

# Saving and Planning Step by Step

EN

P.A.S.S.O. Project  
*Percorsi di Autonomia, Sviluppo e Sostegno Occupazionale*

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# Introduction



Money is often seen as a **tool**. We use it to buy groceries, pay rent, buy the things we need every day, and we receive it as compensation for our work. But money is much more than that: it is connected to the **opportunities** we have in our lives.

In fact, money can:

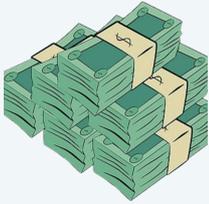
- Influence our sense of stability and independence
- Open doors to new opportunities, such as education, work, housing, and social activities

This toolkit is designed to provide migrants and people with migrant backgrounds with useful tools to make informed decisions and feel more confident in managing their money. In this section, we will explain the most important concepts underlying **financial education**.

*Managing finances in a new country can be complex: different banking systems, unfamiliar rules and contracts, unexpected costs, and family responsibilities across your home and host countries. Having clear information and adequate tools helps you avoid risks, plan for the future, and strengthen your financial independence, step by step.*

# 2 Money, Banks, and Payment systems

## What is money?



Money is not just something we use to buy goods and services  
It has four main functions:

- **Medium of exchange:** used to pay and receive payments
- **Store of value:** allows us to preserve wealth over time (savings)
- **Unit of account:** used to measure the value of things (prices, wages)
- **Social and trust instrument:** it works because people trust the system that regulates it (state, banks, communities)

The financial system can function in different countries. Therefore, it is important to understand how it works in Italy and Europe

## Difference between Cash, Formal Banking, and Informal Systems

### Cash

(coins and banknotes)

It's **physical money** you can hold in your hand

Advantages:

- Easy to use
- No banks or documents required
- Useful for small daily expenses

Limitations:

- Not traceable
- Doesn't help you build "financial history."
- You can risk losing it or having it stolen

### Informal financial systems

These are unofficial ways of managing savings and loans, based on trust and community relationships

Examples:

- Tontine / ROSCA: a group contributes a regular amount; one person in turn receives the full amount of money
- Hawala: a system of transferring money via trusted networks, without a bank

Be careful!

- More accessible and faster
- But less legal protection
- If something goes wrong, it's difficult to recover money

### Formal Banking (Italy / EU)

Formal Banks are official banks, controlled by the Italian State and the European Union

Advantages:

- The money is safely stored
- You can receive a salary
- You can pay rent, bills, and taxes
- You can receive government assistance
- The money is traceable (useful for employment contracts or loan applications)

Limitations:

- There may be costs (monthly fee, commissions)
- The bank may carry out checks on transactions (anti-money laundering law)
- Without a valid residence permit it may be difficult to open an account

# The Current Account

A checking account is a bank account for daily money management.

With an account, you can:

- Receive your salary
- Make bank transfers
- Pay bills
- Withdraw cash
- Send Money

You can deposit and withdraw money at any time, but there may be daily limits

To open a current account in Italy, you usually need:

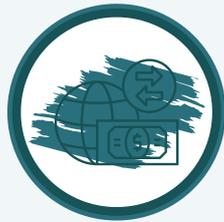
- A valid identity document
- Tax code
- Residence permit (or receipt)
- Residence or domicile

## Important

In Italy, having a current account is often necessary to:

- Have a regular contract
- Receive a salary
- Receive benefits and bonuses
- Pay rent and utilities

**There is also a basic account, which costs less and is designed for those with low incomes.**



## Pay attention to your personal information!

The first and last names must exactly match those on your official documents (passport, residence permit, ID card).

Even a small discrepancy (reversed order, duplicate name, missing accent) can block a transfer or create identification problems

It is important to always inform your bank of any document updates.

# How to make a bank transfer?

To make a bank transfer, you need:

- Name and surname of the recipient
- IBAN (international bank account code)
- BIC/SWIFT code (if applicable) for international transfers
- Amount
- Reason for payment (example: "March rent")

**The bank transfer can be made:**

- At a branch
- At an automated teller machine (ATM)
- Online via online banking

Via the banking app An error in the IBAN can delay or prevent the transfer.

