

CASH MANAGEMENT

A handbook for trainers



Estate and Urban
Health Unit



MINISTRY OF
HEALTH

ADIC
Association of District Instructors of Civil Society



Scaling up Nutrition
People's Forum

Civil Society Alliance - Sri Lanka

Cash Management : A handbook for trainers

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Preface

Estate & Urban Health Unit is the national focal point of Ministry of Health for promoting health of estate and urban population in the country. Of the total population of Sri Lanka, approximately one million and four million people live in estate and urban sectors respectively. In both sectors more than 50% of people are included either within the low income or lack of opportunities categories. Health status of these people greatly impact the national health indicators. Low birth weight, malnutrition and iron deficiency anaemia are prevalent nutritional problems among estate population. In addition to poor nutritional status, overweight and obesity are more prevalent among urban population. Moreover, high prevalence of non communicable diseases, use of alcohol, tobacco and addictive substances, and mental health problems are other health problems seen among people of both these sectors. Poor dietary practices and life styles are key root causes for these health outcomes among these people.

Lack of knowledge and skills of money management are identified as some of the main reasons for the poor dietary practices and lifestyle factors seen among estate & urban populations. Instead of managing their income to ensure essential needs such as good nutritional status and healthy lifestyles; they spend their hard earned money to satisfy desires. Collectively these dynamics will lead to reduced educational attainment, employability and health. Considering these factors the Estate & Urban Health unit along with the Central Bank, Alcohol & Drug Information Centre (ADIC), other departments of Ministry of Health and Medical Research Institute developed a Cash Management Training Module. This handbook is produced to be used by the trainers of this Cash Management Training Module. Through the trainers, community based organizations and community groups in the estate and urban sectors are expected to be trained. This handbook is written in simple language, for better understanding and will be translated to Sinhalese and Tamil languages. Therefore, it can even be used by the trainees and general public, not only in the two sectors mentioned but also those living in rural sector in Sri Lanka.

We aim to facilitate people to learn the simple steps of cash management given in this book in order to optimally balance their hard earned money between needs and wants. Thereby to have improved nutritional status, prevent from non communicable diseases and have better quality of life.

Estate & Urban Health Unit
Ministry of Health

Acknowledgement

The Estate and Urban Health Unit of Ministry of Health gratefully acknowledges the following partners in developing this handbook for the cash management module. This module would not have been possible without the support of all these stakeholders who contributed at the consultative meetings on this topic and very kindly shared with us relevant material developed and produced by them for inclusion in this book.

Alcohol and Drug Information Centre (ADIC), for sharing relevant information, and communication material printed by them. Central Bank of Sri Lanka for sharing relevant information and books published by them.

Ministry of Health partners, the Medical Research Institution (MRI) and Nutrition Co-ordination Unit which kindly provided nutritious, locally available, low-cost recipes which could be easily made. Family Health Bureau, Health Promotion Bureau, Non-Communicable Disease Unit, Nutrition Division, Mental Health Unit, Offices of PDHS Central & Sabaragamuwa provinces, Colombo University and World Bank also for their inputs.

The Scaling Up of Nutrition People's Forum is appreciated for extending support to design, translate and print this training guide and partnering for future capacity building programs of this module.

This module will be conducted as a training course for master trainers initially and then through master trainers trained to relevant communities at grass root level. Both Central Bank and ADIC will have key roles in these programmes in training respectively on cash management and alcohol, tobacco, substance misuse and cash, together with resource persons from the Ministry of Health. The unstinted support of all these partners is greatly appreciated and acknowledged.

Last but not the least Consultant Community Physician Dr. Amanthi Bandusena is sincerely appreciated for her dedication and effort in making this module a success. Dr Susie Perera the Deputy Director General of Health Services (Public Health II), and Dr. Charles Nugawela, Dr Saseela Subashkaran, Dr. Nadeeja Herath, Mrs. Tharanga Shashikala & Mrs Kumari Ratnayake of Estate & Urban Health Unit are also gratefully remembered for their valuable support rendered in making this a reality.

Dr. Enoka Wickramasinghe

Consultant Community Physician
Estate & Urban Health Unit

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Objectives of the **Cash Management Module**

This module is primarily developed with the objective of achieving significant improvement in nutrition and well-being of more vulnerable segments of the Sri Lankan population, which are the estate and urban low income settlements, through developing their skills on cash management at household level to ensure desirable nutritional outcomes. The content of this module will also be relevant to those living in the rural sector in Sri Lanka.

Household cash management is seen to be poor in many families, resulting in poor access to nutritious foods and poor well-being among them. Cash management is a skill that can be taught and learned. Partners of the Ministry of Health, together with the Central Bank of Sri Lanka and the Alcohol and Drug Information Centre (ADIC) have worked on developing the content of this module, in a multi-sectoral approach to intervene in the malnutrition and Non Communicable Disease burden problems in Sri Lanka.

Key problems faced in household cash management and meeting nutritional needs among these households have been prioritized and addressed in this module following consultative meetings with stakeholders in health and other relevant sectors, together with conducting focus group discussions with these vulnerable communities and health care staff providing services to them.

