

BANKING ON YOUTH

A Guide to Developing
Innovative Youth Savings Programs

This publication is a guide for deposit-taking institutions in any stage of youth savings program development—from those simply exploring the possibility of introducing youth savings, to those already offering youth products but looking for new ideas and strategies to improve performance.

Creating the Business
Case for Youth Savings

Program
Design

Implementation—
Pilot and Roll-Out

Program
Evaluation



Women's World Banking

THE NIKE FOUNDATION

Introduction


The Next Generation of Savings

The developing world is experiencing a surge in youth¹. The UN estimates that, as of 2010, roughly 30 percent of the combined population of Africa, Asia, Latin America and the Caribbean, or about 1.7 billion people, were under the age of 15. The vast majority of these youth are low-income. This expansion represents the future for financial institutions in these markets, and this publication is a guide for how to create value in the short- and long-term by seeing these youth as potential customers.

In this context, the youth market can be thought of as the next generation for financial institutions, both in terms of actual future clients and future institutional growth. For financial institutions focusing on women clients, as many microfinance institutions do to the benefit of their financial and social performance², girls will be an especially important market.

Youth also have the potential to represent the next frontier of social impact. Providing convenient, affordable and safe opportunities for youth to save has potential to generate even more value for youth than the balance they have accumulated in an account. Youth can get a head start on learning how to navigate the formal financial system, and for those who are especially vulnerable to economic shocks, a withdrawal from their savings account can represent an alternative to other, potentially more risky ways of obtaining money in an emergency. When financial institutions incorporate financial education into their product design and marketing, they have the potential to have a direct influence on the money management-related attitudes and habits of youth.

Approach

This publication presents Women's World Banking's approach to designing, implementing, and evaluating savings programs for low-income youth, based on its experience providing technical assistance on programs launched at three financial institutions in three countries. This document will also be drawing from  **Women's World Banking's publication "Marketing for Microfinance"**³, as many of the topics are also applicable to youth savings.

Women's World Banking sees the most value in youth savings programs that build financial capability⁴, and thus consist of a:

- Youth-controlled savings account,
- Integrated and action-oriented financial education⁵,
- A youth-friendly marketing and outreach strategy, and
- Institutional alignment to serve youth.

This publication is based on these basic tenets. Every financial institution has its own institutional strengths and weaknesses, positioning in the market, goals for the future and other characteristics that collectively make its situation unique.

This publication presents a general set of processes that will require tailoring to meet the unique needs and circumstances of your financial institution.

¹ "Youth" is used in this document to refer to anyone under 24 years of age.

² See Women's World Banking's free publication "*Stemming the Tide of Mission Drift*" available at http://www.womensworldbanking.org/publications/publications_stemming-tide-mission-drift-microfinance-transformations-and-double-bottom-line/ and

³ Available at http://www.womensworldbanking.org/publications/publications_marketing-microfinance/.


⁴ Financial capability is access to financial services, in addition to increased financial knowledge. For more information, see Johnson, E., & Sherraden, M.S. (2007), "*From financial literacy to financial capability among youth*," *Journal of Sociology and Social Welfare* 34(3), 119–145 and Zollmann, J. and Collins, D. (2010), "*Financial Capability and the Poor: Are We Missing the Mark?*" *FSD Insights*, Issue 02.

⁵ Also see Women's World Banking's free publication "*From Access to Inclusion: Educating Clients*" available at <http://www.womensworldbanking.org/publications/access-inclusion-educating-clients/>.

How to Use This E-Publication

This publication is a guide for deposit-taking financial institutions in any stage of youth savings program development—from those that are simply exploring the possibility of introducing youth savings, to those that are already offering products to youth but are looking for new ideas and strategies to improve performance. It is designed to be useful to a wide range of financial institutions, from small, resource-constrained microfinance institutions to established retail banks with an interest in the low-income youth market. It is also designed to apply to a variety of contexts—from competitive markets in more developed economies to less developed countries with very low rates of formal financial services penetration. Therefore, it does not prescribe one set of actions, but outlines various options, implying different levels of complexity and resources for each major step in the program development process.

The chapters are organized as follows:

- **Chapter one**, the planning stage, orients the user towards Women's World Banking's approach to program development; presents youth strategy and rationale; discusses in detail the business and social cases for offering youth savings programs; addresses different youth savings typologies and segmentation; and identifies initial research to be conducted in this stage. The chapter concludes by discussing the necessary decision point and planning process for a youth savings program.
- **Chapter two** details the program design stage. The chapter begins with a thorough explanation of the planning, assessment, and customer research process. Financial institutions can use this to clearly understand their market, competition, environmental factors, and the landscape of potential partnerships. The chapter will also focus on partner identification and development, especially for financial education. Finally, the chapter will show how program prototypes are then designed and tested, before the youth savings program design is finalized.
- **Chapter three**, the implementation stage, provides guidance on developing the pilot proposal, monitoring and assessing the pilot, and preparing for next steps, which could include a continued pilot, pause/exit, or roll-out. This chapter details the importance of continuous program review to assess progress, areas of improvement, and impact.
- **Chapter four** addresses program evaluation, both at the client and institutional level, including evaluations conducted externally. Though this chapter comes at the end, it does not signify that evaluation should happen last; evaluation should occur throughout the overall program launch and implementation process.
- **The Appendix** offers downloadable tools; additional resources; and a  **comparative chart** of the youth savings products offered by the financial institutions mentioned in this publication.

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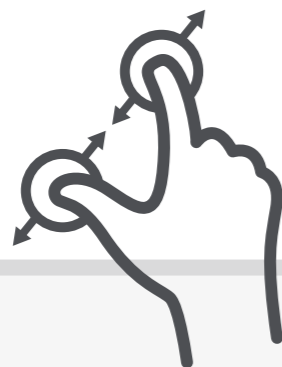
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Go back to Front page



Go back to Previous View



Go back to Previous Page




Go back to Next Page


Women's World Banking

Women's World Banking is the global non-profit devoted to giving more low-income women access to the financial tools and resources essential to their security and prosperity. For more than 35 years we have worked with financial institutions to show them the benefit of investing in women as clients, and as leaders. We equip these institutions to meet women's needs through authoritative market research, leadership training, sustainable financial products and consumer education. Headquartered in New York, Women's World Banking works to create access to finance on a greater scale than ever before.

Women's World Banking Funders


Nike Foundation

The  **Nike Foundation** invests exclusively in adolescent girls as the most powerful force for change and poverty alleviation in the developing world. The Foundation's investments are designed to get girls on the global agenda and drive resources to them. The work of the Nike Foundation is supported by Nike, Inc. and the NoVo Foundation, a collaboration that has significantly broadened the impact of the Girl Effect.

 **GirlEffect.org** tells the story of girls creating a ripple impact of social and economic change on their families, communities and nations. The work of the Girl Effect is driven by girl champions around the globe. The Nike Foundation created the Girl Effect with significant financial and intellectual contributions by the NoVo Foundation and Nike, Inc. and in collaboration with key partners such as the United Nations Foundation and the Coalition for Adolescent Girls.

With support from the Nike Foundation, Women's World Banking launched the "Girl Effect" girls' savings initiatives at XacBank (Mongolia) and Banco ADOPEM from 2008-12.

UNCDF YouthStart

UN Capital Development Fund (UNCDF) launched  **YouthStart** with the support of The MasterCard Foundation in 2010 in response to the lack of opportunities for the growing population of young people around the world, especially in sub-Saharan Africa, and to improve financial inclusion of youth. YouthStart aims to reach at least 200,000 new youth clients with a combination of financial and nonfinancial services by the end of 2014.

PEACE MFI S.CO, Women's World Banking's network member in Ethiopia, was one of the 11 financial service providers in sub-Saharan Africa selected to participate in the YouthStart program. Women's World Banking provided strategic technical assistance to PEACE MFI S.CO in program design, pilot testing, roll-out, and assessment of its youth savings program.

Women's World Banking Partners

Microfinance Opportunities

Microfinance Opportunities is a nonprofit organization committed to developing a deep understanding of the financial realities and needs of low-income households in the developing world, and in turn developing ideas and solutions that help the financial community better serve the low-income consumer. By partnering with financial service providers, Microfinance Opportunities' research and expertise promotes the design and delivery of appropriate products and services.

With support from the Nike Foundation, Women's World Banking partnered with Microfinance Opportunities on key aspects of the "Girl Effect" initiative launched at XacBank (Mongolia) and Banco ADOPEM (Dominican Republic). Microfinance Opportunities designed and led the market research around financial education in Mongolia and the Dominican Republic; developed the programs' financial education curricula and train-the-trainer materials; conducted the pilot assessments; and carried out a baseline and endline impact assessment of the youth savings program at XacBank in Mongolia.

Supporting Organizations

Population Council

The Population Council was established in 1952 with the mission to conduct biomedical, social science, and public health research and helps build research capacities in developing countries. It is headquartered in New York, has 18 offices in Africa, Asia, and Latin America, and does work in more than 60 countries. Its three key thematic areas of work include Reproductive Health, HIV/AIDS, and Poverty, Gender and Youth. In 2008, the Population Council partnered with two financial institutions in Kenya (K-RepBank and Faulu Kenya) and two financial institutions in Uganda (Finance Trust and FINCA-Uganda) to launch the program "Safe and Smart Savings Products for Vulnerable Adolescent Girls in Kenya and Uganda", based on the Safe Spaces Model to build girls social, human and economic assets. Groups of 20-25 girls met on a weekly basis in a safe place provided by the partner financial institutions, and mentors facilitated the group meetings, delivered financial education and health training, and helped the girls to open individual savings accounts at the partner financial institutions.

From 2008-2013, the Population Council launched the "Meserete Hiwot" (Base of Life) program in the northern Amhara region of Ethiopia where the rates of child marriage are among the highest in the world. Community mentors facilitated weekly group meetings covering a livelihoods curriculum. In 2013, Women's World Banking and its network member in Ethiopia, PEACE MFI S.CO, partnered with Population Council to introduce the Lenege youth savings program in these meetings and thus test an innovative model for increasing financial inclusion among vulnerable girls.

Acknowledgements

This guide represents the combined knowledge and experience of the entire Women's World Banking Global Team in New York, including staff and consultants. The authors would specifically like to acknowledge the contributions of Inez Murray, Celina Kawas, Janiece Greene, Alan Vainrub, Ricardo Leon, Anjali Banthia, Saiful Islam, and Mariama Ashcroft. A special acknowledgement is necessary for the contributions of Anna Gincher, who launched and guided all of Women's World Banking's work in youth savings. The authors would also like to acknowledge Julie Slama, Karen Miller, and the Communications team at Women's World Banking for transforming our words and concepts into this finished publication.

The Nike Foundation funded Women's World Banking's initial work in youth savings, including this publication, which has spurred Women's World Banking's continued work in this area. The Nike Foundation's leadership has helped to create a new awareness and focus in the microfinance industry on both the challenges girls face and the significant opportunities they present as savers.

The guide is based on the work Women's World Banking has done to support financial institutions in developing countries who serve low-income and otherwise vulnerable populations. Without the vision, hard work and perseverance of the staff of those institutions, there would be nothing to write. The authors would like to specifically thank the following individuals for their dedication to serving youth and their openness to sharing what they have learned:

- **Banco ADOPEM:** Mercedes Canalda de Beras-Goico, Eva Carvajal de Toribio, Cecilia Ramon, Julissa Camasta, Laura Trueba, Jose-Luis Gonzalez
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- **XacBank:** Bold Magvan, Munhsaihan Jargalsaihan, Oyuntsetseg Chuluunbat, Arlsanbaatar Natsagdorj, Densmaa Togtoh, Munhtsetseg Batmunh
- **Mongolian Education Alliance:** Enhtuya Natsagdorj, Baasanjav Jamsran, Oyunjargal Gombosuren
- **Equal Step Center:** Ariuntungalag Tsend
- **Kenya Women Microfinance Bank:** Mwangi Githaiga, Waweru Gichimu, Christine Mwea, Juliana Wanjiru
- **PEACE MFI S.CO:** Tezera Kebede, Teshome Tadesse, Ejigu Erena
- **Hatton National Bank:** Chandula Abeywickrema, Supun Dias, Oshala Bandara

Ryan Newton and Benjamin Shell
Women's World Banking

“Innovations in Youth Savings” Workshop: Leveraging the Experience of the Women’s World Banking Network and Other Financial Institutions

Women’s World Banking brought together 12 financial institutions in Sri Lanka in April 2012 during its first international “Innovations in Youth Savings” workshop.

Held from April 23–26, 2012, in Colombo, Sri Lanka, the workshop was organized by Women’s World Banking with support from the Nike Foundation, and hosted by Hatton National Bank (HNB). More than 30 participants were in attendance, including representatives from financial institutions and youth savings industry experts. Each of the financial institutions with staff in attendance—five from sub-Saharan Africa, five from Asia, and two from Latin America and the Caribbean¹—either already offer youth savings or are planning to offer programs in the near future.

Industry experts included representatives from the Population Council, who came to discuss their innovative “Safe and Smart Savings Products for Vulnerable Adolescent Girls” programs in Kenya and Uganda, and representatives from the D2D Fund, who presented their financial ‘edutainment’ and prize-linked savings work.

The “Innovations in Youth Savings” workshop highlighted existing youth savings programs at network member and partner institutions while providing a peer learning opportunity. Participants explored the rationale for launching and supporting youth savings programs; discussed the evolution of youth savings program development; examined different marketing strategies used by participating financial institutions; learned about different financial education strategies, innovations, and delivery channels; and discussed existing program evaluations and impact assessments for youth savings programs.

Furthermore, Women’s World Banking unveiled the concept and outline of this youth savings e-publication. During a series of exercises, participants at the workshop were given the opportunity to discuss the content of the publication and provide useful feedback on launching youth savings programs. Relevant and helpful materials from the workshop sessions have been integrated into this publication in the form of PowerPoint presentations, video recordings, marketing collateral, and more. This approach thus enhanced this publication with the first-hand perspectives and direct input from the financial institutions themselves who are involved in youth savings.




¹ Sub-Saharan Africa: Diamond Bank (Nigeria); PEACE MFI S.CO (Ethiopia); Equity Bank (Kenya); KWFT (Kenya); Finance Trust (Uganda). Asia: XacBank (Mongolia); SEWA Bank (India); HNB (Sri Lanka); SEEDS (Sri Lanka); Janashakti (Sri Lanka). Latin America and the Caribbean: Banco ADOPEM (Dominican Republic); Caja Arequipa (Peru).

CASE
STUDY

Case Studies

Throughout this publication, we refer to the experiences of three of our network member financial institutions with whom we have worked to design and launch youth savings programs. We detail their specific experiences at key points in this publication in order to provide context to the program development process we are presenting. We believe these case studies help to facilitate the understanding and implementation of the steps detailed in this publication.

You can find more detailed information on the features of these financial institutions' youth savings products in the  **comparative chart** in the Appendix.

XacBank (Mongolia)

XacBank, Women's World Banking's network member institution in Mongolia, is a leading and award-winning retail bank that operates in all provinces of Mongolia. It is the fourth largest bank in Mongolia with over 500,000 customers and 97 retail and business branches across the country and has a focus on micro-entrepreneurs and small and medium-sized businesses. XacBank has been offering savings products since 2001 with a commitment to youth products. The bank also offers loans, money transfer, payment settlement and leasing services, and reaches residents in remote rural areas, including nomadic herders, through its mobile banking services.

Before offering youth-controlled savings, XacBank offered—and continues to offer—a long-term savings account, “Future Millionaire”, for parents who wish to save for their children's education. The account was the first time a deposit product was in the market with a term of more than one year, and the bank offered a higher interest rate than other comparable time-deposit products. The account became the bank's flagship deposit product, and XacBank became known for its child-friendliness.

Initial market research in Mongolia found that longer term savings products (such as Future Millionaire) did not appeal to adolescents; instead, girls wanted an account that they, not their parents, could control. In response, XacBank and Women's World Banking designed “Temuulel” (which means “Aspire” in Mongolian) to be attractive to its initial target market of girls age 14–17.

XacBank later made the business decision to expand the offer to boys, as well as to youth up to age 24, so that adolescents could keep their account after starting college. By the end of 2009, the bank had rolled out Temuulel to all of its branches across the country. You can find more detailed information on the Temuulel product features in the comparative chart in the Appendix.

In September 2010, XacBank implemented Aflatoun, a social and financial program, geared toward girls and boys ages 7 to 13. The curriculum consists of ten sessions, covering child rights, goal-setting, and savings. Representatives from XacNGO deliver Training of Trainers (ToT) to teachers in provinces across Mongolia, who in turn deliver the program to students. Students who participate in the Aflatoun program are offered XacBank's Future Millionaire accounts with their parents.

CASE
STUDY

Case Studies

Banco ADOPEM (Dominican Republic)

Banco ADOPEM, Women's World Banking's network member institution in the Dominican Republic, is a leading and award-winning microfinance savings and loan bank with a focus on low-income women. The bank offers loans, remittances, insurance, and savings products at their over 30 branches across the country. Before the Girl Effect project, the bank did not have a savings product specifically geared for youth.

After conducting in-depth market research and designing product prototypes, the joint Women's World Banking-Banco ADOPEM project team piloted two savings products under the name "Mía" ("Mine" in Spanish), segmented by age and offered to both boys and girls. A financial education program was also rolled out through schools in early 2010, in partnership with ADOPEM NGO. By the end of 2011, the bank had rolled the product out to all its branches across the country. The "Mía" products are the first savings accounts targeting children and youth offered by a Caribbean microfinance institution. The Mía accounts have a low initial deposit amount, few requirements to open, and no additional charges as long as a transaction is made at least once every six months. You can find more detailed information on the Mía product features in the comparative chart in the Appendix.


PEACE MFI S.CO (Ethiopia)

PEACE MFI S.CO, Women's World Banking's network member institution in Ethiopia, is a microfinance institution founded in November 1999 and has a network of 22 branches across Ethiopia.

PEACE MFI S.CO was one of ten financial institutions in sub-Saharan Africa selected to provide a comprehensive youth savings program with the support of YouthStart (see [📌 Funders](#) for more information). Women's World Banking provided technical assistance to PEACE MFI S.CO on the research, design, and implementation of its youth savings program. After conducting in-depth market research and designing product prototypes, PEACE MFI S.CO and Women's World Banking developed the "Lenege" ("For Tomorrow" in Amharic) youth savings program, which was launched by PEACE MFI S.CO in December 2011. This program consists of a youth-controlled savings account for semi-urban, in-school and out-of-school youth, complemented by a practical financial education curriculum delivered by branch staff. In late 2012, PEACE MFI S.CO piloted the second phase of the Lenege youth savings program for married, rural adolescents in the Amhara region of Ethiopia. Participants and graduates of the Population Council's Meserete Hiwot program—which consists of mentor-facilitated weekly groups covering a comprehensive livelihoods curriculum (reproductive health, gender, HIV/AIDS, sanitation, and more)—were linked to the Lenege account and complementary financial education.

Highlighted Financial Institutions

In addition to the case studies of financial institutions to whom Women's World Banking has directly provided technical assistance on youth savings, this publication will also highlight the youth savings experiences of additional financial institutions either in the Women's World Banking network or broader youth savings community. The specific experiences of these financial institutions will also be valuable in providing context to the different phases of program development presented in this publication. The financial institutions mentioned below all attended the "Innovations in Youth Savings" workshop in April 2012.

You can find more detailed information on the features of these financial institutions' youth savings products in the  **comparative chart** in the Appendix.

Caja Arequipa* (Peru)

Caja Arequipa is a leading microfinance institution in Peru that has been serving low-income people for more than 24 years. Its mission is to offer the best quality microfinance products and services to its clients. These services include: loans to micro and small business entrepreneurs, agricultural and collateral loans, as well as voluntary savings programs for its adult and youth members. The institution has more than 150,000 borrowers and 350,000 depositors. It has 56 branches and 200 points of service countrywide. Since its inception in 1986, Caja Arequipa has operated with the clear objective of serving low-income populations that traditionally do not have access to financial products and services, promoting the growth and development of the productive work force in Peru.

Diamond Bank (Nigeria)

Diamond Bank is one of the leading banks in Nigeria, respected for its excellent service delivery and innovative drive. Diamond Bank has won several awards from the This Day Annual Awards, including the prestigious "Nigerian Bank of the Year, 2009", the "Most Improved Bank of the Year, 2007" and "Best Bank in Mergers & Acquisition, 2006." The Bank began as a private

limited liability company in 1991, became a universal bank in 2001, and then became a public limited company in 2005. With over 240 branches nationwide, Diamond Bank offers a range of products and services including: business loans, adult and youth savings propositions, capital management, cash management services, money transfer services, private services, and trade services. In addition, they offer retail banking, corporate banking, national corporate banking, and public sector banking.

Equity Bank* (Kenya)

Equity Bank opened in 1984, evolving from a building society, to a microfinance institution, to a Nairobi Securities Exchange and Uganda Securities Exchange publicly listed Commercial Bank. With over 8 million accounts, accounting for 50 percent of all bank accounts in Kenya, Equity Bank is the largest bank in the region in terms of customer base and operates in Uganda, South Sudan, Rwanda and Tanzania and has a pan-African expansion strategy. Equity Bank continues to be recognized for its unique and transformational business model. The Bank is credited for taking banking services to the people through accessible, affordable, convenient and flexible service provision.

Equity Bank's vision is "to champion the socio-economic prosperity of the people of Africa" by offering inclusive, customer-focused financial services that socially and economically empower their clients and other stakeholders.

* Women's World Banking Network Member

Highlighted Financial Institutions

Hatton National Bank (Sri Lanka)

Hatton National Bank (HNB) is a premier private sector commercial bank in Sri Lanka, with a global presence. It has been recognized as the Best Retail Bank in Sri Lanka by The Asian Banker Magazine for five consecutive years for its performance from 2007 to 2011.

HNB offers a number of individual and business aimed products and services. For individuals, they offer rupee and foreign currency savings accounts, minor and youth savings accounts, senior savings accounts, rupee and foreign currency term deposits, loans, and leasing. In child and youth savings, HNB has been in the forefront of innovation with the introduction of the HNB Jumbo Till, School Banking Concept, Student Manager Associations, and flagship product development initiatives catering to specific segments with Singithi Kiriketiyo, Singithi Lama, Teen, and Yauwanabhimana, a youth empowerment program, which is the latest addition to the bank's product umbrella. For businesses, HNB offers working capital, short and medium-term loans, trade finance, project lending, financing for syndicate loans, letter of credit guarantees, leasing, custodian services, and foreign exchange services.

Kenya Women Finance Trust* (Kenya)

Kenya Women Finance Trust (KWFT DTM) was founded in 1981 by a group of women lawyers, bankers, and entrepreneurs as a financial institution devoted to addressing the financial needs of women: a woman-serving, woman-led bank. KWFT DTM has risen to be one of the most successful microfinance institutions in the country and the one with the largest outreach, serving more than 400,000 savers and nearly 600,000 borrowers in both rural and urban areas of Kenya.

As the only financial institution to focus solely on women clients in Kenya, KWFT DTM's success is based on a belief in empowering families through women. According to Dr. Jennifer Riria, Group Chief Executive, Kenya Women Holding Company, "When it comes to poverty we should know that no one can completely eradicate poverty. However, we should be able to create empowerment opportunities to save lives. To save the family, we should begin with saving the women by empowering them so that they can be able to put food on the table...by assisting them to create assets, by empowering them to take control of themselves with self-generated incomes." KWFT features group loans and individual loans and require women to save when accessing credit. The majority of KWFT's loans are business loans with a small percentage for education and healthcare. KWFT also offers a variety of savings accounts for youth and adults.

Finance Trust* (Uganda)

Finance Trust Ltd MDI (Finance Trust) began operating in 1984, making it one of the oldest microfinance institutions in Uganda. The company is part of Uganda's formal financial sector and is licensed and regulated by the Bank of Uganda to accept deposits. The company has one of the largest branch networks in Uganda with 30 interconnected branches, serving more than 160,000 customers with a variety of savings and loan solutions, including business loans, salary loans, school fee loans, savings accounts for adults and youth, fixed deposits and remittance services.

* Women's World Banking Network Member

Chapter 1

Creating the Business Case for Youth Savings

?

This chapter will help practitioners:

- ✓ Understand Women's World Banking's approach to designing youth savings programs;
- ✓ Build the business case for youth savings at your financial institution; and
- ✓ Prepare a youth savings program proposal for your financial institution.

