

BASIC BUSINESS SKILLS COURSE FOR ADS OWNERS

Trainer's Guide

Module 2: Life Goals and Personal Financial Planning



TABLE OF CONTENTS

MODULE 2: LIFE GOALS AND PERSONAL FINANCIAL PLANNING.....	3
SESSION ONE: SETTING GOALS TO REACH YOUR PERSONAL VISION	3
SESSION TWO: IMPORTANCE OF MANAGING PERSONAL FINANCES.....	5
SESSION THREE: PRIORITISING FINANCIAL GOALS.....	7
SESSION FOUR: THE BUILDING BLOCKS OF SUCCESS	9

MODULE 2: LIFE GOALS AND PERSONAL FINANCIAL PLANNING

Learning objectives

As a result of actively participating in this module, the individual will be able to:

1. Give at least two reasons why setting life goals is important to personal success.
2. Give at least two reasons why setting personal financial goals is important to personal success.
3. State at least two benefits of personal financial planning.
4. State their personal financial goals.
5. Define fixed and variable costs.

SESSION ONE: SETTING GOALS TO REACH YOUR PERSONAL VISION

LEARNING OBJECTIVES:	As a result of actively participating in this session, the individual will be able to: 1. Give at least two reasons why setting life goals is important to personal success. 2. Give at least two reasons why setting personal financial goals is important to personal success.	
DURATION:	10 min.	
METHODOLOGY:	Lecture, Q&A, discussion	
MATERIALS:	For all participants: <ul style="list-style-type: none">• Pen and pencil• Notebook• Name tags• None	For the trainer: <ul style="list-style-type: none">• Flip chart/black board• Name tag• PowerPoint slides
PREPARE IN ADVANCE:		

Personal Vision and Goals (10min.)

SHOW	slides 1 and 2
INVITE	participants to take turns reading the objectives on slide 2.
SHOW	slide 3
EXPLAIN	<p>A <u>vision</u> is the mental picture of what you want. As adults, we have a vision of what we want our lives to be —where we will live, how we will live, what we will do with our lives, etc.</p> <p>To achieve that vision, we set goals—personal goals and financial goals.</p>
ASK	“What is a goal?”
LISTEN	to the participants’ responses.
SHOW	slide 4
POINT OUT	the similarities between what the participants said and these statements.
ASK	What are some <u>life</u> goals that we may want to achieve?
LISTEN	<p>to the participants’ responses.</p> <p>Responses (in their own words) may include:</p> <ul style="list-style-type: none"> • Family size • Education • Insurance • Standard of living • Religious affiliation • Marital status
EXPLAIN	Life goals have a strong relationship to financial goals. You can only achieve life goals when you attain financial goals. In this session, we are going to examine personal financial planning, which can help you reach your goals.

SESSION TWO: IMPORTANCE OF MANAGING PERSONAL FINANCES

LEARNING OBJECTIVES:	As a result of actively participating in this session, the individual will be able to:	
	1. State at least two benefits of personal financial planning.	
DURATION:	40 min.	
METHODOLOGY:	Lecture, Q&A, discussion	
MATERIALS:	For all participants:	For the trainer:
	<ul style="list-style-type: none"> • Pen and pencil • Notebook • Name tags • None 	<ul style="list-style-type: none"> • Flip chart/black board • Name tag • PowerPoint slides
PREPARE IN ADVANCE:		

Personal Financial Goals (40 min.)

ASK	What are some <u>financial</u> goals that we may want to achieve?
LISTEN	<p>to the participants' responses.</p> <p>Responses (in their own words) may include:</p> <ul style="list-style-type: none"> • Servicing a family budget • Paying for a new car • Obtaining a personal education loan • Buying a house on mortgage terms • School fees • Paying your wedding costs • Paying up your debts
ASK	Why do we need to plan and manage our personal finance?
ENSURE	<p>that the following points emerge:</p> <ul style="list-style-type: none"> • To identify the amount of money he or she needs at key stages of life. • To develop strategies for earning money. • To use money earned in a productive, profitable, and sustainable manner.

EXPLAIN	that personal financial planning has many benefits.
SHOW	slide 5
INVITE	participants to take turns reading the list out loud.

Exercise 1

ASK	participants to turn to the person next to them to form pairs.
EXPLAIN	that each pair should do the following: <ol style="list-style-type: none"> 1. One person plays the role of a parent explaining to his or her 20-year old son or daughter the importance of personal financial planning. 2. The other person plays the role of the 20-year old son or daughter. 3. The "parent" should give at least two benefits of good personal financial planning to the "son" or "daughter". 4. The two switch roles and repeat.
TELL	participants that they have 10 minutes for this exercise and to begin now
CIRCULATE	to provide support and assistance, as needed.
CALL	them together at the end of 10 minutes.
THANK	them for their work.

