Models for Integrating Financial Services with Financial Education for Young People

Lessons Learned from the *Advancing Integrated Microfinance for Youth Initiative*

Freedom from Hunger

The MasterCard Foundation

Models for Integrating Financial Services with Financial Education for Young People

Lessons Learned from the *Advancing Integrated Microfinance for Youth Initiative*

FREEDOM FROM HUNGER TECHNICAL REPORT MAY 2014

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List of Acronyms

AIM Youth	*Advancing Integrated Microfinance for Youth*
CAEB	Conseils et Appui pour l'Education à la Base (non-governmental organization in Mali)
CERCAD	Centre d'Études, de Recherche, de Communication et d'Animation pour le Développement
CwE	*Credit with Education*
CYFI	Child and Youth Finance International
FE	Financial Education
FFH	Freedom from Hunger
FSP	Financial Service Provider
GSA	Group Savings Account
ISA	Individual Savings Account
MFI	Microfinance Institution
NGO	Non-Governmental Organization
SfC	*Saving for Change*
SMB	San Miguel de los Bancos (credit union in Ecuador)
YSG	Youth Savings Group

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This report represents the perspective and analysis of the authors and does not necessarily reflect the views of the reviewers. Reviewers and their organizations do not necessarily endorse all of the content of this report.

Rossana Ramírez

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Executive Summary

The transition of young people from adolescence to adulthood can be precarious as they try to navigate in a sea of new responsibilities and assert their independence. For youth living in poverty, such a transition is even more challenging, characterized by tensions between increasing financial pressures on the one hand and limited access to resources and opportunities on the other. These factors can recreate a vicious cycle of poverty as those youth grow up and start their own families. For this reason, addressing the financial challenges young people face early in their lives has gained attention in poverty-alleviation strategies.

Freedom from Hunger reasoned that offering young people a combination of practical financial knowledge, skills and instruments to help them manage their limited resources could build their financial capability during this transitional period and set them on a solid path to a more secure future. To assess the impact and effectiveness of this combination of services in different settings, Freedom from Hunger partnered with The MasterCard Foundation to launch the *Advancing Integrated Microfinance for Youth* (*AIM Youth*) initiative in 2009. Through *AIM Youth*, Freedom from Hunger set out to offer financial services and education to young people 13 to 24 years old in Mali and Ecuador. In order to operationalize this initiative, Freedom from Hunger collaborated with implementing partners to design services that were appropriate for the target population given their stage in life and their resources.

Many other organizations seeking to build the financial capability and promote the financial inclusion of youth have embraced an integrated approach in which financial education is coupled with a financial service.[1] Yet, finding the right model of integration brings practitioners face-to-face with questions that have been associated with value-added microfinance programs.[2] Of the many needs of youth, which ones should the program address? What is the most effective blend of financial and non-financial services? What are the operational implications of integrated-service delivery? Who delivers the multiple services? What is the impact of the services? How can the non-financial services be sustained? Freedom from Hunger, through its *AIM Youth* initiative, has dealt with these questions and learned valuable insights, as it has faced both successes and challenges.

The theory of change for *AIM Youth* centered on understanding the degree to which the combination of these services for young people would influence their socio-financial capability,[3] ability to deal with life-cycle events, self-confidence and empowerment, social capital and knowledge and attitudes in money management in the short term. Positive changes in short-term outcomes should then lead to improved economic and civic engagement and better access and use of food over the long-term. This theory of change was tested through a multi-method research agenda that included qualitative and quantitative data. In addition, regular monitoring data was collected on the services provided to assess the efficiency of each approach in achieving intended project results. This data combined with ongoing monitoring visits and discussions with field partners yielded valuable operational and financial viability insights of each approach.

With *AIM Youth*, Freedom from Hunger designed and tested three different models for delivering financial services and education to young people in Mali and Ecuador. To make the project results and impact outcomes more relevant to future programming for low-income youth, we evaluated the findings primarily on the ability of each model to improve the financial capability of young people and the efficiency in integrating and delivering both services.

In sum, we found evidence that the combination of services resulted in improved savings behaviors and financial knowledge across different models, but the efficiency in integration varied depending on the model:

Individual Savings Accounts (ISAs) and Financial Education

In Ecuador, a different approach was implemented through credit unions—field staff facilitated financial education sessions in schools and promoted voluntary uptake of ISAs. Youth in the targeted schools reported improvements in their total savings and emergency savings, satisfaction with their savings amounts, and motivation to save. While youth improved their financial knowledge and savings behaviors, not all youth who participated in the financial education took up the savings account. Instead, many other youth from the community, primarily over 18 years old, opened the youth savings accounts. The results suggest that the financial education alone was likely most successful in changing attitudes, motivations and perceptions about one's financial situation, but not enough to overcome the challenges in accessing formal financial services. This approach has the potential to be sustainable in the long term if cross-subsidized by more profitable financial products that youth and their networks could access over time. But the downside of this approach is a more limited offering of financial education.

Youth Group Savings Accounts (GSAs) and Financial Education

A group-based approach was implemented through a credit union federation in Mali, with the model designed to enable youth to save in a formal savings account.[4] With this approach, youth also increased their total savings, but did not show as much improvement in financial knowledge since levels were high from the start—possibly as a result of attracting older youth who might have been more experienced with financial services. The model, implemented in an urban context, faced many more challenges in gathering youth, especially in ensuring gender equality. Ultimately more boys than girls took up the accounts, since the accounts were offered to more boys. But like the Youth Savings Group (YSG), this group-based model was also effective in delivering an integrated package of savings and education, and in tackling major barriers to formal savings services. However, its implementation was much more resource-intensive, resulting in limited outreach, and its financial sustainability more difficult to achieve without external subsidies.

Youth Savings Groups (YSGs) and Financial Education

In Mali, a savings-led approach was adapted for young people in rural areas and delivered through community development NGOs. The model achieved significant results in terms of both outreach as well as impact—it was especially successful in reaching out to adolescent girls. Despite a coup d'état that occurred during the course of the project, participating youth experienced increases in total savings (which included the value of livestock), improvements in attitudes towards financial matters, improvements in financial knowledge and the ability to maintain these positive changes over time. The group-based approach was also very efficient in the integrated-service delivery, offering one place and time for both the financial and non-financial components. Not having money to save and migration, however, were the biggest challenges to accessing and using the financial services. While there is no certainty as to how long the YSGs will continue to meet over the long term, the groups function as a platform to build the financial capability and resilience of young people.

Table 1 shows the total outreach for all three models during the project implementation, segmented by youth participating in financial education sessions and youth savings (either through a savings account or as part of a YSG).

Table 1: Outreach Indicators by Integrated Model (as of December 31, 2013)

	Ecuador ISAs + Financial Education	Mali GSAs + Financial Education	Mali YSGs + Financial Education	Total
Youth with Savings	5,701	2,606	24,070	32,377
Youth with Financial Education	12,763	2,372	19,391	34,526

Note: Due to the design of the services in Mali, not all youth who engaged in a group-savings approach were able to receive the education during the time frame of the project. In the case of Ecuador, the data for the outreach in savings and financial education came from two different databases.

Global lessons learned from the research and monitoring of this project include:

- Giving youth access to integrated financial services can help them build their financial capability.
- Financial education does not automatically lead to savings account openings.
- Group-based approaches that start with savings as the core are very effective in delivering integrated services.
- Youth value the financial education, but they need more than that to meet their financial needs, including training and support in income-generating activities and access to credit.
- Parents play a critical role in the financial lives of their children, especially among younger youth to access and utilize financial services.
- Technology offers some potential for greater and more efficient uptake of services.
- The offer of financial education by financial institutions must match institutional capacity, resources and strategy.
- Product design can help overcome some of the obstacles to formal financial services, but having a more competitive financial-services sector would likely be more effective.

While we cannot isolate the effect of each service on its own, the integration of financial education with a savings strategy shows promise of its value in the development field. With this report, we provide evidence-based findings and offer recommendations for organizations that wish to build the financial capability and promote the financial inclusion of young people through the offering of savings services and financial education.

Introduction

Young people are in the forefront of interest in the development field, largely due to the convergence of the "youth bulge"—a demographic condition in which the proportion of youth in the population reaches a peak—and high levels of youth unemployment, which can exacerbate levels of poverty.[5] In realizing the complexity of addressing the various needs and challenges of youth living in poverty, the development field is honing in on multi-sectoral youth development strategies, and mainstreaming youth into various types of development programming.[6]

The accumulation of savings and assets is one approach that is gaining attention for its potential to improve the economic well-being of people living in poverty.[7] While savings alone will not lift young people out of poverty, they can strengthen their resilience to face financial shocks by helping them build assets—even in

the form of small savings—early in their lives before they face greater financial and social responsibilities in adulthood. However, young people face a number of challenges to saving, including having small and irregular savings amounts, having little or no access to safe savings instruments, lacking the requirements to open up a savings account, lacking a sense of urgency to save, and having limited awareness on the importance of saving for the future and to face financial difficulties.[8] As a response to some of these challenges, there is also a growing movement to offer financial education to young people along with savings instruments, based on the theory that the education can help build the financial capability of young people by turning financial knowledge into action.[9]

Freedom from Hunger, with its experience in the microfinance field offering value-added services, knew that the integration of financial services and education would need to take different forms to respond appropriately to the varied context and needs of the target youth population. In 2009, Freedom from Hunger partnered with The MasterCard Foundation to launch the *Advancing Integrated Microfinance for Youth* (*AIM Youth*) Initiative to test and document a combination of tailored financial services—primarily in the form of savings—and financial education in Mali and Ecuador for young people 13 to 24 years of age. The integration of these services is consistent with the approach suggested by a recent World Bank report on Financial Inclusion, in which the authors conclude that "combining targeted financial literacy programs with other interventions is particularly helpful in poor households, which often face multiple constraints on saving and other financial activities."[10] In partnering with different types of providers in diverse contexts, *AIM Youth* served as a learning laboratory that informs not only multiple approaches to building the financial capability of young people, but also sheds light on the strategies for integrating non-financial and financial services efficiently and for promoting the financial inclusion of young people.

Scope and Limitations to this Report

This report documents the experience of Freedom from Hunger and its implementing partners offering three different packages integrating youth financial services and education and their impact on the financial capability of the participating youth. The report synthesizes results obtained from qualitative and quantitative monitoring systems and research data obtained throughout four years of implementation in Ecuador and Mali. This technical report is intended primarily for institutions interested in building the financial capability and promoting the financial inclusion of young people by offering both financial services and education. Interested institutions can range from financial service providers (FSP) that offer formal savings products such as savings accounts and loans, to community-based organizations (CBO) or youth-serving organizations (YSO) that can facilitate community-based finance programs such as Savings Groups.

The formal financial services that were tested through *AIM Youth* were exclusively offered through credit unions, which have a different philosophy and structure from commercial banks or microfinance institutions (MFIs). Credit unions are member-owned and, as such, tend to have a very strong connection with the communities in which they operate.[11] Thus, their interest and approach in pursuing integrated services is partly a reflection of their own institutional vision and mission. However, many of the insights generated from their experience could be applied to other types of financial institutions with a strong social mission.

This report does not intend to provide step-by-step guidance on designing and implementing youth savings products or financial education. It is intended primarily to offer guidance and key considerations to a variety of approaches for delivering a financial service, primarily in the form of savings, integrated with financial education for young people living in poverty. The guidance offered in this report can supplement information provided by other organizations documenting the product development process for youth financial services, including SEEP,[12] Women's World Banking,[13] MEDA[14] and UNCDF.[15]

Finally, we did not set out to test the same approaches in two different contexts, so we cannot know with certainty whether one approach would work in a different context. However, the approaches tested, either formal or non-formal financial services, largely reflect the cultural, geographic and economic context, and were appropriate for the profile of the target youth population.

Overview of Freedom from Hunger's Integration of Services Model

In the past decade, in response both to negative outcomes associated with microfinance—such as over-indebtedness—and a growing commitment to social performance, supporting clients with additional services has surfaced from multiple sources. Furthermore, increasing diversity of both providers and products has raised the need for education to enhance client ability to effectively choose and use the new financial options.

Freedom from Hunger has been a recognized expert in and advocate for integrated-service delivery in microfinance since the late 1980s, pioneering mechanisms to integrate microfinance with non-financial services, including health-protection services as well as business and financial education. Freedom from Hunger's strategy typically starts with groups. Regular group meetings provide a platform for learning, mutual support and confidence building. For its educational services, Freedom from Hunger uses a dialogue-based training that does not require members to be literate to participate. Learning is shared and supported by the group members.

Freedom from Hunger developed a now widely used and referenced framework to understand the options for integrated-service delivery (see Table 2).[16]

Table 2. Options for Integrated Service Delivery

Type	Description
Linked	Two or more institutions provide different specialized services; one may organize groups for the purposes of savings and credit while another takes advantage of those groups to deliver another service (e.g., health education, agricultural extension, etc.).
Parallel	Distinct staff within the same institution provides different services.
Unified	All services are provided by the same staff of the same institution. For example, the animator in Mali who forms and trains Savings Groups also provides malaria education to those groups.

Freedom from Hunger recognizes that these options for delivery are not rigid, as there could be hybrid versions. For its *AIM Youth* program, Freedom from Hunger and implementing partners chose versions of the unified model to maximize effectiveness and leverage expertise with integrated services. The underlying concept is that the synergy between financial education and financial services makes it relatively easy for one staff person to handle both. In addition, Freedom from Hunger considers the unified model as the most sustainable approach, as it is often the lowest cost;[17] the engagement of a second institution in service delivery can increase costs and affect sustainability. Nevertheless, the unified model requires attention to balance staff workload as there is a limit to the number of different topics or distinct responsibilities one staff person can effectively manage.

Project Description

AIM Youth was implemented in Ecuador and Mali since 2010. The overarching approach in both countries is that young people are offered a series of dialogue-based, dynamic and participatory financial education sessions, and a savings mechanism that can help them apply the financial concepts and goals established during the financial education. This section provides a brief description of the selected countries and partners, the target group, the services being offered and the different models that were tested.

Countries, Implementing Partners, and Timeline

Freedom from Hunger chose to implement *AIM Youth* in Mali and Ecuador for several reasons. First, both countries have high levels of young people, people living in poverty and people living in rural areas (See Table 3). Freedom from Hunger has traditionally focused on rural populations because of their vulnerability to chronic hunger.[18] In addition, Freedom from Hunger already had extensive experience working in those countries and operating local offices.

Table 3. Key Characteristics of Selected Countries

	Ecuador	Mali
Percentage of total population under 15 years of age	30.9%	46.7%
Percentage of total population between 15 and 24 years of age	19.2%	18.6%
Percentage of total rural population	32.5%	65.1%
Percentage of people in poverty in rural areas	49%	51%

Sources: Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat, 2010. World Bank, World Development Indicators, Ecuador data is as of 2012, Mali data is as of 2010.

In terms of the selection of the local implementing partners, Freedom from Hunger engaged with a variety of local institutions: four credit unions in Ecuador, two credit union federations in Mali and two non-governmental organizations (NGOs) in Mali.[19] In selecting the partners, Freedom from Hunger had two initial criteria: organizations that understood or had experienced implementing integrated services with youth or adults and an institutional commitment to extend services to young people. Freedom from Hunger prioritized organizations that could reach low-income youth, especially young people living in rural areas where poverty levels and chronic hunger tend to be higher. For the implementing institutions, participating in this project gave them an opportunity to reach out to a population they wanted to foster as future clients. Table 4 lists all the partners in the target countries and their experience with integrated services.

