



EVALUATION & ASSESSMENT
Youth Savings



"Girl Effect" Theory of Change: "When we invest in girls, everyone wins."

Research suggests that by serving a girl at the vulnerable crossroads of adolescence, development programs can have the greatest impact not only on that girl, but can empower her to be a catalyst for change in her family and community.¹ Once that window of adolescence closes, we have lost the opportunity to impact a generation. According to market demand research conducted by Women's World Banking (WWB), girls as young as 10 regularly accumulate money, actively manage it, and want a safe place to save it. However, financial institutions are traditionally oriented towards adults as customers and do not see youth as a viable target market.

Early evaluation of girls' savings projects suggests that increased savings is associated with a number of positive outcomes including higher educational aspirations and attainment at both the secondary and

tertiary levels. Investing in girls' education creates a ripple effect: an extra year of primary school boosts her eventual wages 10 to 20 percent, she marries later and has fewer children.²

WWB has assisted its partners to be the first financial institutions in their markets to treat girls as genuine bank customers, which is reflected in the way bank staff communicate with them and the use of youth-friendly marketing materials. WWB is also working with its partners to develop complementary financial education initiatives, including stand-alone classroom sessions and seminars, interactive games and integrating financial education messages and tools into the marketing of products and everyday operations. This approach is not just about selling products but also enhancing the financial capability of the client. The result is an offering which can literally motivate girls to save.



1 George Psacharopoulos and Harry Anthony Patrinos, "Returns to Investment in Education: A Further Update," Policy Research Working Paper 2881, Washington, D.C.: World Bank, 2002

2 Jad Chaaban and Wendy Cunningham, "Measuring the Economic Gain of Investing in Girls: the Girl Effect Dividend," Policy Research Working Paper, Washington, D.C.: World Bank, 2011

Testing the "Girl Effect"

In 2008, WWB launched a youth savings program with XacBank (Mongolia) and Banco ADOPEM (Dominican Republic) sponsored by the Nike Foundation's Girl Effect initiative. These programs are designed to build the financial capabilities of youth through accessible savings products and complementary financial education.

Aspiring

In 2001 XacBank began offering a long-term savings account for parents who wished to save for their children, "Future Millionaire." But one of the goals of this new savings work was to design an account that young people themselves, not their parents, could control. Learning to actively manage one's own account is empowering – girls learn the value of saving, of aspiring towards long-term goals, and of financial management and budgeting. These important skills learned early on in a girl's development eventually lead her to be an agent of change for her family and community. Because initial market research found that longer-term savings products (such as Future Millionaire) did not appeal to adolescents, XacBank and WWB designed "Temuulel" (which means "Aspire" in Mongolian) to be attractive to its target market of girls age 14 to 17.

Temuulel Product Features

The product features were determined based on consumer insights and demand, as well as competitor analysis. XacBank offers either a Temuulel term or a Temuulel demand product, as WWB and XacBank's research showed that girls wanted to be able to save both for the long and short terms. Temuulel was originally offered only to girls age 14-17, but 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.

Minimum balance	3,000 MNT (US \$2.40)
Term or demand	Both available
Competitive interest rate paid on demand deposit	6.3% as of May 2011 (down from 8.2% at start of baseline research January 2010)
Competitive interest rates paid on term deposits	8% to 12.5% depending on length of term (same as adult savings accounts and unchanged from baseline to endline)
Debit cards	Available for fee of 6,000 MNT (US \$4.78). Permits account holders to make purchases, withdraw at an ATM, and check balances.

Financial Education Features

The Temuulel program also included the design and launch of a complementary financial education curriculum to help build the financial capabilities of XacBank's existing and potential Temuulel clients. Receiving financial education in addition to opening a Temuulel account is believed to contribute to overall improved financial behavioral change. Financial education in Mongolia was delivered in the following format:

- Classroom style (in schools and community);
- Eight core sessions covering budgeting, general savings, and savings at a bank;
- Two additional optional sessions on loans and debt management;
- Local consultants modified content for local context and translated into Mongolian; and
- Female university students were recruited to deliver curriculum.

Measuring Impact

Microfinance Opportunities (MFO), a pioneer in financial education for microfinance clients, conducted the project's baseline and endline impact assessments in Mongolia. MFO's September 2011 report *Savings and Financial Education for Girls in Mongolia: Impact Assessment Study* (Craig Tower with Elizabeth McGuinness) explores:

- How the knowledge, skills, and attitudes (KSAs) of girls who only received a savings account (Savings Only girls) changed compared to those who received a savings account and financial education (Savings Plus girls);
- How those changes in KSAs translated into actual behavior change;
- How the life goals of girls in all three segments (Savings Only, Savings Plus, and Comparison) compared.
- How parents' attitudes changed;
- How the different channels for delivering financial education compared; and
- How the institutions' (e.g., banks') attitudes and behaviors changed concerning products and services for girls.

