



EnFaNCE's "Piso-Pisong Ipon" Experience Family budget training and Savings Promotion.



Manila, Philippines - EnFaNCE – UPLiFT - Inter Aide partnership

Laurence Jeannet, May 2008

1 Background

EnFaNCE Foundation (Encourage Families in Need and Care for Education) was created in 2003 to implement Family Development Programs (FDP) in very depressed areas located in Manila, with the financial and technical support of Inter Aide.

The FDP's **overall objective** is to alleviate poverty in poor urban communities by supporting the sustainable improvement of the capacity and autonomy of the poorest families and by promoting / improving the access to health, education, and family welfare services for all squatters areas' inhabitants.

The FDP approach provides services and support in various aspects of the family's life. However, we were able to observe the need to complement the Family Development actions with specific services in the area of economics. Therefore, EnFaNCE decided at the end of 2006 to start a pilot project aiming at including an economic component in the FD approach in order to encourage families to manage their budget more effectively and to improve their savings habits. This pilot project was set up by EnFaNCE in partnership with UPLiFT¹.



Piso Pisong Ipon collection in EnFaNCE field office (Tondo Dumpsite): the Piso Pisong Ipon beneficiary fans Uplift's collector!

¹ Uplift is a micro-finance institution operating in Metro Manila that was formerly supported by Inter Aide and Entrepreneurs du Monde.



1.1 Surveys on income/expenses and savings habits

In order to assess the needs of the population related to family budget and savings, EnFaNCE conducted two surveys in 2006 and 2007 in the very deprived areas where the team was conducting the Family Development Program.

From the first survey² on income and expenses among the squatters' areas population, EnFaNCE team came to the following conclusions:

Income:

- ✓ As expected, families income is below poverty threshold (6 000 pesos per family per month or 0.76 USD/day/person).
- ✓ Work opportunities are limited. Only 16% are regular employees, the others work as construction workers, heavy load carriers or vendors. They work on a daily basis only 3 to 4 days per week.
- ✓ No alternative income-generating activities are available since they usually lack skills and access to market. Families are aware that they should have additional activities like buy/sell, *sari-sari* store³ or scavenging, apart from their (ir)regular jobs.
- ✓ Motivation to work regularly is low if needs for the day are provided.

Expenses:

- ✓ In average, families have 3 children to support. They sometimes leave one child with relatives (sometimes back in the Province) to reduce their expenses.
- ✓ 60% of the family expenses is spent on cooked food from *carinderia* (small street food-store), except rice that is prepared in the house.
- ✓ The cost of water and electricity are more expensive than in non-squatter areas...⁴
- ✓ Approximately 2 000 pesos is spent for milk for babies as feeding babies by bottle is popular instead of breastfeeding⁵...
- ✓ Transportation: going to schools amount to 12% of the expenses since schools are outside the depressed areas
- ✓ Parents usually give one peso to their children, several times every day and this amounts to 360p/month! (The families are not aware of the extent of this habit). During family discussion on their budget, mothers mention it as a “bad” practice that increases spending.
- ✓ Addictions such as alcohol, gambling, drugs...are also prevalent and hamper budget control.
- ✓ Borrowing and lending money to relatives and neighbors, usually because of health emergencies, also deteriorate budget management.

Expenses	
Food	60%
School	13%
Water	8%
Others	19%

² Quantitative survey in September 2006 in Baseco and Happyland on 114 families, followed by focus discussion with 8 families.

³ Small (even tiny) grocery stores

⁴ 440p/month for water in the depressed areas instead of 150p/month in EnfaNCE's office. For electricity, families spend 716p/month, while for the office we spend 300p/month

⁵ A special focus will be given to breast-feeding in FDP. After evaluation of the experience, it will be included in this project.



Nevertheless, 60% of the families declared to save but on a very short term basis. In a deeper analysis of the savings habits, the following points could be observed:

- ✓ 38% of the families saved for emergencies.
- ✓ Only in 35% of the savings goes to long-term goals like education, delivery, baptism, business....
- ✓ For 65% of the families, there is no planning or forecast of important expenses like delivery, tuition fees...
- ✓ It is a common practice to lend money to neighbors or relatives in case of emergency. Neighbors or relatives seem to be very insistent if they have reason to believe that the family has savings.
- ✓ Based on Enfance's experience, most of the emergencies experienced by the families are health-related
- ✓ Families spend all their money in one day. The families who want to save put their money aside to save just like other daily expenses.

