

BRIDGING THE GENDER GAP IN RESPONSIBLE FINANCE

The financial management calendar is a financial plan to help the client using a loan to increase their incomes as part of a household economic strategy.

TOOL 5

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FINANCIAL MANAGEMENT CALENDAR

Facilitation Notes



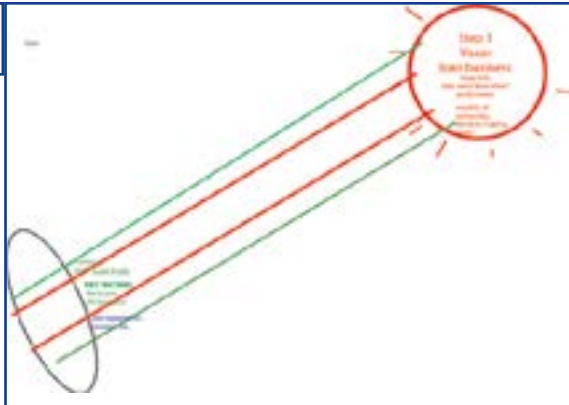
It forms a Responsible Finance contract between the MFI and the client to enable the MFI loan officers to better assess risk, and learn how best to support maximum benefit to the client.

Steps

This Financial Management Calendar is drafted (first in pencil) on the next double page after your previous tool.

Once you have a good draft transfer it to a flipchart to fill in more detail - and show off to your neighbours!

Remember to put the date in the top left hand corner.



1 Vision and Central Framework

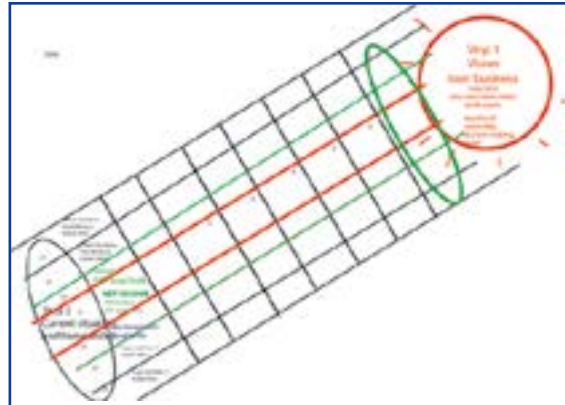
Draw a big red sun circle at the top right of the paper. Draw the business vision for the business or businesses for which you are taking the loan? Is it a temporary measure to a bigger different business? Or do you intend to grow that business? Who will be involved? Who will own it? Who will manage? Who will work?

Draw the Journey Framework - current circle in black bottom left.

Join with:

- Central Lane vision 'spine' with two red lines for calculating net income (total profits minus household expenses)
- One green line on top for planned savings, investment and asset purchase
- One green line below for loan repayment and insurance premiums.

This completes the backbones of the calendar that keep it strong.



2 Multilane Framework, calendar and target

What is the business or businesses - your own or other household members - in which you intend to invest the loan, and/or from which you expect to repay the loan? Put one black lane for each underneath the backbone, with a symbol for the activity and the person/s involved.

Are there any other businesses or income sources which can act as a safety net? or into which you intend to invest the income from the business (not the loan)? Put one black lane for each above the backbone, with a symbol for the activity and the person/s involved.

Put a large green target circle next to the vision and crossing over all the lanes.

What is the length of the loan period? Put a line for each month. Label the month with a small number or short name in the middle Net Income lane.



3 Opportunities and Challenges

Now think of opportunities and challenges from the Challenge Action Tree and Happy Family Tree.

Identify at least 10 opportunities that can help you- put these above the road by the appropriate month in green - you plan to access them. These could include more possible income earning activities that can complement the main activities. Particularly activities that give a short-term return to make money for reinvestment and/or fill in spare time. These could have their own lane if they are regular. Or just marked with a symbol if they are one-off.

Then do a thorough risk analysis. Identify luxury expenditures that consume income and can be cut. Also climatic and disease risks at particular times of the year that need to be planned for. Potential household issues and conflicts. Inequality in ownership, decision-making and work from the Happy Family Tree.

Then look again at opportunities and see how challenges can be overcome.



4 Cash Flow

Now calculate your profits each month: total income minus costs. Put the amounts in the relevant cell. Use a calculator if you have one. Make sure your estimates are realistic - underestimate if necessary or you will fail.

As you do this keep looking again at your opportunities and challenges, taking these into account in your estimate and adding more opportunities of challenges if you want.



5 Financial Plan

Now in the central red lane calculate:

- 1) total profits: Add up all the profits from the other lanes. Put the figure in pencil at the top of each lane cell. numbers. If some activities are for wife only or husband only you can put these separately as they have implications for Step 6.
- 2) household expenses: estimate total necessary household expenditure you pay (see Happy Family Tree). Being able to afford to keep the family healthy happy and well is an important achievement, so this goes in green as a plan.
- 3) net disposable income: profits minus household expenses. This is the spare money available after all business costs and necessary expenses are covered.
- 4) loan repayment and insurance premiums: put this in the bottom green lane blue as an expense.
- 5) savings and investment: put this in the top green lane in green as a further achievement.



6 Assessment

Now assess whether your sums add up each month. Are there months when you have good surplus after loan repayment? Put 1-3 smiley faces in green.

