Durability of savings group programmes: A decade of experience in Ecuador

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In 1999, Peace Corps Ecuador piloted a savings group programme called Programa de Ahorro y Crédito (PAC). In 11 years, it has grown to approximately 50,000 members in 1,500 savings groups, with very little programme investment and resources. A study by Freedom from Hunger shows that members have found many social and financial benefits through participation in the savings groups, have adapted the methodology to meet their needs, and are independently motivated to expand access by recruiting and assisting other community members to form new groups. While the study concludes with recommendations for strengthening savings group programmes, the continued existence of many mature PAC groups that received only minimal initial training and the high rate of replication of groups demonstrates that savings groups can be a popular and highly sustainable way to provide accessible and low cost financial services to the poor.

Keywords: savings groups, community-managed microfinance, replication, Peace Corps, Ecuador

Two-and-a-half billion adults worldwide do not have access to savings and credit through formal financial institutions (Chaia et al., 2009). Most people without access to formal financial services are women or youth living in very poor, often rural communities. Community-managed microfinance through savings groups can provide these populations with access to basic financial services.

Many countries have a rich history of traditional savings clubs, particularly rotating savings and credit associations (ROSCAs) whereby members contribute a fixed amount regularly to a fund which is then given in whole or in part to each member until all members have received the fund once. In contrast to ROSCAs, savings groups are accumulating savings and credit associations (ASCAs) whereby members save regularly for a predetermined period of time, use their pooled savings to provide loans with interest to the members during the period, and distribute the savings and earnings to each member

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at the end of the period. In addition to varying methodologies, there are different terms used to describe savings groups around the world, including community banks in the Peace Corps Ecuador programme known as Programa de Ahorro y Crédito (PAC).

In contrast to ROSCAs, savings groups are accumulating savings and credit associations

In a typical savings group programme, self-selecting groups of approximately 20 women (and sometimes men) come together and, over several months, learn how to manage their savings groups with support from a trained field agent from the facilitating agency. Savings group programmes typically focus on women and more recently youth, as they have traditionally been excluded from formal financial services. Members elect a management committee and as a group, decide the group name, the amount of minimum weekly savings deposits, savings withdrawal and lending policies, loan terms, fines for infractions and distribution policies.

Savings groups generally operate in annual cycles, with a cycle lasting between the first savings and the distribution or share out of the savings and earnings. Members save a minimum required amount at every meeting, and periodically borrow from their pooled savings to meet their investment or consumption needs. Loans are repaid with interest, allowing the group fund to grow quickly. Funds are only accessed during meetings, in the presence of all members, and are kept in a locked cashbox between meetings. Savings meetings can last as little as 15 minutes, while saving and lending meetings can last one to two hours. Annually, members divide the group fund in proportion to their savings contribution, take stock of their achievements, and decide on any changes as they begin a new cycle.

Funds are only accessed during meetings, in the presence of all members, and are locked in a cashbox between meetings

Savings groups are a simple, transparent, cost-effective and sustainable means of providing entry-level financial services to people who are too poor or isolated to be served by other financial service providers. For this reason, they are actively facilitated by international development organizations (e.g. Freedom from Hunger, Oxfam America, Strømme Foundation, CARE, Catholic Relief Services, PLAN International, Aga Khan Foundation and others) as well as local facilitating organizations. By July 2010, there were approximately 2.3 million members of savings groups created by some of the major facilitating agencies, mostly in Africa, but also in Asia and Latin America (Allen and Panetta, 2010). There are likely millions more uncounted.

By July 2010, there were at least 2.3 million members of savings groups

Purpose of the study

It has been observed that the dynamics and practices within savings groups change over time. There are well-documented cases of long-term (a decade or more) savings group programmes including the Mata Masu Dubara programme in Niger (Allen, 2002), the Women's Empowerment Programme (WEP) in Nepal (Ashe and Parrott, 2002), and *mutuelles* in Haiti (Wilson and Burpee, 2008). This paper offers an examination of the dynamics and durability of a long-term programme in Ecuador.