Overview

This chapter is focused on creating the business case and rationale for youth savings so that your financial institution can make an informed decision on whether or not to move forward in the program development process to launch a youth savings program.

We first present the importance of a savings-led youth strategy as part of a financial institution's lifecycle product offerings, followed by Women's World Banking's approach to developing a youth savings program and how the topics in this first chapter fit into the overall process.

Next, we present the rationale and business case for offering youth savings, explaining what it can do for your business and customers; then we discuss how you can build the business case for youth savings at your financial institution through initial research to identify any market constraints and/or opportunities, and then through the development of a program proposal for your management.

Overall, this chapter lays out a framework to help you determine if your financial institution is prepared to move on to the subsequent chapters.

A Youth Strategy

Through Women's World Banking's extensive youth savings research in low-income environments around the world, we have found that youth as young as 10 years old regularly accumulate money, actively manage it, and want a safe place to save it. Financial institutions, however, are traditionally oriented towards adults as customers and do not see youth as a viable target market or distinct client segment—considering youth as “little” or “future” adults instead of as a segment with its own needs and aspirations. At the time of publication, the availability of savings products truly designed for youth to use and manage appears to be limited.

In many developing countries, adult savings accounts that encourage parents to save for their children are common among retail financial institutions. Targeting the parents may have a greater business impact—greater savings capacity and the possibility of converting customers to other products—but there is a financial and social business case for serving youth.

For a financial institution, a holistic, lifecycle strategy that meets a client's needs from youth into adulthood can create long-term, loyal customers. Financial institutions with comprehensive youth strategies offer products for every major life stage between childhood and adulthood, including children's accounts, teen accounts, young adult accounts, and loans for university and other needs. These products are designed to ensure that youth become clients of a specific financial institution early on and remain clients of that same institution for their entire life, as well as, in some cases, addressing the child-related financial needs of parents. In every market where Women's World Banking has worked, children are one of the top concerns of women and their families, and also one of the largest financial responsibilities.

A youth strategy should not only increase access to financial services but also build financial capability and thus be savings-led with integrated, action-oriented financial education. Integrating financial education is critical to equip young people with the resources and knowledge to meet the challenges of adulthood. For that reason, the youth savings program strategy detailed in this publication is focused on asset accumulation and skills development.



Components of a youth savings program

Youth-controlled savings account

- ✓ Ability to deposit independently
- ✓ Limited withdrawal restrictions
- ✓ Low account opening amount
- ✓ Low account maintenance amount

Complementary and integrated financial education

- ✓ Delivered by the financial institution, partner, and/or affiliated organizations through varied delivery channels
- ✓ Varied formats and content depending on the market context
- ✓ Action-oriented and continuous, linking increased financial knowledge with positive and improved financial behavior


Youth-friendly marketing and outreach strategy

- ✓ Collateral
- ✓ Passbooks
- ✓ Incentives
- ✓ Community engagement

Institutional alignment to serve youth

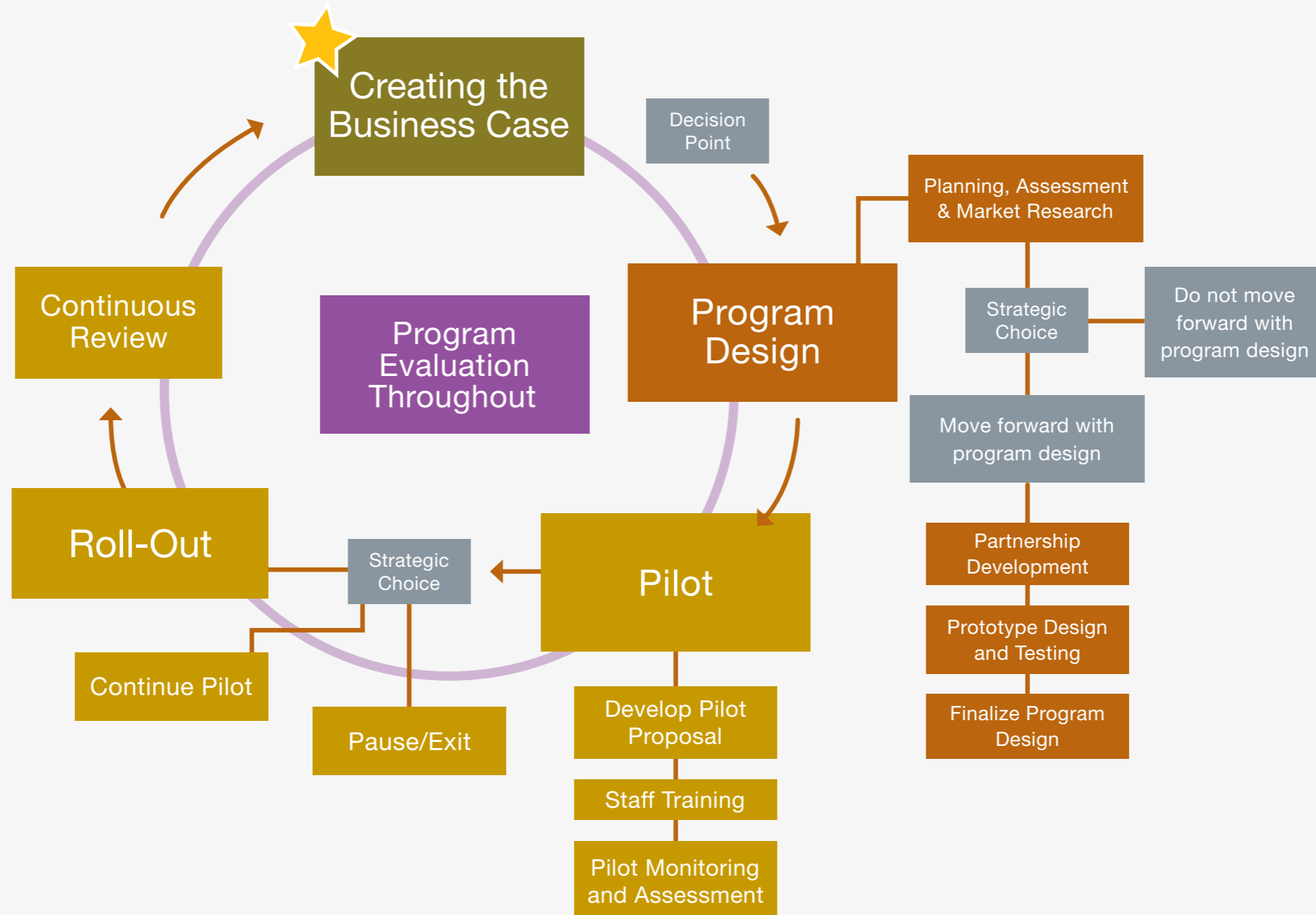
- ✓ Staff training
- ✓ Delivery channels
- ✓ Data & MIS
- ✓ Performance management



Differentiated strategies for serving boys and girls are increasingly important as youth get older and could become essential by the time they become adolescents. The assessment and research tools in  **Chapter 2** will help you determine your target market.

Women's World Banking Program Development Process

The program development process is presented as a circular process because you will be continuously reviewing your youth savings program and may find you have to revisit certain stages of the process, especially as the market or your institution changes.



Creating the Business Case

To create the business case for youth savings at your financial institution, it is useful to ask two related and equally important questions:

ask


What can youth savings do for my business?

Impact on Institution

ask

What can youth savings do for my customers?

Impact on Clients

 Find out why the financial institutions highlighted in this e-publication offer youth savings.

Creating the Business Case

Impact on Institution

- 1. Income and balance sheet implications
- 2. Gaining loyalty from the next generation of adult customers
- 3. Demonstrating social responsibility
- 4. Positioning the financial institution as a “financial solutions” provider, not just a generic product provider
- 5. Meeting your clients’ and broader family’s needs through cross-sell strategies and “sticky” products
- 6. Capturing a higher percentage of a household’s “savings wallet”

Impact on Institution

Income and balance sheet implications

- Deposits mobilized leading to a lower cost of funds
- Stickiness and longevity (or maturity) of the funds, creating more stability and predictability in the balance sheet
- Increased expenses—product development, interest, promotion, and sales
- Increased profitability

Gaining loyalty from the next generation of adult customers

A first positive experience with a formal financial institution, especially at a young age, can stick with a person for many years. If their experiences continue to be positive, they could be very likely to continue using that financial institution as adults—not just for savings but for all their financial needs. Even if their experience is not memorable or especially positive, once people have an account in a particular institution and are familiar with it, the hassle of changing financial institutions, including the prospect of learning new routines and rules, can be a significant incentive for someone to continue using their old account. Also, providing savings and financial education to youth helps ensure that these clients, as adults, will be better savers and can potentially lower credit risks for the financial institution as well.

Creating the Business Case

Impact on Institution

1. Income and balance sheet implications
2. Gaining loyalty from the next generation of adult customers

3. Demonstrating social responsibility

4. Positioning the financial institution as a “financial solutions” provider, not just a generic product provider

5. Meeting your clients’ and broader family’s needs through cross-sell strategies and “sticky” products

6. Capturing a higher percentage of a household’s “savings wallet”

Demonstrating social responsibility

A financial institution that provides youth savings product offerings and a friendly, transparent and socially beneficial experience for youth gains a reputation as an institution that cares about the community, which ultimately enhances its brand position. In some markets, your financial institution may need to offer youth savings to maintain or build your reputation in the community if competing financial institutions already have youth savings product offerings.

Positioning the financial institution as a financial solutions provider, not just a generic product provider

Instead of being perceived as just selling any kind of product to its customers, financial institutions that embed financial education into products, promotions and customer interactions, or even provide stand-alone financial education programs, are positioned as understanding of and providing solutions to customers’ financial needs. For instance, Women’s World Banking market research in multiple markets identified that parents worry about their children learning to manage money well. When a financial institution demonstrates that it is helping parents teach kids to save, it can position itself as a financial solutions provider. This may imply a significant cultural shift for some financial institutions, but the dividends can also be significant. Products are easy to replicate and eventually become commoditized; however, it is more difficult to replicate a reputation and business model oriented around understanding youth and providing tailored, personalized solutions.

Meeting your clients’ and broader family’s needs through cross-sell strategies and “sticky” products

Financial institutions can use youth savings as a gateway product to reach new families and eventually provide multiple products to multiple members of these families. This increased interaction leads to better client retention and lower dormancy.

Creating the Business Case

Impact on Institution

1. Income and balance sheet implications
2. Gaining loyalty from the next generation of adult customers
3. Demonstrating social responsibility
4. Positioning the financial institution as a “financial solutions” provider, not just a generic product provider
5. Meeting your clients’ and broader family’s needs through cross-sell strategies and “sticky” products
6. Capturing a higher percentage of a household’s “savings wallet”

Savings Wallet:
Total amount of money
people allocate to savings



Banco ADOPEM (Dominican Republic)

While conducting research in the Dominican Republic for the Mía youth savings product, we saw firsthand examples of women who claimed that they had never had a formal account but who had opened accounts for their children. These youth savings accounts are legally controlled by the mothers and the money deposited into the accounts by their children primarily comes from them. However, these women did not consider themselves ready to save in a bank for their own needs. With an effective cross-sell and marketing strategy, financial institutions such as Banco ADOPEM can leverage the entrance of youth into the formal financial system to also offer appropriate financial products and services to parents and guardians.

Also, when these clients use multiple products, or multiple products are used within a single, financially cooperating household, the result can be the creation of a disincentive to switch financial service providers. This stickiness can be especially significant in environments where enabling people to transact with multiple accounts by making only one trip to a branch or waiting in one line represents real efficiency gains. It also effectively lowers the transaction cost per account, which has been shown in some markets to be a significant driver of account activity.



Capturing a higher percentage of a household’s “savings wallet”

Women’s World Banking’s research in multiple low-income markets has shown that women tend to use multiple mechanisms to save. They report doing this to mitigate risk and to take advantage of characteristics presented by any one vehicle. They assign different vehicles particular purposes, such as bank savings as loan collateral and ROSCA¹ savings for buying holiday gifts. The money allocated to particular vehicles can then be limited to its particular purpose—for instance women may only save as much in a bank as they need to get the next loan. If a financial institution can design savings accounts that present more compelling reasons for people to save in a formal financial institution, such as saving for their children’s future or for a chance to win a scholarship, then their customers could shift a higher percentage of their savings wallet into that financial institution. Providing new motivation for saving, along with accessible and effective mechanisms for saving, might even expand the size of this wallet by helping people to save more than they did before.

¹ ROSCA stands for Rotating Savings and Credit Association, an umbrella name used to refer to a variety of informal mechanisms used to save and often borrow within a group of people. Each group member contributes the same amount at each meeting, and one member claims the whole sum—a role that ‘rotates’ among different members of the group in turn.

Creating the Business Case

Impact on Clients

Direct Social Impact

1. A safe, simple and affordable way to store money
2. Financial inclusion
3. Better money management

Secondary Social Impact

1. More optimal use of the formal financial system in adulthood
2. Increased self-confidence
3. Reduced vulnerability and better health
4. Implications for girls

Impact on Clients

The value proposition or social impact of youth savings can be broken down into the immediate, direct social impacts that youth savings can have, as well as the longer-term, or secondary social impacts that are potentially more difficult for customers and other stakeholders to measure or anticipate.

Creating the Business Case

Impact on Clients

• Direct Social Impact

1. A safe, simple and affordable way to store money
2. Financial inclusion
3. Better money management

Secondary Social Impact

1. More optimal use of the formal financial system in adulthood
2. Increased self-confidence
3. Reduced vulnerability and better health
4. Implications for Girls

Direct Social Impact

• A safe, simple and affordable way to store money

This is the core benefit of any savings account for the low-income market, and it is important that this value is translated to customers through transparent and simple terms and conditions, as well as low fees.

• Financial inclusion

Incorporating youth into the formal banking sector through youth-controlled accounts is part of the broader financial inclusion agenda. These products can also be a gateway for parents who have never used formal financial services or savings products but who take the opportunity to save for their children's future starting with youth savings accounts.

• Better money management

By integrating financial education into product design and marketing, through assistance with setting goals, establishing plans and incentives to develop regular savings habits, financial institutions can help both parents and youth to save more and achieve their financial goals. Financial education can have even more of an impact if access to a savings account and the opportunity to practice using the account is integrated into the financial education. Parents can be particularly appreciative of assistance with exposing their children to these important life skills, reinforcing the perception of the bank as a financial solutions provider.

Creating the Business Case

Impact on Clients

Direct Social Impact

1. A safe, simple and affordable way to store money
2. Financial inclusion
3. Better money management

Secondary Social Impact

1. More optimal use of the formal financial system in adulthood
2. Increased self-confidence
3. Reduced vulnerability and better health
4. Implications for Girls

Research Findings

In Mongolia, evaluators from Microfinance Opportunities (MFO) found evidence that girls who opened a savings account were more comfortable discussing financial matters with parents, teachers, financial institution staff, and each other than they had been before they opened the account and as compared to girls who had not opened an account.

 **MFO Impact Assessment Study**

Secondary Social Impact

Secondary impacts are those that can appear over months or years, perhaps without explicit acknowledgement from those whom they affect. Most of the impacts mentioned below come not only from having and using simple savings accounts, but from integrating financial education into account design and marketing, or from additional non-financial services that are delivered in coordination with the account offering.

More optimal use of the formal financial system in adulthood

If a financial institution directly engages youth as customers and makes an effort to explain its products and institution in a youth-friendly manner, then youth may develop a deeper understanding and level of comfort with the formal financial system, which in turn could lead to using that system more optimally as adults. This secondary social impact for customers is also a potential business impact for the financial institution, if youth remain loyal to the institution into adulthood.

Simply being treated as customers and encouraged to save by a formal institution can positively affect attitudes about money management and help youth build experience and skills into adulthood.

Increased self-confidence

Youth gain maturity and confidence in their ability not only from participating in a traditionally adult activity, but also from the experience of setting and achieving goals.

Reduced vulnerability and better health

Both the knowledge and existence of money stored away in a safe place in case of need can reduce youth vulnerability by enabling them to invest more in themselves, engage in less risky behavior, and deal with setbacks and challenges more effectively.

When youth savings and financial education are integrated into a program that addresses other social issues that youth face, preliminary evidence from the Population Council suggests that vulnerability can be reduced even further through social asset-building, and health can eventually be improved.

Creating the Business Case

Impact on Clients

Direct Social Impact

1. A safe, simple and affordable way to store money
2. Financial inclusion
3. Better money management

Secondary Social Impact

1. More optimal use of the formal financial system in adulthood
2. Increased self-confidence
3. Reduced vulnerability and better health
4. Implications for Girls

Implications for Girls

Many girls in the developing world do not have access to financial services, and they often face more and different challenges than boys as they pass through adolescence into adulthood. They often experience higher school drop-out rates, while restrictions on their movements and demands on their time for housework diminish their opportunities to develop robust social networks. Boys are more often given opportunities for learning how to earn and manage money, while girls are taught how to perform unpaid domestic work. If a girl needs money, she will be dependent on her parents or may be forced to engage in risky behavior, thus increasing her vulnerability.

However, the accessibility of savings products and financial education programs tailored to low-income girls has significant implications for girls' economic and social empowerment. By cultivating an understanding of the importance of saving, building saving habits, and opening savings accounts that they control, girls develop skills in asset accumulation, risk management, and goal setting, making them better equipped to plan for the future. Women's World Banking believes greater financial inclusion could be associated with higher educational attainment among girls, delayed marriage, and delayed childbirth—all of which have broader implications for reducing poverty.

For financial institutions with a focus on low-income women, focusing on girls, both for savings products and additional programming, can serve to address some of the root causes of the disempowerment and lack of financial capacity that often characterize much of their adult, female client base.

Research Findings

In the Population Council's "Safe and Smart Savings Products for Vulnerable Adolescent Girls" program in Uganda, in partnership with MicroSave and two financial institutions, FINCA-Uganda and Finance Trust, girls opened accounts and joined peer groups, led by older mentors, that met once weekly for over a year in safe spaces. Through this platform, the mentors facilitated learning and discussion among girls around financial education, sexual and reproductive health, and social issues. Initial findings from the pilot evaluation show a more positive impact on these girls than girls who only had savings accounts and a comparison group with no savings or group meetings. These outcomes included having a budget, having someone to borrow money from in case of an emergency, reporting fewer instances of feeling "worthless," having future life goals, and having more knowledge and positive attitudes about sexual and reproductive health.



**Clare Tumwesigye
from Finance Trust
(Uganda) explains
why they serve girls.**

Building the Business Case in Your Financial Institution

1. Internal Communication
2. Diagnostic: Initial Secondary and Primary Research
3. High-level Breakeven and Profitability Analysis
4. Youth Savings Program Proposal Development

Building the Business Case in Your Financial Institution

Internal Communication

The first step in building the business case for a youth savings program is to ensure that the appropriate stakeholders are engaged from the start. The appropriate stakeholders include, at a minimum, staff from the business development, corporate social responsibility (if available), finance, deposit mobilization, and risk teams.

These stakeholders need to be involved in developing the business case, conducting and analyzing initial research, and program development planning. Then, when your financial institution arrives at the decision point regarding whether or not to move forward with a youth savings program, you have ensured that all the appropriate stakeholders are part of that decision-making process.



CASE STUDY PEACE MFI S.CO built internal buy-in by creating a Lenege task force, communicating the importance of youth savings and assigning specific roles to senior staff. Task force staff played an initial part in different aspects of the business case planning and preparation, and then had specific responsibilities in the subsequent pilot design, launch, and roll-out preparation. These key staff members were accountable, based on each of their roles, for the program in areas of operations, coordination, finance, training, MIS, IT, marketing, audit, and legal review.

Diagnostic: Initial Secondary & Primary Research

An initial level of secondary and primary research should be conducted in order to build the business case for youth savings. It is recommended that you invest some time and funds at this stage in order to establish the demand for youth savings and thus secure buy-in from the beginning, which helps to ensure success throughout the design and implementation stages.

If you move on to program design, as detailed in [Chapter 2](#), you will undergo more extensive secondary and primary research. However, at this initial stage, at a minimum, you should examine the following:

- Legal and regulatory environment
- Youth demographics and potential market size
- Youth organizations
- Potential customer demand in your target market

Building the Business Case in Your Financial Institution

1. Internal Communication

2. Diagnostic: Initial Secondary and Primary Research

3. High-level Breakeven and Profitability Analysis

4. Youth Savings Program Proposal Development

TIP

If your financial institution has additional resources, the staff directly involved in the project could undertake an international learning visit to another financial institution that has already introduced a similar product, in order to learn firsthand from their experience. Such a visit can occur anytime between the beginning of the planning stage and the end of the pilot stage, although a visit earlier in the process is more useful. Women's World Banking or other microfinance networks may be able to put you in contact with financial institutions willing to host such a learning visit.



Secondary Research

Tools from [Chapter 2](#) can be adapted for this initial secondary research.

Legal and regulatory environment (to be conducted by legal team)	<ul style="list-style-type: none"> ■ Extent of youth's ability to hold and transact on accounts ■ Research approvals needed and areas needing advocacy at policy level
Market size	<ul style="list-style-type: none"> ■ Local and national government population statistics reports and surveys ■ Market intelligence reports ■ Data on existing clients that shows product usage and volume data trends from current savings product offerings
Existing competition	<ul style="list-style-type: none"> ■ Youth savings program offerings at other financial institutions in your market
Youth organizations	<ul style="list-style-type: none"> ■ Landscape of organizations ■ Type of financial education and overall youth development activities
Educational context	<ul style="list-style-type: none"> ■ Educational statistics ■ Presence of financial education in the national educational curriculum

Primary Research

At this stage, it is also recommended that you conduct initial primary research with potential youth clients in order to better understand customer demand and needs. This research can be conducted in the form of a few focus groups of 6–8 youth each, segmented by age and gender. Tools from [Chapter 2](#) can be adapted for this initial primary research.

More comprehensive primary research will be conducted in the product design stage, [as detailed in Chapter 2](#); however, the initial research at this stage will help your financial institution to inform and strengthen the business case with the actual perspectives of potential youth clients.

Building the Business Case in Your Financial Institution

1. Internal Communication
2. Diagnostic: Initial Secondary and Primary Research
3. **High-level Breakeven and Profitability Analysis**
4. Youth Savings Program Proposal Development

High-level Breakeven & Profitability Analysis

An important part of building the business case is conducting a high-level breakeven and profitability analysis using your internal profitability and financial modeling tools. The analysis should incorporate projections for your youth savings program and the breakeven timeline, based on the following:

- Client behavior assumptions from the initial customer (primary) research conducted by your financial institution;
- Conversion rate assumptions from financial education and marketing activities, as well as cross-selling;
- Revenue drivers, such as the interest spread on mobilized savings and fees or transactional income, that reflect your financial institution's objectives and value proposition; and
- Cost drivers, both fixed and variable, that reflect your intended distribution channels (branches, mobile, internet, schools, agent model, etc.) and the organizational capacity and infrastructure to support it. Understanding the operating expenses for your existing savings products (product costing) can assist with this area.

We also recommend conducting scenario, sensitivity, and profitability analyses to take into account varying factors that could affect your projections, such as the following:

- Scenarios to reflect different assumptions regarding client behavior (ex. use of different delivery channels);
- Sensitivity analysis to identify and discuss key drivers of revenues, expenses, and overall sustainability (for example, if the interest rate decreases or inflation increases, how will it affect the length of time to break even?);
- Profitability analysis based on the scope of the planned full roll-out (i.e., client growth and delivery channel expansion objectives of the financial institution).

Building the Business Case in Your Financial Institution

1. Internal Communication
2. Diagnostic: Initial Secondary and Primary Research
3. High-level Breakeven and Profitability Analysis


4. Youth Savings Program Proposal Development

Youth Savings Program Proposal Development

At this point, you should have enough information to put together an initial proposal for your financial institution's business development committee, board, and/or other executive management committee responsible for making decisions on new products and initiatives.

Proposal Template

TIP



Women's World Banking recommends that before you present your findings and proposal, you first review it with a senior manager experienced in branch operations, marketing and new program development. This person can provide comments and feedback on the kinds of questions and concerns that the approving committee or board is likely to have. As you can see, many of the areas are not very specific at this point. This proposal should be considered a living document, and these areas should get more specific as you move further along the program development process. Priorities or even impact categories might change as you discover opportunities and encounter challenges, or even as the market or your financial institution's priorities evolve.