Therefore, considering that families' income is only limited to one day, that 60% of the expenses are food-related and that it is time consuming and costly for the inhabitants to go out of the depressed areas, the team realized that the initial idea of proposing a project on family budget based on how to buy cheaper products (in small stores or in big supermarkets) was unrealistic.

Another survey was conducted in March 2007, focusing on the families' saving habits. 65% of the respondents declared they had savings in the previous month and 57% (out of the 65%) kept there savings in their house, although 41% of them would prefer to keep it in a bank or micro-finance institutions (MFI)⁶. Furthermore, the second part of the survey aimed at understanding which particular characteristics the saving product must have in order to fit the poorest families' needs.

From this survey, EnFaNCE drew the conclusion that there was a need to create a specific saving product for the marginalized communities. This should go together with regular promotion of savings through home visits to encourage the families to save for long term goals.

In this light, EnFaNCE designed the "Piso-Pisong Ipon"⁷ project, and created a savings product hosted by UPLiFT, designed to suit the needs of the very poor people in the areas where EnFaNCE operates.

⁶ It is difficult in the Philippines to have a saving account in a bank or MFI as maintaining balance (for example 100 pesos for Uplift) is required as well as a high transactions costs (transportation cost to go to the branch usually located outside depressed areas).

⁷ Saving peso by peso



2 Objectives and targeted population

The overall objective is to alleviate poverty in poor urban communities by improving the capacity and autonomy of all squatters' areas inhabitants in managing their budget and savings.

The specific objectives are:

- to enhance the poor families' economic stability;
- to increase the poor families' financial autonomy and security; and
- To improve their capacity to face emergencies.

The expected results are:

- Families have improved their capacity in budget management: they save regularly, and use savings to achieve the projects they identified, and they continue to save even after withdrawal.
- Families improve their capacity and autonomy in health, education, family relationship, etc.

The targeted population lives in Manila squatters' areas. There are slum dwellers, over 18 years old.

3 Activities

3.1 Piso-Pisong Ipon

In partnership with Uplift, EnFaNCE created the **Piso-Pisong Ipon**, with the following features:

- Minimum maintaining balance and transaction is one peso;
- Withdrawal is in cash if below 1 000p; it takes two days to process;
- There is no interest;
- All transactions are made in Enfance Field Offices by Uplift staff; and
- The family mentions the purpose of the savings (**project of the family**) in the Piso-Pisong Ipon application form.

The requirements to open a Piso-Pisong Ipon account are kept to minimum: one copy of an ID, no application fees. If the beneficiary has no ID, she/he has to provide a picture to get an Uplift ID (fees are 10 p). Uplift is in charge of all the cash management systems: collection, deposit in bank, withdrawal, booking in financial statement, etc.



3.2 Promotion

EnFaNCE is in charge of the promotion and follow-up of the Piso-Pisong Ipon Promotion is done through house to house visits and orientation meetings held in the community. Every inhabitant is allowed to open a Piso-Pisong Ipon account. Promotion also focuses on families Phased Out from FDP as well as poor families of the area (level⁸ 2 and 3 or “very poor”).

3.3 Follow-up

Follow-up is done through home visits. EnFaNCE Family Development Workers (FDW) visit every new beneficiary. The first visit focuses on the family project definition. After one month, a second visit is done so as to complete the “leveling form” and to follow up the family project completion.

If a beneficiary does not deposit for one month, additional home visits are conducted so as to understand the difficulties the family may be facing and to provide support through referrals to other organizations, counseling, or “OPA”, EnFaNCE’s social guidance centres. The visit last around 20 to 30 minutes and focus on the following topics:

- The family project ;
- Any recent family event concerning children, couple relationship, health, etc;
- Beneficiary’s feeling and ideas about saving.

The FDW opens a file for each family where he/she writes a short report about every home visit. A copy of the application form is also included in the family file.

3.4 Follow-up after withdrawal

For every withdrawal, the FDW visits the family to ask for the withdrawal purpose (this is only for monitoring purpose: the families are free to do what they want with their savings!). If the family is facing an emergency, the FDW can propose referrals to existing external organizations providing adapted services. If the withdrawal is intended to achieve the family project, the FDW will later on provide home-based follow up to encourage the family to continue saving for another project.

⁸ EnFaNCE poverty assessment tool (“Family leveling form”) consider four levels of poverty: Level 4 for “ultra poor”, Level 3 for “very poor” (FDP target), Level 2 for “moderate poor” poor according to FDP standards — it would be very poor according to MFI standards — and level 1 for “developing poor”.



