A quick overview: Financial Literacy & Entrepreneurship Development

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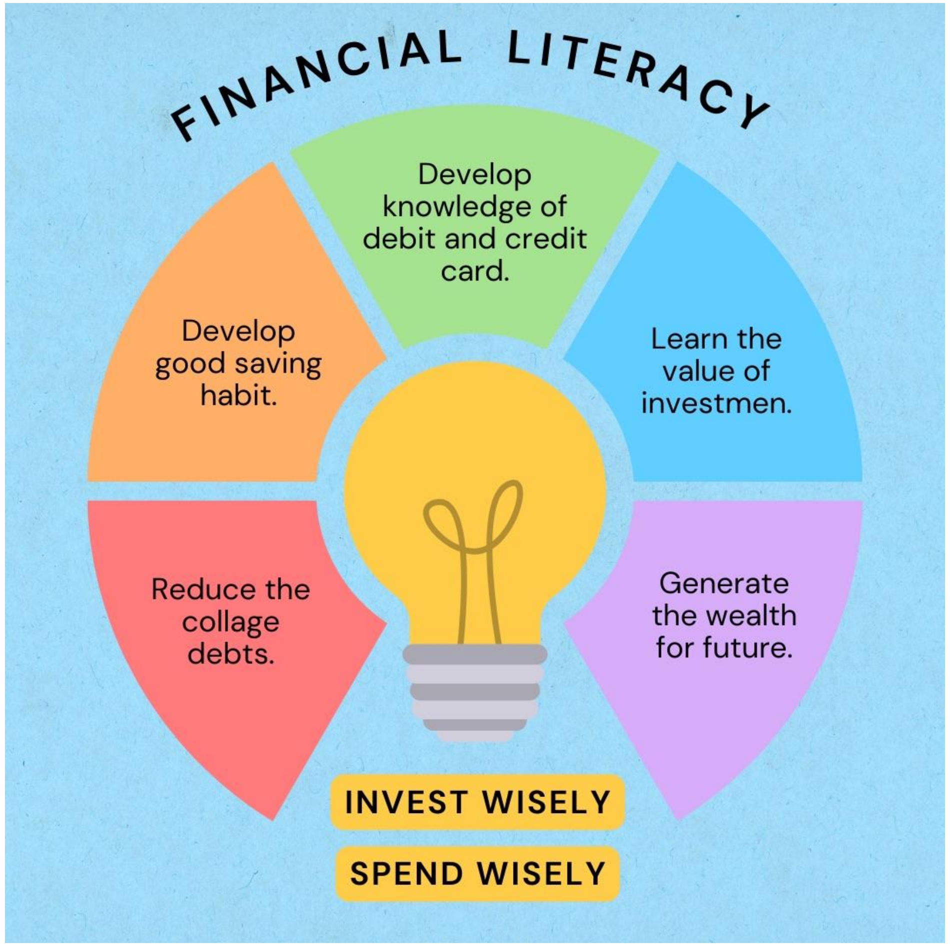
What is Financial Literacy?

Financial literacy is the ability to make sound decisions based on adequate relevant information and knowledge on financial management covering areas like ***'financial planning, loan management, savings, investment, and the associated issues'***.

Budgeting	Investing	Borrowing	Taxation	Personal Financial Management

Importance of Financial Literacy

- Better Financial Planning and Budgeting
- Improved Savings by avoiding Unnecessary Expenses
- Efficient Investment and Borrowing Decisions
- Evaluation and Comparing Financial Products for Optimum Benefits
- Being Bankable and Accessible to the Formal Sector Finance
- Better Assessment of Risks associated with Financial Management
- Efficient Entrepreneurship and Business Operations



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Financial Management

Financial management is about planning, organizing, controlling, and monitoring financial resources.