Key objectives of this module

1 To improve nutrition status and healthy lifestyles among vulnerable populations

2 To reduce expenditure on alcohol, tobacco and drugs in these populations

3 To reduce interest levying activities (loan taking & installment basis purchasing) in these populations

4 To improve saving habits among these populations



Indicators for monitoring and evaluation



SHORT TERM

- Number of cash management Training of Trainer programmes conducted
- Number of training programmes conducted for vulnerable populations
- Number of participants both female and male



MEDIUM TERM

- Percentage of targeted households with reduced expenditure on alcohol, tobacco & drugs
- % reduction in loan taking among targeted households
- % reduction in installment basis purchases made by targeted households
- % increase in food security among targeted households
- % increase of physical activity and exercising targeted households
- % increase in saving among targeted households



LONG TERM

- % reduction of wasting, stunting, among under 5 children
- % reduction of maternal anaemia and low BMI
- % reduction of low birth weight
- % reduction of over weight & obesity
- % reduction of Diabetes Mellitus

Cash Management and Us



What are the benefits of Good Cash Management?

1. We will be able to meet the needs of all our household members
2. We will be able to meet our food and nutrition needs and have at least 3 nutritious meals a day
3. Increase the ability to educate our children until they complete their schooling and further education
4. Give our children the best chance to get good jobs in the future, by ensuring and supporting their schooling, health & nutrition
5. Improved ability to safeguard our health by eating healthy meals, maintaining healthy lifestyle looking after our health needs and having some money put aside for sudden illness
6. Saving even a small amount of money from earnings, to minimize worry about our future expenses
7. To have money for entertainment and to enjoy ourselves within reasonable spending limits for our earnings

We will enjoy life when we know that we have the benefits mentioned above.

Why Cash Management?

Good cash management is extremely important for our welfare and that of our families. Proper cash management will help a lot in improving our happiness, health, wealth and wellbeing. Good money management is not a skill we are born with. It is a skill that we **can learn, practice and improve**, day by day. Personal money management and household level cash management go hand in hand. When the personal money management of the household members is good Cash management at household level is also good.

What is personal money management?

The process of balancing one's individual wealth and income (earnings + other sources of income) with financial needs, desires and goals.

What is household money management?

A collective effort by all members of the household responsible for money handling and looking after the family, to balance their collective wealth and income with expenses, to meet the financial needs, desires and goals of the entire household. This requires

that the entire family works and pulls together to meet their common needs, wants and goals. This requires honest, open discussion and compromise between household members and prioritization of their financial needs, desires and goals.

It must be ensured that **needs are first met**, while wants or desires need greater discussion and prioritization. Both financial needs and wants should be met, while walking on the path to reaching financial goals. The family must ensure that **real needs and goals are not discarded or waylaid in the process of achieving financial desires.**

Classification of Needs (necessities) and Wants (desires)

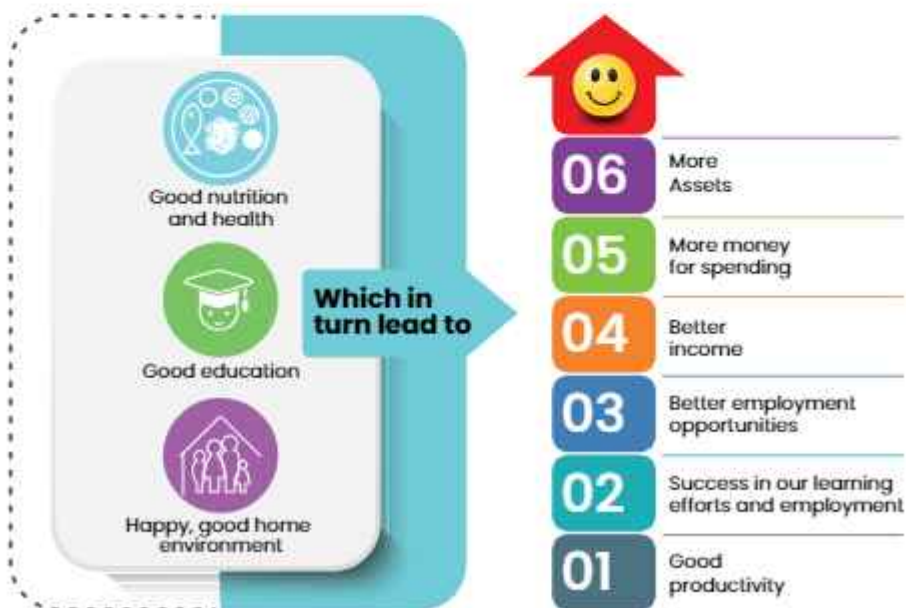


It is very important that we know and understand the difference between needs and wants and apply it to our lives, so that we make sure that all our needs are fulfilled before thinking of getting our wants. This will give us great happiness and peace of mind, when we have the satisfaction of knowing that we have the things that are truly needed for a healthy life free of worry about how we are to meet essential expenses. We must ensure that our needs are met before we spend money on wants.

While meeting our wants is certainly important, it should never be at the expense of needs which should be prioritized in any household (eg : it is not in our interest to spend on a

new dress if we find it difficult to feed our family 3 nutritious meals a day). Sometimes, there may be only one vegetable curry available for the family lunch with rice, with the mother saying they cannot afford a more nutritious diet, but all family members have their own mobile phones! This should not happen. The harm to a family from not meeting nutritional needs is great and ultimately affects their health, productivity and earnings. In meeting wants, it is important to prioritize them. Eg : wants for further education / vocational training and savings for a more secure future (such as a house of your own, when you are now in a house you have to pay rent for) being given a higher place than other wants.

