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The incubator of financial influencers

**Tools to teach
financial education
to young people**

Content created during the mobility held in Bucharest, Romania
between 5th - 12th September 2021

About the project

During the mobility 18 youth workers from Denmark, Finland, Moldova, Romania, Spain and Portugal participated in a training course for 8 days in Bucharest, Romania.

The project "The Incubator of Financial Influencers" tackled the matter of financial education, by raising youth workers' awareness for the importance of being financially literate through non-formal education methods. In the same time, the project had a dimension of capacity development by focusing on the creation of new tools for teaching financial education.

The main goal of this project was to develop the competencies and skills of 18 youth workers concerning various financial areas including topics related to managing personal finance, money, loans and investments.

More specific objectives of the project were:

- To increase the level of knowledge about saving methods and tools, personal/familial budget, the role and importance of financial resources within the personal budget, insurance, financial products etc
- To gain competencies and skills required for developing gamification tools, to facilitate understanding of financial education among young people;





Time: 20+ minutes

Target group: 18-24 years' old

Goal: Participants can identify their practices and their balance between professional, personal and financial life.

Description & instructions: Kindly ask the participants to form a line in the middle of the floor. Allocate a space for agree and disagree (sign) and show the participants.

Inform the participants that you will read some statements loud and that they have to place themselves where they identify the most.

Statements:

1. I believe that it is important to have a monthly budget.
2. I believe that it is important to go out with my friends every day.
3. I earn a lot of money.
4. I have enough time to study.
5. I have enough money to do my savings.
6. I have enough time to rest and relax.
7. It is easy for me to resist impulsive shopping.
8. It is easy to refuse a night out.
9. It is relevant to buy things that make me happy.
10. It is important to have a goal for my savings.
11. Money makes me happy.
12. I'm honest with my expenses (I spend on what I need).

Preparation:

Prepare a sign to identify the agree and disagree space.

Prepare the instructions that you are going to give to the group, the way that you will communicate the activity and always ask if they have any questions.

Materials: Paper, marker and depending of the space a microphone.

Notes & questions:

During each statement you have the space to ask participants about their choices and opinions like, why do you think that is important to have a monthly budget? Why is not important for you to buy things that makes you happy? And so on.

Prepare extra statements and questions.





TREASURE HUNT

Time: 20+ minutes

Target group: 18-24 years' old

Goal: Internalise the concepts related to financial education.

Description & instructions:

Step 1. Before the activity hide the concepts in different spots in the room where you are having the activity.

Step 2. Divide the group in pairs and ask them to search for the concepts you hide. Each pair needs to find 2 concepts.

Step 3. After all teams finished finding the concepts, randomly pick a team and ask them to read the first concept and give them 30 seconds to think about the definition/meaning of the concept. After they answer they will do the same with the second concept. Afterwards you move to the next teams, and the flow is as the previous activity. You can have a short conversation about each concept to make sure everyone understands.

Step 4. At the end of the activity give to each participant the list with the definitions for each concept discussed.

Preparation:

- Before the activity hide the concepts in different spots in the room where you are having the activity.
- Printed papers with the definitions for each concept discussed (check the annex 1 for the definitions).

List of concepts:

1. debt repayment
2. emergency fund
3. insurance
4. personal budget
5. investment funds
6. financial planning
7. safety fund
8. interest rate
9. savings
10. investor profile
11. financial education
12. personal finance

Materials: Pieces of colored carton, markers, and list of concepts' definitions.

Notes & questions:

Make sure everyone understands the concepts. Ask participants their opinions about the importance of having financial knowledge and why do they think so.





FAMILY BUDGET

Time: 60 minutes

Target group: 18-24 years' old

Goal: Participants can create a family budget.

Description & Instructions:

Step 1. Present the initial situation: the family's financial situation and what they have to do.

They have to design based on the initial financial situation their 1st budget.

Step 2. Divide randomly the group in 2 teams and let them 20 minutes to design the budget.

Step 3. Each team will present their budget and discuss their choices.

Step 4. Randomly, each team will receive 1 good and 1 bad unexpected situation. Based on the situation, the teams have to readjust the 1st budget. For this they have 15 minutes.

Materials & preparation: 1 flipchart with the family's financial situation, 1 box, 4 cards with good and bad unexpected situations, pens, flipchart for each team. Before the activity prepare the family's financial situation and the cards with bad and good, unexpected situations.

