

Promoting Financial Education among project members of Shakti Foundation

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Overview of Shakti Foundation

- Shakti Foundation (Shakti Foundation for Disadvantaged Women) was established in April 1992. At present Shakti Foundation has membership of **140,000 women under 83 branches in 12 district of Bangladesh.**
- Four programs are being implemented :
 1. **Urban Credit Program (UCP)**
 2. **Business Development Services (BDS)**
(Financial literacy training)
 3. **Health Program**
 4. **Gender Program**

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Mission statement of Shakti Foundation

“Socio-economic empowerment of poor and disadvantaged women in the urban areas of Bangladesh”.

Importance of Business Development Service (Financial literacy training)

- **To assess the risk of losing business in the competitive business environment.**
- **To retain control over business from males in the family as the business scale up.**

Objectives of Business Development Service (Financial Literacy) Program

- **Provide basic idea about profit and loss**
- **Make projections and planning for business expansion**
- **Enable women to retain business and keep control of it as the businesses expand. This is considered as a precondition to economic empowerment of the members of the organization**

Framework of the Program

- **With the first loan member will take business management training and with every repeat loan she will take refresher training.**
- **Trainer (kendra trainer & BDS Committee member) will provide training in the kendra after meeting (for level – 1) or within organization (for level – 2 & 3).**

Business Management Training : Level 1

- Given to business women with small loans (i.e. general loan up to US \$250 to start a business)
- Training time: One hour
- **Lesson 1 : Importance of the training**
- Main lessons:
 - women must be self employed and do the business herself,
 - must have market information, and
 - keep regular accounts in accounts register

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Business Management Training : Level 1

- **Lesson 2: Business Plan**
 - Knowledge about business,
 - capital for business,
 - Market for product,
 - whether business will be profitable and
 - capability to take risk
- **Lesson 3: Keeping accounts in Accounts Register**
 - Preliminary training on profit and loss statements. The use of P & Ls will improve with practice as she will have to keep the accounts register regularly updated to access further loans.

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Business Management Training: Level 2:

- The lesson will be given in organization's training facility. Women who apply for business loan i.e upto U.S.\$ 740 will take this training
- Training time : 2 half days
- **Lesson 1: Importance of the training**
 - re-interaction of the learning from level 1

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Business Management Training: Level 2:

- **Lesson 2: Business Plan**
 - Extension of lesson 2 of level 1, adding a risk-taking capacity evaluation.
 - Detailed discussion and video will be used for visual impacts.
- **Lesson 3: Keeping accounts in Accounts Register**
 - Further training on Profit & Loss statements, and account payables and receivables.

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Business Management Training : Level 3 (advanced course) :

- Detailed training course as the participants will be experienced business women who have expanded their businesses to substantial scale and volume.
- Women who apply for small enterprise development loan i.e. more than U.S.\$ 740 will take this training
- **Training time: 3 half days**
- **Lesson 1 : Importance of the training**
 - re-interaction of the learning from levels 1 and 2, plus introduction of business profile

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Business Management Training : Level 3 (advanced course) :

- **Lesson 2 : Business Plan**
 - Extension of discussion from level 2
 - Detailed conversation and video
- **Lesson 3: Accounting**
 - receipt and payment accounts
 - accounts for sale on credit
 - asset liability statement.
- **Lesson 4: Preparation of Business Profile**
 - objective of business profile: evaluation tool for loan officers

Sets of Trainer

Level -1

- Kendra Trainer (peer) from each kendra will provide training after weekly kendra meeting for level 1.

Level – 2

- BDS committee member trainer (also peer) selective members from various project area will provide this training for level 2.

Level – 3

- Program staff trainer will provide training for level 3 which is more advanced than other two levels.

Monitoring of application of Training

- Kendra trainer will check and sign account register in every kendra meeting for level – 1 and kendra prodhan for level – 2, and field staff for level - 3.
- Before new loan, member must show account register (signed by kendra trainer or kendra prodhan) to field staff. Field staff will write “She can apply for loan” and sign register for level – 1 & 2.

Continued monitoring of application of training

- Before loan disbursement Branch manager will check and write “**applicant has maintained register**” on register, if the register is signed by trainer and field staff for all level of training.

Sustainability of the program

- Human resources will be developed at the community level by building up community women as trainer.
- Financially the program may also be sustainable for a micro finance institution because the members will be asked to pay for the training to cover the training cost.



Thank you