Once you are ready to present your proposal, the goal of the presentation should be to provide the most relevant information available for making a decision on which products and market segments to move forward with, if any. We advise that you include information from all the sections in this chapter and explain how you prioritized the various potential impacts and considered internal and external context to generate and prioritize potential opportunity areas for your institution.

CASE
STUDY

XacBank (Mongolia)

XacBank is the fourth-largest financial institution in Mongolia; however, the bank had not always been such a big player.

In late 2001, XacBank was formed when two small lending institutions merged—the USAID-supported, Mercy Corps-led business lender Gobi-Start, founded two years earlier, and the former UNDP-led micro-lender Golden Fund for Development, founded three years earlier. With combined total assets of around US \$3.4 million at the time of the merger, the bank needed a special exemption from the Central Bank's minimum capital requirement for banking institutions to even come into existence. XacBank began in 2002 with ambitious growth targets and planned to fund most loan growth from deposits mobilized. However, their initial deposit performance was disappointing—neither the general Mongolian public nor their existing loan clients seemed very interested in putting money into the country's newest deposit-taker. The government soon announced that the country was suffering from a second consecutive hard winter, or “zud,” killing many livestock and dealing a crippling blow to the rural herders who formed the backbone of the Mongolian economy. The bank's management grew increasingly worried about their ability to meet projections and consequently inspire investors to provide the capital they sorely needed to meet the Central Bank's

requirement. If the capital did not come, they risked being shut down.

At the end of the year however, the bank's deposit portfolio and total number of accounts had increased more than five times. The bank had inspired confidence from investors with their performance, and found that they would meet the minimum capital requirements. The key to their success was attributed to a single product: “Future Millionaire,” the first branded savings account ever introduced in the country. Prior to this product, all banks had only offered demand deposit and time-deposit accounts. Future Millionaire was also the first time a deposit savings account with a term of more than one year was in the market. Future Millionaire was designed for parents to save for the future of their children, and matures when those children turn 18.

In such uncertain economic times, parents worried intensely about having enough money to fund their children's university attendance, an almost universal goal in the country. The bank offered a significantly higher interest rate than what other banks were offering on one-year time deposits and quickly gained both new depositors and long-term, albeit expensive, funding. It was just what XacBank needed to differentiate itself and give the new bank a chance by inspiring both the



public and investors. The account became the bank's flagship deposit product and was eventually copied by every major retail bank in the country. XacBank continued to innovate in the Mongolian context with new types of lotteries and other promotions around Future Millionaire. Almost accidentally, the bank had become known for its child-friendliness. But management did not let this go to waste—they embraced children as central to their brand and looked for innovative ways to leverage their reputation. In 2008, the bank began its collaboration with Women's World Banking that resulted in the introduction of a new set of deposit products for teenagers under the brand name “Aspire,” first for girls, then for boys as well. They continued to simultaneously market the Future Millionaire account to parents and their younger children. The bank also introduced a student business loan with support from the Mongolian government, designed to help university students form groups to start businesses, and later education loans to help families cover university expenses. By 2011, the Mongolian financial services industry had become much more competitive and sophisticated. While XacBank no longer held the most accounts or deposits for youth and young adults, it still maintained its position at the forefront of youth and young adult product innovation.

Chapter 2

Program Design

By the end of this chapter, practitioners will be able to:

- ✓ Conduct in-depth primary and secondary market research and evaluate the outcomes;
- ✓ Develop product, marketing, and financial education prototypes;
- ✓ Establish partnerships for program implementation;
- ✓ Test, refine, and finalize prototypes for pilot testing; and
- ✓ Prepare a full pilot proposal to be submitted for management approval.

Overview

This chapter guides you through the Program Design stage— from performing more in-depth market research to designing prototypes for products, marketing strategies, and financial education.

Team Composition

As described in [Chapter 1](#), it is important to continue engaging the appropriate stakeholders at your financial institution. These stakeholders now become part of the program design team—bringing different but necessary perspectives. Reinforcing strong internal communication from the beginning helps to ensure the success of your program.

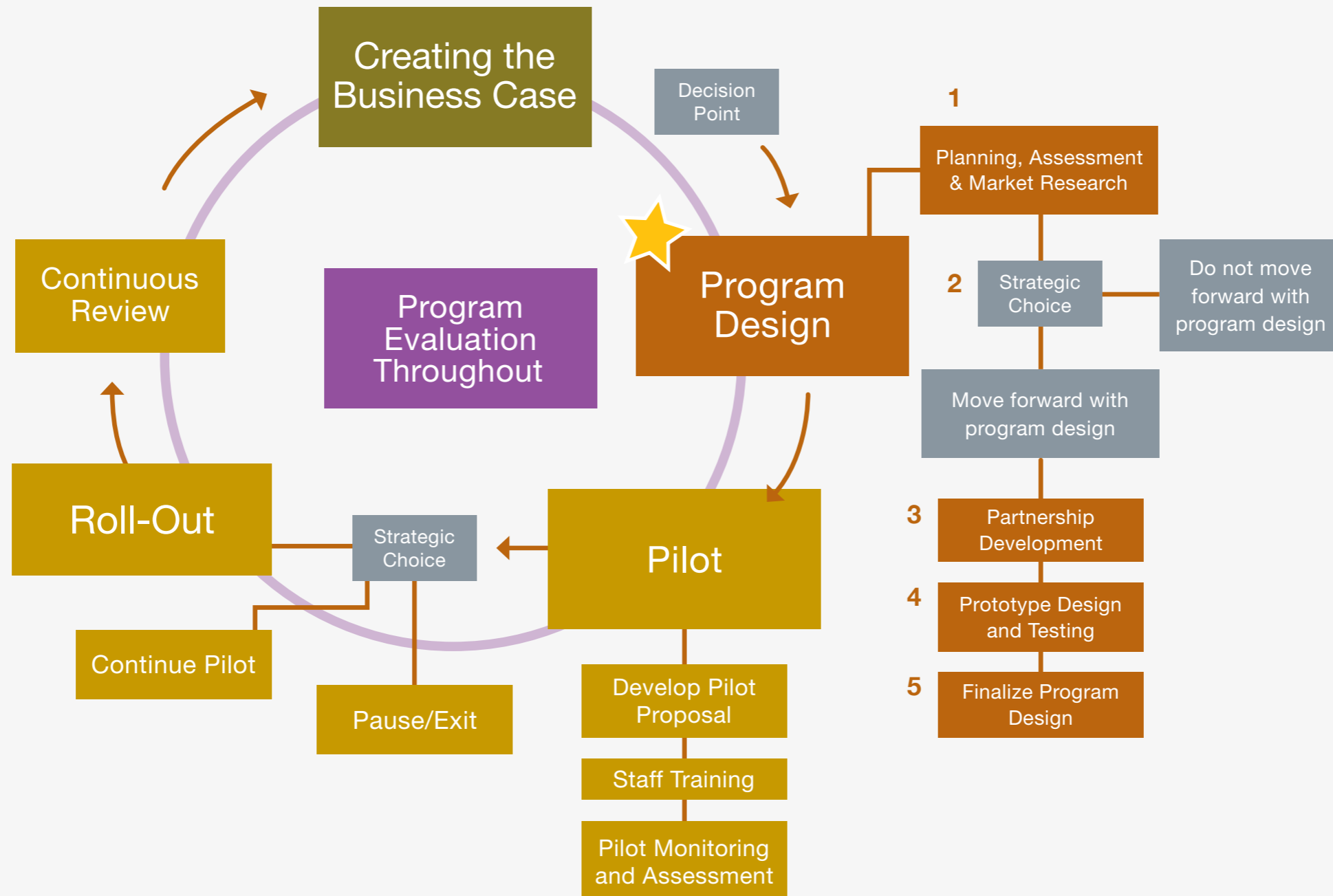
Budget Items to consider as you design a youth savings program:

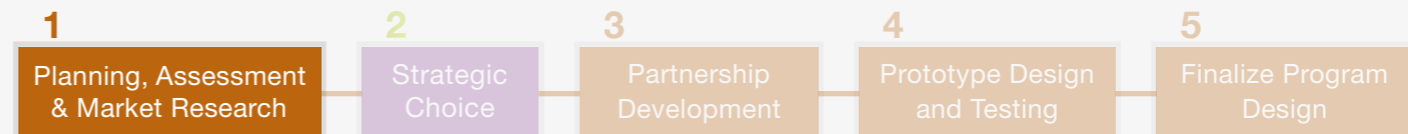
- ✓ Market research (travel expenses for staff + research implementation, outlined below)
- ✓ Prototype development (if applicable, graphic design and brand development, as well as financial education curriculum development)
- ✓ Prototype testing
- ✓ Travel expenses for a learning visit, if applicable

Members	Responsibilities
Project Manager (usually from product development team)	<ul style="list-style-type: none"> Promote the introduction of youth savings to both the institution and externally Provide strategic direction for planning and managing the youth savings program Identify indicators to measure progress Report on progress to the senior management and the board Manage the project's budget, targets, and deadlines.
Deposit Product Officer	<ul style="list-style-type: none"> Develop policies and procedures for new accounts Provide process maps for efficient account opening, deposit, withdrawal, and closure
MIS Officer	<ul style="list-style-type: none"> Design appropriate fields for collecting youth savings data Ensure sound data collection and reporting procedures
Branch/ Regional Manager	<ul style="list-style-type: none"> Oversee pilot implementation, training, and incentives at the pilot branches Ensure youth-friendliness of branch
Marketing Officer/ Manager	<ul style="list-style-type: none"> Develop youth-friendly marketing strategy, including materials, incentives, campaigns, and promotions Manage bid and vendor selection process Maintain stock of marketing materials within budget
Training/ Human Resources	<ul style="list-style-type: none"> Develop all training materials for staff on new youth savings program Implement training Develop appropriate staff incentives
Compliance/ Risk Officer	<ul style="list-style-type: none"> Ensure adherence to risk management procedures Ensure product complies with internal and external criteria
Legal Counsel	<ul style="list-style-type: none"> Coordinate any required regulatory approvals Prepare contractual documentation Ensure product complies with relevant legislation

Women's World Banking Program Development Process

This chapter will cover steps 1–5 on the graphic, resulting in a suitable youth savings program design for your financial institution.





Step 1

Planning, Assessment & Market Research

Industry Analysis

It is important to understand the current landscape for youth financial services before you design and test prototypes.

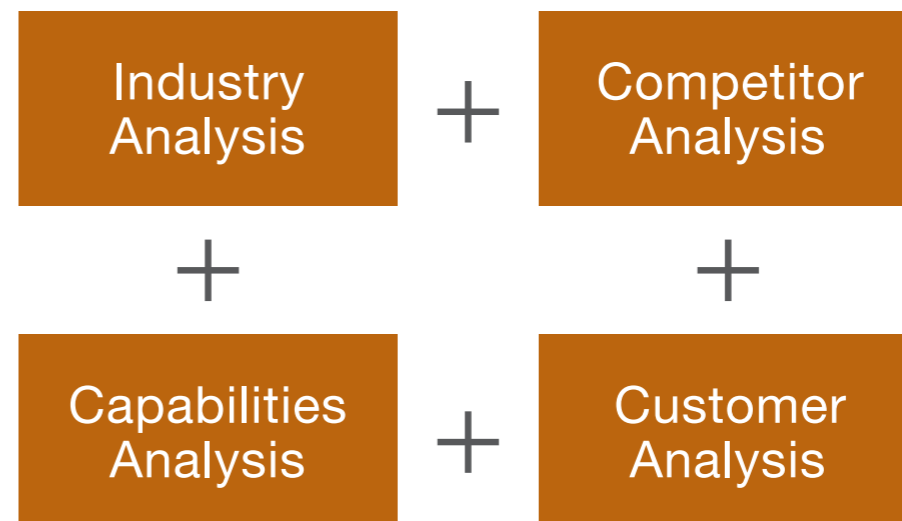
During international secondary research, you should focus on learning about best practices and lessons learned implementing youth savings programs in other countries. You should analyze different youth product profiles and partnership models.

📄 [Download this comprehensive youth savings resource list](#) for more information.

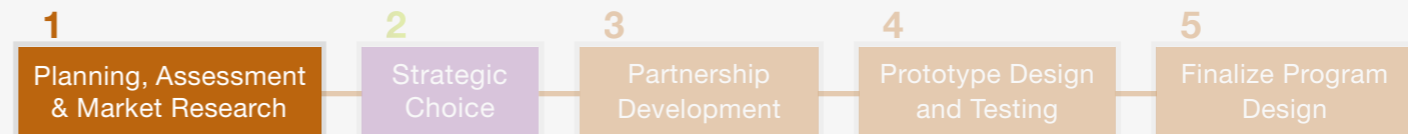
During domestic secondary research, you should focus on demographic data, organizations already serving youth, community stakeholders, and the legal and regulatory context for providing financial services to youth. Download this

📄 [list of potential topics](#) for domestic secondary research and download a sample interview guide for meetings with 📄 [industry experts](#) and 📄 [youth organizations](#).

The Planning, Assessment & Market Research stage includes four types of analyses:



PEACE MFI S.CO (Ethiopia) 📄 [Download a presentation](#) prepared by Women's World Banking and PEACE MFI S.CO on the landscape of organizations that work with youth in Ethiopia, as well as the legal context.



Note on Legal & Regulatory Context

Investigating the legal and regulatory context is useful for determining product attributes based on how much control parents and youth can have over accounts. For savings accounts designed to be controlled by youth, you should determine the age at which youth can legally open an account and independently perform transactions, especially withdrawal transactions, which is often the same as the age of “majority.”

For a legally defined “age of minority,” where youth cannot legally own their own accounts until they turn the age of majority, there are still options for youth to open accounts with a parent or guardian. Regulations may also specify a minimum age of minority for jointly operating an account with a parent or guardian. In some jurisdictions, it might be possible to gain exemptions for minors in special circumstances, such as working children, or from explicit parental consent. In other cases, the minimum age might not be specified and will be up to the financial institutions to determine themselves.

For legal issues, it might be useful to seek explicit opinions from the financial regulator or the appropriate government ministries or departments. In markets with a short history of youth savings offerings (or none at all), close reading and informed interpretation can allow you to innovate in key aspects of product design and have a competitive advantage.

Caja Arequipa (Peru):

In Peru, the civil law establishes that minors cannot participate in a legal contract before the age of 18, thus they cannot open an account in their own name. Before launching its youth savings program, Caja Arequipa conducted a legal review and found that youth could initiate “everyday contracts” or transactions. Through this reading of the law, Caja Arequipa worked with the regulators to create the contract for its account, “Cuenta Junior,” for youth ages 13–17. This account requires a parent or guardian signatory, as s/he can legally enter the contract; however, the youth is the title holder on the account, and when s/he reaches age 18, the account automatically comes under the youth’s name. Also, debit cards linked to the account are only issued to the youth but with withdrawal limits set by the parent or guardian on the account. Caja Arequipa has paved the way in Peru for further innovation in youth savings.



Gabriel Rebaza Manrique explains how Caja Arequipa worked with Peru’s regulators to promote youth-controlled savings.



CASE STUDY

XacBank (Mongolia)

As Women's World Banking and XacBank progressed through the product design phase, the team found that Mongolian contract law did not allow persons under 16 to independently enter into contracts. This law had originally been interpreted to mean that youth under this age could not open and control their own savings accounts. However, the team was eager to respond to the market research findings that adolescent girls as young as 12 desired to manage their own accounts and were not interested in using accounts controlled by parents. The XacBank lawyer on the joint project team looked into the civil code as well, where he found that youth were legally allowed to make some types of "petty domestic" transactions starting at age 14. Opening and closing savings accounts, as well as depositing and withdrawing from them, are considered as such transactions. Subsequently, because of this close reading of the law, XacBank was the first bank in the country to introduce savings products for 14- and 15-year-olds.

CASE STUDY

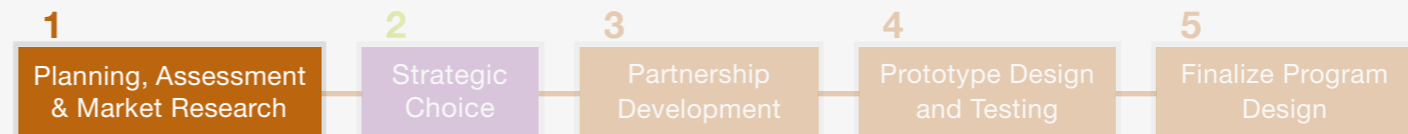
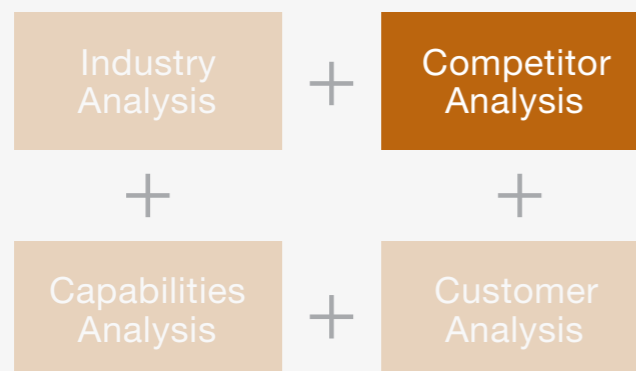
PEACE MFI S.CO (Ethiopia)

In Ethiopia, Women's World Banking worked with PEACE MFI S.CO to complete a feasibility study for introducing youth financial services. The first response of the lawyer consulted was that youth under the age of 18 could not manage their own accounts. However, as the team inquired about whether any alternative interpretations were possible, the lawyer pointed to exceptional cases where youth can assume legal responsibility, especially in employment and marriage. The labor law allows youth as young as 14 to work in "light employment"; thus, since youth can enter into a labor contract for light employment from age 14, they can also enter into other types of contracts, including ones to open and manage a savings account at a financial institution. Therefore, youth ages 14–17 who can prove they have light employment may open a youth savings account without a parent or guardian.



Competitor Analysis

Youth savings programs can be a way to differentiate, innovate, and acquire customers at a lower cost. Even within a particular country, areas with less competition in financial services, such as rural areas, can achieve more success at lower cost. Youth savings programs can also be particularly attractive for financial institutions when competition has driven up customer acquisition costs, adult market penetration levels are high, and financial institutions are struggling to find avenues for growth in the retail market.



In conducting your competitor analysis, you should examine the following areas:

■ Landscape of financial institutions

- Overview of banking or microfinance sector
- Types and number of financial institutions

■ Financial institutions targeting youth

- Youth savings product profiles, pricing, and account opening requirements
- Operational areas and branch penetration
- Customer profiles
- Marketing materials and branch layout
- Incentives and promotions
- Customer service
- Community partnerships
- Non-financial services provided

CASE STUDY

Download a [presentation](#) prepared by Women's World Banking and Banco ADOPEM on the competitor analysis performed in the Dominican Republic in 2009.

✎ [Download a sample interview guide](#) when visiting these financial institutions

TIP

Basic information on existing youth savings products, including their terms and conditions, can often be obtained through the internet, by calling customer care telephone numbers of competitors, or simply by visiting a branch. Past industry and competitor research exercises performed by your financial institution might also provide insight. This information is useful for understanding the comparisons that your target market will make when you introduce your own youth savings offerings.

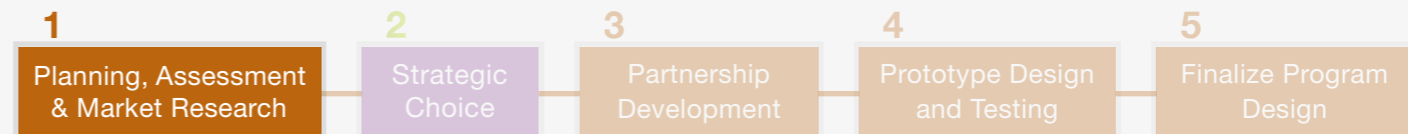
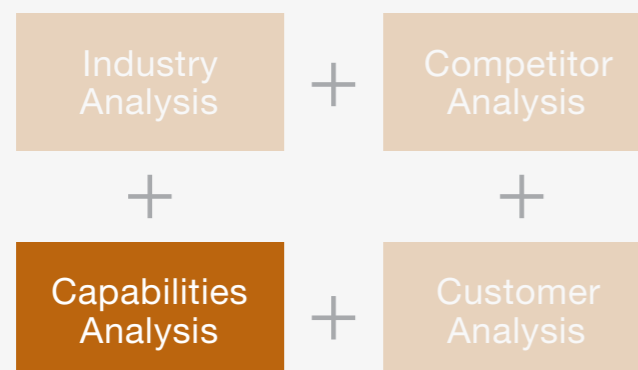
Once you have collected this data, you can compile it into one document that will serve as a basis for comparison and benchmarking.



Capabilities Analysis

Before launching a youth savings program, determine how willing and able your financial institution is to operationalize and market the program. The exact details and operational requirements will depend on findings from research and testing in subsequent phases; however, in this planning phase, it is useful to have a general sense of the level of resources, both human and financial, necessary for achieving the various business and social impacts mentioned above.

It is important for financial institutions to consider where youth savings fits within the overall institutional strategy and product development roadmap. Answers to the following questions are useful in determining the readiness of your institution and target market:



1 How much experience and success does your financial institution have in retail savings products for adults?

Women's World Banking recommends that financial institutions wait to offer savings products for youth until they have achieved a significant degree of success, sustainability, and experience with adult savings accounts. Also, reaching youth can require that parents and guardians already understand and trust your institution and its savings offerings.

2 How much experience and capability does your financial institution have to manage the maturity risk of long-term retail deposits?

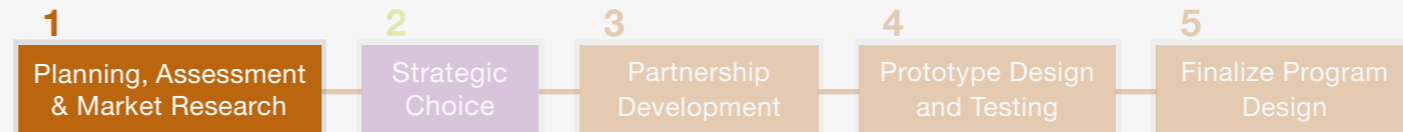
Introducing savings products for youth can be done in part to secure more long-term funding, especially if the products have limits on withdrawals. If your financial institution has no experience with such products, it is important to ensure that your treasury or finance staff can design systems to project the actual maturity of the funds (taking into account some rate of "early" withdrawals) and manage liquidity accordingly. Please see the [Women's World Banking Financial Risk Management toolkit](#) for more information.

3 What are the operating expenses for your existing savings products (product costing)?

It is also useful to understand the costs of offering existing savings products to have a baseline for achieving your youth savings-related goals. This product costing process, an extension of the high-level breakeven and profitability analysis described in Chapter 1, could involve speaking with branches about sales and local promotional efforts; branches or the operations department to understand transaction-related expenses; and the marketing department to understand promotional expenses. It will also likely entail speaking with the treasury or finance department to understand how much liquidity they allocate for customer deposits, broken down by product, branch, and other variables. This liquidity requirement will determine how much of the money collected from youth savers your financial institution can profitably invest.

This data will provide the parameters for what financial success could look like in terms of business impact (funds raised, stickiness and maturity of funds and various expenses). We are not suggesting that youth savings need to achieve the same levels of profitability as other products, but rather it will help you determine what level of immediate profitability will be acceptable for your financial institution, especially if your definition of success prioritizes potentially more difficult-to-measure and longer-term impacts. This product costing exercise will also help you to estimate the amount of initial investment necessary to realize profitability later.

Capabilities Analysis



4 How much experience does your financial institution have with market research?

The process detailed in this publication is based on gaining an understanding of your existing and potential customers and their environment. To do this, it is important not only to talk with branch staff and consult secondary sources, but also to learn directly from clients using qualitative research techniques. Throughout the program development process, contact with the target market helps maximize the impact the program will have. Experience both managing and conducting client research is especially important when designing offerings for a new client segment, including youth. Additional guidance on conducting customer research is detailed in the next section, [a “Customer Analysis”](#). Based on your financial institution’s level of experience with this type of analysis, you may need to seek external assistance.

