As savings-led microfinance continues to reach more and more women in developing countries, and is gaining more traction among practitioners as a viable and transformative development tool, we are pleased to share this brief update on Freedom from Hunger's contribution to the field. Read more to learn about:

- one woman's experience as a Saving for Change member;
- what the Saving for Change program is about and how it is unique;
- how Freedom from Hunger is leveraging the Savings Group platform in new directions and new geographies;
- impact from participants; and
- how one NGO has incorporated Saving for Change into its programming to effect greater change for its constituents.

**Member Profile**

Aminata Diarra may not have found her way into a Saving for Change group if it hadn’t been for her sister-in-law. “She convinced me to try it,” nods the 54-year-old widow and mother. “Otherwise, I might not have done it.” As a matter of fact, Aminata now voluntarily trains other women in her community on how to form Savings Groups. “Now, if another woman asks me about the group, I tell her it’s a good thing. It’s helped us. She should try it and just see for herself.”

Prior to Saving for Change—brought to Aminata’s village of Dio Garé in 2005 by NGO partner TONUS—the women often received lump sums of money collectively through tontines, an indigenous tradition of a savings club to which members contribute the same amount each week and receive the dividends of the pot at some point in time. However, according to Aminata, the new, more formal way “just works better than the old way.”

So, in 2007, she decided to give Saving for Change a try, and has been able to save enough money to send her children to school. Aminata’s eyes twinkle as she describes how she has managed so well to feed, clothe, shelter and educate her children without the support of a husband. “What I hope for my children and what I really expect now, is for them to be able to face their hunger, to learn to fend for themselves. I wish them all to grow up well.”

**About Saving for Change**

Saving for Change, jointly developed by Freedom from Hunger, Oxfam America and Strømme Foundation, is a highly replicable savings-led microfinance program integrated with simple, relevant, high-impact training in health, business and money management. Saving for Change brings basic financial services, including savings and lending, to areas that are typically
beyond the reach of microfinance institutions and, in doing so, creates sustainable, cohesive Savings Groups that tackle social issues facing their members and their communities.

Through a global consortium formed by the above organizations, Saving for Change was first implemented by two Malian NGO partners, TONUS and CAEB, in 2005. Thanks to funding from the Bill & Melinda Gates Foundation and others, the joint collaboration is now reaching nearly 500,000 members through 21 implementing organizations in 7 countries.

Ongoing impact research is demonstrating the many financial and social benefits members are receiving from the program. Because of the potential for Saving for Change to improve the lives of many more of the very poor, Freedom from Hunger, Oxfam America and Strømme Foundation plan to expand their Saving for Change programs around the world, both independently and jointly where appropriate. Read below for the many ways in which Freedom from Hunger is leveraging the Savings Group platform to extend its reach.

Freedom from Hunger Pushes the Boundaries of the Savings Group Platform

EXPANSION AND WHERE IT IS OCCURRING

- Active through the Saving for Change Global Consortium (Mali, Sénégal, Niger, Burkina Faso, Cambodia, El Salvador, Guatemala)
- Active through Freedom from Hunger’s independent expansion (Sénégal, Burkina Faso)
- Potential new partnerships under feasibility study by Freedom from Hunger (Peru, Haiti, Mexico, Bénin, Togo, Burkina Faso, Sénégal)

What makes Saving for Change stand out?

By design, for each Savings Group formed by an NGO animator, a member is chosen to serve as a replicator, who in turn forms and supports other Savings Groups in her community. This pay-it-forward innovation has accounted for the formation of over one-half of the Saving for Change groups in Mali to date.

We know that combatting poverty requires more than access to money. That’s why we integrate non-financial services such as health education on the platform of microfinance. Malaria education is cost-effectively delivered to Saving for Change groups by the same NGO animator, who “piggybacks” its delivery during the regular visits to Savings Groups.
You can’t keep a good idea down, so we are building it up and out. Freedom from Hunger is innovating with additional services and populations to expand the benefits of Saving for Change:

- As a core product of our most recent innovation, Advancing Integrated Microfinance for Youth (AIM Youth), we are adapting the methodology so that young people ages 13–24 in Mali can form and manage Savings Groups of their own, with the option of getting encouragement, advice and support from a “Godmother,” a female member of an adult Savings Group.

- Capitalizing on evidence of microfinance client improvements in health and economic status found through our Microfinance and Health Protection initiative, we are exploring ways to create linkages between Savings Groups and community healthcare providers, health services and critical health products in West Africa.

