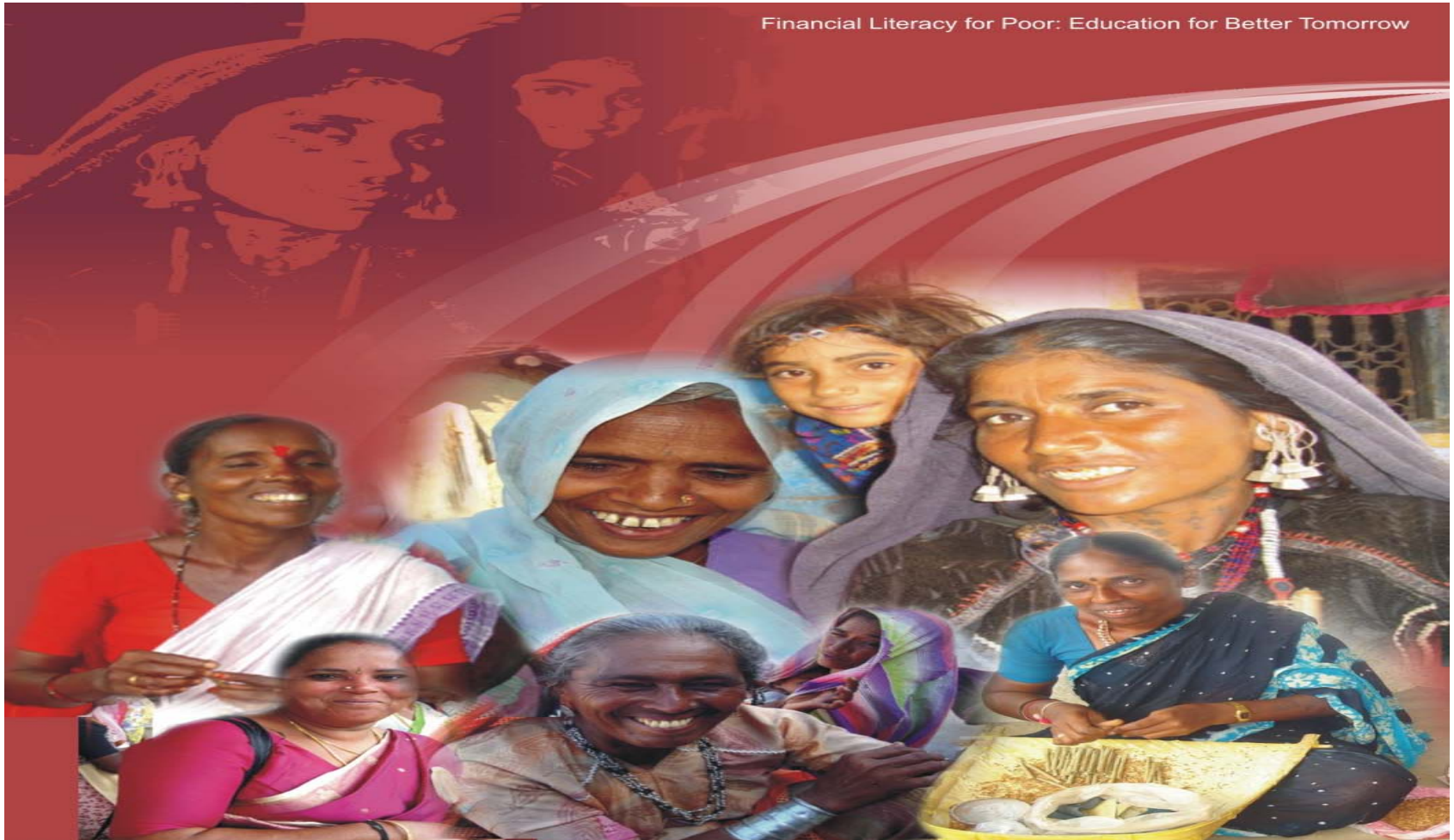
