

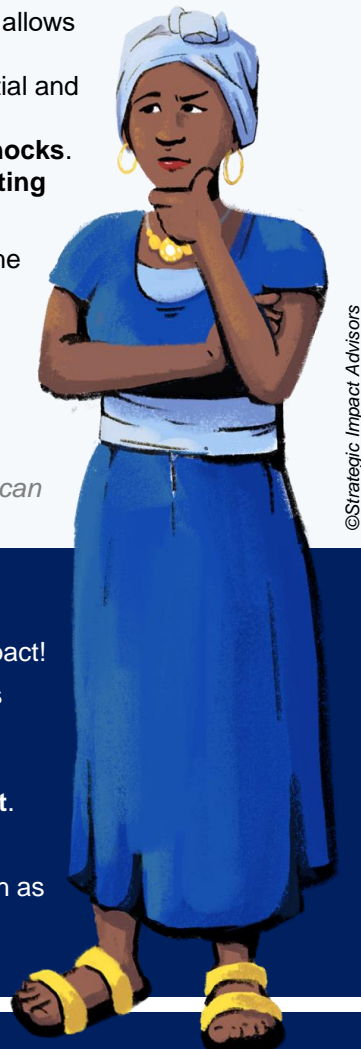
What is this document about?

- **Planned and regular savings**, no matter how small, **can bring about a positive impact** when facing emergencies like sickness or accidents or when planning to invest in income-generating assets.
- This document aims to help cash recipients **understand the value of savings** and to learn how to make strategic decisions on **how much and where to save**.

Key messages to convey

- **What are savings?**
 - Savings means “**putting money aside to meet future needs**”. Saving allows some of the income we get to be held in a safe place for the future.
 - Savings are **what is left over from your earnings** after all your essential and non-essential expenses are paid.
 - Saving helps plan **future expenditures** and **offers protection from shocks**.
 - Savings are also important when planning to **invest in income-generating activities** and grow businesses to build your wealth.
- However, many **payment recipients feel that it is difficult to save money**. The reasons mentioned often include:
 - Do not have any enough money to save (no regular income, no money left over, too much debt)
 - Emergencies and unexpected expenses in the family or community
 - Theft
 - Failure to plan/not knowing how to plan.

For more information why women may save differently and what tailored solutions can reduce barriers, check this tool by [Women's World Banking](#) (p.5-6, 10, 15-18).



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How can we save with limited income?

- ✓ Start by saving a small amount - even small increments can have a positive impact!
- ✓ Most successful savings are **planned and regular**: A **savings goal or savings plan** helps decide how much money to put aside and to stay motivated.
- ✓ Savings should be kept **safe and secured** from **both ourselves and external factors**. When possible, choose a savings account that will accumulate **interest**.
- ✓ **The earlier we start saving, the better.**
- ✓ It is good practice to have an ‘**emergency fund**’, for unforeseen expenses, such as due to illness, accidents, unemployment, robbery, drought, funerals etc.

Source: Adapted from Strategic Impact Advisors <https://www.siaedge.com/herbusiness-herfuture> p.16

Where to save?



- The **safest way to save money is through formal financial services recognised by law** like a bank account, microfinance institution, in a mobile wallet. Having an account, allows you to create a transaction history that can give you access to credit.
- You can also save through Savings Groups if you prefer to save as a group.
- Saving in **digital form by utilizing technology**, such as your phone, a bankcard or digital platform, can be easy, convenient and safer.



REMEMBER: Choosing where to save depends on people's **savings goals**, the value they see in keeping money or the amount of interest. Check [IDEO's Financial Playbook](#) to **build people's confidence on saving**.

How to differentiate essential vs non-essential expenses? Explain:

NEEDS are something you must have, like food or rent for your home or business. They are required for your physical and mental wellness.
NEEDS are essential.

WANTS are something you wish to have, like an additional set of clothes or paint for your store. They are purchases that are not required to survive, but you'd like to make them.
WANTS are non-essential.

Adapted from Strategic Impact Advisors <https://www.siaedge.com/herbusiness-herfuture> p.14

Tips for developing a savings goal/plan:

- Know the **PURPOSE** you want to save for – for example, you can say, “I plan to save \$50 to buy a calf.”
- Know **WHEN** you want to reach your savings goal – for example, you can say, “I plan to save \$9 every month for 6 months to buy the calf.”
- Decide on **ACTION** - what you will do – for example, you can say, “I plan to open a savings programme at the Savings Group and deposit \$9 every last Saturday of the month.”
- **COMPARE** different savings options available to you – for example, analyse whether you can get interest when you save in a bank or whether it makes sense to save together as a group.

Stay motivated by remembering WHY you save...



... and stick to your savings plan



Here are some key interactive external learning resources that you may find helpful in explaining key concepts related to Savings:

HEY SISTER

Hey Sister Lessons

Lesson 15: How much should I save?

Lesson 16: Where should I save?

Oye Amiga Lessons

Lesson 8: Where should I save?

Lesson 9: How much should I save?