Table 4. Profile of Implementing Partners

Country	Institution	Type of institution	Geographical Focus	Integrated Services Experience
Ecuador	San José	Credit union	Rural	CwE*
	Santa Ana	Credit union	Rural	CwE *
	Cooprogreso	Credit union	Urban	CwE *
	San Miguel de los Bancos	Credit union	Rural	None

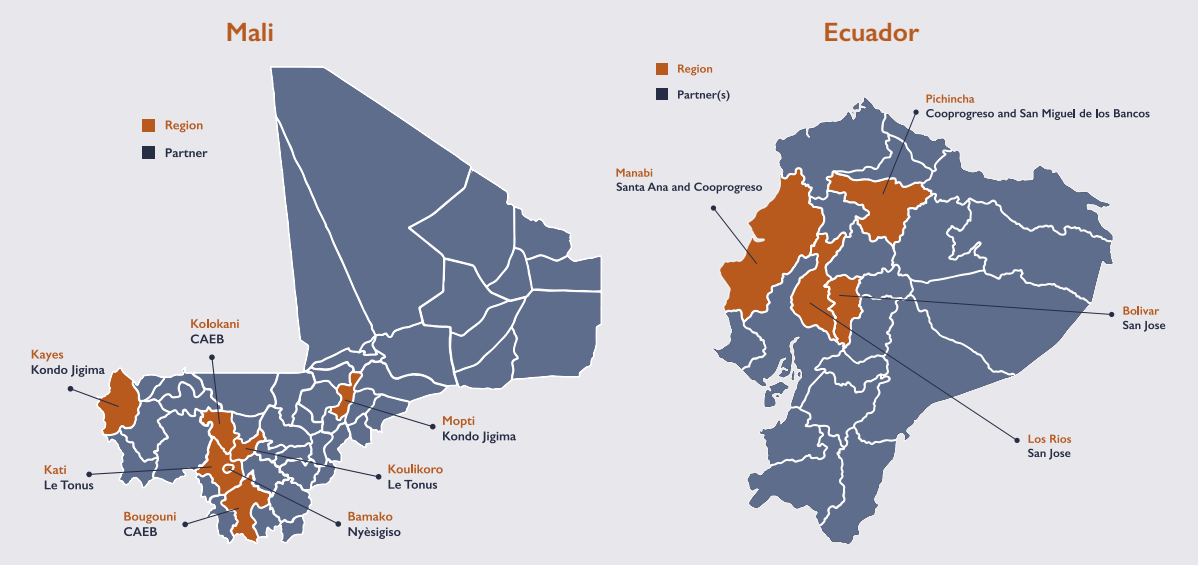
Country	Institution	Type of institution	Geographical Focus	Integrated Services Experience
Mali	CAEB	Non-governmental organization	Rural	SfC**
	Le Tonus	Non-governmental organization	Rural	SfC**
	Nyèsigiso	Credit union federation	Urban	CwE *
	Kondo Jigima***	Credit union federation	Urban/Peri-Urban	CwE *

* *CwE—Credit with Education* is Freedom from Hunger's signature service-delivery innovation, offered in partnership with local MFIs. It is an integrated program of microfinance combined with dialogue-based adult education specially designed to meet the unique needs of poor women in rural areas.

***SfC—Saving for Change* is a savings-led microfinance initiative developed by Freedom from Hunger with Oxfam America and the Strømme Foundation of Norway. Savings-led microfinance is an emerging methodology where members save together, lend their savings to each other and share the profits.

***The *AIM Youth* partnership with Kondo Jigima started in March 2010 and ended early in September 2012, due to institutional challenges faced by that credit union at that time. Given the limited implementation time with Kondo Jigima, this report does not reflect on the experience with this institution.

Mali, in particular, offered an excellent opportunity to explore informal youth services because Freedom from Hunger had previously collaborated with the selected partners in the implementation of *Saving for Change*, a very successful and extensive Savings Group initiative, which it intended to replicate for the youth population. Ecuador offered an opportunity to test and compare the integration of services in a different context because the credit union partners in Ecuador had a similar social orientation as that of the credit union federations in Mali.



Freedom from Hunger's Role

Freedom from Hunger played a key technical role in addition to project management. In its technical role, Freedom from Hunger led the market research process, including the data-collection and analysis, and engaged partners in using the findings to inform the design of the financial services and financial education. In addition, Freedom from Hunger developed the financial education module and trained partner field staff in facilitating the module. For the group-based financial services, Freedom from Hunger adapted existing Savings Group

training guides and collaborated with partners to train field staff in forming and managing the groups. For the individual savings accounts (ISAs,) Freedom from Hunger provided technical support for ISA design and training of staff. In addition, Freedom from Hunger led the research design, data-collection and analysis of the findings. Throughout the project implementation Freedom from Hunger engaged partners in a series of meetings to monitor and assess progress, identify lessons learned and discuss sustainability of the services.

Timeline

The project was designed in three phases: initial phase consists of market research and product design, two implementation phases with only two partners from each country testing the services at first. This sequenced approach would allow Freedom from Hunger to assess the effectiveness of the services prior to the rollout with additional partners. Some delays were faced with the group savings account (GSA) approach, which limited the ability to assess the model before being rolled out with the second partner. Monitoring activities took place throughout the implementation period, but research activities were more delimited, over approximately 18 months. Table 5 shows the actual sequence of service implementation from 2011 to 2013 (arrows represent when the partners began to roll out their services to youth). Market research and product design took place in 2010 (not shown).

Table 5: Implementation Sequence

	2011				2012				2013			
	Quarters											
	1st	2nd	3rd	4th	1st	2nd	3rd	4th	1st	2nd	3rd	4th
Ecuador												
San José (CU)	➔											
Santa Ana (CU)	➔											
Cooprogreso (CU)					➔							
San Miguel de los Bancos (CU)					➔							
Mali												
CAEB (NGO)	➔											
Tonus (NGO)			➔									
Nyèsigiso (CUF)				➔								
Kondo Jigima (CUF)				➔								

CU—Credit union
CUF—Credit union federation

Profile of Target Youth

Freedom from Hunger targeted young people ages 13 to 24 years old for this initiative. While the United Nations definition of young people is 15 to 24 years old,[20] we opted to lower the age range because we knew that starting at 15 years would leave out many female adolescents in Mali: 60 percent of girls are married before 18 years of age and have children soon after that.[21] Setting the age range to begin at 13 years old would allow more female adolescents to learn financial skills before they were faced with the responsibilities of being wives and mothers.

From the outset, Freedom from Hunger and its implementing partners chose to work with both young men and women. This strategy would offer an opportunity to compare outcomes for both genders. The school-based outreach strategy in Ecuador made the mixed-gender approach an obvious choice, because there were

no single-sex schools or classrooms that were targeted. However, a more critical rationale is that gender-disaggregated services would be difficult to sustain financially. The credit unions could not expect to develop a profitable product if their market was cut in half.

In Mali, the decision to pursue a mixed-gender program was a little less obvious, given that the youth Savings Group (YSG) strategy is modeled after a program specifically targeting adult women. However, because youth are not yet managing household finances and directing resources to family welfare as their mothers do, there is less urgency to focus only on girls. In addition, the local NGOs and the target communities expressed a strong desire to make membership available to both genders, in an effort to offer more incentives for young people, especially males to stay in their communities, or at the very least delay their migration.

General characteristics of participating youth in Mali and Ecuador were different, largely as a reflection of the location and delivery approach of each implementing institution. Table 6 provides the characteristics of young people who participated in research activities and are representative of the entire population of youth participating in *AIM Youth* services.

Table 6: Youth Characteristics in Mali and Ecuador (based on research participants)

Characteristic	Ecuador Rural/Urban	Mali Rural	Mali Urban
Male	59%	45%	83%
Female	41%	55%	17%
Ages 13–17	41%	80%	31%
Ages 18–24	59%	20%	69%
Not Married	93%	85%	94%
In School	74%	60%	44%
Food-Insecure	1%	44% (May); 95% (Oct)	6%
Below National Poverty Line	15.2%	66%	4%
Migrated in Past Year for Work	5%	25%	0%
Income of Past 7 Days	US$20.83	US$0.50–$1	US$4-$7
Expenses of Past 7 Days	US$18.56	US$0.50–$1	US$2-$5

Context is Key

With *AIM Youth* we set out to test different approaches that took into account very distinct economic contexts. In Mali, with a high percentage of its population living in rural areas and in poverty, the depth and breadth of its financial service industry is very limited. As a result, we knew we could not rely exclusively on formal financial services to reach very poor, rural youth. According to the Global Competitiveness Report produced by the World Economic Forum, Mali ranks 127th in availability of financial services and 104th in affordability of services (out of 144 countries).* In Ecuador, the rural population is slightly lower and there is a more robust and vibrant financial-service sector than Mali. Its financial-service sector ranks 87th in the availability of financial services and 82nd in affordability.** Thus, the implementation of a formal services approach in Ecuador was a logical fit.

* http://www3.weforum.org/docs/WEF_GlobalCompetitivenessReport_2013-14.pdf (Accessed January 9, 2014).
** Ibid.

Political Upheaval in Mali

In March 2012, Mali experienced a military coup d'état, which resulted in political and economic upheaval, and left part of the North occupied by Islamist extremist groups. The political crisis led to the withdrawal of multi-national and bilateral aid to Mali, and resulted in an economic recession for the entire country. Over 350,000 people were displaced during this time.* The humanitarian and political crises had further exacerbated the poor economic conditions of Malians.

Despite the conflict and political instability, the Malian implementing partners continued delivering *AIM Youth* services in many regions throughout the country. None had to interrupt services entirely because they were outside of the direct conflict zone, but many youth report that the crisis affected their ability to earn money, as the overall economy had been impacted by the political instability. This has been confirmed by partner staff. While difficult to measure under such conditions, the conflict and political instability likely attenuated some of the impact and results of services in Mali.**

*Arieff, A. Crisis in Mali. Congressional Research Service.(January 14, 2013) <http://www.fas.org/sgp/crs/row/R42664.pdf> (Accessed April 7, 2014)
**Gash, M. Impact of Integrated Financial Services for Young People in Mali: A Comprehensive Research Report. Davis, CA: Freedom from Hunger. 2014.

Description of the Integrated Services

Freedom from Hunger chose to integrate savings services and financial education for young people to build their ability to face the increased financial responsibilities of adulthood. We hypothesized that the combination of these services would guide and encourage youth in establishing and achieving financial goals, and result in better economic outcomes for the future. With the education, young people develop knowledge and skills to make sound decisions about managing their money, which can then be applied to a savings instrument.

Freedom from Hunger also heeded early lessons learned in the delivery of youth services. In India, Freedom from Hunger provided financial and health education to girls, without offering access to a financial service. We found that there were improvements in the health behaviors, but none for the financial ones.[22] Project staff hypothesized that the lack of an accompanying financial instrument might explain the lack of impact on the financial behaviors. Freedom from Hunger also drew from the experience of the Tap and Reposition (TRY) Project in Kenya, a microfinance approach implemented by the Population Council and K-Rep (a Kenyan MFI), to address livelihood-strategy constraints for adolescent girls at risk for HIV/AIDS in an urban slum in Kenya. The project found the savings service offered to adolescent girls was more successful than the credit element, which experienced many dropouts. Reflecting the successes and challenges, the implementing organizations recommended starting with "savings and training in money management as an entry point for working with younger adolescent girls.[23]"

Rationale for Selected Services

Why Savings?	Why Financial Education?
From the full range of financial products and services, Freedom from Hunger and its partners chose to prioritize savings as a starting point for young people because savings services, be they formal or non-formal, were accessible to all youth in the targeted age range of 13 to 24 year olds, whereas credit is limited to youth of legal age (generally 18 years old). Inculcating a savings culture at a young age builds confidence and habits that could have life-long usefulness; saving is also the easiest financial product to make accessible and relevant to youth who, still in school, are less likely to be engaged in livelihood pursuits that require credit. The project did not intend to rule out credit for eligible youth, but there was insufficient time and resources available to fully pilot a credit component.*	Among many competing needs that disadvantaged youth present (health, entrepreneurship, vocational skills, etc.), Freedom from Hunger honed in on financial education as the most appropriate, relevant and effective service to integrate with savings. Financial education and financial services are conceptually linked and mutually reinforcing; financial education supports youth to understand and carry out the financial management that access to new savings mechanisms introduces. Although business training is often offered to older youth alongside financial service access, financial education is more appropriate for adolescents who are less likely to be engaged in enterprises.

*Freedom from Hunger and Santa Ana in Ecuador launched a group credit component for youth towards the end of 2013, but there was not enough time to assess the effectiveness of this service to be included in this report. Similarly, Freedom from Hunger and Nyèsigiso developed an educational module for youth interested in accessing credit products, but the module was being finalized while this publication was in development.

Regarding the financial education component, Freedom from Hunger drew on its long experience with non-formal training, adapting its tested 30-minute educational sessions used with adults in Africa, Asia and Latin America for young people by incorporating "games"—learning elements designed to meet youth's desire for lively, creative activities—stories, skits, songs, rhymes, etc.,—to learn new information and skills. Freedom from Hunger had also previously developed a youth financial education module as part of the Global Financial Education Program, which was designed for a more generic youth audience.[24] Freedom from Hunger tailored the content of the financial education to the specific context and conditions that influence how young people relate to money in Mali and Ecuador, following key youth learning principles. Annex A shows a brief description of the education content and learning objectives for each country, as well as the key youth learning principles.

In addition to the types of services that were offered, how institutions reached youth—the "point of entry"—had significant implications on the efficiency in delivering integrated services and how they were taken up by the intended beneficiaries. With the implementation of *AIM Youth*, the three different models had distinct outreach and delivery strategies, which revealed a number of advantages and disadvantages.

"Rule of Thumb" Financial Education for Young People

According to Drexler, Fischer and Schoar (2013), a rule-of-thumb training approach with simple messages might be more effective than more complex trainings, especially for clients with limited experience with financial services. They offer the following example of a rule-of-thumb training utilized by ADOPEM, an MFI in the Dominican Republic:

"The rule-of-thumb training gave them a physical rule to keep their money in two separate drawers (or purses) and to only transfer money from one drawer to the other with an explicit 'IOU' note between the business and the household. At the end of the month, they could then count the money in the business drawer and know what their profits were."

The financial education training designed by Freedom from Hunger utilizes a similar simplicity, and for young people the concepts are presented through lively, creative activities—games, stories, skits and songs. For example, in one game, youth learn basic strategies for saving more money:

- Set some money aside so you do not spend it all
- Talk to your family about your savings goal and make it a family project
- Save more when you have more money

They accomplish this by playing a game in which they try to reach a finish line that is several steps ahead of them; if the financial decision read out by the facilitator would help grow their savings, youth are asked to take one step forward and if it will not help they are asked to remain in place.

Ecuador Integration Model and Outreach Strategy

Ecuador Individual Savings Accounts (ISAs) and Financial Education Integration Model

In Ecuador, Freedom from Hunger's credit union partners pursued a common approach: conducting outreach to youth primarily through middle and high schools, where credit union staff facilitated the financial education and encouraged youth to open and save in a savings account.

