



Trainers Training on 360 Degrees Financial Literacy for Credit Union Members

... Your money, your life, and the future of the generations to come

January 23-29, 2011

INTRODUCTION

“Credit Unions must not confine themselves to granting loans. Their main objective should be to control the use of money, to improve the moral and physical values of people, and their will to act by themselves,” F.W. Raiffeisen.

The statement was clear that credit union’s mission is to enable its members gain financial independence. In order to achieve financial independence, members must be able to take right financial decisions. Financial literacy allows people to increase and better manage their earnings—and therefore better manage life events like education, illness, job loss, or retirement. A compelling body of evidence demonstrates a strong association between financial literacy and household well-being.

The pressing need for improved financial literacy on credit union members is of vital importance due to the deterioration of personal finances and the proliferation of new, and often complex, financial products that demand more financial expertise of consumers. The financial illiteracy of members has also tremendous consequences in the institution level (credit union) such as non-payment of loans resulting to high delinquency, low profit, unable to increase institutional capital and negative image.

Financial literacy - the ability to process financial information and make informed decisions about personal finance - has received growing attention in the developed world and, recently, in the developing world, as a potentially important determinant of household that demonstrate low levels of financial literacy are those that tend not to plan for retirement, borrow at high interest rates, and acquire fewer assets. This has led policymakers ACCU to advocate on financial literacy education at the credit union level, in hopes of increasing household savings, with the ultimate goal of reducing poverty and improving welfare.

The education delivered by credit unions, unfortunately does not include topics dealing with financial literacy such as the basic financial principles (budgeting and cash management), debt planning, retirement planning, investing, college funding, insurance planning, and estate planning. The education delivered in various settings, includes the history of cooperatives (international and local), principles of cooperatives, cooperative laws, services of the credit union, responsibilities of members, credit union Board and management, and finally - the most awaited topic – how to obtain loan. Generally, members are sitting for a half day pre-membership seminar in the hope for loan entitlement. The types of training provided by credit unions send a different message – credit union is the place to get easy credit.



Lessons that can be learned from the current global financial crisis could be enumerated as recklessness, greed, ridiculous lending standards, the disappearance of risk managements and so on. Nevertheless, looking at the recipients of credit – unquestionably they are the people who lack the basic financial skills – not being able to make the right financial decisions. Members of credit unions are also making bad decisions in choosing the right products for them. They usually end up in financial trouble instead of hopping into the road to financial independence.

ACCUCOOP considers that the best approach is to educate credit union members and potential members. A financially literate membership of credit unions is key to credit union success and fulfillment of its original mission.

This training is designed to train national federation trainers enabling them to train credit union staff enabling them to carry out financial literacy program for members and potential members. The training also introduces a training manual that will set the tone for standard financial literacy education in Asian credit unions.

OBJECTIVES

The objective of the training is to introduce a training course to the National Federation to train the training staff of credit unions.

After attending the program, the trainers will be able to:

- Agree and internalize the Credit Union Mission: Helping People Help Themselves
- Analyze the credit union products and services as solutions to members financial problems or needs at every stage of life
- Learn the language of wealth creation and apply the tools in creating wealth
- Articulate the rules of personal financial management
- Generate practical ways to save money
- Demonstrate the need for an emergency fund for every member
- Establish ways to build wealth of members
- Inspire members to plan for their life stages
- Build skills in creating his/her own budget and transfer the same skills to other trainers

SUBJECT AREAS

1. Credit Union Mission: Helping People Help Themselves
2. Gaining financial independence



3. Credit Union Products and Services: Offering Financial Solutions to Members Financial Problems/Needs at Every stage of Life
4. Learn the Language of Wealth Creation
 - How much am I worth today?
5. The Rules of Personal Financial Management
6. Ways to Save Money
7. Why do you need an Emergency Fund?
8. Building Wealth
9. Planning for Life Stages
10. **Family Budgeting:** Developing a Financial Road Map for Members

PARTICIPANTS

The training will be attended by the training officers of ACCU member organizations. The participant must possess good command of spoken and written English and with at least 3 years experience in organizing credit unions or conducting credit union/community training. The participant must also be willing to serve the Federation for the next three years. The number of participants will be limited to 30.

METHODOLOGY

Participatory methodology will be used to achieve the objectives of the training. Lectures, group discussions, role plays and field visits will be used during the training.

DATE AND VENUE

The 4-day residential training will be organized at Dynasty Hotel, Bangkok, Bangkok, Thailand on January 23-29, 2011.



COST OF ATTENDANCE:

ACCU is offering the course in partnership with the Canadian Co-operative Association (CCA). The accommodation, meals and training materials will be covered by the program for qualified participants from member organizations. The regular members will be given priority while other members can be accommodated if slot is available.

IMPACT OF THE TRAINING

- ACCU member organizations will have 30 trainers to integrate technical assistance and training to credit unions on Financial Literacy
- The trainers will have to train at least another 5 trainers (150)
- The national federations will have a training module for Financial Literacy
- Prepare action plan to train at least 360 credit unions reaching at least 108,000 members



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Daily Schedule

Sunday, January 23		
13:00 – onwards	Arrival of participants	
Monday, January 24		
08:30 – 10:00	Orientation of the Program – Objectives, Logistical Arrangements, Introduction of Participants	
10:00 – 10:30	Coffee Break	
10:30 – 12:00	Credit Union Mission: Helping People Help Themselves - Gaining financial independence	
12:00 – 13:00	Lunch Break	
13:00 – 15:00	Credit Union Products and Services: Offering Financial Solutions to Members Financial Problems/Needs at Every stage of Life	
15:00 – 15:30	Coffee Break	
15:30 – 17:00	Learn the Language of Wealth Creation and Exercise – How much am I worth today?	
18:00	Reception Dinner	
Tuesday, January 25		
08:00 – 08:30	Management Team Reporting	
08:30 – 10:00	The Rules of Personal Financial Management	
10:00 – 10:30	Coffee Break	
10:30 – 12:00	Continuation: Rules of Personal Financial Management	
12:00 – 13:00	Lunch Break	
13:00 – 15:00	Ways to Save Money	
15:00 – 15:30	Coffee Break	
15:30 – 17:00	Why do you need an Emergency Fund?	



Wednesday, January 26		
08:00 – 08:30	Management Team Reporting	
08:30 – 10:00	Building Wealth	
10:00 – 10:30	Coffee Break	
10:30 – 12:00	Planning for Life Stages	
12:00 – 13:00	Lunch Break	
13:00 – 15:00	Family Budgeting: Developing a Financial Road Map for Members	
15:00 – 15:30	Coffee Break	
15:30 – 17:30	Exercise: Develop Your own Financial Road Map	

Thursday, January 27		
08:00 – 17:00	Trainers Presentation (Practice of the module topics)	
	Note: the training manual includes training tools. The training would ensure the participants are able to use these tools effectively in their training.	
Friday, January 28 – Credit Union Visits and Closing Program		
8:30 – 17:00	Credit Union Visits	
18:00	Closing Program - Dinner	
Saturday, January 29		
08:00 – onwards	Departure	