SESSION THREE: PRIORITISING FINANCIAL GOALS

LEARNING OBJECTIVES:	As a result of actively participating in this session, the individual will be able to:	
	1. State their personal financial goals.	
DURATION:	30 min.	
METHODOLOGY:	Lecture, Q&A, discussion	
MATERIALS:	For all participants:	For the trainer:
	<ul style="list-style-type: none"> • Pen and pencil • Notebook • Name tags 	<ul style="list-style-type: none"> • Flip chart/black board • Name tag
PREPARE IN ADVANCE:	<ul style="list-style-type: none"> • 5 focus questions written on the flip chart for Exercise 2 	

EXPLAIN	that whether you can achieve your personal and financial goals is influenced by your <i>priorities</i> .
ASK	What is a “priority”?
ENSURE	that the following points emerge: <ul style="list-style-type: none"> • Something that is more important than something else. • Something that is most important.
INVITE	participants to open their ADS Business Manual to page 5, where they will find a “Personal Priority Table.”
REVIEW	the table with the participants by pointing out: <ul style="list-style-type: none"> • There are five ages represented in the table: <ol style="list-style-type: none"> 1. Teenagers to young adults 2. Young adults 3. Adults 4. Mature adults 5. Extremely mature adults • There are many “Personal Priorities” listed for each age. • There are many “Financial Priorities” listed, which correspond to age and personal priorities.

INVITE	<p>participants to identify where they fall in the table according to their age and to spend a few moments reflecting on the following questions:</p> <ol style="list-style-type: none"> 1. Are these my “Personal Priorities”? 2. Are these my “Financial Priorities”? 3. How are my personal or financial priorities different from the ones listed here? 4. What are my personal goals? 5. What are my personal financial goals?
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Exercise 2

POST	the flip chart paper on which you have already written these five questions so that everyone can read the list easily.
INVITE	participants to write their answers to questions 4 and 5 in their notebooks.
EXPLAIN	that these answers are for their own use; they will not be sharing them with the rest of the group, but using them for their own, private planning.
TELL	them that they have 10 minutes to complete this exercise and to begin now.
CIRCULATE	to provide support and assistance, as needed.
CALL	everyone back together as the end of 10 minutes.
THANK	participants for their work.

SESSION FOUR: THE BUILDING BLOCKS OF SUCCESS

LEARNING OBJECTIVES:	As a result of actively participating in this session, the individual will be able to:	
	<ol style="list-style-type: none"> 1. Define <i>fixed costs</i>. 2. Define <i>variable costs</i>. 	
DURATION:	40 min.	
METHODOLOGY:	Lecture, Q&A, discussion	
MATERIALS:	For all participants:	For the trainer:
	<ul style="list-style-type: none"> • Pen and pencil • Notebook • Name tags 	<ul style="list-style-type: none"> • Flip chart/black board • Name tag
PREPARE IN ADVANCE:	<ul style="list-style-type: none"> • 	

EXPLAIN	that developing and managing your personal budget consists of: <ol style="list-style-type: none"> 1. Planning for what you will spend. 2. Managing what you spend. 3. Comparing what you spend against your income on a monthly basis.
ASK	What are the <u>two</u> kinds of costs you have?
ENSURE	that they respond: <ul style="list-style-type: none"> • Fixed costs • Variable costs
ASK	What are “fixed costs”?
ENSURE	that they answer (in their own words): Fixed costs are all those monthly expenses that must be met.
ASK	What are “variable costs”?
ENSURE	that they answer (in their own words): Variable costs are those expenses that you can generally live without during the month.

ASK	participants to open their ADS Business Manuals to page 6, where they will find a list of sample fixed costs and a list of sample variable costs.
INVITE	participants to read over both lists silently.
ASK	What are the advantages of <i>managing</i> your personal budget?
ENSURE	that the following points emerge: <ul style="list-style-type: none"> • You know how much money you need for your fixed costs every month. • You know how much money you have for your variable costs every month.
ASK	What is likely to happen if you do not manage your personal budget?
ENSURE	that the following points emerge: <ul style="list-style-type: none"> • You may spend money on variable costs and not have enough to pay for your fixed costs. • You may run out of money before the end of the month. • It is difficult to save money if you do not have a budget.
INVITE	participants to open their ADS Business Manual to page 7, where they will find an example of how to manage personal income and expenditure.
INVITE	participants to take turns reading each part of the example out loud.
EXPLAIN	that although there is not time during this training for the participants to practice managing their personal income and expenditures, they would be well-advised to put this into practice back home, if they do not already do so.