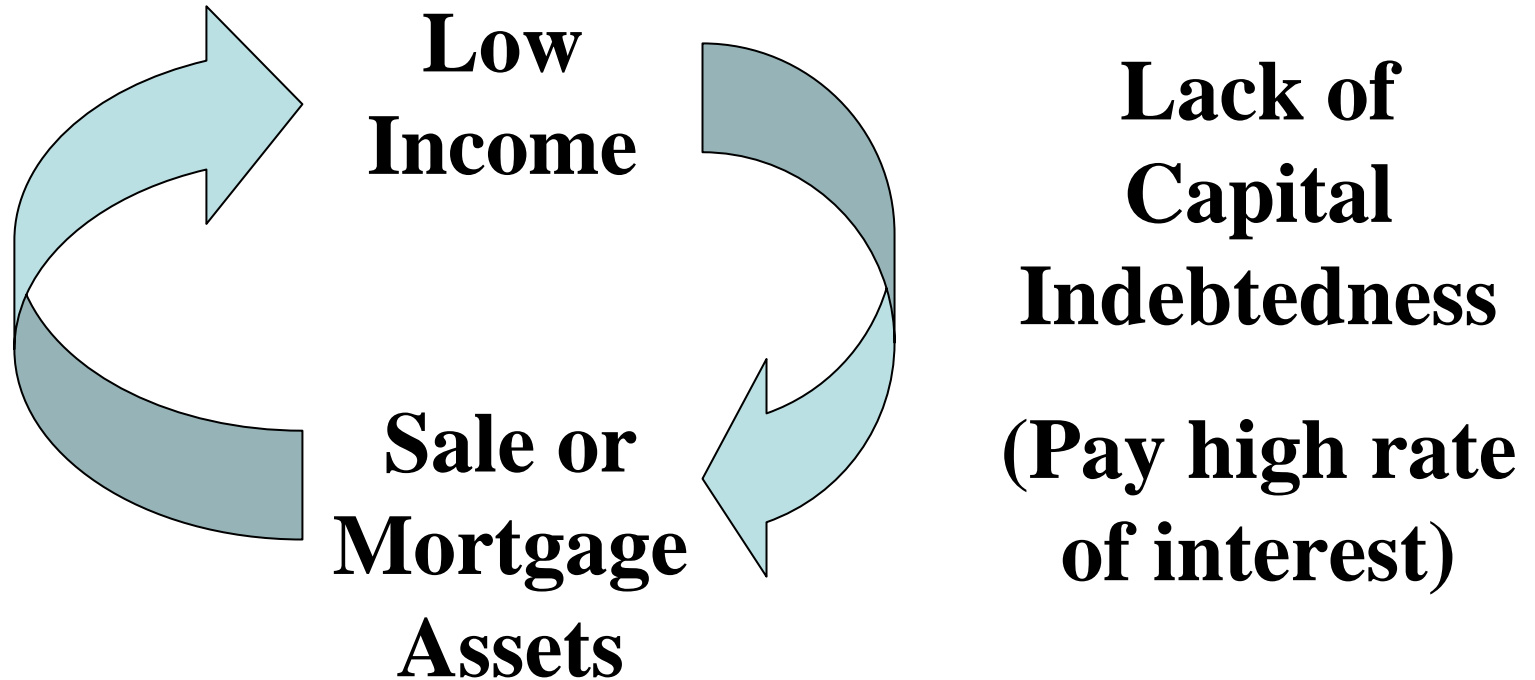