What do we need to grow economically?





Importance of **Good Nutrition**

Why is good nutrition important to grow economically?

Optimal nutrition is a very important contributor to a good foundation for proper growth, development, health, productivity, success and economic growth in life. The benefits of good nutrition start from the time in-utero in the mother's womb, continue through childhood, adolescence, adulthood, middle age, old age and extend until the end of our life.

Good nutrition is obtaining a balanced and healthy diet in adequate amounts and frequency. Appropriate nutrition helps us achieve our maximum growth potential. We will be as tall as we can be. Our weight will be in the best possible range. This will help us to be strong, fit, energetic, productive and free of disease. This will certainly increase our capacity to earn and get better pay for our work.

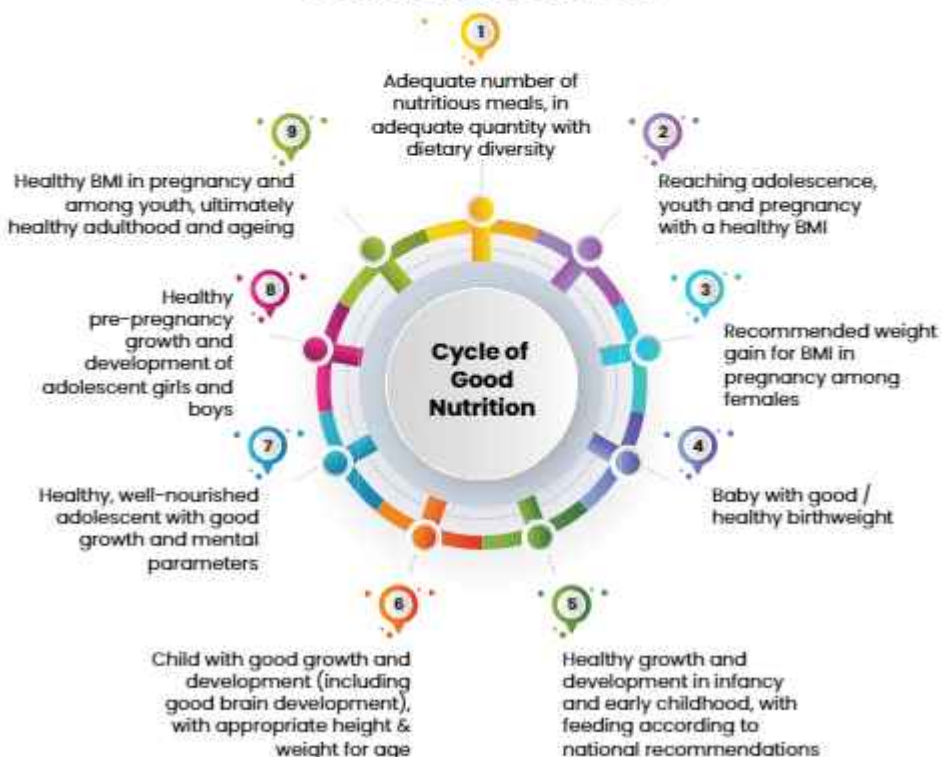
Good nutrition also greatly helps brain development, starting from the foetus in the mother's womb, through infancy, early childhood, later childhood and adolescence. Getting the best possible nutrition

in the first 1000 days of life (from the time of conception through birth to the completion of the 2nd birthday) is of extreme importance to brain and cognitive development for life, and gives great advantages to that person throughout his/her life. Clearly, best possible brain and cognitive development gives any person much advantages to having better chances of academic (learning) success at school, performing well at public examinations and ultimately being more productive and having better opportunities and choices of employment.

Healthy food choices, dietary practices and investing on physical exercises starting from childhood through adulthood, will prevent or control overweight, obesity and non communicable diseases later in life. Physical wellbeing will facilitate psychological and social wellbeing. This will in turn improve efficiency at work, quality of work life and economic stability. So, we can see clearly that prioritizing good nutrition and healthy lifestyles are definitely a good investment for future productivity, employment and ultimately earning capacities of individuals and families.



Cycle of good nutrition, well-being, productivity and strong earning capacity



This cycle which is conducive to best possible health and economic development continues...

Cycle of malnutrition and our finances

When this cycle does not happen like above, due to poor nutrition practices, our health, well-being, productivity and earning capacities are all badly affected.

Being in the best possible state of nutrition for age and sex, greatly helps us in whatever we do throughout life, such as...



Best possible states of nutrition



All above are possible with a foundation of good nutrition

Key elements of good nutrition



Exclusive breastfeeding for the first 6 months of life



Continued breastfeeding for 2 years and beyond Starting complementary feeding at 6 completed months



Protein and iron rich foods to be included daily in diet, with complementary foods and throughout life cycle



Nutritious, locally available foods with good variety taken daily



3 main meals to be taken daily



Good home cooking with minimal ready-made foods being bought from shops



Why do we need **Good Education?**

Benefits of a good education are

01



Good social and leadership skills

02



Good language skills which helps communication, & networking skills & better school exam achievements and future job opportunities

03



Good numeracy skills & logical thinking which is useful for day to day activities, household management, cash management throughout life

04



Team player skill development

05



Opportunity to recognize and develop unique individual skills

06



Better employment opportunities in a multitude of fields



Problems of dropping out of school early

The following problems are more common with early dropping out of school:



Importance of schooling

Attending school daily during term time, learning well and participating actively in school activities give us better opportunities and leadership skills for the future. Free education for the whole schooling period is made available for this reason.

