



FINANCIAL REFLECTION & SHARING

Wakulima, CT River Valley, MA

Summary

This is a one-hour reflection-based, hands-on workshop where most of the farmers' learning will take place in pairs and in response to reflection questions. This user's guide will help trainers to lead this reflection session and how to use the reflection worksheet and PowerPoint. Cash flow is an important but sometimes difficult concept, and is the primary focus of this lesson. This module is the last core module of the Financial Literacy curriculum, though you may choose to add an optional session on farm financing options.

The need: It may be difficult at first for farmers to make practical sense of the financial records they have started keeping in the first core financial literacy curriculum module (Budgeting & Record-Keeping). Learning to evaluate their records will help farmers make decisions in the future, and have enough seed money to start a new season.

Who made this guide?

Collaboration and Testing

ACKNOWLEDGMENTS: This teaching resource was developed by Hannah Spare of All Farmers in the CT River Valley of MA, in partnership with the Institute for Social and Economic Development (ISED Solutions). Refugee farmer training programs across the country provided feedback on this lesson, which is now integrated throughout the guide. From 2015 to 2017, ISED partnered with twelve refugee farmer training programs through a USDA BFRDP educational enhancement grant, to support the design and testing of new and shareable teaching resources for culturally and linguistically diverse farmers. To learn more about this project, or to access the whole list of newly developed teaching resources for refugee farmer training programs, see the [New American Resource Library at https://nesfp.org/new-american-resources](https://nesfp.org/new-american-resources). For more in-depth explanations of the teaching approaches and activities used in these materials, please see the [‘Teaching Handbook: Refugee farmer training’](#). While these resources were designed with refugee audiences in mind, they can be adapted and used in any farmer training or incubator setting.

VARIATION:

Throughout this guide, boxes (like this one) contain variations and adaptations that serve varying programs and farmers. They are suggestions and reflections from other programs based on how they made this workshop work for them.

TEACHING TIP:

Throughout this guide, boxes (like this one) contain teaching tips to help you better facilitate farmer learning. Most come from other programs who have tested and reflected on using this lesson.

DEVELOPER’S NOTE:

Throughout this guide, boxes (like this one) contain notes from this guide’s developer that provide insight into how a lesson is typically taught at the developer’s program.

ICONS: You will find the icons below throughout this guidebook. They are there so you are prepared for the activity and can get an idea of what it will bring at a glance.



WORKSHEET



POWERPOINT



DISCUSSION



TALKING POINTS

Contents, Reviews and Core skills

Adaptable except where noted.

4 IS THIS GUIDE RIGHT FOR YOU

- Audience and Objectives
- Resources needed

6 REFLECTION / ACTIVITY 1 / 20 MINUTES

Farmers reflect on financial records from the past season.

8 CASH FLOW & FUTURE PLANNING / ACTIVITY 2 / 30 MINUTES

Farmers learn about and practice with the concept of cash flow.

11 OPTIONAL “MONOPOLY MONEY” ACTIVITY / ACTIVITY 3 25 MINUTES

Farmers can practice with their cash flow sheets with Monopoly money

12 SAVING OR BORROWING / ACTIVITY 4 / 20 MINUTES

Farmers will learn basic loan concepts, and plan to either save or borrow start-up money for their farm.

TEACHING TIP:

“There could be sensitivities around running these workshops in groups - money and income can be personal and equity between farmers is generally an important thing to demonstrate. The materials will work just as well, I think, in 1 on 1 situations working with staff instead of partner farmers.”

WHAT TESTERS SAY: “Seems to build logically from first financial literacy modules. I think this is a good third step. Hannah’s stuff is awesome! Ready to go!”
-Alex, Cultivating Community, Portland ME

CORE SKILLS:

- Financial planning
- Cash flow concept
- Loans and interest concept

Audience and Objectives

Adaptable except where noted.

OBJECTIVES: At the end of this module, farmers will be able to

- Say how much money they spent and earned over the course of the season
- Explain what cash flow means in practical terms
- Write a financial plan for next season
- Discuss loans and interest

LANGUAGE / LITERACY: Appropriate for all language levels (with an interpreter)

Medium- to high-literate farmers will get the most out of this lesson. Non- to low-literate speakers can understand many of the concepts, but they will need additional support, and may need assistance with the practice activity. Ask one of their family members or friends to attend the class with them.

