



10a

Workshop financial literacy: Business budget

Competence covered

Taking initiative; planning and management; working with others; coping with uncertainty ambiguity and risk; mobilizing resources; financial and economic literacy.

Aim of the tool

Being able to understand how to define and set financial goals prior to starting a business by making a draft of a financial plan for the business idea. An initial tool to understand the financial part of being an entrepreneur, and understand if their business idea can work financially. In this workshop the individual will practice to make an easy, starting budget for a future business.

Timing

45-60 minutes.

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Description / How does it work?

Description:

This workshop is oriented to adult migrants (20-50) that have a business idea and have some idea on how to estimate the price and cost of their product/service, have ideas about marketing options, competitors and the financial setting of the market they want to enter.

How does it work?

The trainer explains the basic parts of a business budget presented below, what they mean, different options in each of them. The group or individual first answers a set of questions on a part, connected to their business idea. They then fill in budget templates for each part, and answer a set of questions based on the financial template. This will allow them to estimate and evaluate how much money their business idea needs and at what financial stage they are today.

Parts of a business budget

- 1: pricing
- 2:sales budget
- 3:marketing budget
- 4: start budget

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1: Pricing

Pricing is about the difficult art of setting the right price of your products/services. The right pricing is a key success factor for your business.

Purchase cost/ other costs:

Answer the following questions, preferably in writing:

- What is the cost of your product/service in purchases and/or costs incurred until it is ready for sale?
- What other costs do you think your business will have? Rent? Salary? Staff? Electricity?
- What income do you have in mind per month? Per year?
- How much do you need to charge for your product/service, for you to get the income you have in mind?
- What do you think customers are prepared to pay for your product/service?
- What is the cost of equivalent/similar products/services with competitors?

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2: Sales Budget

Try to make a sales budget for a year! Consider any seasonality when budgeting sales monthly. Some months may be worse than others and some better, such as during holiday seasons, or the christmas month. Sales in the first few months can also be a bit sluggish. It doesn't matter if you are right or wrong with the numbers, it is important you make an estimation! Expected sales: how many products do you think you can sell per month?

Sales - Costs = Profit!

Month	Jan	March	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
Expected Sales											
Expected Costs											
Profit											

P.S. When you start your business you will also have to consider costs of VAT and taxes. Make sure to be aware of those in your local market.

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**Marketing
budget**

What is a marketing budget? It is very important that you introduce your business to the market! It's about getting an attention value that allows customers to find you.

The marketing plan – question

How do you plan to promote your business in the first year of operation? Be realistic in your marketing plan – it takes time to become known and established!

Will you sell your services and/or products?

How much can you invest in marketing?

Where will you promote your business?

Do you need a website for your business?

Social media and social media campaigns?

Are you planning on exhibitions to promote your business? Word to mouth? Articles/newspapers?

Remember to use your network in marketing! Find out how much each activity costs to complete. Write it into the budget! Write down month by month what different activities and actions you intend to use.

Sales - Costs = Profit!

Month	Jan	March	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
Expected Sales											
Expected Costs											
Profit											

P.S. When you start your business you will also have to consider costs of VAT and taxes. Make sure to be aware of those in your local market.

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Introduction: Considering the above mentioned costs, **Start budget**
You can now make an estimate of how much capital
You need before starting up your business. The start budget
calculation is divided into the amount of investments (costs)
you need to cover when starting your business and the
capital you have.

Investments can be: Inventory, office, tools, devices,
electricity, website, marketing, etc.

Capital can be: A working capital (savings), loans, financing.

Questions:

What investments do you need to make to open your
business?

How much working capital (savings) can you invest into your
business in the beginning?

Are you going to loan money for the business?

Are you going to seek financing? Where?

Start budget:

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Workshop financial literacy: Buisness budget

Start budget

Investments	Cost
Office/rent	
Tools/ Machines/ Production	
Inventory/Computers/ furniture	
Marketing	
Other costs	
Sum of investments	

Capital	Amount
Working capital (savings)	
Loan	
Financing	
Other capital (part time job, other income)	
Sum of capital	

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Workshop on financial literacy: Business budget

Questions to answer/ discuss after exercise:

Do your investment costs match your capital amount?

Do you have more investment costs or more capital?

This will determine if you are financially ready to open your business.

Evaluation/ Discussion after workshop:

Do you have a good understanding of how much money you think you will make per year vs what you will need to invest per year in your business?

Do you have a good understanding of how much your marketing will cost you?

Do you have a good understanding of how much starting capital you need and what investments you need to pay for?

Are you financially ready to open your business? If not, why?



10b

Workshop on financial literacy: game

Competence covered

Financial and economic literacy; taking initiative; planning and management; coping with uncertainty, ambiguity and risk; mobilizing resources

Aim of the tool

Improving own confidence in everyday financial operations

Timing

120 minutes – it depends on the number of videos showed, on the number of games played, and how much the trainer wants to address the final reflection

10b

Workshop on financial literacy: Game

Description

The workshop is oriented to adult migrants (aged 20 - 50) with different status of employment, and aims to improve their confidence in everyday financial operations with the help of a financial game.

Workshop on financial literacy is a flexible activity and the implementation can be tailored to meet the level of skills of the learners and the trainers.