4 First observations after five months

After five months of PISO-PISONG IPON implementation, **157 beneficiaries** (83% women) had joined the PISO-PISONG IPON and opened a saving account. Half of them were considered as “active beneficiaries” as they had deposited money within the previous month. The EnFaNCE team has visited each family nearly three times since the beginning. In total, EnFaNCE conducted **420** Piso-Pisong Ipon follow-up visits.

EnFaNCE FDWs’ home-based support is focused on helping the families strengthen their family project. The analysis of the application forms show the following savings projects:

- 25% families save for the education of their children;
- 16% for family’s celebrations (Christmas, birthdays, baptisms...);
- 10% to start or improve a business
- Others: to buy, improve or maintain the house (4%), for their health (4%), for the journey back to the Province (5%), for a delivery, and to buy appliances (4%).
- 21% for general concerns: for the future, for the family, for emergency, etc.

8% of the families did not answer the question regarding their project in the Piso-Pisong Ipon application form.

During these five first months of operation, the FDWs focused their home visits on helping the families to define more clearly and to consolidate their projects as a factor of motivation to save. However, it turned out that some beneficiaries have no clear project for which they save; the purpose for saving is increase their financial security so as to be able to deal with emergencies (the goal is therefore more related to increased autonomy and anticipation). The EnFaNCE staff also observed that during the home visits, the family members usually speak about their hindrances to save rather than their project. The difficulties affecting their savings, which are encountered by the families are actually the usual ones observed in FDP: they are related to health problems, couple’s conflict, lack of self confidence, etc.

Based on these observations, EnFaNCE team was able to adjust its intervention to provide support regarding the difficulties encountered by the beneficiaries that are hindering the saving process and consequently the family’s project achievement.

5 Project assessment after 8 months (end of 2007)

In December 2007, after 8 months of PISO-PISONG IPON operation, **235 beneficiaries** had opened a PISO-PISONG IPON account and had deposited 10 times in average. Still half of the beneficiaries were “active”. 53% of them are categorized as Level 2 (= moderate poor according to FDP standards) while 47% are Level 3 (= very poor).



EnFaNCE FDWs conducted more than 700 follow-up home-visits to Piso-Pisong Ipon beneficiaries. Based on the previous evaluation's conclusions, these home-visits have changed pattern:

- 1st visit: the focus of the home visit is to help the family define its “dream project”.
- 2nd visit: The FDW focuses the discussion on the family project as well as the possible hindrances / difficulties faced by the beneficiaries. The FDW will encourage the family, according to the needs, to go to the OPA⁹, to attend “Pulong” (EnFaNCE's community trainings), to get a referral to avail services from external organizations (family planning, health...), or to participate in specific workshops (husband and wife relationships). The FDWs also assess the family's level (using the EnFaNCE's poverty assessment tool, called “leveling tool”).
- Other Visits are conducted if the family has not deposited for one month (“inactive beneficiary”): the FDW will discuss the factors preventing the family from saving and will refer the family to the adapted services provided by EnFaNCE or other organizations if needed.
- Other home visits are conducted if the family asks to withdraw money from the savings account.
- Another visit is conducted 12 months after the family opened the Piso-Pisong Ipon account: the FDW will be able to re-assess the family level and to record improvements. It is also a time when the FDW can promote again the other EnFaNCE's activities or other organizations' programs that could help the target families to meet their needs.

5.1 Added value of Piso-Pisong Ipon from the beneficiaries' point of view

First of all, based on the beneficiaries' feedback, the Piso-Pisong Ipon's main value is to give the families the capacity to achieve a project (buying appliances, improving a business, etc) and to face emergencies (to face transportation and food cost in case of hospitalization or cost of burial...). Furthermore, it increases their self-esteem and satisfaction. The increased feeling of security related to a better financial capacity to face life events surely plays an important role in the beneficiaries' self-esteem and self-confidence.

Somehow, the slow process of savings withdrawal (which was considered at first as a problem) encourages them to use their savings only for “important” matters.

The side benefits of being part of Piso-Pisong Ipon are having a passbook (like in a bank) as well as the possibility of getting an ID card (it is useful for other activities).