Are there months when you have negative net income? after loan/insurance payment? Put 1-3 sad faces in blue. Can you cover these bad months through increasing savings from the good months? Adjust your figures accordingly.

Is the division of work, income and investment fair? Is anyone getting less income in relation to their work input (including unpaid work)?

Can inequalities in the household in ownership, decision-making or work that can be reduced? Can the profits be used for investment to address this situation?

Revisit your Happy Family Tree and add any new green change action fruits that can help to balance things. Add any extra lanes for new activities that can help balance things.

Facilitation overview

Participant preparation

- Come on time
- Bring Notebook diaries, pencil and coloured pens and all previous flipcharts and work from any other business trainings
- Think about the different activities of women and men that will be included.

Facilitator preparation

- Familiarise yourself with the tool
- Prepare an introductory explanation
- Put a blank flipchart on the front wall for interactive presentation.
- Plan how groups will be composed - is there a need for a group of people who do not know their numbers? another for advanced women and men? should the other groups be divided by marital status? by main activity? or self-selected? The main aim is to maximise progress and also sharing between participants with similar visions.
- Seat yourself to the side, not at the front.

Materials/ prepared inputs

- Notebook diaries with coloured pens.
- A blank flipchart for the front of the room and coloured markers placed for people to come up and draw.
- One flipchart with 4 coloured markers per participant (markers to be taken back at the end, flipchart to stay with participant)

Timing

6 hours

in 2 x 3 hour sessions

- Group formation as decided and agreed with participants (5 minutes).
- Interactive presentation and drawing of the Financial Management Calendar in notebook diaries. The facilitator goes slowly through the steps with participants drawing on the blank flipchart while everyone else draws in their notebook diaries (1 hour - 1 hour 30 minutes).
- Group sharing and further refinement of individual plans in activity groups, identification of opportunities and challenges and possible areas for collaboration (30 minutes - 1 hour)
- Facilitator wrap up particularly on gender issues emerging, areas for collaboration and possible organisational follow up (15 minutes)
- Clarification recap of tool for peer sharing (30 minutes)

Outputs

- Individual Financial Management Calendars for the next 12 months on a flipchart that can be put on the kitchen wall or other wall in the house for continual reference and sharing with family and neighbours. These are then tracked over time. They become a requirement for new loan applications as assessed by the loan officer.
- Group listing of opportunities and challenges as basis for identification of further training needs/collaboration

Homework for participants

- To complete their FMC, building on the inputs from others
- To share what they have learned with at least 2 people before the next meeting
- To track progress over the coming year
- To prepare further FMCs for each loan cycle

Homework for facilitator

- Document the information on gender issues, opportunities, challenges, areas for collaboration and possible organisational follow up.
- Photograph the flipcharts with brief notes
- Consider implications of observations on participants and process for the following activities.

Monitoring



7 Client Monitoring to continually track, review and adjust

When you get to each month, you need to compare what was planned and what actually happens, adjusting the following months accordingly.

Things achieved should be ringed as red fruits.

Things that are not possible at all are ringed in blue as withered fruits.

Things postponed as green fruits carried forward to next cell.

SPM indicators

The Loan Officer inputs the following indicators (some of these are already financial indicators in the MIS but can be triangulated here): to an Excel sheet that is passed to the SPM staff:

- 1) Is the loan to a woman or a man? PPI status
- 2) Activity and loan size for which the loan is requested (to identify new activities/business/economic diversification and for gender disaggregation to identify gender differences in loan choice)
- 3) Activity and size of loan approved (to assess perceptions of risk in particular activities/loan size and gender disaggregation to identify any possible areas of gender discrimination)
- 4) Loan performance for particular activities, loan sizes and by gender
- 5) Is the total profit from the loan business/es greater or less than the total loan repayment (including interest) (to assess benefit to client)
- 6) Can the client confidently explain their plan and progress, including opportunities and challenges, and implications for future loan, savings and other financial strategies? (to assess degree of financial literacy/empowerment, and effectiveness of the tool)

Product development

Information from the LMC can be analysed separately by the product development staff as part of participatory focus groups collecting information on:

- 1) Repayment performance for different activities and loan sizes, including identification of problem months to assess the need for better timing of disbursement for particular activities and/or loan rescheduling
- 2) Incidence of particular opportunities and challenges
- 3) Identification of possible new products from new activities coming up including insurance and remittance services

GENDER NOTES

All information should be gender disaggregated - allowing for PPI differences

Key 'success' indicators would include:

- women diversifying businesses to non-traditional activities
- profits from loan businesses significantly greater than loan repayment
- increase in savings and assets for women as a result of the loan
- men taking equal responsibility for household expenses
- women confident in explaining plans and learning from past plans

Date



STEP 3a Opportunities 10+

markets (when, where, specific market opportunities.)
available trainings,
weather (what/when)
Income from investment or smaller activities



equality of
ownership,
decision-making,
work?

**Step 1
Vision**
loan business
long term
who owns/does what?
profit/loss?

equality of
ownership,
decision-making,
work?

Step 5 FINANCIAL PLAN

Step 6 ASSESSMENT

Step 7 TRACK

Step 2?
**Current
situation**

Step 4 CASH FLOW



eg luxury expenditure, conflicts,
weather (what, when)
low market (when, where)
health issues
costs for smaller activities

STEP 3b Challenges - detailed risk analysis



inequality of
ownership,
decision-making,
work?

