



Financial **Literacy** Initiative

# TIPS & GUIDELINES

to enhance your financial education

*Budget*  **WISE**

*Save*  **WISE**

*Spend*  **WISE**



### **“Be wise” – an educational campaign on financial matters**

The main theme of this financial literacy campaign is “Be wise” and is directed to individuals as well as micro-, small- and medium sized enterprises in Namibia. This theme means that by receiving financial education, one gains knowledge and wisdom to make informed decisions about managing money.

This booklet is the first of a series of financial literacy publications and focuses on topics around budgeting, saving, and spending. Further topics, such as lending or insuring, will follow in the near future. Through a combination of booklets, posters, street theatre plays as well as radio and TV shows, the Financial Literacy Initiative aims at creating awareness on good and responsible practices both for private and business financials.

The Financial Literacy Initiative was officially launched in March 2012 and comprises more than 30 platform partner institutions.

BudgetWise

SaveWise

SpendWise

## **ATM (Automatic Teller Machine)**

By using an ATM, clients can access their bank accounts, e.g. to make cash withdrawals, credit card cash advances, or check their account balances.

## **Balance**

The amount of money in your bank account. The balance can be positive (in credit) or negative (in debit).

## **Bank account**

A financial product in your name which you use e.g. to deposit, withdraw and transfer money.

## **Cash**

Money in the form of notes and coins.

## **Credit**

Credit can have different meanings. Credit means buying goods and services now, but paying for them later, often by paying the money back in certain amounts over a defined period of time and by paying an interest rate (see also: loan). Credit can be a transaction on your bank account that shows money going into the account. It can also mean the amount of money you have.

## **Debit card**

A plastic card that gives direct access to money in your bank account, e.g. by withdrawing it at an ATM (see also: ATM). A debit card is also be used to purchase goods or pay for services.

## **Deposit**

An amount of money put into a bank account, or money that is left with someone or a company to secure the purchase of an item.

## **Electronic banking**

A way of banking that allows withdrawals, deposits and transfers to be completed and account information to be obtained electronically using facilities such as cellphone, internet and ATMs.

## **EFT (Electronic Fund Transfer)**

Electronic Funds Transfer – moving funds from one bank account to another using an electronic method such as internet banking, debit card or the like.

## **Fees/Charges:**

Fees that are charged by a financial institution for managing your financial product and providing the financial services you use. Fees are charged yearly, monthly or per services you use (e.g. transferring or withdrawing).

## **Interest**

Money charged or paid for the use of money. For example, a financial institution pays the client an interest rate for money that he/she deposits in a savings account. A financial institution charges interest for money that a client borrows (e.g. loan, credit).

## **Mobile Banking**

Mobile banking (or branchless banking) is a term used for banking transactions through a mobile device (e.g. payments, airtime transfer, account balance checks, transactions).

## **Savings**

Money or assets that you put away for use at a later time. For example, you may save regularly to buy a car or a house in the future.

## **Savings account**

A bank account where your savings can be deposited and withdrawn. An interest rate is usually paid for the money deposited and fees are charged by the bank for specific account services.

## **Statement**

A record summarizing all transactions that have occurred on your financial account (bank, insurance, retirement, etc.) and any fees charged or interest paid. Statements are sent to you monthly or yearly.

## **Transactions**

The name given to movements of money such as deposits and withdrawals, or transferring money between bank accounts, businesses and individuals.

## **Withdrawal**

To take money out of a bank account. This can be using an ATM, EFT or by cheque.

# BudgetWISE


## What is a budget?

A budget is a plan that shows how much you can spend against what you earn over a given time e.g. weekly, monthly or yearly (annually). It helps to guide you on how much money you can allocate for different needs.

In order to draw up your budget, take the following steps:

1. Take a budget sheet, write down your basic expenditures and how much they cost and compare them to your earnings. Decide how much you would like to save each week/month. Most importantly, stick to your budget to avoid overspending!
2. In planning what to spend, always plan how much to save.
3. As a businessman, keep a record of your earnings and your expenditures to keep control of your finances!

Start budgeting now and fill in the budget sheet at the end of this booklet!



**Remember, if you plan  
your finances well, you  
will always have enough  
money to spend  
and save.**

BudgetWISE



Financial Literacy Initiative

1.



2.



1.



2.



1.



2.



1.

Take a budget sheet, write down your basic expenses, how much they cost and compare them to your earnings. Decide how much you would like to save each week/month. Most importantly, stick to your budget to avoid overspending!





