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Bright Like a Star: The Promise of Savings for Girls in India

THE UNITED NATIONS currently estimates that the majority (almost 85 percent) of the world's youth live in developing countries, with approximately 60 percent in Asia alone. The vast majority of these youth are low-income.

A common misperception is that youth from low-income households do not have any money to save. However, our organization, Women's World Banking, has conducted extensive research showing time and time again that low-income youth, especially girls, do handle and save money. Girls as young as 10 years old regularly accumulate money, actively manage it, and want a safe place to save it. However, financial institutions are traditionally oriented toward adult customers – and thus missing this market opportunity.

Women's World Banking is the global non-profit devoted to giving low-income women access to the financial tools they need to achieve security and prosperity. We work with a global network of 34 financial institutions in 24 countries, including 11 institutions in Asia, to develop savings, credit and insurance products for un- and under-banked people with a specific focus on

increasing access to finance for women.

Why women? Thanks to increasingly sophisticated market research, the case for investing in women is clearer now than it has ever been. For example, happy customers are loyal customers, and this is especially true of women. Perhaps because women have traditionally been neglected as customers, when they are respected by a financial institution, they respond enthusiastically. They remember the institution that first treated them well. And they not only stay with that institution, they sing its praises to their friends. Additionally, economically empowered women hold the key to economic development generally. A large and growing body of research suggests that women are more likely to invest increased income in family well-being, especially children's education, that they reinvest business profits back into their communities, and that women-owned businesses generate jobs for other women.

This indisputable evidence in favor of serving women naturally led us to investigate developing financial products for their daughters.

Since 2009, Women's World Banking

has worked in Mongolia, the Dominican Republic, Nigeria and Ethiopia to design innovative savings and financial education programs that serve youth, with a specific focus on girls. By conducting in-depth sector analyses to understand the regulatory environments, the landscape of financial services for youth, and the socioeconomic and cultural contexts for serving girls, we learned that there is untapped market potential for financial institutions to serve low-income youth in each of these countries. The programs we developed with our partners aim to develop youth-inclusive accounts and encourage activation and retention, thus building a foundation for long-term client relationships. With support from Credit Suisse, we are currently working with SEWA Bank in India to design a unique savings and financial education program targeted to girls.

Understanding our clients

Regulations in India allow youth as young as 10 to open and manage an account, and they have many account choices. However, most of these accounts are targeted toward parents



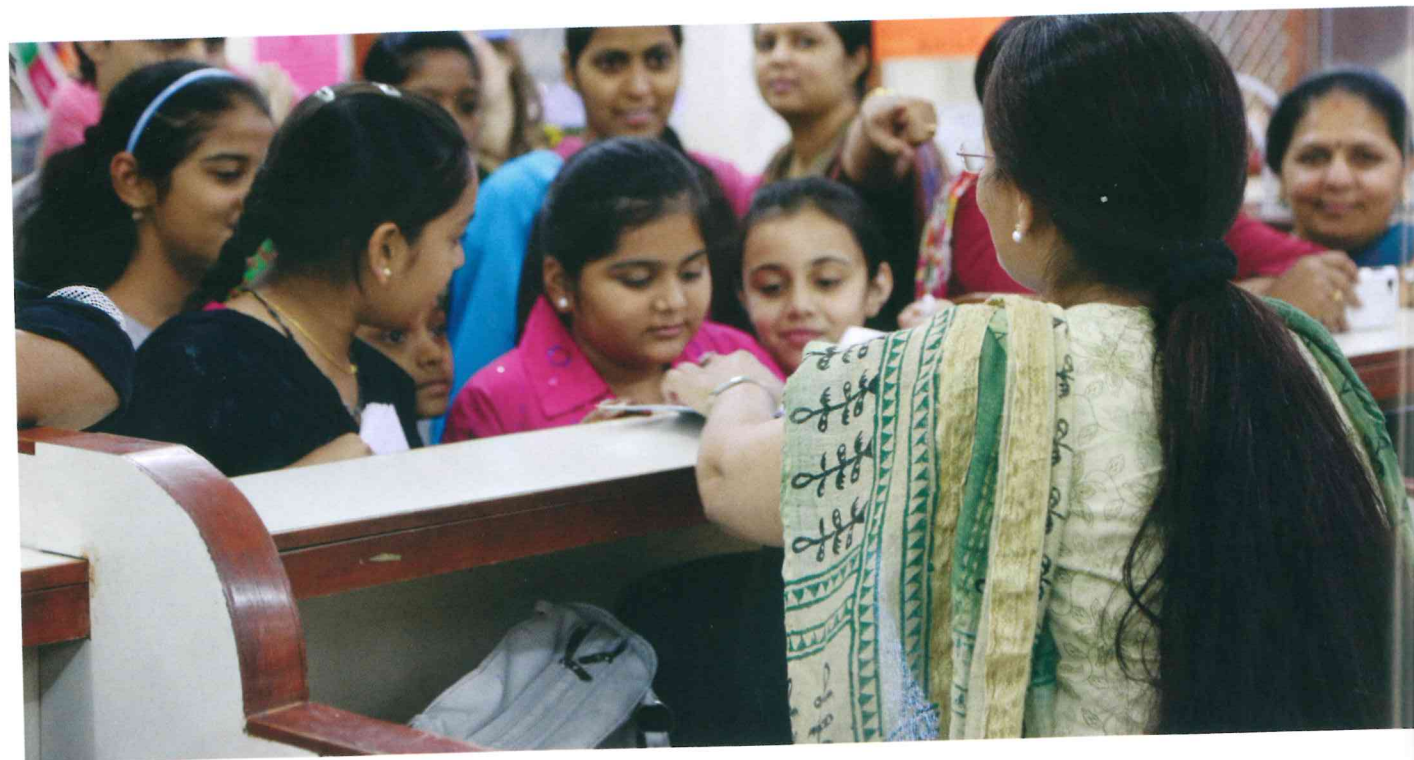
“Close to 30 percent of girls in SEWA Bank's target market, in and around Ahmedabad in the Gujarat state of India, are under the poverty line, yet they show remarkable potential.”

