

## Lesson 2: The Three Jars Method – Separating Needs, Wants & Savings

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### Objective:

To teach rural women a simple and visual budgeting method using three categories—**Needs**, **Wants**, and **Savings**—to prioritize spending and avoid unnecessary expenses.

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### Why It's Important:

Many families mix spending for essentials with spending for fun or festivals, and then realize there's nothing left to save. By clearly separating types of spending, women can take better control of their finances and reduce money stress.

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### The Three Jars Method – Simple Budget Buckets

Imagine three jars (or three envelopes, or marked tins):

Jar	Use For	Typical Examples
<b>Needs</b>	Must-haves to survive and run the home	Food, cooking fuel, medicines, school fees
<b>Wants</b>	Things for comfort, celebration, or pleasure	Sweets, jewelry, phone recharge, new clothes
<b>Savings</b>	Future security and emergency needs	Emergency fund, festival savings, child fund

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### How to Use:

Let's say a woman earns ₹9,000/month. She can divide it like this:

- **60% Needs** → ₹5,400
- **25% Wants** → ₹2,250
- **15% Savings** → ₹1,350

Adjust percentages based on family needs—but **Savings should always be a priority**, not what's left over.

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### Sample Spending Plan with 3 Jars

Category	Actual Items	Amount (Rs.)
<b>Needs</b>	Groceries ₹3,500 + Gas ₹500 + School ₹1,000	₹5,000

Category	Actual Items	Amount (Rs.)
<b>Wants</b>	TV recharge ₹300 + sweets ₹200 + dress ₹1,000	₹1,500
<b>Savings</b>	Emergency jar ₹800 + daughter fund ₹700	₹1,500

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### **Group Activity: Jar Demonstration**

- Bring 3 jars or tin boxes with labels: Needs, Wants, Savings.
  - Hand out paper money or tokens to participants.
  - Let them “spend” into the jars based on their family situations.
  - At the end, review how much they saved vs. spent.
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### **True Story:**

**Asha**, a farm worker, always ran out of money by the 20th of each month. After learning the three-jar method, she started using separate envelopes. In 6 months, she saved ₹9,000 and bought a bicycle for her daughter’s school commute. “Earlier I used to spend everything. Now I feel proud,” she said.

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### **Discussion Questions:**

- What is the biggest “want” expense in your house?
  - Can you reduce it to save more?
  - Who decides how money is spent in your home—can you share this method with them?
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### **Homework:**

Ask women to create 3 boxes or jars at home and track spending in each for one week. Next session, ask:

- How easy or hard was it?
  - Which jar filled up fastest?
  - Any surprises?
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### **Trainer Tip:**

Use local language and everyday objects (plastic jars, cloth bags) for the demo. Ask women to decorate jars with their children to involve the family.

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✅ **Key Message:**

“When you know the difference between **need** and **want**, your savings will grow like a planted seed.”