Each institution launched a youth savings product as part of this project. While most of the credit unions were already offering a child savings account, this was primarily promoted to parents of children under 18 years old. The new savings account was designed for and promoted to youth between the ages of 13 and 24 years, though youth under 18 years old still required an adult co-signer in compliance with national regulations. Credit union staff offered information on the opening process and how to make deposits and withdrawals as part of the financial education sessions facilitated at the schools. Youth could provide the requirements for opening an account during the credit union staff visits at the schools, with only one of the credit unions requiring a visit in person to the branch to provide the minimum opening amount and sign the relevant account opening documents.

For this new target market, the credit unions had to classify youth account holders as non-voting clients—as opposed to cooperative members who have voting rights—enabling them to postpone the mandatory purchase of credit union membership until age 18. This distinction made the youth savings account more accessible for the younger cohort by lowering the minimum opening amount. However, for those ages 18 years and older, the membership requirement was maintained.

During the second phase of the project, some of the credit unions in Ecuador were also able to take advantage of emerging technology to promote youth savings. Two of the credit unions implemented a text-messaging system through which a series of weekly messages were sent to the cellular phones of youth savings account holders. The messages reinforced key concepts from the financial education. Annex B includes some of the messages that were sent out.

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The second technological innovation adopted by three of the credit unions involved the use of Smartphones to capture savings remotely. With this system, the credit union field staff collected savings while conducting their school visits. By bringing the financial service to young people, instead of having the youth go to the local branch to make a deposit, the credit unions effectively tackled one of the major barriers youth face in accessing formal financial services. This technology was possible because of the extensive penetration of mobile phones in Ecuador and the recent growth of mobile internet access,[25] as well as enabling regulatory environment that allowed credit unions to capture savings remotely. The credit unions wanted to adopt this technology because they believed it would encourage saving among both their youth and adult clientele, especially in rural areas.

Alternative to a Unified Approach

An alternative to the unified approach is a linked model in which institutions engage an external entity to provide the non-financial service. Such an approach allows the financial institution staff to focus on promoting the take-up and usage of savings accounts. In Ecuador, we were able to partially test this approach through one of the credit unions, which linked with university students who facilitated the financial education to other youth, primarily peers at their university. Freedom from Hunger conducted the student training, and these students delivered the education to their peers free as part of the required social service. Credit union staff participated in some of the sessions to provide information about the savings product. Similarly, Xac Bank and Women's World Banking have implemented a linked approach in offering financial education sessions to youth through university students trained by a local education NGO.[26]

However, the education has not been consistently delivered, as this depends on the school schedule of the students. During the school break, students stop the education. Such a model does not benefit from leveraging the time and resources that staff are already spending offering one of the services. In addition, the continued implementation of such a model would still need a funding entity to pay for the ongoing training of new students to offer the education.

The outreach strategy adopted by the credit unions in Ecuador was two-pronged. Their main strategy consisted of reaching out to young people in schools—primarily those from 13 to 17 years of age—to facilitate financial education sessions and offer ISAs. Second, they conducted community-wide marketing campaigns to promote the youth savings accounts.

Schools as an outreach point of entry.

The strategy to send credit union staff into the public schools to teach financial education to youth is based on a solid foundation. Schools are a natural place to convene large numbers of youth at once and the most efficient way to deliver financial education because youth are already in a group structure. The facilitation of the financial education sessions was rendered possible because the school management endorsed the education and because they were conveniently facilitated during a break between classes. While youth were free to opt out of the session, there were no reports of opting out. All the interviewed youth indicated they enjoyed the education. Some even stated they preferred the financial education to attending regular classes. Furthermore, financial education reflected the corporate social responsibility of the credit unions, and provided them with access to the schools—without the financial education, schools might have been unlikely to give them access to students.

Implementing this school-based strategy, however, has been labor and time intensive. The credit unions have had to negotiate individual agreements with each school. Even though the participating credit unions in Ecuador have long and solid relationships in the communities where they work and have previously invested in community-related events, they are sometimes unable to reach an agreement. In areas with a highly competitive environment of financial institutions, as in Ecuador, a school director might feel uneasy favoring one financial institution over another.

Another critical point is that the school visits did not result in on-the-spot account openings. While most of the credit unions had policies in place that allowed field staff to collect the account requirements during the school visits, accounts were not widely opened by youth receiving the financial education. In addition, once the staff completed the financial education module at a school, they might not return as regularly, since they had other activities, limiting opportunities to further encourage youth to open a savings account and make savings deposits.

Community events as an outreach point of entry.

Apart from schools, the credit unions held some community-wide marketing campaigns. During special events, the credit unions gave promotional materials such as caps and t-shirts, and offered a variety of incentives to youth to open a savings account, including cell-phone airtime cards and discounts at local businesses. This probably resulted in more people learning about the youth savings products beyond the schools.

It is unclear, though, how much of a role these campaigns and incentives actually played. Early in the project youth were asked to prioritize ten features of a savings account that were most appealing, including safety, interest rate, distance to credit union, congenial staff and gifts. In all cases, youth rated safety as one of the top priorities, whereas gifts were consistently rated at the bottom. During focus-group discussions throughout other points of the project, youth indicated that having a safe place to save was the main reason for opening a savings account. Moreover, the implementation of the campaigns took place at the launch of the products and at certain points throughout the year to coincide with holidays, but they were fairly limited.

Credit union staff allocation of time for delivering services.

The credit union staff was not solely dedicated to the youth services. In fact, after the first year of implementation, credit union management started limiting the portion of time field staff could devote to facilitating financial education sessions. One of the participating credit unions was even implementing two financial education sessions at a time (for a total of one hour) in order to finish the entire module in only five visits to a school.

This strategy allowed staff to dedicate more time to promoting the youth savings accounts and especially more profitable financial products for adults, effectively generating a cross-subsidy for the youth services. However, this strategy reduced the amount of time staff could dedicate to facilitating financial education sessions and the number of opportunities staff have to encourage youth to open an account and/or make a savings deposit at school.

Table 7 shows the breakdown of time spent on the different services, based on a survey conducted with field staff from San José and Cooprogreso, the two largest credit union partners in Ecuador as part of the *AIM Youth* initiative.

Table 7. Breakdown of Staff Time Allocation in Ecuador

	Facilitating Financial Education Sessions	Promoting Youth Savings Accounts
Average number of hours per week	2.9 hours	7.2
Percentage of time on a 40-hour work week	7%	18%

Product-Linked Financial Education

For AIM Youth, Freedom from Hunger designed product-linked financial education modules for young people, which was deemed necessary to maximize the uptake of accounts and lead to greater sustainability.

In Ecuador, the financial education was originally developed separately from the savings product information. However, we learned from an initial assessment that young people did not know enough about how to open a savings account. Since initially the implementing credit unions had a very slow uptake of savings accounts, three sessions were added and woven into the financial education module to help promote the savings accounts. However, youth were completely free to decide whether to and when they would open an individual account.

In Mali, while the education could be considered product-linked, the approach had key differences. After the credit union facilitator gathered a group of youth interested in the savings account, youth participated in a training that would guide them through the process of opening and managing the group account. The youth self-selected themselves into the group and were able to leave at any point. The financial education was facilitated after the group had been formed and had already met the savings account opening requirements.

With both approaches, the line differentiating financial education and a promotional strategy becomes blurred, highlighting an issue often debated in relation to consumer education.[27] In this case, Freedom from Hunger and its implementing partners hypothesized that such a strategy would be critical for the sustainability and uptake of services for youth. Moreover, having an uptake of their products could cross-subsidize the education. What is clear is that even with product-linked financial education, youth should not be coerced into any one financial product, and that the financial institutions should follow appropriate client-protection measures, such as the ones espoused by UNCDF and Child and Youth Finance International.[28]

Mali Integration Models and Outreach Strategies

Youth Savings Groups (YSGs) and Financial Education Integration Model

In the rural areas, the integration model was built on the *Saving for Change* (*SfC*) methodology, a successful adult Savings Group program. Freedom from Hunger and its implementing partners—CAEB (Conseils et Appui pour l'Éducation à la Base) and Le Tonus—organized YSGs in the same rural communities where adult women were already members of active *SfC* groups.

With the YSG approach, a group of about 10–15 young people—girls and/or boys—meet on a weekly basis to save and lend money to each other. With initial support from a trained facilitator, an elected Management Committee facilitates group meetings and helps enforce group rules. The group jointly decides on the amount that every member will save at each meeting, which is stored in a cashbox. As money accumulates, members agree to make the group fund available for loans to group members. Members also agree to a social goal that they will collectively work towards, such as a village sanitation project or promoting malaria-prevention strategies. Members continue to meet on a regular basis over approximately one year, when the group fund is distributed. This approach works especially well in the rural areas of Mali, which traditionally have not been reached by formal financial service providers and, as a result, have no other reliable options for saving.

The methodology of YSGs was essentially the same as that of the adult groups, with a few differences. First, the group-formation process was longer because there were more dynamic and participatory elements incorporated in the training process. In addition, youth decided whether to have a group godmother. A YSG godmother was typically a member of an adult Savings Group who was available to advise the youth when there were difficult decisions to be made or when there was group conflict. Although having a godmother was optional, choosing one reflected respect for elders and her affiliation with the YSG served to validate it within the larger community.

The initial group formation training—during which group members elect the Management Committee and decide on all rules concerning their savings and loans—lasted up to three months. The financial education sessions were delivered after the group formation, over a two-month period. The education took place during the regular group meetings after the financial transactions took place. Because of this structure, the two services were highly integrated and occurred as part of the same group cycle, though the sessions were sequentially ordered. This case highlights the potential efficiency gained by the unified approach. Youth have the opportunity to immediately apply new knowledge gained through financial education to their weekly saving and lending.

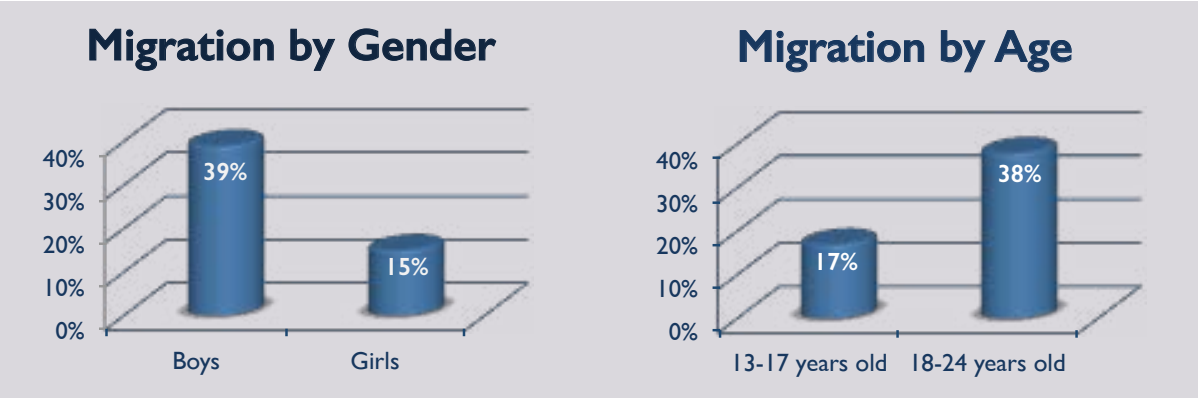
Villages as an outreach point of entry.

Implementing a YSG approach was a straightforward process, and possibly the least challenging to implement of all three models. Freedom from Hunger and the NGO partners in Mali intentionally planned to introduce YSGs in the same communities where they had already implemented Savings Groups for adults because trust and community support were already established. Since community leaders and members were familiar with the model, the formation of YSGs did not present major challenges. Parents were already convinced of the model's value and wanted their children to have access to it.[29] Their support reinforced the model that itself successfully used peer trust and support to encourage youth to save on a regular basis.[30]

Perhaps equally important, the YSG was based in the community; everything—the weekly saving, lending, repayment and share-out—happened locally, removing a significant barrier to participation in financial services. No one had to spend time or money traveling to a financial institution to make transactions. Finally, YSG functioned in remote areas that are generally underserved by financial service providers; they thrived in part because they were the only game in town.

There were, however, some drawback to rural villages as an outreach entry point. First, field staff spent significant amounts of time traveling to each village, raising the cost of implementation. Transportation costs for the YSG ranged from 16 to 25 percent of total implementation costs, compared to 9 percent for the GSAs in the urban areas. In addition, in rural Mali, young people are on the move—young men migrate in search of work while young women get married and move to their husband's home. According to the quantitative survey conducted in Mali, 25 percent of youth reported migrating in the past year for work. Moreover, there were more boys than girls and more older youth than younger youth who migrated (see Chart 1).[31]

Chart 1. Migration by Gender and Age of Youth in Savings Groups



NGO staff allocation of time for delivering services

Unlike the Ecuador credit union staff, the Malian NGO staff was dedicated entirely to the group promotion and training, as well as to the financial education of the youth. Staff met with each YSG weekly during the first six months, and continued meeting with the group for the rest of the cycle, though on a less frequent basis. The total amount of staff time dedicated to training each group was higher than that of Ecuador, primarily because there was more training provided to help group members navigate through the end of a cycle and the start of a new one (see Table 8). The rest of the staff time was devoted to promoting and managing the groups, completing monitoring forms, and traveling to each village.

Table 8. Breakdown of Staff Time Allocation for Mali YSGs

Training Type	Hours
Number of hours for group-formation training (per group)	19.3
Number of hours for financial education module (per group)	3.5
Total number of training/education (per group)	22.8
Estimated number of weekly hours dedicated to training/education (per animator)	8.8
Percentage of time in a 40-hour work week dedicated to training/education (per animator)	22%

Youth Group Savings Accounts (GSAs) and Financial Education Integration Model

The strategy in urban and peri-urban areas involved the credit union federation Nyèsigiso to organize youth into groups that open collective savings accounts.[32] These groups followed a similar structure as the YSGs organized by the NGOs, but the group accounts had distinct differences. First, the funds in the GSAs were not eligible for internal lending to group members. Second, the groups did not distribute their collective funds at the end of a pre-determined period. The intent of the group accounts was to help youth accumulate savings for as long as possible. There was, however, a withdrawal process set in place for the youth who needed to access their funds.

GSAs

At Nyèsigiso, Freedom from Hunger's Malian credit union partner, staff had to design an affordable and accessible way for youth to participate in the credit union because of their minimum opening amounts and account fees as well as their required identification. After extensive discussions with Freedom from Hunger, Nyèsigiso chose to form youth groups of 5 to 15 members who could afford the account opening and annual maintenance fees by opening one GSA, the costs of which would be shared by all members. In addition, the group structure required an identification from only the three members of the management committee. Like the YSGs, the youth in these groups made joint decisions on rules governing their savings in the group account. However, unlike the YSG, these youth did not borrow from the internal savings funds primarily because the youth would find it difficult to meet the minimum balance required for the account.

In this model, the credit union federation Nyèsigiso hired marketing agents to form youth into groups that would jointly open a savings account. These staff organized and oriented the youth to the group structure, and the youth decided and agreed on group policies and practices. The group-formation training period lasted approximately three months. Several of the training sessions covered specific account requirements and processes for managing the GSAs. All youth also participated in the financial education sessions that were integrated into the regular meetings, taking place after the group financial transactions.

Vocational centers as an outreach point of entry.