saving for their children and/or higher-income youth, and none offer in-depth financial education where children can learn about setting savings goals, budgeting and how to use an account. This is the gap that SEWA Bank and Women's World Banking are trying to fill.

Our project began with the customer research that underlies all our work in order to learn about the lives and needs of the target clients, girls aged 10-17 whose mothers are clients of SEWA Bank. We wanted to understand how these girls interact with money—how much they receive, from whom, how they spend it, and where they keep it—and

what they understand about finances and banks in order to develop a savings and financial education program that would best serve their needs.

Close to 30 percent of girls in SEWA Bank's target market, in and around Ahmedabad in the Gujarat state of India, are under the poverty line, yet they show remarkable potential. Compared to the rest of India, girls in this region have higher literacy rates, school retention, and lower early marriage rates—positive indicators that could promote greater participation by girls in the community and greater economic progress. Yet, these girls lack a vital tool in their economic development: access



to banking and financial education to help them learn how to take advantage of banking services.

We learned that girls in this region have a number of sources of 'income': regular sources such as their daily allowance or small jobs that earn them a bit of money (tailoring or incense stick rolling); sporadic sources including gifts from visiting relatives or lump sums for festivals such as Diwali (Hindu New Year, also known as the festival of lights), Rakhi (the Hindu festival celebrating love between brothers and sisters), and Eid al-Fitr (end of Ramadan); and government scholarships.

Like many girls around the world, girls spend their money on everyday expenses such as snacks or school supplies, and they keep it in a piggy bank, school bag or in a special hiding place at home. But girls in India also use this money to contribute to family needs, such as groceries, healthcare and even loan payments, as girls and mothers do not consider girls' money entirely their own—mothers are clearly holding the purse strings, especially for younger girls, to

protect them from losing their money or spending it unwisely. Tellingly, most girls voluntarily say that their money belongs to their family, highlighting the strength of family bonds and the cultural norms of parent-child relationships. Any leftover allowance money and all other income go either straight to their mother for safe-keeping, or to a piggy bank or purse that could eventually be used by their mother. Even government scholarship money, which is directly deposited into a bank account in the name of the child, is usually controlled by the mother. One teenage girl from Gandhinagar put it quite succinctly when she said during one focus group, "my mother is my bank."

In fact, a key insight from our research was that parents, especially mothers, feel responsible for fulfilling girls' financial needs and guiding their daughters about money. The women in our focus groups told us that they wanted to protect the girls, help them make good decisions and ensure a successful future for them. Hence, they prefer to handle savings and expenses for their daughters, while

allowing them to keep a bit of money to spend on their own. One consequence of this strategy, however, is that girls' knowledge of money and finance is restricted to the little experience she is allowed to have and what her mother can teach her, which itself could be limited.

The perfect pair: Product design and financial education

Our market research has also shown that youth cash flows are irregular not just in India, but around the world; thus, flexible youth accounts have been the most successful for financial institutions. With this in mind, a savings account was developed at SEWA Bank to provide flexibility in deposit frequency and amount. The product also encourages youth management of the account by allowing youth to deposit on their own and requiring their presence for withdrawals, so that parents do not take over control of the account. The account has accessible account opening requirements (for youth and guardians), only requires a small amount to open, and has no fees.



In Gujarati, Tejasvi means "bright like a star" and is commonly used to describe an intelligent person.

In addition to the product itself, we worked with SEWA Bank to design a multi-session financial education curriculum that covers the topics of goal-setting and planning; comparing different places to save; savings strategies; and how to use the savings account. The curriculum is full of interactive activities and techniques, as well as opportunities to open an account, make deposits, and become comfortable using the account in a group setting. This "learning by doing" approach is especially important for youth who have little or no experience with banks.

We realized that in order to effectively empower girls with knowledge and access, SEWA Bank would need to include mothers in the process and position the bank as a partner with parents in building girls' financial capability. When we asked the mothers about financial education sessions for their daughters, many expressed their interest in being part of the sessions so they can learn alongside their daughters.

Bright Like a Star

In May 2014, after extensive staff training, and development of performance management procedures, we successfully launched a pilot of the Tejasvi Girls' Savings Program. In Gujarati, Tejasvi means "bright like a star" and is commonly used to describe an intelligent person.

We know girls do have money to save, and with this product, SEWA Bank has an opportunity to capture a portion of these funds – not just money parents are saving for their children – but tap into a market often ignored by financial institutions. For girls, the Tejasvi savings account and the accompanying financial education offer the opportunity to learn and practice saving for their own goals with the benefits of safety and interest at a trusted institution. For mothers, the product reinforces their desire for daughters to learn about money from a young age and have a better future.

Please visit us at www.womensworldbanking.org for updates on the progress of Tejasvi and all of our programs for women and girls around the world. <<