Completing schooling brings much greater financial benefits to the family than stopping schooling prematurely to get early employment. Why? A better and higher paying job can be obtained with higher levels of education.

These are all harmful to any person's health and financial wellbeing. These problems can arise as children who drop out of school early are often left with plenty of unsupervised free time together with no real goal or purpose in what they are doing.



Happy, good home environment

A happy home environment is another foundation for family and household financial success. Where there is no unity and thinking of the welfare of all in the house and domestic peace, there can be no prosperity. Squabbling and household violence is very damaging to all members of the household. Bad habits such as addiction to alcohol, tobacco and drugs often disrupt family harmony and peace. In situations like this, it is very difficult to work together as a household to progress, until these problems are addressed, sometimes with help from outside. Together with disrupting the peace and happiness of the family, these habits are also a great drain on the family's money and also a cause of dispute on money availability for family and household necessities.

The **happiness calendar** is a very useful tool in seeing how happy a family is and what are the factors that are taking away their happiness (eg : not only does alcohol take away our hard-earned money, but also leads to arguments and disrupts peace and happiness in the home).

Places where help can be sought for domestic violence

- Mithuru Piyasa in hospitals
- Sumithrayo -011 267 4436
- Hospitals
- Medical Officer of Health (MOH) Offices
- Suwa sariya 24 hour counseling service - 1999



How do **Alcohol, Tobacco and Narcotics** affect our economy and happiness?



Do we know how much we are spending on alcohol and tobacco?

Alcohol

One fourth of arrack bottle costs about Rs. 360/=

If you drink 4 times per month! It costs Rs. 1,440/=

If you are drinking local arrack daily expenses for that will be Rs. 200/=

If you daily drink it will cost Rs. 6,000/= per month

So, with the money wasted on alcohol we can instead buy many other things which make our lives more comfortable and enjoyable.

Cigarettes

The price of one Cigarette is Rs 65/=. if you use 5 cigarettes per day, you waste;

- Rs 325/= per day
- Rs 9,750/= per month
- Rs 117,000/= per year

So, if free from cigarettes, instead of the money burnt on them we can buy many other things which will improve the quality of our lives.



WHY ARE BAR OWNERS RICH
and
WE ARE POOR?



Why are Bar Owners
and Alcohol Sellers
Very Happy on ?
Our Pay Day

Some of the things we can buy from money saved from alcohol and tobacco



Cost of illicit drug/ narcotic use

Awareness on illicit drug use is a must as though not found often, it is a common problem in certain population pockets, which cause great misery and ruin to not only the user, but the entire family and household. Illicit drug addiction has many costs, among which are

- In many instances, requirement of more than Rs. 2000 per day on drugs
- Addiction to drugs
- Great harm to physical and mental health
- Breaking the law, imprisonment in jail, criminal record
- Loss of family
- Financial ruin

How do loans and installment basis purchases affect our economy?



Loan taking is harmful to our household economy and cash management unless it is for an investment / something that is going to increase our capital/ assets/ cash flow. This is because we are ultimately going to spend more on repaying the loan with added interest.

When households take loans from financial institutions registered under a government regulatory body, they can repay it in the following ways;

Loans on flat rate interest basis

Example : Suppose a loan amount of Rs. 60,000/- is taken from banks or financial institutes supervised by the government/ Central Bank / legally accepted entity, on flat rate interest basis

Loan interest rate per annum 24%
Number of installments 12
Hence, monthly interest 2%

Loan installment (1)	Monthly interest (2)	Monthly total installment (3) = (1 + 2)
$60,000 / 12 = 5000/-$	$60,000 \times 2\% = 1200/-$	Rs. 6200/-
$60,000 / 12 = 5000/-$	$60,000 \times 2\% = 1200/-$	Rs. 6200/-
$60,000 / 12 = 5000/-$	$60,000 \times 2\% = 1200/-$	Rs. 6200/-
Total sum to be paid finally = $6200 + 6200 + 6200 = \text{Rs.}74,400/-$		

Loan Interest (on reducing balance basis)

This is the basis of loans usually given by banks and is more advantageous to the person taking the loan than the flat interest rate basis loan method.

Example : same as above, initial loan of Rs. 60,000/- taken on reducing balance interest rate basis.

Thus, it is seen that taking a loan from a bank or permitted financial

Loan interest rate per annum 24%
Number of installments 12
Hence, monthly interest 2%

institution on a reducing balance interest rate basis has a lower cost to the person taking it and is therefore more advantageous than loans given by non regulatory other agencies or groups. Low income households too can obtain bank loans through working together as a group with a common investment.