**N\$ 300**

**SAVE  
N\$ 50  
FOR 6 MONTHS**

2.

In planning what to spend, always plan how much to save.

**Week 1: N\$100**

**Week 2: N\$125**

**Week 3: N\$ 250**

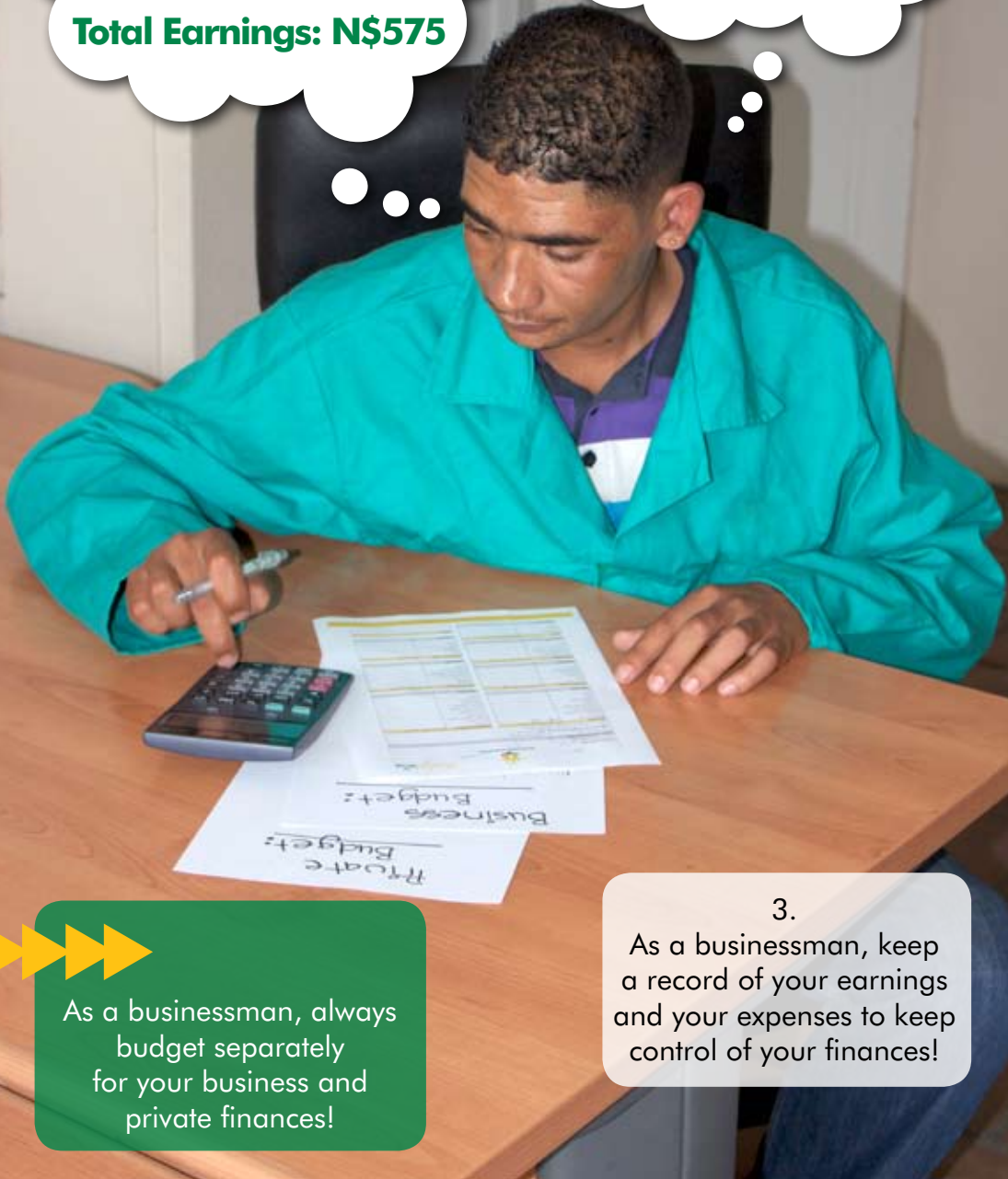
**Week 4: N\$ 100**

**Total Earnings: N\$575**

**Expenses**

**Water & Electricity: N\$ 300**

**New Machine: N\$ 100**



**3.**

As a businessman, keep a record of your earnings and your expenses to keep control of your finances!