Finding the youth, however, proved to be challenging in an urban area, where youth seem to be busier and more mobile. The marketing agents had the most success at vocational centers, where youth were receiving training in a variety of trades (for ex., carpentry, metalwork, plumbing, electricity, masonry), and where they were able to convene for group meetings. One result of this approach was that the majority of the participating youth was older and male.

The credit union staff conducted some promotional activities at schools, where they could find younger youth, under 18 years old. However, congregating youth for weekly meetings at the school sites was not possible. Marketing agents found that conducting the group meeting required meeting at a young person's house, but finding enough youth with shared affinity within a neighborhood was very difficult and ultimately not successful.

Credit union staff allocation of time for delivering services.

Unlike their Ecuadorian counterparts, the Mali credit union field staff worked full time in forming and managing youth groups that open collective accounts.[33] The group-formation process was very time intensive, which also limited the ability of the marketing agents to achieve greater outreach. Table 9 shows a breakdown of time for the education and group-formation training. These figures represent only the amount of time conducting the group-formation trainings and education. The rest of the time is devoted to promoting and managing the accounts, which are very time-intensive.

Table 9. Breakdown of Staff Time Allocation for Mali GSAs

Training Type	Hours
Number of hours for group-formation training (per group)	12
Number of hours for financial education module (per group)	3.5
Total number of training/education (per group)	15.5
Estimated number of weekly hours dedicated on training/education (per marketing agent)	5.7
Percentage of time in a 40-hour work week dedicated to training/education (per marketing agent)	14%

Table 10 provides an overview of the three models of *AIM Youth* (Annex C offers a more detailed a description by implementing partners of the financial services that were provided).

Table 10. Overview of AIM Youth Models

Models	Ecuador ISAs + Financial Education	Mali GSAs + Financial Education	Mali YSGs + Financial Education
Financial Service Description	▪ Individual Savings Accounts (ISAs) offered by credit unions. ▪ Adult co-signer required for youth under 18 years of age; identification required from both co-signer and youth ▪ No opening fees (except for San Miguel de los Bancos) ▪ No maintenance fees ▪ Minimum amounts range from US$2 to $6 for youth under 18 years old; US$2 to $11 for youth over 18 years old ▪ Interest paid ranges from 1.5% to 4% ▪ Remote savings deposit capability	▪ Group Savings Accounts (GSAs) offered by credit union federations. ▪ Youth participate in a 12-hour training on group and account functions over a 10-week period ▪ Groups open accounts usually within 8 weeks ▪ Allows members to share costs and requirements for opening the account ▪ Opening account fees US$4 ▪ Minimum opening amount and membership of US$14 ▪ Annual maintenance fee US$4 ▪ 6% interest on balances	▪ Youth Savings Groups (YSGs) organized by non-governmental organizations. ▪ Youth participate in a 12-hour training on group functions over a 10-week period ▪ Youth start savings after three weeks ▪ Members agree to meet regularly and pool their savings ▪ Members can borrow from the group fund, but pay interest on loans. ▪ Group distributes all group funds at the end of a cycle, usually 9–12 months
Financial Education (FE) Description	▪ 10 sessions, 30 minutes each ▪ Learning objectives: • Create a savings plan • Keep your money safe • How to open and use a savings account • Make informed decisions about managing your money	▪ 7 sessions, 30 minutes each ▪ Learning objectives • Make informed savings and borrowing decisions • Increase savings and save in secure locations	▪ 7 sessions, 30 minutes each ▪ Learning objectives • Make informed savings and borrowing decisions • Increase savings and save in secure locations

Models	Ecuador ISAs + Financial Education	Mali GSAs + Financial Education	Mali YSGs + Financial Education
Integration approach	▪ Financial Education delivered primarily through schools ▪ ISAs opened separately from Financial Education	▪ Groups formed at vocational centers ▪ Financial Education facilitated immediately after group-formation training and account opening	▪ Groups formed in villages ▪ Financial Education facilitated immediately after group-formation training

Project Monitoring and Research Methodology

To demonstrate progress on project activities, Freedom from Hunger requested implementing partners to collect quarterly monitoring data. Monitoring data focused on measuring progress towards achieving programmatic goals, such as the number of savings accounts opened, number of youth participating in the education, and number of youth in formal and non-formal savings groups.

In addition, to test the hypothesized *AIM Youth* theory of change, Freedom from Hunger conducted a quasi-experimental, multiple-methods research design with four of the partners (in Mali: CAEB and Nyèsigiso; in Ecuador: San José and Cooprogreso) in collaboration with local research firms and universities. While unable to establish causality, the mixed-method approach ensured triangulation of outcomes from the following methodologies: quantitative impact studies (baseline and endline), financial diaries, qualitative assessment on youth satisfaction and impact stories. A full description of the methods can be found in the final research reports for Mali[34] and Ecuador.[35] Annex E shows the *AIM Youth* theory of change and a brief description of the research methods utilized.[36]

For the quantitative impact studies and financial diaries, the research design included randomly selected youth who had taken up the services offered and a randomly selected comparison group of youth in areas not targeted to receive services. In Ecuador, the selection was done at a school level; in rural Mali, the selection was made at the village level; and in urban Mali, the selection was made at a city district level. For Mali, the quantitative baseline and endline surveys were conducted only with the rural youth participating in YSGs, and not with the urban youth in the GSAs, but the financial diaries included the youth in both the YSGs and GSAs.

Challenges to the Monitoring and Research Data

A major challenge in the monitoring of services in Ecuador was matching the youth with savings accounts and the youth receiving the financial education, because the credit unions used separate databases for these different services. They used their traditional management information system (MIS) for the clients with a savings account. But they maintained a separate database to track youth who were participating in the financial education through the schools. Since education was not part of their core competencies, they utilized a simple spreadsheet to keep track of those youth.

With this approach, we were not able to determine the number of the youth participating in the financial education who opened a savings account. But as the monitoring data indicated (Table 1) we know that a much larger number of youth received the education than opened accounts. A second aspect of this disconnect might be an issue of timing. That is, youth who received the financial education might open savings accounts eventually. Tracking the youth who received the education to determine whether they opened the accounts could certainly help a financial institution determine the added value of the education. However,

this type of monitoring would be challenging and expensive to implement. Account opening forms ask for identifying information such as address, date of birth and adult co-signer information for youth under 18 years old. Collecting similar information from the youth participating in the financial education could be cumbersome and intrusive.

Notably, all those challenges are non-existent or minimized in a group format. Monitoring data was not difficult for the GSAs offered in Mali by the credit union federation because the names in the group register were the same—the group members who collectively opened the savings account were the same ones receiving the education.

In terms of monitoring the quality of the services delivered, the credit unions focus more on outputs than quality: number of sessions delivered, number of accounts opened and amount of savings deposits. Freedom from Hunger conducted technical visits to monitor the quality of the education, and offered technical support in supervision processes. However, the credit unions would need to make an additional investment to develop enough capacity to adequately monitor on their own the quality of the education being delivered. This would require setting standards that the staff would be trained on, and evaluation forms and processes to be carried out by supervisors or other monitoring staff.

The MIS system utilized by the NGOs in Mali was adapted from a standardized system widely used in community-managed microfinance.[37] Because Freedom from Hunger partnered with NGOs that were already experienced with adult Savings Groups, the management and supervisors were already familiar with the MIS system, and were able to easily take up the adapted version. Moreover, because of the integration model of the YSGs, youth in the groups are receiving both services sequentially, so a single MIS captures all the youth.

The NGOs were also very experienced in monitoring the quality of the training facilitated by the field staff. Because of the standardized nature of the Savings Groups, field staff were able to utilize the same monitoring system as they have done with adults.

Box 9. Games or No Games?

During the qualitative interviews and monitoring visits, a common discussion point emerged in both Ecuador and Mali. Participating youth of all ages expressed their high level of satisfaction with the financial education. However, field staff indicated the games in the financial education sessions were too juvenile for some of the older youth, primarily for those over 18 years old. This discrepancy might be explained by the awkwardness the staff might have felt in facilitating the games with older youth. However, since the majority of the youth receiving the education are under 18 years of age, partners continue to facilitate the games in the education sessions.

Program Results and Impact Outcomes

In this section we present results at the programmatic level (number of youth in financial education, number of youth with savings), and impact outcomes at the client level (knowledge, behaviors and attitudes of youth). We also compare results and offer insights to help understand differences and similarities among the three different approaches.

Program Results

With *AIM Youth*, Freedom from Hunger set out to offer integrated services to 37,000 young people, of which 22,000 would be reached in Mali and 15,000 in Ecuador. By the end of field activities at the end of 2013, the project had surpassed its projected goal, with close to 40,000 youth receiving services. However, not all youth received both services during the project implementation. This is primarily the case in Ecuador, where a greater number of youth participated in financial education sessions than opened savings accounts. Table 11 provides a detailed breakdown on the outreach results, drawing a distinction between the youth who participated in the financial education and those with savings, either in the form of formal accounts or as part of a YSG.

Table 11. AIM Youth—Program Results Breakdown

Ecuador			Mali			
	Ecuador ISAs + Financial Education		Mali GSAs + Financial Education		Mali YSGs + Financial Education	
Original Target	15,000		4,600*		17,400	
	Number of ISAs		Number of GSA members		Number of YSG members**	
Youth Savings***	6,441		2,606		24,070	
13–17 years old	1,142	18%	824	32%	18,711	78%
18–24 years old	5,299	82%	1,782	68%	3,899	16%
Females	3,458	54%	604	23%	15,418	64%
Male	2,983	46%	2,002	77%	8,652	36%
Youth receiving financial education***	12,763		2,372		19,391	
13–17 years old	11,305	89%	Not applicable (youth with savings and financial education are the same ones)			
18–24 years old	1,422	11%				
Females	6,389	50.1%				
Male	6,374	49.9%				

*Original target for GSA included 2,400 youth through Kondo Jigima, but the partnership ended early. We included 344 youth who participated in the GSAs offered by Kondo Jigima through September 2012.

**Age Range Figures for YSG do not total 100% because there were youth under or over the age range of 13–24 years.

***Breakdown of Ecuador ISAs data available only as of September 2013, whereas financial education data in Ecuador is as of December, 2013.

Table 12 provides the total and average savings amounts per model, with an additional breakdown by gender and age for Ecuador. The group approach in Mali does not allow for this additional breakdown because the groups are often mixed by age and gender.

Table 12. AIM Youth—Savings (as of September 30, 2013)

	Ecuador ISAs	Mali GSAs	Mali YSGs
Total Savings	$ 751,871	$ 8,222	$ 115,198
Average Savings all youth	$ 124.73	$ 3.19	$ 4.79

	Ecuador ISAs	Mali GSAs	Mali YSGs
Total Savings 13–17 years old (% of all savings)	$ 121,457 (16%)	Data not available	
Total Savings 18–24 years old (% of all savings)	$ 630,413 (84%)		
Total Savings Female (% of all savings)	$ 365,541 (49%)		
Total Savings Male (% of all savings)	$386,329 (51%)		
Average Savings 13–17 years old	$ 106.36		
Average Savings 18–24 years old	$ 118.97		
Average Savings Female	$ 105.71		
Average Savings Male	$ 129.51		

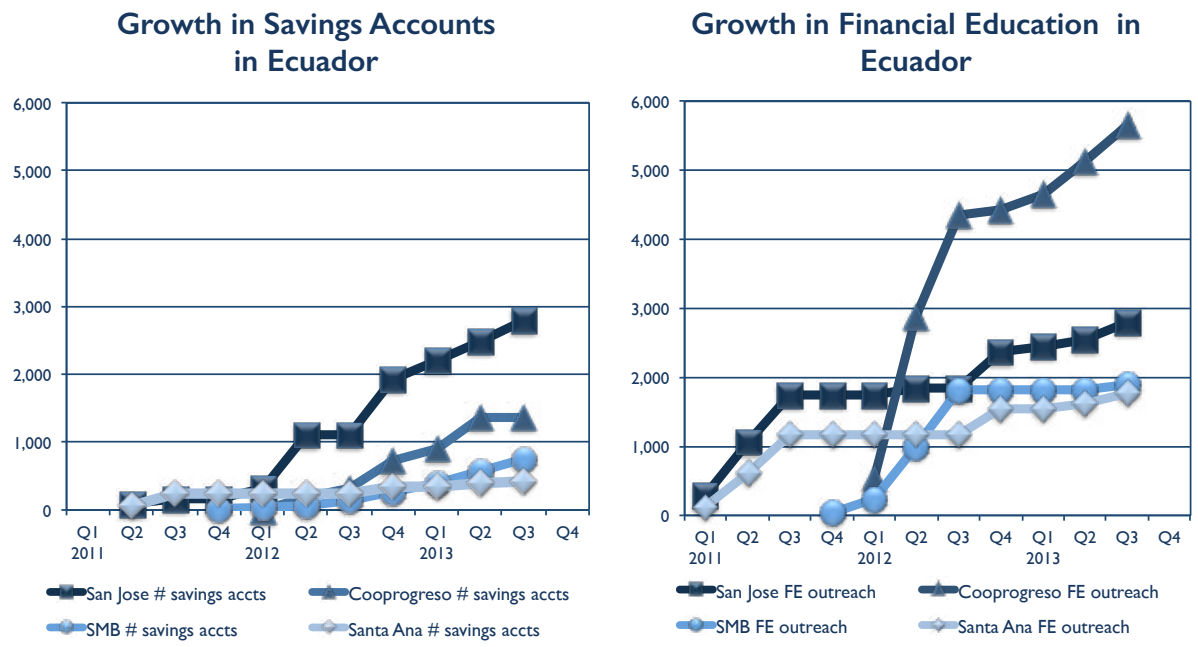
Note: For calculating totals and average savings balances, outliers were winsorized at the 0.1%

Ecuador Program Results

In Ecuador, the school-based outreach strategy for delivering the financial education explains the prevalence of a younger cohort. However, the greater number of youth ranging in ages 18 to 24 years old who have opened savings accounts highlights the disconnect between the youth who received the education and those who actually opened the accounts. It also reflects the continued challenge of promoting financial inclusion for younger youth under legal age. The results suggest that youth who participated in the financial education may eventually open accounts, once they reach legal age. Waiting until they can open an account on their own might be a result of youth not wanting to engage in the extra step of obtaining their parent's signature and identification or not wanting their parents involved in their savings.

A closer look at the growth trends for the financial education versus the savings account openings offer some additional insights. Chart 2 shows the growth in the number of youth who participated in the financial education sessions from March 2011 to September 2013 and the growth in the number of savings accounts opened during that same period.

Chart 2. Growth in Savings Accounts and Financial Education in Ecuador



A main trend to highlight from these charts is the strategy taken by one of the credit unions, San José. This credit union was one of the initial implementing partners that started offering services in early 2011. The Ecuadorian cooperatives in the first phase of the *AIM Youth* project were very concerned about meeting the project deadlines for financial education, as this was the element that seemed the most challenging to achieve. As a result, there was a strong emphasis placed on facilitating the education, but this focus had a slow-down effect on the ability of the financial institutions to open avings accounts. Later, the credit unions, especially San José, rectified this approach by cutting the time devoted by field staff to the education. This shift allowed staff to focus on promoting the uptake and use of the individual savings accounts as well as other more profitable products for adults. The strategy helped them to significantly grow the uptake of the youth savings.