Loan balance	Loan installment (1)	Monthly interest (2)	Monthly total installment (3) = (1 + 2)
60,000	$60,000 / 12 = 5000/-$	$60,000 \times 2\% = 1200/-$	Rs. 6,200/-
55,000	$60,000 / 12 = 5000/-$	$55,000 \times 2\% = 1100/-$	Rs. 6,100/-
50,000	$60,000 / 12 = 5000/-$	$50,000 \times 2\% = 1000/-$	Rs. 6,000/-
Total sum to be paid finally $6,200 + 6,100 + 6,000 + \dots =$ Rs. 67,800/-			

Installment basis purchases and how they affect our economy

Similar to loans, it is clearly seen that much more money, often nearly twice the value of our buy/purchase is spent on settling installment basis purchases. Eg; we may ultimately spend Rs. 50,000 for an electronic item for which the actual cost if bought outright with payment being made immediately in one go is Rs. 30,000. Thus, it is important to answer three questions before making such a purchase;

01

Does our household really need this?

02

if we really need it, is it possible to buy it a little later saving up to get it in one go with full payment?

03

if not, is it worth the ultimate price when we work out how much we are actually going to spend on the complete payment?

These three points should be considered before making installment basis purchases, if we are to improve our cash management and household economy.

What do we need to have before we can manage our cash effectively?

01

Good team spirit among the household members – with all members working toward a common goal of better well-being for the whole household

03

Communication between each other with discussion of any conflicting demands – to resolve any differences in opinion on needs and wants

05

Basic number skills – simple addition and subtraction skills for accounting income and expenses + ability to see how much we are spending as interest on loans and monthly installment payments. Good nutrition and schooling greatly help in developing skills such

02

Prioritization of needs and wants – first we need to differentiate needs from wants and then prioritize our needs, considering what is best and the most important need/s of the household

04

Good record keeping – to track our household income and expenses, so that we are always aware of our financial situation

06

Clear idea of the cash flow – to know where the money is coming from and where its going to

Good Record Keeping

Keeping track daily of every rupee earned and spent.



Date : 2019.08.08

Source	Income / Cash In (Rupees)	Expenditure / Cash Out (Rupees)
Daily wage from 3 wheel running	1500.00	
Selling vegetables from home garden	120.00	
Provisions from boutique/shop		325.00
Phone card		100.00
Alcohol		300.00
Exercise book for school		35.00
Total for day	1620.00 (+)	760.00 (-)
Balance for day	+ 860.00 (1620 - 760)	

Income is + while expenditure is -

So, for 2019. 08.08. the household has made Rs. 860 more than they have spent.

Date : 2019.08.08

Source	Income / Cash In (Rupees)	Expenditure/Cash Out (Rupees)
Daily wage from 3 wheel running	650.00	
Electricity bill for month		425.00
Boutique		215.00
Alcohol		150.00
Total for day	650.00 (+)	790.00 (-)
Balance for day	- 140.00 (-790+650)	

So, for 2019.08.09. the household has spent Rs.140 more than they have earned.

Similarly, if there is more than one wage earner in the household, the daily earnings of both would be included in the income column. The key is to record every rupee spent and earned. Nothing is too small or insignificant to count.

The ultimate key to better cash management is to have a positive balance pattern. That is money coming into the household for the month must be more than money going out of the household.

Money in for the month must be more than money going out for the month

to have a positive cash balance or good cash management.

Similarly, such recording must be done for every day of the month. This can be analysed by the household weekly, once in two weeks, or monthly, at their preference.

Once we track record our income and expenses for the month & similarly for each month in this way, we can see and analyse our income and expenses over a long time period, at a glance.

Benefits of Daily Cash Record Keeping

01 | Income and expenses can be seen at a glance

02 | We know exactly how much we have earned for the week or month

03 | We know exactly how much we have spent for the week or month

04 | We will realise that what we earn and what we spend is different from what we think we have earned and spent

05 | We can see exactly what we are spending on

06 | We can see where we can cut our expenses, if needed, by studying this record

07 | We can see from where we could possibly increase our income

08 | We will realise how much we are spending as interest on items purchased on installment basis

09 | We will realise how much we are spending on loan repayments

10 | We are motivated to do better next month, when we look at this record

Monthly records (to fill in at household level)

Month	Income	Expenditure
January		
February		
March		
April		
May		
June		
July		
August		
September		
October		
November		
December		

Annual Income and expense calendar

Month	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec
	Income											
Sales of Vegetable & Fruits												
Brick laying												
Hiring Thrae - wheeler												
	Expenses											
House Rents												
Food & Groceries												
School & Tuition fees												
Transportation												
Fuel												

Income Generation



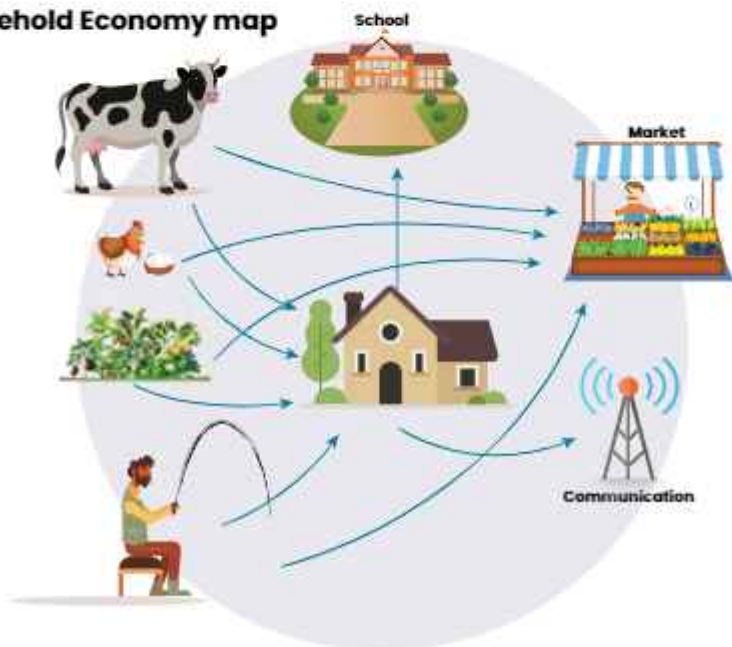
Successful cash management = Greater income generation than expenditure

