



FISH
FOREVER



Financial Literacy

Enabling Individual and Community Investments

Rare

Rare is the leading behavior change organization in conservation. Rare specializes in identifying proven locally-led solutions and work with partners and communities worldwide to bring these solutions to a regional and national scale.

FishForever

Fish Forever is Rare's community-led solution to revitalize coastal marine habitats, such as coral reefs, mangroves, and seagrasses, protect biodiversity, and secure the livelihoods of fisher households and their communities. It uses an innovative approach to address coastal overfishing—by empowering communities through clear rights, strong governance, local leadership, and participatory management—that protects essential fish habitat and regulates fishing activities.

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FINANCIAL LITERACY

OBJECTIVE

Increase financial planning skills to enable individual and community investments in social well-being, including natural resource conservation and sustainable fisheries management.

AUDIENCE

This material is for implementers providing training in financial literacy.

PREPARATION

- Participant segmentation for class management and cross learning opportunities, consider forming groups of fishers, buyers and other community members when doing learning activities.
- Develop a strategy to effectively invite people to attend the workshop with a gender sensitive approach. (issues)

- Review the concepts and consult for clarifications with your supervisor as needed. The concepts build off each other, therefore please introduce them in the order they are presented, adjusting the scheduling, duration and design of activities to community member's availability, literacy, current knowledge and skills level.
- Based on activity planning, identify required resource and related budget for items such as:
 - Facilitators/trainers
 - Permits or local authorities' permissions
 - Venue that is inviting and accessible to all community members
 - Snacks
 - Materials i.e. copies, pencils, boards, screens to project...etc.
- Read the insert on reporting financial literacy activities in Fastfield forms (for workshops).

ACTIVITIES

As previously stated, financial literacy concepts build off each other and activity design should respond to local context ultimately leading to participants:

- Differentiating between income and profit
- Correctly classifying expenses
- Preparing a budget
- Planning for future income and expenses

Therefore, activities should be practice oriented, use examples from the fishing sector and participant's own historical information, as feasible. To maximize learning and promote permanent adoption of financial planning practices, opportunities for skill repetition and reinforcement should be created, ideally through saving club structures– whether existing or newly formed.



CONCEPTS

INCOME

For an individual, income means the amount of money received during a period (day, week, month), including money received in exchange for labor or services.

For a business (fishing is a business) income is the amount received from the sale of goods (fish) or from leasing property (boat) to others.

Examples of income:

- Money or in-kind retribution for labor- e.g. when I am hired as a fisher in a fishing boat and as payment I received cash or fish. When fishing is low or closed and I work in different activities like construction, agriculture...etc.
- Other types of income - extraordinary income, e.g. gifts, government programs to supplement or increase income at the household level.

Key message: increasing income can be a result of complementary household activities, such as a small business, and/or increasing efficiency in a given activity like fishing.

The OurFish app captures this information automatically and accurately, when used consistently and appropriately.

EXPENSES

For an individual, these are recurrent or extraordinary payments in cash or in-kind made to procure goods (gas, ice and gear) and services (boat rental).

For a business, expenses are those payments needed to procure supplies and services to run the business e.g. buying gas and ice for sell, buying fish to sell in different markets.

Types of expenses:

- Fixed. They don't generally change; paying rent, food and utilities, paying loans, paying for insurance, transportation when is constant (going to work every day).
- Variable. Varies month to month accordingly to its consumption or use, e.g., leisure, gasoline, ice, buying fish to sell...etc. These expenses are particularly important for businesses because those are the supplies and inputs needed to produce the final product or to provide the service. Examples of variable expenses: medical emergencies, boat and house repairs, kids going back to school, funerals, festivities, savings...etc

Key message: variable expenses are the ones people have more control to reduce.

The OurFish app creates this information automatically and accurately, when used consistently and appropriately.

BUDGET

A periodic list of future or actual estimates of income and expenses, taking into consideration past and current information.

Key message: It is good to keep track of financial information and to analyze personal and business finances allowing for better understanding of our own financial situation.

PROFITS

It is the result of deducting expenses from income. $\text{Income} - \text{expenses} = \text{profit}$.

Key messages:

- Profits is where savings are at.
- Business and individuals should aim to maximize their profit and not only increase their income.
- Increase profits AND save them.

SAVINGS

When profits are saved for future consumption or expenses; it only occurs when income is larger than expenses.

Key messages:

- Best way to find saving opportunities is to record transactions and make a budget with real information.
- A good motivational strategy to increase savings is to set a realistic and significant goal for saving. e.g. buying a boat.

DEBTS (DEFICITS)

Occurs when total expenses are larger than total income or there are no profits at all.

Key messages:

- Taking loans or borrowing money is the only way for people and businesses to cover their debts or close the gap.
- It is critical to make profits to avoid taking unnecessary debt.
- Supplemental income in the household or business (e.g. small business, other sources of income from family members or renting assets) help lower debt.

- In the case of permanent debt, it will take more than increasing income and reducing expenses to balance the budget. Permanent debt has different causes that need to be addressed through activities beyond the scope of financial literacy and discussed privately with participants that express interest in doing so.

INTEREST

The value of money over time.

If money does not accrue interest, it will lose value and over time its purchase power is less. In the best of circumstances, money that is kept as cash, loses its value due to inflation.

An interest rate is the percentage that is paid when borrowing money or money received when lending money.

Key message:

- Interest rates are important because it will determine if loans should be taken for investing in a business.

- A good budget should allow you to see how much money you can gain or lose in the future due to interest rates.

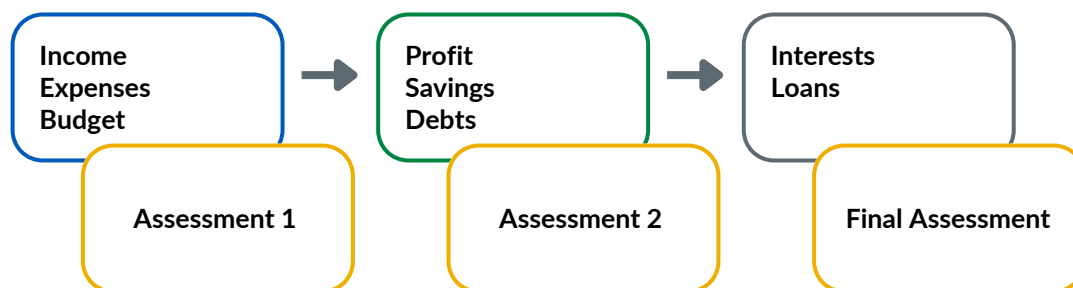
Examples of the concept of interest:

- Cash saved has the potential to earn interest if lent to others and is expected to be received under agreed terms.
- Paying interest when borrowing money.
- Bank accounts offer interest rates for savings.

ASSESSMENT

Provide frequent, safe spaces for participant questions and at the end of every activity request feedback in a culturally and contextually appropriate form.

Furthermore, since concepts build on top of each other, it is recommended that knowledge retention and skills assessments are planned at critical junctures in the financial literacy process as follows:



Please remember to report total number of participants, knowledge and skill evaluations and feedback about the activities to Rare.



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