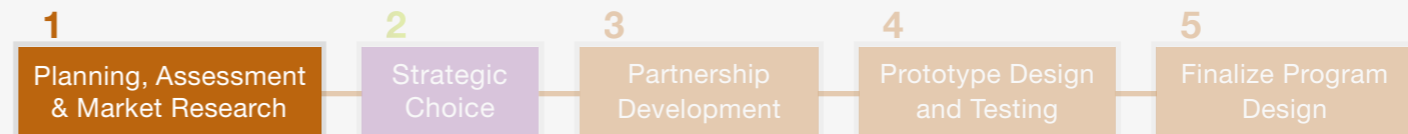
5 How much experience does your financial institution have with sales, community engagement, marketing, branding and promotions for savings?

Savings products for youth in particular can require a higher level of sales and marketing sophistication, especially if your financial institution is first in the market to offer such products. Building awareness and support among parents about the benefits of some degree of independence for youth in operating their accounts could be challenging and require a high level of community engagement. Cross-selling by sales staff to potential customers, both parents and youth, and efforts to encourage regular account usage could require more time than adult savings products, especially when integrating elements of financial education.

Experience using marketing frameworks to drive customer acquisition and retention, as well as brand creation and analysis, are very useful, especially when targeting market segments, such as youth, who are often already consistently exposed to high quality marketing from other businesses. Women’s World Banking recommends creating specially designed passbooks, payment cards (if applicable), brochures, posters and other promotional items and/or incentives for youth products; therefore, experience working with graphic designers, whether directly or through an agency, is also helpful.

6 How oriented is your financial institution towards educating clients, either as a customer service initiative or through specific educational programs? How much experience does your financial institution have with addressing youth developmental issues?

As presented in Chapter 1, Women’s World Banking’s approach to youth savings includes not only a youth-controlled savings account but also complementary and integrated financial education. Different approaches to financial education are described in [a supplemental section](#) of this publication. But your decision will depend on the target market’s existing level of financial literacy, institutional capacity, experience implementing non-financial programs, and the ability to partner with local organizations with relevant expertise, if necessary. You must also consider how financial education may fit into a broader context of non-financial services, such as livelihood programs that cover health, gender, and education issues, among other topics.



Capabilities Analysis

7 What level of resources, both human and financial, is available?

At the branch level, it is important to recognize whether staff has the expertise and capacity to sell savings products and implement youth education programs. At the head office level, it is important to understand the human resources available to lead the program development process. Finally, it is useful to understand how large of a budget could be made available for direct expenses such as developing new brands and designs (especially if outside designers or agencies are used); performing market research (whether performed by financial institution staff or consultants); covering travel expenses for head office staff to spend significant time at pilot sites; promoting youth savings offerings during the pilot and then roll-out; and for implementing financial education or broader social programs.

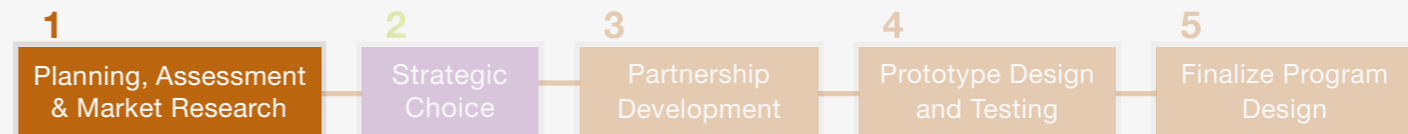
8 How competitive is your market?

Youth savings programs can become particularly attractive for financial institutions when competition has driven up customer acquisition costs, adult market penetration levels are high, and financial institutions are struggling to find avenues for growth in the retail market. Youth savings programs can be a way to differentiate, innovate and acquire customers at a lower cost. Alternatively, in a market with less competition in financial services, such as rural areas, financial institutions can achieve more success at a lower cost.

TIP

In general, the more your financial institution is oriented towards client education and community engagement, the more sophisticated it is and the more competitive your market, the more ready your financial institution will be to introduce a youth savings program that can have both relevant business and social impacts for the target market. Less sophisticated or experienced financial institutions can be well-positioned to introduce youth savings as well, but they might require external expertise and resources to create sustainable offerings in a timely manner.



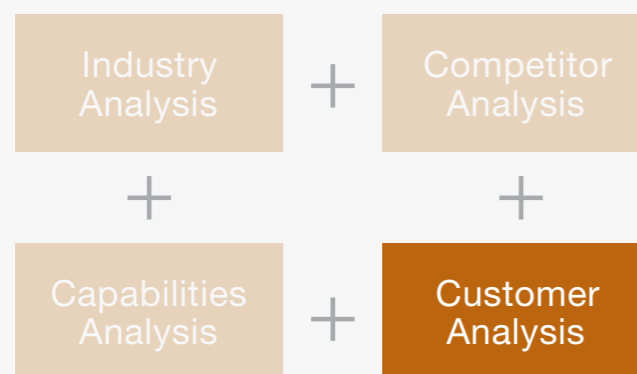


Customer Analysis

Most banks are only oriented towards adults as customers, so for youth to become a real target segment, you should try to look at your institution through their eyes. A key part of the program design process is to understand your target market. In doing so, you will develop detailed knowledge of savings habits; life-cycle events for youth; extent of mobility and access to communications, especially for young women and girls; and literacy levels, which can help inform the design of financial education and marketing efforts. This research will encompass both parents and youth. The goal of this research is to gather enough information about the target market so that you can design offerings that meet the needs of both customers and the institutions.

As you conduct the secondary and primary research, as well as the internal data analysis, you will start to:

- ✓ Identify trends and unmet needs
- ✓ Determine client segments
- ✓ Understand your target market's needs frustrations, fears, and aspirations





TIP

Be open to considering new possibilities by letting the research guide you in unexpected directions.



Secondary research:

Published documents on the needs of your target market

- See UNCDF's publication  [“Listening to Youth: Market Research to Design Financial and Non-Financial Services for Youth in Sub-Saharan Africa”](#)
- See the YouthSave Consortium's paper  [“Youth Savings in Developing Countries: Trends in Practice, Gaps in Knowledge”](#)


Reports from previous research projects at your financial institution

Primary research:

Whom to interview

- Youth
- Parents

Preparation

- Research design: Qualitative vs Quantitative
- Qualitative formats:
 - ▶ Focus groups
 - ▶ In-depth interviews
 - ▶ Youth participant observation: ask youth to visit branch and pretend to be a customer — and observe what does and does not work
- Facilitator: internal or outsourced
- Hypotheses generation
 - ▶ Before getting started with the focus groups and interviews, you should develop hypotheses about your target market; for example, regarding how the target market spends and saves money, earns income, spends her free time, and more. This exercise helps to guide your questions and ensure that they help you to test your hypotheses and conduct effective research.
- Develop interview guides —  [Download Sample Focus Group and Individual Interview Guide](#). Some typical areas to explore:
 - ▶ Background: home environment; education; influencers and social networks; family dynamics; aspirations

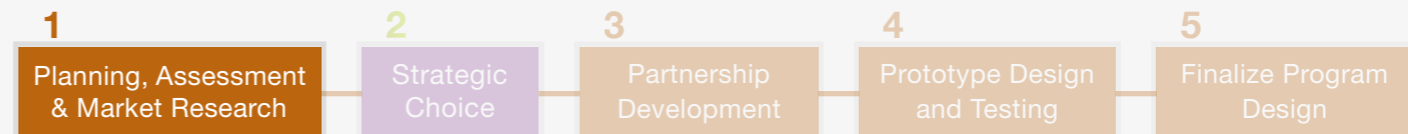
To understand the target market, you should conduct the following:

- Secondary research
- Primary research
- Internal data review

TIP

Women's World Banking recommends that financial institutions always carry out qualitative research during this stage of program design, as it provides valuable customer insights and perspectives that complement quantitative research. If resources are available, you should also carry out quantitative research, as it will give you a sense of the size of the target market and potential penetration of your youth savings program.





CASE STUDY

PEACE MFI S.CO (Ethiopia): Customer insights from market research

- Boys and girls both dream big. They want a good job, to have a family, and to create a better life for themselves.
- Young people understand that saving is critical to reaching their goals...
- ...and they are familiar with it through school, family, and others in their community.
- Most kids start saving by their 11th or 12th birthday...
- ...but saving is hard, and most young people do not save regularly.
- Boys and girls both have sources of incomes...
- ...and they save using ekubs (rotating funds similar to ROSCAs), mini-banks, family, as well as in animals and crops.
- Young people also understand the benefits of saving in MFIs and banks.
- But even though they know about the benefits of MFIs and banks, young people are not aware that they themselves can save in MFIs.
- Outreach to potential clients will also be helped by the positive opinion many people have about MFIs in Ethiopia.
- Young people (with encouragement from parents) show a strong desire to have savings accounts, if such accounts are available.
- Both parents and young people want more education on financial matters.

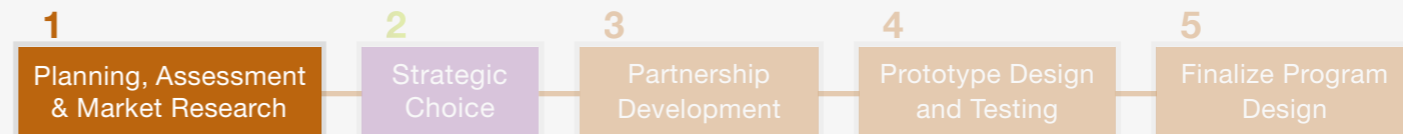
- ▶ Financial Attitudes, Behavior & Decision-Making: income sources, informal and formal mechanisms for keeping money, spending and savings behavior and decision-making, spending and savings attitudes
 - Product & Service Delivery Mechanisms
- ▶ Download this [Recruitment Guide](#) for guidelines on effective recruitment
- ▶ Venue preparation: ensure that the focus groups and interviews are carried out in a place where the conversations can be private and confidential and where the participants feel comfortable.
- Implementation
 - ▶ Conduct research in local languages and provide simultaneous interpretation, if needed
 - ▶ Record detailed transcripts of all research sessions
 - ▶ Make sure all focus group participants have an opportunity to speak
 - ▶ Ensure that each question receives at least 2–3 responses from focus group participants
- Consolidate research findings

Internal data review

You can estimate how youth will potentially use the savings product by analyzing transaction patterns and balance ranges for existing depositors at your financial institution of a similar socio-economic level. This data will serve as the benchmark for youth savings when the product is launched and help set expectations.

We recommend you break down the data as much as possible and take into account seasonality to understand changing deposit behavior, as applicable:

- Location (urban versus rural)
- Gender
- Age range
- Status as a loan client (borrower versus non-borrower) and loan type



Market Segmentation

Once you have completed the customer analysis, you should be able to determine if any distinct customer segments were identified in the process. The most common segments identified tend to be based on gender, age, school status, and rural/urban divide.

Based on the research results, you will need to decide how the youth savings program will reach these different segments and whether they require differentiated marketing strategies and/or product features.

Then, as you develop your pilot proposal later in this chapter, you will have to determine if your financial institution can serve all of the segments identified, and if not, which segments you will include in your pilot.



XacBank (Mongolia)

2 client segments identified*:

- Urban girls (14–24 years old)
- Rural girls (14–24 years old)



Banco ADOPEM (Dominican Republic)

4 client segments identified:

- Young girls (7–15 years old)
- Older girls (16–24 years old)
- Young boys (7–15 years old)
- Older boys (16–24 years old)



PEACE MFI S.CO (Ethiopia)

5 client segments identified (12–24 years old):

- Semi-rural in-school girls
- Semi-rural in-school boys
- Semi-rural out-of-school girls
- Semi-rural out-of-school boys
- Rural, married girls

Hatton National Bank (HNB) Segmentation Strategy:

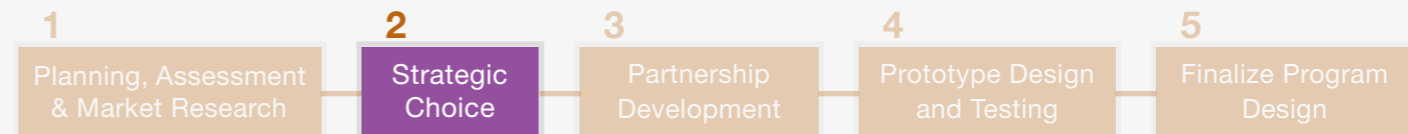
HNB has developed a strategic segmentation strategy for its youth products spanning birth to young adulthood, with an automatic transition from each product to the next thus encouraging client retention and the long-term positive impacts of financial inclusion.

- HNB Yauwanabhimana: 18–30 years, savings account and youth empowerment
- HNB Teen: 12–18 years, opening balance LKR 500
- Singithi Lama: up to 12 years, opening balance LKR 500
- Singithi Kirikatiyo: up to 5 years, opening balance LKR 1000

➤ [Youth savings account overview](#)

➤ [Yauwanabhimana overview](#)

*One age segment was selected so that XacBank could offer an account that did not require a guardian.

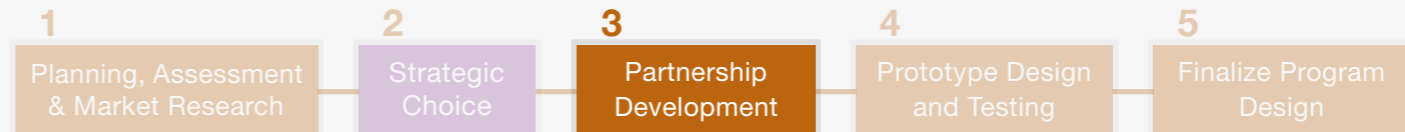


Step 2 Strategic Choice

Upon completing the Planning, Assessment & Market Research stage, your financial institution should present the results to management who at this point should have sufficient information to make a decision to move forward or not with the more comprehensive program design process.

Move forward with
program design
(NEXT STEP)

Do not move forward
with program design



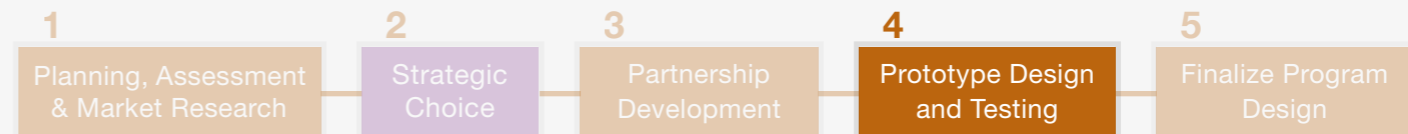
Step 3

Partnership Development

Partnerships are crucial for designing and executing your marketing, outreach, and financial education strategies for youth savings. From Women's World Banking's experience, the following institutions should be considered and approached, where applicable:

Partnerships	Potential Benefit
Government (Relevant Ministries and Financial Regulators)	<ul style="list-style-type: none"> ■ Incorporation of financial education in national curriculum ■ Financial institution presence allowed in schools ■ Favorable legal context for offering financial services to youth
Community leaders / key stakeholders	<ul style="list-style-type: none"> ■ Local support and buy-in for youth savings program ■ Permission to implement marketing and outreach strategies in the community ■ Permission to engage youth, as applicable
Schools	<ul style="list-style-type: none"> ■ Permission to deliver financial education in schools ■ Permission to implement marketing and outreach strategies in the schools ■ Permission to collect remote deposits at schools
NGOs / Organizations (Related to Education, Youth Development, Financial education)	<ul style="list-style-type: none"> ■ Delivery of financial education when the financial institution does not have capacity or expertise to deliver it itself ■ Assistance with curriculum prototype development (to be tested), final curriculum (after testing), and training of trainers
Graphic designers or marketing / public relations firm	<ul style="list-style-type: none"> ■ Development of marketing collateral prototypes (to be tested) and final materials (after testing) ■ Development of marketing and outreach strategies, when applicable given the market
Media outlets	<ul style="list-style-type: none"> ■ Advertisements, internet presence, television features, newspaper articles, etc., as part of your broader marketing and outreach strategy

 [Read more about how Hatton National Bank in Sri Lanka developed its innovative school partnership model.](#)



Step 4


Prototype Design & Testing

Prototype Design

TIP





If more than one distinct customer segment was identified during the market research phase—for example, girls and boys or older and younger clients—it is advised that you create different prototype sets, as these segments may need differentiated products and/or marketing strategies, and you should test each.

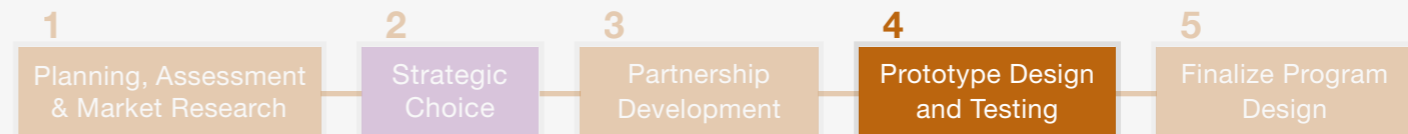
Once the market research has been completed ( [as detailed in Step 1](#)), your financial institution will be ready to create its product, marketing, outreach, and financial education prototypes, which you will subsequently test in the market.

These prototypes should include the following, including visuals where applicable:

■ Product

The  [product prototype](#) should include the proposed features, terms, and conditions for the product, which should be largely informed by the market research, while also considering the legal and regulatory context, your business objectives, and the competitive landscape. The input from the target market and the segmentation decisions will help you determine the product features, the extent of youth control, the need for withdrawal restrictions and whether it is a commitment or regular savings account. You may need to investigate options to place restrictions on withdrawals from the account, as well as consider alternative dormancy conditions (internal definitions) for youth accounts. Maintaining funds in the accounts over the long term is an objective, but since these accounts will likely have less regular deposit and withdrawal activity than adults, the accounts may be at higher risk of dormancy unless the conditions are adapted.

In designing the product prototype, it is important to keep in mind the business and social impacts for youth savings described in  [Chapter 1](#), many of which are rooted in youth remaining a client of the institution in the long-term; thus, the product you develop should effectively engage youth so that they remain account holders in the long-term.



TIP



- Have your graphic designer or marketing/public relations firm partners develop marketing prototypes to be tested, as the testing will be more effective if the target market has materials and concepts to consider
- Prototypes can subsequently be modified based on the testing results

■ Marketing and Outreach prototypes

Preliminary marketing and outreach prototypes should be tested at this stage. The test results will inform the development of your full pilot marketing plan.

Materials

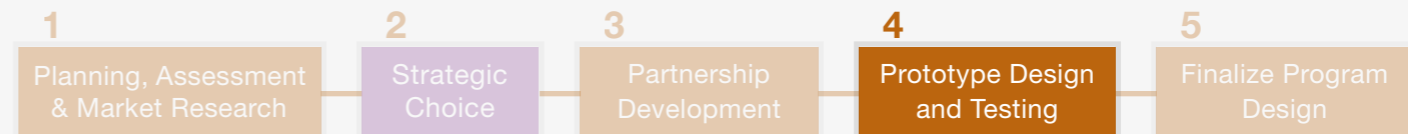
- Logo
- Passbook cover
- Tag-line
- Poster/brochure

Outreach ideas:

- “Refer a friend” program
- Local radio, TV commercials; advertisements in local publications
- Recommended branch layout/corner for youth product
- Events in community, in community organizations, schools, car with loudspeaker— consider seasonal, peak deposit seasons
- Lotteries for gifts, determined by regularity of deposits
- Savings plan: filled out at time of account opening and monitored at every transaction
- Reminders sent to clients and/or guardian via SMS, email, and/or popup on teller screen during account transaction

Incentive ideas:

- Piggybank/lockbox distribution
- Simple calendar with stickers to put on day of the week or month to make deposit
- Vouchers for small free deposit when account is opened;



■ Financial education curriculum prototypes

Your financial institution and selected partnering organization(s), if applicable, should develop a draft financial education curriculum or alternate format to test with your target market. The content and approach developed should be based on the primary and secondary research your financial institution conducted, which will have provided you with important insights into the level of financial knowledge of your target market; any gaps in financial knowledge that should be addressed; whether or not financial education is included in the national educational curriculum; and any existing financial education programs and/or potential partner organizations in your market.

These considerations will help to shape the format, content, and delivery model for your financial education program, for which additional guidance is provided in a separate and more comprehensive section on [financial education](#).

Additional Resources

- Carmen Morcos and Jennefer Sebstad, [“Financial Education for Adolescent Girls”](#)
- Martha Henn McCormick, [“The Effectiveness of Youth Financial Education: A Review of the Literature”](#)
- Alejandro Drexler, Greg Fischer, and Antoinette Schoar, [“Keeping It Simple: Financial Literacy and Rules of Thumb”](#)

○ Prototype Testing

Before testing, the team responsible for the new program at your financial institution should present the final prototypes to management. It is important to secure management support and buy-in, as these prototypes will serve as a foundation for the program that eventually gets offered at your financial institution.

Focus groups of 6–8 clients in your target market—recruited according to the segments identified in the customer analysis research phase—are the best method of testing your prototypes. You can test the product and marketing/outreach prototypes during the same focus group and then test the financial education prototype in a separate test session.

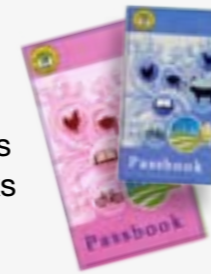
■ Product & Marketing /Outreach Prototype Testing

A moderator should read and/or show the different product and marketing/outreach prototype concepts to the potential clients. Using well-designed questions, the moderator should then probe, not prompt, the target market on their thoughts and opinions on the prototypes. Their feedback should include perceptions on the benefits of the product, how it compares to other savings methods they are using, and how they respond to the marketing.

[Download a sample focus group guides](#) for the product and marketing prototype testing.

If the response from the target market is not enthusiastic, or if you receive many suggestions and comments that significantly alter the nature of the prototypes, then you will have to modify the prototypes and re-test in the same format.

Product & Marketing / Outreach Prototype Testing *(continued)*




CASE STUDY

PEACE MFI S.CO (Ethiopia)

During prototype testing of marketing materials in Ethiopia among two segments in the target market—in-school girls and boys—two prototypes of the passbooks were presented. The reaction to the passbook design and colors was positive; however, the focus group participants had suggestions and feedback for the types of images that should be included on the front of the passbooks. The images are intended to relate to the savings goals of the target market, so this testing phase provided valuable feedback on the images presented, as well as suggestions for additional images appropriate to this market. As a result of the testing, the images were modified according to the feedback received in the testing sessions.

CASE STUDY

XacBank (Mongolia)

XacBank was the first financial institution partner with whom Women's World Banking worked on youth savings. Initially, the bank proposed that the focus of the joint project be to tailor their existing  **"Future Millionaire"** long-term savings account to girls. Women's World Banking agreed and designed an initial market research project that included parents who held Future Millionaire accounts for their daughters and the daughters as well. Women's World Banking trained XacBank research staff to facilitate focus groups, while Women's World Banking staff took notes with the help of simultaneous interpreters.

One result of the research was a clear opinion among teenage urban girls regarding Future Millionaire: it was not an account for them. Most girls did not know how much money was in their account, were not involved in making deposits, and did not feel that the product was designed for them to use. However, girls were receiving and managing money and were interested in a more liquid savings product.


When the research findings were presented to management, they were open to the idea of introducing a new product to meet the following needs identified for this market: ability to save for short-term needs other than university (the Future Millionaire account was perceived to be oriented primarily towards saving for university), both liquidity and ability to restrict access (some girls preferred liquid, lower-interest savings accounts; some girls preferred restricted access, higher-interest accounts), and attractively designed materials and convenient access. Women's World Banking and XacBank worked together to design a set of savings products with those attributes, choosing the brand name "Temuulel," which has feminine connotations, after an internal competition among all bank staff. The product prototype was tested among girls and their parents with good results, and the joint project team subsequently piloted and then rolled out the products throughout the country.

Financial Education Prototype Testing

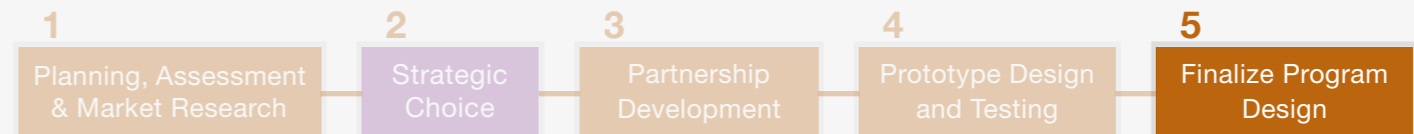
To test the financial education curriculum (or alternate format) prototype you have developed, a representative from your financial institution and/or partnering organization should deliver a financial education session prototype to your target market. The curriculum (or other format) can subsequently be modified based on the prototype testing results.