⁹ Social Guidance Centre



5.2 Lessons learned

5.2.1 *Regularity in depositing*

An important percentage of the beneficiaries (about 50%) do not deposit regularly. Although EnFaNCE's team considers that regularity in depositing is an indicator of result more relevant than the balance in the account, for different reasons, the beneficiaries have difficulty to deposit regularly. The hindrances to save that are most frequently mentioned by beneficiaries are the following:

1. 19% have less income (for example, on the dumpsite, there are sometimes more scavengers and the beneficiaries collect less garbage).
2. 15% cannot be on time at the field office during the PSO¹⁰'s presence: they say that they forget time, the PSO's schedule is considered too short or not convenient for them.
3. 11% have exceptional expenses due to specific life events: birth of a baby or sickness of the beneficiary, immediate family or relatives...
4. 10% face marital conflict in relation to saving (joining the Piso-Pisong Ipon or the purpose of the saving).
5. 10% are not interested, although they opened a Piso-Pisong Ipon account.
6. 31% transferred their residence (definitely or temporarily, due to floods or other natural disasters).
7. Some others say that they are embarrassed to deposit only a small amount on their savings account (less than 10 pesos).
8. Other beneficiaries have other ways of saving (for example, group savings within the community).

Except the 8th point, these difficulties are very common among very deprived families. They are directly related to their living conditions and the situation of living in deep poverty.

In order to improve their capacity to save, EnFaNCE's staff proposed additional services and activities so as to reduce these hindrances (i.e. organizing workshops on marital relationships, helping the families to anticipate life events – such as child birth, reminding the beneficiaries about PSO's schedule...).. One major finding is that, even if Piso-Pisong Ipon is an individual account, it is crucial to involve the husband and the wife in the project. Family communication and relationships appear as one of the main factors favouring the family's improvement as well as PISO-PISONG IPON success.

5.3 The trust in the institution and link with FDP program

We have 2 different experiences according to the two areas EnFanCE works on:

¹⁰ Piso-pisong ipon Saving Officer in charge of collecting deposit and issuing withdrawals.



1/ Dumpsite: EnFaNCE started a Family Development Program in this area in 2006 and the Piso-Pisong Ipon saving project opened in May 2007. Through the Family Development Program the population at large already felt trust towards EnFaNCE's team and activities. Therefore they were willing to entrust their money and savings to UPLiFT (EnFaNCE's team does not handle money or passbook: only the UPLiFT Collection Officer does).

2/ Baseco: There was a FDP programme from 2003 to 2006, but then the FDP was stopped because the FDP needs were considered as covered and the socio-economic level of the area increased throughout the year (especially because typhoon, floods and fire destroyed the poorest area and some families left whereas other were relocated in government housings) was Due to the FDP phase-out, even though it was well prepared and the social guidance centre remained opened in the area, the link with the population is not as close as in the Dumpsite : consequently there are less people applying for Piso-Pisong Ipon saving accounts. Moreover, this area is rather unstable due to other factors such as fire, demolition plan, floods, etc..

According to this experience, we believe it best to start a Piso-Pisong Ipon savings project on an area where a Family Development Program is ongoing.

If a FDP family is also a Piso-Pisong Ipon family, then they will receive the regular weekly FDP home visit : they will not receive specific Piso-Pisong Ipon visits. Only one FDW follows the FDP/ Piso-Pisong Ipon family. Indeed, the objectives of FDP and the objectives of PISO-PISONG IPON are the same : supporting the autonomy of the poor families. Only the way to do is different (social follow-up for FDP families, Piso-Pisong Ipon follow-up for families who do not need specific FDP support). Piso-Pisong Ipon is one of the FDP tools. In the experience we have now, the most regular savers are “phased-out” families (families who are phased-out the Family Development Program when most of their objectives are achieved). This regularity can be considered as another achievement of the family, that was made possible through the self-confidence the family was able to gain during the FDP follow-up. As if the FDP follow-up has given a regular “rhythm” to the family, so they are now able to perpetuate this rhythm and do not live day by day any more.

This, together with the trust of the population in the FDP program is the main strength of implement FDP and PISO-PISONG IPON together. The FDWs' listening skills, their non-judgemental and supportive attitude allow the families to speak freely about their concerns; thus the FDWs can refer them to external organisations and/or to other EnFaNCE activities (social guidance centres for counselling, information or referrals, pulongs, Husband & Wife workshops...).

EnFaNCE also organizes meetings with the Piso-Pisong Ipon beneficiaries. The questions usually asked revolve around the process of withdrawal, and the money safety. It shows the prudence of the families, and their lack of trust in some dishonest schemes that might steal money from the most vulnerable.