Advantages and Disadvantages of local practices on financial management at individual and family level

Practices	Advantages	Disadvantages
Cash saving at home	Easy to manage and spend	Risk for being stolen
Borrowing money from relatives	Easy to get and trustworthy	If not pay on time, family conflicts or disputes may raise
Taking loan from local brokers with interest	Easy to get within short period of time	High interest, illegal, social disputes arise if not pay on time.
Taking loan by mortgaging gold, ornaments or properties	Easy to get	High interest, risk of loss of property if not pay on time.
Savings with microfinance group/ Samity	Easy to access, and fast processing and secure. Within locality.	Interest for savings is low
Give loans to family members, relatives and friends	Person is known	Delay to get back the money, conflict arises
Purchasing daily needs and grocery from fixed store with credit support	Easy to access, within the locality, support in emergencies.	Expensive, higher rate, less control over purchasing goods.

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Financial planning

Financial Planning is the process of estimating the fund required and determining its sources. It is the process of framing expenses in relation to daily expenses or purchase of necessary goods, investment and management of funds of a family.

Financial Planning process

1. Establish your financial goal
2. Gather data on your current income & expenses, source and pattern
3. Analyze and evaluate the current financial status of your family
4. Develop a plan or prepare a monthly budget
5. Implement the plan/ budget with family members support
6. Monitor and adjust your plan

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Planning terms

Short-term Planning

Medium-term Planning

Long-term Planning

Needs vs Wants

A need is something that is needed to survive.

A want is something that an individual desires, but would be able to live without.

Cost reduction strategies:

- Do your monthly grocery shop within monthly fixed budget
- "Do it yourself".
- Eat at home.
- Shop smarter.
- Eliminate unnecessary expenses.
- Use less energy.
- Walk, cycle or use public transport more.
- Keep all bills and vouchers against expenses to calculate the cost.

Introducing Technology Driven financial products and Access to Finance

MFS: The use of a mobile phone to access financial services that mainly include payment and fund or remittance transfer.

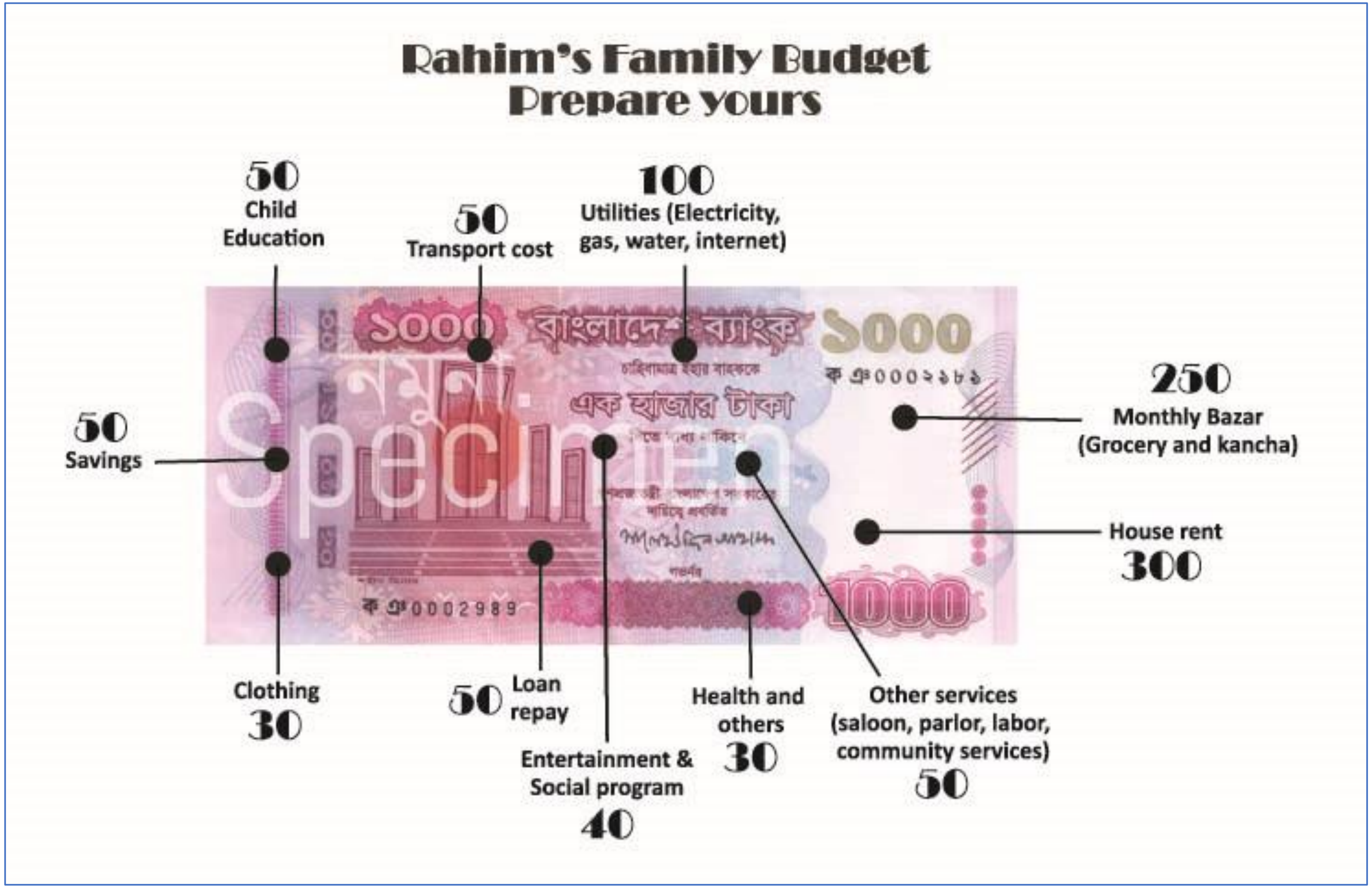
ATM: An electronic banking outlet that allows customers to complete basic transactions (generally withdrawing money) without the aid of a banker.