Income – Expenditure = +

While taking care that unnecessary expenditures are not made is very important, increasing our income level through income generation activities also goes a long way to having better cash availability and flow.

Income generation is a key concept in sustainable food security. Food security is ensuring all household members have adequate food intake. When there is no sustainable cash flow, it affects the family's ability to obtain adequate food. Hence lack of cash affects nutrition. On the other hand poor income leads to obtaining cheaper unhealthy junk food or street food which would increase the risk of Non Communicable Diseases.

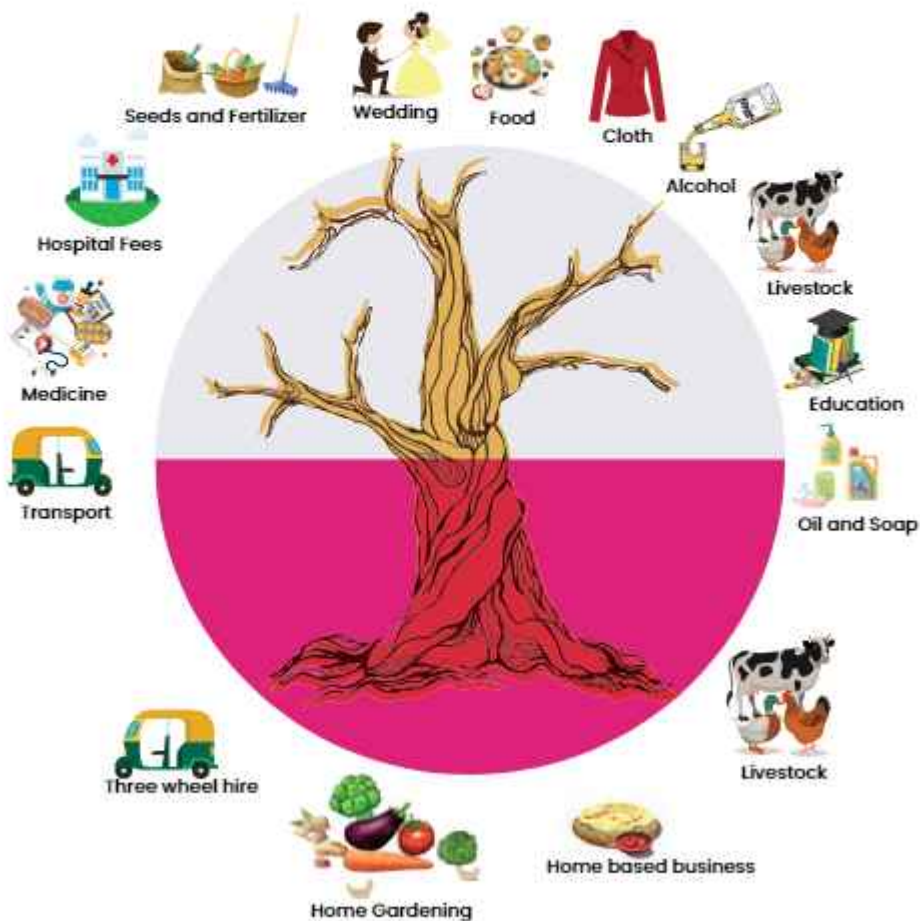
Household Economy map



Income and Expenditure Tree

Income generation is a key concept in sustainable food security. In addition, it also ensures obtaining a balanced healthy diet along with improved physical activity and exercises which in turn prevent non communicable diseases. Greater income can help to overcome food insecurity when economic factors are a root cause

of food insecurity. Thus, when food is available locally, but not accessible to the household due to poor accessibility because of lack of money (which is a common problem faced by those who are largely dependent on a daily/ variable wage), income generation activities are very helpful to improve household nutrition and welfare.



Possible income generation activities

While there are many such opportunities which could be made use of by any household, the choice of activity will vary depending on factors such as geographic location, skills and interests of household members, amount of additional money needed to bridge gaps, and also number of household members who can contribute to the activity. Professional advice on setting up these ventures and support for such could also be obtained by discussing with local relevant institutions and resource persons.