CASE STUDY

PEACE MFI S.CO (Ethiopia)

PEACE MFI S.CO, with technical assistance from Women's World Banking, developed a 45-minute practical financial education session to be delivered to in-school and out-of-school girls and boys—the  **first four segments** identified in the market research conducted in Ethiopia. Financial education is a part of the national education curriculum in Ethiopia starting from grade 5, and the majority of the target market in these segments had at least reached grade 5; therefore, PEACE MFI S.CO and Women's World Banking decided to develop practically-oriented content focusing more on how to apply important financial concepts through account opening and usage.


After delivering test financial education session prototypes to students, PEACE MFI S.CO received feedback from the students, and in response, modified certain activities and content areas before finalizing the session.



Step 5

Finalize Program Design

Once you have successfully tested the product, marketing/outreach, and financial education prototypes, you will have a finalized product design, foundation for a marketing/outreach strategy, and financial education curriculum (or alternate format). You can then incorporate these prototypes into a consolidated presentation and/or report for your management, along with the prototype testing results and market research (including the industry, competitor, capabilities, and customer analyses).

After consolidating these results, you will be ready to develop your comprehensive pilot proposal and action plan. Information you have learned in this stage will feed into your pilot proposal, which is detailed in the  **next chapter: Implementation.**



Financial Education

The diverse field of financial education consists of a variety of intervention types, philosophies, and delivery channels. Identifying the most effective approach can be difficult, but according to the recent studies in this area, the emerging consensus is that any approach should go beyond just the delivery of knowledge and concepts. It should instead promote behavioral change through integrated access to relevant financial services and other tools that help participants to take action—otherwise known as financial capability. Also, any approach should clearly reinforce simple and straightforward key messages.

When developing the financial education component of your youth savings program, you need to consider the following:

- **Format**
- **Content**
- **Delivery Models**

Format

Financial education can be delivered through a variety of formats. The unifying factor is that any format should be fun, participatory, activity-based, and most importantly, action-oriented, with opportunities to practice what is being learned through access to affordable and simple savings products. Youth should not only know why it is important to save but how to save and where. Also, to ensure a significant and lasting effect, as well as long-term behavioral change, financial education messages should ideally be reinforced over time through continued financial education, marketing, communication, and/or outreach strategies.

Examples of different financial education formats include the following:

■ **Classroom-based**

In a classroom-based format, financial education is delivered in a single or series of sessions to a group of participants. The number of sessions, participatory approach, amount of activities, and tools incorporated into the session(s) will vary, depending on the design and the facilitator.

■ **Targeted, interaction-based financial education**

This “just in time” approach embeds financial education into regular interactions between youth and your financial institution—the idea is that delivering financial education at an appropriate time for the client will maximize its effectiveness.

Staff is trained to deliver relevant financial education messages to youth as they engage in routine transactions, such as opening an account, depositing, and withdrawing, and financial education messages may also be integrated into marketing and outreach interactions with the target market.

Examples of targeted, interaction-based financial education include the establishment and development of savings goals and plans at the moment of account opening, which are monitored during subsequent in-branch transactions; teller prompts with financial education messages tailored to the client’s account activity; and financial education as part of seasonal marketing and outreach campaigns.

TIP Positive savings behavior can be reinforced through reminders via mobile phones, email, and other communication methods. Learn more through Innovations for Poverty Action’s [Reminders to Save](#) initiative.



Financial Entertainment/Games

These games, sometimes known as “financial edutainment” can be delivered in schools, religious institutions, youth clubs, or other organizations where youth visit on a regular basis. Games can be linked to a savings product offer that can be opened immediately by the client upon completion of a game or a particular round.

Explore the [D2D Fund](#)’s innovations in [financial entertainment](#).

CASE STUDY

XacBank (Mongolia)

- Classroom-based (Microfinance Opportunities-designed curriculum: 8 sessions)
- Integrated mobile phone savings calculator to reinforce messages over time and give youth an opportunity to practice concepts


CASE STUDY

Banco ADOPEM (Dominican Republic)


- Classroom-based (Microfinance Opportunities-designed curriculum: 2 sessions, 3 modules): How to Save; Why Save in a Bank; Making Spending Decisions
- Quiz games (similar to Jeopardy) facilitated by students who had participated previously in classroom-based sessions, which reinforced financial education concepts
- In-branch savings plans: established with youth client at account opening and then monitored by youth and branch staff during deposit and withdrawal transactions in the branch

Financial Education Content

As indicated above, the content of your financial education program will depend on the level of financial knowledge of your target market; any gaps in financial knowledge that should be addressed; and whether or not financial education is part of the national education curriculum.

Content simplicity and clarity are very important. A lengthy and comprehensive curriculum is not the most effective way to get participants to engage and retain the key messages, and it does not have a positive impact on outcomes. A recent  **study** showed that a standard, fundamentals-based training produced no significant effect on outcomes, while a simplified, rule-of-thumb training produced more significant improvements in outcomes³.

Several resources are available with guidance on suggested financial education curricula, clear messaging, and overall content areas.


-  ■ **Microfinance Opportunities**
- **Global Financial Education Program**
- **Making Cents International**
- **Aflatoun**
- **Reach India**



³ Alejandro Drexler, Greg Fischer, and Antoinette Schoar. 2011. *Keeping it Simple: Financial Literacy and Rules of Thumb*.

Financial Education

Delivery Models

Unless your financial institution plans to develop and deliver the financial education itself, you will need to select a partner. In the  **planning, assessment, and market research phase**, you will have identified organizations working with youth and related areas in your local market and may have already begun conversations with these organizations.

Your financial institution will need to select one of the three general delivery models for financial education⁴:

 Unified  Linked  Parallel

Before deciding to develop and deliver financial education internally, consider:

- ✓ What are your financial institution's core competencies?
- ✓ What is your branch caseload?
- ✓ Will your financial institution be able to sustain the delivery of these services in your budget?

⁴ Christopher Dunford, "Building Better Lives: Sustainable Integration of Microfinance with Education," Chap.2 in *Pathways Out of Poverty: Innovations in Microfinance for the Poorest Families* (Bloomfield, CT: Kumarian Press, 2002), 75–131.

Financial Education

Delivery Models

Unified:

Financial education is delivered by the staff of the financial institution itself.

CASE STUDY

PEACE MFI S.CO (Ethiopia) — Unified Model

PEACE MFI S.CO branch staff delivers the practical financial education curricula to the in-school and out-of-school semi-rural youth segments. This content is delivered at partner schools, as well as informally in places where out-of-school youth gather in the community.

Linked:

Financial education is delivered by a partner organization outside the financial institution.

CASE STUDY

XacBank (Mongolia) — Linked Model

When first launching its youth savings program, XacBank partnered with two education partners: the Mongolian Education Alliance (MEA), a local NGO specializing in teacher training and youth initiatives in schools, and Equal Step Center, a community-based organization which works with vulnerable children. MEA trained university students to deliver direct training to middle- and low-income school girls. Equal Step's instructors, trained by MEA, delivered direct training to low-income girls enrolled in non-formal education centers. In rural areas, XacBank branch staff directly delivered financial education to girls in schools.

Given the resources and capacity required by the bank to implement the linked model, XacBank eventually moved to a parallel model (*at right*) where its affiliated NGO implemented and managed the teacher and staff financial education training.

Parallel:

Financial education is delivered by the organization or partnering organizations, but through a parallel structure, such as an MFI that has an affiliated NGO or group that provides training or advisory services.

CASE STUDY

Banco ADOPEM (Dominican Republic) — Parallel Model

Banco ADOPEM's affiliated NGO, ADOPEM NGO, manages the financial education component of their youth savings program. Microfinance Opportunities trained ADOPEM NGO staff, who in turn trained teachers to deliver the financial education in the schools.

Chapter 3

Implementation—Pilot & Roll-Out

Overview

This chapter guides you through the implementation of your youth savings program, from pilot to roll-out.

Team Composition & Anticipated Expenses

As with other stages, it is essential to have dedicated and sufficient staff resources. Using the same chart detailed in Chapter 2, assign responsibility and time commitments for each staff member. If the program is successfully rolled out, these responsibilities will become part of their regular duties and/or may necessitate hiring additional staff.

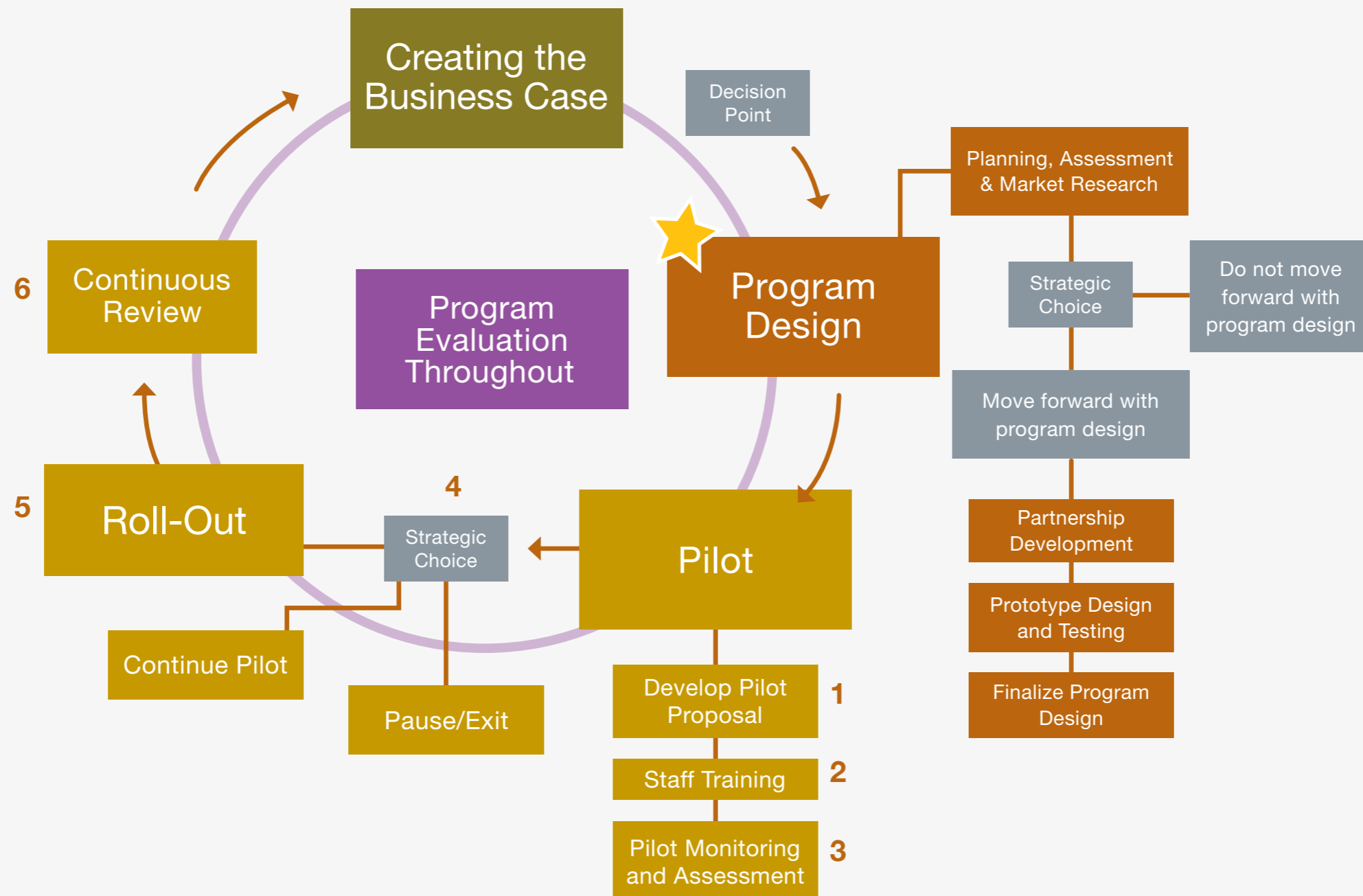
This chapter will guide you to:

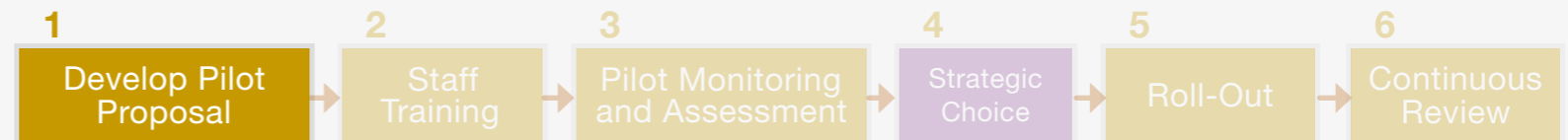
- ✓ Develop a pilot proposal, including a detailed implementation action plan;
- ✓ Launch a pilot youth savings program and prepare for roll-out, if applicable;
- ✓ Continuously monitor performance;
- ✓ Roll out the program;
- ✓ Evaluate and modify as needed; and
- ✓ Document lessons learned for future product development projects.

Members	Responsibilities	Time Involved (full-time equivalent)	Anticipated Expenses
Project Manager (usually from product development team)	<ul style="list-style-type: none"> Oversee development of the pilot and roll-out proposals, including the comprehensive implementation action plans Communicate regularly with the pilot branch(es) and provide necessary support Report progress to senior management and the board Design and participate in assessments and evaluations Manage the project's budget, targets, and deadlines 	<ul style="list-style-type: none"> 2–3 months for pilot preparation 2 weeks for pilot assessment 1–2 months for roll-out preparation 2–3 weeks for roll-out evaluation 	Travel to pilot locations
Deposit Product Officer	<ul style="list-style-type: none"> Finalize policies and procedures for the youth savings program Finalize process maps for efficient account opening, deposit, withdrawal, and closure procedures 	2–3 weeks	
MIS Officer	<ul style="list-style-type: none"> Collect data on youth savings program on an ongoing basis Necessary reports 	3–4 weeks	MIS Upgrades or customization
Pilot Branch(es) Manager and/or Regional Manager	<ul style="list-style-type: none"> Oversee implementation plan Ensure sufficient initial and ongoing staff training Implement marketing strategy and incentive distribution at branches Ensure youth-friendly branch layout 	Ongoing	
Marketing Manager	<ul style="list-style-type: none"> Develop and distribute the marketing collateral and incentives Manage bid and vendor selection process 	2–3 weeks	<ul style="list-style-type: none"> Marketing collateral Promotional material Incentives
Training/ Human Resources	<ul style="list-style-type: none"> Develop all training materials for staff on new product Implement all training Develop appropriate staff incentives, if applicable 	3–4 weeks	<ul style="list-style-type: none"> Staff training materials Training implementation

Women's World Banking Program Development Process

This chapter will cover steps 1–6 on the graphic, resulting in the implementation of your pilot and roll-out.





Step 1

Develop the Pilot Proposal

Finalize Policies and Procedures

You will need to develop or modify product policies and procedures, including terms and conditions, based on the final product prototype that tested positively with the focus groups. Policies and procedures for your adult savings product can be used as a guide. As mentioned in [Chapter 2](#), Women's World Banking recommends that financial institutions wait to offer savings products for youth until they have achieved a significant degree of success and sustainability offering adult savings accounts.

Process Maps

Effective process mapping can help to optimize workflows and operations. This exercise ensures that the process for opening accounts and accepting deposits and withdrawals is youth-friendly, the timing for transactions is appropriate, the role of staff is clear, and the process is consistent and integrates well with existing operations. Process maps are a helpful training tool for branches. Depending on your resources and capacity, you may also develop process maps for other related areas, such as staff training and MIS. Also, these process maps can be refined over time as you learn more about the needs of the youth segments during the pilot.

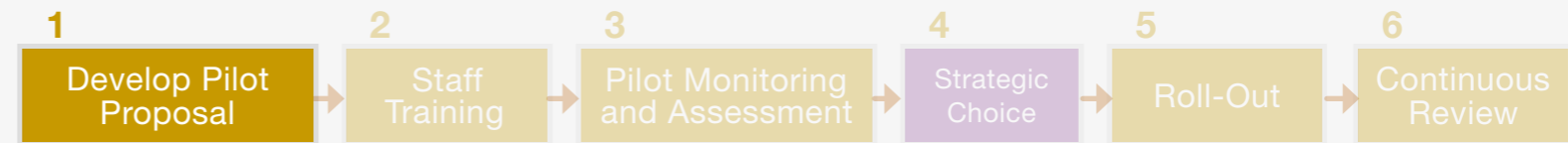


CASE STUDY

PEACE MFI S.CO (Ethiopia)

View the process maps used by PEACE MFI S.CO during its 2011–12 pilot for its account opening, deposit, and withdrawal procedures.

In 2003, Women's World Banking collaborated with MicroSave to develop a [detailed toolkit](#) on why and how to conduct process mapping. The toolkit provides a comprehensive framework for using process-mapping not only for operational workflows, but also for staff training, risk analysis and customer service.



Develop Budget

Your budget for the pilot should take into account available resources, both internally and externally, as well as product take-up and profitability estimates. Most youth savings programs require an upfront investment to build toward long-term sustainability, which should be communicated to senior management and the board. The high-level breakeven and profitability analysis you developed in [Chapter 1](#), which incorporates your expected cost drivers, is a good starting point that can be adapted to reflect insights from the research phase.

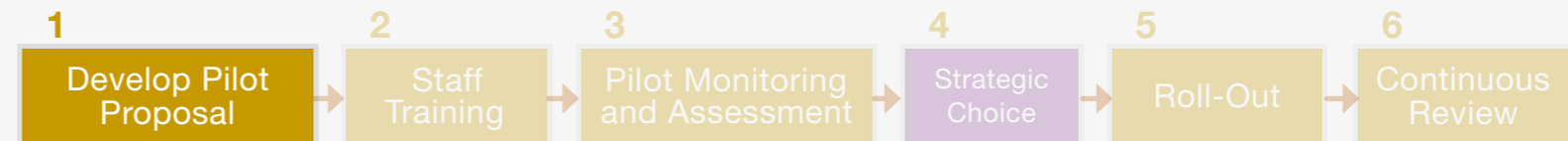
When determining the costs of the pilot, keep in mind that compared to adult savings, a youth product may cost more in certain budget categories. For example, you may need to invest more heavily in marketing strategies rather than higher interest rates, as Women's World Banking's research has shown that youth tend to respond more favorably to marketing than certain product features.

Pilot Branch Selection

When selecting the branch or branches where you will conduct the pilot, it is important to consider geographic proximity to the head office, as the pilot will require close monitoring and supervision, frequent visits, and ongoing staff training. The number of branches you choose to include will depend on your own institutional capacity.

After the pilot, you can then choose to roll out to a limited group of branches or to your entire network of branches, depending on the pilot assessment results. In addition to proximity, when selecting pilot branches consider:

- Good overall performance indicators (i.e. portfolio quality, cost effectiveness, profitability);
- Good performance in collecting retail savings deposits;
- Smooth operations;
- Well-organized, experienced branch manager with good leadership and management skills who is supportive of the project;
- Presence of primary and secondary schools in the operational area;
- Safe and well-located premises for youth;
- High quality customer service operations, experienced and high quality customer relationship manager;
- Staff experience in piloting new products; and
- Good communication with head office.



Designing Key Performance Indicators (KPIs)

In order to measure the progress of the pilot, your financial institution should set clear key performance indicators (KPIs). If certain data is more difficult to collect or if more time is required to measure your desired impacts, you should extend the pilot. Examples of KPIs include the following, which should all be disaggregated by gender and the segments you have identified, such as age and geographic location:

Take-up

- ✓ Number of youth savings accounts (opened, active, closed)
- ✓ Number of financial education participants and/or sessions held
- ✓ Conversion rates from financial education, if applicable
- ✓ Conversion rates from marketing efforts, if available

Growth in Account Balance

- ✓ Volume of youth savings accounts, i.e. deposits mobilized
- ✓ Average balance (by time account open, if possible)
- ✓ Account size distribution (# of accounts stratified by account balance, if possible)

Channels

- ✓ % deposits by channel (ex. branch, ATM, agent, mobile)
- ✓ % withdrawals by channel (ex. branch, ATM, agent, mobile)

Account Activity

- ✓ Account activity – Deposits/Withdrawals (of accounts open for at least one month, % that deposit/withdraw every month/quarter, not counting initial deposit; or average number of deposits and/or withdrawals every month/quarter)
- ✓ Account inactivity (Dormancy) – % of clients who have opened their account but never deposited any amount afterwards (not counting initial deposit).

Cross-sell

- ✓ Number of adult savings accounts opened
- ✓ Number of adult loans opened

Data Collection & Reporting

You must ensure your MIS can collect the necessary data to regularly report on the KPIs you have established. If not, your project manager must work with your MIS department and/or vendor to customize the fields and create the necessary reports to measure these KPIs. You must also commit to regularly download the reports and monitor and communicate performance.

TIP

It is best to generate a separate customer number, in addition to an account number, for youth account holders. This customer number should be different from the parent or guardian's customer number, even though the account number is the same. In this way, you can track the youth account holder's relationship with your financial institution into adulthood.



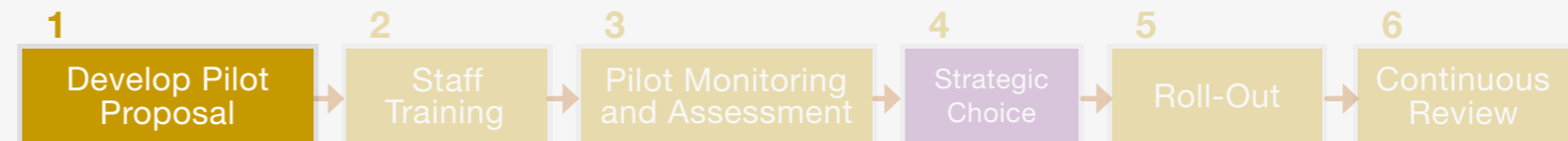
Making Initial Projections and Defining Pilot Objectives

After setting your KPIs with a commitment and capacity to collect the data and report on it regularly, you should set projections (or targets) based on these KPIs. These projections not only motivate staff, but they also help to ensure an acceptable level of direct profitability over time. These projections feed directly into the pilot objectives, as detailed in the [next section](#).

Based on the data gathered during market research, you should be able to project potential product take-up and usage rates, as measured by the KPIs. You should be conservative at first, given that the product is new—you can adjust projections based on actual data during the pilot phase. Also, if you gathered quantitative data during the [customer analysis stage](#), use these findings to estimate demand, which will help guide the development of projections and targets.

Measuring long-term change

An important part of the pilot planning process is also determining whether to evaluate the program beyond performance indicators, such as measuring behavioral changes and social impact among your clients. If you decide to do an impact assessment, this would be the time to conduct a baseline evaluation. See [Chapter 4 on Program Evaluation](#) for more detailed guidance on evaluation strategies.



At a minimum your objectives should include:

- ✓ Projection of number of youth savings accounts opened;
- ✓ Projection of number of financial education participants and/or sessions held;
- ✓ Projection of volume of accounts, i.e. deposits mobilized;
- ✓ Projection of account activity;
- ✓ Projection of number of staff trained;
- ✓ Effectiveness of financial education;
- ✓ Effectiveness of marketing materials; and
- ✓ Test of operational process for youth saving account opening, deposits, and withdrawals.

As a rule of thumb, you should aim to achieve 80 percent of pilot objectives and meet or surpass account take-up and usage projections. For qualitative objectives, you will have to determine to what extent they were achieved, opportunities for improvement, and whether you are ready to move to the next steps if the necessary changes are made.

You can find more information on this decision point in [Step 4](#).