As a businessman, always budget separately for your business and private finances!

# SaveWISE

## What is saving?

Saving is putting away or storing money for future use.

In order to start saving, take the following steps:

1. Decide what you want to save for.
2. Develop a savings plan, and always put money aside at the beginning of the month.
3. Save whatever you can afford.
4. Shop around for the best price and quality.
5. Save money that you do not need to spend.
6. Decide where you will keep your savings.
7. When you decide on a savings option, don't forget to compare the interest rates and the fees.
8. Ask others how they save e.g. for the near future or for retirement and discuss different savings options with them.

**Remember, what really matters in saving money is not the amount you save but developing a saving habit and keeping to it.**



# BeWISE



Financial Literacy Initiative





**HOUSE?**

**CAR?**



**EDUCATION?**

1.

Decide what you want  
to save for.

2.

Develop a savings plan,  
and always put money  
aside at the beginning  
of the month.

**TARGET:  
N\$ 500  
IN 5 MONTHS**

**SAVE  
N\$ 100  
PER MONTH**



3.  
Save whatever you  
can afford.





## SHOP A



**SHOP A**  
**N\$ 13**

**SHOP B**  
**N\$ 15**

## SHOP B



4.

Shop around for the best price and quality.

**SAVE  
THE MONEY**



**BRAND NEW**



**USED, BUT  
STILL GOOD**

**BUY ONLY  
WHAT I NEED**

5.

Save money that you do  
not need to spend.





**BANK OR  
POST OFFICE?**



**PENSION  
FUND?**

# **SAVINGS OPTIONS**



**SAVINGS CLUB?**  
(stokvel, Okuluumbila)



**ASSETS?**

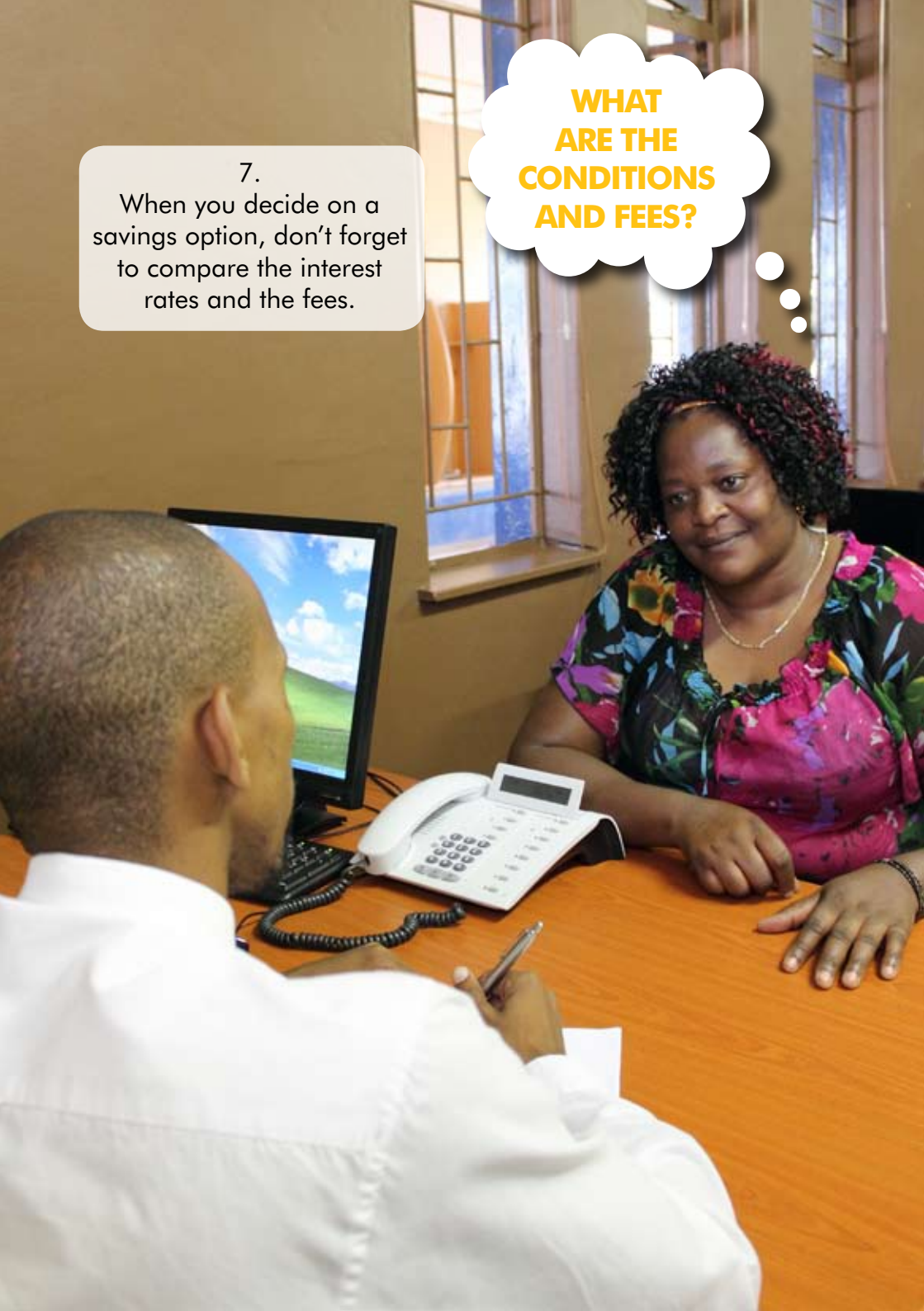
6.