Farmers are encouraged to keep records in a language that is comfortable for them. Therefore this module is likely to be accessible to more farmers independent of family/friend help, IF they are literate in their first language. You may also choose to have the activity form translated ahead of time to the language(s) the farmers you work with prefer to use.

Alternatively, you may choose to do the practice activity orally and with more approximate “felt” answers (see alternative practice below). This activity is less accurate and less appropriate for substantial businesses, but is more accessible to low-literacy farmers. Especially when these farmers are running a smaller and/or more casual businesses, the trade-off for accessibility over accuracy is likely worthwhile.

FARMING EXPERIENCE: Farms as a business

Good information for all farmers who intend to run their farm as a business and works for any selling models. The concepts are not useful for gardeners.

PREREQUISITES: Skills, experience and knowledge

A basic understanding of income, expenses, profit, and loss (see “Budgeting & Record Keeping” and “Financial Decision Making”).

REGION / CLIMATE: All

PROGRAM STRUCTURE: Any

SEASON: It is best to do this training before the start of the main season.

This training is for after one season of record-keeping and before the start of the next season.

Resources needed

Adaptable except where noted.

TIME: 1 HOUR SESSION (ADDED .5 HOUR IF DOING OPTIONAL MONOPOLY MONEY ACTIVITY)

This module is the third core financial literacy module and should be completed in sequence. Farmers will need a copy of their financial records from the previous season to complete this module.

STAFF / INTERPRETERS: 1 Teacher and 1 Interpreter

Or teacher with necessary language skills

LOCATION: Classroom with projector and writing surface

SUPPLIES: Each farmer should receive

- 1 worksheet

Additional materials and resources include

- Farmers' financial records (preferably using the templates from the "Budgeting & Record Keeping" and "Financial Decision Making" lessons. If you chose not to use these templates, review the activities contained here and make any adjustments needed to fit the format you have chosen)
- Pens/pencils
- Writing surfaces
- Calculator
- Handout of expenses, income, and profit reminder (optional)
- Projector and screen/wall (optional)
- Fake "Monopoly" money (optional)


1. How much were your farm EXPENSES this year?

\$ _____






2. How much was your farm INCOME this year?

\$ _____

3. How much money did your family save on food this year?

 _____

4. How do you feel about your farm PROFIT?

\$     

FINANCIAL RESPONSE FORM

WHAT IS CASH FLOW?

CASH FLOW MINI POWERPOINT

Reflection

1

TIME: 20 minutes

OVERVIEW:

Farmers will look back on actual records from the previous season and summarize some useful information. Through reviewing the records farmers may also gain some more specific and unplanned insights, and may choose to make different decisions going forward.

OBJECTIVES:

By the end of this activity participants will be able to:

- Say how much money they spent and earned over the course of the season

MATERIALS NEEDED:

- Farmers' completed financial records
- Farmer worksheets
- Pens, and writing surfaces
- Optional projector, screen
- Laptop

STEP 1: PAIR UP

Have farmers form pairs (use any pairing strategy that works for the farmers, being mindful of language, culture, gender, etc.)



STEP 2: PARTICIPATION

In pairs, have farmers work together to answer questions 1-6 (sheet #1)

- Only hand out the sheet they are working on in each session so it's easier for them to focus on just one sheet at a time;
- Have farmers use a written language that is comfortable for them

DEVELOPERS NOTE:

Low-Literacy Alternatives:

- Create one-word question/answer cards with questions 1-6 to use instead of a full worksheet (there will be less text/information to process at once)
- In a small, low-literacy group setting, ask questions 1-6 verbally, and ask for verbal responses. Please remember to be sensitive to cultural norms around money. Questions may be modified to ask farmers to think their answers in their heads, for example, if talking about money is culturally inappropriate or embarrassing.