In 1999, Peace Corps Ecuador piloted PAC, which was adapted from the Mata Masu Dubara programme in Niger. Over 11 years, the Peace Corps estimates the programme has grown to include approximately 50,000 members in 1,500 savings groups. Peace Corps Ecuador spends approximately US$10,000 a year on the programme, representing only the direct costs of training an average of 40 field agents each year including 20 American Peace Corps volunteers and 20 Ecuadorian 'counterparts'.

The aim was to document the strengths, weaknesses and evolution of the 11-year-old savings group programme in Ecuador

As a service to the growing international community of savings group promoters and programmes, and to prepare for broader expansion of its own savings group programme, Freedom from Hunger proposed to Peace Corps Ecuador that an evaluation of PAC would be a valuable contribution to both organizations. The purpose of the study was to document the strengths, weaknesses and evolution of the 11-year-old savings group programme implemented by Peace Corps Ecuador, and to make recommendations to inform savings group programmes in general. The study was conducted by Freedom from Hunger and Peace Corps Ecuador in September 2010.

Methods

The data presented were collected from 30 focus-group discussions with savings group members

This study focused on 23 savings groups in two of the four regions in which many Peace Corps Ecuador savings groups exist: the town of Bahía de Caráquez (Bahía) on the north-central coast and the city of Loja in the southern Sierra. The data presented were collected from 30 focus-group discussions with savings group members (23 with specific groups and seven with leaders from additional groups), 51 household surveys (including the Freedom from Hunger food-security scale [FSS] and the Progress Out of Poverty Index™ [PPI] for Ecuador) and one structured interview, as well as various discussions with Peace Corps staff. In addition, the 23 savings groups were visited and, when possible, their meetings observed. Since there is no formal monitoring of the existing savings groups to provide a sampling framework for this study, participating groups and individuals were selected based on community contacts. The amount of variation in the characteristics of the groups observed increases confidence that the characteristics described are likely to represent a large percentage of characteristics present in all groups.

Outcomes of the study

Demographics

The ethnic mix of the groups reflected the typical mix of each region; in Bahía, all groups comprised *mestizo* members (mixed indigenous and Spanish), but in Loja most groups comprised *mestizo* and some indigenous members, with two of the groups having only indigenous members. Of the 23 groups studied, 70 per cent were aged 3 years or older (and thus categorized as mature), and had been purposefully over-sampled in order to study how banks evolve over time. Savings group sizes averaged more than 35 members, with approximately 8 men and 27 women, and 90 per cent included at least one youth member. Table 1 provides further details on the demographics of groups studied.

70 per cent of the surveyed groups were aged 3 years or older

Food security and poverty levels

The results from the household survey, which was completed by two randomly selected members of each savings group visited, show rather high rates of food insecurity but fairly low rates of poverty among members; 78 per cent scored as food-insecure, 55 per cent scored as chronically food-insecure (Figure 1) and 25 per cent of the members interviewed live below the national poverty line. Considering that the rates of those living under the national household poverty line for the regions Bahía and Loja are 45 per cent and 43.3 per cent, respectively, it was expected that a higher percentage of the savings group members would fall under this line (Schreiner, 2008). Additionally, it was observed that some groups had members of varying socio-economic status and a few groups were entirely formed of people of a high economic status. It would be beneficial to measure income levels with members first joining a group and follow them over time to see if their income levels rise. Although conclusions should be made on a more representative sample of the regions, it is possible

A few groups were entirely formed of people of a high economic status

Table 1. Demographics of savings groups studied

	Bahía	*Loja*	*Range including both regions*
Average total members	38	33.2	10–96
Average number of adult male members	7.8	8.9	1–38
Average number of adult female members	28.7	24.2	7–58
Average number of youth members	5.2	8.5	0–19[1]
Average age of savings group (years)	5.2	2.5	6 months–9 years

[1] The savings group with 19 youth members was a youth-only group. However, parents represented many of the youth, which is a common practice in these savings groups.