Pilot Objectives

CASE STUDY

XacBank (Mongolia)

- Provide financial education to 240 girls
- Open at least 350 savings accounts
- Test three financial education and product promotion delivery models
- Design and test a girl-friendly environment in the pilot branch
- Implement a program performance monitoring system
- Learn about the attitudes, behaviors, and savings patterns of girls

CASE STUDY

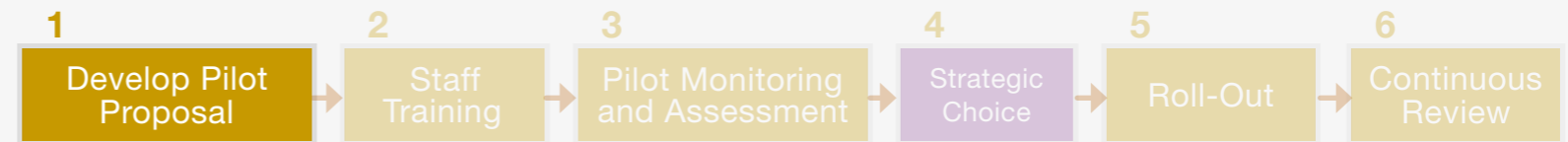
Banco ADOPEM (Dominican Republic)

- Provide financial education to 440 girls
- Open at least 300 savings accounts
- Establish 12 financial education partners
- Test two financial education delivery models
- Test an incentive system for account opening and activity
- Design and test a youth-friendly environment in the pilot branches
- Test a monitoring system for performance
- Learn about the attitudes, behaviors, and savings patterns of girls

CASE STUDY

PEACE MFI S.CO (Ethiopia)

- Schedule and facilitate 24 Practical Financial Education sessions, serving approximately 720 students
- Open at least 155 Lenege accounts, with a total of 295 Lenege accounts by the end of the pilot period
- Host Lenege Launch Event at the Market Day
- Host at least 4 Lenege promotional days
- Test operational process for Lenege account opening
- Test effectiveness of marketing
- Develop Lenege policies and procedures and train branch staff on the Lenege account
- Designate a “Lenege Champion” at each branch — expert(s) on product and facilitator(s) of financial education sessions
- Sign partnership agreements with schools

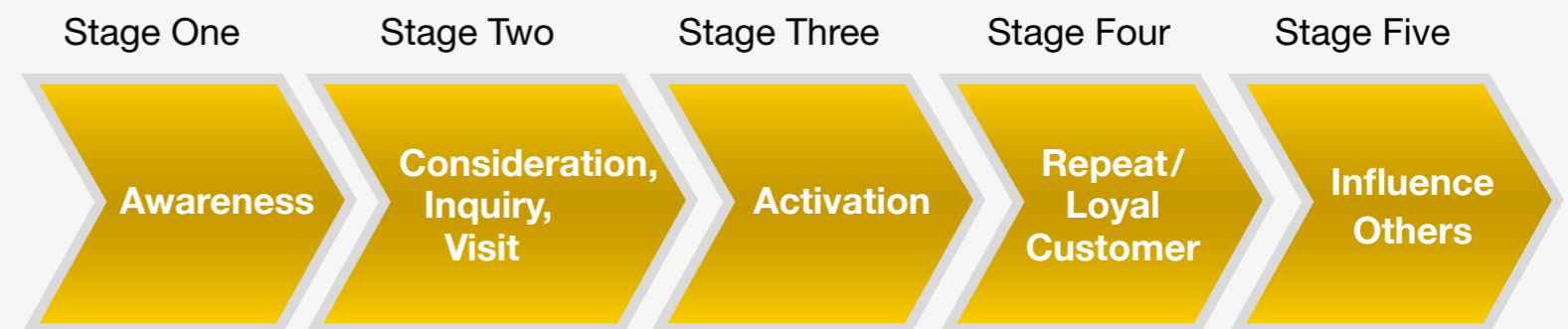


Design Pilot Marketing Plan

Marketing tools can be developed for each stage and might include:

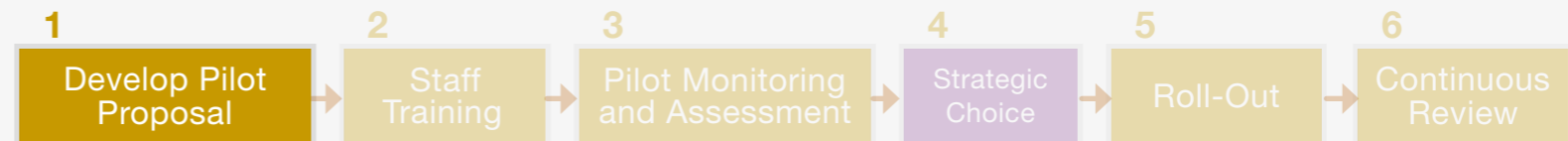
- ✓ Collateral, i.e. posters, brochures, flyers, banners, and more;
- ✓ Incentives and promotional material;
- ✓ Referral programs;
- ✓ Mass media, i.e. advertisements, radio, television, newspapers; and
- ✓ Outreach and promotional events

Five stages of the customer experience



This framework, which is detailed further in [Women's World Banking's "Marketing for Microfinance"](#) publication, provides a helpful approach for designing a pilot marketing plan for your youth savings program. In the Awareness phase, potential clients become aware of the financial institution and product. In the Consideration, Inquiry, and Visit phase, potential clients learn about and consider the products. In the Activation phase, clients decide to open an account at the financial institution. In the Repeat/Loyal Customer phase, clients decide to continue using the product. In the "Influence Others" phase, clients recommend the product to others.

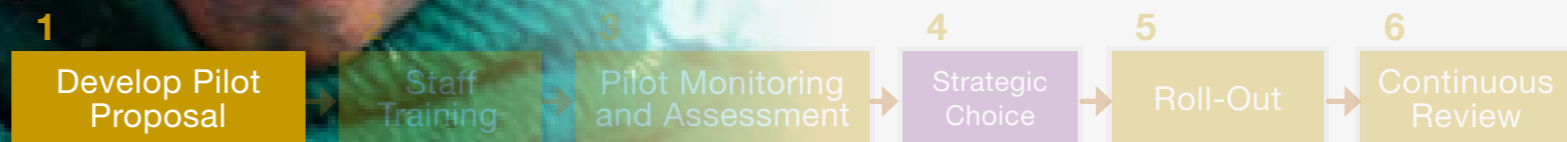
[Take a tour of the marketing materials developed by the financial institutions featured in this publication.](#)



CASE STUDY

Marketing Overview

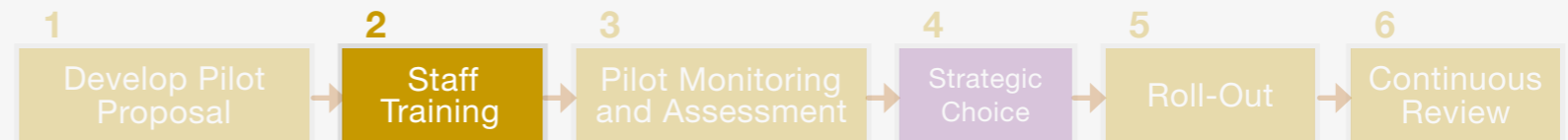
	XacBank (Mongolia)	Banco ADOPEM (Dominican Republic)	PEACE MFI S.CO (Ethiopia)
Concept design	Temuulel (“Aspire”) Aspirational, cute Market tested Variations based on season, context	Mía (“Mine”) Aspirational	Lenege (“For tomorrow”) Aspirational
In-branch	Brochures, posters, stands, hanging logos Cross-selling to existing clients Designated teller line	Mia corner Brochures, posters Youth customer service training for staff “Mia days” at branches Designated teller line	Youth-friendly layout Marketing collateral in branch Message boards Designated branch Lenege Champion
Mass Media	TV ads/commercials, interviews, product placement Radio, newspaper articles		Posters on Horse Carts
Incentives	Gift tree ID bracelets	Savings can at account opening Seasonal promotional incentives	Pens for first 50 account holders in each branch Incentives for top depositors (by frequency and volume) Incentives for high achieving student
In-school	Financial education Promotional events: “Temuulel days” Student bankers	Financial education Events Talks	Financial education Events Talks
Out-of-school	Financial education		Financial education
Technology-based marketing	Temuulel-branded deposit calculator for mobile phones (Java) Banner advertising on websites popular with girls		
External promotional events		Booth at “ExpoKids” Event, National Children’s Museum	Lenege days in the market Coffee days in branch among existing clients



Design and Present Pilot Implementation Action Plan

The final stage of your pilot proposal is the completion of the pilot implementation action plan ([📄 download a template](#)), which consolidates all the elements of your proposal into a detailed roadmap for your pilot.

Once you have finalized your pilot implementation action plan, you can present it, along with your tested prototype and market research report (from [📄 Chapter 2](#)), to management for approval before launching the pilot.



Step 2

Program Training

Staff training is particularly important for youth savings because they will be interacting with a new segment.

Program training

Objective: Familiarize staff with the rationale behind youth savings; the components of the program; the relevant operational details for implementing the program; and the program goals and targets

Content:

- Rationale for launching a youth savings program
- Program components: youth savings account, financial education, marketing/outreach strategies
- Youth savings account features and benefits
- Policies and procedures
- Staff responsibilities
- Process Maps (for selected areas)
- Financial education curriculum (if applicable)

CASE STUDY

PEACE MFI S.CO (Ethiopia)

PEACE MFI S.CO convened all of its branch managers for a two-day training on the Lenege youth savings program.

Agenda of the Training Program:

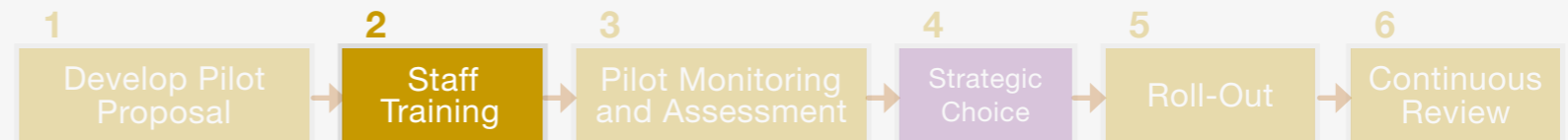
Day 1

- Introduction to the Lenege Program
- Lenege Policies and Procedures
- Back-office Processing/Reporting

Day 2

- Marketing Strategy
- Financial Education
- Targets and Roll-out Planning

[Download a detailed overview of PEACE MFI S.CO's Lenege Training Program](#)



Customer service training

Objective: Equip staff with the skills to sell products and services to youth and know what youth need to achieve their financial goals.

Content:

- Understanding the client
- Lifecycle selling and promotional techniques
- Communication skills
- Cross-sell methods to youth and to parents/guardians
- Financial education messages, if applicable

CASE STUDY

Banco ADOPEM (Dominican Republic)

Banco ADOPEM's branch managers received a two-day train-the-trainer (ToT) course on selling and advising techniques for improved customer service. The course addressed all of the bank's products and services, including youth savings. The branch managers then trained their field staff during the two months following the ToT course.

The course consisted of five modules:

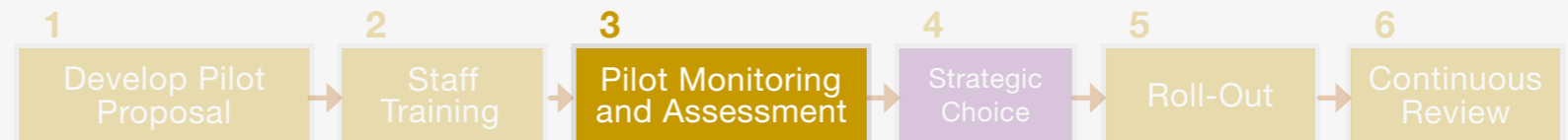
Day 1

- Module 1: Introduction
- Module 2: Client Mentality
- Module 3: Promotions

Day 2

- Module 4: Organizing promotions
- Module 5: Closing





Step 3

Pilot Monitoring & Assessment

Monitoring

During the pilot, you should establish a clear performance monitoring framework to track the **KPIs you established**, disaggregated by segments, as well as other key information including:

- 1) Time spent by staff in transaction processing
 - Process Maps**
 - ✓ Account opening
 - ✓ Deposits
 - ✓ Withdrawals
- 2) Customer feedback and/or customer satisfaction

This framework will help you to measure success in the pilot, identify areas needing improvement, and receive feedback that will help you to refine the product and marketing, if needed.

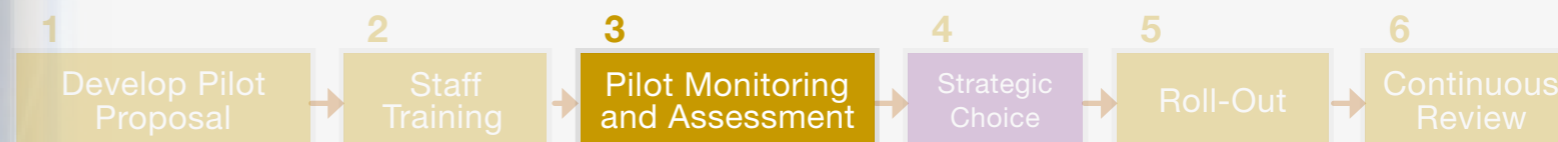
Assessment

Preparing for pilot assessment research

It is important to invest time at the end of the pilot and before the roll-out to understand what worked, why, and how results are being achieved; as well as what did not work, why, and what can be done to improve the program.

Download the Pilot Assessment Guide for more information on what should be tested in your pilot assessment.





Conducting and analyzing assessment results

● Pilot Objectives

- Collect and analyze account take-up and usage data against projections
- Measure pilot performance against objectives

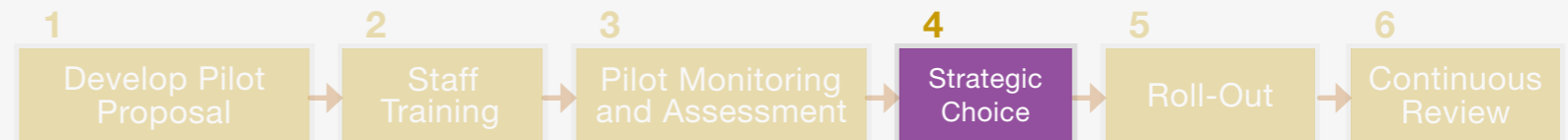
● Market acceptance/Customer receptivity

- Conduct interviews with head office and pilot branch staff
- Conduct focus groups with clients ([📄 Download a sample focus group and individual interview guide](#))
- Synthesize interview and focus group responses
- Collect and analyze account take-up and usage data
- Review effectiveness of different marketing tactics, especially in the following areas:
 - ▶ Peer-based cross-selling (referrals);
 - ▶ Cross-selling to parents and other adults; and
 - ▶ Take-up and conversion rates (as a result of marketing, outreach, communication, and financial education strategies).

● Budget: Compare projected pilot budget against actual pilot budget data

● Systems performance

- Compare process maps versus actual procedures in the branch
- Analyze quality of data collection and reporting
- Analyze MIS capabilities



Step 4

Strategic Choice—Preparing for Next Steps

Using the results of your pilot assessment, it is now time to make a recommendation to management for the next steps: roll-out, continue pilot, or pause/exit. The below sections provide guidance on how to make these recommendations and present them to your management.

Roll-out

You can determine that your pilot test has successfully ended if you reached 80 percent of your pilot objectives; you met or surpassed your account take-up and usage projections; the overall qualitative feedback from your focus groups and interviews is positive; and your financial institution and board agree to success.

If you decide to move forward with roll-out, you will have to decide on a **phased roll-out**, which is a gradual roll-out to groups of branches, determined either by geography or other factors; or a **total roll-out**, where you roll out to all remaining branches at the same time.

To decide whether a phased or total roll-out is more appropriate for your financial institution, consider the following factors.

- Total number of branches
- Distance of branches to head office
- Staff capacity for training and monitoring
- Competitiveness of market
- Data collection and reporting capacity
- Financial education partnership opportunities, if applicable
- Budget

TIP Overall, Women's World Banking recommends a phased roll-out for most financial institutions. The focus of any roll-out should be on success—a careful, unrushed roll-out allows for continued learnings and adjustments. Additionally, a total roll-out requires significant up-front investment and staff capacity, which most financial institutions cannot and should not undertake at this stage.



Continue pilot

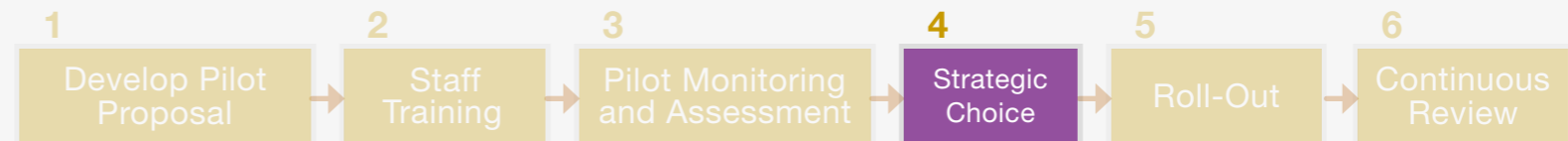
If the pilot did not achieve the desired results, but you are confident that you can improve them with modifications, it might be beneficial to spend more time in the pilot stage with the selected pilot branches in order to ensure an eventually successful roll-out. You should revisit your pilot implementation action plan. Taking the time and effort to get a program right in the pilot stage, especially one as complex as youth savings, is almost always preferable to rushing something to market and then having to make significant changes to products once they are rolled out across all branches.

Pause/Exit

If pilot results were poor and you are unsure how to move forward, it may be best to pause and focus on other existing or new programs. This could also be true if your institution's priorities or external conditions have changed significantly since you launched the pilot. In some cases, usually for unanticipated reasons, you may have to exit from the market and no longer offer your youth savings program.

Some reasons for pausing or exiting are as follows:

- Very low take-up
- Negative feedback
- Unmanageable costs
- Lack of staff or management support
- Market changes or other external factors



CASE STUDY

Roll-out timelines of Women's World Banking network members:

Financial Institution	Pilot launch date	# of Pilot Branches	Action post-pilot	Rollout date (all branches)	Total # of Branches
Banco ADOPEM	January 2010	1	Continued pilot (3 phases)	December 2011	44
XacBank	March 2009	1	Total roll-out	September 2009	76
PEACE MFI S.CO	December 2011	1	Phased roll-out	Early 2013	22

CASE STUDY

Banco ADOPEM (Dominican Republic)

Women's World Banking worked with Banco ADOPEM to launch a pilot of its first youth savings product, Mía. Women's World Banking and the bank went through three pilot phases over the course of a year. In each phase, new sales and marketing approaches were tested, the overall approach was refined and product performance improved. By the time the bank decided to roll the product out across all branches, the team had developed an efficient and effective methodology for promoting the products among existing and new clients. The bank chose to move forward gradually during the next year so that scarce head office resources could be deployed to train and coach staff at each branch as they introduced the new Mía products.

CASE STUDY

PEACE MFI S.CO (Ethiopia)

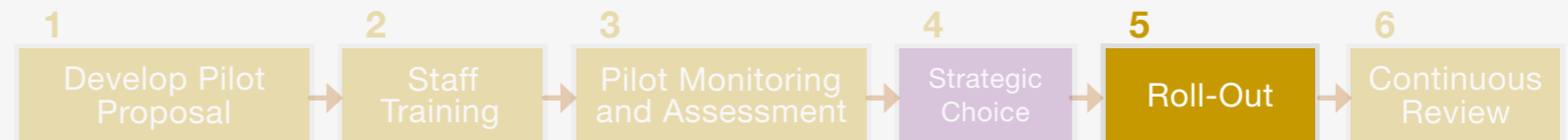
PEACE MFI S.CO chose its pilot branch because of its proximity to the head office, which helped facilitate monitoring, communication, and ongoing support, as well as the proven capacity of the branch manager and his staff. The pilot launched in December 2011 and lasted for four months, after which PEACE MFI S.CO and Women's World Banking evaluated the pilot concluding that it had been successful and PEACE MFI S.CO was ready for a roll-out of the program. PEACE MFI S.CO, with technical assistance from Women's World Banking, decided on a phased roll-out to seven additional branches (out of PEACE MFI S.CO's total of 19 branches at the time) to ensure steady and successful growth of Lenege in a way that adapted best to its staff capacity and financial resources.

CASE STUDY

XacBank (Mongolia)

In late 2009, XacBank implemented a total nationwide roll-out of Temuulel after piloting in one branch. Given the bank's orientation toward youth since 2001, XacBank considered Temuulel as an extension and strengthening of this identity and included Temuulel as a permanent addition to their portfolio of offerings in the Mongolian market.


Furthermore, the Mongolian financial services market had become quite competitive, and XacBank saw Temuulel as an innovative offering (no bank had offered accounts to youth as young as 14 and 15 before) that both enhanced their brand and allowed them to competitively acquire customers. They also dedicated additional management resources to the product and the financial education-related issues in order to improve program performance.



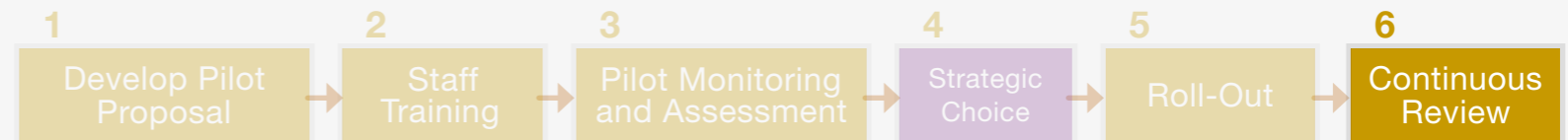
Step 5 Roll-out

Your analysis of the pilot assessment will help you determine the following:

- Roll-out objectives and targets;
- Recommended changes to product features and/or procedures;
- Marketing material design changes;
- Outreach strategy modifications;
- Incentive structure revisions;
- Revised staff roles and responsibilities;
- Training materials for branches;
- Data collection/reporting improvements;
- Budget modifications; and
- Financial education curriculum or delivery model changes.

You can use the  **implementation action plan** you developed for the pilot and update it with modifications for the roll-out. It is important to leave sufficient time to make these modifications (and re-test them, if necessary). The roll-out does not need to occur immediately after the pilot and should not be rushed. Your financial institution should prioritize the application of the lessons learned from the pilot, over the desire to get to market more quickly.





Step 6 Continuous Review

During the roll-out, you must continue to monitor the same indicators and conduct an assessment, as you did for the pilot.

Conducting and analyzing assessment research results

It is important to invest time at the end of the roll-out period to understand what worked, why, and how results are being achieved; as well as what did not work, why, and what can be done to improve the program.

You can use the same assessment framework that you used during the pilot assessment process.

Preparing for the next steps

Using the results of your roll-out assessment, you will need to make a recommendation to management for the next steps, including:

- Any further modifications to the product, marketing and outreach strategy, financial education, and partnerships;
- Ongoing training plans; and
- Implementation plan for the remainder of the branches, if applicable.

Measuring longer-term impacts

The KPIs you established should continue to be collected, reported, and evaluated on an ongoing and regular basis. If your financial institution has not done so already, make sure to have the correct fields in your MIS system to capture all necessary data, as well as a system of coding youth savings accounts (with or without financial education) and youth account holders separately from parent/guardians (through a customer number), so that you can track and measure performance into the future.

You should designate a staff person who can analyze this data centrally, and eventually this data should be incorporated into your financial institution's overall performance targets, even at branch level, and tied to staff incentives, if applicable.

Preparing lessons learned document

Using your assessment results and the experience of the entire product development process, you may want to prepare a document or presentation outlining the lessons learned from this experience, which would be helpful and applicable to future program development work. Such a document might also be very interesting to other financial institutions and youth savings industry practitioners. If your financial institution is willing to share your successes and challenges, you could provide a valuable contribution to the international body of knowledge on youth savings.

Supun Dias shares the lessons learned from Hatton National Bank's (HNB) implementation of youth savings programs in Sri Lanka.


Equity Bank (Kenya): Ongoing training

Equity Bank reinforces its staff training through an e-learning platform on the bank's intranet, in addition to external training. Each month, staff takes internal and timed exams on different topics—from new and existing products to corporate philosophy and services. The bank provides all reference materials on the intranet. After the exam, each business unit's performance is posted by individual scores and overall team ranking in relation to other business units. If a business unit does not score a certain average percentage, the exam must be repeated. The Bank has regional customer service managers whose work includes visiting the branches to sensitize staff on new products, monitor progress, address any challenges, and receive feedback.



Chapter 4

Program Evaluation

Overview

This chapter provides insights and preliminary guidance on how to effectively and efficiently evaluate your youth savings program. A program evaluation can help you better understand the impact of the program on the institution and clients, and to measure the  **potential business and social impacts described in Chapter 1**. The scope of your research design will depend on capacity and resources, as well as internal and external demands.