EnFaNCE also designed specific pulongs (community trainings) about the family savings project as well as about family budget (see appendix 3¹¹). Individual trainings are also crucial to help the family manage its budget (see appendix 2).

5.4 Husband and wife workshop

EnFaNCE has noticed that a supportive couple relationship is one key to improve the capacities of the family and their capacity to save. Sometimes, PISO-PISONG IPON helps the couple to make decisions; sometimes, it reveals an existing conflict between the couple. In this perspective, EnFaNCE implements a 3-sessions workshop for husband and wife. The topics are:

- Positive communication;
- Conflict resolution; and
- Dream/project for their family

However, the activity is too recent to assess these workshops' impact on savings. We expect this activity to have an impact on the regularity of saving. Of course, the aim is also to enhance the marital relationship and reduce conflicts and violence!

6 Conclusion

The experience is still recent to really draw a conclusion. Today we can only say that it seems very promising... We will update this Note in the coming years, when we have more practice, knowledge and know-how... Meanwhile, it seems to be interesting enough to duplicate the PISO-PISONG IPON experience in Cebu in the coming year.

IMPORTANT NOTICE

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We would like to stress here that these technical notes are not prescriptive. Their purpose is not to "say what should be done" but to present experiences that have given positive results in the context in which they were carried out.

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¹¹ Also online on

http://www.interaide.org/pratiques/pages/urbain/social/ENFANCE_Dream_your_project%2004_2008.pdf



“The Economics of Poverty: How Poor People Manage Their Money “ - Stuart Rutherford, Chairman, SafeSave Bangladesh

http://www.ruralfinance.co.uk/lesson1.3/resources/Economics_poverty_rutherford.pdf

“Poor people have smaller, more irregular, and often more unreliable incomes, the great bulk of which may be spent as soon as it is received on food and the means to cook it. As a result, whenever they want to buy something other than food or fuel, they often find they simply do not have the money on hand, even for quite modest expenditures such as basic clothing. This happens to poor people more often than to nonpoor people. In such circumstances poor people must go without, sell some hard-won asset, or find some way to tap into past or future income (given that present income is insufficient)”.

Lack of means constrains the quantity of savings they can make, but lack of opportunity is the biggest constraint on their ability to save at all. The two are connected, since a low savings capacity shuts off many savings opportunities. Those with the smallest sums to save are the least able to afford the cost of savings such as transportation, minimum deposit rules, periodic account fees, and charges for withdrawals. Cash stored at home can be stolen, blown away in cyclones, or eroded by trivial day-to-day spending. The poorer you are, the less likely you are to be invited to join a well-run savings club. The smaller your savings, the greater the chance that your moneyguard will swallow your savings with impunity, and the harder you will find it to recover cash from a debtor. These difficulties are compounded by the fact that the poor need to save locally and frequently. A simple savings deduction from a monthly salary is not feasible for them. The keywords for good savings services for poor people are proximity, flexibility (in deposit value and timing), frequency and reliability.

I think this article is very interesting. However, other factors can hinder the poorest families to save : capacity to plan the future and to build a project, lack of self-esteem and tendency to think no lasting financial improvement is possible for them, lack of awareness of their incomes and expenses, and more crucially the lack of relationship in a professional who believes in their capacity and whom they can trust... I also believe that it is difficult to offer only a savings product to very poor families (there is a need to offer additional services: OPA & referrals, HV, Pulongs, workshops).

Alexandra David, 2008



Appendix 2



EnFaNCE Foundation

(Encourage Families in Need and Care for Education), Manila, Philippines

PULONG: Dream about your Project (Prioritize your needs)

EnFaNCE team and Laurence Jannet, April 2008

Objectives:

At the end of 1-hour participants should be able to:

1. Identify their projects for their family.
2. Know how to prioritize their expenses
3. Share some insights on how to control different practices affecting the budget of the family