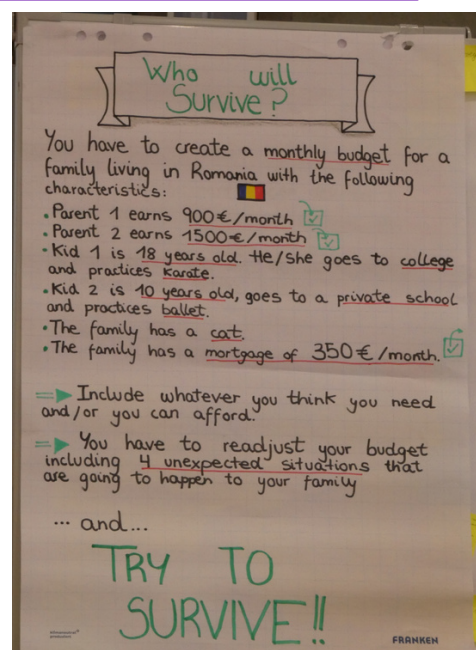
Notes & questions:

Before the activity starts address a few questions like:

- Could you define what a family budget is?
- Do you think is important to design a budget plan? Why?

After the activity:

- It has been easy/difficult to design the budget? Why?
- Have you ever thought before about all the expenses that a family could have?
- In your 1st budget, did you save enough money to cover unexpected situations?





MY EXPENSES

Time: 30+ minutes

Target group: 18-24 years' old

Goal: Participants are able to “draft” a monthly budget and differentiate between necessary and dispensable expenses

Description & Instructions:

Inform the participants that you will give them an envelope with X amount of pieces of paper with different sizes and a piece of rope. The size of the papers represents the amount of money that the participants spend, and each paper will represent their expenses.

The participants need to think about their monthly expenses write them down on the papers and prioritize which ones to put on the rope and which ones not, prioritizing which are essential expenses and which are not.

After all the participants are done with the preparation and distribution ask each of them to please share their priorities and why the pieces that are out are out.

Materials & preparation: Prepare an envelope with pieces of paper cut in different sizes and pierced at the ends of the paper. Prepare a rope where all the papers cannot fit at least 2 that will remain outside.



Notes & questions:

Create a safe and comfortable environment for the participants, establishing a space where everyone will respect each other, taking into consideration that my priorities are not the same as yours.

During each participant share their distribution you have the space to ask participants about their choices and opinions like.

Annex 1. Financial education concepts

- 1. Debt repayment** = the action of paying back debts , or a single payment made to wards paying off a debt.
- 2. Emergency fund** = a sum of money set aside for use in emergency (an unexpected and difficult or dangerous situation which happens suddenly and which requires quick action to deal with).
- 3. Insurance** = an arrangement in which you pay money to a company , and they pay money to you if something unpleasant happens to you, for example if your property is stolen or damaged, or if you get a serious illness.
- 4. Personal budget** = the amount of money that you have available to spend
- 5. Investment funds** = supply of capital belonging to numerous investors used to collectively purchase securities while each investor retains ownership and control of his own shares.
- 6. Financial planning** = the make a program for the allocation and management of finances and capital through budgeting, investment etc.
- 7. Safety fund** = an amount of money to cover things such as car repairs, new appliances without affecting your monthly budget.
- 8. Interest rate** = the amount a lender charges a borrower and is a percentage of the principal (the amount loaned) and also the amount earned at a bank from a saving account.
- 9. Savings** = income not spent or deferred consumption. Savings refers to the money that a person has left over after they subtract out their consumer spending from their disposable income over a given time period.
- 10. Investor profile** = reflection of an investor financial goals and objectives and also of its time horizon and risk tolerance.
- 11. Financial education** = the ability to understand and effectively use various financial skills, including personal financial management, budgeting , and investing.
- 12. Personal finance** = the process of planning and managing personal financial activities such as income generation, spending, saving, investing , and protection.



THE AUCTION

Time: 30-40 minutes

- 5 minutes for instructions, giving materials, showing items, thinking about strategies...
- 10-15 minutes for the auction
- 10-15 minutes for debriefing

Target group: under 18 years' old

Goal: Participants make decisions about what items/ goods are valuable for their professional, personal and financial life.