Decide where you will  
keep your savings.

7.

When you decide on a savings option, don't forget to compare the interest rates and the fees.

**WHAT  
ARE THE  
CONDITIONS  
AND FEES?**



A photograph of three men sitting around a round wooden table in an outdoor market setting. The man on the left is wearing a bright green jacket and black pants. The man in the middle is wearing a blue jacket over a yellow shirt and blue pants. The man on the right is wearing a grey and white striped t-shirt and dark pants. They are all looking at each other and talking. In the background, there are market stalls with corrugated metal roofs and other people. Three thought bubbles are overlaid on the image, each containing text. A small grey box with the number 8 and a paragraph of text is in the bottom right corner.

**I BUY  
LIVESTOCK  
AND I SAVE  
AT THE BANK**

**HOW  
ABOUT  
A SAVINGS  
CLUB?**

**I TRIED A  
SAVINGS CLUB,  
IT WORKS WELL,  
TOO!**

8.

Ask others how they save  
e.g. for the near future  
or for retirement and  
discuss different savings  
options with them.

## What are my savings options?

- Savings account
- Fixed deposit
- Savings club
- In assets (livestock, piece of land, machine, car, etc)
- Retirement / pension fund

## Where can I save?

- Banking institutions
- Post office savings account
- Savings club (stokvel, okwiiumbila)
- Insurance companies (e.g. life insurance)
- Retirement / pension fund




# Spend WISE

## What is spending?

Spending is paying out money for goods and services and basic needs such as food, fridge, clothing, medical care, housing, school fees, etc.

In order to spend wisely, take the following steps:

1. To keep control of your expenses, make a list of what you need to spend money on, list how much they cost and decide on the most relevant ones.
2. Do not spend all your money but save some.
3. Live within your means, so that you can save.
4. Spend only on what you need.



**Remember, wise  
spending will save  
you money.**

  
**Be WISE**



**Financial Literacy Initiative**



A photograph of a kitchen. In the background, a man in a green short-sleeved shirt is standing and pointing his right hand towards a wall. In the foreground, two women are seated at a table, seen from behind. The woman on the left has dark hair tied back with a yellow clip and a pink clip, wearing a blue and purple patterned dress. The woman on the right has curly hair with red and black braids, wearing a black dress with large pink and yellow floral patterns. The kitchen has a black stove, a white wall, and various items hanging on the wall.

## **2012 EXPENSES**

### **SCHOOL FEES MEDICAL AID HOUSE**

1.

To keep control of your expenses, make a list of what you need to spend money on, fill in how much they cost and decide on the most relevant ones.



**INCOME**  
**N\$ 500**

**LIVING COST**  
**N\$ 450**

**SAVINGS**  
**N\$ 50**

2.

Do not spend all your  
money but save some.



**SAVING  
N\$ 20  
PER WEEK**  
no debt = no worries

3.  
Live within your means, so  
that you can save.

**NO  
SAVING**  
worried about how to  
pay everything,  
higher risk of being  
indebted







?



4.  
Spend only on  
what you need.



year: .....

month: .....