STEP 3: DISCUSSION

As a big group, give farmers the chance to share anything from looking at their records that surprised them, was encouraging, or informative. This is a great jumping-off point to reinforce concepts taught earlier in the lesson series, so prepare yourself ahead of time. Examples that might come up:

- “I paid a lot for seedlings!”
 - i. Are there any crops that would do about as well sown from seed?
 - ii. The crops that must be grown from seedlings, do you need to charge a higher price to cover your costs?
- “I earned a lot on long beans, and made very little from spinach for how much time it took”
 - i. If there’s a high-value crop that you think you can sell more of, think about growing more next season. If something wasn’t worth it, think about not growing it!
- “My eggplant didn’t do well all season, and I lost money”
 - i. Was there a point you could tell your crop was failing? Try to notice that moment in the future, and let go of whatever it is so you don’t lose any more time/money on it than you should.
- “I was able to bring a lot of food home, which feels good because my job doesn’t pay well”
 - i. Great! Even though you don’t get physical money from bringing food home, it sounds like you’re saving enough to make it a great use of your time.

STEP 4: FUTURE GOALS

Ask farmers to write down anything they want to do differently next year (sheet #2, question 7) based on what they’re seeing (this can and should be in whatever language they’re most comfortable in). Have farmers keep this list in their folder for next season.

DEVELOPERS NOTE:

Low-Literacy Alternative: farmers can draw pictures instead of writing, or do some combination. These are notes that are supposed to be personally useful/meaningful to them, so any medium that will jog their memory during the next season is appropriate!

VARIATION:

One reviewer mentioned: “We’ve used existing cash flow templates designed for native English speakers to preemptively generate some data/projections for farmers, then tried to replace words with pictures. Appropriated materials from Richard Wiswall and other new farmer educational resources for this.”

Cash Flow & Future Planning

2

TIME: 30 minutes

OVERVIEW:

Farmers will learn what cash flow is and why it's important. Then they will use their records to plan for how to save up or borrow enough starting cash each season to start off (before they earn enough money to pay for their expenses).

MATERIALS NEEDED:

- Cash flow PowerPoint
- Worksheet number 2

OBJECTIVES:

By the end of this activity, participants will be able to:

- Explain what cash flow means in practical terms
- Write a financial plan for next season
- Discuss loans and interest

(Briefly review the first activity if you took a break between Activities 1 & 2)



STEP 1: EXPLAIN CASH FLOW

(optional: use PowerPoint and/or print out slides as a handout.) The timing of spending and earning money is important. Sometimes you need to spend money before you earn it back, so you'll need some money up front to cover costs. Cash flow describes how much and when money is going out and coming in. Suggested ways to describe it: You need money at the beginning of the season to buy seeds and other things before you can sell vegetables.

- a. It's important to be able to plan for next season. That's why having these records is so useful. You don't have to guess, you have everything written down.
- b. You already looked at how much money you spent and earned overall. But WHEN you must spend money and WHEN you earn it are important too.
- c. Especially with a farm, you usually must pay for most of your expenses before you've made any money. Plants take a long time to grow!

STEP 2: CALCULATE

You are going to calculate how much money you need to save for next season, and come up with a plan to do that



STEP 3: PAIR OFF

Have farmers break into their pairs again. Have farmers work together to answer the questions on sheet #3. This sheet is more difficult, and will likely require more prompting and hands-on help. ***Please note that here cash flow is simplified.** By using this formula, farmers are expected to save slightly MORE money than they need to. In general this is a good practice anyway, to make sure they have enough. (If a more advanced farmer wants to calculate the precise amount, they must go through their income and expenses day by day, and find what their maximum deficit amount is. This is tedious, and beyond the needs of most farmers.)

- a. When did your INCOME start?
- b. What is the first week your income was more than your expenses?
- c. How much were your EXPENSES before this date?
- d. Do you think your EXPENSES will be different next year?
- e. Have farmers discuss whether they are each making any significant changes to their farms next season. How do you think any of these changes would affect your budget?
- f. If you're farming more land, your expenses will probably be higher.
- g. If you're farming different amounts of crops, will you need more seedlings? Mulch? Stakes? Will you need less of anything?

How much money do you need to start next season? (this is the answer to question #10, with any estimated adjustments from answers to question #11)

TEACHING TIP:

The pre-literate friendly cash flow worksheets are a great organizing tool for our fall record keeping Technical Assistance. It'll be a valuable way of turning a shoebox full of receipts into something useful for farmers (and for staff reporting requirements.)

STEP 4: LOW-LITERACY ALTERNATIVE

(Please note that farmers will get significantly less concrete, relevant on-the-ground information from this alternative.)

Work with farmers to answer questions to sheet #3 orally, and as-needed using information from memory:

- i. When did your INCOME start? (When do you remember first getting paid from your farm?)
- ii. What is the first week your income was more than your expenses? (When do you think you started earning more money from your farm?)



- iii. How much were your EXPENSES before this date? (How much do you remember paying out of pocket for farm expenses before that time?)
- iv. Do you think your EXPENSES will be different next year? (Are you making any changes to your farm next season? How might that change your farm expenses and income?:
 - 1. Have farmers discuss whether they are each making any significant changes to their farms next season. How do you think any of these changes would affect your budget?
 - 2. If you're farming more land, your expenses will probably be higher.
 - 3. If you're farming different amounts of crops, will you need more seedlings? Mulch? Stakes? Will you need less of anything?
- v. How much money do you need to start next season? This is the answer to question #10, with any estimated adjustments from answers to question #11.

Optional: Monopoly Money Activity

TIME: 25 minutes

OVERVIEW:

In this last section of the workshop, farmers will be asked to reflect on their learning and show what they understand. They will also be asked to share some thoughts on the effectiveness of the lesson. Follow up ideas may be generated as well.

MATERIALS NEEDED:

- Fake/"Monopoly money"

OBJECTIVES:

By the end of this activity, participants will be able to:

- verify that the cash flow plan they developed in Activity 2 is adequate

Give each pair of farmers "Monopoly money" for this exercise.



STEP 1: OPTIONAL ACTIVITY

Ask farmers to save or set aside the amount of money from #12 (what they think they need to save for next season). Have farmers go through their records day by day and pay for their expenses out of their savings. They can pay themselves for sales too (out of the "Monopoly money" bank and into their hands). AT NO POINT SHOULD FARMERS RUN OUT OF MONEY. If a farmer does, they need help calculating how much money to save (#12).

Saving or Borrowing

4

TIME: 20 minutes

OVERVIEW:

Farmers will learn basic loan concepts, and plan to either save or borrow start-up money for their farm.

OBJECTIVES:

By the end of the activity, participants will be able to explain how loans and interest work, when it might make sense to get a loan (vs. save) and make an informed decision for their farm.

STEP 1: PLANNING

Now that farmers know how much money they will need to pay for farm expenses before they earn enough money, they need a plan for how to have that money ready.



STEP 2: SAVING VERSUS A LOAN

You will introduce two options: saving money, or getting a loan

a. “The simplest way is to save money from your farm and/or outside job to use yourself.”

STEP 3: SAVING

There are some habits that make saving money easier and more likely to happen:

- a. Set money aside when you are first paid.
- b. Put savings somewhere that they are harder to access (e.g. having money in a savings account that you have to go to the bank to take out is easier to keep saved up than cash at your house)

STEP 4: LOAN

Sometimes farmers can't save the money—they have bills and other important expenses that they have to pay now. This is especially and often true for low-income households, through no fault of their own!

a. In this instance, it might make more sense for a farmer to get a loan from a bank, or even a friend.

b. You may want to offer a separate class for farmers interested in learning about loan options.

STEP 5: INTEREST

Explain that usually when you get a loan, you pay interest. That means that you have to pay a more back than you get at the beginning, so it is probably cheaper to save money to start your farm than to get a loan if you can afford to, and if you don't have other high-interest debt (see below).

STEP 6: PAYING OFF DEBT

If farmers have other, high-interest debt this is another time it might make more sense to get a loan for their farm expenses if the money they would have saved for their farm goes towards paying off a higher interest debt first. (Example: a farmer as a credit card with 20% interest, and is able to get a farm loan for 5%. It probably makes more sense for this farmer to pay off the credit card as much as possible, and take out a 5% farm loan for start-up expenses. The farmer will end up paying less money overall by paying off the high-interest debt first.)



STEP 7: PLANNING IN PAIRS

Ask farmers to form pairs again, and come up with a plan to save or borrow money that makes sense for each of them. They should write this plan in a language that is comfortable to them (sheet #4).



STEP 8: SAVE RECORDS

Keep these sheets together in records that the farmers can access. You may want to start off their new financial records folder with them.