The high total savings balances for the ISA likely reflect the profile of youth who took up the accounts. That is, in Ecuador, older youth with possibly greater available income opened up the savings accounts. In addition, some of the credit unions actively promoted savings deposits through the implementation of text messaging and the remote savings system. Notably, the younger youth (13–17 year olds) had average balances almost as high as those of the older youth (18–24 year olds). This might be a result of deposits often made to the youth savings accounts by their parents, who probably deposit larger amounts than those made by the youth themselves (see Box 10).

Spotlight on Technology

The two technology innovations adopted by the Ecuador credit unions have the potential for benefitting both the institution (by building balances) and the youth (by helping them save), though there is currently limited data available to quantify this impact.

Although the technology has been in place for only a short period in the Ecuador AIM Youth program, and the credit unions lack a system to monitor the savings captured remotely or resulting directly from the text messaging, we do have information on the perception of impact deriving from the technology.

As part of an in-depth survey conducted with youth (n=26) and staff (n=10), youth who received financial education text messages reported reading the message and being reminded to save. Only a few youth, however, reported saving immediately upon receiving the message. We also learned that one challenge being faced with this system is that some of the under-age youth were not receiving their messages because the account application frequently captures the co-signer's phone number (often the parent's) instead of the youth's.

In terms of the remote savings mobilization through Smartphones, about half of the youth who accessed this system reported making remote deposits. In interviews with field staff we learned that when they went out on their regular routes to capture deposits using a Smartphone for programmed savings accounts—usually of adults—they also promoted the youth savings accounts. This strategy allowed them to capture savings for the youth accounts. However, these deposits often originated from the parents who are home or at their business. Youth were not always at home during these visits.

As Zimmerman et al suggest in the study on technology and youth savings, technology innovations can "catalyze financial inclusion for youth in developing countries…. [and] enhance youth financial capability." However, there are still many barriers that need to be addressed to maximize the effectiveness of these innovations.[38]

Mali Program Results

With the group-based approaches in Mali, the groups that received the education were the same ones that participate in the YSGs or GSAs. The figures shown for the education are slightly lower than the savings because of a time delay. With both formal and non-formal group approaches in Mali, staff first organized youth into the group-based savings, an almost three-month long process, and later facilitated the financial education sessions. With this sequenced approach, there were some groups formed towards the end of the project that had not yet participated in the education.

In Mali, the YSGs have achieved the largest outreach: 61 percent of all program participants in both countries.[39] Such significant outreach reflects the implementation strategy of forming YSGs in villages where there were already adult Savings Groups formed. Village elders and parents who were already familiar with savings and convinced of the benefits encouraged and supported their children to participate.

Participants in the YSGs fall primarily in the younger cohort range (78%). This is likely because these youth are the ones still anchored at home and available to join Savings Groups. The older female youth are likely married and either already participating in an adult Savings Group, or unable to join due to household responsibilities, whereas older male youth might have migrated for work.

In terms of gender, the YSG had the greatest success with young females (64%), although this is not entirely surprising because the methodology is an adaptation of a community-managed microfinance strategy targeting primarily women. But the 46 percent participation of young males also suggests an untapped need by this segment for a safe, group-based mechanism for savings.

When given the opportunity to form their own Savings Groups, youth self-selected themselves, with many groups composed of both boys and girls (50% of all groups were mixed gender). Program staff reported that joint participation of young men and women bolstered a greater sense of equality among the women. Similarly, many youth groups reported not having any problems with mixed-gender groups, with some youth, including boys, noting that managing girls was easier than boys, and thus preferred having mixed groups. Some girl-only groups indicated they would not like to be in a mixed group. However, there seemed to be a self-selection bias—the groups who had experience with mixed groups did not see problems with mixing genders, while youth who were part of single-sex groups stated they would not like being in a mixed group.[40]

Urban youth with GSAs were primarily older and male, because those are the youth who tend to be engaged in vocational centers, where most of the promotional and group-formation activities are taking place. It is possible that young girls might have greater mobility restrictions in an urban center, especially in an environment where girls might have more household-related obligations.

Comparison of Programmatic Results

Although each of the models was delivered through completely different outreach strategies (schools in Ecuador, vocational centers in urban Mali, villages in rural Mali), there are some interesting similarities, as well as key differences.

For instance, in terms of savings account ownership, credit unions in both Ecuador and Mali had similar age profiles, with the majority of accountholders being over 18 years old (81% and 68% in Ecuador and Mali, respectively). But there were striking differences in gender, with 54 percent of youth of the Ecuador credit unions being female, compared to only 23 percent for Mali.

Also, it is worth noting the experience of Nyèsigiso in not being able to reach younger youth through schools is in sharp contrast to the experience of the Ecuador credit unions. Youth in both countries likely needed to

leave school premises right after classes end for the day; however, Ecuadorian youth participated in the financial education during school hours, whereas the GSA meetings in Mali would have taken place after school hours because the schools did not permit the youth with GSAs to meet during school hours.

The savings balances of the GSAs are the lowest of all three models. There could be a few explanations for this. First, according to the baseline data shown earlier (Table 5), the income levels of Mali youth (both urban and rural) are significantly lower than that of the Ecuador youth. Also, the GSAs have opening and maintenance fees that add up to approximately $8, which can erode the amounts initially accumulated by the group. The GSA also started 6 to 9 months after the YSG started saving. Finally, it might be possible that the youth are not placing all of their potential savings in the account. According to the financial diaries conducted with GSA members, the median amount in total savings increased from $40 to $50 (without including livestock).[41]

The two different strategies implemented in Mali also achieved very different outcomes, some of which were anticipated. First, there was a much larger number of youth participating in the YSGs. This was partly a result of the funding structure, where more funds were made for the implementation of YSGs than for GSAs. But even after taking into account the difference in funding, the YSGs reached out to more youth. Funding for YSGs was five times that of the formal GSAs, but the YSGs reached out to almost ten times as many youth. Another way of understanding this is the average cost per person to form YSGs and facilitate financial education is half of the amount of supporting youth to open a GSA and offering financial education. Table 13 outlines these differences.

Table 13. Comparison of Mali formal and non-formal group approaches

	YSGs	GSAs	Approx. Ratio YSG to GSA
Number of Youth Reached	24,070	2,646	10:1
Funding Amount	$765,456.00	$153,353.00	5:1
Average Cost per Youth	$31.80	$57.96	1:2

Impact Outcomes

Freedom from Hunger hypothesized that in the short-term youth participating in both the financial education and a savings services would improve: knowledge and attitudes regarding savings and money management; ability to deal with life-cycle events; social capital; self-confidence and empowerment; and socio-financial capability. The theory also suggests, however, that developing money-management skills during adolescence could lead to long-term results such as greater levels of economic and civic engagement and longer-term food security for their household as youth enter adulthood. To test this theory, Freedom from Hunger implemented a multi-pronged research agenda, including qualitative and quantitative survey methods. With the multiple methods we were able to triangulate and better understand some of the results.

Ecuador

In Ecuador, youth who participated in the financial education and who may or may not have opened a savings account (treatment group) were more likely than the comparison group to[42]

- report having savings in general;
- have improved knowledge about how to manage their savings account;
- report higher amounts in total savings and emergency savings;
- report saving more proportionately to the amount of money they received;

- feel satisfied with their savings amounts and were more motivated to save;
- feel less stressed about covering educational and household expenses; and
- be early adopters of the youth ISAs if their parents were already members of the Cooperatives.

Table 14 shows selected savings outcomes from the baseline and endline for the treatment and comparison groups.

Table 14: Ecuador Savings Behaviors and Knowledge—Baseline vs. Endline and Treatment vs. Comparison

Indicator	Baseline		Endline	
	Treatment	Comparison	Treatment	Comparison
	n=138	n=138	n=134	n=136
Have savings (anywhere)	76.10*	65.20	78.4%**	61.8%
Have a savings account with Cooprogreso or San José	—	—	27.2%	38.2%
Save money at home	43.50%	36.2%	58.2%^,***	30.2%
Total average amount in savings	$59.53	$69.25	$78.00*	$73.10
Youth indicate parents save at a Cooperative	46%	40%	41.8%	32.4%
Know all 5 requisites to open a savings account (parent's ID, voting card, utility bill, personal ID, photograph)	10.9%	15.2%	32.8%***,^^^	16.2%
	n=88	n=68	n=57	n=56
Parents indicate saving at Cooprogreso or San José****	21%	26%	61%^^^,***	21%

Significant difference between treatment and comparison outcomes: * p≤0.05, **p≤0.01, ***p≤0.001

Significant difference between baseline and endline outcomes: ^ p≤0.05, ^^ p≤0.01, ^^^ p≤0.001

****Parents who had a child under the age of 18 were asked to sign a permission slip for their child to participate in the various surveys. The denominator represents the total number of parents who had a child under the age of 18 and who permitted their child to participate in the study. The numerator represents the total number of parents who indicated they were members of either Cooperative San José or Cooperative Cooprogreso.

Although the treatment group experienced a greater increase in knowledge regarding the requirements needed to open a savings account, the comparison group was just as likely to open a savings account. There are a number of plausible explanations for this incongruity. First, although only the treatment group participated in the financial education sessions, all youth from both the treatment and comparison groups could technically open a savings account. When the treatment and comparison groups were defined prior to the baseline, the credit unions had not yet designed a community strategy, as it was first conceived that the financial education would play that promotional role. But, because the credit unions made the accounts available to the entire community, it is very likely that the comparison group learned about the youth savings accounts through active promotion of the savings accounts. In fact, 43 percent of the youth in the comparison group also learned about the savings account from the surveyors conducting the data-collection. Finally, the comparison group was slightly older at baseline than the treatment group, which would make it easier for them to open an account since they did not need an adult co-signer.

Although the treatment group was no more likely to open a savings account compared to the comparison group, the fact that those youth did have greater savings amounts in general suggests financial education likely played a role in helping youth think more of the value of having savings and accumulating larger sums of money over time.[43]

These findings also suggest that while the financial education does seem to play a role in building knowledge and promoting positive financial behaviors, opening a formal savings account requires much more than knowledge and skills. Youth over 18 years of age might be more easily positioned to open an account, possibly from the combination of having a greater income-generating capacity (more money at stake), not having to incur the additional burdensome requirements of having a parent be a co-signer, and possibly not wanting to have a parent or another adult involved in their savings.[44]

An important question to answer deals with the role parents actually played in whether youth took up a savings account or not, or how much cross-selling might have occurred from youth convincing their parents to open an account. Qualitative data found that youth who opened savings accounts received support from their parents, whereas youth who did not open an account indicated that their parents did not help them open an account. Thus, having parental involvement becomes a factor above and beyond the requirements for opening an account. Furthermore, when youth with accounts were asked whether they or their parents had their account first, the majority (92%) indicated their parents had the account first, which suggests that the experience of parents with banking plays a role in the ability or motivation of youth to open a savings account. Therefore, it appears that coming from a household where parents already have an account improves the likelihood a young person will open an account and likely leads to youth better understanding the benefits of opening the account.[45]

Financial Education in Two Different Contexts

While the design process for the financial education was identical in both countries, cultural and geographic differences necessarily led to distinct objectives. In Mali, youth already have very specific savings goals, but have limited savings options. They are also subject to financial fluctuations related to the agricultural cycle so the financial education focused on giving youth skills and confidence to plan for the future, plan for difficult times and identify safe places to save. In Ecuador, youth have more discretionary income and as a result spend more money on non-basic items, and while many want to save for their education, they don't all have a clear financial goal in mind, so the education focuses on helping them differentiate between needs and wants, and establishing short- and long-term savings goals.

Although learning objectives differed, the same methodology was utilized, consisting of dialogue-based, dynamic and participatory methods. However, over time it has become apparent that the curriculum is appreciated more by the younger cohort (ages 13–17) than the older one (ages 18–24). Some older youth and staff have argued that the activities are too juvenile and the content too basic, though this view is not shared across the board. Older youth have expressed a strong desire to learn more about how to start their own enterprises and how to secure and manage a loan.

Mali

In Mali, we found evidence of the following:[46]

- Participating youth report higher amounts in total savings, which includes the value of livestock
- Improvements gained by youth in savings, financial attitudes and financial knowledge were sustained despite a coup d'état during the course of the project
- Savings goals for both boys and girls evolved over time, moving away from clothing towards more productive goals, such as saving for livestock, emergencies and their trousseaus (for girls)

- The youth highly appreciated the financial education; they thought it was valuable to help them plan for the future, to be less wasteful and to manage their money better
- YSG members demonstrated greater improvements in financial knowledge and financial attitude indicators than GSA members; however, the YSG members had more room for improvement.
- Overall, the program in Mali reached more youth living in poverty through the YSGs than the GSAs, because the YSG approach targeted rural areas, where there are greater numbers of youth living in poverty.

Table 15 shows selected savings outcomes from the baseline and endline for the treatment and comparison groups.

Table 15: Mali Select Savings Outcomes

	Treatment		Comparison	
Indicator	Baseline	Endline	Baseline	Endline
Do you have a goal to save for something special?	90%	85%	91%	35%***
How confident do you feel that you will be able to save enough money for your savings goal? (Very confident)	70%	67%	67%	47%*
Do you have cash savings set aside only for difficult times (like an emergency)?	28%	23%	25%	16%*

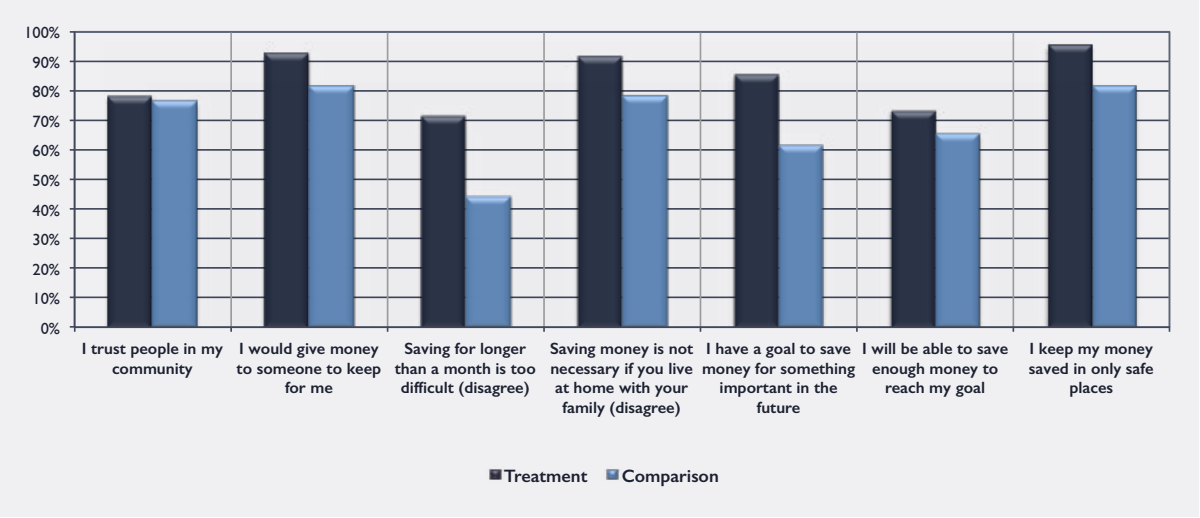
Significant difference between the baseline and endline outcomes: *p≤0.1 (10%), **p≤0.05 (5%), ***p≤0.01 (1%)

The higher percentage of treatment group with a savings goal, though not statistically significant, may reflect the impact of the financial education, in which they set savings goals and strategies for meeting those goals. Over time, savings goals for both boys and girls changed, with both showing an increased preference for saving for livestock, although for girls their trousseau also grew in importance, as saving for emergencies did for boys.