Results of an evaluation can be shared with your board, executive committee and senior management, as well as external funders, if applicable. Depending on the outcome, these results can be used to grow and improve the youth savings program; build internal buy-in; secure new or additional external funding; and build additional community partnerships.


This chapter presents an overview of program evaluation design and provides preliminary guidance on its components; however, if you plan to incorporate a program evaluation into your youth savings program, Women's World Banking recommends that you refer to more comprehensive and detailed resources available from organizations such as  **Microfinance Opportunities** and  **Population Council**. Your financial institution may also seek external technical support and funding, if necessary.

This chapter will guide you to:

- ✓ Understand different types of program evaluations;
- ✓ Understand program evaluation design guidelines;
- ✓ Identify key research questions;
- ✓ Gain a basic understanding of the rudimentary components of a program evaluation (though additional resources should be consulted if you plan to implement a program evaluation); and
- ✓ Learn about findings from recent youth savings evaluations.

TIP



The monitoring and assessment that occurs after  **pilot and roll-out** are not substitutes for a program evaluation, which measures overall impact of the program on the institution and clients!

Program evaluation tools should be designed and integrated from the beginning of the project to measure impact throughout the program.

Types of Program Evaluations

Qualitative

Qualitative program evaluations provide valuable in-depth customer insights and perspectives not discernible through quantitative research. Unlike quantitative research, qualitative findings should not be expressed numerically.

Tools: Surveys, focus groups, interviews, case studies

Examples: Microfinance Opportunities (MFO)

📌 “Savings and Financial Education for Girls in Mongolia”

Quantitative

Quantitative program evaluations produce statistically significant findings if the sample size is adequate. They may be randomized, depending on the evaluation design.

Tools: Surveys, questionnaires, data analysis

Types: Randomized Control Trials (RCTs), nonrandomized quasi-experimental tests, longitudinal studies, and cross-sectional studies

Examples: 📌 Population Council Pilot Test Evaluation, Innovations for Poverty Action’s

📌 “Evaluating the Efficacy of School Based Financial Education Programs” (Ghana)

Program Evaluation Design Guidelines

- Define clear, focused hypotheses
- Create measurable indicators for each stage
- Identify comparison groups at program start
- Assign customer numbers to your youth clients in your operational/MIS system (in addition to account numbers) so that youth clients can be tracked throughout their entire relationship with your financial institution
- Enable system to link youth client accounts to related family/guardian accounts (ex. through a customer number)
- Incorporate randomization techniques, where applicable, to enhance quality of findings
- Employ or engage non-financial institution staff to perform surveys, if possible and where applicable
- Engage external partners, if resources are available, for technical support on design, implementation, and analysis of the evaluation

Key Research Questions—Overview

An evaluation can answer some or all of the following key research questions, which are divided into the impact on your financial institution and the impact on your clients:

Impact of Youth Saving Program on Institution

- What are the implications for my income and balance sheet?
- Will youth clients be our next generation of adult customers?
- Will this program help our financial institution demonstrate social responsibility?
- Will my financial institution be able to cross-sell additional and “sticky” products and meet the broader financial needs of my youth clients and their families?
- Will this program help my financial institution capture a larger share of the savings of my youth clients and their families—i.e. will more of their “savings wallet” be transferred to my financial institution?

Impact of Youth Saving Program on Clients

- Will my clients experience a change in their knowledge, skills, and attitudes (KSAs)?
- Will my clients’ financial behaviors and outcomes change?
- Will my clients experience reduced vulnerability and improved well-being (in terms of education, empowerment, confidence, and more)?

Components of Program Evaluation Design

A comprehensive evaluation of your youth savings program can measure both the business impact on your financial institution, as well as the social impact on your clients. In this section, we provide preliminary guidance and suggestions on the hypotheses, indicators, and methodologies required for answering the key research questions listed above. Your financial institution will decide how many questions you will seek to answer, based on your capacity, resources, and objectives.



Impact on Institution (Business impacts)

- **Income and Balance sheet implications** — A youth savings program will have positive and negative implications on your income and balance sheet.

Hypothesis:

A youth savings program will lead to increased costs (interest, promotions, sales, development) but also to increased deposits mobilized, stickiness of funds, profitability, and cross-sell.

Indicators:

- Deposits mobilized
- Stickiness and longevity (or maturity) of the funds
- Interest expense, promotional expense, sales expense
- Profitability
- New products and services—cross-sell/ take-up of additional products
- Expenses associated with developing and piloting the products

Methodology:

- Follow database over 5–20 years to track expenses over time, as well as profitability through stickiness, cross-sell, and increased loan capacity

- **Loyalty from the next generation of adult customers** — An important reason for your financial institution to offer youth savings is the potential to secure loyalty from the next generation of adult customers and at a lower cost to your financial institution. Whether youth accounts automatically convert to an adult account is a factor to consider.

Hypothesis:

Youth clients will be loyal to the financial institution into adulthood and will be less expensive to acquire as youth than as adults.

Indicators:

- Account closure rate of youth clients
- Dormancy rate of youth clients
- Additional product usage rate of youth clients into adulthood
- Loan delinquency of youth clients
- Youth client acquisition cost
- Adult client acquisition cost

Methodology:

- Follow database over 5–20 years to see drop-out rate, other product usage rate, and loan delinquency rates of this population versus comparable youth populations.
- Compare youth client acquisition cost with adult client acquisition cost

- **Demonstrating social responsibility**

Hypothesis:

By offering a youth savings program, your financial institution is perceived as a financial solutions provider, not just a generic product provider.

Indicators:

- Brand-image perceptions of bank

Methodology:

- Pre- and post-surveys with youth/ parents/guardians/family member clients, as well as potential investors/ regulators/other high-level influencers several months before and after youth savings program introduced

Impact on Institution (Business impacts)

Meeting your clients' and broader family's needs through cross-sell strategies and “sticky” products

Hypothesis:

Family members of youth savings account holders will take up additional products and remain with the institution longer.

Indicators:

- Product acquisition rates of youth clients (additional products, such as loans for older youth who are above the age of majority)
- Product acquisition rates of parents/guardians and other family members of youth clients
- Account closure rates of youth clients and of parents/guardians and other family members of youth clients
- Dormancy rates of youth clients and of parents/guardians and other family members of youth clients

Methodology:

- Analyze in database how many parents/guardians/family members opened account(s) after linked youth client (noted in system) opened an account
- Survey representative sample of parents/guardians/family members of youth clients to find out if they opened account(s) with bank after the youth client opened an account.
- Compare account closure rates of youth clients and linked parents/guardians/family members with similar comparison group clients of the financial institution
- Compare dormancy rates of youth clients and linked parents/guardians/family members with similar comparison group

Capturing a higher percentage of a household's “savings wallet”


Hypothesis:


Because of the youth savings program, youth and their family members will save a larger proportion of their money in the financial institution and will also increase their overall savings rates.

Indicators:



- Amount of total assets across formal and informal accounts of client before and after youth client opens his/her account

Methodology:

- Qualitative surveys with clients and/or data analysis before and after youth savings accounts opened to see how much of household's assets are in the financial institution (to see if they shifted money from other savings place to youth account and/or if overall asset level increased)
- Client  **financial diaries***, with client and comparison group (to see to what extent clients are shifting assets from informal methods to formal financial institution, as well as analysis of overall savings levels)

* The Financial Diaries methodology was developed and used in *Portfolios of the Poor* by Collins et al. (2009). For more information on its adaptation: See Guy Stuart and Monique Cohen's 2011 CGAP Microfinance Blog, “Linking Financial Behaviors to Product Development” and examples of Microfinance Opportunities' implementation of  **Financial Diaries** research projects.

Impact on Clients (Social Impact)

A holistic youth savings program that integrates financial services, financial education, and marketing can have short to long-term social impacts on clients.  **potential social impacts described in Chapter 1** can be divided into short-term changes, medium-term changes, and longer-term changes, according to a  **framework developed by Microfinance Opportunities**. If your program includes standalone financial education, you should consider different treatment groups – clients who have opened accounts and participated in financial education; clients who have either only opened an account or only participated in financial education; and a comparison group. Measuring or comparing different financial education formats is not considered here. The overall hypothesis is that youth who both open an account and participate in financial education will have greater knowledge, skills, and attitudes (KSAs), financial behavior and outcomes, and overall more positive social indicators, as compared to youth who only open an account or a comparison group.

Research Findings

In the Population Council's  **Safe and Smart Savings Products for Vulnerable Adolescent Girls** program in Uganda, girls joined peer groups, led by older mentors, that met once weekly for over a year in safe spaces. Through this platform, the mentors facilitated learning and discussion among girls around financial education, sexual and reproductive health, and social issues. These girls showed more positive outcomes than both girls who only had savings accounts and a comparison group with no savings or group meetings. These outcomes included having someone to borrow money from in case of an emergency, reporting fewer instances of feeling “worthless,” having future life goals, and having more knowledge and positive attitudes about sexual health, reproductive health and gender norms.

Short-term changes: Change in KSAs

Hypothesis:

Youth who open an account and receive financial education will demonstrate a greater change in knowledge, skills, and attitudes (KSAs) as compared to youth who only open an account or a comparison group.

Indicators:

- Changes in financial knowledge
- Changes in financial skills
- Changes in financial attitudes

Methodology:

- Conduct baseline and endline surveys with youth in each treatment group (savings account and financial education; savings account only; comparison group)

Medium-term changes: Change in financial behaviors and outcomes

Hypothesis:

Youth who open an account and receive financial education will demonstrate a greater change in financial behavior and outcomes as compared to youth who only open an account or a comparison group.

Indicators:


- Change in financial behavior, specifically:
 - Account usage
 - Savings levels
 - Creation of a budget
 - Creation of a savings plan
 - Creation of savings goals
 - Achievement of savings goals

Methodology:



- Conduct baseline (before program) and endline surveys (within 18 to 36 months after program start) with youth in each treatment group (savings account and financial education; savings account only; comparison group)
- Collect and monitor relevant account data

Longer-term changes: Reduced vulnerability and improved well-being

Hypothesis:

Youth who open an account and receive financial education will demonstrate a greater change in self-confidence, reduced vulnerability, better health, and overall greater financial inclusion. This long-term impact has greater implications for girls' economic and social empowerment and long-term poverty reduction (i.e. the  **Girl Effect**).

Indicators:

- Increased self-confidence
- Engagement in less risky sexual behavior
- Improved health
- Increased social asset-building
- Implications for girls:
 - Primary and secondary education drop-out rates (girls/boys)
 - Enrollment rates for higher education
 - Average age at marriage
 - Average age of first-time mother
 - Fertility rate
 - Rates of female property ownership
 - Female-owned businesses
-  **Progress Out of Poverty Index (PPI)**
-  **Poverty scorecards**, before and after surveys.

Methodology:

- Conduct baseline (before program) and endline surveys (within 1 to 2 years, or longer, after program start) with youth in each treatment group (savings account and financial education; savings account only; comparison group)

Youth Savings Program Evaluation Findings

The actual findings summarized below are from some of the first evaluations of youth savings and financial education programs: Microfinance Opportunities' evaluation study of the Temuulel program in Mongolia; a case study-based research project among Mía account holders in the Dominican Republic; and Population Council's evaluations of its pilot "Safe and Smart Savings Products for Vulnerable Adolescent Girls in Kenya and Uganda" program. Overall, the findings show the following:

■ **Clients (youth who both open an account and participate in financial education):**

- ▶ Improved short-term KSAs
- ▶ Increased self-confidence
- ▶ Increased savings levels
- ▶ More likely to have a long-term savings goal
- ▶ Increased health knowledge levels

■ **Institution:**



- ▶ Strong commitment and buy-in for youth savings—an initial loss leader but a long-term worthwhile investment
- ▶ Positive view of financial institution by youth and adults
- ▶ Increased deposit mobilization

There is still much to be learned, and some of the hypotheses previously described have yet to be tested, but it is clear that providing opportunities to save, gain financial knowledge, and practice good money management all have a role to play in addressing the lack of opportunities that low-income youth face and in increasing their ability to survive and thrive in difficult environments.



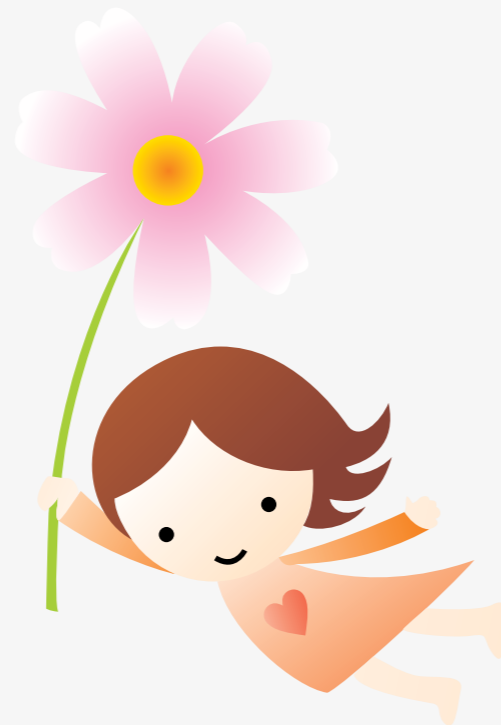
Qualitative Program Evaluation

XacBank (Mongolia)

In September 2011, Microfinance Opportunities completed its endline impact assessment study,  **“Savings and Financial Education for Girls in Mongolia”** as part of the Girl Effect initiative, with support from the Nike Foundation. Women's World Banking also developed a  **summary brief** of the findings. The objective of the study was to assess the impact of XacBank's youth savings program on girls' knowledge, skills, and attitudes (KSAs) and behavior around financial management and savings. MFO considered girls in three treatment groups:

- Savings Plus (those who received financial education and opened a youth savings account)
- Savings Only (those who only opened a youth savings account)
- Comparison (those who neither opened an account nor received financial education)

In this study, a significant Girl Effect was not apparent; however, only 18 months elapsed between baseline and endline research. Considering the long-term nature of behavioral change, MFO recommends longer intervals between baseline and endline research to better measure such impact.



Key findings:

Impact on Girls

- **Financial education makes a difference on savings:** “Savings Plus” girls saved more on average than “Savings Only” girls or Comparison girls.
- **Enhanced capacity:** “Savings Only” and “Savings Plus” girls showed significant gains in financial knowledge, skills, and attitudes compared to girls who did not (Comparison girls).
- **Self-esteem enhanced:** “Savings Only” and “Savings Plus” girls reported a sense of pride in managing financial affairs and a greater desire for financial autonomy. The praise and encouragement they received from their parents was very important to them. Also, “Savings Plus” girls developed social networks and teamwork skills as a result of participating in the financial education sessions.
- **Savings seen as important:** Almost all girls who received a savings account with or without financial education viewed savings as important...
- **... but disconnected from big picture:** Few of the girls developed a formal savings plan linked to life goals. This may be attributable to a need for better financial education, for better savings product design, for a longer time horizon for the study, to the age of the study subjects, or to a combination of those factors.
- **Increased control:** “Savings Only” and “Savings Plus” girls had more control over their savings than Comparison girls, whose parents had more of a role.

Impact on Financial Institution

- **For the bank, a gateway product:** Strong commitment to the youth accounts, which were viewed as a loss leader but one that will help secure a base of lifelong, loyal customers over a long-term time horizon.
- **Positive view of XacBank:** Girls who opened Temuulel accounts had a much more positive view of XacBank by the endline than they had had at the baseline; many vowed to stay with XacBank after they reached adulthood.
- **Increased parental awareness of XacBank products:** Parents of the girls showed an increase in overall awareness of XacBank and its products...
- **... but low product uptake among parents:** Despite exposure to XacBank product offerings, uptake among parents of adult savings products was not as strong as hoped.
- **Expanded offer to boys:** XacBank expanded the program to boys when initial uptake projections fell short.

Impact on Peers/Community

- **Beneficial “spillover” effect confirmed:** Girls shared their experiences with peers, family, and community and encouraged peers to open savings accounts as well.
- **Potential policy implications:** XacBank opened negotiations with the Ministry of Education in Mongolia to formalize financial education into school curricula.

Qualitative Program Evaluation



Banco ADOPEM (Dominican Republic)

In August 2011, Women's World Banking initiated a [case study-based research project](#) in partnership with Banco ADOPEM to explore the factors that influence a girls' ability to save using a bank account. The research investigated cultural, household, and individual dynamics impacting girls and their households. The study also looked at how the findings could be used to more effectively design products, marketing, and financial education to positively influence girls and households to save more.

The study was designed to explore the following:

- Girls' goals and motivation for saving;
- The influence of the household, including socioeconomic level, parents' education, occupation and parenting style, and parents' own savings behavior;
- The level of individual willpower and self-control exhibited by girls; and
- The influence of savings behavior of peers.

This research used a qualitative approach, employing semi-structured interviews and focus group discussions to collect substantive and relevant data. A qualitative approach produces more in-depth, comprehensive information, a context for behavior, and opportunities for the participants to guide the research by allowing the researcher to follow up on previously unanticipated lines of inquiry. The research team felt that this approach was most appropriate given the lack of existing research on the topic being studied, as well as the resource constraints. The data collection tools used during this research were the following:

- Semi-structured individual interviews with selected young female Mía clients from a sample provided by the bank (girls who were saving in their Mía accounts and girls who were not saving in their accounts);
- Semi-structured individual interviews with other influential family members of the selected clients;
- Interviews with key members of the Banco ADOPEM staff involved in the project;
- Focus group discussions both with girls who saved and with their parents.

Financial education participants were not considered in this research—only girls who had opened a Mía youth savings account.

Key findings and implications:

Findings	Implications
The ability to save in the bank and to make deposits can be limited by the distance to the bank branch and by the girl's dependence on parents to travel to make transactions.	Banco ADOPEM should continue exploring opportunities for bringing the bank's transaction points closer to its clients through alternative delivery channels.
Girls' ability to save in a bank could depend on at least one parent having an account in the same bank and using it regularly.	
Women are teaching girls to save, especially in single-parent, female-headed households.	Identifying and reaching mothers who save (and are heads of household and entrepreneurs) can be an effective way to influence girls to save.
Lower-income households in which significant income comes from entrepreneurial activities tend to produce better savers than middle-income households with more predictable income flows.	
Good savers tend to come from households with reasonably high levels of parental regulation and responsiveness.	Reaching parents can be an effective way to influence girls to save, especially when it involves development of money management skills, independence, and confidence-building.
Successful savers employ specific strategies to limit access to their money, exhibiting potentially higher levels of self-control, self-awareness and planning skills.	Teaching girls to use these strategies through tools or incentives introduced through marketing or financial education sessions could increase savings levels.
Girls who saved had a strong belief in their ability to successfully do so.	Self-confidence is key in saving more and is associated with positive experiences, which can be promoted in the bank through a youth-friendly and welcoming environment, as well as through non-financial services.
While good savers articulated savings goals, no girls had specific plans for how they would achieve these goals.	Goal-setting for savings in the longer-term could be important in motivating girls to save in the present; however, it is possible that girls could save more effectively if they attached values and deadlines to their goals and created specific plans for how to achieve them.
Girls' orientation towards savings changes quickly as they mature.	Research suggests that conditions are more conducive to girls developing savings habits at younger ages, particularly before age 12; marketing and financial education efforts to instill positive attitudes and habits toward savings should focus on girls under 12 years old and then reinforce the concepts as girls get older.
Girls are reportedly more culturally inclined to save than boys, according to the respondents, though boys were not interviewed.	Efforts to encourage boys to save must be sensitive to this cultural context and find ways to overcome it.
Good savers try to influence their peers to save.	While the effectiveness of these efforts is uncertain, they could be leveraged by training girls on how to best influence their peers and providing them support to do so, such as with simple tools and refer-a-friend initiatives introduced in both product marketing and financial education contexts.

Quantitative and Qualitative Program Evaluation



Population Council (Kenya and Uganda)


In early 2012, Population Council completed pilot tests (along with baseline and endline surveys) of its “Safe and Smart Savings Products for Vulnerable Adolescent Girls in Kenya and Uganda” program in partnership with financial institutions from Kenya (K-Rep Bank and Faulu Kenya Limited) and Uganda (FINCA-Uganda and Finance Trust), as well as MicroSave. The Population Council used a mix of rigorous quantitative surveying with qualitative data collection, through focus groups and interviews.



The program consists of a three-part model: (1) weekly girls group meetings with a female mentor; (2) financial education; and (3) a savings account.

Key findings

The results of the pilot assessment showed that having a savings account improved the girls’ overall financial knowledge, attitudes, and behavior. Also, differences emerged between girls that only opened a savings account and girls who participated in a savings group and who opened a savings account. In the savings group, the girls received financial and health education. The girls in the groups had improved social assets, future life goals, health knowledge, and customer satisfaction; however, participating in the group did not seem to have an effect on the amount saved after one year. Also, the Population Council found that only having a savings account without a group could put girls at more likely risk of sexual harassment and that financial services must be coupled with the appropriate non-financial services and delivered in a supportive environment.

 **Additional information** on this program and the pilot assessment.

Appendix: Tools & Resources

Focus Group & Interview Guides

- ✦ **Sample Recruitment Guide**—A sample guide with tips and techniques on effective recruitment of participants for your individual interviews and focus groups in the customer analysis phase of Program Design.
- ✦ **Sample Interview Guide: Youth Organizations**—A sample guide to the questions your financial institution or partner should ask of youth organizations in your country during the industry analysis phase of Program Design.
- ✦ **Sample Interview Guide: Youth Savings Industry Experts**—A sample guide to the questions your financial institution or partner should ask of youth savings industry experts in your country during the industry analysis phase of Program Design.
- ✦ **Sample Interview Guide: Financial Institutions**—A sample guide to the questions your financial institution or partner should ask of financial institutions in your country as part of the competitor analysis phase of Program Design. This analysis will help you to understand the landscape of financial institutions in your country, specifically those already serving youth.
- ✦ **Sample Focus Group and Individual Interview Guide: Youth Customer Analysis**—A sample guide to the questions your financial institution or partner should ask in your focus groups and individual interviews with youth during the customer analysis phase of Program Design.

- ✦ **Sample Focus Group Guide: Product and Marketing Prototype Testing**—A sample guide to the questions your financial institution or partner should ask in your focus groups with youth to test the product and marketing prototypes you have developed in the Program Design phase.
- ✦ **Sample Focus Group & Individual Interview Guide: Pilot Monitoring & Assessment**—A sample guide to the questions your financial institution or partner should ask in your focus groups and individual interviews with youth during the Pilot and Roll-out Assessments (Implementation—Pilot and Roll-Out phase).

Templates

- ✦ **Youth Savings Program Proposal Template**—A template for an initial and high-level proposal regarding the business case for youth savings to present to your financial institution's business development committee, board, and/or other executive management committee responsible for making decisions on new products and initiatives.
- ✦ **Product Prototype Template**—A template of the different features, terms, and conditions that your youth savings product prototype should include, in addition to considerations such as marketing, outreach, and delivery channels.
- ✦ **Pilot Implementation Action Plan Template**—A detailed action plan template your financial institution can use to detail the necessary steps to implement your pilot.

Appendix: Tools & Resources *(continued)*

Resources

- ✦ **Youth Savings Comparative Chart**—Detailed comparative information on the youth savings products and financial education programs offered by the financial institutions mentioned in this publication.
- ✦ **Business Case for Youth Savings**—PowerPoint slides presented by the participating financial institutions in the April 2012 “Innovations for Youth Savings” workshop explaining their rationale for serving youth.
- ✦ **Comprehensive Youth Savings Resource List**—A detailed list of additional references (beyond this guide), specifically youth savings organizations and their websites; and youth savings publications organized by toolkits and guides, case studies, reports, and evaluations.
- ✦ **Domestic Secondary Research Areas**—List of areas to explore for your domestic secondary research.
- ✦ **Industry Analysis—Secondary Research PPT (PEACE MFI S.CO)**—A PowerPoint presentation from PEACE MFI S.CO of the industry analysis conducted in Ethiopia during the Lenege youth savings program design.
- ✦ **Competitor Analysis—Secondary Research PPT (Banco ADOPEM)**—A PowerPoint presentation from Banco ADOPEM of the competitor analysis conducted in the Dominican Republic during the Mía youth savings program design.
- ✦ **HNB Youth Savings Account Overview**—An overview of the features of HNB’s savings accounts for youth up to 18 years of age: Singithi Kirikatiyo, Singithi Lama, and Teen.
- ✦ **HNB Yauwanabhimana Program Overview**—An overview of Hatton National Bank’s (HNB) Yauwanabhimana Youth Empowerment Program, which consists of a savings account for youth between 18 and 30 years of age coupled with youth development workshops.
- ✦ **PEACE MFI S.CO Process Maps**—The process maps developed by PEACE MFI S.CO in preparation for its pilot of Lenege in 2011–12. The maps detail the procedures for Lenege account opening, deposits, and withdrawals.
- ✦ **Marketing Slideshow**—A visual presentation of the different marketing materials, logos, and incentives implemented by the financial institutions highlighted in this publication.
- ✦ **Pilot Assessment Guide**—A guide to the components of your pilot that should be tested in the pilot assessment, including key questions and sources of data.
- ✦ **Summary Brief (Microfinance Opportunities Impact Assessment Study—Mongolia)**—Women’s World Banking developed this summary brief of the findings of Microfinance Opportunities’ 2011 endline impact assessment study, “Savings and Financial Education for Girls in Mongolia”.

