

Freedom Starts
Here!



MONEY WALKS

EARNING 101

DATA FRIENDLY VERSION

MONEY WALKS



Financial Literacy for South Africans!

Objectives

Course Summary

Ages 14-18:

Focus on money creation through assistance jobs and self-reliance. Options for internal and external family sources.

Learning outcomes:

- Outline the ability and need for income-based tasks. (Information).
- Finding an available option to make money from your community. (Information).
- Interview family and community members for realistic paid task options. (Action).
- Implement your approach to earn money through your agreed tasks. (Action).

Collaboration:

This Earning short course is partnered with Andile Dube for insight, content, and knowledge sharing purposes.

Now, let's follow Clarissa on her story about earning money to get something special!



Ages 14 - 18

Lesson One

Finding the earning potential

This starts the story of Clarissa, who has always wanted to start taking painting lessons! But sadly, her parents just can't afford it every month. But, after the conversation she had with her cousin Thandeka, she had a new belief in herself to make it happen.

Clarissa really enjoyed hearing about how Thandeka managed to save up for her cool piano but thought she could take the way Thandeka was earning money to another level. She thought if she can make more money than it would be quicker and easier than simply saving up money. The logic is certainly there but comes with a lot of hard work and dedication!

So where could she start earning money at home?

So, to start of her journey, Clarissa went to seek some wisdom from her uncle Duke, whom had his own businesses and always was a hard worker. When she got to her uncle's house, she sat down and explained what she really wanted and asked how she could make it happen on her own.

Uncle Duke started off by saying how proud he was that she is willing to try and make things happen all by herself and that he is happy to help give her advice. He started with a saying that he always lives by: "the best time to plant a tree was 20 years ago, the second-best time is now." These lessons you will learn over the next few months will help you develop healthy money habits that we will carry over into adulthood. If you start now, at a young age, while you have less responsibilities, then you can afford to make mistakes and learn from them.

He got an exam pad and pen for Clarissa to take notes, and then Uncle Duke went on to explain, your starting point is to first do research.

- What problem can I solve? What need can I satisfy?
- Who is this problem affecting and how are they affected by this problem/need?
- Figure out how much would the affected people/person pay for the solution.
- Research who are your competitors, what do they offer and then start thinking on how you can make your offer different.
- Look at what resources you will need to offer your solution.
- Start with what resources you already have available for free.
- Then add in what may need to be bought.

Uncle Duke then explained, once you have found a solution that you think you could do, ask yourself if you have the skills to do it correctly? If not, a good place to learn anything is on Youtube, or get a family member or a friend to teach you or pick up a book at your local library. It would be even better if this was something you were passionate about. Passion is everything, your love for something is expressed through what you produce/make.

Next step is to test your solution on a small scale, create a simple solution or product, and then ask customers for feedback. This feedback will help you improve what you are offering.

Simple options include: Car wash, carpet cleaning, grocery help, cooking, baking, sneaker cleaning, etc. (Chores and pocket money only an option for some parents).

Lesson Two

Starting with support

Where to start selling?

Clarissa was super excited from her chat with Uncle Duke, she had so many options, but has decided to start with baking cupcakes, and washing sneakers for her family and community. But, with all her great ideas she didn't really know how to get her first customers.

So, she went straight back to the wise Uncle Duke for some more advise on how to get some customer in, and how it will all work with payments.

Uncle Duke had some wise words to share: To help you get started would be your family and friends, but to test the idea would be your potential customers only. It can be tricky when testing your ideas on your family/ friends as they may not give you honest feedback that they think would hurt your feelings, and more importantly, their opinion is not helpful if they are not your type of customer. Remember feedback is good, it helps you get valuable information.

Uncle Duke then explained, you must do your research, how much will it cost you to make the solution and then decide what price can you sell it for. You always need to make sure you are charging more than what it costs so that your hard work is worth your time. The best two types of research is online research and also interviewing your potential customers to ask them how much you would pay for this option and what they would expect.