- Replication and integrated services are two features that make Saving for Change unique (see inset box on previous page). Groups that are formed by replicators are not systematically receiving the same life-saving malaria education as groups formed by NGO animators. Rigorous research has proven the positive impact of malaria education, so we are committed to getting this education out to each and every group member. Our latest product innovation is to design, test and disseminate malaria Pictorial Learning Conversations geared for delivery by replicators—necessitating no literacy skills—in West Africa.

What We Are Learning

Under the Bill & Melinda Gates Foundation grant for the Saving for Change collaboration with Oxfam America, Innovations for Poverty Action (IPA) is conducting a randomized controlled trial in 500 villages in the Ségou region of Mali to better understand the impact of the program on participants. The impact study will inform us about various aspects of the lives of program participants and the households in which they live before and after the introduction of Saving for Change. Topics of study include food security, poverty levels, savings and borrowing habits, asset ownership, agricultural production, risk-coping mechanisms, social capital and women’s empowerment.

An additional component to the impact research is a study utilizing the methodology “financial diaries.” Financial diaries is an intensive research methodology in which selected households are interviewed every two weeks about their cash flow, with the intention to gain a solid understanding of the relationship between time and money over the course of at least one year. Data from the financial diaries will help us understand the “financial landscape” for these households, or the selection and use of financial instruments, and where Saving for Change fits into it. Other topics besides cash flows have been incorporated into these frequent surveys.
including migration, health, food security, shocks and agricultural production. Approximately 288 households are participating. By the end of the study, we will be able to create a rich portrait of the many ways in which Saving for Change participants manage their income, financial needs and day-to-day life.

Freedom from Hunger has also conducted its own research study on Savings Group members participating in Saving for Change with the NGO partner TONUS and found some compelling evidence of impact:

- The program is effective in reaching down-market to those who need it most, with 93% of the participants classified as food-insecure, based on our Food Security Scale, and 74% living under the national poverty line, based on the Progress Out of Poverty Index™ (PPI).

- Women are empowered by gaining access to money, as evidenced by 100% of all members interviewed having taken a loan. Having access to loans was mentioned as one of the most valuable benefits of being a member of a Savings Group. Whereas women often use the loans for business-related costs, farming, food, education and medicine, 76% of women in groups for more than one year reported using loans for health care.

- The social benefits of belonging to a Saving for Change group are high, with almost 80% of the women claiming that their entire family has benefited from their participation in Saving for Change.

**Partner Profile**

The mission of Tostan, an organization based in Sénégal, West Africa, is to empower African communities to bring about sustainable development and social transformation based on the respect of human rights. Tostan’s centerpiece non-formal education model, the Community Empowerment Program (CEP), has been internationally recognized as a best practice and the organization has won numerous awards, including the 2010 Skoll Award for Social Entrepreneurship and the 2007 Conrad N. Hilton Humanitarian Prize. Freedom from Hunger has partnered with Tostan since 2007 to incorporate Saving for Change amongst CEP graduates and communities in which they are active. Through Tostan’s efforts, 3,445 poor Sénegalese women have formed Savings Groups across 55 villages and leveraged over $60,000 in savings.

Saving for Change has become an integral tool in Tostan’s strategic goal to partner with Sénegalese communities and equip them with the knowledge and skills to become self-sufficient and empowered drivers of community-level social change. Freedom from Hunger has worked closely with Tostan staff and facilitators on how to instruct communities to incorporate the innovative loan strategy into the activities of Community Management Committees (CMCs), groups formed at the outset of the Tostan program in each Tostan village to support sustainable development
through management and micro-loans. “The Saving for Change program has encouraged Community Management Committees to become more autonomous and seek their own economic development opportunities,” explains Cheikh Diouf, Coordinator of Tostan’s Empowered Communities Network (ECN) in Senegal. “Our objective is to reinforce financial and food security; however, we have also had great success in strengthening the capacity of women to become household earners and gain a greater degree of financial independence.”

CMCs are now replicating Saving for Change groups in their communities with minimal oversight from Tostan, which is a key indicator of sustainability. Pleased with progress, Tostan plans to continue its Saving for Change efforts in Sénégal throughout 2011.

The Community Management Committee of Tene Toubab, Sénégal, conducting a Saving for Change meeting. Photo courtesy of Tostan.