POS: A computerized replacement for a cash register which can process credit and debit cards.

CDM: An ATM like machine that allows depositing cash directly into an account without visiting the bank branch.

Agent Banking: It is the banking services provided outside of regular bank branches by engaged agents under a valid agency agreement.

Family Budgeting



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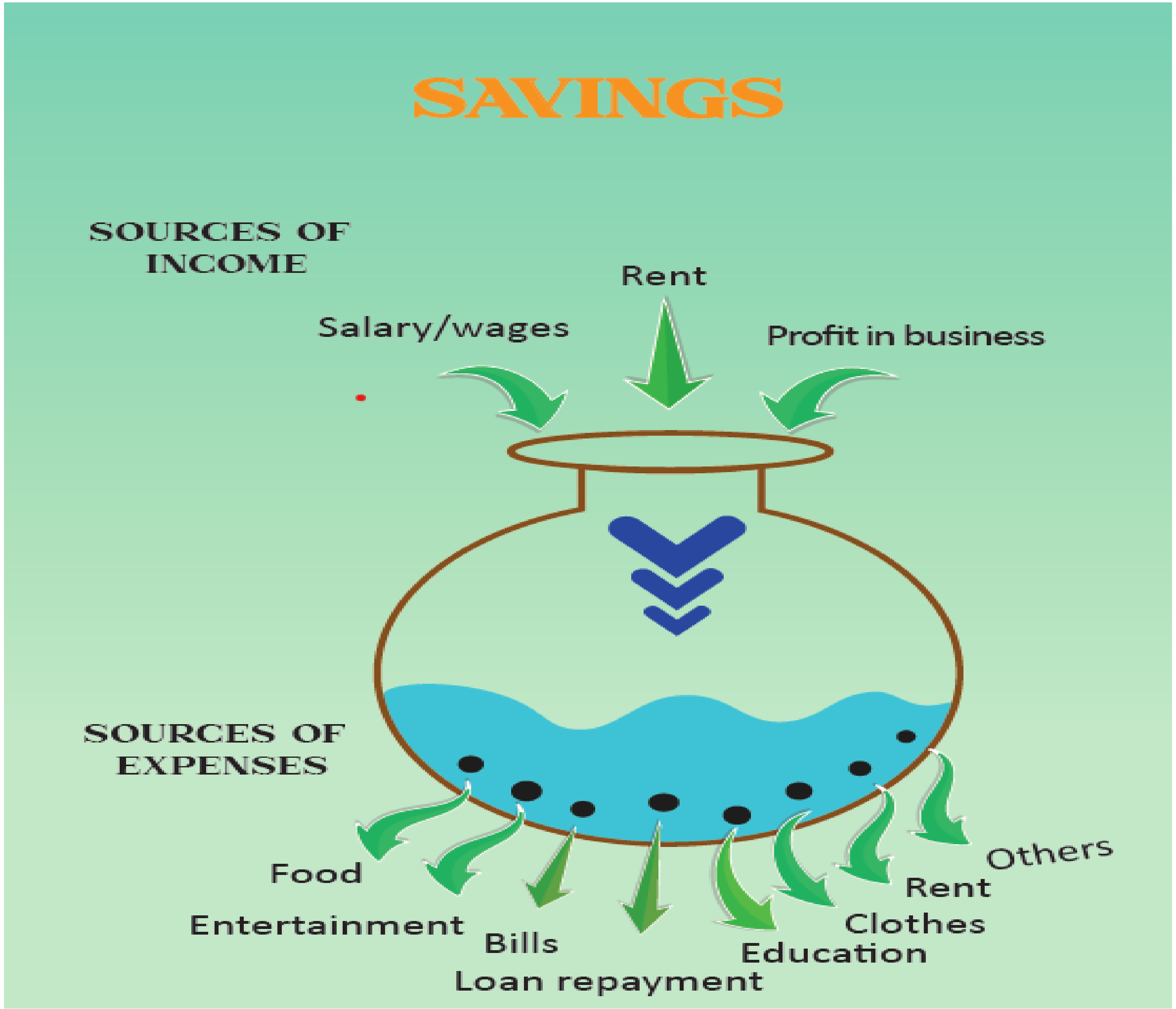
Concept of Savings



