

Micro Credit & Money Management Training

Prepared & presented by Every Child Ministries

Thanks to Sherill Garth for her substantial help.

Seek God's wisdom & help.

It is God who gives us power to create wealth (Deut. 8:18). We do not need to try to do it on our own. Seek His wisdom & help daily (James 1:5). (BEGIN BY SEEKING HIS WISDOM RIGHT NOW.)

Understand the difference between Loans and gifts or grants

A gift or grant—

Given to you—you keep it

No repayment

May be given for certain purposes, should be spent only for those purposes

A loan—

Needs to be repaid

May be repaid gradually (Demonstrate this with a skit. Person receiving the repayment also records it in writing.)

Loan maker may or may not charge interest

Interest is adding a certain % to the amount you owe

Loan recycles money to help many people

Loan helps you and enables you to help others. (Demonstrate this in a skit.)

What are you getting—a gift or a loan? & why?

20 cedis & cloth was a gift. 20 cedis to be used to sew the cloth.

(Skit showing someone who used 20 cedis to sew cloth & someone who didn't.)

Further help with their business is a loan.

What do you have to do with a loan? (Pay it back.) Repeat rhythmically.

WHY do you have to repay? (To help other people.) Repeat rhythmically.

Keep accurate records

Accurate records are important

Accurate records enable you to know if you are making a profit.

(Skit of someone who wants to set aside their tithe, but they don't know how much they made.)

Accurate records help you know how much you need to keep back to reinvest in your business.

(Skit of someone who is selling bowls. They go back to buy more bowls but they don't have enough money to do it. They didn't keep back enough because they didn't have good records.

Accurate records help you think about how to make more money.

(Skit of someone who is at an interview. They want to make more money, but they have no idea what they are spending now.

Accurate records help you plan for the future & expand your business.

(Skit of someone who is analyzing their records with the help of a friend who can read well. She sells small bowls and is thinking about adding large bowls as well.)

Accurate records keep you from getting cheated.

(Skit showing someone getting cheated, getting fewer items than they ordered because they didn't keep a record of what they ordered.)

Accurate records help you repay your loan on time so that you develop good credit.

(Skit showing someone repaying a loan, but the lender is very angry because they are late, and threatens never to loan to them again.)

Accurate records help you know how much to give to God.

How to keep accurate records

Write everything down—BEST!

Have someone else help you write it down.

Remember it.

Discuss—what do they do right now, & how is it working? What is needed in order to help them keep more accurate records?

Income--Sales per day

Expense

Cost per item

Replacement cost

Misc. supportive costs (transport, etc.)

Loan repayments

Reinvesting & expanding your business gradually

Diversify product line—what more can you offer along the same line as what you are doing?

How to calculate profits and losses

Income – costs = profit

When costs are more than income, you are losing money.

How to budget funds

Income

Set aside for reinvesting to replenish your products, pay your rent or permit or other regular expenses.

What's left is profit. Use it with God's guidance for:

Tithe-God's one of ten

Reinvesting for growth

Personal & family needs

Personal & family wants

Honor God with your finances

All we have is His & we are His stewards or caretakers (I Chronicles 29:14, Ps. 89:11, 1 Cor 4:2)

Give Him the firstfruits (Exodus 23:19, Proverbs 3:9)

First—pay God before anyone else, out of your profit.
Begin with a tithe—one out of ten (Malachi 3:8-10) of profits.

Give proportionately (1 Cor 16:2)

As God blesses you with more, you give more

Give in a planned manner (1 Cor 16:2, 2 Cor. 9:7)

Set aside every week what you will give to God

Give cheerfully (2 Cor 9:7)**Use all your funds wisely as a faithful steward.**

(All your funds—not just the ‘one out of ten’ that we give back to God.
We are stewards, responsible to use God’s resources & accountable to Him for everything He lets us use.

How?

Meet responsibilities first—personal and family (Eph. 4:28)

Understand the difference between a need and a want. (1 Tim. 6:8)

Prioritize needs & wants (1 Tim. 6:8)

How much will it make our lives better?

For how long will it make our lives better?

Avoid waste (Jesus had them take up the scraps after He fed the multitude, John 6:12-13). Fully use all that God gives you.

Avoid debt as a way of life (Rom. 13:8, Prov. 22:7).

You may need a loan for getting started in business or for some big purchases. You should not be in debt to many people or be always seeking loans. You should work to pay off your loans as soon as you possibly can. You should not be in debt all your life.

Deal prudently with creditors (Luke 12:58-59) Settle your accounts quickly.

Develop your Marketing skills

Open your mind to new possibilities

Brainstorm how many different kinds of businesses could meet community needs in this area. Someone writes them on the board and groups them by the kind of business. Go through each group of businesses as a group of women and think of other varieties of the same thing. Finish by praying together that God would open our minds to new possibilities and help us to develop businesses that not only meet the needs of our families but are also a service to the entire community.

Choose a business

What community needs has God laid it on your heart to fulfill?

What skills and gifts has God given you? What are you good at? What do you enjoy doing?

A good business choice matches peoples' needs with your talents & giftings

Who will your competitors be?

Where are they?

How strong are they?

What are their strengths?

How can you distinguish yourself?

Choose a place to work

Where is your service needed?

What permissions are needed in order to work there?

What resources are needed in order to work there?

Develop your clientele

How much aggressiveness is needed in this business?

Your attitude helps

Attitude is shown by: smile, body language

Choice of words, tone of voice

Friendliness, cheerfulness

Willing service to others

(Ask some of the women to demonstrate using their business as an example & let the others critique them.)

Your cleanliness & dress helps

Discuss—how you would be affected as a client if you were buying beans from someone who looked dirty and stinky.

A spirit of thankfulness helps

Honesty & dependability are essential

Deliver a quality product or offering your best work is vital

(Discuss: How could they offer a better quality product?)

(Discuss: In food operations, how does the cleanliness of the dishes affect the business?)

Evaluate your progress & planning for improvement

Invest in training

What are you investing? (Time, effort)

Face difficulties and seek God for answers to problems

Evaluate whether you need to steady your course or change course.