

Freedom Starts
Here!



MONEY WALKS

SAVING 101

DATA FRIENDLY VERSION

MONEY WALKS



Financial Literacy for South Africans!

Objectives

Course Summary

Ages 8-13:

Focus on money capabilities, safe saving, goal-based strategy – Physical and digital options.

Learning outcomes:

- Define the need for good money management. (Information).
 - Identify the purpose of a savings account. (Information).
- Choose the best fit solution to a secure saving strategy. (Action).
- Facilitate a significant purchase through the process of measured saving. (Action).

Now, let's follow Thandeka on her story about saving for something special!



Lesson One

From dreams to goals

This starts the story of Thandeka, an eight-year-old that really wants to get her very own keyboard. But sadly, no one in her family can afford it right now. Sad and a little bit angry, Thandeka walks to her grandma's house to chat about it.

After she had complained and cried about how it is unfair that her parents can't buy her a new keyboard, her grandmother sits her down and shares some of the tips she used to do when she was growing up.

It all starts with a dream, but you need to be strong enough to turn it into a goal, grandma said. I know you are more than capable of making it happen all on your own, so here is a great way to start...

Write it down!

Start by writing down your exact dream, what does it look like? Create a dream board with the item you want most, where you can get it from, and how much it will actually cost in full. By then end of your research you should have the exact cost of getting your dream, and how to make it happen once you have the money saved up in full. That is now your target!

Ok, great! Thanks grandma, I have got that all done – I have my target number to aim at, said Thandeka. But how exactly do I go about getting that money to buy it?

Grandma smiled and explained, Saving is best lesson you can learn my dearest, and every cent counts! Now that you know what your total number is that you need to save for, you can start to bring that down with every rand you collect from all over the place. Let's go through some of the options you have to get some money in – things you can try out at home!

Options are everywhere!

The easiest way to start is with money you already have, or now is coming up. When you get money for your birthday, Christmas, or even some pocket money from your parents, all of this adds up for your savings plan. It can be hard to not spend it straight away on a treat, or something fun, but if you really want to get to your target, you need to have the discipline to not spend your money on things that are not as important, said grandma.

Now, those options are only once offs every couple of months and at best, you may get pocket money to help you save up quicker. But, if those are not options for you right now, there are other things we can try to get some money in to help, grandma explained.

Then with a laugh and smile, grandma continued, you can try offering to do some chores around the house for extra money. Offering to help your relatives and even those in your community to help out for some pocket money is a great place to start. So, let's get your plan started, said grandma.

Options available: Birthday money, pocket money, chores for relatives and the community.

Lesson Two

Finding the plan

Starting your savings plan

So, grandma got out an exam pad and a pen. She began to write, Thandeka's Savings Plan!!!

She then went on to explain how it all works. Your savings plan needs to be as detailed as possible, said grandma. Every single rand you add into your savings should be written down, and then every month end you can record the total value you have saved so far. This will help you keep track of the money coming in and show you how close you are getting to your target. Grandma explained some more, break down the total value you need into months to make it a more realistic target to achieve. Make sure you don't mix it up with ordinary money you need every week to buy things that are needed like bus fair or lunch. If you keep these together, they will confuse your savings balance.

So where do I actually keep my money i am saving? asks Thandeka. Grandma went into the kitchen and brought back an old pasta jar. Here, says grandma, start putting your money in here until you have a safer option. You can ask your parents for a piggy bank, or even use an envelope that can be kept in a safe if they have one. Otherwise, the safer option would be to open up a junior bank account that only you and your parents will have access to. Then every month you can deposited cash and you can check your balance each month with a statement.

Make sure you are keeping track every month so that you can see how close you are getting to your goal as you save more and more, said grandma. Whilst you are saving up, always look out for specials or 2nd hand items that might make your goal cheaper.

The setback

Over the next few months, Thandeka made really great progress to reaching her target. Every month she was adding in money to her savings account from chores she was doing for her parents and even some for her grandma when she could help. She was really close to getting to her target goal but had a bad month over December when she used half of her saved money to go watch movies with her friends. She was really sad afterwards to have this setback, but her grandma reminded her to adjust her savings plan, and simply start again as she had done so well so far.

The Outcome

It took a few months longer than Thandeka would have wanted, but finally she was able to get the electronic piano she always wanted! Her parents took her to the music shop where she picked it out and even paid for it all with her own bank card.

This was a really big moment for Thandeka who stayed strong with her discipline and eventually got the reward for all of her hard work and patience. Of course, her biggest fan grandma was right there beside her when she brought the dream home!

But now that she had the piano, she was worried about how to actually learn to play it and become a star. This brought up an opportunity to be creative with ger problems!

Lesson Three

Dream big, be resourceful!

Be creative with your problems!

Thandeka wanted to start getting piano lessons, but they also cost a lot of money. She went to her music teacher to find out what other options she had to learn how to play the piano.

Her piano teacher explained how it is not always an option to pay for all the things you need, but rather be resourceful with things you already have available to you. She suggested Thandeka uses YouTube as a way to start learning the basics of piano and even how to play a few songs. Her teacher also made a deal with Thandeka to offer her free lessons, if she also then offered free lessons to other kids her age that wanted to start learning from scratch.

This opened up a world of options for Thandeka to use when wanting something that costs money. Creative solutions are always out there, they just need time to think and the desire to look everywhere for a plan!

Onto the next dream!

Now that Thandeka had reached her dream of buying her very own piano, she wondered what was next. She knew how to go about saving money, making a savings plan, and tracking her progress, so surely, she could do it again. So, she went back to visit her grandma to find out what else she could aim for with her savings plan.

When she sat down, grandma smiled with pride and said to Thandeka, find your passion and you will never run out of dreams to aim for. All you need is to find the things you really enjoy doing, and want to learn more and more, that is where you can put all fo your time and money.

Simply, involve your family and focus on your passions in life to help you get that head start everyone else wants!

Thandeka was so excited for this new skillset she has learnt over the passed year, she ran home to call her cousin Clarissa to tell her all about it!

Lesson Recap

The overview

The following process is what you have learnt from this lesson:

- 1 – Turn your dream into a goal by clearly stating your target price, where it will come from, and how you can make it happen.
- 2 – Research what the exact cost of getting your dream will take, and how to make it happen once you have the money saved up in full. That is now your target!
- 3 – What can you save, where does money come from? Money can be collected from birthday gifts, pocket money, chores, and relatives.
- 4 – The principles of saving. Collecting money from all avenues available and storing said money in a safe space until a target goal has been reached.
- 5 - Keeping track every month until you can reach your goal to maintain good progress.
- 6 – If any setbacks are met, simply adjust the savings plan to match what you have.
- 7 - Be resourceful with things you already have available to you as creative solutions.
- 8 – From one project to the next, practice makes perfect when it comes to saving.