Materials: pen, paper, 10 money tokens/ participant, something to stick items in visible place, hammer for auctioneer (optional)


Description & instructions:

- Each participant gets 10 money tokens
- The items at the auction are put in display
- Participants have 2 minutes to look at the items

Auctioneer leads the auction:

- only whole numbers as a raise
- you can't share the money
- if there is a tie, the first to say the number wins


Example list of items at the sale:

- 1.High quality smart phone
 - 2.Expensive computer
 - 3.Movie tickets for one year
 - 4.Gym membership for one year
 - 5.Video game console with three games
 - 6.Expensive clothes
 - 7.Bike
 - 8.Electric scooter
 - 9.Ten visits for hairdresser
 10. Pet and its expenses (food etc.)
 11. Dance classes for one year
 12. Musical instrument
 13. One book/ month
 14. VIP ticket to your favorite artist's concert
 15. Art classes for one year
 16. Trip to Disneyland
 17. Romantic dinner for two
 18. Netflix for one year
 19. Ten visit for hair saloon
 20. Season pass for your favorite sport
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Debriefing questions:

- Why did you buy this?
- Did you pay too much? Did you pay over price or was it a good deal?
- How much do you think your items would cost in real life?
- What was your reasoning behind this purchase?
- Who has “money” left? Why did you decide not to spend all?
- Would you have gotten same thing for free?
- Did you buy something you now regret?
- Would you want to trade items with someone?
- What do you think are the most valuable items here?

Variations:

- Do auction blinded: Participants write their offer on paper without seeing other offers.
 - After auction divide items as a group in two columns: needs (must have) and wants (nice to have).
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The Beans Budget

Time: 30-40 minutes

Target group: under 18 years' old

Goal: The participants are able to manage their money, making choices in personal budget.

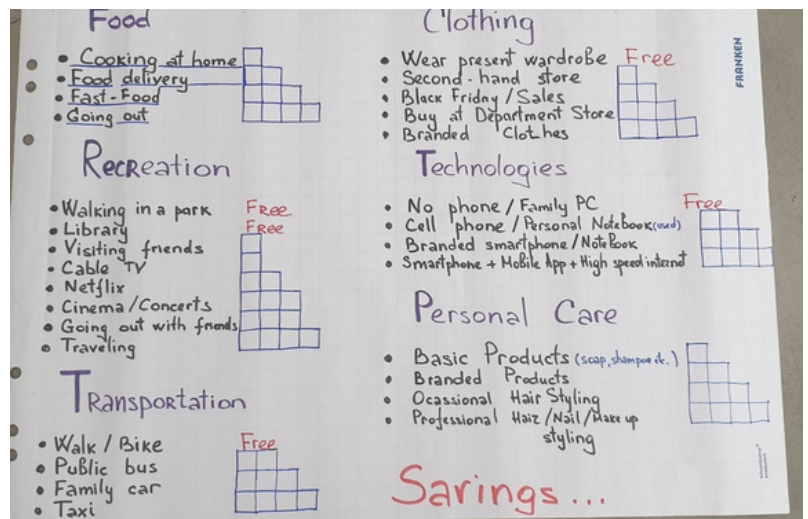
Materials: 2 spending category sheets/group, imaginary money (beans, coffee beans, cubes, buttons etc.), 1 box/group and good mood:)

Description & instructions:

- This game should be played in small groups of youth aged under 18 years old. Divide participants in small groups of 3 -5 persons, at least 3 but not exceed 5.
- Each group will receive 2 sheets with spending categories (like in bellow example) and a box with “imaginary money” (beans, coffee beans, cubes, buttons etc.). This game will be played in 2 rounds. The group will decide how to spend their money based on their behaviors, lifestyles, and values.
- Each item in the spending categories has a set number of squares that indicates how many beans are needed to “pay” for that item. The participants need to cover with “money” at least 1 item in each category of expenses, even if they also selected one free option.

Round 1:

- Participants will receive the spending category sheet and a box with 15 beans.
- They must select and allocate at least 1 bean in each category.
- Participants are not allowed to see and count their beans and to move the already allocated beans, continue selecting items until they have used up 15 beans income.



Round 2.

- Participants will receive the second spending category sheet.
- Their incomes have just been cut to 10 beans and they need to make changes in their spending choices.

Questions for discussion:

Introduction

- Are you familiar with personal/family budget?
- Is it common in your family to do and discuss a personal budget?
- What are the most common expenses in your daily life?

Round 1.

- Why did you choose the items you did?
- In what ways your choices were influenced by your values and life-style?
- How it was for you to allocate money when you didn't know your total income?
- Do you see any differences between your spending choices and the second team's?

Round 2

- How do you feel when your incomes are cut?
- What kind of items did you choose to give up?
- Was it easier for you to allocate your “money” when you already know your income?
- Compare your choices with another groups.

Reflections

- Did you like this activity?
 - With what conclusions did you come up after this activity?
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