

Area -6

# Income And Saving



# Our Needs

## OBJECTIVES

1. To enable the learners reflect on the community's needs
2. To help them acquire the skill of prioritizing and decision-making in the context of the community

Start the session by asking the group

What are the basic facilities needed in the village ?

List the facilities needed on the board as they are spelt out by the learners.

The responses could be:

housing, drinking water, roads, a small hospital, school for very young children, toilet facility, drainage of waste water.

When the list is exhausted, divide the learners into smaller groups of three or four. Ask each group to decide on the most immediately needed of the facilities listed. Ask each group to select one person who could observe how the group selects the facility needed, especially the reasons given for the selection. Give about 15 mts.



At the end of 15 mts. ask the groups to reassemble. Ask the observer to say how the group selected the needed facilities along with the reasons for their selection.

Raise the following questions and discuss

Was more than one facility mentioned by the group members ?

How did your group arrive at the facility reported ?

Did every member of the group express his/her opinion with reasons ?

How many did not express their opinions ? Why ?

Discuss the questions to emphasize the meaning of decision making

- Involvement of all the members of the group;
- Consideration of the different options/suggestions;
- Weighing the suggestions one by one on some definite basis for selection (resources available, the degree of necessity, etc.);
- Actually taking the decisions;
- All members agreeing to accept the consequences -- good or bad, resulting from the decisions.



# Saving -1

## OBJECTIVES

1. To help learners **identify** and analyse the present ways of saving
  2. To help learners realise the potential of collective saving for raising credits (cooperatives)
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Begin the session by asking these questions one by one. Wait for answers. Discuss after each question is answered.

How many of us save ?

Why do we save ?

List the ways in which the learners save now. Gradually organize the answers to illustrate the point that

We save whenever we can, in one way or another, to meet some unexpected expenses such as

- illness of a family member
- loss/damage of net

Such savings obviate, or reduce to a minimum the need to borrow. Also borrowed money carries high interest.

Savings also help us in meeting expenses on

- repairing the house,
- buying cloth,
- children's education,
- marriage of daughters.

Though we earn very little generally, we sometimes earn a little more than we need. That is the time to save for the future.

Continue the discussion by asking

What are the problems we face with the existing form of saving ?

Give the learners time to share information on the ways in which they save money now. Saving practices vary a great deal. Some of the saving practices are given in the list below. Go through the list and identify type of savings the learners do. Help them in discussion to bring out the advantages and disadvantages of their present saving practice.

The savings practices listed below are meant to give the animato some ideas for discussion.

## HUNDIES

Hundies are convenient to use as we can save any amount, anytime, we can also use them as and when we need it without any difficulty.

However, there are problems with hundies.



They can be stolen,

They bear no interest,

Because they are easily accessible, the temptation to spend is greater than with the other forms of savings.

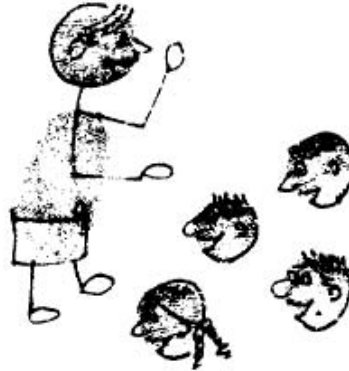
## SAVINGS WITH NEIGHBOURS

This form is also convenient and it is **our way of helping one another**. The little money that each of us has is pooled together and those who need money urgently may use it at the time of need. However, because we do not keep proper records, misunderstandings may arise at times. Our calculations may differ and probably lead to quarrels.

It may also happen that one of us may need the money suddenly and it may not be available as somebody else has taken it, and has not returned it.

### AUCTION CHIT

This is probably a fair way of deciding as to who will get the money each time, by auction. It is a popular system in our community. The disadvantage of this lies in the fact that when we need the money we may not be successful in bidding at the auction.



### RAFFLE CHIT

This is another way of saving in a group. The problem here may be the same as in auction chit, because there is the risk that you may not get the money when you need it. It also requires group responsibility to make sure that each member continues to pay till the end of the term so that everyone benefits.

### UTENSIL CHIT

This type of chit enables us to buy the utensils we require; it is usually difficult for us to find enough money to pay for the entire cost of the utensil we wish to buy. It is clear, however, that the vessels bought through the chit cost more than they would if purchased outright. Also since the buyer's choice is limited, the utensils procured may not be of good quality. Further, the person organising the chit might disappear after collecting one or two instalments and not deliver the utensils.



# Saving -2

## OBJECTIVE

To inform learners about other ways of savings available in the area

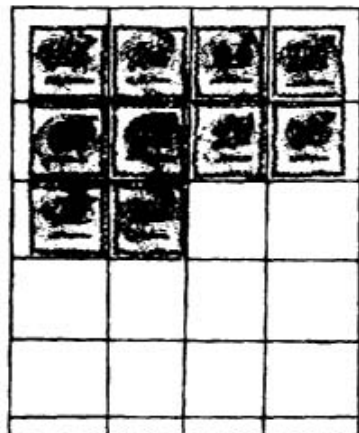
Read the lesson carefully for the methods of saving described. Find out the existing facilities in the area. During the discussion, emphasize only the facilities available.

