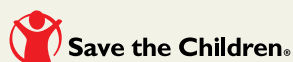


OCTOBER 2015

YouthSave 2010-2015

Findings from a Global Financial Inclusion Partnership

A REPORT OF THE YOUTHSAVE CONSORTIUM



Save the Children®



Washington
University in St. Louis



The MasterCard
Foundation



NEW
AMERICA



CGAP

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Abstract

Donors, policymakers, financial services providers, and researchers have become increasingly interested in recent years in the potential of youth-focused financial services to improve the life chances for young people. Created in partnership with The MasterCard Foundation, YouthSave investigated the potential of savings accounts as a tool for youth development and financial inclusion in developing countries. YouthSave did this by co-designing tailored, sustainable savings products with local financial institutions and assessing their performance and development outcomes with local researchers. The project was an initiative of the YouthSave Consortium, led by Save the Children in partnership with the Center for Social Development at Washington University in St. Louis, New America, and the Consultative Group to Assist the Poor (CGAP).

Between 2010 and 2015, over 130,000 young people (mainly 12–18 years old) opened project-sponsored savings accounts at local partner banks in Colombia, Ghana, Kenya, and Nepal. In addition, over 44,000 youth were reached with face-to-face financial education and over 600,000 individuals through other channels including mass media, community events, and SMS. Through partnerships with local researchers in each country, YouthSave collected demographic and transactional data on almost 70,000 young account holders in order to understand which types of youth were accessing and using accounts, and how. In Ghana, YouthSave also implemented a longitudinal experimental study with 6,000 youth to assess the impact on various dimensions of their well-being.

YouthSave 2010–2015: Findings from a Global Financial Inclusion Partnership presents the Consortium's key findings. It concludes that product features, financial institution

outreach, parental support, proper incentives (both for young customers and for bank staff), savings reminders, and physical proximity all were important factors in increasing young people's savings frequency and balances. Specific factors included: whether the signature of a parent was required for a young person to open an account or whether that of another "trusted adult" would suffice; whether official government-issued identity documents were required; and whether the young person was reachable via in-school marketing. Special effort will be required to reach out-of-school youth.

The YouthSave project's "Ghana Experiment," one of the largest and most rigorous youth-focused studies of its kind, found modest short-term nonfinancial impacts, with suggestive patterns regarding positive outcomes in terms of education, health, and future orientation, though sometimes falling short of statistical significance. Project findings also suggest that financial education can be effective in improving selected aspects of financial knowledge, attitudes, and behaviors.

YouthSave identified two potential paths to scale for youth savings accounts: commercial replication and policy promotion. The strength of the business case for youth savings accounts varies greatly across financial service providers, depending on factors related to market conditions, institutional capacity, the particularities of the (sub)segment selected, and specific product-level cost and revenue drivers. Supportive policy frameworks will be critical to create an environment conducive to scale. Especially important will be policies determining who may open an account, or access new technology-enabled delivery channels, and how easily.

Looking Back, Looking Forward

Ann Miles

*Director, Financial Inclusion
The MasterCard Foundation*

Young people everywhere need support to transition successfully to a financially secure adulthood. We believe that one key to that transition is to develop sound financial habits starting at a young age. When that happens, the effects go beyond young people themselves—entire societies benefit when more citizens possess healthy financial habits.

Today there are an estimated 1.8 billion people in the world between the ages of 15 and 24, and most of them live in developing countries. In addition to education, skills, and economic opportunities, these young people will need financial services. The quality and availability of those services will have an impact on the choices these young people make as they transition to adulthood. YouthSave, one of the first initiatives of its kind and the largest in the developing world, could not be more relevant or timely.

The MasterCard Foundation launched the YouthSave Consortium in 2010 to explore youth savings on an ambitious scale. We assembled an international team of experts, including practitioners, researchers, and managers. We then set out to test our hypotheses under diverse conditions and in diverse markets, to carry out rigorous field research, and to understand the issue from multiple perspectives: that of young people themselves, their families, financial institutions, and local communities. We are pleased now to present this final report which summarizes key lessons of the project carried out in Colombia, Ghana, Kenya, and Nepal.

At the time the project was launched, many thought that low-income young people couldn't save money. YouthSave found out that they can. Collectively, we learned that young people are financially active. They want easy access to banking, products that are simple to understand and use, and a measure of privacy and independence in operating their own bank accounts. They also want to save for their future, including for large investments like education or to help their families. They would also like to have easy access to funds in emergencies. YouthSave opened over 130,000 accounts, and young people with an average age of nearly 16 accumulated approximately USD 1 million in savings during three years of product roll-out.

We wanted to know what combination of product and service characteristics and marketing strategies could lead to profitability, sustainability and the commercial adoption of youth savings accounts among financial institutions.

We confirmed that there is no short- or medium-term business case for financial institutions using traditional brick-and-mortar banking models to serve small-balance young savers. The rapid advance of digital financial services in the five years since YouthSave launched, however, has changed the economics of financial service delivery. It could accelerate the profitability of serving young customers. YouthSave did not explore other models, but did learn valuable insights about how to build a business case regardless of the model.

One key factor is the time horizon. It is important to understand how a financial services provider weighs the value of creating lifetime customer loyalty, and what that provider can do—under what market conditions and with which institutional capacities—to build value now for young customers who will become genuinely viable down the road.

When we launched the project, many in the financial sector did not believe that young people needed unique products or special outreach from a commercial bank. We

wanted to learn which youths would be able to successfully access and use savings accounts offered through such commercial institutions. We examined the characteristics of their households (e.g., income, asset ownership, geographic location, education level of the head of household, employment status and involvement in formal savings).

We were curious about which product and service characteristics would work best for youth. What would motivate young people to open accounts? Would incentives affect account uptake or use? We learned that broad access for young people is possible across gender, age groups, and income levels. We learned that product characteristics, bank outreach, parental support, incentives for customers and bank staff, savings reminders, and physical proximity can all improve access for young people—and increase savings frequency and balances.

We asked questions about the importance and relevance of context. We learned that context does matter, for youth and for institutions, and that this has policy implications. For instance, in Colombia and Nepal the minimum legal age to open an account is seven and 16 years respectively, thus lowering the entry barriers for young people in those countries (especially of course in the case of Colombia) compared to countries where 18 is the minimum age. We also learned that providing access to bank accounts in school was especially helpful for young girls in contexts where they generally enjoy less mobility and are subject to more restrictions in public.

Parents, schools, and communities played a strong role in facilitating youth savings as well. Youth in all four countries, however, reported challenges from poverty and unemployment: managing or saving a very limited amount of funds was an ongoing concern. Another barrier to savings account access was the lack of official identification documents among many young people. Involving schools, communities, and parents was important, however, and we saw that when young people had parents as cosignatories to their accounts, they saved more.

We also learned how national strategies and market dynamics can drive performance. For instance, Kenya's national blueprint for growth and development, *Vision 2030*, was a driver behind the savings agenda for the YouthSave implementing bank in that country. It also coincided with the bank's own strategy to address the aging demographics of its customer base. In Nepal, the partner bank had a mass-market vision that drove its strategy to reach the youth segment on a national basis. The Nepalese government's strategy for financial education also required all banks to provide basic financial education for their customers starting in 2013.

Financial inclusion is now front and center in the global development agenda, as evidenced by the Maya Declaration, G-20 statements, and actions of global development leaders who have made financial inclusion a pillar of the national development strategy of nearly every country. Since the last Global Findex¹ survey in 2011, in each YouthSave country, the percentage of the population that has a bank account and saves at a formal financial institution has increased.

¹ The Global Findex database, the world's most comprehensive database on financial inclusion, provides in-depth data on how individuals save, borrow, make payments, and manage risks. Collected in partnership with the Gallup World Poll and funded by the Bill & Melinda Gates Foundation, the Global Findex is based on interviews with about 150,000 people over the age of 15 in over 140 countries.

For populations in the lower 40 percent of income in each country, progress has also been made since 2011 when the range of financial inclusion of the poorest (ages 15 and above) in each country was between 13 percent and 20 percent. As of 2014, these figures had jumped to between 23 percent (in Colombia) and 36 percent (in Kenya).² In each of these countries, financial inclusion, especially for youth and economically disadvantaged populations, has become a focus of public policy and private sector action. And the “youth agenda” generally, encompassing financial inclusion and beyond, is also now a priority in the new Sustainable Development Goals and among global development leaders.

The results of YouthSave have generated a great deal of useful learning for a broad range of stakeholders. Reaching out-of-school young people, as well as those who are very poor and vulnerable, will require subsidized, holistic interventions with public or donor support. Working with schools and communities has enabled banks to reach young people and could be an effective approach for the future. Embedding financial education in national school curriculum holds promise as a scalable solution. Building assets through a savings account, in addition to the financial value of the resource, can have a powerful impact as a result of the sense of hope and empowerment that is generated.

² The World Bank, Global Findex 2014, <http://www.worldbank.org/en/programs/globalfindex>.

We congratulate the YouthSave Consortium for what it has achieved and what it has enabled us to understand and appreciate about youth and savings. We also sincerely thank all stakeholders for their investment of time, energy, and intellect over the past five years and for their commitment to sharing their findings, experiences, and lessons with all of us.

At The MasterCard Foundation we believe that all young people deserve the opportunity to build assets, gain financial knowledge, and develop sound financial habits. We believe that families and communities, as well as public, private, and civil society stakeholders all need to play their role in enabling young people to save early in life. We also believe that young people need a broader set of comprehensive support mechanisms—appropriate skills, mentoring, employment and entrepreneurship opportunities—for more successful and sustainable transitions to adulthood.

It is our hope that this report will find a wide audience. We also hope that many others will be inspired to continue the work of expanding quality financial services to young people, and of building the industry knowledge base along the way.

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YouthSave

Access,
Savings,
Impact.

Connecting youth in developing countries to savings products and services



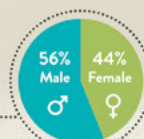
TOTAL SAVINGS
= \$1 MILLION*



(as of May 2014)

130,000*

YOUTH IN FOUR COUNTRIES
OPENED SAVINGS ACCOUNTS



(as of May 2014)



IN GHANA, NEPAL, AND KENYA** MOST SAVE FOR →



Education →



Emergencies

*Based on data collected as of May 2015

**Data were not collected in Colombia

THREE THINGS THAT FACILITATE YOUTH SAVINGS

1

Support from
parents

2

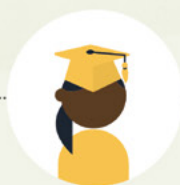
Support from
schools

3

Taking banks
to the youth



RESEARCH INDICATES SAVINGS CAN ENHANCE VITAL YOUTH DEVELOPMENT OUTCOMES



Academic
performance



Financial
capability



Health



Future
orientation

VISIT WWW.NEWAMERICA.ORG/YOUTHSAVE TO LEARN MORE





CHAPTER 1

Introduction

Scarlett Aldebot-Green and Rani Deshpande

An unusual convergence of trends led to the creation of the YouthSave project in 2010. Over the previous three decades, experts in the normally unrelated fields of social work and financial inclusion had both established that low-income people—including young people—could and did save money, and that access to good financial tools could improve their life chances. At the same time, the demographic wave of the “youth bulge” was beginning to crest, with an estimated 1.8 billion individuals aged 10-24 worldwide—the largest number in history.

These twin trends inspired a growing interest among donors, policymakers, researchers, and practitioners about the potential of youth savings accounts to accelerate both financial inclusion and youth development. The hope was that providing young people with the knowledge and tools to build assets during adolescence—the time when pivotal life choices are often made—could lead to better outcomes for them, their families, communities, and societies. But practitioners had little data from which to work. We did not know which types of savings accounts would best serve low-income youth in developing countries. We did not know how such accounts could be offered in a financially sustainable way or whether the positive youth development impact of savings, which had been seen in a few countries, could be replicated elsewhere.

YouthSave was created to explore these questions. Through a combination of field-level

experimentation and rigorous research, the project aimed to understand the conditions for sustainable delivery of savings services that could substantially improve the life chances of low-income youth in the developing world. YouthSave also emphasized extensive and systematic knowledge dissemination so that we could share what we learned with those in a position to support high-quality and accessible savings services for young people.

YouthSave opened more than 130,000 youth accounts and analyzed data on 70,000 account holders.

Because the diverse set of competencies required to achieve these goals outstripped the expertise of any single organization, YouthSave was established as a consortium, with very different members performing distinct roles. Partner banks in our four implementation countries—Banco Caja Social in Colombia, HFC Bank in Ghana, Kenya Postbank, and Bank of Kathmandu in Nepal—would offer the youth savings accounts. Researchers at the Center for Social Development at Washington University in St. Louis, in partnership with colleagues at Universidad de los Andes in Colombia, ISSER in Ghana, KIPPRA in Kenya, and New ERA in Nepal, would work with banks to document outcomes and impacts. Save the Children would provide technical assistance to banks, conduct financial education for particularly marginalized young people, and manage the project. CGAP would analyze the business case for youth savings accounts at financial institutions. And New America would focus on disseminating project-generated knowledge and using that knowledge to advance relevant policy issues and to connect policymakers, practitioners, and other stakeholders.

The YouthSave partnerships opened more than 130,000 project-sponsored accounts for young people (mainly between the ages of 12-18), and collected and analyzed data on the savings patterns of 70,000 young account holders. YouthSave's Ghana Experiment conducted impact analysis through the largest known experimental study on youth savings implemented globally to date. Through Save the Children and its partner community-based organizations, YouthSave also reached over 44,000 youth with face-to-face financial education and 9,000 with SMS messages; 48,000 individuals with community-based financial education; and over 600,000 with radio-based financial education. Partner banks delivered additional financial education modules to account holders. We also disseminated the project's lessons and findings—technical and logistical—through a total of 46 papers, 169 blog posts and 84 presentations.

This publication synthesizes our work. It aims to present a concise summary of the knowledge generated and the lessons learned from the activities of this five-year project. Chapter 2 provides key background information that will help the reader understand the environments in which the project operated. The chapters in *Part I: Research Findings* focus on the results of YouthSave's learning agenda. Chapter 3 covers the high-level results from the Savings Demand Assessment (SDA) analysis, the largest dataset on demographic and transaction information ever assembled on youth savers. In Chapter 4, researchers highlight the key results of The Ghana Experiment, which sought to evaluate the psychosocial, educational, health, and financial capability-related impacts of youth savings. Chapter 5 provides an overview of the project's qualitative work, told in the first-person voices of the young savers themselves and some of their parents and other influential adults.



While Part I focuses on the young customers' (and their families' and communities') experience—their current life conditions, aspirations, and the impact of financial services—the chapters in *Part II: Operational Lessons* deal with the nuts and bolts of project implementation. These include: a description of factors that financial institutions should note when entering the youth market (Chapter 6); the successes and challenges of the project's financial education activities (Chapter 7); overall lessons in conducting a large multi-country research project (Chapter 8); and finally insights about building effective partnerships among organizations from diverse countries and vastly different sectors and with different institutional cultures (Chapter 9).

Our ultimate goal is for all young people to have the opportunity to save: to build a healthy financial life by exercising the savings habit and of course to get the head start in life that early asset accumulation provides. Achieving massive scale is the goal by definition, when the vision is universal inclusion. But when the majority of the world's young people come from low-income families, and when they live in developing countries with uneven financial-services outreach, the question of

how to achieve scale becomes more complex. YouthSave recognizes that massive scale will depend on both a viable business case for financial institutions and on sustained commitment from policymakers. The chapters in *Part III: Taking the Work Forward* address both domains. Chapter 10 analyzes the role of youth savings accounts in the business strategy of commercial financial institutions. Chapter 11 explores how youth savings can serve as a tactic to advance the larger youth-development strategies that developing-country governments are increasingly pursuing, as well as the policy challenges of this tactic. Finally, Chapter 12 suggests directions for further research based on YouthSave learnings.

Our goal for this publication was to make each chapter an accessible, high-level summary of the lessons learned from the YouthSave project. As such, each chapter is also available in a stand-alone version online, to be used as an independent resource or in concert with other chapters. For those seeking more detailed information on any dimension of the project, YouthSave's numerous project publications are listed in Appendix 4. All of them are available on our website at www.newamerica.org/youthsave. The Appendices also contain demographic, socioeconomic, and other contextual background on YouthSave implementation countries; YouthSave account features; a summary of the financial education programming; and organizational descriptions of YouthSave Consortium members.

We hope this publication will help close some of the gaps in knowledge that we identified five years ago with respect to youth savings as an economic and youth-development tool. We hope also that the findings and lessons from our unique partnership model, our research, and our thinking on the business case for youth savings will contribute to the on-going efforts of all stakeholders committed to the advancement and well-being of youth in the developing world.





CHAPTER 2

YouthSave Implementation Context

Ruth Dueck-Mbeba and Anne Maftai

YouthSave was born from extensive consultations among Save the Children, the Center for Social Development at Washington University in St Louis, New America, and CGAP. This initial collaboration led to a formal proposal development exercise which lasted one year, and which in turn led to the creation of the YouthSave Consortium in partnership with The MasterCard Foundation.

The Consortium developed a multi-year, four-country program to design, implement and assess savings accounts for young people ages 12 to 18 through financial institutions that could operate at large scale and could furnish robust data for research.

The Consortium realized from the beginning that the operating conditions in each YouthSave country would shape our ability to implement the project, analyze results, and compile a meaningful body of knowledge. So the country selection process was exceptionally important. We began by conducting extensive desk research on the political and economic environments in 12 developing nations. Based on input from Consortium members, this list was narrowed to six countries chosen for on-site field investigation. Selection criteria included the variety of potential financial institution partners, the legal and regulatory environment, in-country research capacity,

income levels, and regional diversity. Ultimately the Consortium chose Colombia, Ghana, Kenya, and Nepal for project implementation, largely due to the quality of the financial institutions and the local research capacity in each of those countries. The following country overviews describe the political, economic, financial and developmental context in each.

Country Context Overview

Colombia's living memory has been defined by the decades-long conflict between the government and the powerful narco-trafficking insurgent group FARC. Between 1985 and 2013, the conflict had displaced over two million people under the age of 26 and left them with few viable prospects for the future.³ However, Colombia's real gross domestic product has grown more than four percent per year since 2011 due to consistent economic policies, aggressive promotion, and also considerable improvements in overall security.

Colombia is revising its legal framework on human rights as part of the peace-building and reconciliation process, and that framework includes a "responsibility for youth" perspective. Giving young people direction and a voice in decision-making reflects a broader shift in attitudes towards youth in Colombia, and one which may in the future facilitate outreach for youth access to finance.

Colombia's financial sector is relatively developed, regulated, and reliable. However, strict account opening requirements and taxation on financial services might discourage the use of formal financial services. The Colombian microfinance sector is the largest in Latin America both in terms of number of active borrowers and value of loans disbursed.⁴

3 UN Population Fund, "Conflict-affected youth become new generation of leaders in Colombia", ReliefWeb, 26 January 2015, <http://reliefweb.int/report/colombia/conflict-affected-youth-become-new-generation-leaders-colombia>.

4 Microfinance Transparency, "Colombia", <http://www.mftransparency.org/microfinance-pricing/colombia/>.

A variety of institutions can offer microfinance in Colombia, and the sector has provided financial services, particularly savings, to low-income groups and the underemployed for the past three decades.⁵

Ghana is among the most peaceful countries in Africa, according to the Global Peace Index of 2014.⁶ After enjoying growth for many years, Ghana has recently suffered the consequences of loose fiscal policy, high budget and current account deficits, and a depreciating currency.⁷ Young Ghanaians struggle with high inflation and limited employment opportunities, and in response, the government is supporting a broad youth policy, including special Youth Employment initiatives. The Ministry of Education is promoting financial education, looking to embed it in the national school curriculum at both the junior and senior secondary school levels. Ghana has a stable and sound financial sector, although treasury bill and market rates have been climbing since mid-2012 to reach over 25 percent in 2015, affecting the availability of credit in the market. The rural population is served by over 130 rural banks, concentrated in Ashanti province. However, MTN Mobile Money accounts for more than half of all financial services access points in the country, which greatly facilitates access to financial services even in rural provinces with low population density and weak infrastructure.⁸

Kenya adopted a new constitution in 2010 following the 2008 election-related violence. The new constitution contains checks and balances to executive power and decentralizes a significant degree of power and resources

5 Masa, Rainier. 2009. *Colombia Country Assessment for Youth Development Accounts*. St Louis, MO: Center for Social Development at Washington University. Available at: <https://www.newamerica.org/downloads/CB09-34.pdf>

6 Institute for Economics and Peace, Global Peace Index 2014, <http://www.visionofhumanity.org/#/page/indexes/global-peace-index>

7 CIA, "Ghana", The World Factbook. <https://www.cia.gov/library/publications/the-world-factbook/geos/gh.html>

8 MIX, "Ghana", FINclusionLab, <http://finclusionlab.org/country/ghana/analytics>.

to counties.⁹ The relative political stability resulting from the new constitution, however, quickly became threatened by terrorist attacks. Since 2011, terrorists have targeted Kenya in retaliation for Kenya's fighting Al-Shabab militants in neighboring Somalia. Kenya's economic growth has also been hampered by corruption and an over-reliance upon goods whose prices have remained low. The national development strategy, *Vision 2030*, has rallied the private, civil, and public sector towards key goals of transforming Kenya into a middle-income country. Vision 2030 includes a strong focus on financial inclusion and on young people. The government is very concerned about the lack of employment opportunities for young people, and there is considerable emphasis on this issue. Financial education in Kenya is the purview of the Ministry of Education and the Kenya Institute for Curricular Development. Kenya's banking sector continues to set an example for its size and diversification.¹⁰ There are more than 40 commercial banks, many of which have nationwide infrastructure, and several large institutions focus specifically on low-income individuals and families.¹¹ The biggest story, however, is the scale of the mobile money footprint in Kenya, which has now dwarfed all other financial actors. Safaricom's mobile money agent network operates over 75 percent of all access points in the country.¹² MShwari, a bank account offered through Commercial Bank of Africa, provides 7.2 million Kenyans with a range of convenient financial services, but is only operated via M-PESA, Safaricom's mobile money service.¹³

9 CIA, "Kenya", The World Factbook. <https://www.cia.gov/library/publications/the-world-factbook/geos/ke.html>

10 Masa, Rainier. 2009. *Kenya Country Assessment for Youth Development Accounts*. St Louis, MO: Center for Social Development at Washington University. Available at: <https://www.newamerica.org/downloads/CB09-45.pdf>

11 Ibid.

12 MIX, "Kenya", FINclusionLab, <http://finclusionlab.org/country/kenya/analytics>.

13 As of December 2014 - <http://www.cgap.org/publications/how-m-shwari-works-story-so-far>



Nepal is one of the poorest and least developed countries in the world, with an economy that relies heavily on remittances. Over the past 15 years, Nepal's political challenges, including a Maoist insurgency, the first-ever election of a president, and a halting and protracted process to draft a constitution, have constrained the nation's economic prospects, including for its young people. When facing economic hardship young people everywhere often emigrate in search of jobs, and Nepal is no exception. So there is increasing awareness of the need to address youth-related issues in the country, reflected in initiatives such as Nepal Rastra Bank's financial education program for children and youth. The financial sector has grown rapidly during the past two decades despite political instability. But it still has limited outreach, due in great part to the difficult terrain of the country and resultant high cost of operating bank branches. These conditions combine to make Nepal ripe for technological innovation in branchless banking.



Country Context Comparisons

In Colombia and Ghana, the majority of the population lives in urban areas, whereas in Kenya and Nepal, the majority are rural dwellers. Colombia has the highest standard of living of the group, as measured by gross domestic product per capita and the Human Development Index. Nepal has the lowest standard of living and also the least educated population and the highest share of population living in rural areas. Kenya has the largest number of people living on a consumption expenditure level of USD 1.25 per day or less.¹⁴ Cross country macro-data comparisons are found in Appendix 1.

The Global Youth Wellbeing Index 2014 compiles and cross-tabulates youth-related data to analyze the wellbeing of young people around the world. This is an important component of YouthSave's contextual analysis, since "youth engagement and agency" in product development and account usage was a unique feature of the project's design. Among the

YouthSave countries, Colombia (13th out of 30) ranks well above Kenya and Ghana in terms of youth well-being (21st and 27th, respectively) despite a lower score in the safety and security domains. Data was not available for Nepal. Please see Appendix 1 for each country's detailed score across six domains of youths' lives.