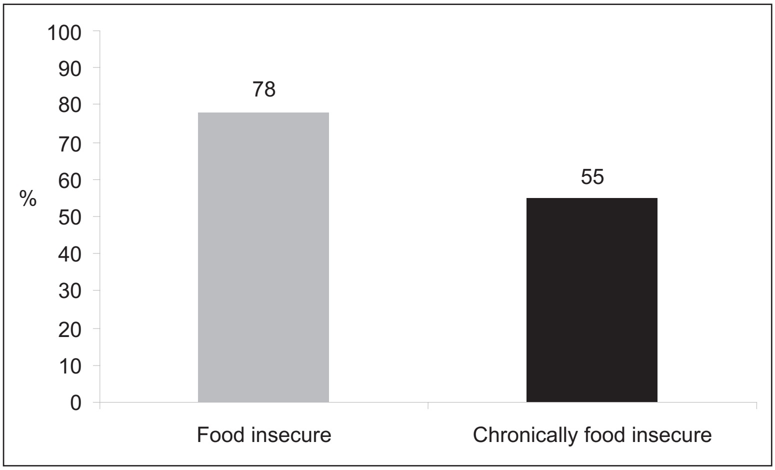

Figure 1. Food security

that the savings group methodology appeals to both the poor and the less poor in Ecuador.

Savings group participation may not help members to manage during hungry periods

Whereas the effect on income levels over time is undetermined, the high rates of food insecurity of these members suggest that savings group participation may not help members to manage during hungry periods, at least during the latter half of the cycle (most cycles in Ecuador begin in January and the study occurred in September). Although this aspect was not studied, it seems logical that the lump sum of money gained at distribution at the end of the cycle could have a positive effect on food security in the short term, with the effects diminishing over time. Members could use access to loans to mitigate food security difficulties throughout a cycle, especially during the hungry season, but if they are doing this, it is not having a strong impact for this sample of groups.

Savings

Almost all of the savings groups interviewed in Bahía allowed their members to save different amounts

Saving regularly is a key feature of savings group methodologies. The average minimum weekly savings for the savings groups in the study was \$2.40, with a range of \$0.10–5.00. PAC methodology recommends that all members save the same amount to simplify accounting, but almost all of the savings groups interviewed in Bahía allowed their members to save different amounts, and the same in about one-third of the Loja sample. In contrast to these averages, a 2002 PAC evaluation found the weekly minimum average was \$0.69, and that only 43 per cent of groups had saved different amounts (Bogan and Kelley, 2002). These increases suggest that, over time, savings groups save more money, create more flexible terms and manage to adapt the accounting to accommodate saving different amounts.

Although not required, PAC methodology suggests that savings groups consider creating a social fund (*fondo social*) to put aside funds to be given as an emergency loan (at no interest) or to provide a grant to someone in desperate need. Almost all of the groups visited had a social fund in addition to the weekly savings. Some savings groups put anything that was not savings in their social fund, such as interest on loans, fines paid and money raised through other group activities, such as bingo and raffles. The different monies going into the social fund may or may not be accounted for separately, but the group generally agrees how the money in the fund is used throughout the year, and the total amount is distributed among all members at the end of the annual cycle.

Most groups distributed their group fund in December to pay for the many expenses families face then

At least 78 per cent of the savings groups in the sample choose to distribute their group fund in December to pay for the many expenses families face then, particularly Christmas expenses and school fees. Other uses were for business or agricultural investments, housing improvements and paying off debt. The average distribution amount per savings group was nearly $7,500, with a range of $1,500–53,000 (one outlier was excluded; data from Bahía sample only). Most savings groups in Bahía distributed the interest and other earnings (from income-generating activities) equally among all members regardless of the amount saved. When asked why they did not distribute earnings in proportion to each member's savings, they said that all members are equal and therefore should receive equal earnings. While this may partially explain their preference for equal distribution, it also indicates they may not know how to distribute earnings in proportion to savings.