**Financial Literacy Initiative**

|   |  |
|---|--|
| <b>Income total (N\$) - per month</b>                     |  |
| <b>Cost of essentials (N\$) - per month</b>               |  |
| <b>Total cost of living (N\$) - per month</b>             |  |
| I already save N\$..... per month at the moment.          |  |
| <b>Left-over for additional savings (N\$) - per month</b> |  |
| How and where will I save this additional money?          |  |

| Housing                | Est. cost (N\$) - per month |
|------------------------|-----------------------------|
| Cellphone cost         |                             |
| Electricity            |                             |
| Maintenance / Repairs  |                             |
| Mortgage / Rent        |                             |
| Phone bill (land line) |                             |
| Supplies               |                             |
| Waste removal          |                             |
| Water                  |                             |
| Other                  |                             |
| Subtotals              |                             |

| Transportation  | Est. cost (N\$) - per month |
|-----------------|-----------------------------|
| Bus / Taxi      |                             |
| Fuel            |                             |
| Licensing       |                             |
| Maintenance     |                             |
| Vehicle payment |                             |
| Other           |                             |
| Subtotals       |                             |

| Financials               | Est. cost (N\$) - per month |
|--------------------------|-----------------------------|
| Credit repayments        |                             |
| Insurance 1 e.g. Car     |                             |
| Insurance 2 e.g. Funeral |                             |
| Insurance 3 e.g. Life    |                             |
| Other                    |                             |
| Subtotal                 |                             |

| Food       | Est. cost (N\$) - per month |
|------------|-----------------------------|
| Dining out |                             |
| Groceries  |                             |
| Other      |                             |
| Subtotals  |                             |

| Family & Children       | Est. cost (N\$) - per month |
|-------------------------|-----------------------------|
| Clothing                |                             |
| Lunch money             |                             |
| Family members support  |                             |
| School fees             |                             |
| School supplies         |                             |
| Sports club / society   |                             |
| Presents (Birthdays...) |                             |
| Toy / games             |                             |
| Transportation          |                             |
| Other                   |                             |
| Subtotals               |                             |

| Personal Care            | Est. cost (N\$) - per month |
|--------------------------|-----------------------------|
| Cleaning                 |                             |
| Clothing                 |                             |
| Hair / nails             |                             |
| Health/Sports Club       |                             |
| Medical aid / Medication |                             |
| Organization fees        |                             |
| Other                    |                             |
| Subtotals                |                             |

| Livestock / Pets | Est. cost (N\$) |
|------------------|-----------------|
| Food             |                 |
| Grooming         |                 |
| Medical          |                 |
| Toys             |                 |
| Other            |                 |
| Subtotals        |                 |

| Notes |
|-------|
|       |
|       |





year: .....

month: .....

**Financial Literacy Initiative**

|   |  |
|---|--|
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| Maintenance / Repairs  |                             |
| Mortgage / Rent        |                             |
| Phone bill (land line) |                             |
| Supplies               |                             |
| Waste removal          |                             |
| Water                  |                             |
| Other                  |                             |
|                        |                             |
| Subtotals              |                             |

| Transportation  | Est. cost (N\$) - per month |
|-----------------|-----------------------------|
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| Fuel            |                             |
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| Other                    |                             |
|                          |                             |
| Subtotal                 |                             |

| Food       | Est. cost (N\$) - per month |
|------------|-----------------------------|
| Dining out |                             |
| Groceries  |                             |
| Other      |                             |
|            |                             |
| Subtotals  |                             |

| Family & Children       | Est. cost (N\$) - per month |
|-------------------------|-----------------------------|
| Clothing                |                             |
| Lunch money             |                             |
| Family members support  |                             |
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| Presents (Birthdays...) |                             |
| Toy / games             |                             |
| Transportation          |                             |
| Other                   |                             |
|                         |                             |
| Subtotals               |                             |

| Personal Care            | Est. cost (N\$) - per month |
|--------------------------|-----------------------------|
| Cleaning                 |                             |
| Clothing                 |                             |
| Hair / nails             |                             |
| Health/Sports Club       |                             |
| Medical aid / Medication |                             |
| Organization fees        |                             |
| Other                    |                             |
|                          |                             |
| Subtotals                |                             |

| Livestock / Pets | Est. cost (N\$) |
|------------------|-----------------|
| Food             |                 |
| Grooming         |                 |
| Medical          |                 |
| Toys             |                 |
| Other            |                 |
|                  |                 |
| Subtotals        |                 |

|              |
|--------------|
| <b>Notes</b> |
|              |
|              |



year: .....

month: .....