Financial Inclusion Across YouthSave Countries

In each of the YouthSave countries, the percentage of the population that has a bank account and saves at a formal financial institution had increased over the three-year period between the 2011 Global Findex survey and the 2014 edition. (Please see Appendix 1 for a breakdown by country of 2011 and 2014 figures.) For those in the lower 40 percent of income, progress has also been made since 2011, when the range of financial inclusion of the poorest populations in each country was between 15 percent and 19 percent. As of 2014, these figures have jumped to between 24 percent in Nepal to 63 percent in Kenya.¹⁵

¹⁴ United Nations Development Programme. 2013. *The Rise of the South: Human Progress in a Diverse World*. (Human Development Report 2013). New York, NY: United Nations. Available at: <http://hdr.undp.org/en/2013-report>

¹⁵ The World Bank, Global Findex 2014, <http://datatopics.worldbank.org/financialinclusion/>.

Financial inclusion has become a focus of public policy and private sector action in all four YouthSave countries, especially for youth and less economically advantaged populations. When YouthSave began, banks in all of the implementation countries were offering products aimed at parents saving for their children; only in Colombia were there products aimed directly at minor youth. But as YouthSave introduced savings accounts meant to engage youth directly, competitor banks in Ghana and Nepal began to offer similar youth products.

Social, economic, and even geographic considerations can act to facilitate or to constrain youth participation in formal financial services, but laws and regulatory issues are the decisive factors. In Colombia, children as young as seven can open and operate an account without parental signature. In Nepal, 16 is the age of majority for most decisions and actions, including opening a bank account. In Ghana and Kenya, young people cannot independently open or manage an account before the age of 18. Those younger must have a parent or other “trusted adult” (which in both Ghana and Kenya can include teachers) as cosignatory. This was not an option in Nepal (and was irrelevant in Colombia where, as noted, children as young as seven can open and operate accounts independently). Another constraint to account opening involves financial institutions’ requirements around national identification numbers or other forms of identification. New America’s report on regulatory environments for youth savings in the developing world illustrates how financial institutions, including YouthSave partners, have interpreted the regulations in order to widen the range of acceptable forms of identification from youth.¹⁶

Financial Partner Overview

The business case for introducing youth savings depends on multiple factors, including

an institution’s broader strategic goals, other market opportunities and their attractiveness relative to youth savings, and of course the availability of any external incentives.¹⁷ YouthSave provided subsidies to partner banks based on the recognition that offering a savings product tailored for low-income youth would be seen as a risky proposition unlikely to deliver short-term profits. The subsidies were structured to offset the upfront costs to the banks’ incremental expenses to design and launch the youth savings products. But because the goal was to make the youth savings products a permanent part of the banks’ portfolios, the ongoing costs were not subsidized.

Social, economic, and even geographic considerations can act to facilitate or to constrain youth participation in formal financial services, but laws and regulatory issues are the decisive factors.

Four financial institutions participated in YouthSave: Banco Caja Social (BCS) in Colombia, HFC Bank in Ghana, Kenya Post Office Savings Bank (Postbank) in Kenya, and Bank of Kathmandu (BoK) in Nepal. Although none of these banks was the largest in its market, all had broad national outreach and—most importantly in the partner selection process—all demonstrated capacity and commitment to serving young people, both low-income and otherwise.

Banco Caja Social, or BCS, grew out of the Catholic Workers Guild Savings project in 1911 to address socioeconomic disparities, and

16 Aldebot-Green, Scarlett and Aleta Sprague. 2014. *Regulatory Environments for Youth Savings in the Developing World*. Washington, DC: New America. Available at: https://www.newamerica.org/downloads/Regulatory_Environments_for_Youth_Savings_Developing_World_Youthsave.pdf

17 The business case framework described in Chapter 10 also discusses market dynamics and institutional characteristics, in addition to cost and revenue drivers of serving a youth population.

continues to focus on the low- and middle-income market. In 2013, almost 80 percent of BCS's clients earned less than twice the national minimum wage, putting them in the low to lower-middle income socioeconomic category per the government's official classification. Though BCS has a wide national presence, most branches (78 percent) are located in Colombia's departmental capitals. As part of its goal to provide access to the unbanked, BCS introduced *corresponsales bancarios* (agent banking) via nonbanking locations (e.g., drugstores, post offices) authorized to process some types of financial transactions on BCS's behalf.¹⁸

Before working with YouthSave, BCS already had a banking product, *Tuticuenta*, for young people between the ages of seven and 17. BCS had further motivation to build their youth market given the aging of their existing customer base. Its experience with *Tuticuenta* and savings products in general led BCS to believe there was a large market potential for the *Cuentamiga para Jóvenes* (i.e., Friendly Account for Youth), a longer-term savings vehicle intended to broaden financial participation among urban youth.

HFC Bank was founded in 1991 as a joint project between the World Bank and Government of Ghana. It started as a home mortgage finance company but received universal banking status in 2003. HFC operates in eight regions with 41 branches and 42 ATMs. They have four saving products for young people: the Student Plus Account, the Life Starter Account, the HFC Future Plan Trust, and the YouthSave Enidaso savings account.¹⁹ Prior to YouthSave, the bank had already been exploring ways to enter the secondary school market, so YouthSave was a good fit with the existing strategy.

Kenya Postbank was established as a savings bank in 1910. The bank is wholly owned by the Government of Kenya. The institution's primary mandates are to mobilize savings for national development, encourage thrift, and provide the people of Kenya with the means and opportunity for saving. Postbank has 100 branches distributed across the country, more than 850 agents, and more than 1,000 ATMs. Customers also have access to mobile banking, known as Patacash. Although Postbank's branch network is located mainly in urban areas, most agent-banking locations operate in small trading centers in rural areas.²⁰

Kenya Postbank launched its first two products for youth in 2006: the Bidii Junior Account (for those 18 or younger) and the STEP (Smart, Trendy, Electronic, and Portable) Account for young adults between 18 and 28. Postbank added the YouthSave product, SMATA ("smarter" in the local slang), to its portfolio in response to Kenya's youth population growth, a desire to renew its aging customer base, and to advance its broader strategic objectives of expanding financial access generally and mobilizing savings.

Bank of Kathmandu, or BoK, was founded in 1995. BoK is primarily owned (58 percent) by the general public and has 47 branches located in urban areas, and three in rural areas. In recent years BoK has been shifting to a mass-banking strategy to reach the greater population of small- and medium-sized deposit holders, as a means of diversifying the customer base beyond the approximately 20 percent of Nepal's population who are already banked and for whose business the competition is intense. The YouthSave product CYBY (an acronym for its Nepali name, *Chetanshil Yuva Bachat Yojana*, meaning "conscientious youth savings scheme") was introduced in 2012 as a tactic in BoK's strategy to increase youth participation in the financial sector, especially among marginalized youth.²¹

18 Kilara, Tanaya, Barbara Magnoni, and Emily Zimmerman. 2014. *The Business Case for Youth Savings: A Framework*. Focus Note No. 96. Washington, DC: CGAP. Available at: <http://www.cgap.org/publications/business-case-youth-savings-framework>

19 Johnson, Lissa, YungSoo Lee, David Ansong et al. 2015. *Youth Savings Patterns and Performance in Colombia, Ghana, Kenya, and Nepal*. CSD Publication 15-01. St. Louis, MO: Center for Social Development at Washington University. Available at <http://www.newamerica.org/downloads/RR15-01.pdf>.

20 Ibid.

21 Ibid.

YouthSave's Approach to Working with Financial Institution Partners

As noted above, YouthSave provided subsidies to defray the upfront costs of product launch based on the understanding that even if a bank held youth development as a social goal, a youth-focused savings account was regarded as a loss leader at best. This decision to subsidize was also based on the premise that the greatest impact would likely depend on a supportive but cost-intensive program design—including youth engagement in market research, appropriate product branding, and the right balance of appropriate product features, delivery channels, and complementary services and training. The way a youth savings product is designed and delivered greatly shapes both scalability and accumulation of balances.²² Because YouthSave's analysis had concluded that one necessary factor for success would be a design and rollout more expensive than the partner banks would likely have the resources (or the appetite) to provide, we determined that the start-up subsidy was both necessary and appropriate.

While small-scale programs are necessary to test product design, delivery, and supporting services, ultimate impact remains limited unless these interventions reach significant numbers of youth. Additionally, administrative costs per account generally decrease as scale increases, improving the chances for commercial sustainability—and in turn for achieving greater impact.²³ So the program design for YouthSave was conceived and developed, in all four partner institutions, with a strong emphasis on scalability.



Summary

YouthSave's choice of Colombia, Ghana, Kenya, and Nepal as implementation countries was driven by the desire to test formal savings accounts for low-income youth in a variety of developing country contexts. And indeed, as indicated above, these countries did provide diverse conditions in terms of macroeconomic situations, political stability, relevant laws and regulations, and stage of development of the financial sector. However, it was the presence of certain important factors common across all four countries—most notably, the capable and committed local partners—that ultimately made YouthSave possible. All four of YouthSave's partner banks brought to the table a nationwide footprint and robust execution capacity. More important, all four institutions had leadership who understood the long-term importance of the youth market and were willing to invest in learning how to serve that market. With the benefit of this common core of partner attributes, YouthSave was able to translate this vision and willingness into four unique youth savings products that took into account the specificities of the local context—from minimum ages for account ownership, to identification requirements, to the availability of IT-enabled delivery channels, to the receptivity or hostility of local schools to on-site banking. The product designs that came out of this diversity are detailed in Appendix 2. The rest of this volume outlines the results of the four experiments in terms of operational lessons, savings outcomes, and early indications of broader impact on youth wellbeing. ■

22 Deshpande, Rani and Jamie Zimmerman. (Eds.) 2010. *Youth Savings in Developing Countries: Trends in Practice, Gaps in Knowledge*. Washington, DC: YouthSave Consortium. Available at: <http://www.mastercardfdn.org/pdfs/YouthSavingsMay2010Web.pdf>

23 Ibid.



Part I

Research Findings

Chapter 3: Who Saves and How: Findings from the YouthSave Savings Demand Assessment

Chapter 4: The Ghana YouthSave Experiment: Overview of Findings

Chapter 5: Voices of Youth, Parents, and Stakeholders on Youth Saving



CHAPTER 3

Who Saves and How: Findings from the YouthSave Savings Demand Assessment

Lissa Johnson, YungSoo Lee, David Ansong, Margaret Sherraden, Gina Chowa, Fred Ssewamala, Li Zou, Michael Sherraden, Moses Njenga, Joseph Kieyah, Isaac Osei-Akoto, Sharad Sharma, Jyoti Manandhar, Catherine Rodriguez, Federico Merchán, and Juan Saavedra

If given the opportunity, would young people in developing countries save and accumulate assets with formal financial institutions?

This is the primary question YouthSave sought to answer through the Savings Demand Assessment (SDA). The final SDA annual report, published in January 2015, presents two-year findings (2012–2014) on account uptake and saving patterns and performance in youth savings accounts in Colombia, Ghana, Kenya, and Nepal. This chapter summarizes some of the SDA’s key findings and lessons.

Many young people save informally, but access to formal services is often limited by regulatory policy, geographic location, identity verification requirements, affordability, and information.²⁴ But research has also shown that financial inclusion has a positive effect on youth

24 An extensive body of research has explored constraints on youth access to formal financial services. See for example Aggarwal & Klapper (2013); Child & Youth Finance International (2014); Demirgüç-Kunt & Klapper (2012); Karlan, Ratan, & Zinman (2013); Porter, Blaufuss, & Owusu Acheampong (2007).



development.²⁵ So removing barriers to financial inclusion could help young people accumulate assets and position them to begin reaping the positive impact of doing so. Findings from the SDA inform next steps in financial product and policy development for expanding youth financial participation.

SDA data runs from product rollout date (which varies by country) through May 31, 2014. As of that date, accounts had been open for an average of 13 months in Colombia and Nepal, 11 months in Kenya, and eight months in Ghana. The data is based on demographic information on account holders the financial institutions collected at account opening, and the accounts' transaction data. Researchers also received data on financial institution involvement in financial education and outreach, including participation in Save the Children-sponsored financial education workshops and youth clubs,

and school visits to inform youth about the YouthSave product, open accounts, and take deposits.

Research Design and Procedures

At project onset, the research team reviewed existing savings account applications from partner financial institutions and added youth and household demographic questions. The research team pilot-tested the questions to ensure clarity, consistency, and cultural compatibility. In Colombia, BCS chose not to include the research questionnaire in its account opening process in order to preserve its standard operating procedures and avoid legal complications with the informed consent process. So the Colombia data for YouthSave account holders and their households is more limited compared to the other three YouthSave countries.

Out of the 98,485 total youth who had opened accounts as of May 31, 2014, the research team obtained permission for research from 69,247. This latter number comprises the "research accounts" referenced here and reflects the total demographic data presented. The research team cleaned the data for quality control and merged transaction records with demographic records for savings analyses. The resulting number of 66,606 accounts had both transaction record and corresponding demographic record for savings analyses. Original savings outcomes (which had been expressed in the national currency for each country) were converted into comparable USD using purchasing power parity (PPP) rates.

Results of the SDA research method include descriptive information on the number of youth clients who adopted the savings product and all of their savings account transactions. Statistical analyses assess which youth and household characteristics are associated with savings performance. We present patterns and correlations rather than causal linkages because there was no control condition to serve

25 As discussed in for example Chowa & Ansong (2010); Deshpande & Zimmerman (2010); Elliott (2012); Prina (2014); Scanlon & Adams (2009); Sherraden & Ansong (2013); and Ssewamala & Ismayilova (2009).

as a counterfactual. Where possible, analyses also examine how financial product and service design and delivery may affect account uptake and savings performance.

Key Findings

Each country that participated in YouthSave has particular characteristics and contexts that led to divergent financial products and services.²⁶ Nevertheless, SDA data highlight common themes that can inform design and implementation of youth savings products and services more generally, as well as related governmental policies and regulations.

Account Uptake

- *When offered the opportunity, many youth open savings accounts.* A significant proportion of the youth reached were from the target population in terms of income and age. Over 80 percent of those who opened accounts were aged between 12 and 18 years, most had no prior formal bank account, and an estimated 48 percent lived below a consumption expenditure of USD 2.50 per day (in 2005 PPP). However, most youth reached were not from the very poorest households in their respective countries, and only 1.6 percent were out-of-school youth.
- *Meeting young people where they are encourages inclusion.* Direct outreach by financial institutions at locations where youth congregate (e.g., schools, youth clubs) facilitated overall account uptake. Direct outreach at low-income schools and girls' schools facilitated higher percentages of account opening among those cohorts. For example, the 80 percent of Ghanaian account holders who indicated they had learned about the account from the HFC Bank program (which targeted low-income schools) had higher poverty likelihood than other account holders. In Nepal, more of the girls indicated learning about the account from locations where Bank of Kathmandu (BoK) had conducted outreach such as bank fairs, schools, and financial education workshops. In general, most youth account holders were in school at the time of account opening; alternative strategies will be needed to reach out-of-school youth.
- *Regulatory policy can influence account uptake.* Regulatory policy influences the number of accounts opened and who can operate them. In Nepal, where the age of majority is 16, youth own and operate 42 percent of the accounts. In Kenya, flexibility in bank policies allowed "trusted adults" to be cosignatories on minors' accounts, a policy already allowed in Ghana. In these two countries, non-relatives are cosignatory on 56 percent and 47 percent of accounts, respectively. In Ghana, the Central Bank approved use of custodial accounts rather than trust accounts, which allows minors greater control of their account. The conclusion is that greater flexibility in banking policies may facilitate greater youth financial participation.
- *Account rules affect account uptake and savings performance.* In Ghana, where the YouthSave product included restrictions on withdrawals, savings balances remained relatively stable. Account holders in Nepal, where there were no withdrawal restrictions or fees, were more likely to use their savings accounts like transaction accounts. A commitment account with set monthly deposit goals correlated with higher numbers of deposits in Colombia but also may have led to more account closures when goals were met.
- *Sales incentives for financial institution staff boost account uptake.* Incentives for reaching account sales targets appear to increase uptake across all countries.

²⁶ See Chapter 2 for more information on country contexts and Annex 2 for product features.

In tracking the timeframe of these activities, the number of accounts increases in parallel.

- *Account holder incentives can improve account uptake and savings performance.* In Nepal, BoK offered cash incentives to new and existing account holders for a period of seven months. Approximately 25 percent of all Nepal youth account holders took advantage of the cash incentives to open their accounts during that time period. Youth who received the incentives had statistically significant higher average monthly savings than those who did not receive the incentives. These findings suggest that incentives can have positive effects on account uptake and on account balances.
- *If provided an opportunity, female youth also save.* In all the countries, females save as much or more than males, and the difference is statistically significant in Nepal. This finding and the lower female account uptake rate of 41 percent in Nepal and Kenya suggest that, for females, access may be a bigger and gender-specific barrier than the knowledge of how to save.
- *Electronic transactions facilitate savings.* Regardless of age, the use of electronic transactions (e.g., of M-PESA in Kenya and, in Nepal, of point-of-sale, ATM, debit card, and direct deposit of salary) correlates with significantly greater transaction activity and with higher amounts of deposits and withdrawals. Those using M-PESA in Kenya and ATMs in Nepal also have significantly higher average monthly net savings. These findings reinforce the value of technology in facilitating transaction access.
- *Multifaceted outreach strategies maximize account uptake and savings.* Consistently across Ghana, Kenya, and Nepal, youth who said they had learned about the account through friends, family, or mass media saved more than those who had learned about the account through other means, such as information at school, a bank campaign, or a financial education workshop. However, the majority of youth in Ghana and Kenya, and 40 percent in Nepal reported learning about the account through these other means, suggesting that media and personal contacts may attract fewer but higher savers, and other strategies may increase financial inclusion. These findings suggest that multifaceted outreach strategies may be required to achieve the dual outcomes of increasing financial inclusion overall and also attracting youth who can maintain higher savings balances.

Savings Performance

- *Youth save in formal savings accounts.* Simply put, youth, including low-income youth, do save as evidenced by the USD 1.8 million (PPP-adjusted)²⁷ that had been accumulated as of May 2014 by the 66,606 account holders who made deposits across the four countries. Average balance per account in each country is small, at USD 262 in Colombia, USD 114 in Nepal, USD 33 in Ghana, and USD 9 in Kenya.
- *Age matters.* Measured by average monthly net savings (net monthly savings based on length of time account has been open), youth aged younger than 13 years save more than older youth, in part because younger youth withdraw less. This highlights the importance of starting to save early.
- *Parents matter.* When parents are cosignatories, youth save significantly more. Engaging parents in the savings process is important to help youth save and accumulate assets.

27 NB: The non-PPP-adjusted figure of USD 1 million appears elsewhere in this volume (e.g., foreword, infographic). Non-PPP-adjusted figure is straight conversion from local currencies into USD using conversion rates in effect at time of reporting. *Ed.*



Savings activity over time

- *Once accounts are open, depositing becomes the priority for both account holder and the financial institution.* During the first two years of product rollout, financial institutions focused more on opening accounts to reach target goals than on increasing savings. About 39 percent of youth were actively using their account during the last six months of the study, which suggests that an important next step is for financial institutions to focus on ways to increase youth deposits and engagement. Positive findings from cash incentives for account holders and use of monthly deposit goals suggest potential strategies to encourage deposits over time.
- *Responses to saving product features vary by age and life stage.* Given that younger youth had higher monthly net savings, and withdrawals were associated with older youth or those in higher levels of education, one way to encourage both short- and long-term savings might be to establish savings targets based on needs at different life stages (e.g. education, business development, land). One type of account cannot necessarily respond to all

circumstances. A lifelong savings account accompanied by other products as needs and life circumstances change with age may help youth manage expenses and also save consistently.

Summary

Youth, including low-income youth, can and do save when provided an accessible, safe, and affordable way to do so. With support from parents, account access at an earlier age may stimulate greater savings. Bringing savings services and financial education into schools may generate more inclusive participation. Offering cash incentives may encourage savings, and setting goals on deposits and limits on withdrawals may ensure a more stable growth curve in savings over time. Findings from the SDA have contributed to understanding youth participation in the financial sector of four developing countries, but there is much more to learn, especially on ways to increase savings. Continued research can inform interventions that affect both the demand and supply side—youth savings and development, youth financial capability, and public and private sector commitment to sustainable youth saving products and services. ■





CHAPTER 4

The Ghana Experiment: Overview of Findings²⁸

Gina Chowa, Isaac Osei-Akoto, David Ansong, Rainier Masa, Yungsoo Lee, Lissa Johnson, and Michael Sherraden

²⁸ This chapter is based on the following two research publications: Chowa, Gina, Rainier Masa, Isaac Osei-Akoto, et al. 2015. *Impacts of Financial Inclusion on Youth Development: Findings from the Ghana YouthSave Experiment* (CSD Research Report 15-35). St. Louis, MO: Washington University, Center for Social Development. Lee, Yungsoo, Lissa Johnson, Michael Sherraden, et al. 2015. *Taking the Bank to the Youth: Impacts on Saving and Asset Building from the Ghana YouthSave Experiment*. (CSD Working Paper No. 15-43). St. Louis, MO: Washington University, Center for Social Development.

The Ghana Experiment in YouthSave is a large-scale, rigorous test of the impacts of youth savings accounts (YSAs) on savings performance and developmental outcomes for youth and their households. The study used a cluster randomized experimental design and mixed methods. Researchers randomly selected 100 sample junior high schools within the catchment area of HFC Bank (the YouthSave financial institution partner in Ghana) to participate in the experiment. Fifty of the schools were randomly assigned to treatment conditions, and the remaining 50 assigned to control conditions. Within the 50 treatment schools, 25 were randomly selected to receive “in-school banking services” from HFC Bank (a treatment category consisting of school-based deposit collection and financial education) and the other 25 treatment schools received “marketing outreach,” that is, marketing of the savings product from HFC Bank but no actual in-school banking services. At least 60 students

were selected from each of the 100 schools (the control schools and the two categories of treatment schools) for a total sample size of more than 6,000 youth. A separate analysis was conducted using the experimental framework and the SDA data but with all students who are in the treatment and control group schools (22,468 students including those in the survey sample) to assess savings performance.

The Center for Social Development (CSD), in partnership with researchers from the University of North Carolina at Chapel Hill and the Institute for Statistical, Social and Economic

Implementation Challenges and Accomplishments

Challenges

Product development and rollout challenges. Researchers collected baseline data in May 2011 as scheduled, but HFC Bank could not launch the YouthSave product until a year later, primarily due to delays in getting approval from the Central Bank of Ghana. Product delivery to the treatment schools did not always happen as planned either. Lack of buy-in from school authorities and geographical inaccessibility of some schools prevented HFC Bank from



Research (ISSER) at the University of Ghana, implemented the project, one of the largest social research experiments of any kind in the developing world. Because of the rigor and long-term nature of the research design, The Ghana Experiment has the potential to offer the strongest evidence in the developing world for or against the expansion of YSAs and their viability as a development tool. The findings of the experiment suggest directions in products, services, and policy.

reaching all treatment schools; in the schools where HFC was able to roll out the product, the depth and number of engagements with the research participants varied from school to school. Furthermore, because the experiment was a school-based design, the implementation had to be aligned with the school academic calendar. Any time schools were in recess, all product launch, rollout, and marketing activities had to be put on hold.

Research challenges. The pre- and post-test research design required that researchers track more than 10,000 interviewees (i.e., 6,000 youth and 4,000 parents) from 2011 through 2015. Ghana does not have a national address system, and some research participants graduated from school or relocated during the course of the study, complicating the researchers' task and necessitating multiple home visits, phone calls, and leads from key informants to track down research participants for the endline survey. Through the leadership of ISSER, the researchers were able to achieve a response rate of over 70 percent at endline data collection despite these challenges. (It should also be noted that such challenges are to be expected in the context of a developing country and in fact would likely arise in any setting.)

Accomplishments

Building partnership. From the outset, the research team built a trusting, cordial relationship with HFC Bank. The sense of collegiality was essential to the ultimate successful execution of The Ghana Experiment.

Opening accounts in schools. In consultation with YouthSave researchers, HFC Bank worked to visit hard-to-reach communities and to get buy-in from teachers, Parent Teacher Associations, and—most importantly—the school head teachers who had initially opposed HFC engaging with the pupils. In all, HFC was able to introduce the YouthSave product to over 90 percent of the 50 treatment schools. (HFC has since successfully adapted the product to attract schools that were not in the experiment including senior high schools.)

Baseline Demographics and Household Characteristics

Financial capability

Baseline results suggested youth in The Ghana Experiment regularly set aside money for future use, but in small amounts and for near-term purposes (e.g., school supplies, personal care items). Youth generally did not associate setting

aside money with achieving a long-term goal, and very few used formal financial services. Less than half said they usually or always followed a plan for how to use their money.

Education

Overall, academic performance was low. The majority (61 percent) of youth scored below average in math and English. While this result is of course less than ideal, it should be understood in the broader context: nationally, over 90 percent of Ghanaian youth score below 50 percent in math and English. Males showed a slight edge over females in academic performance. Baseline results also indicated that working is not associated with academic performance. One notable finding was that nearly half of participants (47 percent) did not see a connection between school and success in life. Consistent with results of other studies, a majority (>70 percent) of Ghanaian parents reported being involved in their children's education, and the level of involvement tended to be stronger when parents were married.

Health

Most youth (95 percent) had positive perceptions of their health. Most (90 percent) received support, encouragement, advice, and guidance from their parents or guardians sometimes or more frequently. However, a lower percentage of youth (52 percent) reported discussing sensitive issues with parents or guardians. Most youth (more than 80 percent) had negative attitudes toward sex at an early age, and positive attitudes toward HIV prevention and condom use.

Preliminary Impact Assessment on Savings Performance²⁹

Savings performance in The Ghana Experiment was measured with a robust strategy that combined the experimental framework with the Savings Demand Assessment (SDA). Because the SDA dataset contained the youths' school

²⁹ Section based on Lee, Yungsoo, Lissa Johnson, Michael Sherraden et al. (2015)

attachment (if there was one), and because data was available on school populations, the research team could carry out intent-to-treat impact assessment regarding savings with full school populations (not just the survey sample). The full school population of in-school banking was 5,501 students; for market outreach schools, it was 7,207 students; for control group schools it was 9,760 students. Combining the experimental framework with the SDA data enabled a much larger sample size (full school populations) and much more accurate data on savings (actual bank data rather than self-report). A summary of results follows.

Account opening

In the in-school banking schools, 21.1 percent of the student population opened accounts. The comparable figures for the marketing outreach schools and the control schools were 11.4 percent and 0.3 percent, respectively. Differences between treatment and control are statistically significant, and represent a meaningful impact on increasing youth financial participation.

Depositing

The average number of monthly deposits in full school populations were as follows: marketing outreach schools at .03, in-school banking schools at .05, and control schools at .0006. Again, differences are statistically significant. Among students who opened accounts, those in the in-school banking schools average .24 and those in market outreach schools average .26 deposits per month. For both groups, this equates to about 3 deposits per year, but with twice as many students represented in the in-school banking group.

Savings

The average monthly net savings (AMNS) per student across the full school populations are as follows: in-school banking schools at USD 0.43, marketing outreach schools at USD 0.21, and control schools at USD 0.01. Again, we find the same pattern: the AMNS at in-school

banking schools is about twice the AMNS per student in marketing outreach schools (and control schools' AMNS is almost nothing). Differences are statistically significant but the average monthly net savings amounts are small. In assessing the savings of those students who have opened accounts (let us call them "savers"), the researchers find that the average monthly net savings among "savers" at in-school banking schools is USD 2.06 and those at marketing outreach schools is USD 1.85. At these rates, net savings amounts would be up to USD 25 on an annualized basis. These are meaningful amounts for school-aged children in Ghana. If this amount were to be saved year after year throughout primary school, total savings could be a substantial contribution to costs for secondary schooling.

Net savings amounts would be up to USD 25 on an annualized basis, a meaningful amount for school-aged children in Ghana.

Preliminary Impact Assessment on Youth Well-Being

The Ghana Experiment aimed to investigate the potential impacts of savings on financial capability, education, health, and psychosocial wellbeing of youth. As described in the baseline report,³⁰ an emerging body of evidence shows positive effects of savings on a range of youth development outcomes.³¹ The experiment's theory of change is described in more detail in

30 Chowa, Gina, David Ansong, Rainier Masa, et al. 2012. *Youth and Saving in Ghana: A Baseline Report from the YouthSave Ghana Experiment*. St. Louis, MO: Center for Social Development at Washington University

31 For a review of the relevant evidence, see for example Masa, Rainier, Margaret Sherraden, Li Zou et al. 2010. *Youth Savings Around the World: Youth Characteristics, Savings Performance, and Potential Effects* (CSD Research Report 10-15). St. Louis, MO: Center for Social Development at Washington University.

the baseline and endline reports. The endline report also includes definition of outcomes, description of measures, and more detailed experimental findings.

Financial capability

Youth in both treatment and control groups experienced modest increases in financial capability outcomes (including awareness, skills, and actual behaviors) from baseline to endline. As might be expected, the treatment group youth had greater positive changes compared to control group on behavior-related outcomes, *i.e.*, actually using financial institutions to save money. For instance, the percentage point increase from baseline to endline of treatment youth who reported that they used banks to make savings deposits was almost 10 percent contrasted with less than 5 percent for control youth ($p < .001$). Young people in both marketing outreach schools and in-school banking schools experienced statistically significant increases compared to those in the control schools. In addition, there was a significant difference between treatment and control youth (baseline to endline change) in saving for either college or to start a business. Furthermore, along with the actual behavior-change indicators, the treatment youth experienced a positive change compared to control youth on knowledge, attitudes, and expectations concerning the use of banks to save. For instance, compared to control youth, more treatment youth agreed that having a savings account with a bank can help with saving for education.

Educational outcomes

The intervention had modest positive effects on education. The treatment group overall was more stable than the control group in retaining commitment to education. However, in terms of the amount of time that youth reported spending on their schoolwork outside normal school hours, neither the treatment nor control group reported significant changes in how long

they study. At baseline, more control-group youth were oriented toward future success, whereas at endline, more treatment-group youth were oriented toward future success, but the difference is not statistically significant.

Health

YouthSave appears to have had modest positive effects on health outcomes. Treatment youth reported slightly higher endline scores on a range of health outcomes compared to control youth. Although not statistically significant, treatment youth had a higher mean score on awareness of susceptibility to HIV, and a lower mean score on perceived barriers to condom use compared with control youth. Among sexually active youth, treatment youth were also more likely to report condom use at last sexual intercourse compared with control youth.

Summary

The Ghana Experiment indicates that YouthSave had an impact on savings account uptake, average savings, cumulative savings, and postponing consumption. The experiment showed that boys had more money than girls. As might be expected, a higher percentage of youth in the treatment group owned a savings account in a financial institution than in the control group. Nonfinancial impacts appear to be modest, with suggestive patterns regarding education, health, and future orientation, though sometimes falling short of statistical significance.

We do not know whether holding accounts for a longer period of time might have made these results more pronounced, one way or the other. These impact findings provide seminal evidence for youth development outcomes of savings in Sub-Saharan Africa. Future research could focus on longitudinal impacts, and analysis that investigates differences of youth outcomes based on gender, developmental stage, and treatment exposure. ■





CHAPTER 5

Voices of Youth, Parents, and Stakeholders on Youth Saving³²

Li Zou, Sarah Myers Tlapek, Margaret S. Sherraden, John W. Gabbert, Amy Ritterbusch, Ernest Appiah, Dorcas Opai-Tetteh, Githinji Njenga, Joseph Kieyah, Sharad Sharma, Jyoti Manandhar, and Manik Maharjan

Half of the world's adults—approximately 2.5 billion people—are unbanked.³³ People younger than 19 years account for a third of the world's population, and it is estimated that approximately 85 percent of these young people live in developing countries, and that 45 percent live on less than two dollars per day.³⁴ There is thus an urgent need to support this large population of low-income youth with greater economic opportunities, including access to financial services. YouthSave sought to contribute to this effort by offering access to savings accounts for low-income youth (12 to 18 years old) in Colombia, Ghana, Kenya, and Nepal. This chapter highlights first-hand accounts from YouthSave participants. It illustrates how they manage to save despite a host of barriers.

32 This chapter has been adapted from the full-length 2015 report *Voices of Youth, Parents, and Stakeholders: Findings from Case Studies in the YouthSave Project* (Li Zou, Sarah Myers Tlapek, Margaret S. Sherraden, et al) from the Center for Social Development at Washington University in St. Louis. Available at: <http://csd.wustl.edu/Publications/Documents/RR15-31.pdf>

33 World Bank. 2014. *Global Financial Development Report 2014: Financial Inclusion*. Washington, DC: World Bank. Available at: <http://www.worldbank.org/en/programs/globalindex>

34 United Nations. Undated. *United Nations Report on Global Situation of Youth Shows Changing Trends*. Available at: <http://www.un.org/events/youth98/backinfo/yreport.htm>

Background

As noted throughout this volume, one of the primary goals of the YouthSave project was to contribute a robust body of knowledge about what it takes to deliver formal savings services successfully for youth populations in various geographic and cultural contexts: what product design features young people need in a savings account, how financial institutions can offer such products on a sustainable basis, which regulatory policies promote (or constrain) youth savings outreach, the role of families and community members, and of course, what difference it makes in the lives of young people to have formal savings. One part of YouthSave's ambitious research agenda involved case studies based on in-depth interviews with the participants themselves.

This chapter discusses some of the findings of those interviews. In each country, triads consisting of a youth, his or her parent, and a stakeholder from his or her school or community shared their experiences about saving via the YouthSave project with team members from the in-country research partner organization. To select the youth for the interviews, the researchers had worked with the local YouthSave participating financial institution to examine data on savings balances, length of account operation, deposits, and withdrawals. The length of interviewee youths' account-holding ranged from five months to more than one year prior to the interviews.

The findings reflect the very different political, economic, and institutional contexts of the four countries. But in spite of such different circumstances, the case studies revealed areas of commonality—specifically, motivation to save, the effects of saving, factors that facilitate savings, and challenges—that youth share across each country. Their personal stories, in their own voices, add a human touch to the otherwise sometimes technical work of data-gathering and research, and to the field of youth financial inclusion generally.

Key Findings from Case Studies

Motivation for saving

Every young person specified a target amount to save and articulated goals and plans for how to spend this money. Several discussed prior experiences of saving up for snacks, trips, books, or clothing. Although most of the young people mentioned purchasing personal items as a reason to save, they were focused on longer-term goals as well. The top three savings goals across countries discovered during the in-depth interviews were: (1) for the unexpected (2) to promote financial independence and empowerment, and (3) to support families.

For the unexpected. Every youth referred to the future when discussing savings. When Kofi from Ghana, the youngest respondent, was asked why savings was important to him, he replied, "It is important because maybe in future, you will need something and that money in the bank, you can use it." A number of the respondents were more specific about the possibility of economic shocks. Rakesh from Nepal said:

This saved money comes in handy when we need economic support in [the] future. I can save the money by not going to watch a movie or play football, and use this money in the future whenever I come across economic difficulties.

Gatete from Kenya mentioned the future 12 times during his interview and clearly linked his desire for savings with the perception that it would prepare him for the unexpected:

Saving is really something that a person cannot do without, because this money—you can have money today, but you're not certain about the future, so if you save [even] a little money—this money will be able to help you . . . maybe in the time of need.

Saving to promote financial independence and empowerment. The majority of the YouthSave interview participants viewed saving as a means

CASE STUDY SUBJECTS



COLOMBIA

Julio, 14, lives with his parents and a sister in a peri-urban neighborhood in Pasto. The family describes themselves as lower middle-class.

Pablo, 16, is a high school student from Bogota. He lives with his parents and one brother in a neighborhood he describes as wholesome and community-oriented despite its struggle with crime and poverty. Pablo's family is in the lowest income stratum according to Colombian standards.



GHANA

Kofi, 12, lives in Kasoa, in Ghana's central region. Kofi attends the sixth level of primary school and his goal is to work as a banker or an engineer.

Abena, 15, lives in Accra, where she attends the first level of junior high school. Her father works in a salaried position to support their large household. When she grows up, Abena would like to be a bank manager.



KENYA

Gatete, 18, lives with his cousins who act as his guardians because his parents are very poor and live far away. His uncle pays his school fees.

Akilah, 16, attends the third level of an all-girls secondary school in Migori, a town in southern Kenya. Akilah would like to open her own business in the future.



NEPAL

Rakesh, 15, is from the Kavrepalanchok district in central Nepal. He just completed secondary school and relies mostly on his parents to finance his saving. He receives occasional income by picking oranges and plowing potato fields for others.

Sajita, 18, is from a family of seven in the Bhaktapur district. She studies business at the Modern College of Management and hopes to be a banker.

This chapter (like the full length report on which it is based) uses pseudonyms for the youth to protect privacy.

to help them achieve financial independence and the sense of satisfaction that goes with it. Julio from Colombia said, "I don't like it when other people have to pay for my things, instead I want to be able to pay with my own money."



Sajita from Nepal expressed much the same sentiment. "If I have savings, I don't have to ask from others to buy the things like clothes I need. I feel happy and secure if I have money and ... I don't have to ask money from others to solve my problems."

Saving to support families. Youth knew that their

families often faced financial difficulties, and they wanted to help. Youth from Ghana and Kenya reported saving as a way to help the family buy food. Rakesh of Nepal wanted to have money available to help his parents prepare for emergencies or family illnesses. Sajita from Nepal reported changes in her responsibilities due to changes in her household. Her savings account bolstered her ability to meet some of these responsibilities.

[I have] increasing responsibility towards my home as well as towards developing my own career as I am growing older. Earlier, I was a child and I had limited responsibilities. I don't have my elder sister at home [anymore], so I have to be more responsible towards my house and sisters. I have been using my money sometimes to manage financial crises at home and for managing my own expenses. Once I withdrew 10,000 rupees to help my father pay wages for the laborers who are building our new house.

Facilitators of youth saving

In earlier research, YouthSave stakeholders had identified three facilitators—support from parents, support from schools, and support from the financial institution—important to saving.³⁵ Case study interview participants did the same, most frequently mentioning support from parents. For example, 16-year-old Akilah from Kenya recalled, "My mom opened the account, so I heard 'saving, saving, saving'. So, I also wanted to save."

Support from the school, including financial education support from administrators, and extracurricular activities, also facilitates saving. Fifteen-year-old Abena from Ghana believed that her education at school reinforced what she was learning at home from family members: "I learned that if you are saving, it helps you to provide for your needs, and also helps your mother to further your education for you."

The head of Kofi's school in Kenya was one of the voices noting the importance of support from the participating financial institution.

Twice in a term [the bank staff] pick up monies deposited with the headmaster... how they are doing it is very good...they come promptly. For example, this morning I called them. I said, "Come, we have some money," and they responded by coming the same day.

Overcoming obstacles to saving

All of the interview subjects (parents, community-based stakeholders, and the young people themselves) identified personal, situational, and institutional obstacles to saving that youth encountered. Given that all of the youth came from low-income families, it was not surprising that a simple lack of money made saving more difficult. Limited employment opportunities compounded the challenge. For

35 Zou, Li, Sarah Myers Tlapak, Githinji Njenga, et al. 2015. "Facilitators and obstacles in youth saving: Perspectives from Ghana and Kenya." *Global Social Welfare*, 2(2), 65–74. Available at: <http://link.springer.com/article/10.1007/s40609-015-0028-y>

some youth, saving was challenging because they found it difficult to set a budget and stick to it. Interview participants showed creative strategies for generating extra income in order to save. Rakesh, for example, started part-time, home-based work:

Obviously, it is difficult to collect money for saving. To collect money, I have to work. These days, I don't have income because I have stopped working now...Recently, I have been doing sewing work...in my spare time I knit caps.

Effects of saving on youth

All interviewees cited the economic, psychological, and social benefits of participating in YouthSave. Participants reported that they gained the economic benefits of developing financial management skills and techniques and learning the importance of saving. Its psychological benefits included increasing self-discipline and responsibility and engendering a sense of pride and joy. The social benefits involved enabling participants to inspire others to save and to develop a future-oriented outlook.

Developing financial management skills. The young savers described how YouthSave helped them build awareness of saving and develop financial management habits early in life, traits they felt would benefit them as they grew into adulthood. Parents echoed those sentiments. The father of Pablo, from Colombia, said, “[A] bank account that helps people start to learn to manage their affairs well...would be a good idea.”

Developing saving techniques. The more familiar the young participants became with saving, the more strategies they learned to actually get money into the bank. By making deposits and making conscious decisions not to spend, youth developed techniques essential to successful saving. To prevent the urge to make unnecessary purchases, young savers

mentioned depositing money in the bank. For example, Kofi explained,

What has changed is that when I deposit money in the bank I can't use that money to buy things frivolously. [W]hen I kept money at home and I needed something, then I gave the money to my mother to buy the thing for me. But this time because I am saving in the bank I don't give the money to my mother to buy me things.

Inspiring others to save. According to Gatete's school principal, students in his schools were “competing against themselves” to save more with Postbank. Kofi's teacher noted that one of his students had become a “hero” and a role model for other fellow classmates. Many students in the same class followed suit and opened accounts. Kofi's teacher added that the good-example effect extended beyond the pupils to the adults themselves.

I know at least four teachers who as a result of [YouthSave] have opened accounts with HFC. . . . HFC created a new vision in me that no matter how little you save, it's good to put something aside. I also felt that I also have to lead them . . . I as their leader have to show that I am also doing something. So it has also made me to go ahead and open accounts for my children.

The case studies bring to life the daily reality of YouthSave participants and their families. Their stories inform us about unique experiences with saving in four different settings and illustrate the ways in which saving affected the lives of the young savers, their families, and their communities. These findings complement the quantitative findings³⁶ from the Savings Demand Assessment and provide important knowledge to inform practitioners and policymakers on strategies to encourage savings and asset building among youth. ■

36 Including Zou et al (2015); Sharma et al (2015); and Johnson et al (2015)



Part II

Operational Lessons

Chapter 6: Design and Delivery of Youth Savings Accounts: Five Lessons from YouthSave

Chapter 7: YouthSave Financial Education Programming Results

Chapter 8: Key Lessons on Implementation of the Research Agenda in YouthSave

Chapter 9: More than a Means to an End: Three Lessons on Building
Cross-Sectoral, Cross-Country Partnerships from YouthSave



CHAPTER 6

Design and Delivery of Youth Savings Accounts: Five Lessons from YouthSave

Rani Deshpande

In 2010 the YouthSave Consortium and its partner banks set out to design, market, and deliver demand-driven savings accounts tailored to the needs of low-income youth.³⁷

This chapter presents lessons learned through the four YouthSave product deployments about critical issues financial institutions must resolve to successfully navigate this end-to-end process.

³⁷ The main target age group for these products was 12-18. But some banks extended their target ranges, for example from 7-17 in Colombia or 10-22 in Nepal, for reasons pertaining to local regulations or business strategy. For more information on YouthSave account features, please see Appendix 2.

Box 1: Summary

5 lessons for financial institutions

- 1. An extensive body of global market research on youth savings accounts now exists. Take advantage of it.**
- 2. Design youth savings accounts to make best use of adult involvement by:**
 - Expanding, to the extent allowed by law, the types of adults accepted as cosignatories
 - Requiring youths' signatures as well as adults' for withdrawals
 - Designing marketing and outreach to counter adult skepticism about youth saving
 - Educating youth and adults about safe youth savings practices
 - Building strong relationships with schools and youth-serving organizations
- 3. Achieve high account uptake by:**
 - Providing face-to-face staff training on how to serve youth clients
 - Motivating staff—both psychologically and monetarily—to open youth accounts
 - Conducting direct sales in locations where youth congregate
- 4. Ensure that transaction points are located where youth can easily access them and that customer service standards are high.**
- 5. Nurture ongoing youth engagement with their accounts by:**
 - Implementing systems to ensure youth can track their deposits, withdrawals, and balances
 - Monitoring youth satisfaction with the accounts and reinforcing understanding of terms/conditions
 - Providing ongoing “nudges” to save, such as via SMS

Lesson 1: The Extensive Market Research That Now Exists Can Provide a Significant Head Start

YouthSave and other market research on youth savings accounts have identified some remarkable similarities with respect to youth needs, preferences, and constraints regarding saving. Broadly, youth want accounts that offer a useful combination of liquidity and illiquidity – accounts that help them save (by sheltering the funds from temptation purchases) but that also enable easy access in case of emergencies.³⁸ Youth are also willing to pay reasonable fees, but prefer these to be levied transparently and up-front, rather than being charged monthly. In addition, low opening and minimum balances are key; indeed low opening balances eventually became an important selling point of YouthSave accounts. Youth were also far more excited about premiums and giveaways (such as piggy banks, ATM cards, or bank ID cards) than account interest rates, although that preference may change as youth grow older or have more experience with savings accounts. Finally, research indicates that youth prize privacy and control over their savings.³⁹

Market research must always be undertaken to account for the specificities of the local context and youth sub-segments to be addressed. But

the global experience described above provides a strong hypothesis from which to begin product design efforts, allowing for a more rapid eventual move to the prototype testing phase.

Lesson 2: Product Design Must Optimize Adult Involvement

While the need to respond to youth preferences in account design is clear, the simultaneous need to manage adult involvement is often overlooked. For account holders under the age of majority, an adult must typically be the legal owner or custodian of the account, meaning that the adult must also be the one to make withdrawals (although depositing is more flexible). In some countries, this adult must be the legal parent or guardian of the youth account holder; in others, any legal adult will do.

The requirement for adult involvement complicates financial institutions' efforts to open youth savings accounts, as it requires adults' signatures and identification documents. Financial institutions must therefore arrange an opportunity for both youth and adults to be present together to open the account, which can be logistically complex given school and work schedules. Also, many adults (especially low-income adults) lack the required identification documents.⁴⁰ Often, this obstacle can be worked around if local regulations permit any "trusted adult" who has proper identification to act as cosignatory, but is a greater concern if only the parent or legal guardian can sign.

These requirements conflict with youth preferences for autonomy, privacy, and control over their savings, and potentially reduce their access to the funds. Anecdotal experience indicates that it is not uncommon for the adult signatory to be unavailable when

38 Given the contexts in which many low-income youth in our research lived—in which households are subject to frequent, unpredictable shocks with few safety nets—the consciousness of emergencies is understandable. In fact, "emergencies" ranked as the second most frequently cited reason for opening a savings account across the three YouthSave countries for which this data was available. See Johnson, Lissa, YungSoo Lee, David Ansong et al. 2015. *Youth Savings Patterns and Performance in Colombia, Ghana, Kenya, and Nepal*. CSD Publication 15-01. St. Louis, MO: Center for Social Development at Washington University. Available at <http://www.newamerica.org/downloads/RR15-01.pdf>.

39 These exercises involved over 2,000 young people and almost 400 adults. See Deshpande, Rani. 2012. *What Do Youth Savers Want? Results from Market Research in Four Countries*. Washington, DC: Save the Children. Available at http://www.newamerica.org/downloads/YouthSave-Market-Research-Report_FINAL.pdf. Market research by youth financial service initiatives in other countries has echoed many of these findings. See for example the excellent synthesis in Youth and Financial Services Working Group. 2013. *Understanding Youth and Their Financial Needs*. Arlington, VA: The SEEP Network. <http://www.seepnetwork.org/understanding-youth-and-their-financial-needs-resources-1058.php>

40 Requirements for youth identification documents can also be an obstacle to opening accounts, though some banks have re-examined their interpretation of regulations and begun to accept non-traditional forms such as school ID cards or letters from local authorities.

Box 2: Notable differences among youth sub-segments

Although many youth savings preferences are similar, a few key differences did emerge across sub-segments in YouthSave’s research, for example by age group. The desire for autonomy appears to grow markedly more intense with age. Indeed, analysis of actual YouthSave customer behavior has indicated that if youth are able to open accounts by themselves, they will. On the other hand, the analysis also revealed that younger youth tended to save more. (This analysis, summarized in Chapter 3 and referenced below, can inform future product design efforts by shedding light not only on youths’ stated preferences but their actual behavior.)

In- and out-of-school youth also differed along some dimensions. Out-of-school youth tended to work more and cited saving up for a business as a goal more often than did in-school youth—although interestingly, saving for school fees was the most common goal across all sub-segments. Another interesting point was the absence of major differences observed between boys’ and girls’ stated preferences for savings in the market research; nor did the behavioral analysis reveal major differences in amounts saved over time.

The clearest differences between both boys and girls and between in- and out-of-school youth emerged in the rate at which they took up accounts. In Kenya and Nepal, only approximately 40 percent of account holders were girls, and in no country did out-of-school youth make up more than 6 percent of account holders. Project experience indicates that bank access to these populations was a key obstacle to them opening accounts. All YouthSave partner banks chose to focus on marketing in schools in order to efficiently access youth; marketing to out-of-school youth proved more complex and time-intensive per youth reached. In Kenya, staff also had particular difficulties marketing to girls’ schools, while in Nepal, the number of girls at higher school levels is relatively small. Girls in both countries also cited the lack of identification documents as a bigger obstacle than boys. All this points to structural obstacles to reaching more marginalized youth populations that must be compensated for in account design, marketing, and delivery.

Sources: Deshpande, Rani. 2012. What Do Youth Savers Want? Results from Market Research in Four Countries. Washington, DC: Save the Children; Johnson, Lissa et al. 2015. Youth Savings Patterns and Performance in Colombia, Ghana, Kenya, and Nepal. CSD Publication 15-01 St. Louis, MO: Center for Social Development at Washington University.



youth account holders need to withdraw, for example to pay school fees. All of this diminishes youths' effective and affective ownership over their savings. On the other hand, although limiting adult cosignatories to only parents or legal guardians may depress rates of account opening, for those youth who do open an account, such requirements have been associated with better usage and savings accumulation because their cosignatory parents take an active interest.⁴¹

Account design should therefore aim to optimize rather than eliminate adult involvement. YouthSave partner banks have done this in several ways. First, as a mechanism to signal account ownership, they have required not only the adult's signature on withdrawals but also that of the youth. Second, they have trained their staff to be vigilant for signs of distress among youth making withdrawals with adults, to inquire about any suspected coercion,

and to escalate the matter to the branch manager or even to report it to national child helplines if required.

Marketing and outreach can also help optimize adult involvement. Market research showed that fears and misperceptions about youth saving abound among adults, especially about youths' lack of funds or about them potentially obtaining money through unhealthy or illicit means. Marketing should therefore aim to ease adult fears by explicitly noting that youth can and do save already.⁴² Deliberate "community entry" strategies such as dialogues with community or administrative leaders, followed by presentations at PTA meetings or other community gatherings, can be very helpful in this regard. Thought should also be given to marketing messages about safe saving practices. For example, YouthSave partner banks developed flyers with safety tips directed at youth clients, for inclusion among the account opening materials.⁴³

Still, some challenging aspects of adult involvement remain unresolved, including obstacles faced by youth who do not have parents or legal guardians or who do not live with them. In cases like these, product design workarounds may prove insufficient and regulatory changes might be more effective. Such regulatory changes could include establishing a threshold amount below which youth can make withdrawals themselves, or permitting their use of ATM cards for withdrawals with prior consent of the adult signatory.⁴⁴ In the meantime, financial institutions designing products for youth must make careful note of the legal, regulatory, and practical requirements of adult involvement, and design around those requirements.

41 Johnson, Lissa, YungSoo Lee, David Ansong, et al. (2015)

42 Over half the participants in YouthSave's market research were already saving small amounts of the income received from parents/families and work. See Deshpande (2012).

43 Samples of such safety tips can be obtained by writing to livelihoods@savechildren.org.

44 See Chapter 12.

Box 3: Optimizing school involvement with youth savings accounts

Adults at a youth's school can have influence as great or even greater than adults in the family in building youth financial capability. (See Chapter 5.) So creating strong relationships with schools can be key to ensuring account uptake and usage as well as youth understanding of, and satisfaction with, the accounts. YouthSave experience suggests a few promising practices in fostering these relationships:

1. Obtain the sanction of national or regional educational authorities before approaching individual schools; an official letter of introduction can be especially helpful.
2. Start with schools already doing business with the financial institution or where school staff have a good relationship with key branch personnel.
3. Be prepared to clearly articulate the benefits of a school-bank relationship for the school itself as well as for students. It is common for resource-poor schools to ask for stipends for the school staff administering the program, or alternatively some form of school-wide support, as part of the relationship.
4. Cultivate the understanding and support not only of top school officials, but also a critical mass of related adults, including teachers and the school's parent association.
5. Anticipate the need for flexibility in planning how bank staff will service students in each school. Schedules and other constraints often vary regionally if not by school.
6. Focus interactions with students on the benefits of saving rather than the benefits of a particular product. This orientation can ease concerns about the propriety of marketing in schools.

For more information, please see *"Working with Schools to Improve Youth Financial Capability: Tips from the Field,"* YouthSave Blog April 8, 2012, <https://www.newamerica.org/youthsave/working-with-schools-to-improve-youth-financial-capability-tips-from-the-field/>.

Lesson 3: To Convert Good Design into Account Uptake, Youth Savings Accounts Require Active Below-the-Line Sales Tactics Involving Knowledgeable and Motivated Staff

YouthSave experience indicates that above-the-line/mass media marketing is important for creating product awareness and credibility, but alone is unlikely to generate significant uptake. Given the limitations on their mobility and lack of familiarity with banks, youth—especially marginalized youth—are unlikely to walk into a branch and ask to open an account, even if they have heard of it. To convert awareness into uptake, YouthSave partner banks found direct sales critical. For example, all YouthSave partner banks sent sales representatives into schools to open accounts—though these institutional relationships had to be carefully built and managed (see Box 3).

As with any direct sales efforts, thorough staff training on the product, its features, and advantages proved crucial. Customer service training was also key, and in this case had to be tailored to the special needs of young people, who can be shy in unfamiliar bank surroundings. Making them feel welcome must be a mission shared by everyone from the branch manager to the security guards. YouthSave found that the most effective means of providing this training was face-to-face, for example through regional training of branch managers and key staff who could then train others.

In addition to *information*, staff need *motivation* to sell youth accounts successfully. Psychological motivation starts with an empowered, committed product champion in senior management, who can mobilize headquarter resources to monitor and support branches' sales efforts. Kenya Postbank found success with this approach when account uptake increased 42 percent within two weeks

following a training and fact-finding mission to branches by members of the headquarters team.⁴⁵ Particular efforts should also be made to obtain the buy-in of branch managers, as their support has been observed to be one of the most determinative factors in differences in product uptake across branches.

As with any direct sales effort, thorough staff training proved crucial.

For material motivation, several YouthSave partner banks instituted branch- or individual-level schemes to spur sales, which proved very successful. In Nepal, Bank of Kathmandu held several rounds of competitions whereby staff members who opened the highest numbers of accounts could win prizes ranging from trips to smart phones. The first such competition resulted in a 60 percent expansion of the youth account base. Similarly, Kenya Postbank put in place regional inter-branch competitions that succeeded in adding 9,000 to 14,000 youth accounts per quarter over an entire year.

Lesson 4: Ensuring Effective Access is the First Step in Translating Uptake into Usage

YouthSave opened a significant number of accounts, but as the project came to a close, dormancy became a growing concern. So although design, marketing, and sales were critical for account uptake, they did not automatically translate into account usage.

A key determinant of usage, given youths' mobility constraints, will be the proximity of transaction points. Relying exclusively on branches to deliver services therefore has

45 Ngurukie, Corrinne. 2013. *Testing the Waters: YouthSave Pilot Results from Three Markets*. Washington, DC: Save the Children.



obvious limitations, both in terms of proximity and with opening hours that can sometimes overlap exactly with school hours. Where they are available, branchless solutions like mobile or doorstep banking therefore become all the more attractive. In Kenya Postbank's experience, for example, accounts with mobile-phone based transactions had significantly higher numbers of transactions and higher balances than those without.⁴⁶ However, these youth were obliged to use the mobile payments service of an adult, since in Kenya minors cannot be legal owners of a SIM card. Given the fraught nature of some youth-adult relationships, this solution may

not be viable for all youth, especially the most marginalized.

Most YouthSave partner banks eventually adopted some form of doorstep delivery, typically at schools, in order to access large numbers of youth at once. For example, Bank of Kathmandu visited target schools every two to four weeks in order to enable students to conduct transactions. YouthSave project experience indicates that for many youth, school-based delivery will be their only opportunity to connect with banking services. For maximum benefit to both youth (in terms of satisfaction and safety) and the bank (in terms of reputation and deposits collected), such doorstep service delivery must be conducted

46 Johnson, Lissa, YungSoo Lee, David Ansong et al. (2015).

on a pre-announced, regular schedule, and bank representatives must be equipped to provide consistent, transparent service, including timely provision of account materials, receipts, and thorough information. Other considerations to keep in mind when crafting a bank service relationship with schools are outlined in Box 3.

Lesson 5: Account Holder Motivation and Engagement Must be Actively Nurtured

To fully capitalize on their investments in youth savings accounts, financial institutions cannot stop at designing and selling a good product. They must ensure that youth remain satisfied with the product and enthusiastic about continuing to use it. One important part of that effort is to establish transparent systems and practices that enable youth to keep track of deposits, withdrawals, and balances. An attractively branded savings booklet or folder is an effective way to enable youth, less familiar with bookkeeping and banking, to keep track of account documents and transactions, particularly in cases where off-site deposit collections (e.g., on school premises) mean there will be a delay before official receipts can be issued. Transparency can also be heightened by repeating and reinforcing product terms and conditions at every opportunity and in as entertaining a way as possible. YouthSave developed board games to gauge youths' understanding of product features and provide an opportunity to surface and discuss any challenges youth may be facing with saving.⁴⁷ Financial institutions should consider organizing periodic school visits, or branch "open houses" with focus groups, or other suitable activities to monitor youth clients' experience with and understanding of their accounts.

47 To obtain this game, please write to livelihoods@savechildren.org.

Retention and engagement efforts should include helping youth sustain their personal commitment to save. YouthSave witnessed examples of youth becoming discouraged over time, for example when changes in family circumstances have decreased the ability of parents to "top-up" their child's savings.⁴⁸ One tactic that has, in a randomized control trial conducted by YouthSave partners in Colombia, proven successful at increasing balances, is sending simple SMS-based messages reminding clients to save.⁴⁹ SMS messages have the advantage of being very cost-efficient and relatively simple to administer; however, their effectiveness may depend on the reliability and consistency of cellular service and user habits.

For the vast majority of YouthSave account holders, this account was their first at a bank.⁵⁰ However, their lack of experience does not necessarily mean a lack of standards. If the product does not meet their expectations, they will not keep using it – leaving them ripe for picking off by rival financial institutions in the future. To fully capitalize on their investments in youth savings accounts, financial institutions therefore cannot stop at designing, selling, and delivering a good product. The institution must sustain its own commitment to ensuring that youth enjoy a positive experience throughout the life of the product (and indeed their lifetimes as customers) – just as it would for any other client. ■

48 Otoo, Adadezwa and Christina Williams, May 11, 2015, "If You Build It, Will They (Continue to) Come?", YouthSave blog, www.newamerica.org/youthsave/if-you-build-it-will-they-continue-to-come

49 Rodriguez, Catherine and Juan Esteban Saavedra. 2015 (forthcoming). *Nudging Youth to Develop Savings Habits: Experimental Evidence Using SMS Messages*. (working title). St. Louis, MO: Center for Social Development at Washington University.

50 Johnson, Lissa, YungSoo Lee, David Ansong et al. (2015).





CHAPTER 7

YouthSave Financial Education Programming Results

*Dasha Kosmynina*⁵¹

As part of the YouthSave project, Save the Children (SC) carried out financial education activities in Colombia, Kenya, and Nepal⁵² to teach youth about sound personal financial management and making the best use of their savings accounts. To evaluate the effectiveness of these activities, SC administered pre- and post-tests to financial education participants, assessing changes in related knowledge, attitudes, and behaviors. We found statistically significant improvements in participants' values related to saving, attitudes towards banks, and knowledge about the more technical aspects of saving and budgeting. After training, a greater number of youth reported saving, and saving more. Across countries that carried out financial education, youth who reported opening a savings account

⁵¹ YouthSave project staff Rani Deshpande, Angela Mesa, Alejandra Montes, Caroline Nderitu, Victoria Ndolo, and Gaby Timpl were instrumental in supporting the data collection and analysis that resulted in this chapter.

⁵² Save the Children did not carry out financial education activities in Ghana to avoid contaminating the experimental impact study (see Chapter 4) that was set up as part of the project.



YouthSave's Financial Education Activities

YouthSave designed and implemented the financial education programming independently in each country, taking into account both global best practices and local market research findings and context. Activities in all three countries were built around financial education sessions with youth, sometimes in combination with community sensitization activities, carried out directly by SC staff or by SC-trained facilitators and local partner NGO staff.⁵³ In Colombia, training sessions were conducted at schools and took the form of one-time workshops and assemblies. In addition, text messages with financial education information and deposit reminders were sent to account holders. In Nepal, activities included one-time workshops held predominantly at schools, followed by shorter, periodic "booster sessions." Community outreach was done through street drama performances focusing on financial topics, and in remote areas of Nepal, a radio drama was recorded and aired to disseminate the same content. Finally, in Kenya, a curriculum of 10-14 financial education sessions was delivered through in- and out-of-school youth clubs, and community outreach sessions.

In all three countries, the course content included discussions about financial institutions and products, and the partner financial institutions, especially in Kenya and Nepal, participated in some of the sessions. In Nepal, Bank of Kathmandu (BoK) staff attended both workshops and booster sessions to facilitate account opening as well as collect deposits. BoK also conducted their own financial education sessions in schools where SC was not working. In Kenya, the clubs' training session on banks entailed a visit to the

ranged from 15 percent to 42 percent. Less change was observed in the budgeting questions that were of a more general nature and that could be learned through experience or reasonably inferred.

While it is not possible to attribute causality in this analysis, the results were in line with findings of several randomized controlled trials that demonstrated similar changes. Our results therefore add to the body of evidence indicating the value of youth financial education, and the need for further investment in rigorous impact analysis that produces practical implementation guidance.

⁵³ For a complete description of SC-led activities and total outreach see Appendix 3 of this publication.

local Kenya Postbank branch, and Postbank also conducted outreach at other schools to promote their youth products. In Colombia, due to restrictions on marketing bank products during in-school workshops, Banco Caja Social's (BCS) involvement was initially limited. By the time the financial education assemblies were ready to launch, however, those restrictions had been eased and BCS began participating in school visits to promote and facilitate account opening.⁵⁴

Evaluating the Financial Education Program and Methodology

By the end of the YouthSave project, SC had reached over 44,000 youth with direct financial education training in the three countries, in addition to over 6,000 youth reached during the assemblies in Colombia.⁵⁵ Along with tracking the number of youth reached, SC also sought to examine the effect of the financial education activities on youth knowledge, attitudes, and behavior related to saving, using a pre-/post-test methodology with youth who had participated in the workshops in Colombia and Nepal, and the 10-14 training sessions in Kenya.⁵⁶ SC administered pre-test questionnaires to all youth immediately before starting the training and post-tests immediately after. We then tested youth again after a period of time had elapsed (the "post-post test") to

note what changes persisted over time. The results discussed in this analysis focus on the differences between pre-tests and post-post tests. Sample sizes were established for each country based on statistical relevance for disaggregation of categories (i.e. gender, age/grade, location, time interval) and taking into account local realities and budgets for data collection. All samples were randomly determined and sizes were chosen so that findings could be representative of the total treatment population. Appendix 3 provides a breakdown of the samples sizes used in each country.

It is important to note several limitations of this analysis, the first being that it was not possible to attribute causality in any observed results, given that there was no control or comparison group. Furthermore, responses about behavioral changes were self-reported by youth and could not be verified against other data sources. Finally, because the testing was conducted based on what was logistically feasible in each country, the timeframes of when the post-test data was collected vary by and within countries.

Results

1. *Before the trainings, youth attitudes were already highly positive in terms of general notions of saving and budgeting. Most change was observed in value-related questions (e.g., about safe and responsible ways to save) in Nepal, and in views about banks in Kenya and Colombia.*

In Colombia and Nepal, pre-test results indicated that most of the youth already perceived the importance of saving for the future, with 97 percent of youth in Colombia and 92 percent in Nepal saying that it was important or very important. There was no statistically significant change in this perception during post-post testing. More change was observed in Kenya, where youth were asked about the importance of budgeting. The number of respondents that had a favorable attitude toward budgeting showed a statistically

54 It is important to note that in all three countries, YouthSave's partner financial institutions marketed the savings accounts to a much wider population than just the financial education participants; financial education participants were offered the choice to open savings accounts but were not obligated to do so. As a result, financial education participants and YouthSave account holders overlap but do not represent the same group of young people. For more details on the financial institutions' outreach and marketing activities in each of the YouthSave countries, please refer to Johnson, L. et al. (2015). *Youth Savings Patterns and Performance in Colombia, Ghana, Kenya, and Nepal* (YouthSave Research Report 15-01). St. Louis, MO: Center for Social Development at Washington University. Available at: <http://csd.wustl.edu/Publications/Documents/RR15-01.pdf>

55 Because some assemblies were conducted at the same schools where workshops had taken place earlier, the assemblies' reach is shown separately to avoid double-counting (the exact extent of overlap between the two populations could not be determined). See Appendix 3 for detailed outreach numbers.

56 Financial education participants were not the same as the youth whose data is analyzed in the SDA report, who consist of account holders only. The two groups had some overlap, but data inconsistencies did not allow us to verify the extent.

significant increase of 12 percentage points in those who said it was always important to budget, from 68 percent to 80 percent.

The most dramatic attitude changes were observed in Nepal around value-focused questions, which corresponded to the “ethical saving” module of the curriculum. These questions tested youths’ understanding of responsible and safe ways of saving, such as whether or not to skip meals to save; whether or not to borrow to save; or whether it was only the duty of the guardian to save. Attitude changes in three out of four of these questions were statistically significant over time, with the highest increase being among youth who understood that one cannot save by skipping snacks, from 40 percent to 72 percent. In terms of changes in attitude regarding whether it was only the duty of the guardian in the family to save money, the number of youth who understood that was not the case increased from 58 percent to 76 percent. The number of youth who perceived that one should not save by any means increased from 56 percent to 69 percent.

In Kenya and Colombia, financial education also supported a change in youth attitudes toward banks, with a decrease in the number of youth who viewed banks as for adults only, from 21 percent to 12 percent in Kenya and from 5 percent to 3 percent in Colombia. Furthermore, in Colombia, the number of youth who saw banks as a safe place to save increased from 78 percent to 89 percent, and youth who perceived banks as institutions designed for only those with large sums of money decreased from 7 percent to 3 percent. All of these changes were statistically significant.

2. *Youth gained knowledge on specific technical issues—e.g., budgets, interest rates, and bank accounts—while maintaining a high level of understanding of general principles about savings.*

Knowledge results were similar to those observed in attitude questions. In Colombia, the most dramatic and statistically significant changes were seen in the two technical knowledge questions around the requirements for opening a savings account and the definition of an interest rate. The number of youth who knew at which age and with what paperwork they could open an account increased from 19 percent to 79 percent, and the number of youth that knew the definition of an interest rate increased from 29 percent to 53 percent.

Statistically significant changes were also observed in all three countries for more technical questions related to budgeting. Specifically, there was an 8 percentage point increase in the number of Nepali youth who knew that one could save by controlling expenses (from 84 percent to 92 percent). More Kenyan youth were able to identify what does not belong in the budget, with a 15 percentage point increase (from 15 percent to 30 percent). In Colombia, there was a 9 percentage point increase in youth who knew that a budget consisted of income and expenses (from 58 percent to 67 percent).

Less change was observed in the budgeting questions that were of a more general nature and that could be learned through experience or reasonably inferred. For example, in Nepal and Kenya, understanding of the general purpose of a budget was already high before the workshop, with 93 percent of Kenyan youth knowing that budgeting could help one plan for their money better, and 88 percent of Nepali youth knowing that budgeting helps with saving. No statistically significant changes were registered on these questions in either country. However, in Colombia, where the understanding of the link between budgeting and saving had been less prevalent, results showed statistically significant improvement from 66 percent to 80 percent of respondents knowing that making a budget would help with saving.



Outreach efforts
should recognize the
unique barriers to
access that girls face.

3. *More youth engaging in saving was the major behavior change youth reported after FE training in Colombia and Kenya. Participants also reported opening savings accounts in all three countries, but at different rates and in the face of different obstacles.*

After the training, various measures of youth saving showed improvements in Kenya and Colombia. In Kenya, there was a statistically significant increase in the number of youth who claimed they were saving, from 76 percent before the training to 89 percent afterwards. Of those, 77 percent said they had saved in the month prior to testing. In Colombia, 30 percent of youth claimed they had saved more after attending the workshop. There was also a statistically significant increase in the number of Colombian youth who said they had saved in the month prior to testing, from 61 percent to 69 percent.

Youth in all three countries also reported opening savings accounts after financial education: roughly the same number in Nepal and Kenya (42 percent and 39 percent respectively), but only 15 percent in Colombia. One explanation may be the greater involvement of YouthSave's partner banks in the financial education sessions in Kenya and Nepal compared to Colombia (as described above). Interestingly, in Kenya, 81 percent of all those who said they had opened accounts said they did so with YouthSave's partner, Postbank. In Nepal, on the other hand, only 8 percent of respondents said they had opened an account with partner BoK, while 34 percent said they had opened an account in another financial institution.

Although BoK made significant efforts to offer in-school banking services, these were apparently insufficient to attract most youth in the face of challenges related to regulation and competition. In Nepal, only parents or other

legal guardians may co-sign on the account, while in Kenya bank policies allowed for other trusted adults, such as teachers, to become cosignatories.⁵⁷ This meant that Kenyan youth could open an account on the spot during Postbank's school outreach visits, using a teacher as cosignatory, while Nepali youth had to wait to involve their parents, decreasing the chances that the BoK account would be opened. The areas where YouthSave was working in Nepal were also well-served by financial cooperatives operating under looser regulation. These cooperatives often offered easier access to accounts for youth, especially if their parents were already members.

Among youth who did not open a savings account, the lack of personal identification documents was the most frequently cited obstacle, reported by 36 percent of respondents in Kenya and 29 percent in Nepal. In Kenya, the lack of banking services in the area was the second largest obstacle to opening an account, cited by 34 percent of youth, while in Nepal it was the inability to get an adult to cosign, cited by 23 percent of youth (note the difference in requirements for an adult cosignatory as described above). Finally, lack of parental approval was cited as a reason by 12 percent of Kenyan youth who said that they had not opened a savings account. In both Kenya and Nepal, these challenges appeared to affect more girls than boys. In both countries, more girls cited lack of identification documents as a reason for not opening accounts, and girls in Kenya reported that obtaining parental approval was difficult more frequently than did Kenyan boys.

Summary

Although the results described above are modest and confined by the limitations and technical scope noted earlier, they are nonetheless in line with the findings of a meta-analysis that reviewed 21 experimental studies of financial education programs across the

globe for people 24 years old and younger.⁵⁸ The results of this analysis suggested that financial education is indeed effective in improving financial knowledge, and, albeit to a lesser extent, financial attitudes and behaviors as well. Collectively, these findings suggest that financial education for youth is a promising intervention that can yield results when correctly implemented.

YouthSave's results suggest that financial education might be best used in a targeted way, to address specific or technical pieces of information, rather than to convey general insights that youth can acquire on their own. For example, financial education trainings might focus on how to create a budget (rather than just on what a budget is) or on the definitions and meanings of financial terms (rather than on a commonsense knowledge of saving). Market research should be used to confirm which knowledge or attitudes need to be taught or reinforced in a given country or context. Financial education activities should ideally include partnerships with appropriate financial institutions so that participants have the opportunity to put their knowledge into real-world practice. Finally, financial education programming and financial institution outreach efforts should recognize the barriers to access that girls face, and work together to remove those barriers.

More investment in rigorous impact analysis of future youth financial education programs could expand on these findings to provide practical guidance on the different types of activities that bring about positive change for different types of youth in different contexts.⁵⁹ ■

57 See Appendix 2 for details on cosignatories across accounts.

58 O'Prey, Llorenc and D. Shephard. 2014. *Financial Education for Children and Youth: A Systematic Review and Meta-analysis*. Aflatoun Working Paper 2014.1C. Amsterdam, Netherlands: Aflatoun. Available at: <http://www.aflatoun.org/docs/default-source/aflatoun-secretariat-evaluation/financial-education-for-children-and-youth---systematic-review-and-meta-analysis-2014.pdf?sfvrsn=12>

59 For more information on YouthSave's experience with financial education, see Kosmynina, Dasha (2015) *Toward Financially Capable Youth: Insights from YouthSave's Financial Education*. Washington, DC: Save the Children. Available at: <https://static.newamerica.org/attachments/9608--178/Toward%20Financially%20Capable%20Youth.57df83f39d4d41bea6946797f612d589.pdf>



CHAPTER 8

Key Lessons on Implementation of the Research Agenda in YouthSave

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The YouthSave Consortium was made up of multiple partners from diverse sectors in several countries. Given this intricate structure, the project's success depended heavily on the ability of the managing partners to build effective partnerships with all of the research partners and with the financial institutions in the countries of operation.

As leaders of the learning agenda,⁶⁰ the Center for Social Development (CSD) at Washington University in St. Louis selected four research institutions as partners to implement the YouthSave research. These institutions were Universidad de los Andes in Colombia; Institute of Statistical, Social and Economic Research (ISSER) at the University of Ghana; Kenya Institute for Public Policy Research and Analysis (KIPPRA); and New ERA in Nepal.

60 That learning agenda is fully described in *Broad and Deep: The Extensive Learning Agenda in YouthSave*. 2011. (St. Louis, MO: Center for Social Development) available at <http://csd.wustl.edu/Publications/Documents/YouthSaveLearningAgenda.pdf>



The YouthSave research team had three main research questions, each of which required a different approach:

1. Which youth savings product and service characteristics are associated with positive savings outcomes and positive savings performance at the client and household levels?

The research team used the Savings Demand Assessment (SDA) to identify factors associated with saving success. As elaborated elsewhere in this volume, the resultant SDA dataset, a product of YouthSave, is the largest compilation of demographic and transaction information ever assembled on youth savers.

2. What are the impacts of youth savings accounts on developmental outcomes for youth and on the household—particularly in the areas of finances, educational attainment, health, and other measures of wellbeing? To assess the effects of the YouthSave intervention on youth development, the research team used a large, randomized, and rigorous experiment ("The Ghana Experiment" described in detail in Chapter 4 and referenced throughout this volume).

3. How does context shape the youth saving experience? The research team gathered and

analyzed first-hand information from extensive interviews with youth participants, parents, and community stakeholders.⁶¹

Key Lessons

The process of implementing the research agenda required close collaboration between research partners, the financial institutions, and the Consortium partners to solve problems and overcome challenges. The research team learned the following lessons during this process.

Lesson 1. Research on savings requires researchers working directly with banks.

Given the nature of the work—research to understand the experience of young people with savings accounts—it was critical for researchers to work and communicate directly with the participating financial institutions to pursue all three of YouthSave's major research methods.

To help researchers collect the demographic information that would be most useful for development of the Savings Demand Assessment, or SDA,⁶² the financial institutions shared the first drafts of the savings account application forms proposed for the YouthSave accounts. The research team then suggested refinements to enhance data consistency and comparability while allowing for cultural and product variances. The financial institutions also made transactional data and individual account information from the participating youths' accounts available to the research teams (with their consent or that of their

61 These were published in Zou, Li, Sarah Myers Tlapak, Margaret Sherraden, et al. 2015. *Voices of Youth, Parents, and Stakeholders: Findings from Case Studies in the YouthSave Project* (St. Louis, MO: Center for Social Development at Washington University in St. Louis. Available at: <http://csd.wustl.edu/Publications/Documents/RR15-31.pdf>

62 The complete version of the SDA report (Johnson, Lissa, YungSoo Lee, David Ansong et al. 2015. *Youth Savings Patterns and Performance in Colombia, Ghana, Kenya, and Nepal*. [St. Louis, MO: Center for Social Development at Washington University]) is available at <http://csd.wustl.edu/Publications/Documents/RR15-01.pdf>

parents in the case of minors). With the rich set of raw data from the financial institutions, researchers could clean and analyze the data and summarize the findings.⁶³

Hands-on collaboration from the financial institution was also critical to the success of The Ghana Experiment.⁶⁴ The YouthSave product in Ghana, offered by participating financial institution HFC Bank, was available to all youth aged 12 to 18 years regardless of whether they were in or out of school. But to isolate the effects of actual in-school banking (processing of deposits) versus in-school marketing outreach only, the research team had to select 100 schools and randomly assign those schools to one of the treatment groups (in-school banking vs in-school marketing only) or to the control group. HFC's responsiveness to researcher inquiries and the bank's generally high degree of engagement with The Ghana Experiment helped the researchers design and implement a rigorous research protocol under logistically challenging conditions.

The financial institutions' help was also invaluable during the qualitative research⁶⁵ in all YouthSave countries. Researchers worked with financial institution staff to select two youth in each country who were considered to have had enough saving experience to be informative. Working from information provided by the financial institutions, researchers assessed information such as savings balances, length of account operation, deposits, and withdrawals from the SDA before choosing youth for case studies.

Lesson 2. Overcoming challenges requires partners' cooperation and problem solving.

Field research, especially in developing countries, brings with it a host of logistical challenges. These challenges increase exponentially on a project like YouthSave which was large-scale, involved multiple

Hands-on collaboration from the financial institution was also critical to the success of The Ghana Experiment under logistically challenging conditions.

stakeholders and multiple geographies, and involved a relatively new field of inquiry like youth savings. Below are three examples that illustrate how researchers worked with the financial institutions and local Save the Children (SC) staff to overcome different challenges in dynamic circumstances.

- *Overcame legal obstacles in Colombia.* In 2012, Colombia passed Law 1581, which limits banks' use of personal information, especially that of children and youth. This severely limited the ability of the YouthSave financial partner in Colombia, Banco Caja Social (BCS), to share account holders' transactional and demographic characteristics. The research team (both Universidad de los Andes and CSD), SC Colombia staff and legal counsel, and BCS's legal and management team representatives met several times. Through continuous communication and cooperation, the research team developed feasible alternatives that enabled BCS to both comply with the law and also provide sufficient information for planned research in Colombia.

63 Johnson, Lissa, YungSoo Lee, David Ansong et al. (2015).

64 For a detailed discussion of The Ghana Experiment, please see Chapter 4 of this volume.

65 For insights from the qualitative research, refer for example to Sharma et al. (2015); and Zou et al. (2015). Chapter 5 of this volume also summarizes the qualitative research and includes first-person descriptions from the young savers themselves, their parents, and other community stakeholders about the YouthSave experience.

- *Added a new cohort in Ghana.* In May 2013, the YouthSave Steering Committee decided that a new cohort of 2,000 additional study participants (1,000 in the treatment group and 1,000 in the control group) needed to be added to The Ghana Experiment. As noted elsewhere in this report, the YouthSave partner financial institution in Ghana, HFC Bank, had designed and marketed its youth savings product, Enidaso, to a wide audience but then rollout was delayed for nearly a year (due primarily to a slower than expected approval process at the central bank). The goal for adding the extra 2,000 subjects to the sample size was to identify significant impacts on youth savings or youth development outcomes that might reasonably be attributed to the rollout delay. The YouthSave Consortium along with ISSER and HFC worked together to reallocate resources to facilitate this change.
- *Overcame data collection challenges.* For the SDA, the researchers asked the financial institutions to incorporate a youth and household questionnaire and consent form into the account opening process. This new process required additional resources from the financial institutions, but they modified or created new systems to accommodate the research. In some cases, the financial institution branches did not have time to complete the data collection process. To encourage quality data collection, one financial institution implemented branch competitions, and another designed a new management information system to incorporate the questionnaire, facilitate “Know Your Customer” requirements, and conduct more advanced reporting.
- *Research execution.* CSD and the research partners in all four countries worked hand-in-hand to design research activities; pilot-test and finalize research instruments; collect, clean, and analyze data; and troubleshoot issues that arose during execution. More than 90 researchers between CSD and the research partners have contributed in their own distinctive ways.
- *Academic publications.* Conducting research in the field is not the end point for researchers; it is the first step towards building a body of knowledge to share with others. Publishing research findings⁶⁶ and disseminating them broadly are critical. During the YouthSave project, CSD and the research partners produced more than 50 research publications, including peer-reviewed journal articles, a book chapter, research reports, and research briefs. At least half a dozen research products—including some of the most important ones—were published in 2015.
- *Knowledge presentation.* Over the past five years, CSD and the research partners have collectively given more than 130 presentations that share the YouthSave project findings. These presentations have helped disseminate YouthSave knowledge to a wide range of audiences, including academic scholars, practitioners, donors, commercial bankers, and policymakers across four continents.

Lesson 3. Every member of the research team owns the learning agenda.

A learning agenda as ambitious and complex as YouthSave’s was far beyond the scope of any single entity. Though CSD designed and led research, it was a quintessentially team effort. The following examples detail the contributions of the entire research partnership.

Summary

A project as intensive and long-term as YouthSave tends to affect its participants in ways that may not be immediately apparent. The research team, both CSD and the partners in all four countries, will undoubtedly still be discovering, years from now, new ways in which the YouthSave experience shaped how we think about research and how we do our jobs. Because the YouthSave experience generated far more lessons than this chapter can summarize, we hope that the top three key lessons shared here can inform future researchers undertaking multi-partnership collaboration in a diverse context. ■

⁶⁶ Please refer to the list of YouthSave Publications by CSD Staff and Research Partners: <http://csd.wustl.edu/OurWork/FinIncl/GlobalAssetBuild/YouthSave/Pages/YouthSavePubs.aspx>



CHAPTER 9

More than a Means to an End: Three Lessons on Building Cross-Sectoral, Cross-Country Partnerships from YouthSave

Li Zou and Rani Deshpande
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The YouthSave project connected the worlds of academia, banking, youth development, policy, and communications across four continents for five years. These partnerships yielded significant learning about what is required to achieve ambitious objectives through collaboration among very different organizations. This chapter provides three major lessons for executing such partnerships in hopes that the YouthSave experience can inform similarly ambitious collective efforts in the future.

Lesson 1: Ensure Consistent Understanding of Each Partner's Roles

In implementing YouthSave partnerships, we started by establishing clear goals and

roles. But project contexts are dynamic, so partnerships must evolve in response to fluid circumstances. To keep all partners aligned, YouthSave checked and rechecked expectations on roles and processes, and solved problems while learning to bridge unexpected cultural differences.

Check for evolving understandings of partner roles. YouthSave's joint proposal development process afforded all partners the opportunity to articulate a shared vision of success, goals, and a high-level division of responsibilities. However, once the project started, it became clear that the project could benefit from a more detailed articulation of partners' roles. In the first year of YouthSave's operation, the Consortium conducted an exercise to allow partners to express their goals and motivations in great detail, assess whether other partners perceived the same, resolve any inconsistencies, and ensure that all critical roles were filled while minimizing duplication.

Be explicit about joint processes for achieving shared goals. When recruiting local partner banks and research organizations, the Consortium explained and obtained buy-in into the goals of the project. However, communicating *what* the project meant to do was not enough; implementing the project necessitated agreeing explicitly and in detail on processes for *how* to carry out the work. Data collection for the Savings Demand Assessment provides a good example of one such cooperative process. The Center for Social Development and the local research partners designed the research first, then the customer-facing staff from the financial institutions collected on-the-ground data, and finally the IT personnel at the financial institutions' headquarters transferred data to researchers for analysis. Tools such as a "service level agreement," which detailed what data the bank would provide to researchers at what frequency, proved very helpful in establishing shared expectations about the data collection process,

especially because it was very new to many bank staff.

But be prepared for problem solving anytime. As important as the kinds of formal agreements referenced above might be, YouthSave also learned very early on that not every problem that arises can be solved through formal agreements. For example, in Colombia, a change in privacy laws created an unexpected obstacle to data collection. In order to salvage the research agenda, staff from the financial institution, research partners, and Save the Children strategized together, creating and refining many variations of a modified data collection process until they identified one that fulfilled both legal requirements and the goals of research. In this and other instances, the partners' willingness to invest time in this type of iterative problem-solving process was critical to overcoming unexpected challenges.

Anticipate partners' cultural and institutional differences. The YouthSave Consortium and in-country partners had distinctive cultural and institutional values and boundaries. While those demarcated by national borders are easily recognized, differences relating to organizational mandates, incentives, skillsets, styles, and capacities can be less obvious but equally important. These differences may mean that speaking the same literal language is not enough, and partners must learn how to decode and translate each other's institutional languages. The same words, in the same language, can have different meanings depending on the institution using them. For example, *impact*, *pilot*, and *meta-analysis* are three that required more discussion and unpacking than anticipated because of the different ways financial institutions, researchers, and nongovernmental organizations use them. Given differences across sectors, expectations about whether to make decisions unilaterally or with partners also had to be aligned over time. Though partners cannot anticipate every difference



in understanding, they can anticipate that there *will be* differences—in often unexpected areas—that require frequent checking for alignment.

Lesson 2: Establish Mechanisms for Effective Governance and Smooth Coordination

Smooth and effective partnerships demand continual alignment not only of expectations, as detailed above, but also of day-to-day work. YouthSave learned that mechanisms for coordinating and making decisions around partners' actual activities are critical for efficient implementation.

Recognize dependencies across partners' work streams. YouthSave's ultimate success depended on the coordination of elements implemented by different partners. This was vividly illustrated when, due to a combination of internal and external circumstances, the rollout of the savings account in Ghana was delayed.

Consequently, one-third of the participating youths in The Ghana Experiment did not have a chance to receive treatment (the offering of saving accounts) before graduating from school, and YouthSave had to replace them with another cohort of study participants in 2013. Constant and detailed communication between partners, with explicit attention to identifying those key points of intersection where one partner's workplan is critically dependent on another's, is vital to preventing problems in one work stream from cascading through the entire project.

Specify mechanisms and understand boundaries for decision-making. The YouthSave Consortium established several mechanisms to ensure smooth coordination. Senior leadership from each Consortium organization formed a Steering Committee that provided strategic advice to the project. Key staff members from the Consortium made up the Executive Committee, which managed the project's daily operations. In-country representatives from

The take-home lesson for YouthSave was:
When in doubt “over communicate,”
especially when relationships are new.



the financial institutions, research partners, and Save the Children local office constituted Country Project Committees that were central to on-the-ground operations.

Halfway through the project, the Steering Committee was revamped to function as the *de facto* policy board for YouthSave.

It began making decisions regarding how partners provided feedback on each other's work, and the extent to which partners would adjust original plans. The Steering Committee safeguarded the highest interests of the project, beyond individual Consortium members' needs and preferences. For example, when it became clear that financial

education efforts risked contaminating the control group in The Ghana Experiment, the Steering Committee made the decision to cut this activity in Ghana and repurpose the funds to support data collection on the extra cohort mentioned above. Having a body that could take a holistic view was critical when individual partners' agendas temporarily diverged—as is inevitable in complex, multi-partner projects.

Lesson 3: Build Effective Internal Communication

Communication among all partners is critically important at *all times*. In YouthSave, we found it helpful to create opportunities for in-person dialogue and relationship building; to ensure proper delivery and interpretation of messages; and to use tools, staff time, and resources to promote effective dialogue and problem solving.

Create opportunities for in-person dialogue and relationship building. Teleconferences are of course a much easier and cheaper way to exchange information, but YouthSave found that face-to-face meetings were a critical for building and sustaining strong relationships. At the global level, YouthSave held annual learning and exchange conferences with all YouthSave partners, including members of the Consortium, the research partners, and the financial institutions. The four member organizations of the Consortium also had face-to-face opportunities for project meetings and public events at least twice a year. In the field, in-country partners held periodic Country Steering Committee meetings to discuss and share latest project updates, as well as periodic Multi-Stakeholder Meetings to share findings with the public.

Communicate, double check, and communicate again. Especially given the diverse backgrounds of YouthSave partners, every member organization has learned the benefits of proactive communication, reinforced with

regular follow-up, to ensure that information is understood and messages are interpreted as intended. The take-home lesson for YouthSave was: When in doubt, “over-communicate,” especially when relationships are new.

Identify effective internal communication tools, and dedicate time and resources. YouthSave took advantage of the full spectrum of communication tools—phone calls, e-mail, videoconferences, and in-person meetings. While multimedia applications can enhance communications, the most appreciated form of update among YouthSave partners was a simple monthly e-mail update, for its efficiency and clarity. In addition, a cloud-based repository accessible by all Consortium staff provided a one-stop source for background materials, presentations, and templates, which was especially helpful for on-boarding new personnel. The YouthSave Consortium also benefited from Save the Children staff, who dedicated time and resources to coordinate the larger team and to facilitate frequent communication across partner organizations.

Summary

By its nature, a project like YouthSave—on four continents, spanning five years, and with ambitious operational, policy, and research agendas—was far beyond the scope of a small-scale partnership, let alone of any single entity. The reality is that the project could not have succeeded *except* as a large-scale and complex partnership. Project implementers on initiatives like YouthSave must devote as much attention to nurturing the partnerships as they do to executing the explicit project deliverables. In fact, when the quality of the partnerships determines the success or failure of the project, as was very much the case with YouthSave, then the cultivation of those partnerships is properly understood as its own deliverable—which, like any other, must have its own allocation of management attention, time, and resources in order to succeed. ■



Part III

Taking the Work Forward

Chapter 10: A Framework to Analyze the Business Case for Youth Savings

Chapter 11: Policy Lessons from YouthSave

Chapter 12: YouthSave Overall Research Lessons



CHAPTER 10

A Framework to Analyze the Business Case for Youth Savings

Tanaya Kilara and Gerhard Coetzee

Not many financial institutions in developing countries target youth specifically, and for those that do, the youth market usually represents a small part of their overall operations. Other authors have argued the social value of extending savings services to youth, but the

business case is less certain. As financial institutions have entered the youth market, the question has been whether they can offer youth savings products sustainably. In other words, is there a business case for offering youth savings products?

There is no answer that is universally true across all places, contexts, and times. A more practical approach is to analyze the value proposition. Which factors at the market, institutional, and segment levels make youth savings an attractive line of business? As a member of the YouthSave Consortium, CGAP proposed an analytic framework for understanding the conditions under which there may be a business case for financial institutions to offer savings products to young clients. The framework is designed to expand our understanding of the many factors affecting the profitability of youth savings products and

to guide financial institutions as they decide whether and how to offer these products on a sustainable basis. CGAP's Focus Note⁶⁷ lays out the framework in detail.

There are benefits that financial institutions can gain from offering youth savings accounts. As noted above, financial institutions may see a social value in serving youth: as a means of fostering financial inclusion and developing economic opportunities for youth, which can contribute to political stability⁶⁸ or to advance the institution's obligation to act as a good corporate citizen. But targeting youth can also bring diversity to the client pool, which may be especially valuable for financial institutions

Targeting youth can also bring diversity to the client pool, which may be especially valuable for financial institutions whose client base is skewing older.

whose client base is skewing older. Indeed, youth can deliver higher customer lifetime value than older customers—with the very important caveat that the financial institutions retain these customers over the long term. Institutions that need to see a short-term business case often serve older youth who already earn income and hold cross-sell potential.

67 Kilara, Tanaya, Barbara Magnoni, and Emily Zimmerman. *The Business Case for Youth Savings: A Framework*. Focus Note No. 96. Washington, DC: CGAP, 2014. Available at: <https://www.cgap.org/sites/default/files/Focus-Note-Business-Case-for-Youth-Savings-A-Framework-Jul-2014.pdf>

68 Hatton Bank in Sri Lanka strongly believes that for a young country that has seen a great deal of political strife, investing in youth is essential to the long-term viability and sustainability of its institution.

A sustainable business case for youth savings relies on an institution's ability to balance the costs and revenues of this product offering, and to do that over the life cycle of the client. The figure on the next page reflects the varying internal and external contexts of different institutions, showing how influences at the market, institutional, and client segment level lead to different cost and revenue streams and can drive different business case outcomes. The figure identifies specific "levers" that financial institutions can consider as they choose the youth segments they will serve and how these segments will support their business case. These are based on research from the YouthSave project countries.

Market-Level Levers

Decision Point 1: How competitive is the environment?

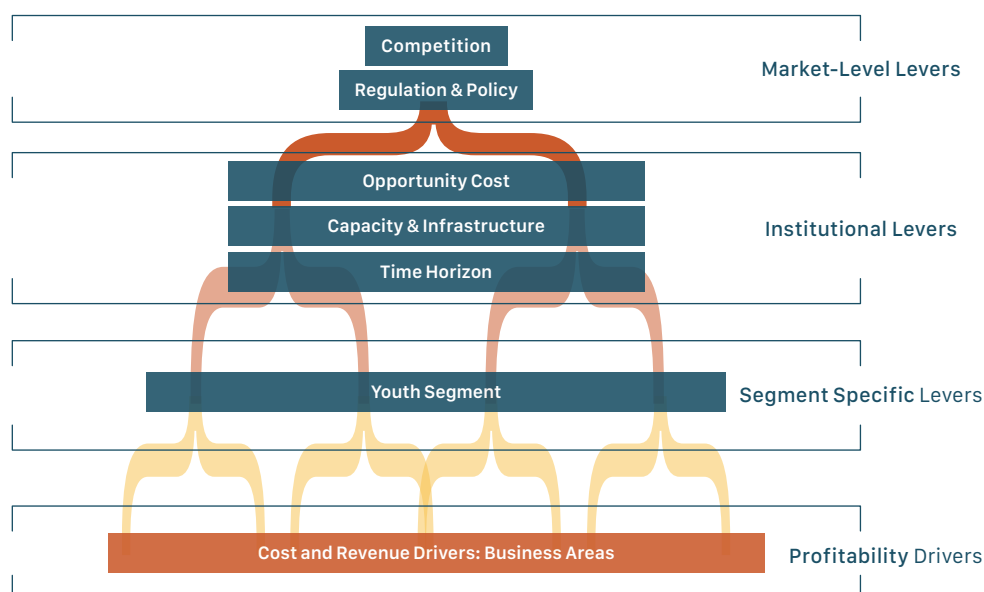
At the market level, the competitive environment is a key lever that influences the case for entering or not entering the youth savings market. The business case is generally much stronger and broader in high-competition environments where capturing future clients early on can create a key competitive edge.

Decision Point 2: What are the regulatory parameters?

Minors under age 18 cannot legally be the sole owners of accounts in most countries, although the exact age of majority (at which they may own their own accounts) varies.⁶⁹ Restrictions on minors' account ownership may discourage some entrants into the youth market or at a minimum, create additional costs and complications to serving youth. In Ghana, for example, where children under age 18 cannot open a bank account on their own, YouthSave partner institution HFC Bank found

69 For more information about age restrictions and institutions' ways of delivering responsive youth savings services while working within those legal restrictions, please see for example Deshpande (2012); Hirschland (2009); and Kilara and Latortue (2012).

Business case framework overview



that some potential clients were dissuaded from opening accounts because they preferred not to have their parents as co-owners (for reasons ranging from inconvenience to distrust). In response, HFC Bank has allowed trusted adults, such as teachers and adult siblings, to act as cosignatories (an arrangement allowed under Ghanaian regulations). Children can make deposits on their own, but the adult must be present to open the account and to make withdrawals. The take-home message is that an enabling regulatory environment can encourage financial institutions to serve minors.

Institutional Levers

Decision Point 3: What are the opportunity costs of offering youth savings as opposed to investing resources into other ventures?

For new institutions, or those in growing markets, the opportunity costs of pursuing a youth savings program can be substantial. Youth savings are often low-margin products that bring small returns over the short term, requiring long time horizons to offer positive returns on investment. For growing institutions or those in environments where markets are not yet saturated, higher-return opportunities often abound. Not surprisingly, when faced

with resource constraints, financial institutions typically allocate limited resources to products and activities likely to generate greater returns over the short term than can be realistically expected from youth savings products.

Decision Point 4: What is the institution's infrastructure and capacity to allocate resources to youth savings?

To reach youth effectively, financial institutions need to invest in developing appropriate products, creating distribution and marketing strategies, and cultivating new delivery channels. These efforts require substantial management attention, staff time (and in some cases, new staff appropriate to the youth market), and other resources. Some institutions may be able to leverage an existing, wide-reaching branch network and other resources. But others may need to build from a lower starting point. As a large and wide-reaching bank, YouthSave partner institution Banco Caja Social in Colombia saw no need to expand infrastructure or staff to serve youth when it launched its YouthSave product. So in BCS's case, the marginal costs of expanding to youth were limited, and the resources required did not divert the bank from other projects (such as expanding its microcredit portfolio) pursued simultaneously.

Decision Point 5: Over what time horizon does an institution expect (or require) profitability from youth savings?

As noted above, the business case for youth savings is generally most compelling when viewed over a long time horizon, more than five years in most cases.⁷⁰ Rather than just shaping the return on investment calculations, the time-horizon question can strongly influence an institution's decision whether to enter the market in the first place—and whether to remain in it or exit. Kenya Post Office Savings Bank, for example, takes a very long-term view of profitability. It begins targeting children at birth (with its Bidii Junior account), and then automatically transitions them through accounts for school-aged children (the SMATA YouthSave account) and working youth (STEP account). Kenya Post Office Savings Bank invests in youth based on the belief that they will stay with Postbank through their lifetimes if they are satisfied with the services. By contrast, Banco Caja Social in Colombia expects profits from its youth savings products within a relatively short time frame: the financial model of the account is based on a five-year time period.

Decision Point 6: How strong of a motivating role do social mission and corporate social responsibility play?

Although it cannot create a business case on its own, social commitment can help motivate an institution to offer youth savings in spite of the challenges noted above. In particular, a social commitment can justify a patient approach to the business case—the long time horizon discussed above—in an industry that typically expects more immediate results from its investments. Indeed, although the primary motivation for offering youth savings accounts varies, most institutions interviewed by CGAP during the course of the YouthSave project cited social mission as one important influence, as

the potential social benefits to youth savings are great.

Levers Specific to Youth Sub-segment(s)

Decision Point 7: Which youth sub-segment(s) should the institution target?

An institution can choose to enter one or more specific youth sub-segments. Each requires varying levels of investment and outreach over different time frames and with different costs and benefits, which are determined in large part by the levers described above. Thus, financial institutions have to make choices between targeting older, working-age youth (who are often targeted by multiple institutions), very young sub-segments who cannot operate their accounts except through their parents; or youth who can operate their own savings accounts but where cross-sell is not possible for a number of years. HFC Bank in Ghana targets children beginning at age 12 and makes explicit efforts to graduate them to older-youth and later to adult products. Its decision to target young children and retain them as clients as they grow is driven largely by the competitive atmosphere in Ghana, as market competition for older youth is more intense.

Cost and Revenue Drivers

Market, institutional and segment-specific levers help an institution decide which segments it will serve and how. Then once the segments are identified, an institution can begin to address the question “is it profitable?”—articulating a reasonable business case based on specific planning of costs and revenues. These cost and revenue drivers fall into five main categories: marketing, product, delivery, operations, and risk.

Driver 1: Marketing

Marketing to youth often involves providing basic information about financial institutions

⁷⁰ The time horizon for profitability is elaborated in Deshpande and Zimmerman (2010) and Kilara (2012).

and savings products and convincing youth to open accounts. Offering this information (and sometimes financial education) can be expensive because youth may be generally unfamiliar with financial products.⁷¹ One common approach is to engage parents and explain products through them. Other financial institutions market directly to youth, through low-touch methods, such as the radio and television advertisements, or high-touch methods, such as community outreach and education in schools. Such outreach efforts can be difficult and costly. But they can also be very effective in bridging information barriers, bringing in new youth clients, and creating positive publicity to enhance the institution's brand.

Driver 2: Product and price

Designing appropriate products for a new, unfamiliar client segment can be difficult and costly,⁷² but many small-balance savings products (youth and adult) tend to have similar basic characteristics.⁷³ Research published by YouthSave partners and other scholars indicate that small-balance young savers are often even more constrained than their adult counterparts.⁷⁴ The institutions interviewed commonly mentioned that additional product features such as low or no minimum balance requirements, no fees, higher interest rates, and access to an automatic teller machine (ATM) card are important to youth clients. As the youth savings field continues to experiment and to document its experiences, financial institutions may be correspondingly more able just to introduce products similar to those tried before, a faster and lower-cost way to get product to market than having to conduct extensive market

research of their own. However, it is always advisable to validate a given product concept (e.g., through a small-scale pilot) within its specific proposed market.

Driver 3: Delivery

Building a youth-market business often requires financial institutions to hire new staff or to establish new relationships with other institutions or entities that bring together young people in significant numbers, especially schools.⁷⁵ Schools can be especially effective channels for reaching youth⁷⁶ but this requires large upfront investments and may be complicated, or even prohibited, by regulation. Mobile banking has the potential to help reach more youth at significantly lower costs, especially given that youth tend to be early adopters of technology and often have access to a mobile phone.

To the extent that adults from among the existing client base can bring in younger relatives, then the financial institution's cost to develop new delivery channels can be reduced. And of course in general, the upfront investments required to capture a new market, whether of youth savers or any other segment, will decline on a unit basis as that new market's pool expands. There is also an opportunity to experiment with innovative delivery methods that may ultimately be suitable for other



71 See discussions in Deshpande and Zimmerman (2010); Hirschland (2009) Meyer, Zimmerman, and Boshara (2008); and Schurer, Lule, and Lubwama (2011).

72 See for example the discussions in Center for Social Development (2011); Deshpande (2012); and Hirschland (2009).

73 See for example the discussions in Gepaya (2009); Making Cents International (2010).

74 Deshpande (2012); Hirschland (2009); Johnson et al. (2015); Kilara and Latortue (2012).

75 Making Cents International (2010); Muñoz (2012); Mukaru video interview (2011); Shurer, Lule, and Lubwama (2011).

76 Johnson, Lissa, YungSoo Lee, David Ansong, et al. 2015. *Youth Savings Patterns and Performance in Colombia, Ghana, Kenya, and Nepal*. YouthSave Research Report 2015. St. Louis, MO: Center for Social Development at Washington University. Available at: <http://csd.wustl.edu/Publications/Documents/RR15-01.pdf>

client types, driving down costs (or increasing outreach, or both) in those segments as well.

That said, it is important to remember that compared to adults, the opportunities are more limited for cross-selling higher margin products (e.g., loans) to youth clients. But such opportunities may already exist among older youth sub-segments, and will develop over time to the extent that the long-term goal—to develop life-long customer loyalty—is met.⁷⁷

Driver 4: Operations

Many of the operational costs an institution faces for youth clients are similar to those of other client segments, but those costs are large relative to the very low-balance accounts youth typically have.⁷⁸ Minimum balance requirements are one way to keep savings balances at a sustainable level, but these must be set at low levels to avoid excluding young clients. Youth often require additional support, such as education, reminders (shown through a YouthSave experiment in Colombia to be successful), or incentives, to effectively use accounts they open.⁷⁹

Driver 5: Credit and reputational risk

Because youth clients are typically offered only savings products and not credit, most institutions do not associate this client segment with risk. However, when youth are targeted with the explicit goal of cross-selling loans, as is sometimes the case, then risk becomes an important consideration. Financial institutions often avoid lending to people under age 25 because of their lack of financial experience and relative newness in the labor market. Financial institutions contemplating youth-focused loan products should carefully consider

the additional cost of provisioning for, and analyzing, the associated risks.

Another consideration for an institution is the reputational risk of offering products to youth, especially minors. To the extent that young people do not understand or remember all product details and costs, there is a risk of disappointment and negative word-of-mouth. This can lead to ongoing distrust of financial services by young clients and possibly broader reputational costs to providers.

Summary

Since youth savings are not high-margin products, important tensions arise among their cost and revenue drivers. On the cost side, there is a tension between the need to market products to a new youth segment and the high cost of servicing small accounts. On the revenue side, there is a tension between the difficulty in reaching scale and the scope of young people's product use, which is typically small and limited to one or two products. The framework proposed in this chapter can be a tool for institutions that are either active or interested in this market. It can help identify the levers that will lead them to invest in specific market segments that will, in turn, define the costs and revenue drivers of profitability.

The business case for youth savings, as for any other venture, is dynamic. It should be re-evaluated as market and institutional characteristics change over time. In many markets competition will increase; as this happens, the business case for youth savings may become stronger, and it may make sense to expand youth products to new sub-segments or to invest more in developing the youth market generally. On-going data collection and analysis, and especially a long-term time horizon, will remain fundamentally important to any financial institution contemplating building a strong presence in the youth market. ■

77 Deshpande and Zimmerman (2010); Nakamatte and Muñoz (2012)

78 Westley and Martin (2010) describe in detail the relative difficulty and high cost of mobilizing small-balance savings.

79 Deshpande, Rani. 2012. *What Do Youth Savers Want? Results from Market Research in Four Countries*. Washington, D.C.: Save the Children Federation, Inc. Available at: <http://mastercardfdn.org/wp-content/uploads/YouthSave-Market-Research-Report-FINAL1.pdf>



CHAPTER 11

Policy Lessons from YouthSave

Fred M. Ssewamala and Scarlett Aldebot-Green

Recognizing that today's youth will be tomorrow's productive labor force, policymakers in developing countries are making concerted efforts to facilitate youth economic empowerment. YouthSave and other research indicates that youth savings programs have the potential to help low-income young people build better futures. This research demonstrates that low-income young people can and do save if given the opportunity, and that savings programs for young people can

have far-reaching educational, economic, health, and behavioral outcomes.⁸⁰

But the policy implications around formal-sector youth savings in the developing world are complex and varied, dependent as they are upon the particular regulatory environment of each country context. YouthSave data has taught us that within this broader policy context, there are nevertheless some specific policy measures that could facilitate youth financial inclusion in general and savings in particular.

It is important to keep some specific factors in mind when considering youth-savings policy questions. First, young people in developing countries, particularly those young people living in poverty, often occupy precarious positions at the margins of their societies, excluded from

⁸⁰ See for example Johnson et al. (2015); Ssewamala & Ismayilova (2009); Ssewamala et al. (2010); and Ssewamala et al. (2012).



many societal institutions, including the formal financial sector. As a result, savings programs designed for these youth must make concerted efforts to reach them. Second, this social vulnerability means that concerted efforts must also be made to protect their interests and those of the institution lest a relationship intended for mutual benefit should end up causing unintended harmful consequences to either party.⁸¹ To address these issues, and based on our findings from YouthSave, we suggest the following policy lessons.

81 Aldebot-Green, Scarlett and Aleta Sprague. 2014. *Regulatory Environments for Youth Savings in the Developing World*. YouthSave Policy Brief. Washington, D.C.: New America. Available at: https://www.newamerica.org/downloads/Regulatory_Environments_for_Youth_Savings_Developing_World_Youthsave.pdf

1. Creating Generally Supportive Regulatory Environments for Youth Savings.

The goal here is to identify the most common barriers and then to craft solutions in collaboration with a broad base of stakeholders—including ministries of youth, education, social welfare, and finance (including central banks); formal financial institutions; youth-serving organizations; faith-based organizations; and schools. These stakeholders should address the two most prevalent regulatory constraints: proof of identity and account control. Many low-income youth lack birth certificates or other official government-issued identity documents but may be able to provide reasonable alternatives (e.g., school IDs or letters of introduction from local authorities). Creating flexible policies around identity verification would allow more young people potential access to accounts. At the same time, policies aimed at facilitating flexibility for youth should also protect financial institutions and, more broadly, financial systems. A tiered system might be appropriate—one that allows alternatives to government issued identification for younger minors or those with lower account balances while still requiring more formal proof of identity for older youth or larger-volume accounts.

We recommend governments and financial institutions design policies that provide youth maximum control of their accounts while ensuring age-appropriate protections through flexibility around opening, management, and closure or transformation of accounts.⁸² Indeed, in the countries where YouthSave was implemented, we found that many commercial banks were already offering savings products aimed at helping adults save *on behalf of or in the name of their children* (or grandchildren or other minor child), but regulations made it difficult to design a product that youth could

82 Ibid.

open and manage themselves. While certain product design workarounds served to ease access somewhat for YouthSave participants, this barrier could be most effectively addressed through policy.

As an example, we could learn from the U.S. Community Reinvestment Act of 1977 (CRA) (P.L. 95-128, 91 Stat. 1147, title VIII of the Housing and Community Development Act of 1977) intended to address the discriminatory credit practices against individuals and businesses from low-income neighborhoods. The CRA provides a framework for financial institutions, working together with state and local governments, and community organizations, to promote affordable financial and banking services to all members of a community, including low-income residents. It does so while emphasizing that safe and sound practices are in place to protect institutions against loss.

Governments in developing countries have devised their own policies and regulations and may use them as a means to advance financial inclusion for young people. For example, the Kenyan Government's *Vision 2030* (which explicitly focuses on greater financial inclusion of low-income individuals and families) includes youth financial inclusion as a specific target. Kenya, along with Ghana, also provides an example of a concrete tactic to make it easier to extend savings services to young people. In both of those countries, for youth participating in YouthSave, regulatory or institutional policy was waived in order to allow "trusted adults" to be cosignatories on minors' accounts rather than only parents. The result was that 56 percent of accounts were opened with cosignatories other than parents.⁸³ This may suggest that for 56 percent of youth account holders, it was the regulations (or their

interpretation) that may have been the factor determining the youths' willingness, or perhaps ability, to take advantage of the opportunity to save.

2. Policy Should Also Account for Specific Vulnerabilities—Economic, Legal, Social, and Gender

Depending on their circumstances, young people can face different barriers to accessing youth savings programs. Very low-income youth, those out of school, and girls face particular challenges. YouthSave results

If secondary schools are the main targets for marketing, girls and the very poor may be neglected.

indicate that, although an estimated 48 percent of account holders were living under USD 2.50 per day, higher poverty likelihood was associated with lower savers in Ghana and Kenya.⁸⁴ Out-of-school youth represented only 1.6 percent of the total number of YouthSave account holders, and in Kenya and Ghana, boys outnumbered girls by a ratio of 3:2.

These trends could reflect marketing and targeting strategies. If marketing is done for the most part in secondary schools, for example, it is likely that fewer girls will be reached due to generally lower female enrollment rates at that level. In the African countries where YouthSave was implemented, although primary school is free, secondary school is not. That means that if secondary schools are the main targets for youth financial inclusion, the very poor will also be neglected.

⁸³ Johnson, Lissa, YungSoo Lee, David Ansong, et al. 2015. *Youth Savings Patterns and Performance in Colombia, Ghana, Kenya, and Nepal*. YouthSave Research Report 2015. St. Louis, MO: Center for Social Development at Washington University. Available at: <http://csd.wustl.edu/Publications/Documents/RR15-01.pdf>

⁸⁴ Ibid.

To be truly inclusive, savings programs must tailor their outreach strategies to take account of the particular obstacles faced by girls, poorer youth, and out-of-school youth. Along with more effective marketing and targeting, financial education may foster more equitable inclusion. Financial institutions may also consider entering into partnerships with organizations that already deliver other services to marginalized youth and that might be open to learning about the potential benefits of adding financial services and asset building to their programming. Policymakers are well positioned to encourage such relationships since their role is to identify strategies that can reach more vulnerable segments and since they can design interventions with a partnership model in mind.

3. Think Beyond Access to Usage

Youth involved in the YouthSave project opened over 130,000 accounts as of May 2015. Out of the 66,606 research accounts opened as of May 2014, 61 percent had become inactive within the prior six-month period.⁸⁵ Youth participants explained that, at least in some cases, accounts went dormant because the youths' parents or other trusted adults could not take or accompany youth to bank branches.⁸⁶ In other

cases, as noted in Chapter 7, youth became discouraged from saving when adults in their lives became less involved in what had been a joint enterprise.⁸⁷

It has been suggested that the drop-off in usage, at least to the extent it reflects logistical challenges, could be addressed through technology. For example, mobile phone-based tools could enable youth to access accounts whenever or wherever needed. Although such tools have the potential to increase savings and to lower the cost to youth and banks of doing business with one another, significant barriers exist.⁸⁸ Mobile phones may be ubiquitous, but cost could still be a constraint for young people. In some countries, minor youth are barred by law from owning a SIM card or a phone in his or her own name, and in remote or rural areas, network access is another barrier as well.⁸⁹ ■

85 Johnson, Lissa, YungSoo Lee, David Ansong, et al. (2015)

86 Comments from Colombian YouthSaver, Multi-Stakeholder Meeting, Bogotá, Colombia (2014)

87 See for example Otoo, Adadezwa and Christina Williams, May 11, 2015, "If You Build It, Will They (Continue to) Come?", YouthSave blog, www.newamerica.org/youthsave/if-you-build-it-will-they-continue-to-come as well as Cramer, Reid, Justin King, Rachel Black, and Patricia Hart. 2015. *Addressing the Challenge of Account Dormancy in Youth Savings Initiatives*. Washington, DC: New America. Available at: <https://static.newamerica.org/attachments/4464-addressing-the-challenge-of-account-dormancy-in-youth-savings-initiatives/Youth%20Savings%20Dormancy.67e61dc850904c4988bb75926cd7c478.pdf>

88 Johnson, Lissa, YungSoo Lee, David Ansong, et al. (2015)

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CHAPTER 12

YouthSave Overall Research Lessons

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The Center for Social Development (CSD) at Washington University in St. Louis and our many partners designed and implemented the comprehensive learning agenda for YouthSave. Applied research “in the field” always has its

challenges. YouthSave, by virtue of its large numeric scale, international footprint, and ambitious learning agenda, was more complex than many, requiring large teams and extensive logistical coordination. Thanks in large part to the warm and productive working relationships among the many partners, the research work was successful (and joyful), yielding valuable insights for the emerging field of youth financial services. In this chapter, we focus on three overarching lessons from the extensive YouthSave research agenda.

Lesson 1. Youth Saving in Developing Countries Makes a Positive Difference

For the previously unbanked, saving accounts represent *financial inclusion*. The YouthSave program saw 10 percent to 20 percent of youth in the treatment groups open accounts,

compared to less than 1 percent for youth in the control groups (see Chapter 4). These numbers indicate the potential for a large increase in financial inclusion starting early in life if savings accounts were offered across a full population. Among savers, the rate of net savings over several years could amount to a significant contribution to expenses for secondary schooling.

these youth are out of school, they want back in, and they see savings as a means to that end. Thus, while this data is not conclusive, saving may be a desirable strategy for facilitating education, even among out-of-school youth.

The research team has conducted the preliminary analyses for the experimental research results from Ghana, which show some but not many positive effects. It is possible that



Out-of-school youth make up 1 percent to 5.7 percent of the YouthSave participants in each country (see Chapter 3). Though these percentages are small, it is important to pay special attention to out-of-school youths' participation and performance. Among this group, as might be expected, a higher proportion has earned income. Also among this group, perhaps less expected, saving for education is a prominent goal. In other words,

these effects do not occur, but it is also possible that the treatment was not in place long enough. More clarity on experimental results is forthcoming from CSD.

During in-depth interviews, YouthSave participants described social and psychological benefits, such as improved discipline, a sense of pride and excitement, and an orientation towards the future. For example, one young

participant said, “[With] the money that I am saving . . . I am aspiring to go to the university.” Ultimately, changes in attitudes and outlooks may be more important than the sums in the accounts.

Overall, YouthSave research shows that a meaningful proportion of youth—including low-income youth—in developing countries can save, which has the potential to make a positive difference in their lives. This finding is YouthSave’s most important contribution. In a larger context, YouthSave research adds to the understanding of asset building’s role in youth development.

Lesson 2. Saving Should Engage Financial Institutions and Families—and Sustain Across Youth Years

Policymakers who develop and implement savings strategies should understand the effects both financial institutions and families have on youth saving. Development strategies should focus not just on account opening but should aim for fostering sustained saving behavior throughout the childhood and youth years.

Taking the bank to the youth was the major reason for YouthSave’s success. Discussion of saving accounts in schools, and especially providing in-school banking (i.e., processing deposits at schools) greatly increased participation. Internet-based or mobile technology will make future access to savings accounts still easier and more efficient.

Families matter. Across the four YouthSave countries, average monthly savings was higher among younger youth—an unexpected finding, considering that younger children are less likely to work. The reason, in part, is that parents are more likely to help younger children save. Also, we found higher saving when a parent co-signs the account, suggesting again that parental involvement may contribute to saving

success. Conversely, we found that when young people’s savings activity waned over time, one frequently cited reason was a tapering off of parental enthusiasm. Savings innovations going forward should include strategies to engage families during the start-up phase and then keep them excited and committed. Their drive matters. As one youth clearly reported, “My mom opened the account, so I heard ‘saving, saving, saving’. So, I also wanted to save.”

It’s important to remember, as well, that there may be cases where parental involvement is not possible and may even be undesirable. As noted elsewhere in this report, in Ghana and Kenya, where regulations permit minors to open accounts with a “trusted adult” other than a parent as cosignatory, significant numbers of youth took advantage of that alternative. But where parents are available and supportive, their ongoing motivation is a powerful force.

Starting early matters. On the individual level, the earlier a young person begins the savings habit, the more time those savings have to accumulate into a useful lump sum. Those larger sums in turn translate into greater likelihood for positive outcomes (e.g., to pursue education). At the community level, the more youth savings becomes a normal and accepted practice, the more likely families



will be to understand the value and to engage in constructive ways, and the more effective financial institutions will become in reaching out to youth savers with the products and service those young customers need at each stage of their journey towards adulthood.

Lesson 3. Large-Scale Applied Research Has Continuing Pay-Offs

The YouthSave research agenda was large-scale and ambitious. Below we note some continuing pay-offs, beyond the formal boundaries of the project, which we believe will have great value going forward.

Creation of the largest data set on youth saving. YouthSave researchers have created the largest detailed data set on youth saving transactions and performance in developing countries. The value of this data set is evident in the very accurate measures of account holding, depositing, and net savings; the ability to assess savings in a robust experimental context; and the ability to identify factors (such as age and gender) associated with savings performance. Future researchers will use this data set for additional informative analyses and insights.

The long-term value of The Ghana Experiment. The YouthSave Experiment in Ghana is the largest known experimental study of youth saving in a developing country. Ideally, it would have carried on for a longer period of time, but preliminary results suggest some positive impacts on youth wellbeing. Fortunately, once set up, a good experiment can continue to generate valuable knowledge—with other experiments, CSD has been able to follow participants for as long as ten years to better understand impacts. In Ghana, the established partnership with the Institute for Statistical, Social and Economic Research can facilitate ongoing follow-ups to see how much YouthSave affects future education, employment, and earnings.

Productive partnerships with research partners. The MasterCard Foundation recognized from the outset that the YouthSave research agenda would have to rely on local research capacity in each country. The scope of the project was simply too vast for any single institution, and the distinct cultural and operational contexts demanded local researchers to ensure

YouthSave research shows that a meaningful proportion of youth—including low-income youth—in developing countries can save, which has the potential to make a positive difference in their lives. This finding is YouthSave’s most important contribution.

relevance. The effective relationships built over the past five years between CSD and all the in-country research partners were essential to the successful execution of YouthSave’s research. But the foundation has now also been built for future collaborations which we believe will continue to generate many positive returns in the years ahead.

Directions for Future Inquiry

Given the research capacity described above, it will be possible to undertake additional research that builds on the infrastructure and relationships created by YouthSave. One clear goal should be a follow-up survey wave for participants in The Ghana Experiment. The effects may take a longer period of time to become statistically significant; or, on the other hand, they may wear off over time. The value of a well-designed experiment is its ability to continually generate knowledge for many years to come. ■

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The YouthSave Consortium is grateful to all the scholars and practitioners whose writings have helped shape our project and the fields of youth financial services and youth wellbeing generally. Where possible, we have provided URLs where interested readers can download the works cited in this report. Please note that URLs were valid at the time of writing. We regret that, with the exception of YouthSave's own work products, we cannot be responsible for any links that may break or decay over time, nor can we ensure that downloads are or will remain free of charge. Works produced under the auspices of the YouthSave Consortium itself are indicated with an asterisk (*).

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<http://www.vision2030.go.ke/>

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Appendix 1

Key Contextual Information on YouthSave Implementation Countries Country snapshot (2014)

	Colombia	Ghana	Kenya	Nepal
Population, total ¹	48.3M	25.9M	44.4M	27.8M
Population, age 15+ ²	34.9M	15.9M	25.6M	18.2M
Median age (2015) ³	28	21	19	23
Age of majority	18	19	18	18
Minimum age to open a bank account	7	18	18	16
Population with at least some secondary education, male (% aged 25+) ⁴	55.6	64.7	31.5	39.9
Population with at least some secondary education, female (% aged 25+) ⁵	56.9	45.2	25.3	17.9
Primary school drop-out rate (% of primary school cohort) ⁶	15.3	27.8	27.2	38.31
Expected years of schooling ⁷	13.2	11.5	11	12.4

1 The World Bank Group, The Data Catalog. Online. <http://data.worldbank.org/>

2 Ibid.

3 United Nations Development Programme, Human Development Reports. Online. <http://hdr.undp.org/en>

4 UNDP, 2005-2012.

5 Ibid.

6 UNDP, 2003-2012.

7 UNDP, 2000-2012.

Key country human development indicators (2014)

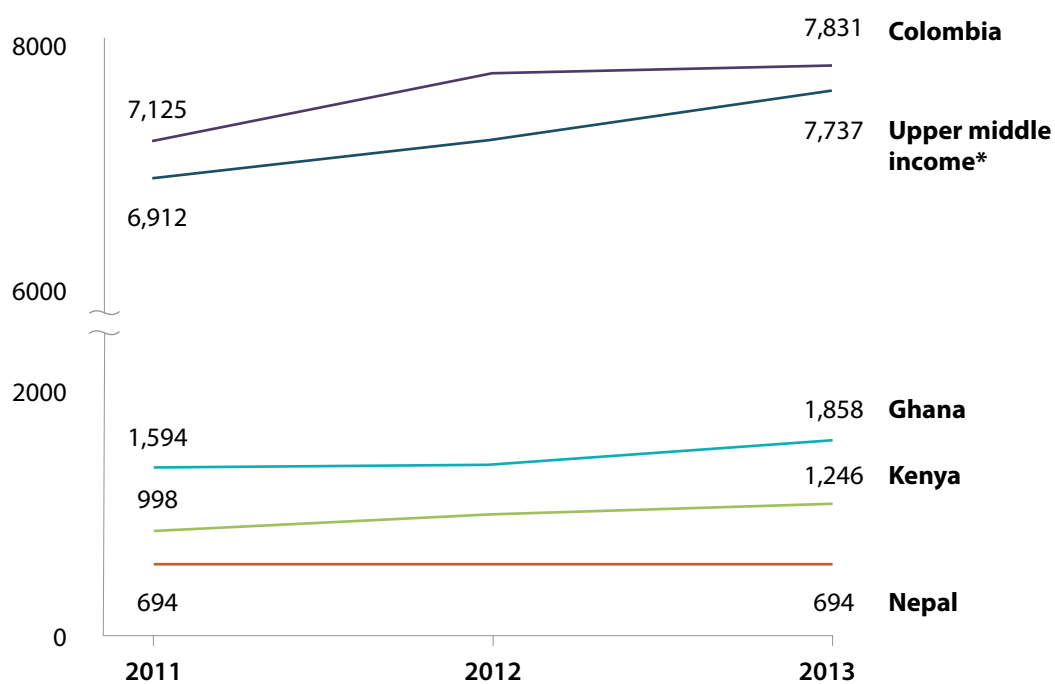
	Colombia	Ghana	Kenya	Nepal
Poverty headcount ratio at \$2 a day (PPP) (% of population) ⁸	12.0	51.8	67.2	56.0
% of population living on \$1.25/day or less ⁹	8.2	28.6	43.4	24.8
HDI Rank (out of 187) ¹⁰	98	138	147	145

8 The World Bank, Poverty and Inequality Database. Online. <http://databank.worldbank.org/data/views/variableselection/selectvariables.aspx?source=poverty-and-inequality-database>

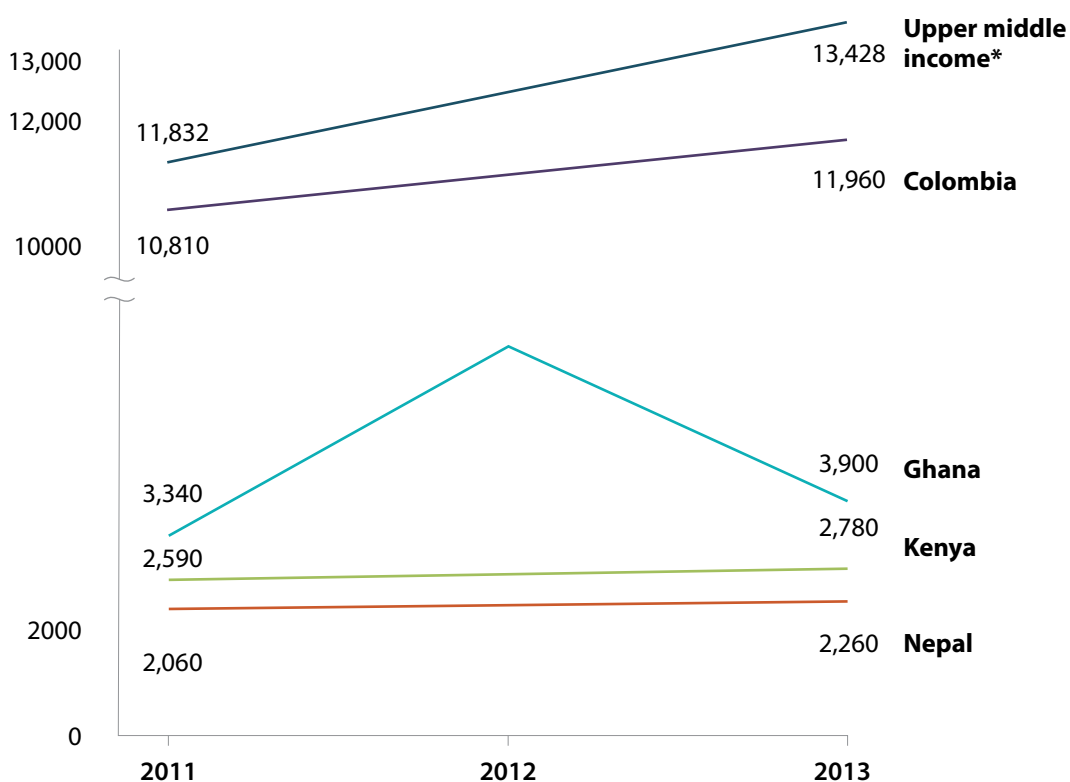
9 UNDP, 2013.

10 UNDP, 2013.

GDP per capita (current USD) over life of the project



GNI per capita, PPP (current USD) over life of the project



*Upper middle income group aggregate. Upper-middle-income economies are those in which 2014 GNI per capita was between \$4,126 and \$12,735

Source: The World Bank, World Development Indicators. Online. <http://data.worldbank.org/topic/poverty>

Youth wellbeing index (2014)¹¹

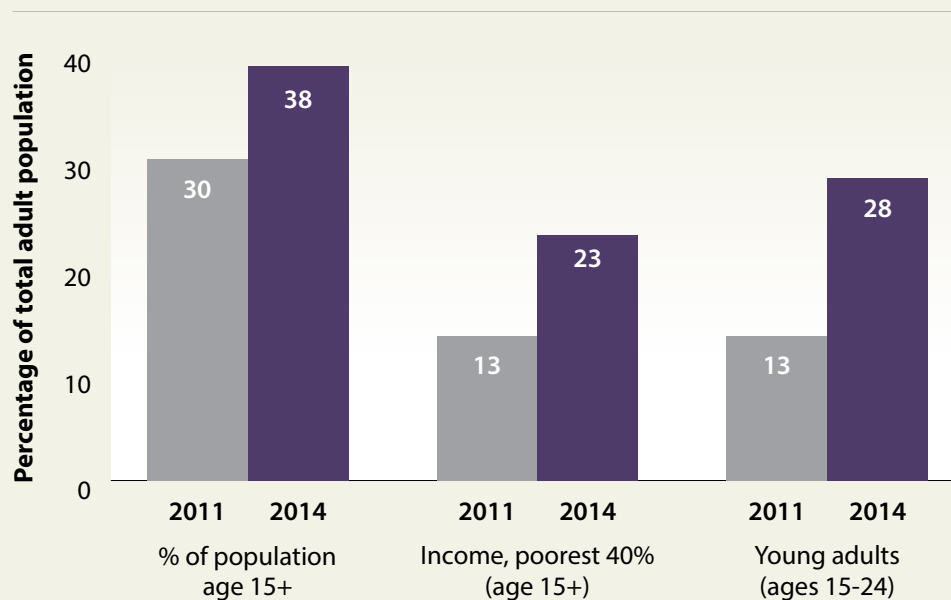
The Global Youth Wellbeing Index 2014 gathers and connects youth-related data to assess and compare the state of young people's wellbeing around the world. The rankings are scored between 0 and 1, with 1 being the highest. Scores are given across six domains of youths' lives, as listed in the table below.

	Colombia	Ghana	Kenya	Nepal
Citizen Participation	0.7	0.61	0.55	N/A
Economic Opportunity	0.4	0.48	0.39	N/A
Education	0.65	0.49	0.52	N/A
Health	0.67	0.54	0.38	N/A
Information and Technology	0.54	0.34	0.31	N/A
Safety and Security	0.47	0.6	0.57	N/A
Rank	13th / 30	21st / 30	27th / 30	N/A

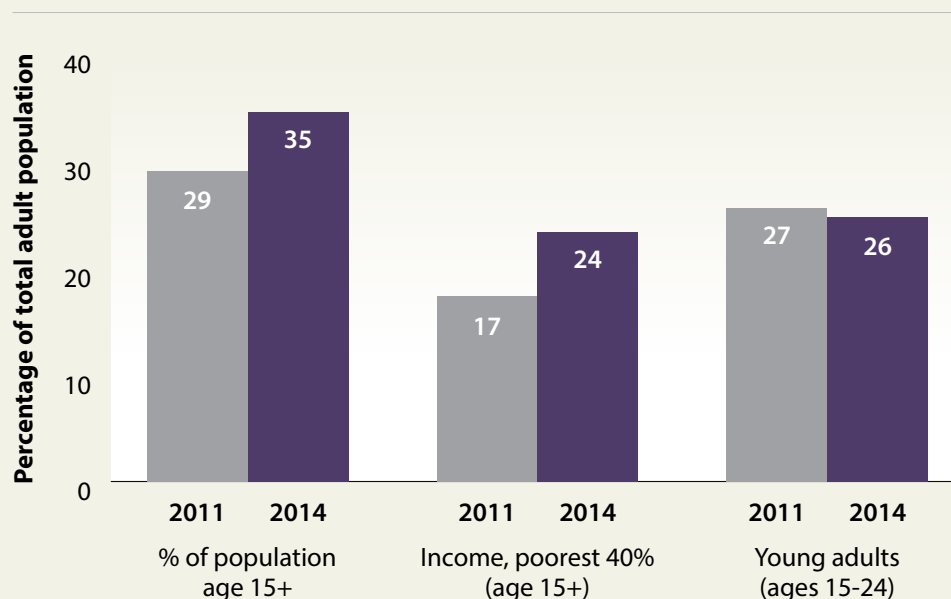
11 Center for Strategic & International Studies, The Global Youth Wellbeing Index 2014. Online. <http://www.youthindex.org/>

Formal account ownership increased between 2011 and 2014, although to varying degrees between YouthSave countries.¹²

Colombia



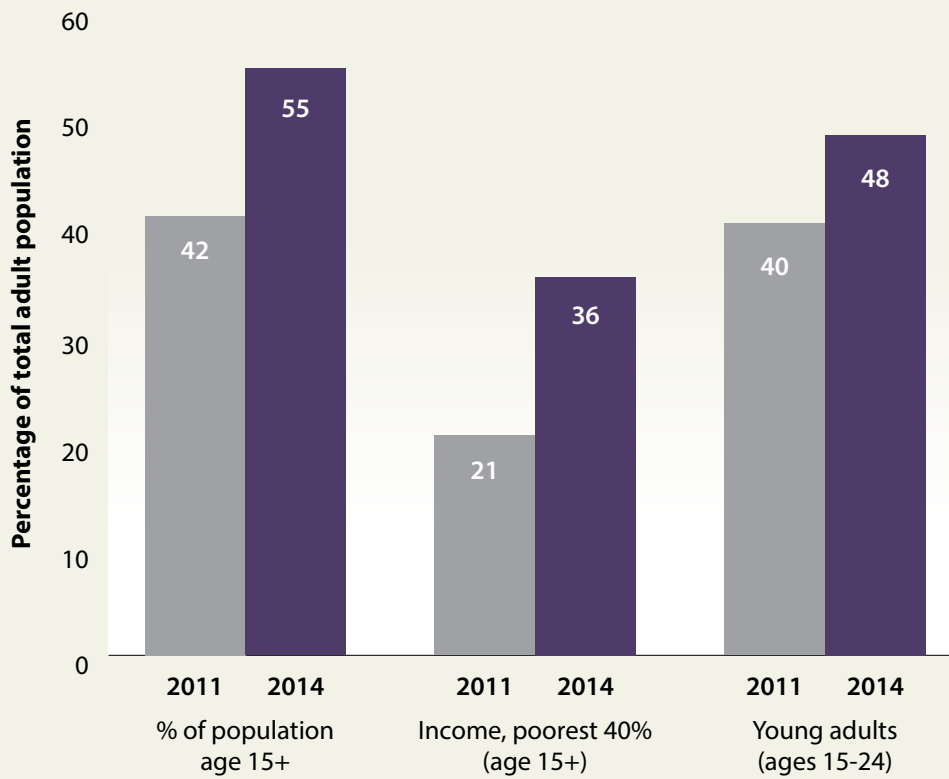
Ghana



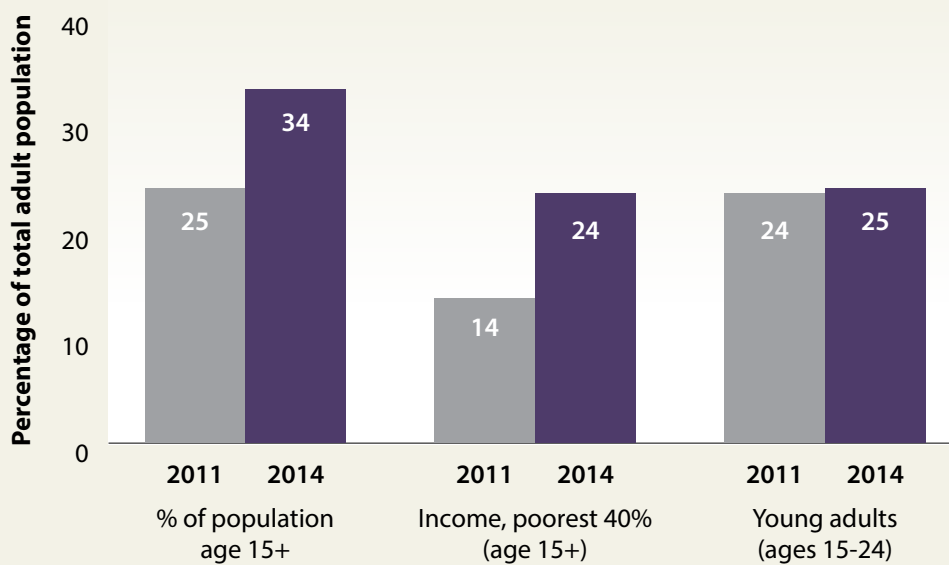
* NB: Account ownership at a financial institution actually fell by 1% between 2011 and 2014. This could be explained by the emergence and relative success of mobile banking in Ghana during this period. In the FINDEX 2014 survey, 16% of young adults reported having a mobile account, compared to 13% among the total population aged 15+.

12 The World Bank Group, Global Findex 2011 & 2014. Online. <http://www.worldbank.org/en/programs/globalindex>

Kenya

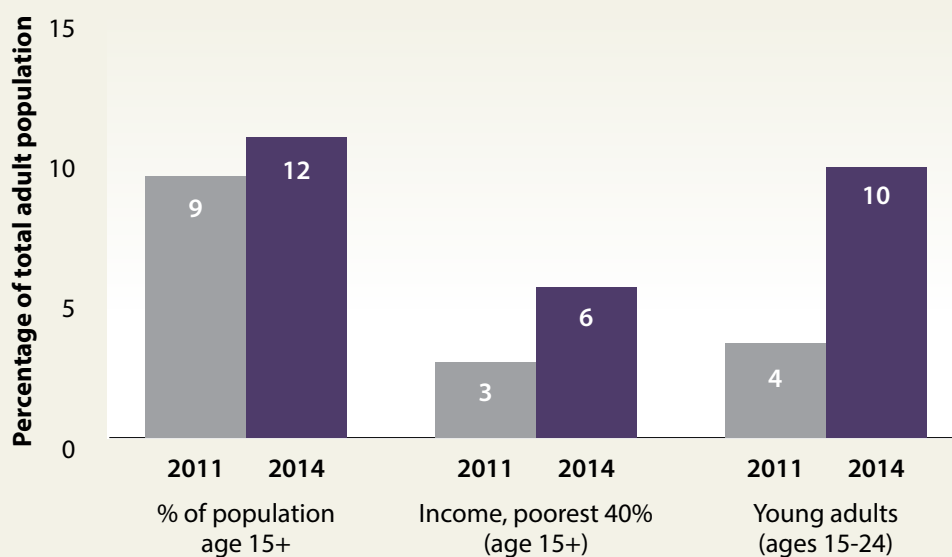


Nepal



However, the rate of formal saving remains low. Kenya and Nepal have seen the greatest increase in population (age 15+) saving at a financial institution between 2011 and 2014.¹³

Colombia

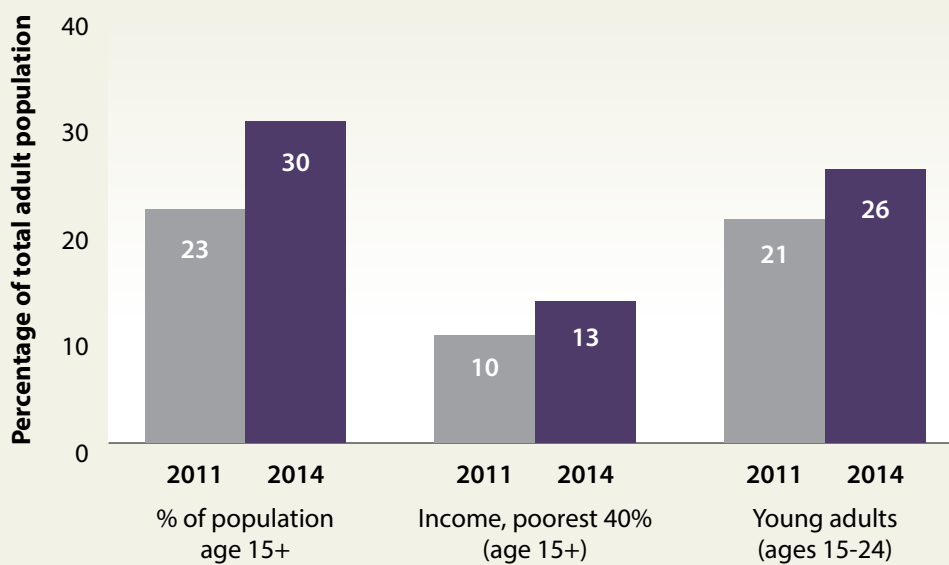


Ghana



¹³ Ibid.

Kenya



Nepal



Appendix 2

YouthSave Account Features

	Colombia	Ghana	Kenya	Nepal
Financial institution	Banco Caja Social (BCS)	HFC Bank	Postbank	Bank of Kathmandu (BOK)
Product name	Cuentamiga para Jóvenes	Enidaso	SMATA	Chetanshil Yuva Bachat Yojana (CYBY)
Type of account	Programmed savings	Regular savings	Regular savings	Regular savings
Eligible youth	7–17 years	12–18 years	12–18 years	10–22 years
Owner	<ul style="list-style-type: none"> Youth 	<ul style="list-style-type: none"> Custodian is primary signatory and can be any trusted adult. Youth also must sign account opening forms. 	<ul style="list-style-type: none"> Custodian is primary signatory and can be any trusted adult. Youth also must sign account opening forms. 	<ul style="list-style-type: none"> Age 16 Under age 16: Parent/guardian
Account opening requirements	<ul style="list-style-type: none"> Account opening form completed by youth Child ID 	<ul style="list-style-type: none"> Account opening and KYC form completed and signed by adult and youth Youth and adult photos taken at branch ID for adults include national ID, voter ID, passport, driver's license, or health insurance card. ID for youth include national ID, NHIS card, school ID, letter from local government official, or letter from school. 	<ul style="list-style-type: none"> Account opening form Youth and adult photos taken at branch ID for parent/guardian ID for youth include birth certificate, birth notification, baptism card, school leaving certificate, or letter from provincial administration to introduce youth with no ID. For savings club accounts, youth need an introduction letter from the school, a minimum of two adult signatories, and two youth representatives. 	<ul style="list-style-type: none"> Account opening form ID for minors (youth younger than 16) include a photocopy of parent's or guardian's citizenship and documentation of youth's data of birth (e.g., birth registration certificate or school registration certificate). ID for majors (youth 16 and older) include a photocopy of citizenship or passport. Youth photo Parent or guardian photo (for minors)
Deposit/withdrawal requirements	<ul style="list-style-type: none"> Youth can withdraw and deposit independently. In the savings plan, monthly deposits must total COP 20,000; however, there is no penalty for missing monthly goal. 	<ul style="list-style-type: none"> Youth can deposit independently. An adult must be present for youth to make a withdrawal. 	<ul style="list-style-type: none"> Youth can deposit independently. An adult and youth must be present for youth to make a withdrawal, (but not legally required for youth to be present). Policy applies to club accounts as well. 	<ul style="list-style-type: none"> Minors can deposit but adult and child presence and signature required for withdrawal. Majors can withdraw and deposit independently.
Interest rate	<ul style="list-style-type: none"> 0.25% per year for up to COP 500,000 0.5% per year for up to COP 1,000,000 0.75% per year for up to COP 2,000,000 1% per year for over COP 2,000,000 	<ul style="list-style-type: none"> 1.25% per year subject to Asset and Liability Management Committee (ALCO) which meets monthly to set rate, minimum GHS 20 to earn interest 	<ul style="list-style-type: none"> .75% for KES 20,000 to 99,999; 1% for KES 100,000 to 499,999; 2% for KES 500,000 to 4,999,999; and 2.5% for KES 5,000,000 and above. Interest compounds daily and is capitalized annually 	<ul style="list-style-type: none"> 4.5% on savings
Fees	<ul style="list-style-type: none"> Withdrawal: COP 5,000 Account closure (if savings goal not achieved): COP 5,000 	<ul style="list-style-type: none"> Withdrawal: GHS 3.50 ATM card: GHS 2.50 Withdrawal booklet: GHS 3.50 Paper statements: GHS 2 	<ul style="list-style-type: none"> Withdrawal: KES 30 Replacement of lost/stolen debit card: KES 350 Account closure fee: KES 50 	<ul style="list-style-type: none"> Account closure: NPR 100 (charge waived for accounts open for at least two years)

	Colombia	Ghana	Kenya	Nepal
Minimums	<ul style="list-style-type: none"> • Opening balance: COP 10,000 • Balance to earn interest: COP 1 	<ul style="list-style-type: none"> • Opening balance: GHS 2 • Operating balance: GHS 5 • Balance to earn interest: GHS 20 	<ul style="list-style-type: none"> • Opening balance: KES 50 • Operating balance: KES 200 • Minimum deposit: KES 50 • Balance for interest: KES 15,000 	<ul style="list-style-type: none"> • Opening: NPR 100 • Operating: NPR 100 • Balance to earn interest: NPR 1
Withdrawal restrictions	<ul style="list-style-type: none"> • One withdrawal per year • Withdrawals allowed after balance reaches COP 10,000. 	<ul style="list-style-type: none"> • No withdrawals for first three months • Monthly withdrawals are allowed thereafter. 	<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> • Transactions (deposits and withdrawals) are capped at NPR 5,000 per transaction at aggregation points (e.g., schools, youth clubs). • There are no transaction limits in branches.
Incentives	<ul style="list-style-type: none"> • A special kit with a bracelet, card, and piggy bank is offered at account opening as incentives. 	<ul style="list-style-type: none"> • Account holders are offered a free piggy bank, T-shirt, or pen. 	<ul style="list-style-type: none"> • Account holders are given a free debit card. 	<ul style="list-style-type: none"> • Account holders are given a free piggy bank. Majors have the option to receive a Visa debit card instead with the first year issuance charge waived.
Other features	<ul style="list-style-type: none"> • Youth sets up savings plan of 12–60 months and plan to deposit at least COP 20,000 per month. • Statements are sent by email on a quarterly basis. 	<ul style="list-style-type: none"> • Youth receive an ATM card to check balances (fee-free). • Statements are given every six months. 	<ul style="list-style-type: none"> • Youth receive a debit card that enables withdrawals only at a teller and to use as a bank ID. 	<ul style="list-style-type: none"> • Youth receive a free customer ID card.
Delivery strategy	<ul style="list-style-type: none"> • Branches for all transactions and agents for deposits 	<ul style="list-style-type: none"> • Branches and Bofo agents • In-school delivery in certain locations 	<ul style="list-style-type: none"> • Branches for deposits and withdrawals • Postbank agents for deposits only • Mobile phone for deposits only • School collection of checks only by branch staff when requested by school 	<ul style="list-style-type: none"> • Branches • Periodic service at aggregation points (e.g., schools, youth savings clubs) in certain locations
Marketing Strategies	<ul style="list-style-type: none"> • Event tickets offered at promotional events in 14 schools in Bogotá and 10 schools in Medellín. 	<ul style="list-style-type: none"> • Prizes were offered during promotional campaigns. • Direct marketing occurred during school visits and through print and electronic media. 	<ul style="list-style-type: none"> • Prizes were offered during promotional campaigns. • Direct marketing occurred during school visits and through print and electronic media. 	<ul style="list-style-type: none"> • Direct marketing occurred during school visits and through print and electronic media.
Conversion upon majority	<ul style="list-style-type: none"> • No automatic conversion • BCS offers adult products into which youth can be migrated. 	<ul style="list-style-type: none"> • No automatic conversion • HFC offers adult products into which youth can be migrated. KYC will be upgraded to reflect new status. Same account code will apply, but a new account number is assigned. 	<ul style="list-style-type: none"> • No automatic conversion • Youth can continue to operate account for one year after turning 18 while awaiting adult ID and transition to STEP account thereafter. 	<ul style="list-style-type: none"> • Once youth turn 16, withdrawals are frozen until they submit a citizenship certificate to continue operations. • Account can be retained.

KYC, Know Your Client.

Data provided by Save the Children (2014).

Appendix 3

YouthSave Financial Education Programming Summary Table

Country	Program Activities	Outreach	Sample size and type for pre/post tests	Timeframe of post-post test
Colombia	FE workshops. One-time workshops of 25-35 children each, approximately 4 hours long, delivered at schools via trained facilitators.	7,149 youth	2,526 youth Tracked sample – youth who took pre, post, and post-post test	2 months after the workshop
	SMS. Messages with either financial education content or reminders to deposit funds sent to account holders.	8,839 account holders		
	FE assemblies. One-hour assemblies of 100-200 children each, delivered by SC and BCS at schools that BCS targeted for Cuentamiga account promotional activities.	6,095 youth		
Kenya	Youth FE training. 10-14 session curriculum delivered by local partner NGOs to youth clubs of 20-45 children each, both in- and out-of-school.	16,190 youth	400 youth Random representative sample	9-11 months after the training
	Adult FE training. Two-hour session delivered by local partner NGOs.	1,862 individuals		
	Short buy-in sessions. Community engagement meetings of 30-60 minutes each, to ensure sensitization to savings, conducted by local partner NGOs.	26,443 individuals		
Nepal	FE workshops. One-time 3-hour workshops at schools and youth clubs, delivered by local partner NGOs. A comic book with signature characters imparting financial literacy messages distributed to each youth at workshops. Follow up bi-weekly or monthly booster activities of approximately 45 minutes.	20,820 youth	1,253 youth Random representative sample	1-18 months after the workshop
	Street drama. Youth club performances to raise community awareness, held at schools and community/village venues.	20,197 individuals		
	Radio drama. Serialized 4-part recorded adaptation of street drama in local languages, aired on radio in areas with no SC FE programming.	660,000 estimated listeners		

Appendix 4

YouthSave Publications

YouthSave infographic: Access, Savings, Impact, July 27, 2015

Frequently Asked Questions about Youth Savings Accounts, May 11, 2011

As development analysts and practitioners increasingly look to savings as a potential tool to spur development and financial inclusion among low-income youth in developing countries, this FAQ is meant to provide a basic overview of a relatively new area of inquiry and practice: youth savings accounts (YSAs).

Youth Savings in Developing Countries, November 7, 2010

Research and experience to date suggest that savings accounts for low-income youth may be a high-leverage tool to achieve both youth development and financial inclusion objectives. This potential has led a variety of stakeholders to invest in youth savings products, programs, policies around the world. However, there is limited evidence of whether these initiatives are fulfilling either type of development potential, or what types of youth savings initiatives might potentially achieve both. More experimentation and research on these questions are needed to optimize public and private investment in this area. This paper explores the potential of youth savings accounts (YSAs) as an intervention at the nexus of youth development and financial inclusion.

Savings Accounts for Young People in Developing Countries: Trends in Practice, December 1, 2010

This paper surveys current practice to better understand the diverse range of youth savings initiatives under way in developing countries, and the actors promoting them in a range of forms for various objectives. It also gathers the little evidence available on the extent to which such savings initiatives are fulfilling their perceived dual development potential. This paper ends with key questions that must be answered with further research and practical experimentation, before this development potential can be confirmed.

Save the Children



Save the Children®

Toward Financially Capable Youth: Insights from YouthSave's Financial Education, September 9, 2015

In addition to offering suitable savings accounts for low-income teens, YouthSave designed and implemented financial education trainings to ensure that participating youth made the most out of their accounts. To see whether these activities produced any differences in youths' attitudes, knowledge, and behaviors related to saving, YouthSave tested participants before and after the trainings, looking also at the effect of financial education over time.

Analysis of test results revealed improvements in all three areas, and the findings are described in this paper.

Testing the Waters: YouthSave Pilot Results from Three Market, February 1, 2013

This paper documents the process of youth savings accounts product design by YouthSave's four bank partners.

What Do Youth Savers Want? / ¿Que Quieren Las y Los Jovenes Ahoradores?, February 1, 2012

After twenty years of research and practice on the subject, the economic development field finally seems to have accepted that poor people can and do save money. Yet for many development practitioners—as well as parents, teachers, and bankers—"youth savings" is still an oxymoron. Often these adults believe that young people—especially low-income youth—cannot save money because they simply do not have it. This paper summarizes the most important findings common to all four market studies in YouthSave's countries, Colombia, Ghana, Kenya, and Nepal. This summary is meant to provide those interested in designing youth savings accounts with a set of plausible hypotheses to prove, refine, or disprove for their particular populations of interest—a head start in designing market research to understand the needs of youth savers.

Center for Social Development (CSD) at Washington University in St. Louis



Impacts of Financial Inclusion on Youth Development: Findings from the Ghana YouthSave Experiment, August 31, 2015

The Ghana Experiment's findings demonstrate that early savings can enable young people to improve their long-term financial and educational outcomes, psychological wellbeing (e.g., self-efficacy, self-confidence), and future orientation. Equipped with such knowledge and skills, youth can make informed, positive choices in other areas of their lives, including health behaviors.

Taking the Bank to the Youth: Impacts on Saving and Asset Building from the Ghana YouthSave Experiment, August 2015

This working paper explores the experimental impact of in-school banking and financial marketing outreach on the savings performance of youth in schools across eight geographic regions in Ghana.

Youth Savings Patterns and Performance in Ghana: A Supplementary Report, June, 2015

This supplementary report on Ghana's Enidaso account holders provides evidence on the youth response to YouthSave by incorporating data from HFC's product rollout in May 2012 through November 2014.

Voices of Youth, Parents, and Stakeholders: Findings from Case Studies in the YouthSave Project, June 3, 2015

This report presents the findings of in-depth interviews conducted by in-country research partners with a total of 24 youth participants, parents, and community or school stakeholders.

Executive Summary: Youth Savings Patterns and Performance in Colombia, Ghana, Kenya, and Nepal, February 18, 2015

This brief summarizes key findings from a study that tracks account uptake and savings patterns and performance in youth savings accounts in Colombia, Ghana, Kenya, and Nepal. The full report, Youth Savings Patterns and Performance in Colombia, Ghana, Kenya, and Nepal, is also available on our website.

Youth Savings Patterns and Performance in Colombia, Ghana, Kenya, and Nepal, February 18, 2015

By May 2014, through the YouthSave project, almost 100,000 youth across four countries opened savings accounts at financial institutions. Collectively, they saved \$1.8 million. This report presents two-year findings from a study that tracks account uptake and savings patterns and performance in youth savings accounts in Colombia, Ghana, Kenya, and Nepal. This savings demand assessment (SDA) is ambitious in its attempt to include systematic data on as many youth savers as possible. The result is a very large dataset that enables us to report in detail who is saving, and factors associated with saving patterns and performance.

Baseline Survey of the Third Cohort: A Supplemental Report from the YouthSave Ghana Experiment, August 1, 2014

This report supplements The Ghana Experiment baseline report (Chowa et al., 2012). It uses baseline survey data from a new cohort of 2,000 youth and 2,000 parents and guardians. This cohort was added in September 2013 to maintain statistical power of the Experiment, because delays in rolling out the youth savings product (treatment) meant that two cohorts from the original sample had either no or very brief (less than a month) exposure. The additional cohort is comprised of 20 randomly selected incoming 7th-grade students at each of the 100 schools within the YouthSave Ghana Experiment. This report presents baseline findings of the new cohort.

Youth Savings Patterns and Performance in Colombia, Ghana, Kenya, and Nepal:

YouthSave Research Brief, October 1, 2013

This brief presents data on the 10,710 youth savings accounts with consent for research from the 19,953 accounts opened between February 2012 and February 2013.

Savings Patterns and Performance in Colombia, Ghana, Kenya, and Nepal: YouthSave Research Report 2013, August 23, 2013

This report presents first-year findings from a multiyear study on account uptake and saving patterns and performance in youth savings accounts in four countries: Colombia, Ghana, Kenya, and Nepal. This savings demand assessment (SDA) is ambitious in its attempt to include systematic data on as many

youth savers as are possible to collect from the field. The result of this effort is a very large dataset that enables researchers to report in detail who is saving in YouthSave and what factors are associated with their saving patterns and performance.

Parental Involvement and Academic Performance in Ghana, December 1, 2012

A key question of the YouthSave Ghana Experiment is how savings and other factors impact educational outcomes. This brief reports data from the ongoing YouthSave Ghana Experiment to offer preliminary findings of the extent of parental involvement in children's schooling and how socio-demographic factors are associated with parental involvement. Understanding baseline associations will enable investigators to determine if these factors are affected by the YouthSave intervention.

Youth and Their Health in Ghana, December 1, 2012

A key aspect of youth savings is the potential impact it could have on youth development. This research brief focuses on the health of youth in the YouthSave Ghana Experiment at baseline and provides a general overview of young Ghanaians' health.

Youth and Saving in Ghana: A Baseline Report from the YouthSave Ghana Experiment, December 1, 2012

This report uses data from baseline surveys with 6,252 youth and 4,576 parents and guardians of these youth. Of youth surveyed at baseline, 73% had a parent or guardian also surveyed at baseline. Data were collected from May through June 2011 by the Institute of Statistical, Social and Economic Research (ISSER) at the University of Ghana. These data are pre-treatment and will be presented descriptively to paint a picture of the demographics and economic conditions of the youth and their financial knowledge, money management behaviors, educational performance, academic aspirations and expectations, future orientation, and health behaviors and knowledge.

Financial Knowledge and Attitudes of Youth in Ghana, July 1, 2012

This research brief focuses on the financial knowledge, attitudes, and socialization of youth in the YouthSave Ghana Experiment as well as the financial knowledge of the youth's parents and guardians.

Youth Saving Patterns and Performance in Ghana, July 1, 2012

This research brief focuses on the saving attitudes and behavior of youth in the YouthSave Ghana Experiment.

Youth in The Ghana Experiment: Characteristics and Living Conditions, July 1, 2012

This brief focuses on the individual, social, and economic characteristics of youth and their families in The Ghana Experiment.

Broad and Deep: The Extensive Learning Agenda in YouthSave, August 17, 2011

This publication outlines the YouthSave learning agenda.

Youth Savings around the World: Youth Characteristics, Savings Performance, and Potential Impacts, May 1, 2010

Youth, ages 15 to 24, will rise in number from just under 500 million in 1950 to 1.2 billion by 2050. Almost

90% will live in developing economies, and over 80% will live in either Africa or Asia (Population Reference Bureau, 2009). As these young people assume adult economic roles and responsibilities, they will increase interactions with informal and formal financial institutions. A bank savings account may be one of the most secure ways for youth to protect their savings and asset accumulation.

Overview of Child Development Accounts in Developing Countries, February 1, 2009

This paper presents evidence of the existence of CDAs by reviewing several different types of such accounts in operation in developing nations. However, to do so we used a broader definitional view of CDAs than is common in the CDA field. In this paper, we conceive of CDAs as savings policies, programs, or products for children with features or delivery mechanisms that have the potential to contribute to a child's social and/or economic development.

Colombia Country Assessment for Youth Development Accounts, August 1, 2009

CSD is part of a global consortium supported by The MasterCard Foundation that is exploring the potential for piloting a Youth Savings initiative in multiple developing countries. In addition to CSD, the consortium includes Save the Children, the Consultative Group to Assist the Poor (CGAP), and the New America Foundation. The consortium's goals for the 2009-2010 year include identifying six developing countries in which to implement these pilots, along with local financial and research institutions that could assist in implementing and evaluating the pilots. This brief is one of a series that CSD has prepared on candidate countries in Asia, Africa, and Latin America. This brief, like the others, assesses the candidate country on four criteria: institutional capacity, national political interest, research capacity, and broader macroeconomic environment.

Ghana Country Assessment for Youth Development Accounts, August 1, 2009

CSD is part of a global consortium supported by the MasterCard Foundation that is exploring the potential for piloting a Youth Savings initiative in multiple developing countries. In addition to CSD, the consortium includes Save the Children, the Consultative Group to Assist the Poor (CGAP), and the New America Foundation. The consortium's goals for the 2009-2010 year include identifying six developing countries in which to implement these pilots, along with local financial and research institutions that would assist in implementing and evaluating the pilots. This brief is one of a series that CSD has prepared on candidate countries in Asia, Africa, and Latin America. This brief, like the others, assesses the candidate country on four criteria: institutional capacity, national political interest, research capacity, and broader macroeconomic environment.

Kenya Country Assessment for Youth Development Accounts, August 1, 2009

CSD is part of a global consortium supported by the MasterCard Foundation that is exploring the potential for piloting a Youth Savings initiative in multiple developing countries. In addition to CSD, the consortium includes Save the Children, the Consultative Group to Assist the Poor (CGAP), and the

New America Foundation. The consortium's goals for the 2009-2010 year include identifying six developing countries in which to implement these pilots, along with local financial and research institutions that would assist in implementing and evaluating the pilots. This brief is one of a series that CSD has prepared on candidate countries in Asia, Africa, and Latin America. This brief, like the others, assesses the candidate country on four criteria: institutional capacity, national political interest, research capacity, and broader macroeconomic environment.

Nepal Country Assessment for Youth Development Accounts, August 1, 2009

CSD is part of a global consortium supported by the MasterCard Foundation that is exploring the potential for piloting a Youth Savings initiative in multiple developing countries. In addition to CSD, the consortium includes Save the Children, the Consultative Group to Assist the Poor (CGAP), and the New America Foundation. The consortium's goals for the 2009-2010 year include identifying six developing countries in which to implement these pilots, along with local financial and research institutions that would assist in implementing and evaluating the pilots. This brief is one of a series that CSD has prepared on candidate countries in Asia, Africa, and Latin America. This brief, like the others, assesses the candidate country on four criteria: institutional capacity, national political interest, research capacity, and broader macroeconomic environment.

New America

Addressing the Challenge of Account Dormancy in Youth Savings Initiatives, July 28, 2015

Larger-scale efforts to connect youth with savings accounts as a means to promote a range of social policy outcomes have garnered increased attention in recent years. In order to launch youth savings initiatives, much of the attention has been focused on enrollment and account opening. But, now that a number of large-scale initiatives are underway, greater attention should be given to learning more about how people engage with their accounts after opening. This paper discusses a framework for understanding the challenge of account dormancy in large-scale, account-based initiatives and policy efforts.

Regulatory Environments for Youth Savings in the Developing World, October 9, 2014

Despite the potential benefits of facilitating access to youth-owned and -operated accounts, legal requirements can create unnecessary hurdles that prevent these accounts from flourishing in the marketplace. Creating a supportive regulatory environment for youth savings may require identifying specific barriers and proactively crafting policy to overcome them. The legal vulnerabilities of youth in many countries, particularly minors and girls, coupled with this population's often disadvantageous economic, social, and political position dictates that we tread carefully. On the other hand, policy solutions must address the vastly diverse realities of youth's lives in the developing world, their demand



for rights, and their socio-economic contributions. This paper focuses on analyzing policies aimed at encouraging commercial savings products for youth while balancing the need to protect banks and young customers from potential losses.

Hope or Hype? Five Obstacles to Mobile Money Innovations for Youth Financial Services,

September 10-12, 2013

By synthesizing the current opportunities and obstacles to using mobile-based tools to advance youth financial access and by assessing current opinion among practitioners, this paper examines whether mobile solutions offer the youth financial inclusion field immense hope, or just hype.

Beyond the Buzz: The Allure and Challenge of Using Mobile Phones to Increase Youth Financial Inclusion, September 1, 2013

The recent application of mobile phones for financial inclusion among adults and the rising use of mobile phones among youth suggest that mobiles can catalyze financial inclusion for youth in developing countries. However, financial inclusion advocates must overcome many barriers because they can realize the full potential of mobiles in the field. This brief outlines these barriers and highlights the policy levers that could be tapped—enabling regulatory environments, incentives to innovate, strategic alliances, advanced data collection, and experimentation with “nudges”—that might allow proponents of youth financial access to circumvent these barriers to youth-centered mobile financial solutions and therefore speed up the pace of exploration and innovation.

Creating Creatures of Habit: Nudging Saving in Youth, July 1, 2012

Practitioners, policy makers, and researchers often assert the importance of individuals developing savings behaviors. For the poor, especially, who may not have steady flows of income or access to credit, savings is critical to smoothing consumption, providing an economic cushion in case of emergencies, and building capital for productive investments. To begin savings habits at a young age, however, would provide an extended period of time for children and youth to build a stock of assets that could help finance their future economic needs as adults.

Accelerating Financial Capability among Youth: Nudging New Thinking, June 1, 2011

This paper argues that common definitions of financial capability understate the role of psychological barriers to establishing sound financial behaviors, namely savings habits. Drawing on insights from psychology and behavioral economics, we explore these missing psychological variables in the standard financial capability equation and suggest mechanisms, or nudges, to overcome those barriers to accelerate financial capability among low-income youth. Our intended audience includes development practitioners and scholars focusing on global development, financial inclusion, and asset building. Very little work, to our knowledge, has been done on exploring the nexus between savings and habit formation. Though we acknowledge that the goals of financial capability vary and do not focus solely on

forming savings habits, we believe it is an important outcome of financial capability. Additionally, while the proposed nudges have been administered, and in some cases tested, in the fields of public health, education, and financial services, they have not been extensively tested in the youth savings context. With that in mind, this paper is intended primarily to spur debate and provide ideas for further testing in the emerging field of youth savings.

Overview of Child Development Accounts in Developing Countries Savings-Linked Conditional Cash Transfer: A New Policy Approach to Global Poverty Reduction, April 1, 2009

This policy brief makes the case for linking conditional cash transfers to savings as a two-pronged poverty reduction strategy of supplementing income and building productive assets, while increasing effective financial inclusion of a given population.

Child Savings Accounts: A Primer, July 1, 2008

Poverty reduction strategies increasingly focus on the importance of creating financial assets. Child Savings Accounts (CSAs) are a novel and promising tool that builds on that focus by promoting savings starting at a young age. This primer describes the concept of CSAs, various purposes for and features of the accounts, impacts CSAs can have on a child's development, and obstacles that impede the widespread provision of the accounts.

Child Savings Accounts: Global Trends in Design and Practice, July 1, 2008

Child Savings Accounts (CSAs) exist as policies, products, and programs, and are being offered by governments, financial institutions, and non-profits. This paper aims to provide an overview of the landscape of CSAs around the world; a summary of reasons why governments, financial institutions, and non-profits are offering CSAs and features of the accounts they offer; and a few of the obstacles these institutions face to successfully offering CSAs. By examining the breadth of CSAs as well as the areas of overlap between features of and rationales for CSAs currently offered by various institutions, we hope to illustrate some global trends in CSAs.

**CGAP
(Consultative Group
to Assist the Poor)**



Emerging Perspectives on Youth Savings

July 1, 2012

This paper examines the role of finance in the lives of low-income youth with a focus on the opportunities and challenges of offering them savings services.

**The Business Case for Youth Savings:
A Framework**

July 14, 2014

This paper begins by offering a framework for understanding how different influences or “levers” affect cost and revenues related to youth savings and uses examples to explain how the framework can be applied as a decision-making tool for financial savings providers interesting in offering formal financial services to youth, especially savings accounts.

Appendix 5

Organizational Profiles

The MasterCard Foundation

The MasterCard Foundation works with visionary organizations to provide greater access to education, skills training and financial services for people living in poverty, primarily in Sub-Saharan Africa. As one of the largest private foundations in the world, its work is guided by its mission to advance learning and promote financial inclusion to catalyze prosperity. Based in Toronto, Canada, its independence was established by MasterCard Worldwide when the Foundation was created in 2006. For more information on the Foundation, please visit: www.mastercardfdn.org



Save the Children

Our vision is a world in which every child attains the right to survival, protection, development and participation. Our mission is to inspire breakthroughs in the way the world treats children, and to achieve immediate and lasting change in their lives. Save the Children invests in childhood – every day, in times of crisis and for our future. Around the world, we give children a healthy start, the opportunity to learn and protection from harm. By transforming children's lives now, we change the course of their future and ours.



Center for Social Development (CSD) at Washington University in St. Louis

The Center for Social Development (CSD) at Washington University's George Warren Brown School of Social Work contributes to social development theory, evidence, community projects, and public policy. Since its founding in 1994, CSD's mission has been to create and study innovations in public policy that enable individuals, families, and communities to formulate and achieve life goals and contribute to the economy and society. CSD also emphasizes its role as a teaching institution, training doctoral and master's students through applied research projects. In many cases, international graduate students take on projects in their native countries, building knowledge and



creating opportunities for extended partnership. CSD connects academic and applied interests, while building bridges across public, nonprofit, and private sectors. We value academic excellence and real-world involvement. CSD's four primary areas of focus are Asset Building, Civic Engagement, Productive Aging, and Thriving Communities.

New America

Founded in 1999 to nurture a new generation of public intellectuals, New America is dedicated to the renewal of American politics, prosperity, and purpose in the Digital Age. We carry out our mission as a nonprofit civic enterprise: an intellectual venture capital fund, think tank, technology laboratory, public forum, and media platform. Our hallmarks are big ideas, impartial analysis, pragmatic policy solutions, technological innovation, next generation politics, and creative engagement with broad audiences. Solutions at scale are likely to require the combined efforts of the public, private, and civic sectors as well as a blend of technology, policy, and politics. New America provides a platform that enables individuals and groups working on these solutions to drive different stages of change, from inspiration to implementation.



Through its fellowships and issue-specific policy programs New America sponsors a wide range of research, writing, conferences, and public outreach on the most important global and domestic issues of our time. One of those issues is the challenge to significantly expand asset ownership so every member of society is afforded a stake in the commonwealth. New America's Asset Building Program has served as a leading voice on innovative public policies to enable lower income families in the U.S and around the world to save and build wealth. The Program has championed a wide range of policy ideas that address poverty and promote economic security, mobility, and financial inclusion, including policies to promote wealth-building financial services and increase access to youth and children's savings accounts in developed and developing countries.

CGAP

The Consultative Group to Assist the Poor is a global partnership of 34 leading organizations that seek to advance financial inclusion. CGAP develops innovative solutions through practical research and active engagement with financial service providers, policy makers, and funders to enable approaches at scale. Housed at the World Bank, CGAP combines a pragmatic approach to responsible market development with an evidence-based advocacy platform to increase access to the financial services the poor need to improve their lives.



YouthSave 2010-2015: Findings from a Global Financial Inclusion Partnership

A REPORT OF THE YOUTHSAVE CONSORTIUM

