insurance product best suited to your circumstances, you must first identify the risks to which you and the people you want to insure are exposed.
- Insurance companies use terms which are unfamiliar to most of us. You need to master these terms in order to understand the insurance products available.
- For each risk insured, different documents may be required when you make a claim. For example, if you are ill, you will need to present a letter from the hospital or clinic and a detailed invoice of the medicines and treatments you received.

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 Mutesi

One weekend, while guiding a small group of tourists through a local food market, Mutesi tripped on an uneven step and fell to the ground, putting all her weight on her right wrist.. A friend helped her to a nearby clinic, where she received first aid and a recommendation for further treatment.

Later that evening, Mutesi began to wonder whether her workplace insurance from the software company would cover this accident. The injury had happened while she was working independently, not during her formal job hours. She wasn't sure if her employee insurance applied in such cases — or if she would have to pay for the treatment herself.

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

Case study #2 Samuel

A few weeks after his motorbike accident, Samuel decided to join an accident insurance plan offered to freelance riders through a cooperative. Remembering how much the treatment had cost him, he felt it was time to prepare for future risks.

As he signed up, he wondered if the insurance could also cover the medical expenses from his recent accident, which happened before he joined. Unsure how insurance works, he decided to ask the provider if those earlier clinic bills could still be reimbursed.

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

Case study #3 Sandrine

During the first semester of their health insurance policy, Sandrine and her family did not suffer any injuries or need medical attention. While they were glad nothing happened, Mukamana asked Jean Bosco whether it was worth continuing the insurance. Since they did not use the policy, Mukamana thought they should receive at least part of the premiums back.

- **Is Sandrine's family entitled to a refund? Why?**



At the end of this module, you will find the answers to INSURANCE CASES STUDIES in the ANSWERS TO EXERCISES. Don't look at it now! Do it once you've completed the activity and want to review your answers.



Important:

- 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.

Key messages



- We are "surrounded" by insurance products.
- There are one or more insurance products for every type of risk, though the basic principles are always the same.
- Insurance companies operate within a regulatory framework that guarantees a degree of consumer protection.
- It is important to identify your needs before approaching an insurance company.

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

Answers to: character's emergency fund (Case Study 1 - G1)

Questions about Patrick and his family:

What is the total amount Patrick's family earns over a 12-month period (consider there might be fixed and variable income)?

RWF 6,600,000

• What is the family's average monthly income?

RWF 550,000

• What is the total amount they need to set aside in an emergency fund?

RWF 1,650,000



Answers to exercises

Answers to: Insurance cases studies (Training aid G4.1)



Solution case study #1

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

No, Mutesi's workplace insurance from her software company would not cover an accident that happens during her tour guide job. The insurance she receives through her employer — managed by the Rwanda Social Security Board (RSSB) — only applies to accidents that occur while performing her duties for that company or within the scope of her formal employment.



Solution case study #2

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

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



Solution case study #3

Is Sandrine's family entitled to a refund? Why?

They are not entitled to a refund, because the purpose of their accident insurance is to protect against a risk. Even if no one in his family has an accident, his premiums will not be refunded.

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.

Notes

Trainee's Booklet

ILO Financial Education

The ILO's Financial Education programme tackles the widespread challenge of limited financial literacy, which can hinder access to decent work and reduce income opportunities for vulnerable groups. Its objectives are to:

- Equip individuals with practical financial knowledge and skills to improve their economic resilience and access to decent work.
- Train financial education trainers to support diverse communities in making informed financial decisions.
- Encourage the use of appropriate financial products and services tailored to the needs of low-income groups.

The Programme is known for its high-quality, adaptable training materials, which are designed for different audiences, including women and men in low-income settings, youth, migrants, refugees, entrepreneurs, and workers across sectors. Materials are learner-friendly and suitable for adult learners with limited formal education.

Using participatory and context-sensitive methods such as fictional characters, role plays, and real-life scenarios, the ILO Financial Education programme creates engaging learning experiences in both in-person and digital formats. Topics include budgeting, saving, borrowing, and risk management.

This Trainee's Booklet is a practical tool for participants attending ILO Financial Education trainings. It complements the trainer's manual by presenting key information, exercises, role plays, and templates. It also serves as a reference guide after the training, helping participants apply what they've learned in their daily lives.