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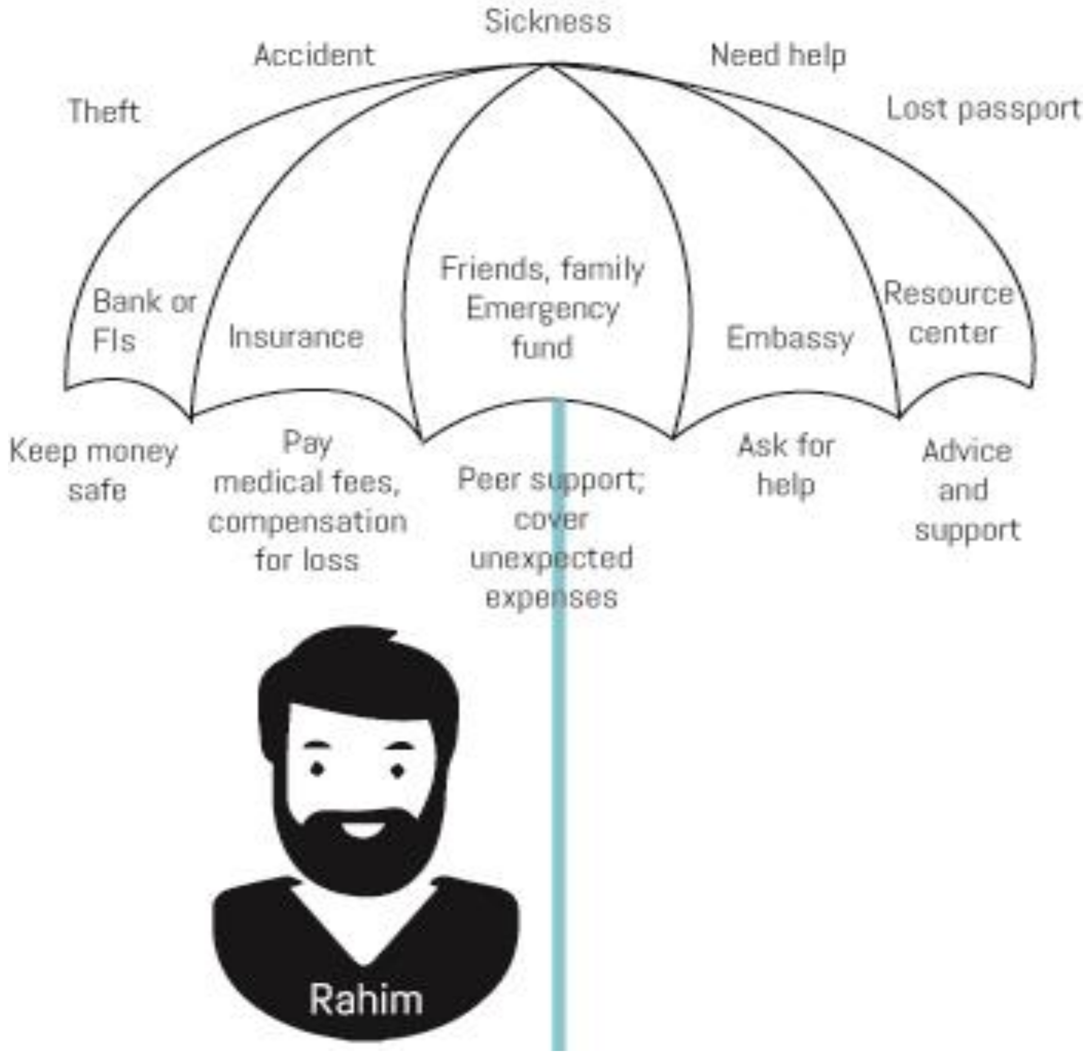
Protection Umbrella