And what about the admin of organising times and accepting payments? Asked Clarissa. Uncle Duke smiled and said, well that is where you parents can step up and help! Get them involved to help you set up times on the weekend for you to do the work/deliveries with the right people that they can make sure you are being safe when working with possible strangers. And as far as payment goes, always offer, and take what payment is available or convenient to the customer, you don't want people owing you money when they are happy to pay upfront!

Tracking your business

Before Clarissa left to go home, her Uncle Duke gave her a notebook from his desk. The most important part of any business is keeping track of what money you have going in and out, as well as who owes you money for work you did. If you do not track these payments, you will never know how much you are actually making. Uncle Duke explained, use book where you record all your transactions, money coming into the business and money going out. If you are using online payment, your get the bank statement to assist you. Your parents can definitely get you set up with a junior bank account.

Uncle Duke finished off by saying, there are two very important rules to follow once you have started. Always keep on track of these as part of your work:

- Ensure your customer agrees to the price of your work and when it should be paid.
- Review your business every month with your money tracking notebook to see if what you are doing is actually worth the effort! And make note of your mistakes.

But as always, hard work and dedication will eventually make you successful, said Uncle Duke!

Lesson Three

Making it last!

Finding the right balance

Over the next few months, Clarissa really struggled to get the right balance between school work and starting her business ideas. She reached out to her Uncle Duke once more for some wisdom on how to make it all fit. Her Uncle was eager to help and said, you will need to make sacrifices on the good times if you want it to pay off in the future. This means giving up some of your play time with friends, giving up the weekends to work on your business, and even waking up early to get a head start on the day. Also, remember you can't do everything by yourself, and in order to create something big you will need all the support that you can get. So rope in your family or friends to help out, but make sure there is enough value in it for them as well to make it all work together.

Setting the standard

As Clarissa got her first consistent customers, she was struggling with people not taking her seriously enough. So, she took her uncles advice and looked up some content on Youtube for help. Here are the steps she managed to find that really helped her stand out as a business owner, and not just a young kid:

- Take yourself seriously and take your business seriously.
- Create a proper branding style - A logo, a name, and good packaging if it is a product.
- Read up on brands that you admire and see what do these businesses have that you don't and create that.
- Always add your flavour - People will come to your business when it is different.
- Remember you are allowed to make mistakes and to have fun with it.

So how did it end?

As the year went on, Clarissa made a big impact on her community with her entrepreneurial spirit and confidence as a young business owner! Her sneaker cleaning service did ok but was not always in demand, but her baking products were a huge hit with the neighborhood. Clarissa was baking treats every single weekend and was making a really good profit.

Clarissa did have one major setback along the way that really hurt her business. She provided a catering option to a local birthday party. But she did not manage to get any deposit done before the event, and still went ahead with providing the baked goods. Clarissa still has not managed to get the money owed from the customer and she learnt an important lesson in that mistake. Now going forward, Clarissa will only provide the products/service once she is paid in full, or at least a 50% deposit.

But, even through this struggle, Clarissa had managed to save up enough to not only pay for her painting lessons but is even looking at options for after high school to go and study a degree in Art or digital design. All of this made possible with her own self belief that she could make a difference on her own!

Clarissa was doing so well, she was even getting calls from her big sister Joy, asking to borrow a few hundreds every month end!

Lesson Recap

The overview

- 1 – From a young age we must develop healthy money habits that we will carry us into adulthood.
- 2 – Your starting point is to first do research, on how you can make your business different.
- 3 – What problem am I solving/need am I satisfying and would my potential customer(s) pay for this, if yes how much.
- 4 – Do your research on how much will it cost you to make the solution and what price can you sell it for.
- 5 – Remember feedback is good, it helps you get valuable information.
- 6 – Keep a book where you record all your transactions, money coming into the business and money going out.
- 7 – Always start on a small scale, don't commit too many resources on it until it has demand.
- 8 – Create proper branding i.e. logo, good packaging if it is a product etc., always add your flavour.
- 9 – Find ways to manage your time and find someone who you can share the responsibilities with. You will need all the support that you can get.