Home gardening activities

- Vegetables
- Fruit tree nurseries
- Mushroom cultivation
- Herbs, aromatic & medicinal plants
- Indoor plants
- Flowers

Animal produce marketing

- Milk
- Small scale dairy products
- Eggs

Food drying, processing & preservation

- Drying fish
- Jams (surplus from home garden can be used in this way as a money making venture)
- Pickles

- Dried fruit /vegetables / herbs
- Edible and medicinal herbs (large market which is generally poorly supplied from local sources)
- Innovative food production from garden produce (Eg: dried pumpkin seeds, pumpkin powder as food thickeners, tomato or vegetable soup powder)

Household level catering

- Stringhoppers / hoppers/ dosai / idly
- Food packets

Handicrafts

- Embroidering
- Sewing clothes / saree blouses etc.
- Knitting
- Carpet/ rug making
- Pottery
- Woodwork

A few households could even get together and do a joint income generation venture,

- Sewing clothes
- Vegetable/ fruit cultivation
- Handicrafts
- Toy making
- Pottery, etc.

There are many organizations which may be of help in setting up employment ventures. Advice on this could be taken from local banks.

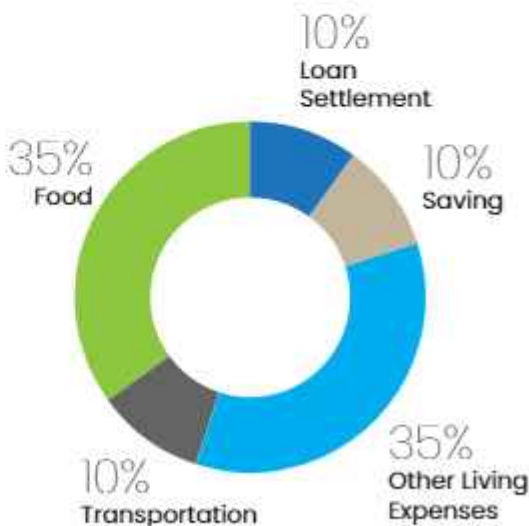


Cash Management Tips

1

Know how much money is available to you for the month and spend within this limit.

The whole household should work together on this. Agree on how much money is available for household requirements & each person's needs. Agree on who is largely responsible for making payments, purchases, etc. from the family purse / money available for spending for the month. Know when these payments should be made to prevent any late payment charges (eg - utility bills, loan/installment purchase payments) Eg: Consider a household which constitutes the father, who is a 3-wheel driver, mother who works on the estate for a daily wage, grandfather and grandmother



	Rs.
Husband's monthly income from 3 wheel fares	30,000
Wife's monthly income from daily work	20,000
Income from selling green leaves from home garden	500
Total household income for the month	50,500
Save 10%	5050
School needs	500
Tuition and other classes for 2 children	5,000
Medicines for grandmother and grandfather	750
Settle monthly payment on stereo set	3,000
Phone bills	3,000
Boutique debt repayment	8,000
Electricity and water bills	600
Firewood/kerosene/gas	1000
Transport – bus fare	2000
Clothes	1500
Entertainment & other expenses	5,000
Estimated total expenditure for the month	50,400

who do not work for a living and 2 daughters who are studying in grades 6 and 3 in school.

This is an acceptable budget for this household, as they are spending less than they are earning, have accounted for all essential and expected expenditures and are also saving 10% of their monthly income (although it should be improved by reaching 25% saving of monthly income which is the usual recommendation, though for households with almost no saving habit, a start of 10% saving of income is acceptable and the first step in the right direction).

A 25% saving of income is recommended, to have a means of climbing higher on the financial ladder, through good investment of such savings (eg : in a profitable small business). Savings from income should be first set aside and the remainder only used for day to day expenses (not spending first and then saving whatever may remain). Amount to be saved can be deposited in the account the moment an earning is received.

Expenses such as outings, alcohol (which is discouraged for economic, social & health reasons) which if consumed should be in a manner that

it does not dent /significantly affect the family budget, are included in the "entertainment & other expenses category listed above.

2

Set realistic financial goals

- How much can we save a month from our earnings – ideally, aim to save 25%, though as a starting point for those who have almost no saving habit, at least 10% of income should be saved. Opening a bank account will be the first step in this.
- When can we buy what we have planned with our savings (eg : short term fridge, long term – fund for child's education / vocational training, a small house of our own)?
- How can we pay off our debts – how much can we pay off as a minimum every month? The faster we are free of debts, the faster we can work toward achieving our financial goals.
- How can we each contribute to achieving our goals – by reducing waste and unnecessary expenses? We can each suggest expenses we could individually cut down on (eg : mother – Rs. 500 per month from phone bill, father – Rs. 2000 per month from alcohol, children (2) – Rs. 250 per month each from food from school canteen = Rs. 3000 saving per month for household through collective effort).

3

Live below your means

For financial security it is essential that expenditure is always less than income. For this to happen we must live well within our means, and ideally below our means. That is, we should not buy an item just because it does seem to fit in with our budget. We must think twice of its usefulness, as to whether we really need it and whether we cannot get a similar but lesser item for less.

We often think we need to buy new clothes for significant functions such as attending weddings etc. But do we really need to buy something new always? Can we not wear a nice item of clothing that we already have? Otherwise, the new clothing we bought for one occasion will only be used for once.

Do you know that very wealthy people often do not spend on acquiring a great quantity of things? They would buy very few new pieces of clothing for year, but would invest in the quality and utility of what they buy. Eg : it is better to have a few items of good, enduring clothing which could be mixed and matched for use for many occasions and that would last for a

JUST BECAUSE YOU CAN AFFORD THE PAYMENT, DOESN'T MEAN YOU CAN AFFORD THE ITEM

time, rather than to be buying an item of cheaper clothing for each occasion and for each time we took a fancy to something.