Although it is not possible to determine the degree to which the political instability in Mali affected the rural youth, some outcomes provide possible insight into how the treatment and comparison groups fared during the conflict. For a number of indicators, both groups experienced decreases in positive financial behaviors. However, the treatment group often experienced a less substantial decrease than the comparison group, exhibiting greater resilience in the midst of political uncertainty. Where the baseline outcomes for "having cash set aside for difficult times" were similar for the treatment and comparison group, the practice was less common for the comparison group at endline. In addition, the median amount the treatment group set aside for difficult times ($5) is more than that of the comparison group ($2.50). Finally, those with livestock set aside for difficult times declined for both the treatment and comparison groups, with the decline being greater for the comparison group.

Evidence of resilience with the treatment group is also apparent in many attitude outcomes at endline. The endline outcomes in Chart 3 demonstrate that the treatment group has more confidence and a better outlook on issues such as trust in others, the difficulty of saving, the necessity of saving, savings goals, confidence in reaching savings goals and keeping money in safe places than the comparison group at the end of the study. What the graph does not show is that for many of these outcomes, there was a statistically significant drop between baseline and endline results for the comparison group—a drop that the treatment group avoided. Although the treatment group outcomes may not have increased significantly over time on their own, on average this group was able to remain confident compared to a loss of confidence for the comparison group. These outcomes suggest the program provided treatment group individuals the ability to better cope with the upheaval than those from the comparison group.

Chart 3. Financial Attitudes of Youth in Rural Mali



Not having money to save and migration were the biggest challenges to accessing and using both the YSGs and GSAs. Members of GSAs indicated that disadvantages of saving in a group account included being unable to participate every week, finding the money to save weekly, making decisions about money as a group.

Comparison of Impact Outcomes

In terms of impact, there are a few trends in common across the models; the most significant being that total savings improved for participants in both countries. While not all participating youth in Ecuador opened a savings account, data indicates they were saving more in general.

In addition, despite differences in baseline financial indicators for both Ecuador and Mali data, by endline, girls were benefiting equally and saving similar amounts as boys (when girls were equally targeted). While older youth were saving in greater amounts than younger youth at both baseline and endline, the younger youth were also still saving a larger proportion of the amounts of money they received (compared to older youth) at baseline and endline.

Notably, we know that youth across the board valued the financial education. In both Mali and Ecuador, youth appreciated the financial education because it was so different from the type of education they received in schools. It also played a role in encouraging them to think about their own financial future. Malian youth felt the financial education earned them respect from their families, helped them plan for the future, be less wasteful and manage their money better.

In terms of key differences, youth in the Savings Groups in Mali tended to save money on a regular basis, whereas youth in Ecuador report saving less frequently (see Table 16). The difference in savings frequency between Ecuador and Mali is very likely due to the structure of the YSG, in which youth met on a weekly basis and were encouraged through group dynamics to save regularly.[47] In addition, according to qualitative data from Mali, parents often helped their children make their weekly savings contribution. Some youth even reported needing to drop out of the YSG when their parents could no longer give them money for the group savings.[48]

While youth in Ecuador also came together regularly during the seven financial education meetings, there was no regular built-in mechanism to promote the savings aside from the visits of animators afterwards, which

ceased being regular once the financial education sessions were completed. In addition, not all youth could make a savings deposit in Ecuador during the visit of a credit union field staff, either because they did not have an account opened, or because the staff might have lacked the Smartphone for remote-savings mobilization.

Table 16. Frequency of Savings

Indicator	Treatment	Comparison
Mali—Saved money during the week for most weeks	65%*	16%***
Ecuador—Saved weekly or daily	9%	16%

Significant difference between the treatment and comparison outcomes: *p≤0.1 (10%), **p≤0.05 (5%), ***p≤0.01 (1%)

Sustainability of Integrated-Service Delivery

The distinct nature of the three approaches requires that sustainability is also defined differently, especially when comparing a formal savings service to a non-formal one. Based on the approaches that were implemented in Ecuador and Mali, there are different dimensions to be considered in assessing sustainability: financial sustainability for the formal financial services and community-level sustainability for the non-formal services.

Sustainability of Formal Financial Services

While the technical support and financial partnership ended in December 2013, all credit unions participating in the *AIM Youth* initiative have indicated they plan to continue delivering services. The decision to continue, however, is dependent on the potential for the services to be financially viable. For the credit unions, the savings products for youth are not likely to be profitable on their own in the short term (one to three years), but there is some emerging evidence of the financial viability when an institution considers the profitability of the young account holders over the medium to long term (three to five).[49]

Freedom from Hunger conducted a cost and revenue study of the youth services offered by three of the *AIM Youth* partners (in Ecuador, San José and Cooprogreso; in Mali, Nyèsigiso).[50] Tables 17–19 shows the long-term financial projections for those three institutions, based on expenses and revenues reported to date on the youth savings accounts and financial education, and growth estimated by the financial institutions over the next five years.

Table 17. Nyèsigiso's Youth Profitability Projections

Organizations	2012	2013	2014	2015	2016	2017	2018
Net Deficit/Surplus	($31,828)	($31,936)	($32,918)	($33,899)	($7,527)	$22,533	$72,809
Cumulative Deficit/ Surplus	($31,828)	($63,764)	($96,682)	($130,582)	($138,108)	($115,575)	($42,766)

Source: Based on data collected from the FSPs.

Table 18. Cooprogreso's Youth Profitability Projections

Organizations	2012	2013	2014	2015	2016	2017*	2018
Net Deficit/Surplus	($19,392)	($12,645)	$16,312	$27,427	$9,332	($6,971)	$2,072
Cumulative Deficit/ Surplus	($19,392)	($32,037)	($15,725)	$11,702	$21,034	$14,063	$16,135

Source: Based on data collected from the FSPs.

* The deficit in 2017 is due to an aggressive growth strategy involving additional staff, which we expect will be lowered by Cooprogreso's management as a result of this analysis.

Table 19. San José's Youth Profitability Projections

Organizations	2011	2012	2013	2014	2015	2016	2017	2018
Net Deficit/ Surplus	($29,243)	($17,176)	($8,100)	$36,159	$54,056	$65,883	$72,668	$76,099
Cumulative Deficit/ Surplus	($29,243)	($46,419)	($54,520)	($18,360)	$35,696	$101,579	$174,247	$250,347

Source: Based on data collected from the FSPs.

According to these projections, the services offered by the credit unions in Ecuador are more likely to reach a breakeven point in the medium term, whereas the services offered by the credit union federation in Mali will reach a profitability point several years after the Ecuadorian credit unions.

The key difference in greater revenues projected by the Ecuadorian credit unions are the result of several factors:

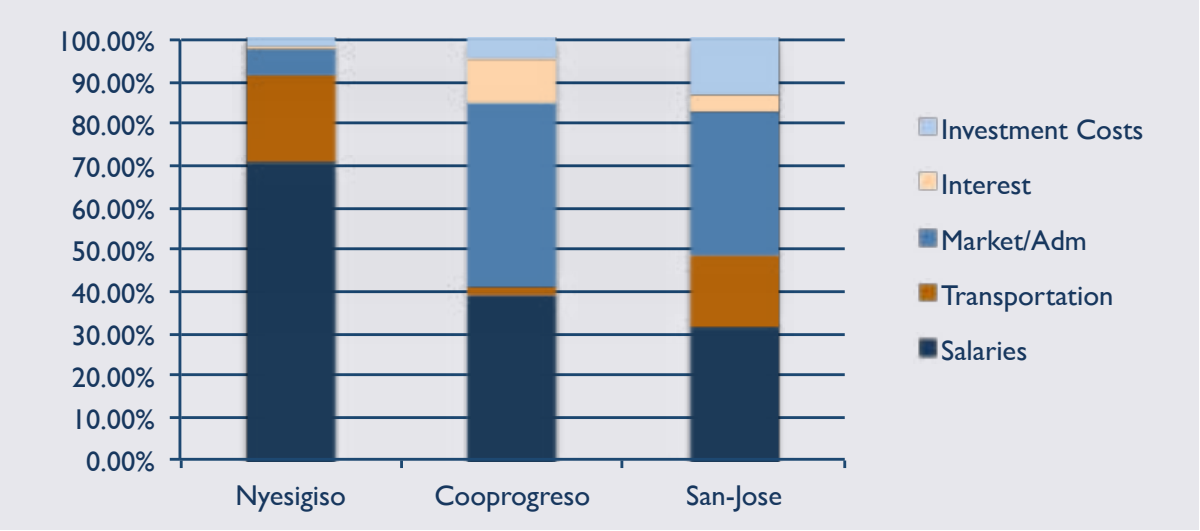
- Ecuadorian credit unions are expected to reach a breakeven point in the medium term as a result of their delivery strategy in which the staff members dedicate a fairly limited percentage of their time to the education, and a greater amount of time devoted to promoting the youth accounts as well as other products for adults. This is not necessarily a cross-selling strategy to reach adults through the youth (AIM Youth data suggests this might not be happening widely). Rather, it consists of allocating a greater portion of field staff time to products with better returns, which allows the financial institution to cross-subsidize its youth-related services.
- Cooprogreso and San José collect much higher savings amounts than Nyèsigiso—those funds can generate much higher revenues from on-lending.
- Cooprogreso and San José expect to generate revenues from cross-selling loans to youth sooner than Nyèsigiso. Given the high balances captured for the individual youth savings accounts, the Ecuadorian credit unions are eager to tap into the youth market with more profitable products. In contrast, Nyèsigiso is not quite ready to extend loans to young people, especially since youth have lower incomes and would be very limited in the amount of loans they could take out.
- Average loan amounts that could be cross-sold to parents of youth are expected to be much higher in Ecuador than in Mali.
- Nyèsigiso incurs higher proportion of salary costs, which reflects the more staff-intensive service-delivery approach of the GSAs.

Evidence from Ecuador shows that participating youth are saving 6.7 percent more than non-participants ($78 for participants vs. $73.10), a result that is statistically significant.[51] Thus, an investment in financial

education might contribute to greater savings accumulation and lead to more capable consumers of financial products. Combined, these elements contribute to the long-term viability of the services both in terms of financial viability and in meeting the long-term social objectives of the credit unions. The credit unions in Ecuador accept a lack of return on the investment in youth services in the short term because offering financial education has now become an integral part of their outreach strategy and part of their corporate social responsibility.

In Mali, the financial sustainability of the group approach is more complex. On one hand, the group account enables youth to collectively save more than an individual, but the staff spend considerably more time organizing the youth into groups, facilitating the account opening process and offering ongoing support to the groups. Chart 4 shows the proportion of staff and other costs for the three *AIM Youth* implementing partners included in the costing study.[52]

Chart 4. Partner Cost Structure 2012



With the GSAs, Nyèsigiso has relied heavily on the revenues generated from account opening and maintenance fees (40% of all revenues in 2012, 51% in 2013). Yet, these amounts are still modest ($1,245 in 2012, $2,114 in 2013), given the small number of accounts at Nyèsigiso. Moreover, according to the financial projections, the portion of revenue from the account fees will drop to 10 percent as the revenues from cross-selling more profitable products to youth and their networks increase over time (to over 90% by 2018). As the youth financial-service sector develops and competition increases, these accounts fees should be lowered or even dropped; accounts fees are one of the commonly cited barriers to youth access to financial services, and could potentially represent a major challenge to greater growth.[53]

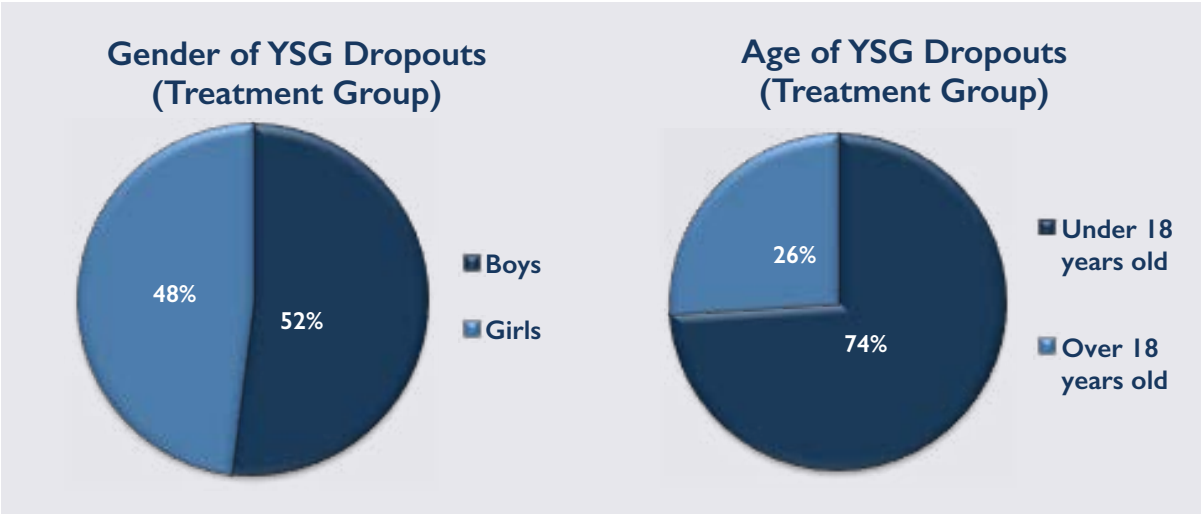
Sustainability for formal financial institutions also must consider the quality of the services being delivered, particularly with the financial education. If the quality is poor, there could be decreasing returns on the investment, especially in terms of the desired savings behaviors. Building internal capacity, or paying for external support, to maintain and monitor the quality of the education is essential if an organization is committed to delivering value-added services over the long term.

Sustainability of Non-Formal Services

For NGOs that are limited to non-formal financial services, the financial viability depends on the ability to acquire external funding. Because the groups offer no income stream for the external facilitating NGO, the latter will always need subsidized funds to expand the program and organize more youth groups. With these organizations, the goal is not a business one—they are primarily concerned with building the capacity of the target communities to overcome a variety of social, economic and even political challenges.

For the informal YSGs themselves, sustainability would be achieved if the youth who are organized and trained can continue meeting without external support. Evidence from adult Savings Groups in Mali indicates that 95 percent of groups over a six-year period continue to meet, save and borrow.[54] There is no certainty, however, as to how long YSGs will continue meeting on their own, since young people tend to migrate to look for work or to get married, in the case of young women.

The transitory nature of group members poses a risk to the stability of the group, a risk much greater than for the adult Savings Groups. According to monitoring visits and discussions with staff, two or three members out of 15 have dropped out of the YSGs during the project period. In fact, approximately 23 youth or 18 percent of the treatment group surveyed at endline had left the Savings Group (but were identified and surveyed at endline). The main reasons for leaving were: 1) did not have the money (39%); 2) migrated for work (26%); and 3) the YSG dissolved (17%). The demographics of those who left were distributed proportionately to the general demographics of the sample, equally divided between boys and girls, and with more younger youth.



Throughout the implementation period of the YSGs, however, the problem of exiting members was mitigated by younger siblings who would take their place. In some cases, when a young person left the village for a short period, the parent might continue to contribute on their behalf. Despite the pressure to migrate, young people still find it valuable to join a Savings Group. According to endline research results, while 25 percent of the respondents indicated they have migrated in the past year, 91 percent recommended the group, suggesting that those who may leave still join groups.