*** This pulong will not work on budget calculation; this will be done in another pulong (to be created in 2008).

Time frame	Activities	Learning/objective	6.1.1 Method	RP's
5 minutes	I. Introduction of: 1. The facilitator and the participants. 2. EnFaNCE Foundation *History *Programs 3. Topic to be discussed <input type="checkbox"/> Project of the family <input type="checkbox"/> Prioritizing	*For the participants and the facilitator to know each other. *For the participants to know more about EnFaNCE. *For the participants to have an overview on the topic and to set the limitation of discussion.	Sharing and discussion	Facilitator
5 minutes	Icebreaking activity	To set the mood of the participants for pulong.	Facilitator's prerogative. Taking into consideration the situation setting	Facilitator/ Participant
20 minutes	II. Realizing and identifying the project of the family	For the participants to identify their goals and dreams for the family	Sharing/discussion	Facilitator/ Participant
30 minutes	III. Prioritizing	For the participants to understand the importance of prioritizing expenses	Sharing/discussion	Facilitator/ Participant
5 minutes	IV. Closing	To summarize the things that had been discussed and shared during the activity.	Sharing/discussion	Facilitator/ Participant

June 2010 - 12



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Sharing experiences to enhance the quality and impact of development programmes

<http://www.interaide.org/pratiques/practices.htm>

7 I. Introduction

8

9 1. Introduction of the Facilitator and the participants

The facilitator will introduce her name and function. Then she will ask each of the participants to tell their name

10 2. Presentation of EnFaNCE Foundation

EnFaNCE Foundation (Encourage Families in Need and Care for Education) is a Filipino NGO (Non Governmental Organization) registered under the Security and Exchange Commission since August 2003, as non-stock, non-profit, non-sectarian organization (CN 200318186). It is also recognized since November 2005 by the Department of Social Welfare and Development (NCR-2005-R-455)

(SEC/DSWD reg. Not to be included during the presentation, only when requested)

EnFaNCE activities are funded by Inter Aide, a French NGO with funds allocated by the French Foreign Affair Office.

EnFaNCE Integrated Family Development Program provides support to the families by house-to-house visits, counseling, OPA (*Oras ng Pagtanggap*, social guidance centre), information dissemination sessions (pulong), workshop and referral. For eg, EnFaNCE gives referrals to Vitas Health Center, GAT hospital, Mothers Clinic... EnFaNCE through a partnership with Uplift also supports the “Piso-Pisong Ipon” saving project.

The Family Development Worker support the families to answer to their basic needs in family welfare, health, education & legal documents and economic stability, based on the services available in the nearby area and our partnerships in order for them to become self-reliant.

3. Topic to be discussed: Family project

The facilitator will enumerate the topics to be discussed.

- Realizing and identification of goals
- Understanding the importance of prioritizing expenses
- Different practices affecting the budget of the family

II. Identifying the project of the family

11 1. Story of Minay

**** Here is a success story of a family whose life improved once they identified their dream and work hard.*

Minay is married and have twins. Her husband is a tricycle driver. Both of them have “vices” (playing cards and cock fighting). Due to their vices and money conflict, the couple quarrel and neglect their twins who become malnourished. When the children need to be



hospitalized, the couple realizes that this situation is not what they dreamt for their family when they got married. They decide to have a small business for the wife and start to save through a rotating saving group (Paluwagan). When it is their turn to get the savings, they start a small food business. Over the time, their business gets bigger. Now their children are healthy, the couple has a better relationship, they control their vices. Little by little, they are achieving their goals. (Real story adapted to the pulong's objective).

After that, discuss with the participants the following:

- *How did they become successful and what are their qualities?*
Answers expected: diminish “vices”, hard worker/industrious; have a clear goal and good relationships between Husband & Wife.
- *What motivated them to change? (Emphasize on their goals and dreams in the story)*

12 2. Participants' dreams

The facilitator asks the participants what are their dreams/projects for their families. One or two projects are studied further to help the participants to understand better what a project is and how you can achieve it.

Ask 1 or 2 volunteer from the participants to discuss on their own dreamed project in detail. Use the following questions as guide for the discussion:

- For you, what are the goals of the family? Does the family dream of a project?
- Today, what can you do to achieve these goals or projects? Do you think you can do something to achieve these goals and how will you do it?

Expected answer: **to save**

Note: Avoid asking the income of the family

Most common projects:

- Education of their children.
- Family's events (Christmas, birthdays, baptisms...)
- Start or improve a business
- Go back to province
- Buy/maintain house or buy appliances

*** Participants will have to identify **simple and practical ways** on how to fulfill these dreams according to their capability.