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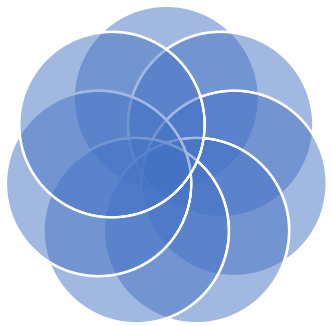
Entrepreneur

A person who undertakes the risk of starting a new business venture.

Entrepreneurship Development

Entrepreneurship development is the process of enhancing entrepreneurial skills and knowledge through structured training and institution- building programs

Characteristics of a Successful Entrepreneur



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Product Cost

It is a method of accounting for an entrepreneur through which the entrepreneur find out how much it has cost to purchase a product or service

Selling Price

Selling price is the value of money in exchange for a product or service, through which the business can make a profit from the product after covering the total cost of that product or service

Importance

- Influence the buyer
- Determine profitability
- Customer Demand
- Market positioning

Factors

- Market Conditions
- Discretionary demand of a customer
- Cost through which the product comes

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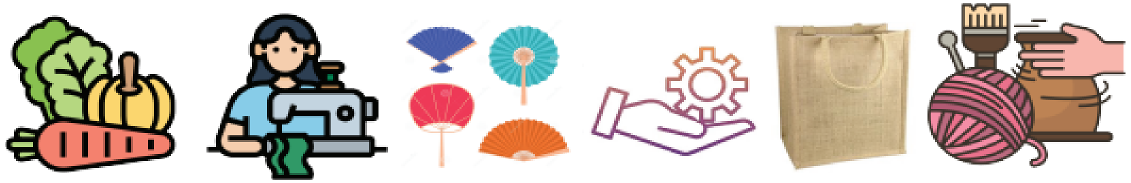
Ways to increase household income

Diversified / Diversified sources of income

- Selling vegetables
- Tailoring
- Selling chickens, ducks, etc.
- Handicrafts
- Making bags and hats from jute

Dependence on one source of income results in the stop of the entire cash-flow when the source ceases.



In the fields of entrepreneurship and initiative, dynamism is very important.
Regardless of whether it is small or large, you need to keep a few rules in mind in the reality of the market:

What you earn today may not be possible tomorrow.

When responding to daily necessities, ensure that supply is adequate.

The markets are changing gradually.

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ACHIEVEMENT

2605 BNF (F:1730; M: 875)

Skill Referral to Govt./Private Institutions

24 Linkage Building Workshop with banks, MFIs, agent banks and FinLit graduates

Training of Trainers (TOT) on Basic Financial Literacy to IOMs WPP (Women's Participation Project)

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ACHIEVEMENT

Financial Literacy Training to 1219 BNF (F:1201, M: 18)

Entrepreneurship Training of 1246 BNF (F:1235;M:11)

Annual Job Fair with

-ILO Skills 21 Project

-SEIP Project

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THANK YOU