It is also not necessary to buy a new school bag for every new year in school, to have a big choice of TV channels to watch, or have the latest equipment and everything that catches our fancy, even if our neighbours are having these. We can live well and comfortably without spending on unnecessary new things and instead use and save that money for something which will truly improve the quality of our lives with a lasting impact (eg : a house, vehicle, money for us to live comfortably in our old age, for our children's higher education and to help them get a good start in their married lives)

4

Prioritize

What is more important to our family and household? Is it to have good nourishing food to eat every day or to buy that flashy new stereo system on display in the corner shop. Our money is limited, but our wants are unlimited. However, our actual needs are limited – these being safe water, nutritious food, a roof over our heads, education, medicines when ill and required clothing.

The mistake we commonly make is giving priority to wants over needs. If we are very clear on our needs and prioritize them, then we can use

whatever cash remains after fulfilling our needs towards our wants. Then again we should sit together as a family and prioritize our wants so that we all win ultimately.

5

Walk short distances instead of spending on three wheel fares

We sometimes spend a minimum fare of Rs. 60 for a very short travel distance we could have covered very easily walking. If we do this on 20 days for the month, we will be spending Rs. $60 \times 20 =$ Rs. 1200, as minimum fare for that travel for the month. Walking that distance is much better both for our health and purse! This will improve physical activity, and exercising culture which will prevent us from overweight, obesity and many non communicable diseases.

6

Buy more, pay less

We can buy nutritious food such as rice, dhal, sprats, vegetables and fruit for 2 whole weeks, rather than buying food from outside for dinner for 1week (eg : kottu roti). We tend to eat fried rice, deep fried snacks and short-eats frequently without preparing meals at home. This will not only waste household money, but add unhealthy oils, starch and sugars, making us more at risk of developing diabetes, high blood pressure, heart attacks and even strokes.

7

Shop for value

We can see that the skirt which can be worn on many occasions is a more worthwhile buy than the saree which is intended to be worn just for a single wedding. If we are planning to buy

the saree for a neighbour's wedding when we already have a nice saree we can wear for that wedding, is it really necessary or worthwhile? It is sometimes useful to think like this to see if we are actually getting full value for what we are spending or not. Are we using our hard earned money in the best possible way we could?

Think before buying

How many times will I possibly wear that shirt?
50 times

How much is that shirt?
Rs.750

Cost per use
750/50
Rs.15

How many times will I possibly wear that trouser?
1 time

How much is that trouser?
Rs.3000

Cost per use
3000/1
Rs.3000

8

Pay right now and avoid the debt trap

Very often we pay much more than we think as interest on installment basis purchases (paying Rs. 50,000 for an electronic item on installment basis, when it would have cost Rs. 30,000 if we had bought it outright). It is the same situation when we buy taking loans, pawning jewellery or on credit cards. These are all debt traps to avoid. We might buy an expensive stereo set-up to the house, at the expense of good nutrition to the family members.

9

Saving on household bills

We can save on utility bills such as telephones, electricity and water if we are careful with their usage. We can do simple things such as doing the ironing for two days in one go to save electricity rather than ironing several times a day each time we require to use a garment. Also, only having the number of TV channels we actually watch is a better idea. Cutting down unnecessary telephone calls and call duration will reduce the telephone bill.

10

Get maximum use for value

Once we do purchase an item, we should look after it carefully, mend or repair it when it gets torn (clothing) or

broken (mobile phone), rather than throwing it away and buying a new item. Once we have outgrown an item (eg : party dress worn by elder sister), it can be passed on to someone else (eg : the younger sister).

11

Think out of the box

We can all think of new creative ways to stretch our cash more. For example same food item may be available at a low cost in the village boutique. Some food items are packeted and sold at a higher price. We can think of innovative income generation methods and start that in a small scale. Think about some of them and write below:

a) *Selling dried jack fruit chips*

b) _____

c)



**12****Making nutritious,
economical, easy
to prepare meals at
home**

The items listed below are all made with a variety of locally available ingredients, inclusive of food items rich in protein, energy giving carbohydrates & vitamins and minerals. They all have a mix of food groups needed for daily healthy living.

- Drumstick soup, pumpkin soup
- Fish cakes
- Garlic chicken
- Devilled fish
- Hathmaluwa
- Fried rice with Koonisso, fried rice with chicken
- Pickled vegetables
- Ribbon pittu
- Mixed thosai
- Sambaru
- Chicken roti
- Uppuma
- Dessert with fruit and nuts (fruit salad)
- Rice flour roti
- Kurahan thalapa
- Kurakkan pudding
- Yoghurt
- Faluda

References

1. Tools adapted from Heney, J. 2000. Talking About Money.Zambia, FAO.
2. Internet references: <https://www.actionagainsthunger.org>
3. www.fao.org



As we can see, if we follow planned cash management steps, personal and family level management of money is possible. With adequate and sensible balancing of earnings and expenses, we can all ensure good nutrition, healthy dietary and life style practices. Thereby reduce malnutrition and non communicable diseases, leading to obtaining positive growth and development, good education, appropriate employment and economic stability.



Estate & Urban Health Unit
Ministry of Health
Colombo 10