Most savings groups in Bahía distributed the interest and other earnings equally regardless of the amount saved

Loans

An attractive feature of being a member of a savings group is the opportunity to take loans. The study showed that many members appreciate the option to take loans both to have access to lump sums in the short-term and because they felt they could call on the help of their fellow group members if they needed a sum of money in an emergency. PAC methodology recommends that loans have no maximum, carry a 10 per cent monthly interest rate (to facilitate accounting and encourage savings), allow one month to repay (lengthened to two months for older groups), and be offered only once a month. However, terms varied greatly among the groups in the study. Even though maximum loan amounts ranged from $100 to $3,000, members mentioned that loan sizes usually were in the range of $20–300 with 2 per cent to 10 per cent monthly interest rates, and

Table 2. Common loan terms

Feature	*Bahía*	*Loja*	*Range including both regions*
Maximum amount	$100 (often depends on amt of savings)	$450	$100–3,000
Maximum repayment time	3 months (flexible timing common)	6 months	1–24 months; flexible
Frequency of disbursement	As needed	Monthly, as needed	As needed, 3 months
Monthly interest rate	10%	3%	2–10%; declining rate for longer term

members had three to six months to repay, but could easily take up to 24 months, taking a loan any time funds were available (Table 2). Loan terms were generally more liberal in Loja than Bahía, with larger amounts and lower interest, but these terms also caused problems for some groups.

Evolution of groups

When compared with the 2002 PAC evaluation, the research findings showed that savings groups were managing more money and had changed rules over time. Members made adjustments to allow for higher savings amounts and more flexible loan terms that include longer loan durations, lower or varying interest rates and higher loan amounts. It is now common to see accounting books with separate columns for different funds to which members contribute. Each column represents money for a different purpose, and highlights the preference of members to save for different purposes (e.g. savings, lunch, social fund), as well as attaching social activities to some savings (e.g. raffles and bingo games).

It is now common to see accounting books with separate columns for different funds to which members contribute

The size and composition of groups also changed over time. Frequently, group sizes increased above the recommended 30 members, and occasionally members said they would switch from one group to a new, preferred group. A small number of members said they joined a different group because of new ones opening up in a more convenient location or with a different leader. Other groups dissolved because the president became ill or moved. Some members explained that they left a savings group for a year because of personal issues, such as financial problems, but then returned later. Although it is difficult to know what proportion of members changed groups or joined new ones, it does seem that members often move fluidly from one savings group to another over time.

Box 1. Example of a strong savings group

Maria Dueñas started a savings group named Paco Marazita in 2001 with the help of a Peace Corps volunteer in Bahía. The group meets every Sunday at 2.30 p.m. in the courtyard of Maria's house. The meeting begins with the administrative committee members collecting savings deposits, payments and fines from members. Maria, the president, records the transactions on large sheets of paper hung on the wall on the outside of her house, facing the courtyard where the members sit. The papers list each member's name in rows, and each meeting date in corresponding columns. For the following hour, each transaction is recorded in plain view of all attending members. When the money collection is finished, bingo commences and the group secretary picks numbers from a tumbler while the other management committee members pass out prizes. During bingo, Maria adds up the day's savings, contributions to the social fund and income from bingo in a notebook and records the amounts on another large sheet of paper, which she hangs from the same outside wall for all members to see.

Each year, the number of members in Paco Marazita changes, peaking at 106 members a few years earlier, and settling to 81 in 2010. There are currently 52 women, 14 men and 15 children and adolescents in the group. Each member must save at least \$2 per week, including the youth. Fines have grown from \$0.25 to \$0.50, and the payment for the social fund has grown from \$0.50 to \$1 monthly. Members play bingo each week and have a large community activity twice a year, usually bingo or a raffle. The internal rules for the group are written in a notebook that is provided at each meeting for all members to see at any time. The group has never had anyone steal money from it, but the fear of theft motivated the group to put the money in a commercial bank account. The account is in Maria's name, and when a member asks for a loan, she writes a cheque from the account and the member cashes it at a local bank. For older members or youth who need a loan and prefer not to make a trip to the bank, they receive cash. Loans are typically in the \$50–300 range but can be more depending on the urgent need of a well-trusted member. The total amount disbursed at the end of the cycle in December 2002 was \$8,000, and in 2009 it was \$19,000.

48 per cent of the savings groups surveyed now save in commercial banks primarily for greater security

Although PAC recommends keeping the money in a box with three locks, 48 per cent of the savings groups in the study now save in commercial banks primarily for greater security. Groups open either one savings account or one current (checking) account that allows the signatory member(s) to write cheques to members for loans and for distributing savings and earnings at the end of the cycle. Most of these accounts are in the name of one member only, creating a risk of theft or mismanagement by that person or lack of access to funds in an emergency. Although some savings groups shop around for the financial institution that charges the lowest administrative fees and pays the highest interest on savings, many savings groups are unaware of these features and may not understand the risk of having only one person with legal access to the single account.