To measure the value added of the financial education component in addition to access to a savings account, the girls were divided into three groups:

Savings Only Girls	Opened a Temuuel account but received no financial education
Savings Plus Girls	Opened a Temuuel account and received at least the 8 core financial education sessions (in schools and neighborhoods)
Comparison Girls	Girls who received neither savings accounts nor financial education but who were otherwise comparable (e.g., age, socioeconomic indicators) to the Savings Only and Savings Plus Girls



Was there a "Girl Effect" in Mongolia?

One of WWB's objectives for the baseline and endline research in Mongolia was to evaluate changes across time for two groups: the girls and the institution serving them. For the girls, the Girl Effect theory of change held that building their financial capabilities would bring positive changes to their economic and social conditions and would also result in positive changes for their families and communities. For the financial institution, the expected outcome was that the bank would wish to continue and expand its youth-focused

offerings and that its public image would be enhanced. For both groups, some elements of the theory of change were upheld; others were mixed. The girls experienced distinct gains in knowledge, skills, and attitudes, and shared their experiences with their peers, family, and community, but those gains seemed not to translate into hoped-for advances in life planning. The bank views youth accounts as a long-term investment worth making but has not found needed partners with specialized expertise in youth marketing.

Key Findings in Mongolia

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).
- **Savings seen as important...:** Almost all girls who received a savings account along 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 these 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.
- **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.

“I save (the equivalent of US \$0.07 - \$0.14) of the daily pocket money in my wallet. Saving money requires a lot of patience and personal strength. Even saving a small amount on a regular basis is good.”

(Temuulel account holder)



Impact on Financial Institution

- **For the bank, a gateway product:** Youth accounts 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 at the baseline; many vowed to stay with XacBank after they reached adulthood.
- **Increased parental awareness of XacBank products:** Increase in overall awareness of XacBank and its products by the parents of the girls...
- **...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.



“We are looking for medium- and long-term profits (from youth-focused accounts) which will eventually pay back the upfront costs. The international community has a significant role in encouraging us to introduce these products and helping us with market research, product design, and marketing.”

(XacBank executive, in CGAP interview June 2011)

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 to formalize financial education into school curricula.

It is important to remember that only 18 months elapsed between baseline and endline research. Some of the metrics where the theory of change seemed disproved—especially around goal-setting and other deep behavior changes—may be issues that by their nature require a longer time horizon.

“Every time she learned a new topic, she would share it with me. I remember her telling me when they learned about banks and bank services. She said that the bank staff are nice, and that the Temuulel account can be connected to an ATM card.”

(Mother of Savings Plus girl)

RECOMMENDATIONS

Financial educators should:

- Mix theory with practice in order to lead to actual behavior change through opportunities to open accounts and practice financial management.
- Consider working with regulators or government officials to integrate financial education into school curricula.
- Look for opportunities to present financial education alongside other livelihood topics for a broader and more sustainable social empowerment effort.

Financial institutions should:

- Partner with other organizations to deliver financial education if it falls outside their core competency.
- Evaluate how youth savings fits into a patient investment strategy to cultivate lifelong, loyal customers.
- Consider developing products to capture lump sums, especially for youth who receive money seasonally.
- Consider “refer-a-friend” marketing promotions to take advantage of the spillover effect.

Policymakers should:

- Consider formal integration of financial education into school curricula.
- Consider how inclusion of boys affects goal of empowering girls.

Researchers should:

- Consider longer intervals between baseline and endline research for interventions that more effectively measure behavior change – a process that by its nature takes time.

The full impact assessment *Savings and Financial Education for Girls in Mongolia: Impact Assessment Study* by Craig Tower with Elizabeth McGuinness for Microfinance Opportunities is available at:

<http://microfinanceopportunities.org/wp-content/uploads/2011/08/WWB-Mongolia-Impact-Assessment-Endline.pdf>

Women’s World Banking is a global network comprised of 39 leading microfinance institutions from 27 countries serving more than 26 million clients, 80 percent of whom are women. Although its members are diverse in geography, size and structure, they are all united by the firm belief that microfinance must remain committed to women as clients, innovators and leaders. By providing innovative approaches that we can replicate and scale we can prove that investing in women directly can be both profitable, and generate positive social benefits. WWB is currently working with seven institutions in six countries to introduce savings or adapt existing savings products to meet the needs of women and girls.



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