After the field activities ended in June 2013, we conducted a four-month-long monitoring period for a sample of the YSGs that had been previously formed. Roughly one-half of the groups were still operating, meeting on a regular basis to save and following group procedures properly. But the rest were either not meeting or not following standard meeting rules, which are critical for the stability of the group. According to field staff report,

the groups that were more mature before the field activities ended, meaning they had received support from a facilitator for a longer period (at least one full cycle), seemed more likely to continue operating on their own.

Although not all youth groups might continue meeting over time, the YSG approach itself could achieve some sustainability through a replication approach, in which youth members themselves are trained to organize new groups, serving as replicators in their villages or external villages after the project has ended. The simplicity of Savings Groups makes them easy to replicate, and indeed, many adult Savings Group programs report significant spontaneous replication whereby members will help their relatives or neighbors start new groups.[55] While there is a lack of data available on replication of youth groups, during our monitoring visits we often observed spontaneous replication of children groups in the villages where YSGs were formed, suggesting a demand exists for such savings mechanisms for young people. The success of the group approach in building the financial capability of young people—and potentially resulting in a lifelong savings habit—makes a replication strategy worthwhile to consider.

Lessons Learned About Different Models of Integrated Services

Through the research studies and monitoring activities conducted for *AIM Youth*, we have learned a great deal about what works well and what doesn't in offering an integrated package of savings and financial education for young people. In this section, we synthesize major lessons learned by drawing from the discussion and data presented throughout the paper.

- **Giving youth access to integrated financial services can build the financial capability of young people.** When comparing the impact in both countries, there is evidence that youth participating in all three models showed positive improvements over time in their financial behaviors, particularly with savings. This occurred despite obstacles such as limited account openings by youth under 18 years old, and a coup d'état in Mali during the course of project. In addition, while it is not possible to tease apart the roles that financial education, access to and use of the savings services played in financial knowledge improvement, results from both Mali and Ecuador suggest that financial knowledge improved for those who participated in AIM Youth. The combination of improved savings behaviors and financial knowledge are critical elements for building financial capability.
- **Financial education does not lead automatically to savings account openings.** We hypothesized early on that offering financial education to promote a saving product was necessary to result in product use. However, while there is evidence of positive savings behaviors resulting from the financial education, the education alone cannot surmount major challenges young people face—especially those under legal age—in accessing formal financial services and promoting the financial inclusion of young people. Opening an ISA is very challenging for youth. Because their experience is defined more by family, friends and school than by financial responsibilities, at least in the case of Ecuador, school-age youth might lack the motivation and/or knowledge to open a savings account. This lack of urgency among youth, coupled with a cumbersome process of opening an account with a co-signer, undermines demand, and it may be unrealistic to expect that financial education can effectively counter balance these factors.
- **Group-based approaches that start with savings as the core are very effective in delivering integrated services.** Practicing saving through group participation not only reiterates learning and develops new money-management skills for youth, but can also help them develop a savings habit. Furthermore, the structure of the group-based approaches in Mali made it feasible for the majority of youth to receive both services. YSGs were also even more effective in reaching a larger number of youth due to a lack of burdensome requirements of a formal savings account. YSGs are especially effective in extending financial

inclusion to young people in rural areas who would otherwise be excluded from financial services. While taking into account that the groups by themselves might not be sustainable over the long term, the Savings Group model is effective in building the financial capability of the members, and offers an ideal platform to deliver other services. Maintaining the groups over time should not be a goal in itself, but rather, to prepare youth as they transition into a different stage in their lives. Similarly, GSAs might not be financially sustainable over time, but could be effective in helping youth access formal accounts as a starting point, and could lead to a point where participants graduate into ISAs.

- **Youth value the financial education, but they need more to meet their financial needs.** In survey after survey in both Mali and Ecuador, youth highlighted enjoying the financial education. Financial education seems to make a difference in the financial knowledge gained by youth, and in savings behaviors, and seems a worthwhile investment towards building the capability of the next generation of financial product consumers. However, youth in both countries, especially Mali, reported also wanting training on income-generating activities, and support in access to credit. Participating credit unions also want their young clients to eventually access more profitable products, such as loans.
- **Parents play a critical role in the financial lives of their children.** The microfinance field already recognizes the importance of parental support for youth to access financial services. But parents play a much more significant role in accessing money, whether and how youth access formal financial services, and how they manage their own funds.
- **Technology offers some potential for greater and more efficient uptake of services.** With text messaging, the financial institutions can reinforce the financial education messages and promote additional savings at a low cost. With the use of Smartphones for remote savings mobilization, the credit unions can capture more savings, both from youth and parents. However, expectations about the use of technology should consider that by itself, the technology might not be able to overcome some of the barriers young people still face in utilizing formal financial services.
- **The offer of financial education by financial institutions must match institutional capacity, available resources and strategy.** For credit unions in rural areas, with a strong commitment to the communities in which they work, but with limited capacity and resources, this balancing act might translate into a limited offer of the non-financial services. In fact, Dunford had cautioned in 2001 that "a unified-service delivery system obsessed with meeting the educational and other needs of clients could easily work against the long-term sustainability of the credit operations against the best interest of the clients.[56]" Although in this case the financial product at stake was savings, this caution is still relevant.
- **Product design can help overcome some of the obstacles to financial inclusion for youth, but having a more competitive financial-service sector would likely be more effective.** In Mali, the GSAs have been able to tackle some of the major barriers that youth face in accessing formal financial services, but key challenges remain, primarily the account fees that erode savings and minimum amounts that prevent youth from opening their own individual accounts. The financial-service sector in Mali needs policies and regulations in place that can foster a more competitive financial sector, which in turn would motivate institutions to make their products more affordable and accessible. In Ecuador even though the accounts are affordable (low opening amounts, no fees) and accessible (accounts can be opened without visiting a branch), the accounts are not being accessed by younger youth (under legal age), possibly because of the desire of young people to not have their parents involved in their savings. A regulatory environment that allows young people to open a savings account independent of their parents could result in greater account uptake.

Recommendations for Integrating Youth Savings and Financial Education

Based on the lessons learned from the *AIM Youth* experience in Ecuador and Mali, we propose recommendations for developing and delivering savings with financial education services to young people. These recommendations are directed to financial institutions and community development NGOs, but there are other relevant stakeholders who would need to be involved, including international development organizations, regulatory agencies, multi-lateral organizations and funding organizations. It is worth considering that not all recommendations might apply in every situation. As we have seen, context is critical in shaping the strategy and the expected outcomes.

- Develop a stepped approach, starting with savings groups, that graduate youth into access to formal financial services, including credit. Group-based approaches offer an effective platform for building the financial capability of young people. The YSG strategy could be especially beneficial for youth who live in rural areas before they migrate to urban settings.
- Offer financial education through a multi-pronged strategy to promote positive financial behaviors among youth: through schools, financial institutions and social media. These multiple touch points can reinforce key messages and help reach the different youth segments—in school, out of school, working.
- Include livelihood-preparation training for older youth. Savings and financial education are a solid first step to improving the financial well-being of youth, but young people need additional support to address their growing financial needs.
- Develop comprehensive programming targeting the household in the form of financial education and financial services for both young people and parents/caregivers. Parents play a critical role in the financial lives of young people. Such programming should ensure that youth are protected from undesired interventions by their parents or other caregivers.
- Use technology to promote savings habits, through a combination of text messages and remote-savings mobilization. However, there is also a need to research in more depth the cost-benefit impact of the technology in building the financial capability and promoting the financial inclusion of young people.
- Include a replication approach of YSG. Such an approach might need older youth members as replicators because they might be more mature and might command more respect from the younger ones. Training these young people, with the support of adults in the community to assume some of the responsibilities of the facilitators would leave a sustainable peer resource for other youth in the communities.

Conclusion

Any discussion of integrated-service delivery must ask the question, "What would one service achieve without the other?" While the *AIM Youth* initiative was not designed to test the value of the education compared with that of the savings, the different approaches have shed light onto the value of education alone, as well as savings on its own. We know from the research data that the combination of services produces the best results in terms of financial behaviors.

Financial education played a critical role towards building the financial capability of young people in different contexts. In Ecuador, the education might not by itself lead youth to open savings accounts, at least in the short term, but we learned that offering youth services (both education and savings accounts) can be financially sustainable for financial institutions in the long-term when it can be cross-subsidized by more profitable

financial products. Although the education might be limited in scale, financial institutions have an incentive to offer the education because it can help to build savings balances. However, the credit unions have also proven to have a strong commitment to continuing to offer the financial education as part of their corporate social responsibility.

A major challenge remains for the Ecuador credit unions to promote financial inclusion among younger youth. Promoting access to savings accounts by younger youth might require changes to the regulatory environment that prevents youth under legal age to open accounts independently of their parents.

In Mali, we found that the integration of financial education with a savings service is very efficient through a group-based approach that offers savings as a starting point. In the case of the formal savings services, offering a group account is not expected to be financially sustainable, nor able to achieve large scale, as a result of broader institutional barriers (i.e. opening and maintenance fees) that are overly burdensome for youth and erode savings, and a strategy that is not inclusive of other more profitable products . While the institution management has reiterated their commitment to offering value-added services and to young people for now, the GSA approach does not seem likely to continue, unless the savings product becomes more affordable to a greater variety of youth and generates cross-subsidies from other financial products.

The YSG approach in Mali was very effective in reaching large numbers of youth in rural areas, especially adolescent girls, who would otherwise be excluded from financial services.[57] With financial and social pressures to migrate or move away, the groups by themselves might not be sustainable, but the savings behaviors that were promoted have the potential for becoming life-long habits for each individual member.

Moving forward, the most significant lesson learned is that while the combination of financial services and financial education are effective in achieving their objective of building the financial capability of young people, the efficiency in promoting the financial inclusion of young people varies on the model and the regulatory environment. These services are also not enough to meet all of the financial needs of young people who are rapidly transitioning from one life stage to another. There are multiple unfulfilled needs that remain, primarily support for income-generating opportunities and a graduated approach to access credit (for youth of legal age).

With *AIM Youth*, Freedom from Hunger set out to test and document a variety of approaches to delivering financial services with youth learner-centered financial education for youth. We hypothesized that the combination of these services would guide and encourage youth in establishing and achieving financial goals, which will lead to increased options in the future. We now have evidence that the integrated services have had a positive impact in the short term. But there is still a need in the development and microfinance fields to determine how best to ensure those behaviors indeed translate into better economic options and outcomes for youth in the future.

Annex A.

Financial Education Curriculum Outline for Mali

Achieve Your Goals: Manage Your Money Wisely Learning Games for Youth Module Objectives: ▪ Make informed savings and borrowing decisions ▪ Increase savings and save in secure locations	
Session Title	**Objectives** By the end of the Learning Game, participants will have:
Steps to Achieving a Goal	▪ Organized their goal into steps they can achieve one by one. ▪ Committed to discussing their goal with their family.
Grow Your Savings	▪ Examined different savings strategies. ▪ Selected a strategy to grow their savings.
Keeping Your Savings Safe	▪ Categorized ways that youth save their money as more or less safe. ▪ Decided what to do to protect their savings.
Planning for Difficult Times	▪ Identified periods during which financial pressures are greatest. ▪ Decided how they will save for difficult times.
Borrowing Wisely	▪ Differentiated between good and bad borrowing decisions.
When You Should Borrow and When You Should Use Savings	▪ Compared the advantages of borrowing and using savings.
Reaching Your Goals	▪ Reviewed previous Learning Games. ▪ Decided what they will do next to achieve their goal.

Financial Education Curriculum Outline for Ecuador

Learning Game Topic and Objectives Achieve Your Goals: Manage Your Resources Well	
Title	**Objectives** By the end of this Learning Game, the participants will have:
Financial Education: Communication strategies for Youth, Adolescents and Their Parents	▪ Asked questions about the Learning Game topics. ▪ Established good communication strategies. ▪ Established a culture of shared responsibility among youth and their parents towards their commitments.
Long-term Goals	▪ Identified their long-term goal.
Short-term Goals	▪ Set a short-term goal.
A Savings Plan for achieving my goal	▪ Analyzed income sources for adolescents and youths. ▪ Created a Savings Plan.
What is the difference between spending on a need and spending on the things we want?	▪ Distinguished between spending on a need and spending on things they want. ▪ Identified things they want and things they are going to stop spending on.

Learning Game Topic and Objectives Achieve Your Goals: Manage Your Resources Well	
Title	**Objectives** By the end of this Learning Game, the participants will have:
My Money, My Rights	▪ Identified their rights and responsibilities as savings account holders.
Using a Loan Wisely	▪ Discussed their responsibilities when they borrow money. ▪ Differentiated between good and bad decisions when they borrow money.
When to Borrow Money and When to Use Savings	▪ Compared the advantages between borrowing money and using their savings.

Five Youth Learning Principles

Dynamic

Young learners want to

- engage their emotions and senses (touch, see, hear) through a variety of activities in order to focus on the learning and
- learn through humor and interactive games.

Respect

Young learners want to

- be respected for their ability to solve their own problems, make their own decisions or arrive at their own conclusions within a supportive environment where they are guided, praised and rewarded and
- feel that their ideas and contributions will be valued—that they will not be ridiculed or belittled.

Useful Content

Young learners want to

- learn skills and information they can use immediately in their daily life;
- address problems that they are experiencing in their lives; and
- recognize their needs, their hopes and their problems in the methods and materials that are used.

Participation

Young learners want to

- actively participate in and have control over their learning;
- develop a sense of self, which they can explore and clarify through conversations and questions; and
- get involved in peer discussions through small groups.

Inclusive of Families

Family members must

- have the opportunity to connect with the program and understand its content in order to support young people in changing behaviors and meeting goals.

Annex B.

Sample of Financial Education Text Messages

1. How much do you spend on soda and candy? A lot! Save that money and buy yourself something special in six months!
2. How much more do you need to attend University? Save 50 cents today to reach your goal!!
3. Do you have dreams for your future, like traveling? Then save one dollar TODAY to make that dream come true!
4. You do not have money to save? Put aside 25 cents per day and by the end of the week you will have $1.75.
5. When saving, every penny counts! You could buy yourself a computer, an iPod or even a new cell phone. Save now!
6. Have you thought of starting a business one day? You can do it! Reach your goal by saving your lunch money or wages every day.
7. Do you want to help your younger siblings? Teach them the importance of saving, even if it is only 10 cents! They will thank you.
8. Have you opened your own savings account? What are you waiting for? Do it now! You are smart; keep your money safe from the temptation to spend it.
9. Make a monthly budget to manage your income and expenses. And you will find out how much you can save.
10. Get started! Save just 25 cents today and you will have $5 per month. In one year, you will have $60!

Annex C.