## **IBAN**

*The IBAN is the number that identifies your bank account.*

*It is used to:*

- *Receive your salary*
- *Send and receive bank transfers*
- *Make traceable payments*
- *The IBAN identifies the account, not the person*



## **SWIFT / BIC**

*This is the code that identifies the bank. For international payments, it may be necessary to use both IBAN and SWIFT/BIC to avoid errors or delays*

# Payment Card

Cards allow you to pay without cash

When you receive a card:

- You are assigned a PIN (do not share it)
- You can use it in stores (POS) or online
- Many cards are contactless

Never share:

- Full card number
- Three-digit code (CVV)
- Photo of the back of the card



## Types of cards

### DEBIT CARDS

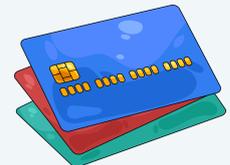
- *Connected to your current account*
- *Spend only the money you have*
- *Debits are immediate*

### CREDIT CARDS

- Allows you to spend money lent by the bank
- It is repaid later (usually the following month)
- Requires good financial standing

### PREPAID CARDS

- Loaded with a specific amount of money
- Does not always require a checking account
- You can spend only what you load
- Often more accessible for newcomers to Italy



## Banking Applications

Many banks offer a smartphone app that allows you to:

- Check your balance in real time
- Make bank transfers
- Pay bills
- Block your card if lost
- Receive transaction notifications

To use the app, you need a smartphone and often an additional security system (OTP code, fingerprint, or facial recognition). It is important to never share passwords or codes received via SMS or email with other people.



Cards can be physical or digital (linked to your smartphone)

# Cross Border Payments

If you have family in another country, you may need to send or receive money abroad

## • FORMAL REMITTANCES

Transfers made via:

- Banks
- Official money transfer services

Are:

- Regulates
- More secure
- Traceable

## • INFORMAL REMITTANCES

Based on personal or community networks.

They can be:

- Faster
- More flexible

But:

- They are not regulated
- They offer no legal protection

## • MOBILE MONEY

A system that allows you to:

- Deposit
- Send
- Receive money by phone

Very popular in several African and Asian countries. Useful even without a bank account

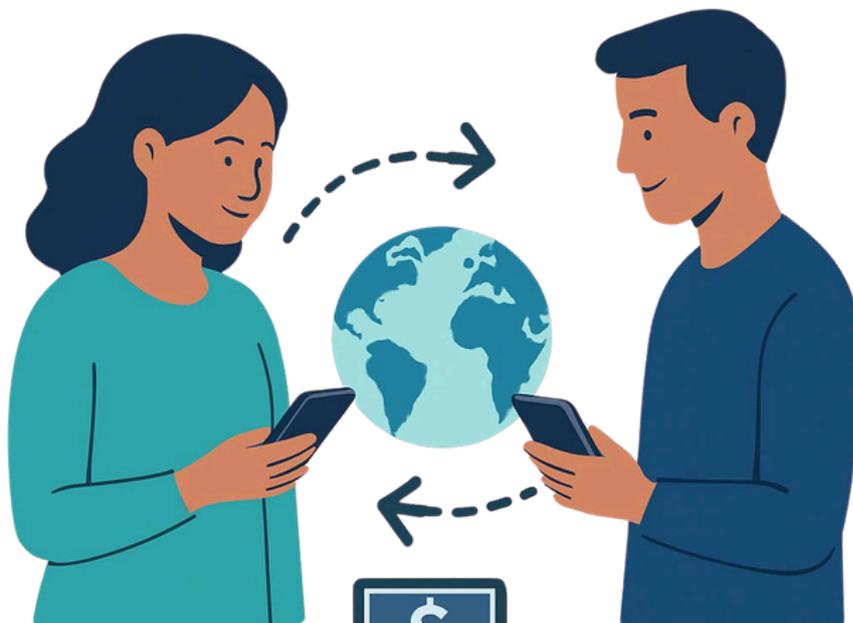
## • DIGITAL PAYMENTS

Payments via:

- Apps
- Online cards
- Digital platforms
- TapTap Send

Increasingly used in Italy and Europe for:

- Purchases
- Bills
- Online services



# 3 Saving Management and Tracking

Living between two countries means simultaneously supporting two worlds. It means building a life in a country where you live with a job, home, documents, and daily responsibilities, while also remaining present in your home country, where you have family, moral and financial commitments, shared projects, and emergencies to deal with remotely.