How does it work?

The trainer has to find and prepare some YouTube videos (related to financial lessons), paper/printouts, pens, and decide on the financial literacy game that will be offered to the learners during the workshop.

Video examples:

<https://www.youtube.com/watch?v=swXHv0khiWY>

<https://www.youtube.com/watch?v=q5JWp47z4bY>

<https://www.youtube.com/watch?v=4j2emMn7UaI>

It is important that the trainer clearly explains the activity, is patient (since learners can have different level of IT skills), makes sure there is enough time to explain and discuss the subject and use different teaching channels (videos, audio, printed material).

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10b Workshop on financial literacy: Game

The workshop itself is divided into 5 parts.

Learners watch some short videos to better understand the topic, they are given some materials in advance, which explain the basics of the financial field (what it is, why is knowing how to manage money important in everyday life, what are the taxes, why we must pay bills, purpose of banks, etc).

Part 1:

After every introduction of the subject (budgeting, banking, loans/credit cards, shopping, etc), participants explain/share their experiences with managing money and knowing the financial matters.

Part 2:

The trainer shows learners a financial on-line game (e.g. related to budgeting, saving, loans, such as "The budget game") and explains the rules. Link to some games:

Part 3:

<https://natwest.mymoneysense.com/students/students-8-12/the-budget-game/>

<https://natwest.mymoneysense.com/parents/games-interactive/starting-a-business-uk/>

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Workshop on financial literacy: Game

Learners play the game.

Part 4:

The session is finalized by a discussion of the observations made in the process of playing, and how those can be related to participants' real-life setting.

Part 5:

This is a new version of the tool we implemented on the basis of our needs.

Source: Erasmus+ project FLIP IDEAL - Flipped Learning in Adult Education - KA2 strategic partnership project in adult education (2018-2020)- <https://www.flipideal.org/>

10c

Workshop on financial literacy: Party budget

Competence covered:

Financial and economic literacy; taking initiative; motivation; planning and management; coping with uncertainty, ambiguity and risk; mobilizing resources.

Aim of the tool:

Being able to understand how to define and set financial goals for organising a class party. This is an initial tool to understand the financial part of planning an event and if the party idea can be financially implemented in reality. In this exercise the individual will practice to make a budget for a class party

Timing:

30 min

Description:

The exercise is intended for adult migrants (group of 8-15) who have no or very limited knowledge about the financial aspects of a business.

How does it work:

The trainer explains that each small group will create a financial plan for a class party (a party they will organize for this class they are attending). The instructor also presents basic parts of party budget planning. The group first comes up with the idea for the party, then fill in the tables for planning the costs and revenues. At the end each group shortly presents their party plan.

10c

Workshop on Financial literacy: party budget

Let's plan a class party!

1st step:

Create your own idea for a class party. Will it be a dinner party? Maybe a theme party? A party with an element of surprise? Or an end of school year party?

2: Costs and revenues:

Cost is an amount that has to be paid or spent to buy or obtain something.

Think about the following questions:

Which costs do you think will occur for the organisation of the party?

Do you plan to spend money for the promotion of the party?

How much will you spend for the organization of the party?

Create a cost sheet – think about the types of costs and estimate the amount in €.

<u>Type of cost</u> (e.g. rent catering band promotion gifts)	<u>Cost in</u> €.
<u>Total:</u>	

Workshop on financial literacy: party budget

Revenue is an income, the payment you get in order to cover the cost and gain profit.

Think about the following questions:

- How will you get the money (or the things you need? Who can help you with that?
- Do you plan to make a profit at the end?
- How can you avoid having a loss at the end?
- Are party guests ready to pay for the party? Or do you plan that there will be no entrance fee?

Create a revenue sheet – think about the types of income you can get for organizing the party and estimate the amount in eur

<u>Type of revenue</u>	<u>Amount in euro</u>
<u>total</u>	

<u>Cost – revenue = Profit + / Loss -</u>	
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Workshop on financial literacy: party budget

When the exercise is finished the trainer invites participants to shortly reflect on the exercise and answer a few questions.

Self-assessment for participants

Think about the exercise and how it was for you. Please indicate to what degree you agree with the following statements, using this scale:

- 1 – totally disagree
- 2 – rather disagree
- 3 – rather agree
- 4 – totally agree

I was able to actively participate in developing the idea for the party

1	2	3	4
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I was able to identify the costs for organizing the party.

1	2	3	4
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Workshop on financial literacy: party budget

I was able to identify the revenues for organizing the party.

1	2	3	4
---	---	---	---

I was able to actively participate in planning and estimating the cost and revenues for the party.

1	2	3	4
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I showed the strenghts of leadership during the exercise.

1	2	3	4
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I showed the strenght of creativity during the exercise.

1	2	3	4
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Workshop on financial literacy: Party budget

Evaluation grid for the trainer

- 1 – Totally disagree
- 2 – Rather disagree
- 3 – Rather agree
- 4 – Totally agree

Participants were able to come up with party ideas

1	2	3	4
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Participants were able to identify the costs for organizing the party.

1	2	3	4
---	---	---	---

Participants were able to identify the revenues for organizing the party.

1	2	3	4
---	---	---	---

Additional comments/feedback about the activity and participation of the women:
