The Youth Frontier: Microfinance

Savings & Financial Education for Girls in Mongolia

In an industry best known for lending small amounts to the working poor, emerging models in microfinance are reaching more clients with customized products and services through new channels. Women’s World Banking (WWB) and its network member XacBank are innovating in each of these areas to launch a savings and financial education program for girls in Mongolia. Anjali Banthia and Benjamin Shell from WWB provide a snapshot of how their project is pushing the industry in unexpected directions.

Women’s World Banking (WWB), a global network of microfinance institutions (MFIs) that offers financial products and services to adult women has partnered with the Nike Foundation to address a new and challenging market segment: girls and young women.

The aim is to economically empower this segment and enable them to better accumulate assets, manage risks, and set their own courses for leading independent and productive lives. WWB is also currently working on a combined financial education and savings program with XacBank in Mongolia and Banco ADOPEM also currently working on a combined financial education and courses for leading independent and productive lives. WWB is partnering with the public school sector and also partners with another local NGO, Equal Step Center, which already works with vulnerable youth populations, to reach working girls. These relationships represent some of the first local public-private partnerships in the history of Mongolia’s financial education sector.

Through eight learner-centered sessions, the curriculum teaches new skills and behaviors around saving, using banks, and personal budgeting. To reach schoolchildren, XacBank and MEA are partnering with schools to organize groups of girls to meet weekly as an extracurricular activity, with facilitation from trained female university students. For working girls, professional trainers from Equal Step gather girls in training centers near large markets.

The project’s combination of financial education serves both girls and financial institutions well. While classes present new skills and attitudes, tailored savings products and savvy marketing provide appealing opportunities for girls to practice what they have learned. And the financial institutions gain value from the program’s brand and customer building outcomes.

Partnering with more than 100 schools nationwide and providing financial education to more than 2,000 girls in Ulansbaatar by the end of 2009 will put XacBank at the forefront of the Mongolian youth financial services market. As financial education is expanded to rural areas and boys are eventually included, it is hoped that the program will have a systemic impact, helping to build a savings culture in a former communist country where, less than 20 years ago, the concept of “personal money management” was almost unheard of.

Next Generation Microfinance

In the second project site, WWB and Banco ADOPEM will soon enter the pilot stage. While the program in Mongolia is currently reaching 14-18 year-olds, in the Dominican Republic the project will also address the issue of formal savings for even younger girls who cannot legally open their own accounts and withdraw money without the presence of an adult.

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As WWB seeks to create a new generation of savers with more opportunities than the previous generation, it is also helping to redefine a microfinance sector that is experiencing rapid progress in product development and delivery channels.

Combining tailored products and partnerships for financial education with savvy marketing campaigns is the kind of comprehensive offering that represents the next generation in microfinance. Through designing such programs for commercial efficiency and scale, WWB is pushing established frontiers, and girls across Mongolia, passbooks and budgets in hand, will soon be doing the same.