Managing money in this situation isn't always easy. For this reason, keeping track of your money isn't just about knowing how much you spend, but above all, understanding why you spend it. When you know your expenses, you can make more relaxed decisions and avoid feeling anxious at the end of the month.

## How to organize your expenses

A good starting point is to divide your expenses: what's essential, what's important, and what you can avoid. There's no set percentage into which to divide your expenses: this is a calculation you'll need to make based on your income and priorities.

**1. Fixed expenses** | These are expenses that recur every month, with a specific date and an almost always consistent amount. They're a priority because they allow you to live and work in Italy on a regular basis.

This category includes:



**Food and Monthly expenses**



**Rent/Mortgage**



**Bills, Documents, and Transport**

These expenses should be considered first, as soon as your salary comes in

**2. Flexible expenses** | These are important expenses for daily life, but they can change based on your decisions and the month's situation. This is where you can take action if you need to save. For example:



**Telephone and Internet**



**Clothes and Leisure Time**



**Remittances to family**

**3. Mandatory Social expenditures** | This category is often overlooked in European financial manuals, but for many people, it is crucial. These expenses are relative to community, family, and mutual respect. They include



**Contributions for weddings, births, funerals, or events of friends/family**



**Sudden help to family/friends**



**Community collections**

## Revenue: Building a Secure Base

Income can also come from multiple sources. Understanding where your money comes from is important not only for the present but also for your future in Italy.

- **Regular employment:** this is the most solid foundation. A contract gives you rights, protection, pension contributions, and the ability to renew your documents. Declared income is also important for citizenship, family reunification, and access to social services
- **Subsidies and bonuses:** Family allowances or state aid can cover fixed expenses. Knowing them allows you to plan better
- **Help from family or community:** Loans or gifts from relatives are often crucial in difficult times. but they are not considered official income by the state

## Where does your money go?

Your expenses tell your story and your responsibilities. Dividing them helps you understand what's essential and where you can intervene.

- Expenses in Italy, such as housing, bills, transportation, and food, are the foundation of your dignity and security.
- Remittances to other countries, to support children, parents, or build a future. It's not just money that leaves the country, but an emotional investment
- Social, family, and/or community obligations that keep bonds and mutual respect alive.



*To better manage your money, you need to be able to “see” it. Choose the tool that is right for you.*

*If you use a smartphone, some simple apps with icons and colors help you quickly understand your monthly balance. If you prefer a traditional method, pen and paper work great: divide a sheet of paper into columns for income and expenses, and compare the months.*

*This allows you to understand if certain flexible expenses are taking up too much space and if there's enough left for savings and family.*

*Managing money doesn't mean giving up everything, but making informed decisions, respecting both your life in Italy and your roots. Planning is essential.*



Month \_\_\_\_\_ Week \_\_\_\_\_

	Essential expenses	Culture and leisure time	Life's joys	Unexpected events	Total of the day
Monday					
Tuesday					
Wednesday					
Thursday					
Friday					
Saturday					
Sunday					

Food _____	shows _____	Restaurants _____	Preparations _____
Health _____	books _____	technology _____	Extra payments _____
Children _____	journals _____	wealth _____	
transportation _____	trips _____	hobbies _____	
House _____	donations _____		
TOTAL _____	TOTAL _____	TOTAL _____	TOTAL _____

weekly total \_\_\_\_\_

# 4 Financial Planning

Financial planning means deciding in advance how to use your money, rather than just reacting to emergencies. You don't need to earn a lot to plan. It takes clarity: knowing what you're saving for and how quickly you want to use it.



Two different types of savings (both necessary)

## 1. Emergency Savings- The Safety Net

This is money set aside for unexpected events. It's not meant to fulfill dreams, but to avoid serious problems. It can be useful in the event of:

- You lose your job, have necessary medical care, or face unexpected family emergencies
- Your salary is delayed

These savings should be easily accessible and separate from other money. Even small amounts count: 20 euros a month is better than nothing. The goal is to avoid having to take out urgent loans or quickly get into debt.

## 2. Saving for Goals- Building the Future

This saving has a specific purpose. You know why you're saving and when you will use that money. Having clear goals helps you to:

- Resist unnecessary spending
- Explain to your family why you can't send more money in certain months
- Motivate you even when the journey is long

### POSSIBLE GOALS

**Everyone has different priorities. No goal is "wrong."**

- Documents: residence permit renewal, citizenship, family reunification
- Home: deposit for better rent, purchase of a home in Italy, or in your country of origin
- Education: personal training or children's education, in Italy or elsewhere
- Business: starting a small business, even a cross-border one.
- Return or Movement: travel, temporary or permanent return, or living in multiple countries

**Writing down your goals (even on a piece of paper) makes it more realistic and attainable**

# The time horizon: when will you need your money?

Every goal has a different timeframe. Understanding this helps you choose how to save.



## 1 Short term (within 1 year)



Documents



Urgent travels



Small emergencies



**Instant money,  
risk-free**

## 2 Medium term (1-5 years)



Study



Starting a business



Buying a house



**Save Regularly**

## 3 Long term (over 5 years)



Homes



Pensions



Return/Mobility more  
frequent between countries



**Patience and  
Savings  
Protections**

# 5<sup>o</sup> Investments

Many people wonder how to use their money safely and intelligently. It's important to clearly understand the differences between saving, investing, and speculating, because each choice has different consequences.



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## Difference between: savings – investment – speculation

### Savings

Savings are money you set aside for your future.

You keep it in a bank or a safe place.

- It's the safest option
- Money can grow slowly
- You can easily use it in an emergency
- Be careful: with inflation, the value of money can decrease over time

It helps protect you from unexpected events (illness, job loss, urgent expenses).

### Investment

Investing means using money to make it grow over time.

- It is not immediate
- It can yield more returns than saving.
- There's always a risk: you can gain, but you also lose.

It helps to build economic stability for the future

### Speculation

Speculation seeks quick, high profits

- It is very risky.
- You can earn a lot, but you can also lose everything.
- It often requires experience and technical knowledge.

It is not a safe option for those with limited savings.

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## Risk and Return (with everyday examples)

- Risk = Possibility of losing money
- Return = Potential gain

Usually:

The higher the potential gain, the higher the risk

Simple example

- Walking is safe but slow → like saving.
- Riding a bicycle is faster but a little riskier → like investing.
- Running through traffic is very dangerous → like speculating.

Safe choices = slow but stable growth

Risk choices = possible quick but large losses

# Realistic Options

Many people wonder how to use their money safely and intelligently. It's important to clearly understand the differences between saving, investing, and speculating, because each choice has different consequences.

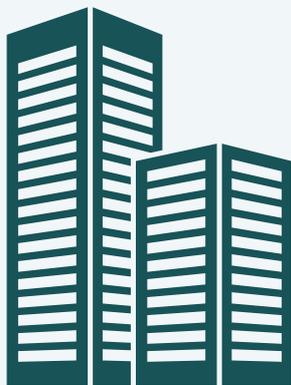


## Small businesses

Opening or participating in a small business (shop, service, restaurant)

Before starting:

- Study the market.
- Find out about taxes and documentation.
- If working with others, always draw up a signed contract.



## Microenterprise

Small, low-cost individual businesses (crafts, home services, online retail)

They are often more accessible for those starting out with little capital

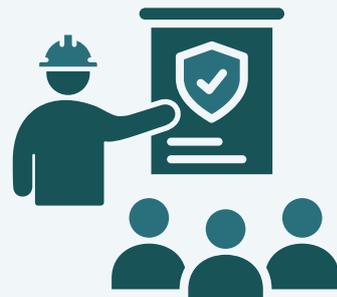


## Cooperative

Cooperatives are businesses managed by a group of people who share costs, responsibilities, and profits. In Italy, they are regulated by the Ministry of Business and Made in Italy and represented by organizations such as Confcooperative and Legacoop.

Advantages:

- Shared risk.
- Collective decision making.
- Greater support among members.



## Professional training

Investing in your skills is often the safest choice.

In Italy, there are public programs promoted by the Ministry of Labor and Social Policies and the Regions.

This can include:

- Technical courses
- Digital Skills
- Languages
- Professional qualifications

The gain is not immediate, but it increases job opportunities over time.

# BEWARE OF SCAMS!



**They promise high returns without risk.**

Warning signs:

-  “Guaranteed returns”
-  Pressure to decide immediately
-  Request for urgent banks transfers
-  No official documents

## **Promises of quick returns**

 If it seems too good to be true, it probably is not. Real investments take time.

## **Beware of online scams!**

Fraud is a crime under the Italian Criminal Code.

If it happens:

1. Report it to the police (emergency number 112).
2. Report online to the Polizia Postale e delle Comunicazioni.
3. Contact your bank immediately.
4. You can also report to CONSOB and the Italian Competition and Market Authority

Never share:

- Password
- PIN
- OTP codes

Banks never ask for this information by phone or email.

# 6 Insurance and Social Security

Insurance is a financial tool that helps protect you from significant financial loss when something unexpected happens. This is how insurance works: you regularly pay a sum of money (called a premium) to an insurance company, which will compensate you in the event of an unexpected risk or loss. For example, it can help cover the costs of a car accident or medical expenses.



There are many types of insurance:

## Health Insurance

- In Italy, public healthcare is provided by the National Health Service (SSN).
- Private insurance helps you get quicker appointments or access to private clinics.
- Sometimes it's included in your employment contract: always check.

## Life Insurance

- You pay a periodic fee.
- If you die (or after a certain period), a sum is paid to the person you indicate.
- It serves to financially protect the family.

## Accident Insurance

In the event of an accident, insurance can offer financial protection if you suffer an injury. Remember: at work, workers are automatically covered by the national insurance system (INAIL), but coverage usually only applies to work-related injuries.

## Car Insurance

In Italy, car insurance, including third-party liability, is mandatory. Choose the best option for you carefully.

## Home Insurance

- It covers risks such as fire, theft, water damage, or natural events.
- It is not mandatory, but your bank may request it if you apply for a mortgage.



*Insurance doesn't make you money: it helps you avoid big losses in case of problems.*

# Public Pension and Social Security System

In Italy, the public pension system is managed by **INPS, the public body responsible for social security**. When you work, a portion of your salary (along with employer contributions) automatically goes to INPS. This money is then used to support you at various stages of your life.

For example, INPS pays your pension when you retire, helps you financially if you lose your job (**NASpI**), and provides support for benefits such as maternity, sickness, or family allowances. Essentially, you contribute to the system while you work, and the system helps you when you need it. Self-employed workers and freelancers, including those with VAT numbers, must also register with INPS.

In addition to the public pension, joining a supplementary pension fund is also encouraged in Italy. These funds are often funded through private contributions or through **severance pay (TFR), which is the severance pay set aside by the employer**. Starting July 1, 2026, new private sector employees will be automatically enrolled in a supplementary pension fund using their severance pay (TFR), unless they explicitly opt out.

If you stop working, your pension protections and rights should remain guaranteed. However, since contributions cease, this could delay your retirement or reduce your final pension amount. If your job loss is involuntary, you may be eligible for unemployment benefits and may be able to make voluntary contributions to cover the missing periods.

***It is recommended that you contact a social welfare institution to manage the process of applying for benefits or continuing contributions in the event of unemployment.***



## What happens if I leave Italy?

If you move from Italy, while contribution-based pensions are generally exportable, social security benefits are lost after six months of residence abroad. If you move within the EU, your pension rights can be cumulated and transferred. It's important that, before leaving Italy, you obtain a contribution statement from INPS to verify the contributions paid up to that point, register with AIRE if you are an Italian citizen, and notify entities such as the Revenue Agency and the bank of your change of residence. Be sure to contact a CAF or a specific agency to find out how to transfer your contributions to the destination country before leaving.

# IN-DEPTH BOX

Find out more about:



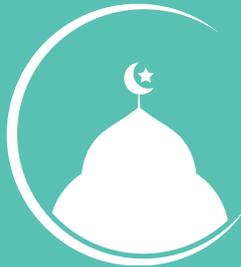
**Loan and  
Microcredit**



**Debt and Over-  
indebtedness**



**Managing a  
Loan**



**Islamic Fianace**



**Financial Inclusion  
of Women**



**Stocks and Bonds**



Learn more by clicking on each box. For breif summaries, read the next two pages.

## **Loans and microcredit**

### **Traditional Loan**

This is an agreement with a bank or financial institution: you receive a sum and repay it with interest. Pay attention to total costs and penalties.

### **Microcredit**

This is designed for those with low incomes or limited banking information. It often comes with:

- Support in managing
- Smaller amounts
- Attention to life or work planning.

It is a useful tool, but it still requires planning.

For more information, visit the “Monetine” project created by the Fondazione Finanza Etica.

## **Managing a Loan: Be carefule, it's not “extra” money**

A loan isn't a gift: it is money you will use today but also repay tomorrow, often with interest

Before accepting a loan, ask yourself:

- Will I be able to pay the installment even if I lose my job?
- How long will I be tied to this debt?
- Is it for a real need or for addressing a temporary problem?

A loan can be useful for studying, working, or starting a business. It becomes dangerous when it's just for survival.

## **Debt and Over-Indebtedness**

Indebtedness means having debt you can manage.

Over-indebtedness means having too much debt relative to your income.

Risk signals:

Using a loan to pay off another loan

Delating rent or bills to pay installments

Always living in a state of emergency

In these cases, it's important to ask for help: CAF (Italian Financial Assistance Fund), associations, social or community help desks can help you reorganize the situation before it gets worse.

## **Islamic Finance (for those who follow it)**

Interest (riba) is not permitted in Islamic finance. Alternatives exist based on:

- Risk sharing
- Purchase and resale at an agreed-upon price
- Project participation

In some countries or community networks, there are forms compatible with these principles. It is not important to be well-informed and ensure they are transparent and secure.

## Financial Inclusion for Women

Managing your finances is a fundamental aspect of every person's life.

Among the various options, knowing and managing your money allows you to:

- **Choose** and **plan** independently
- **Participate** in your family's financial decisions.

## Stocks and Bonds

- **Stocks** represent a share of the ownership in a company, and their value can rise or fall.
- **Bonds** are a loan made to a company or the government, which promises to repay the money with interest

Generally, stocks are riskier but can yield higher returns, while bonds are more stable but yield lower returns.



Looking for reliable, free, and multilingual information about living in Italy? ItaliaHello offers up-to-date resources in six languages on work, residence permits, school, healthcare, and much more. Find practical toolkits and clear articles to guide you step by step.

Website: <https://italiahello.it>

Email: [info@italiahello.it](mailto:info@italiahello.it)

Facebook and Instagram: @italiahello.it



Nosotras Onlus offers shelter, legal and social counseling, Italian language courses, and support to women, especially migrants.

It promotes autonomy, rights, and inclusion through free services and local projects.

Website: <https://www.nosotras.it>

Email: [info@nosotras.it](mailto:info@nosotras.it)

Facebook and Instagram: @nosotras\_aps



ACISJF Firenze offers temporary accommodation and support to women and girls, both Italian and foreign, in difficult situations.

It provides social guidance, educational support, and assistance in achieving independence.

National website: <https://www.acisjf.it>

Email: [acisjf.firenze@gmail.com](mailto:acisjf.firenze@gmail.com)

Facebook and Instagram: acisjf\_firenze\_odv



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