Example: small tips on how to save

(RC = cola; “baon” = lunch box snacks)



If you don't drink RC during weekdays you will save:

Price 7 P

	In one week	In one month	In one quarter	In half year	In a year	Two years	Five years
Savings	35 P	140 P	420 P	910 P	1,820 P	3,640 P	9,100 P

If you don't smoke during weekdays you will save:

Price 7.5 P (10 cigarettes / day)

	In one week	In one month	In one quarter	In half year	In a year	Two years	Five years
Savings	38 P	150 P	450 P	975 P	1,950 P	3,900 P	9,750 P

If you save "baon" money

Price 10 P

	In one week	In one month	In one quarter	In half year	In a year	Two years	Five years
Savings	50 P	200 P	600 P	1,300 P	2,600 P	5,200 P	13,000 P

If you save 1 Peso/day

Price 1 P

	In one week	In one month	In one quarter	In half year	In a year	Two years	Five years	10 years	15 years
Savings	7 P	28 P	84 P	182 P	365 P	730 P	1,820 P	3,640 P	5,460 P

If you save 3 Pesos/day

Price 3 P

	In one week	In one month	In one quarter	In half year	In a year	Two years	Five years	10 years	15 years
Savings	21 P	84 P	252 P	546 P	1,095 P	2,190 P	5,460 P	10,920 P	16,380 P

If you save 5 Pesos/day

Price 5 P

	In one week	In one month	In one quarter	In half year	In a year	Two years	Five years	10 years	15 years
Savings	35 P	140 P	420 P	910 P	1,825 P	3,650 P	9,100 P	18,200 P	27,300 P

(file Family budget calculation.xls)

*** Emphasize on having a clear goal and hard work. Build their confidence to dream and to have goals by reassuring that they can improve their situation. Furthermore, stress on the importance of the couple working together to have a successful output.

III. Prioritizing

In every project that we do, it is inevitable that a little or a lot of money is involved. Also, we can achieve our goals step by step by knowing how to prioritize our expenses and having proper planning.

13 1. First activity: Stone, sand and water game.

*** The game objective is to show that putting the most important expenses first will help to ensure that they will fit in a tight budget.

Prepare 2 empty bottles, sand, water and 6 stones with different sizes. Ask 2 volunteers from the participants to do the activity and the rest will have to observe.

Show the participants that both sets are exactly the same: same water, same sand...

Ask the first person to fill the bottle first with the water, sand, small stones then the big stones.

After that, ask the second person to do the same thing but in reverse order: big stones, small stones, then sand and last water.

Processing:

After the activity, ask the participants the following:

- a. What did they observe when the first person did the activity? How about the second one?

Expected answer: Water overflows from the 1st glass and not from the 2nd.

- b. Ask the feelings of the 2 volunteers while doing the activity.
- c. What suggestions they can give in order to make the situation better?
- d. What did they learn from the game?

Message: Knowing how to prioritize will make your budget easier as you will ensure that there is money for the most important expense. The big stones represent our most important expense, the small stones our expense of less importance and so on...Put the big stones first since it is your main priority followed by the others. **When we put the big ones first, there were no difficulties or overflowing experienced since you are able to control it.** On the other hand, when you prioritize less important things it will create trouble in your budget.

2. Second activity: Scale

***Objective: The participants are able to classify expenses by priority. They will share also about their difficulties in managing their budget. 4 activities are organized:

- o List of all their expenses



- Order the expenses by priority to make a scale
- Include the project in the scale
- Reflect on the difficulties to stick to a budget.

- **List of all their expenses**

Ask the participants what type of expenses they have in their daily life.

Expected answers (already prepared in meta-card – take some blank meta-card in case):

- | | |
|---|------------------------------------|
| 1. Food (single out Baby's milk)* | 7. Water |
| 2. House rent | 8. Electricity, Gas & Charcoal |
| 3. Health / Medicines | 9. Snacks |
| 4. Education (Transportation and lunch box) | 10. Hulugan (loan) |
| 5. Entertainment (videoke etc.) | 11. Hygiene (including diapers...) |
| 6. Transportation | 12. Communication |

* Breastfeeding has a double impact on the babies' health and on the families' budget.

- **Order the expenses by priority to make a scale**

The facilitator asks each participant to pick up one meta-card. The participant with the meta-card showing the most important expenses (usually “food”) will give it to the facilitator who will post it on the wall. Then the participant that thinks she has the 2nd most important expense will give it... The participants will debate on which meta-card should be next on the scale. The facilitator will paste all the meta-cards in order on the wall.

Message: We have to know how we rank our expenses, and identify which ones are our “big stones” (meaning that which should come 1st).