**Financial Literacy Initiative**

|   |  |
|---|--|
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| Mortgage / Rent        |                             |
| Phone bill (land line) |                             |
| Supplies               |                             |
| Waste removal          |                             |
| Water                  |                             |
| Other                  |                             |
| <b>Subtotals</b>       |                             |

| <b>Transportation</b> | Est. cost (N\$) - per month |
|-----------------------|-----------------------------|
| Bus / Taxi            |                             |
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| <b>Subtotal</b>          |                             |

| <b>Food</b>      | Est. cost (N\$) - per month |
|------------------|-----------------------------|
| Dining out       |                             |
| Groceries        |                             |
| Other            |                             |
| <b>Subtotals</b> |                             |

| <b>Family &amp; Children</b> | Est. cost (N\$) - per month |
|------------------------------|-----------------------------|
| Clothing                     |                             |
| Lunch money                  |                             |
| Family members support       |                             |
| School fees                  |                             |
| School supplies              |                             |
| Sports club / society        |                             |
| Presents (Birthdays...)      |                             |
| Toy / games                  |                             |
| Transportation               |                             |
| Other                        |                             |
| <b>Subtotals</b>             |                             |

| <b>Personal Care</b>     | Est. cost (N\$) - per month |
|--------------------------|-----------------------------|
| Cleaning                 |                             |
| Clothing                 |                             |
| Hair / nails             |                             |
| Health/Sports Club       |                             |
| Medical aid / Medication |                             |
| Organization fees        |                             |
| Other                    |                             |
| <b>Subtotals</b>         |                             |

| <b>Livestock / Pets</b> | Est. cost (N\$) |
|-------------------------|-----------------|
| Food                    |                 |
| Grooming                |                 |
| Medical                 |                 |
| Toys                    |                 |
| Other                   |                 |
| <b>Subtotals</b>        |                 |

| <b>Notes</b> |
|--------------|
|              |
|              |

# FLI PLATFORM PARTNERS

- Aflatoun Child Social and Finance Education
- Agribank
- Bank of Namibia
- Bankers' Association of Namibia
- Bank Windhoek
- Development Bank of Namibia
- Fides Bank Namibia
- Fides Microinsurance Initiative Namibia
- First National Bank of Namibia Ltd.
- Government of Republic of Namibia
  - Ministry of Education
  - Ministry of Finance
  - Ministry of Justice
  - Ministry of Trade and Industry
- Investment Managers' Association Namibia
- Kongalend Financial Services
- Life Assurers' Association of Namibia
- Medical Aid Fund Administrators Forum
- Micro Lenders' Association of Namibia
- Namibia Association for Medical Aid Funds
- Namibia Business Innovation Centre
- Namibia Chamber of Commerce and Industry
- Namibia Competition Commission
- Namibia Consumer Trust
- Namibia Insurance Brokers Association
- Namibian Employers' Federation
- Namibian Financial Institutions Supervisory Authority
- Namibian Financial Sector Charter
- Nam-Mic CellCard
- Nam-Mic Financial Services
- Namibia Post
- Nangof Trust
- National Planning Commission
- National Union of Namibian Workers
- Ndapunikwa Investments
- Nedbank Namibia
- Retirement Funds Institute of Namibia
- SMEs Compete
- Standard Bank Namibia



## FinancialLiteracyInitiative

### About the Financial Literacy Initiative

The Financial Literacy Initiative (FLI) is a national platform to enhance financial education for individuals and micro-, small- and medium sized enterprises. More than 30 platform partners from the Namibian public, private and civil society sector strive to address the needs in the area of financial literacy and consumer protection in a coordinated effort. The FLI was initiated by the Ministry of Finance in 2009 with support of the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ).

### What is financial literacy?

We understand financial literacy as the ability to make informed judgements and take effective decisions regarding the use and management of money and the knowledge and skills passed on by financial education. This involves the following:

- Managing personal and business finances – planning, budgeting, saving and making financial decisions
- Choosing financial products and services – knowing what financial services or products are available e.g. savings accounts, house loans, insurance products etc.
- Knowing the different types of financial institutions in Namibia e.g. banks, insurance houses, medical aid societies, etc.
- Knowing one's rights as a user of financial products and services as well as knowing where to go for financial advice in the event of a query or dispute.





**FinancialLiteracyInitiative**

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or [info@fli-namibia.org](mailto:info@fli-namibia.org)



**giz**