Almost all groups participated in other activities besides meeting to save money and manage their funds. The most common activities were raffles and bingo games, but others included dances, sports, activities to celebrate Mother's Day, Father's Day, Children's Day, special activities around Christmas and 'lunches' that people made and sold. A few groups held bingo games or raffles that would raise money for a group member's relative or other community member who was ill. It was clear that the other activities were a strong element of the life of a savings group. Members said the other activities helped them relax, have fun, build friendships, help each other in a time of need and raise money for the group. The research team also observed that savings groups engaging in extra activities were much more united and well organized than those that did not. In addition to helping them work together as a group, the extra activities improved the earnings for the members and the perceived benefits of group membership.

The other activities were a strong element of the life of a savings group

Youth participation

Although PAC does not have a specific strategy for engaging youth in savings groups, there was an average of almost seven youth per savings group. Youth was defined by the groups themselves, usually referring to 12- to 18-year-olds in Bahía and 29 years and younger in Loja (citing a law that extended youth to age 29). Youth save, fully participate in group activities and take loans with their parents as the guarantors. Most youth receive the money they contribute to the weekly savings from their parents, but some have their own jobs or save money that their parents give them for school. One 16-year-old boy took loans for $20 and $50 to pay for books for school and worked for his father laying bricks in order to repay his loans. The youth in the study said they like the groups because they have more access to money through savings and distribution at the end of the year, as well as the ability to get to know and socialize with other people, especially through activities such as bingo and raffles. They feel they have learned how to save as well as borrow and repay loans on time.

Young people save, fully participate in group activities and take loans with their parents as the guarantors

Box 2. Bingo!

Besides raffles, bingo was the most common activity in savings groups, particularly in Bahía. Typically, each savings group member was required to bring a prize worth a set value, such as $0.50. Most players bought six cards for $0.25 and were allowed to buy as many cards as they wanted. Prizes were usually practical, useful items, such as rice, pasta, sugar, vegetables, cooking oil or toilet paper. Many groups held bingo each week, but not always on the same day of the group meeting. Sometimes members were required to invite a certain number of non-group members in order to help raise money for the group. In some neighbourhoods, it was possible to play bingo every day of the week. One group president announced other savings groups that held bingo in the coming week, including solidarity bingo games, which raised money for someone with an illness.

Replication

The rate of spontaneous replication by untrained community members is remarkable

One of the most remarkable developments in the savings groups over time is the rate of spontaneous replication by untrained community members or 'replicators', especially in Bahía. Spontaneous replication is when someone familiar with the savings group methodology, but not necessarily formally trained in it, voluntarily starts another group. In this study, replicators were usually members of the new group (whether they dropped out of the first group or had dual membership), although a replicator could help start another group without joining it.

In Bahía, 83 per cent of the savings groups in the study were formed by spontaneous replication. Some of the replicators were members of savings groups formally trained by a Peace Corps volunteer, but others were from untrained savings groups. None of the Loja groups in the study was spontaneously replicated; the majority were formed by staff of the municipality of Loja, which was trained by Peace Corps. There may be replication occurring with other groups in the area of Loja, but it was not detected in the study. The high rate of replication in Bahía may be explained by the existence of a few strong savings groups that served as positive role models for other savings groups in the community. Overall, 10 of the 23 groups (or 44 per cent) in the study were formed by untrained community members alone (Figure 2). It is estimated there are more than 100 such savings groups in Bahía.