Financial Service Description for Ecuador

Institution	San José	Santa Ana	San Miguel de los Bancos	Cooprogreso
Location	Bolívar and Los Ríos provinces	Manabí province	Pichincha province	Pichincha and Manabí provinces
Savings Product	Individual account "Ahorrando Ando"	Individual account "Fabrica Sueños"	Individual account "Ahorro Positivo"	Individual account "Yo Soy"
Features	▪ Minimum deposit of US $2 for youth ages 13–17, and $11 for youth ages 18–24, no opening fees ▪ 4% annual interest rate ▪ No administrative fees ▪ No restrictions on who can make deposits	▪ Minimum deposit of $2, no opening fees ▪ 4% annual interest rate ▪ No administrative fees ▪ No restrictions on who can make deposits	▪ Opening deposit of $6 ($2 opening fee) ▪ 3% annual rate ▪ No administrative fees ▪ No restrictions on who can make deposits ▪ Debit card for all participants (minors must receive authorization by legal representative)	▪ Opening deposit of $5, no opening fees ▪ Minimum balance of $1 ▪ 1.5% annual interest rate ▪ No administrative fees ▪ No restrictions on who can make deposits
Features *(Continued)*	▪ Debit card for accountholders over 18 years old ▪ Account opening can take place remotely	▪ Withdrawals authorized for minors with previous authorization from legal representative ▪ Debit card for accountholders over 18 years old ▪ Account opening can take place remotely	▪ Initial approval by a representative to authorize deposits and withdrawals made by minors ▪ At age 25, savings account transferred to regular savings account ▪ Account opening can take place remotely	▪ Withdrawals authorized for minors accompanied by a legal representative ▪ Debit card for accountholders over 18 years old ▪ Account opening must take place at a branch
Implemented Technology	▪ Smartphone—remote savings collection	▪ Tablet—remote savings collection	▪ Smartphone—remote savings collection ▪ Financial education text messages	▪ Financial education text messages
Original Target Number of Youth with Integrated Services	7,804	3,326	1,500	7,000

Institution	San José	Santa Ana	San Miguel de los Bancos	Cooprogreso
Actual Outreach Number Receiving Financial Education (as of Dec 2013	2,680	1,862	1,900	6,321
Actual Outreach Number of Youth Savings Accounts (as of Dec 2013)	3,124	483	884	1,210

Financial Service Description in Mali

Institution	CAEB	Le Tonus	Nyèsigiso
Location	Bougouni and Kolokani	Koulikoro and Kati	Bamako region
Savings Product	YSGs	YSGs	Youth GSA Wassa Jeunes (Mara ni Wassa)
Product Features	▪ 10 to 15 youth per group ▪ Weekly meetings ▪ Savings and loans between group members ▪ Group cycle of 9 to 12 months	▪ 10 to 15 youth per group ▪ Weekly meetings ▪ Savings and loans between group members ▪ Group cycle of 9 to 12 months	▪ 5 to 15 youth per group ▪ Interest-bearing deposit of at least 3 months ▪ Opening deposit of CFA 9,000, including: ▪ CFA 5,000 opening share ▪ CFA 1,250 management fee ▪ CFA 750 bank book fee ▪ CFA 2,000 minimum balance ▪ Requirement for each group to have 3 authorized agents
Original Target	12,600 youth	4,800 youth	2,200 youth
Actual Outreach	18,119 youth	5,951 youth	2,262 youth

*In addition, Kondo Jigima had an original target of 2,400 youth, and reached 344 youth by the end of the partnership in September, 2012.

Annex D.

Design of Services

Market Research Topics	Key Research Questions
Financial pressures	What pressures are faced by young people?
Financial strategies	How do young people respond to their financial pressures and needs?
Role of youth in household economy	What are the financial relationships that youth have with their parents or adult guardians?
Access and knowledge of financial services	What experience and what knowledge do youth have with financial services?

Ecuador	Market Research Findings	Integrated Service Design
Financial pressures	▪ Youth want to save to reach their goals, such as continuing their education. ▪ Youth can save up to $1 per week.	▪ Financial education helps youth build a plan for meeting their savings goals. ▪ Savings account is promoted as a way to help youth reach their goals. ▪ Minimum opening amount is lowered for easier access ($2 for most partners).
Financial strategies	▪ When they need money, youth borrow from their parents, friends or moneylenders. ▪ Youth spend money on non-basic needs. ▪ Youth want to have greater income-generating capacity. ▪ Youth save irregularly.	▪ Financial education guides youth in the process of prioritizing needs and wants. ▪ Financial education helps youth determine when to borrow and when to save.
Role of youth in household economy	▪ Youth rely on their parents for money. ▪ Youth often work for their parents to earn money. ▪ Youth want to be independent and control their money and savings.	▪ Financial education guides young people in the process of managing the savings account and making deposits and withdrawals. ▪ Financial education session designed for parents to help them support their children's savings goals.
Access and knowledge of financial services	▪ Young people perceive savings accounts as not being worthwhile because of perceived maintenance charges. ▪ Youth mistrust financial institutions.	▪ Savings accounts do not charge maintenance fees, and education helps inform youth of this characteristic. ▪ Financial education and promotional campaigns demystify financial services and institutions.

Mali	Market Research Findings	Integrated Service Design
Financial pressures	▪ The most significant expense is the wedding trousseau or dowry, and while parents are primarily responsible, youth face a lot of pressure to help contribute financially. ▪ Youth have limited income-generating opportunities, and these are often tied to the agricultural cycle. ▪ Youth in urban settings have slightly higher income-generating capacity.	▪ With Savings Groups, youth can accumulate larger sums to help them meet their financial pressures. ▪ Financial education guides youth in developing a plan for meeting their goals. ▪ Education also helps youth plan for financially difficult times.
Financial strategies	▪ Youth save and borrow informally, often from their parents. ▪ Borrowing is a more common strategy than saving. ▪ Youth migrate to look for work or for marriage (in the case of girls).	▪ YSG offers a structured mechanism for saving and borrowing.
Role of youth in household economy	▪ Youth contribute to the household by doing agricultural or household work. ▪ Youth are expected to contribute financially to their families when they have income.	▪ Throughout the education, youth are encouraged to discuss their financial goals with their family.
Access and knowledge of financial services	▪ Young people are limited to borrowing and saving through their parents. They are even excluded from more formal Savings Groups because of their age (and gender, in the case of boys). ▪ Youth know about banks but have no access to formal financial services.	▪ YSGs provide the only formalized saving mechanism for both young girls and boys. ▪ GSAs make it possible for youth with limited income to meet the requirements of a formal financial service.

Annex E.

AIM Youth Benefits Process

Description of Research Activities

Research Methodology	Key Questions Addressed
Group-Led Evaluation (Focus-group discussions)	▪ Services influencing outcomes in benefits model
Quantitative Impact Study (Baseline and endline surveys)	▪ Services influencing outcomes in benefits model ▪ Increased savings
Financial Diaries (Survey series)	▪ Services influencing to outcomes in benefits model ▪ Increased savings
Qualitative Assessment on Youth Satisfaction (Focus-group discussions and interviews)	▪ Youth satisfaction with services ▪ Conditions for and challenges to accessing services
Impact Stories (Qualitative interviews)	▪ Youth satisfaction with services ▪ Conditions for and challenges to accessing services

Research Activities and Sample Sizes for AIM Youth Ecuador

	Baseline		Midline	Endline		Financial Diaries		Impact Stories		Qualitative Interviews	Total N°of Interviews***
	T*	C**	T-only	T	C	T	C	T	C		
Cooperative San José	108	108	108	108	108	110	110 ****	20	19	20	819
Cooperative Cooprogreso	30	30	—	26	28	60	60 *****	8	10	17	269
Key Objectives	Understand changes that were influenced by the program					Understand short-term financial transactions		Understand youth holistically		Help explain quantitative results	

	Baseline	Midline	Endline	Financial Diaries	Impact Stories	Qualitative Interviews	Total N°of Interviews***
Key Research Questions Mapped to Methods	Questions 1-5			Questions 1, 4, 5	Questions 1, 3, 4, 5	Questions 3,4	
Total for Ecuador							1,088

* Treatment

** Comparison

*** Includes double counting youth participating in multiple evaluation activities, such as the baseline and financial diaries.

**** 40 youth interviewed five or six times over a three-month period.

***** 20 youth interviewed six times over a three-month period.

Ecuador Seasonal Calendar and Research Timeline

	Jul–Sept 2011	Oct–Dec 2011	Jan–Mar 2012	Apr–Jun 2012	Jul–Sept 2012	Oct–Dec 2012	Jan–Mar 2013	Apr–Jun 2013
Key events, activities and holidays in Ecuador	School in session for San José youth starting in September. Cooprogreso out of session July-August and some of September.	Christmas holiday and short break for all students in December.	School out of session for Coo-progreso youth in January. Some San José schools out of session on the coast from February and March.	Some San José Schools out in April for holiday.	School in session for San José youth starting in September. Cooprogreso out of session July-August and some of September.	Christmas holiday and short break for all students in December.	School out of session for Coo-progreso youth in January. Some San José schools out of session on the coast from February and March.	Some San José Schools out in April for holiday.
Baseline*								
Cooperative Cooprogreso (Treatment and Comparison)								
Cooperative San José Treatment Group								
Cooperative San José Comparison Group								
Midline								
Cooperative San José Treatment Group Only								

	Jul–Sept 2011	Oct–Dec 2011	Jan–Mar 2012	Apr–Jun 2012	Jul–Sept 2012	Oct–Dec 2012	Jan–Mar 2013	Apr–Jun 2013
Qualitative								
All partners								
Financial Diaries								
All partners								
Endline								
All partners								
Impact Stories								

**San José's treatment group was interviewed between August and October 2011. Due to a partnership revision, the comparison group interviews were conducted between November 2011 and February 2012. Cooprogreso's treatment and comparison groups were interviewed over April and May 2012. Cooprogreso started their AIM Youth project almost an entire year after Cooperative San José.*

Research Activities and Sample Sizes for AIM Youth Mali

	2011		2012		2013		
	Group-led Evaluation	Quantitative Impact Study: Baseline	Quantitative Impact Study: Endline	Financial Diaries	Qualitative Assessment on Youth & Institutional Satisfaction	Impact Stories	N° of Youth Interviewed*
Program Evaluated	YSGs	YSGs	YSGs	YSGs & GSAs	YSGs & GSAs	YSGs & GSAs	
CAEB	97	300 (150 treatment; 150 comparison)	240 (130 treatment; 110 comparison)	36 (interviewed 15 times each)	119	4	516
Respondent Type	New youth	New youth	Same as baseline	Participated in quantitative impact study	New youth	Participated in quantitative impact study	
Nyèsigiso	—	—	—	36 (interviewed 7 times each)	113	4	189
Respondent Type				New youth	New youth	Participated in quantitative impact study	
Le Tonus	—	—	—	—	118	—	118
Respondent Type					New youth		

Mali Seasonal Calendar and Research Timeline

	Apr–Jun 2011	Jul–Sept 2011	Oct–Dec 2011	Jan–Mar 2012	Apr–Jun 2012	Jul–Sept 2012	Oct–Dec 2012	Jan–Mar 2013	Apr–Jun 2013
Key Events, Activities, and Holidays in Mali	School in session	School out of session; Ramadan* July 30-Aug 28	School in session; Tabaski** Nov 9	School in session; Coup d'état Mar 21	School in session	School out of session; Ramadan Jul 20–Aug 19	School in session; Tabaski Oct 26	School in session	School in session
Agricultural Seasons and Weather	Hot season	Rainy season/ Hungry season (soudure)	Harvest	Cold Season	Hot season	Rainy season/ Hungry season (soudure)	Harvest	Cold Season	Hot season
Group-led Evaluation									
Quantitative Impact Study									
CAEB Financial Diaries									
Nyèsigiso Financial Diaries									
Qualitative Assessment									
Impact Stories									

* Ramadan is the ninth month of the Islamic calendar during which Muslims observe a period of fasting from food, drink and other select activities from sunrise to sunset each day. The holiday of Eid al-Fitr marks the end of the month. Youth are not as economically active during this time. See http://en.wikipedia.org/wiki/Ramadan.

**Fête de Tabaski, also called Eid Al-Adha, is the most important Muslim holiday of the year, falling two months and ten days after the end of Ramadan. During Tabaski, Muslims sacrifice a domestic animal, generally a goat (or other animals) and youth receive gifts.

Endnotes

1. UNCDF YouthStart Program, YouthSave Consortium, MEDA, Women's World Banking, Plan International, and Child and Youth Finance International.

2. Freedom from Hunger defines "value-added microfinance" as microfinance programs that pair financial services with other important development services, such as education and health protection.

3. Socio-financial capability is defined as "The ability to make informed financial decisions that benefit the individual and community" by Child and Youth Finance International. A Guide to Economic Citizenship Education: Quality Financial, Social, and Livelihoods Education for Children and Youth. Guidebook. 2012.

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28. Client Protection for Youth. UNCDF YouthStart Technical Note. April 2013. http://www.uncdf.org/sites/default/files/Documents/YouthStart_Client%20Protection_0.pdf | Child and youth friendly banking certificate guidebook. Child and Youth Finance International. http://childfinanceinternational.org/library/cyfi-publications/Child-and-Youth-Friendly-Banking-Product-Certificate-CYFI.pdf (Accessed April 9, 2014).

29. For more details on this topic, see Ramirez, R and V Torres. "From One Generation to the Next: The Role Of Parents In The Financial Lives of Young People." Freedom from Hunger. Forthcoming.

30. Ramirez, R and L Fleischer Proaño. Saving Together. Davis CA: Freedom from Hunger. December 2013.

31. Gash, M. *AIM Youth* in Mali—Comprehensive Research Report. Davis CA: Freedom from Hunger. January 2014.

32. The credit union federation Kondo Jigima also offered GSAs, but their experience is not reflected in this report.

33. This difference is largely the result of the partnership structure established between Nyèsigiso and Freedom from Hunger. We explain the implications of this funding differences in the forthcoming study: "Show Me the Money: Costs and Revenues of Youth Savings Products and Financial Education."

34. Gash, M. "Impact of Integrated Financial Services for Young People in Mali: A Comprehensive Research Report for the Freedom from Hunger *AIM Youth* Project." Freedom from Hunger: Davis, CA. Forthcoming in 2014.

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36. Full research reports for each country detail the methods and impacts: Gray, B. *AIM Youth* in Ecuador—Comprehensive Research Report. Davis CA: Freedom from Hunger. January 2014. | Gash, M. *AIM Youth* in Mali—Comprehensive Research Report. Davis CA: Freedom from Hunger. January 2014.

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45. We explore these questions in more depth in: "From One Generation to the Next: The Role of Parents in The Financial Lives of Young People." Freedom from Hunger. Forthcoming.

46. All data in this section from Gash, M. *AIM Youth* in Mali—Comprehensive Research Report. Davis CA: Freedom from Hunger. January 2014.

47. We explore the potential of groups to cultivate a savings habit among young people in Saving Together: Group-Based Approaches to Promote Youth Savings. Ramirez, R and L Fleischer-Proaño. Davis CA: Freedom from Hunger. December 2013.

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57. It is interesting to note that a similar multi-country program testing financial education and savings services for adolescent girls had similar outcomes. In that project, the Savings Group model drew thousands of participants while formal accounts offered by banks experienced much slower uptake and occurred on a significantly smaller scale. This project was supported by Nike Foundation in five countries—Kenya, Uganda, Burundi, Mongolia and Dominican Republic. Microfinance Opportunities supported the financial education component in all countries. Financial service providers included CARE, Women's World Banking, K-REP, Faulu, Adopem and XacBank. See Girls and Their Money: Strategies for Promoting Savings, Financial Education and Social Support for Adolescent Girls in Low-Income Countries by Jennefer Sebstad, Nov. 2011 for a synthesis of these programs at www.microfinanceopportunities.org