It is not suggested that the animator should make the learners adopt saving. However, he informs about new ways of saving to help them decide their mode of saving themselves.

Some of the facilities generally available in rural area are

## SAVINGS STAMP METHOD

As there are stamps for sending letters, there also are some special stamps for savings. The post office sells them (Animators should bring both kinds of stamps and cards on which to paste savings stamps.) Show the learners the ordinary stamp and the savings stamps and the card for pasting the stamps. Tell them that the card is given free of cost at post offices. Point out to the learner that there are 40 squares on the savings card and one has to paste a stamp in each square. Stamps are available at denominations of 25 paise and 50 paise. If the 40 squares are filled with 25 paise stamps, the total money saved will be Rs 10, and if we fill the card with 50 paise stamps, the total amount will be Rs 20. When the card is filled the person should bring it to the post office. The



amount of money could be deposited in the person's account with the post office savings bank. A new empty card could be obtained to continue the samil savings.

**CUMULATIVE TIME DEPOSIT**

Deposits of Rs 5, and multiples of Rs 5 subject to a maximum of Rs 1,000, can be made. The deposit amount at the time of opening of account has to be paid every month for 10 years. The amount repayable by the post office to the depositor, inclusive of interest at the end of 10 years on an account of Rs 5 denomination will be Rs 825.

Two withdrawals in all, at not more than 50% of the balance in the account are allowed after the account has been in operation for at least one year. The second withdrawal is not allowed unless the account has been in operation for five years.

**RECURRING DEPOSIT**

The period of operation is five years.

Go slow in discussing each item; make sure the learners understand them. The discussion can and should bring out the advantages and disadvantages of each method.





# Alternate Incomes

## OBJECTIVE

To encourage learners to explore avenues for generating alternative incomes and critically evaluate these avenues

Tell the group : "Today we will discuss the topic 'alternative incomes'. We will start with a role play ." Tell the group you would like to have two volunteers. Then spend a few minutes with the volunteers, help them understand their role and let them make up the conversation themselves.

After the role play is over, ask learners these questions, discuss questions, one by one thoroughly; do not move too fast. (For role play, see end of the lesson )

What is going on ?

What did Hamsavalli and Satya talk about ?

What do you think about the ideas? How feasible are they ?

Do you think we could try out some of these ideas ?

What other ideas do you think may be more appropriate to our village ?

The reaction from the learners could be both positive and negative. Accept all answers, but always ask the learners :Why? What are the reasons for them to say what they said ?



The possible negative and positive reasons may be as follows :

<u>Positive reasons</u>	<u>Negative reasons</u>
<ul style="list-style-type: none"> <li>. We should try all possible ways which may help us;</li> <li>. We <b>want</b> to do something better than selling fish;</li> <li>. If we stick to only what we are doing now, we are limiting ourselves against our own growth and opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>. I do not have money;</li> <li>. I do not have time;</li> <li>. I have not done it before;</li> <li>. We are fisherfolk, how can we do other things ?</li> </ul>

Continue the discussion by posing these issues :

- . We sometimes get more fish, sometimes less,
- . We may lose our net,
- . We may not sell fish and it gets rotten and we lose.

Wait for answers, discuss them and bring out these points :

When discussing points on food and health referring to earlier lessons on the subjects, use the occasion to reinforce that learning.

Trying new things on a small scale means taking small risks but may mean big results.

Trying new things means more knowledge,

A small-scale effort may be a step towards a bigger scale effort (provided the result is good),

A little more income may mean more food for **the** family,

The new activity may itself directly provide food for the family,

Better food means better health,

Better health means a lot more capability to do much better things.

Things may then keep improving and it is quite possible that in the long run it may mean a big improvement to the family's health and economic status.

## ROLE PLAY GUIDELINES

For female centre

Hamsavalli —

Hamsavalli is **originally** from the neighbouring district but she **got married** to Kuppan a **fisherman of this village**, five years ago. She has just come back from the first visit to her parents after marriage.

In this role play, Hamsavalli is telling her neighbour Satya about the new activities she saw in her village **that** help bring more income to the fishing families there, and is wondering if these activities could be introduced here too.



Satya -

Satya is Hamsavalli's neighbour. They are good friends. Satya's husband is also a fisherman. They have five children. Satya sells fish caught by her husband or buys it from other fishermen. She carries head-loads and walks to a few nearby villages. In the conversation she expresses interest, but also worries about the idea of trying new things that she does not know about and is also afraid of losing money.

(Ideas for income earning activities may be used in the role play. Let the learners select or come up with new ideas on their own: chicken raising, goat raising, bee keeping, etc.)

For male centre

Murugan -

Murugan is a fisherman of this village. He has gone to visit his sister in another fishing village where she has been staying after marriage. He has just come back and is excited about some income-earning activities he saw in that village, and is telling his neighbour Krishnan about it.

Krishnan -

Krishnan is also a fisherman, a very good friend of Murugan. They go fishing together on Balamohan's boat. He listens to Murugan with interest, but he too is worried that the new activities may fail, leading to loss of money.