- **Include the project in the scale**

The facilitator will ask the 2 volunteers that detailed their project in the beginning to explain where they want to put their project on the scale. The others participants will also think about the importance they give to their projects in their daily budget.

- **Reflect on the difficulties to stick to a budget.**

To sum up, ask the participants the different factors or practices that make their saving habit difficult.

Expected answers:

Different practices affecting the budget of the family:

1. Stop working when there is extra money available for a few days' consumption.
2. Always sharing/lending money to relatives or neighbors.
3. Giving 1 peso to children every time they ask.
4. Buying less needed products like RC, coke and junk food.



5. Addictions and gambling

IV. Closing

*** To summarize the things that had been discussed and shared during the activity.

Ask the participants what they learned in the activity.

Summarize some tips given on how to save or control budget.

Inform about the next pulong (when, where and what)

Examples of games (from Inter Aide's partners in India)

The glass and water game: (*this game was imported from India to the Philippine in 2007!*)

Ask people to fill a glass with colored water [or sand]¹², and then give them some stones (smaller and bigger ones), gravel to put in the glass of water. Of course, the water spills.

Then you explain to them that the stones represent the monthly compulsory expenditures: food and water, rent, electricity bill, loan repayment, school fees... The bigger stones represent the biggest expenses (food, rent...), the smaller ones and gravel represent the smaller expenses (children school fees...). The colored water [or sand] represents the unnecessary or superfluous expenses (going to the movies / videoke, bangles, gambling...).

Then, explain that the stones should be put in the glass first, then, the gravel, and after that only, you can pour the water / sand. When all compulsory expenditures are covered, some money can be spent on other things.

The carpet game

Give every one except one person, a card to wear, with the name of an expenditure : rent, electricity bill, food, repayment of loan, transportation, savings, health expenses, school fees, religious / family celebrations, going to the movies, bangles, clothes, buying a TV, alcohol, cigarettes, gambling...

Then ask the person who has no card to make all the other persons stand on a carpet (or a mat). Of course the carpet is not large enough for everyone, so the person has to choose which one will stay on the carpet and which one should be taken away: of course, the compulsory expenses must be placed on the carpet first.

(© Check the size of your carpet / mat before doing the game, to make sure the game will work!)

http://www.interaide.org/pratiques/pages/urbain/social/Uplift_India_Family_Budget_Training_2007.PDF

¹² The water is best coloured as it is supposed to represent unnecessary expenses. Sand can also be used instead of water (the bigger stones = bigger expenses and / or necessary expenses) then the smaller stones = smaller expenses; sand = unnecessary expenses.



Appendix 3**Family budget training: a few examples**

To help families to manage their money, FDWs must be able to discuss family budget matters with the families, individually, at home. To be able to train the families on budget management, FDWs need to be trained themselves on budget management so that they can discuss the matter with FDP / PPT families and help them concretely manage their money.

For example:

« you want to enrol your child in school ? Would you like to discuss the matter to see what you have to do and how much money you need to save?

First, you need to have the Birth certificate. The cost is 50 pesos. (*Indicate the exact amount*)

Then there is the enrolment fee of 75 pesos + 70 for the uniform + 65 pesos for the backpack = 260 pesos.

You earn 100 pesos a day, you spend 80 pesos a day to buy food, and you spend the other 20 pesos to buy anything (1p here to buy your children candies, 1p there,...) : so we can be sure you can save at least 10p a day :

So, to save 260p, how much time will it take you?

You must deposit 10p during 26 days. As you can deposit 5 days a week, if you start to save on Monday, how many days do you have to deposit ? During 5 weeks + one day : as the beginning of school is in 4 weeks, how can we do it ? Can you deposit 15 p a day during 18 days ?... »

This type of training on family's budget management can really make a difference & help families.

Perhaps a training workshop can be organized with the whole team with this kind of exercises ?

- a family who wants to enrol its child in elementary school, who has no Birth Certificate; the family is able to save 10p a day when the beginning of the school is in 1 month and a half. => how much do the family have to save every day? (*take real amounts from school around the area*)
- A family who wants to enrol one child in an elementary school and another child to the « day-care » (*take real amount of tuitions fees*), 1 has a birth certificate; the family can save 15p a day and the beginning of school is in 2 months. => how much do the family have to save every day
- A family who wants to do improve its house and needs 2000 P; they earn 220 P per day (6 days a week outside of holidays) how much & how long do they have to save?

Anne Carpentier, August 2009