A few strong savings groups in Bahia may have served as positive role models for replication

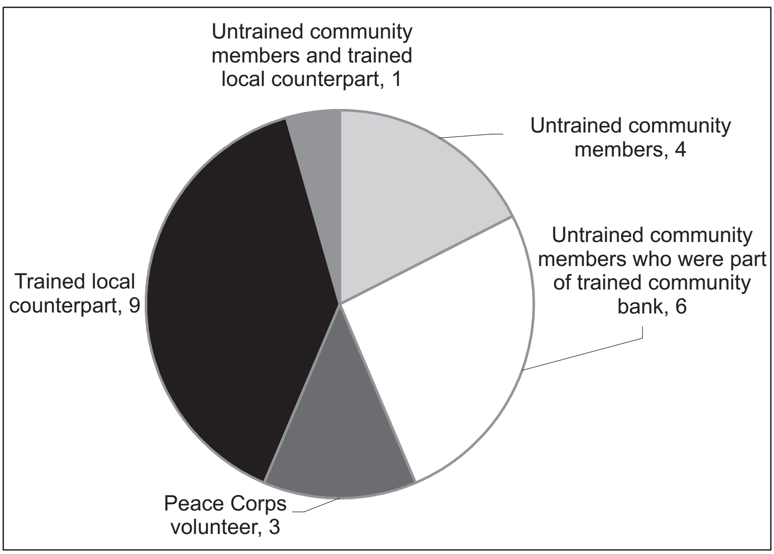

Figure 2. Who formed savings groups?

Many of the replicated groups in Bahía lacked the structure and transparency demonstrated in trained groups

Spontaneous replication has enabled the low-cost expansion of PAC as it reduces the need for additional training or resources from Peace Corps. However, the expansion of savings groups must be balanced with quality. Many of the replicated groups in Bahía lacked the structure and transparency demonstrated in groups trained by Peace Corps volunteers or trained community members. They did not always have a clear agenda for structuring meetings, internal rules that members could easily recite or transparent accounting practices; all of these are issues that can be addressed through adequate training.

Peace Corps volunteers or trained community members train and accompany savings groups for one year with a declining frequency of visits. Beyond one year, no further support or formal monitoring is provided. In contrast, replicated groups do not receive any training or accompaniment from PAC. Despite minimal contact from Peace Corps, the number of savings groups in Bahía continues to grow many years after the volunteer training and supporting groups left the community. The existence of many mature groups (3 years or older) and the replication of the methodology within the community without additional support from Peace Corps demonstrates the sustainability, replicability and relatively low cost of these savings groups.

Benefits and challenges

Members appreciate the friendship, camaraderie and support from the group

When asked how their lives have changed since participating in the savings group, members cited a variety of social and financial improvements. Members appreciate the friendship, camaraderie and support from other savings group members. The meetings are seen as an opportunity to make friends, to get to know each other better, relieve stress and have fun by taking part in social activities, such as playing bingo. Many mentioned that, before joining, they did not have money saved for the end-of-the-year expenses, but now they do, and some consider having easy access to credit as a significant change in their lives. Although some members also keep savings with commercial banks, cooperatives, microfinance institutions and/or at home, they prefer to keep money in the savings group because it does not permit them to easily access and spend their money. Peace Corps considers that the most important benefit of PAC has been to develop a culture of savings. When asked if they would recommend the savings group to others, nearly all members responded affirmatively.

Even though many members are satisfied with their participation in the savings groups, the research team observed some significant weaknesses. The research team, as well as the Peace Corps, considers the following two points as key challenges of the programme:

- The members save dangerously large amounts of money in their cashbox. Some savings groups have had their cashbox stolen with

significant amounts of money in it. To avoid this, many groups are depositing their excess liquidity in banks.
- There is a general lack of transparency, which could lead to mismanagement of members' money or even embezzlement. Lack of transparency can develop when the same few people control the groups' administration over long periods of time, but can be mitigated by having rotating management committees.

Although some problems ran across all groups, some were more common in one region than another. In Bahía, where the majority of the groups were replicated by untrained community members, many groups lacked structured meetings, transparent accounting, member collaboration and open communication. During several meeting visits, there was no clear agenda, the administrative committee did not count the money in full view of all members and occasionally the committee did not record the money at the time of receipt. Some members mentioned that not all members participate in the income-generating activities of the savings group such as community-wide bingo or food sales. Because the earnings from these activities are divided among all members equally at the end of the cycle, members become frustrated when not everyone contributes to the work equally. In addition, complaints or concerns with the savings group are not always discussed at the meetings; rather, members complain outside of the meetings. One member explained that she was part of a savings group that lacked open communication, and it eventually broke up. She eventually started a new group with different members.