Financial Literacy for Poor: (Indian School of Micro Finance for Women)

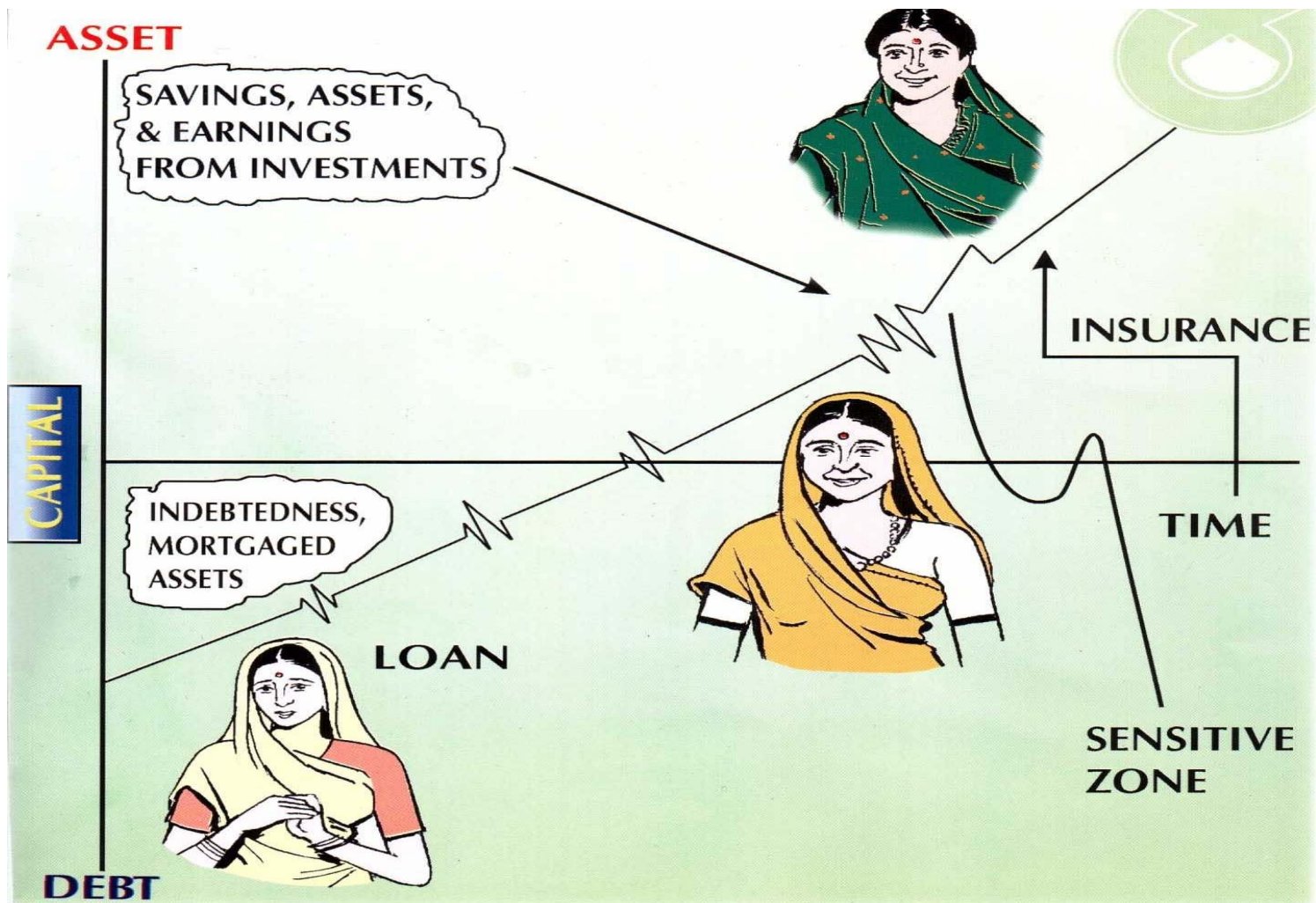


Poor are caught in the vicious cycle of poverty of



- Low level of income
- Indebtedness
- Asset less – ness
- Mortgaged assets

Financial Services (Micro Finance) i.e. Credit, Savings, Insurance help them to come out of the vicious cycle of Poverty and help them to build their business and assets.



- Financial Services play important role in achieving objective of poverty alleviation.
- But, these financial services have to be used properly to achieve these objective and poor should also learn to manage their finances properly.

Financial Literacy

- (a) Build awareness about changing financial behavior – like,
- “Planning for future rather than living on day to day basis” or
 - “Not making impulsive borrowing or spending decisions” or
 - “Borrowing only for productive purpose”.
- (b) Builds knowledge about financial management, availability of different financial services, service delivery mechanisms and,
- (c) Builds skill of interest calculation, budget preparation.
- **With an objective of helping them to have a better and secured future.**

- **Contents of the Programme:**

- (a) Importance of planning :**

- “Think about life cycle needs”

- “Fungibility of money”

- (b) Savings :**

- “Save regularly, frequently”

- “Power of Compounding”

- “Purpose-wise Savings”

- (c) Consumption :**

- “Think before spending”

- “Avoid the avoidable”

- (d) Borrowings:**

- “Think before borrowing”

- “Understand borrowing terms”

- “Dangers of multiple borrowings”

- “Borrow only for productive purpose”

(e) Investment :

- “Make your money work for you”
- “Safe investment”.
- “Active income v/s Passive income”

(f) Insurance :

- “Insure your risk”

(g) Budget.

(h) Goal setting and preparing a financial plan.

Methodology

- (1) (a) Class-room trainings.
(b) Campaign with poor women
(c) Financial Camps } -Directly with women
- (2) Concept Sharing Workshops
 - With MFIS
 - Bankers and
 - Policy makers.
- (3) Trainings of trainers.
 - With MFIS
 - Bankers
- Tools :
 - Videos
 - Role play
 - Street play
 - T.V. Serials.

Activities so far done :

- Concept Sharing Workshops
 - (a) With MFIs - 20
 - (b) With Bankers - 3
- Training of trainers 10 with 500 trainees
- Campaign with SHG members 20 with 10,000 women
- Financial Camps : 3 with 3000 women
- **National Alliance of Financial Literacy (NAFL)**
- 13 Organizations from 10 states have formed an alliance for taking Financial Literacy to 1 Million women in your 2009.
- 40 Other MFIs have agreed to join in this alliance.

Future Plan:

(a) Programmes :

- Operations module for availing financial services – specially from formal financial institutions to achieve financial inclusion.
- Enterprise development module.
- SHG and Enterprise group financial management module.
- Integrated module to include health, environment and other social aspects.

(b) Coverage :

- Expansion of geographical coverage
- Expansion of MFI partner coverage
- Link with banks, Government, programmes schools.

(c) Methodology :

- Start a Certificate programme
- Media campaign.