Annotated Bibliography *(by Chapter)*

Introduction

Frank, C. (2008), Stemming the Tide of Mission Drift: Microfinance Transformations and the Double Bottom Line, Women's World Banking Focus Note—A Women's World Banking publication on maintaining a financial institution's focus on serving women, even after formalizing into a deposit-taking institution.

McCarty, M.Y. (December 2007), Marketing for Microfinance, Women's World Banking—A Women's World Banking publication on approaches to marketing in microfinance, of which excerpts have been taken and referred to in this publication for specific applications to youth savings.

Johnson, E., and Sherraden, M.S. (2007), "From Financial Literacy to Financial Capability Among Youth," Journal of Sociology and Social Welfare 34(3), 119–145—An article on the need to shift from "financial literacy" to "financial capability", which goes beyond an increase in financial knowledge to increased access and take-up of financial services.

Zollmann, J. and Collins, D. (December 2010), "Financial Capability and the Poor: Are We Missing the Mark?" FSD Insights (2)—A summary of a report commissioned by FSD Kenya based on 50 in-depth interviews conducted in Kenya to understand the use of formal and informal financial services, resulting in a new conceptualization of financial capability given the needs of low-income individuals. The report concludes with potential policy implications.

Youth Savings Comparative Chart—Detailed comparative information on the youth savings products and financial education programs offered by the financial institutions mentioned in this publication.

Chapter 1: *Creating the Business Case*

Business Case for Youth Savings—PowerPoint slides presented by the participating financial institutions in the April 2012 "Innovations for Youth Savings" workshop explaining their rationale for serving youth.

Tower, C. and McGuinness, E. (September 2011), Savings and Financial Education for Girls in Mongolia Impact Assessment Study , Microfinance Opportunities—Endline impact assessment study, "Savings and Financial Education for Girls in Mongolia," completed by Microfinance Opportunities in September 2011 as part of the Girl Effect initiative, with support from the Nike Foundation. The objective of the study was to assess the impact of XacBank's Aspire youth savings program on girls' knowledge, skills, and attitudes and behavior around financial management and savings.

Tumwesigye, C. (April 2012), Finance Trust Video, Women's World Banking Youth Savings Workshop, Sri Lanka—Watch Clare Tumwesigye from Finance Trust in Uganda explain why Finance Trust serves girls.

Youth Savings Program Proposal Template—A template for an initial proposal regarding the business case for youth savings to present to your financial institution's business development committee, board, and/or other executive management committee responsible for making decisions on new products and initiatives.

Annotated Bibliography

Chapter 2: Program Design

Industry Analysis

Comprehensive Youth Savings Resource List—A detailed list of additional references (beyond this guide), specifically youth savings organizations and their websites; and youth savings publications organized by toolkits and guides, case studies, reports, and evaluations.

Domestic Secondary Research Areas—List of areas to explore for your domestic secondary research.

Sample Interview Guide: Youth Organizations—A sample guide to the questions your financial institution or partner should ask of youth organizations in your country during the industry analysis phase of Program Design.

Sample Interview Guide: Youth Savings Industry Experts—A sample guide to the questions your financial institution or partner should ask of youth savings industry experts in your country during the industry analysis phase of Program Design.

Industry Analysis—Secondary Research PPT (PEACE MFI S.CO)—A PowerPoint presentation from PEACE MFI of the industry analysis conducted in Ethiopia during the Lenege program design.

Manrique, G.R. (April 2012), Caja Arequipa Video, Women's World Banking Youth Savings Workshop, Sri Lanka—Watch Gabriel Rebaza Manrique from Caja Arequipa in Peru explain how the Caja worked with regulators to promote innovations in youth savings.

Capabilities Analysis

Schneider-Moretto, L. (2009), Toolkit for Developing a Financial Risk Management (FRM) Policy, Women's World Banking Toolkit—This toolkit can help your financial institution to project the actual maturity of the funds from youth savings and to manage liquidity accordingly.

Competitor Analysis

Sample Interview Guide: Financial Institutions—A sample guide to the questions your financial institution or partner should ask of financial institutions in your country as part of the competitor analysis phase of Program Design. This analysis will help you to understand the landscape of financial institutions in your country, specifically those already serving youth.

Competitor Analysis—Secondary Research PPT (Banco ADOPEM) —A PowerPoint presentation from Banco ADOPEM of the competitor analysis conducted in the Dominican Republic during the Mía program design.

Annotated Bibliography

Customer Analysis

Hopkins, D. & Perdomo, M. (2011), Listening to Youth: Market Research to Design Financial and Non-Financial Services for Youth in Sub-Saharan Africa, UNCDF—This report from the United Nations Capital Development Fund (UNCDF) brings together the key findings and recommendations from the market research conducted by the 18 Financial Service Providers (FSPs) that participated in Phase I of YouthStart.

YouthSave Consortium (May 2010), Youth Savings in Developing Countries: Trends in Practice, Gaps in Knowledge, YouthSave Initiative—This paper explores the potential of youth savings accounts in promoting youth development and financial inclusion by reviewing current evidence; current trends in youth savings in developing countries; and what additional information is needed to fully understand how youth savings can reach this potential.

Sample Focus Group and Individual Interview Guide: Youth Customer Analysis—A sample guide to the questions your financial institution or partner should ask in your focus groups and individual interviews with youth during the customer analysis phase of Program Design.

Sample Recruitment Guide—A guide with tips and techniques on effective recruitment of participants for your individual interviews and focus groups in the customer analysis phase of Program Design.

Market Segmentation

HNB Yauwanabhimana Program Overview—An overview of Hatton National Bank's (HNB) Yauwanabhimana Youth Empowerment Program, which consists of a savings account for youth between 18 and 30 years of age coupled with youth development workshops.

HNB Youth Savings Account Overview—An overview of the features of HNB's savings accounts for youth up to 18 years of age: Singithi Kirikatiyo, Singithi Lama, and Teen.

Partnership Development

Abeywickrema, C. and Hatton National Bank (September 2009), "The Role of Hatton National Bank in Creating Access to Financial Services for Youth in Sri Lanka," Youth-Inclusive Financial Services Case Study Series 2009, Making Cents International—A case study which explores HNB's partnership with the educational system as an effective delivery channel for youth financial services.

Annotated Bibliography

Prototype Design & Testing

Product Prototype Template—A template of the different features, terms, and conditions that your youth savings product prototype should include, in addition to considerations such as marketing, outreach, and delivery channels.

Sample Focus Group Guide: Product and Marketing Prototype Testing—A sample guide to the questions your financial institution or partner should ask in your focus groups with youth to test the product and marketing prototypes you have developed in the Program Design phase.

Morcos, C. and Sebstad, J. (2011), Financial Education for Adolescent Girls—This article looks at financial education as a strategy for reaching vulnerable girls and analyzes different financial education approaches, especially with regard to content, delivery, and sustainability, scale-up , and replication.

McCormick, M.H. (2009), “The Effectiveness of Youth Financial Education: A Review of the Literature”, Journal of Financial Counseling and Planning, 20(1), 70–83—This paper explores the current state of youth financial education and policy through a review of the literature; identifies a range of approaches to the delivery and assessment of youth financial education, including impact data and best practices; and discusses gaps in knowledge and suggestions for further research. 34(3), 119–145

Drexler, a., Fischer, G. and Schoar, A. (January 2011), Keeping It Simple: Financial Literacy and Rules of Thumb—Individuals and business owners are faced with complex financial situations everyday but are often unprepared to make decisions. This paper presents the results of two randomized trials in the

Dominican Republic, which show that a rule-of-thumb training resulted in more significant improvements in business practices and outcomes than a standard, fundamentals-based training.

Financial Education

Dunford, C. (2002) “Building Better Lives: Sustainable Integration of Microfinance with Education,” Chapter 2 in Sam Daley-Harris, ed., Pathways Out of Poverty: Innovations in Microfinance for the Poorest Families, Bloomfield, CT: Kumarian Press, 75–131—This chapter provides different examples of institutions that have integrated microfinance with education and the approaches they have taken, while maintaining the sustainability of overall operations.

Population Council, Austrian, K. and Ghati, D. (2010), Girl Centered Program Design: A Toolkit to Develop, Strengthen and Expand Adolescent Girls Programs—A toolkit for implementing and growing effective programs to serve adolescent girls based on Population Council’s extensive experience and research in this field.

Annotated Bibliography

Chapter 3: *Implementation*

MicroSave (2008), “A Toolkit For Process Mapping for MFIs”— A toolkit for developing and using process maps at your financial institution in order to optimize operations across the institution.

PEACE MFI S.CO Process Maps—The process maps developed by PEACE MFI S.CO in preparation for its pilot of Lenege in 2011–12. The maps detail the procedures for Lenege account opening, deposits, and withdrawals.

Marketing Slideshow—A visual presentation of the different marketing materials, logos, and incentives implemented by the financial institutions highlighted in this publication.

Pilot Implementation Action Plan Template—A detailed action plan template your financial institution can use to detail the necessary steps to implement your pilot.

Pilot Assessment Guide—A guide to the components of your pilot that should be tested in the pilot assessment, including key questions and sources of data.

Sample Focus Group & Individual Interview Guide: Pilot Monitoring & Assessment—A sample guide to the questions your financial institution or partner should ask in your focus groups and individual interviews with youth during the Pilot and Roll-out Assessments (Implementation—Pilot and Roll-Out phase).

Dias, S. (April 2012), Hatton National Bank Video, Women’s World Banking Youth Savings Workshop, Sri Lanka—Watch Supun Dias share the lessons learned from Hatton National Bank’s (HNB) implementation of youth savings programs in Sri Lanka.

Chapter 4: *Program Evaluation*

Innovations for Poverty Action, “Evaluating the Efficacy of School Based Financial Education Programs” (Ghana)—This project tests two financial education curricula interventions for primary school students in Ghana—Aflatoun and Honest Money Box (HMB)—and measures the impact of financial education on student behavior attitudes and outcomes.

Collins, D., Morduch, J., Rutherford, S. and Ruthven O. (2009), Portfolios of the Poor: How the World’s Poor Live on \$2 a Day, Princeton: NJ, Princeton University Press—This book takes a detailed look at the financial practices of low-income households in Bangladesh, India, and South Africa through an innovative “financial diaries” approach where every financial transaction is recorded. The diaries show that the poor have sophisticated financial portfolios consisting of interweaving formal and informal savings and borrowing tools.

Stuart, G. and Cohen, M. (November 1, 2011), “Linking Financial Behaviors to Product Development ,” CGAP Blog—A blog on Microfinance Opportunities’ (MFO) adaptation of the financial diaries methodology in Malawi and Kenya and how MFO has linked the resulting data to operational issues, such as new product development. This methodology has shown the value of data-mining as a tool for understanding low-income households and how it can in turn lead to improvements in services to customers.

Microfinance Opportunities, Financial Diaries as a Tool for Consumer Research, Brief—A summary of Microfinance Opportunities’ (MFO) three large-scale Financial Diaries projects in Malawi and Kenya. According to MFO, the financial diaries approach provides a view into a household’s “black box” (how families live their daily lives).

Annotated Bibliography

Microfinance Opportunities (2005), Assessing the Outcomes of Financial Education, Working Paper #3—This paper aims to build a framework for assessing financial education programs by examining inputs, outcomes, and impacts, as well as other evaluation issues, such as different types of impact assessments, design, timing, cost, and dissemination of results.

Progress Out of Poverty Index (PPI)—An initiative of the Grameen Foundation and based on an approach developed by Mark Schreiner, the PPI is a simple tool to measure the poverty levels of groups and individuals and estimate the likelihood that they will fall below the national poverty line. Microfinance institutions can use the PPI to determine client needs, measure program effectiveness, and determine what factors help clients to move out of poverty.

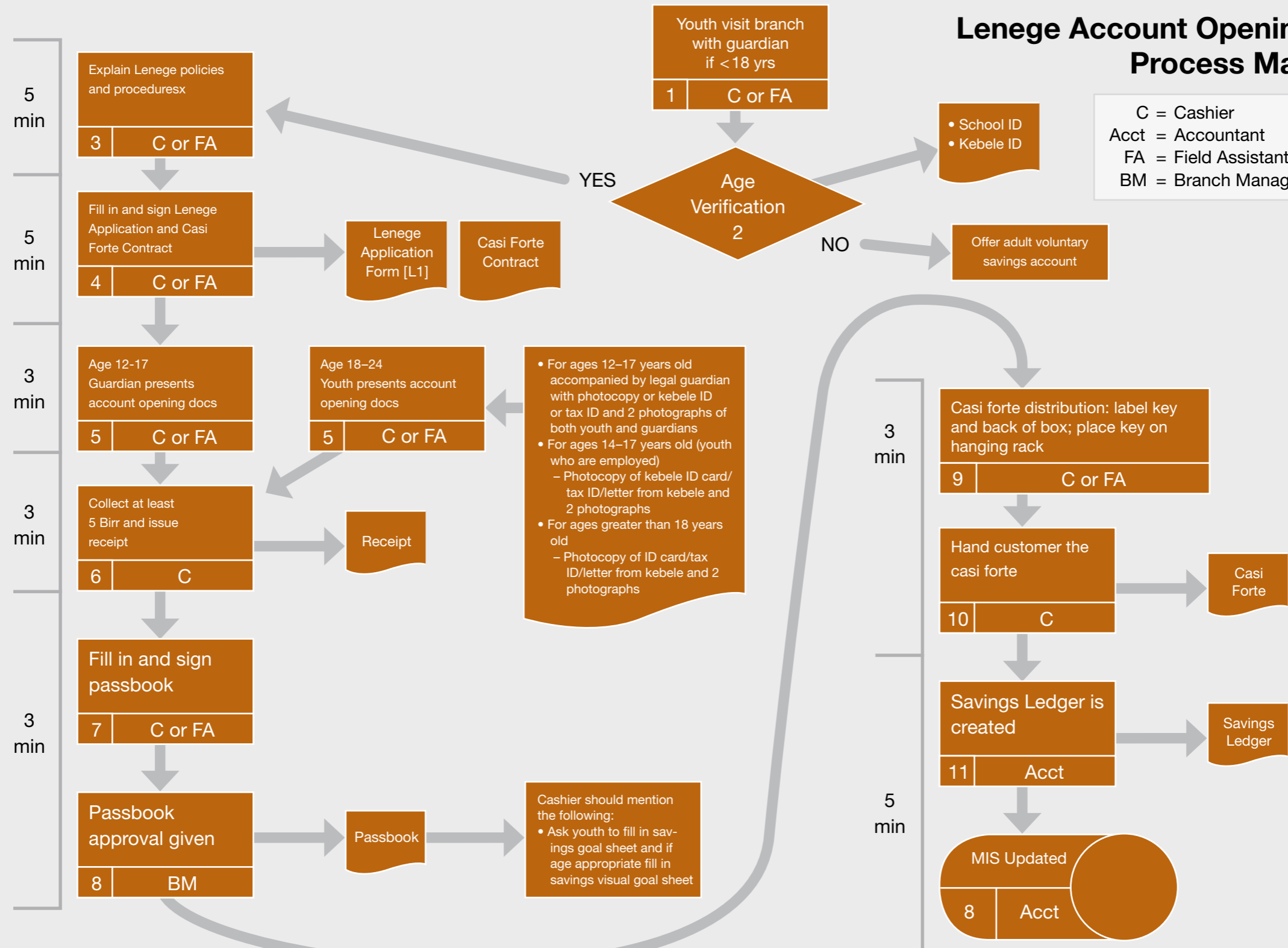
Poverty Scorecards—Developed by Mark Schreiner of Microfinance Risk Management, LLC, poverty scorecards are based on quantitative, observable, practical, and inexpensive-to-collect indicators with 90 percent confidence. These scorecards can be used for all types of programs, not just microfinance, allowing the user to track poverty rates for a group over time.

Summary Brief (MFO Impact Assessment Study—Mongolia)—Women's World Banking developed this summary brief of the findings of Microfinance Opportunities (MFO)'s 2011 endline impact assessment study, "Savings and Financial Education for Girls in Mongolia".

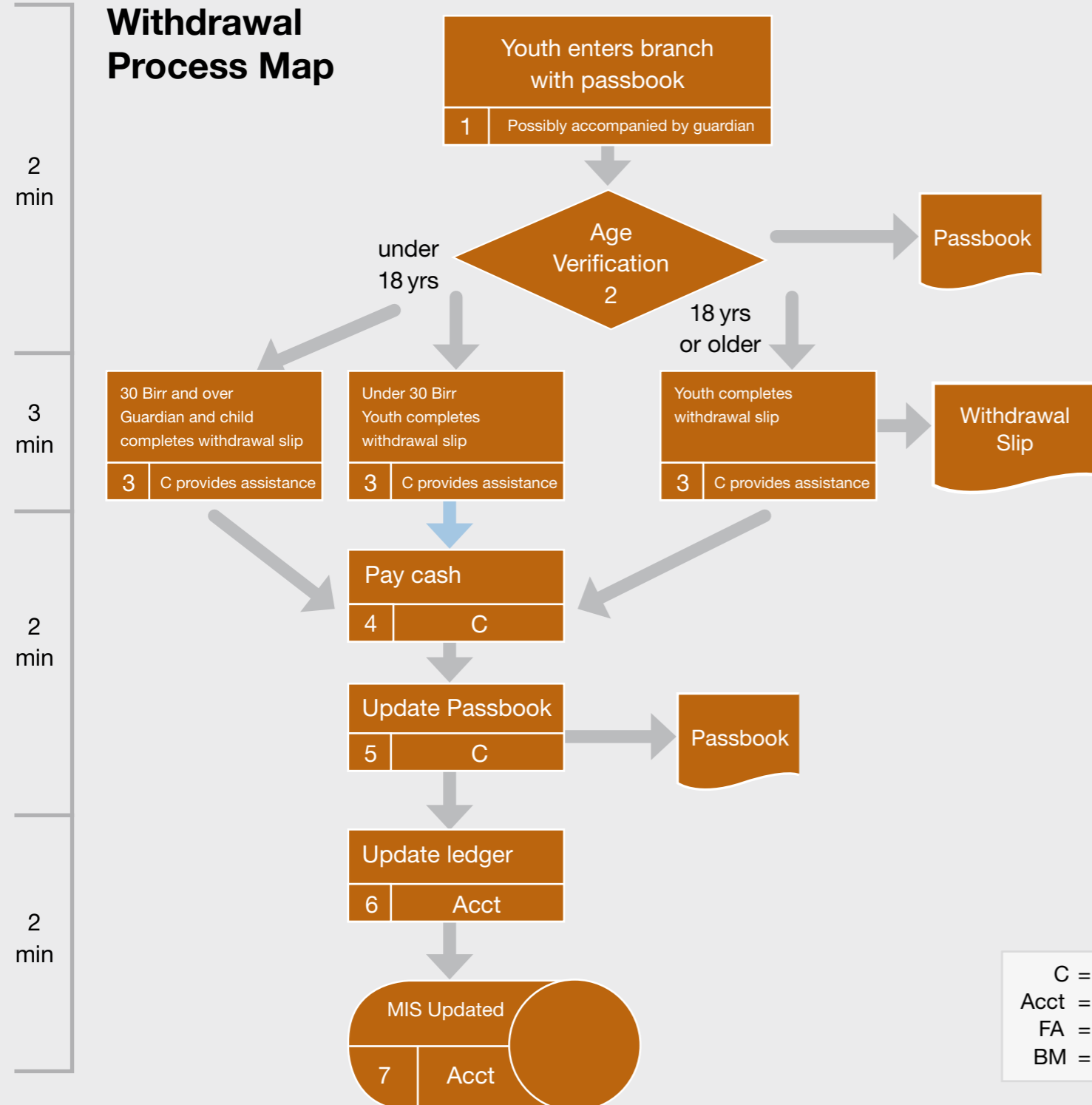
Population Council, Safe and Smart Savings Products for Vulnerable Adolescent Girls, Website—This website provides additional information on the Population Council's girls' savings and livelihoods program in Uganda and Kenya, as well as initial results from the program's pilot assessment.

Lenege Account Opening Process Map

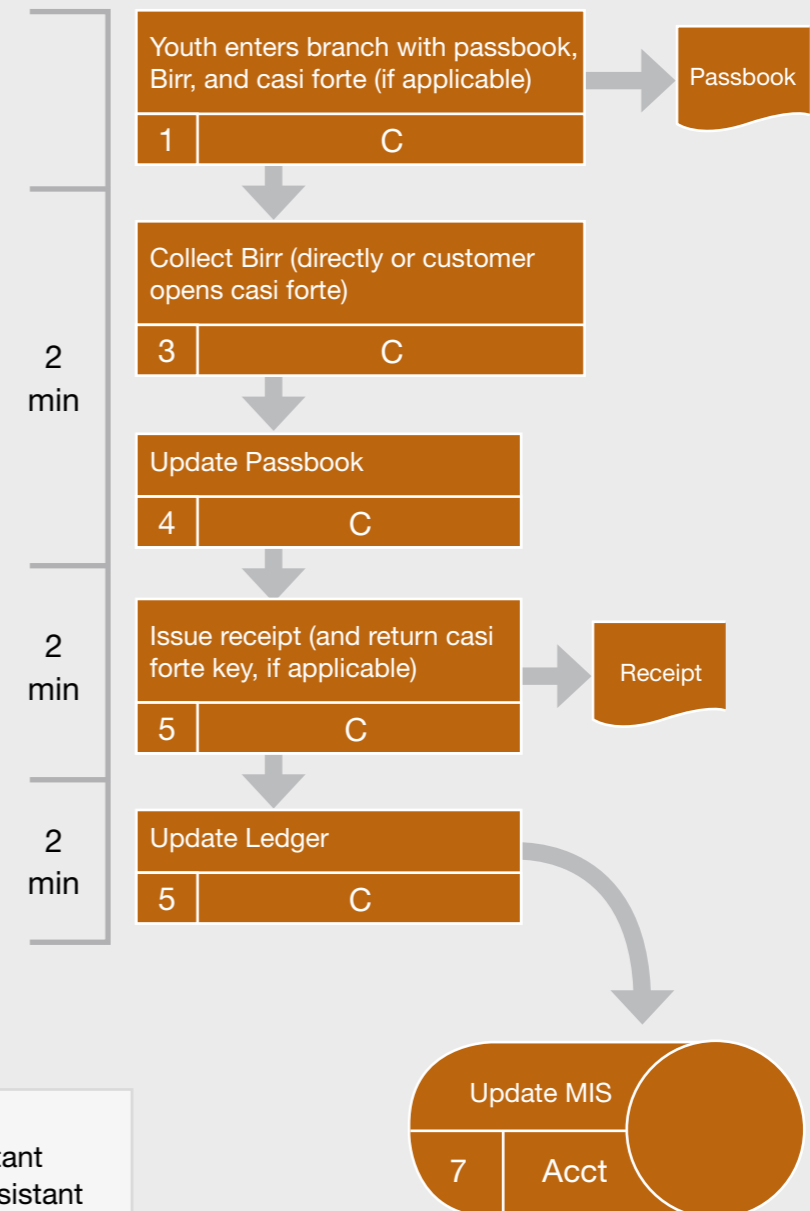
C = Cashier
Acct = Accountant
FA = Field Assistant
BM = Branch Manager



Withdrawal Process Map



Deposit Process Map



C = Cashier
Acct = Accountant
FA = Field Assistant
BM = Branch Manager



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