During several meeting visits, the administrative committee did not count the money in full view

In Loja, savings group members considered one of the primary challenges to be a lack of understanding about how to manage their groups, particularly in accounting and general administration.

Box 3. Example of a weak savings group

Several savings groups in Loja faced structural and financial problems, and lacked cohesiveness. One group had not saved for at least nine months, which meant the group was unable to lend any money, and a few members had outstanding loans they were not repaying. One woman participated in the study because she wanted to use the opportunity to ask again that the savings group let her leave the group and recover her savings. According to her, the savings totalled about $3,000, and the group was unable to pay her back. The president mentioned that they had made numerous changes to their rules and admitted to making mistakes in the administration, because they were unaware of best practices for managing the savings group. Two examples of risky practices of this savings group were lending to outsiders and lending to the same person monthly even when he or she had not paid back the current outstanding loan(s). Additionally, the group was not meeting with regular frequency, and the activities they participated in were organized through a community organization, not through the savings group. The research team sensed a lack of motivation and enthusiasm that was observed in other savings groups.

Problems cited included having difficulty with monthly record-keeping or distributing savings, not having written rules and making excessive changes to rules over the years. Some groups reached out to accountants, lawyers and economists to fill these gaps.

Conclusions and recommendations

PAC's savings groups have evolved over time with minimal support and members are managing larger amounts of money, changing the rules to better meet their needs and engaging in additional activities of their own volition. As members place more trust in PAC, in their savings groups and in their own capabilities to manage the savings group activities, they begin saving and borrowing larger amounts of money. They also adapt the rules to increase savings amounts, decrease interest rates and increase loan lengths. Some savings groups decide to keep their money in a commercial bank instead of in a cashbox for safety reasons. Finally, members of savings groups want to do more than just save and borrow. They have begun to engage in a number of additional activities with the purpose of having fun and/or increasing their group fund.

Groups also adapt the rules to increase savings amounts, decrease interest rates and increase loan lengths

PAC savings groups provide various social and financial benefits including lump sums of money to cover expenses, easy access to loans for emergencies, businesses and other needs and friendship and camaraderie among members. In addition, the spontaneous replication of PAC savings groups has permitted the low-cost expansion and durability of the programme. However, there is a need to identify an appropriate balance between growing the number of savings groups and ensuring the quality of savings groups in order to have a positive sustained impact. Some savings groups lacked structure to their meetings, transparency in their accounting and a safe place to store their group fund. Based on the results of this study, the following recommendations have been formulated for PAC, but are also applicable to other savings groups programmes:

Stronger training is needed on a few concrete practices that good savings groups must follow

- Strengthen the savings group training on meeting agenda steps, accounting and internal rules with a few concrete practices that good savings groups must follow. For example, always reconcile the final cash count with the record-keeping and always have multiple members hold the keys to the cashbox or manage the commercial bank account.
- Develop programmes that can accommodate flexible financial rules and help members to develop the skills to manage them. For example, permit members to decide any interest rate and help them express interest more simply (e.g. $1.00 on every $10.00 borrowed instead of 10 per cent).

- Provide training to savings group members on how to open and manage commercial bank accounts as a group when they have access to a bank.
- Provide training on how to distribute efficiently and transparently, particularly for groups in which members are saving different amounts.
- Integrate other development activities, such as training on priority topics, early on in the savings group programme to better help members to meet their needs.
- Create programmes that target youth in order to better meet their needs and develop their skills, in both financial services and other development areas such as training on priority topics.
- Develop a replication strategy that helps communities to responsibly replicate savings groups and consider how to utilize existing resources in the communities, namely leaders of strong existing savings groups.

This study demonstrates the durability of the Peace Corps Ecuador programme. Even a programme with as little investment in training and follow-up as PAC has been able to create community-based structures through savings groups that survive, thrive and grow thanks solely to the determination of community members. The continued existence of many mature groups that received only minimal initial training and the high rate of replication of groups demonstrates that savings groups can be a popular and highly sustainable way to provide accessible and low-cost financial services to the poor.

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