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Youth Savings in Developing Countries

Trends in Practice, Gaps in Knowledge

A REPORT OF THE YOUTHSAVE CONSORTIUM

Save the Children
Center for Social Development at Washington University in St. Louis
New America Foundation
Consultative Group to Assist the Poor

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Photo Credit: Densmaa Togtokh, XacBank

Photo Caption: After a tour of a XacBank branch and a chance to open their own savings accounts, 14 and 15 year old Mongolian girls proudly display their new passbooks and vouchers. Courtesy of Women's World Banking.

Abstract

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, and policies around the world. However, there is limited evidence on 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 by reviewing: 1) current evidence on the potential effects of YSAs on these two development goals; 2) current trends in the state of practice on YSAs in developing countries, drawing out any implications for achieving these goals; and 3) what information is still needed before we can fully understand whether and how YSAs could actually achieve this dual potential.

EDITORS
RANI DESHPANDE
JAMIE M. ZIMMERMAN

CONTRIBUTORS
DAVID ANSONG
SHWETA S. BANERJEE
RAY BOSHARA
GINA CHOWA
RANI DESHPANDE
LISSA JOHNSON
RAINIER MASA
KATE MCKEE
MARGARET MILLER
MARGARET SHERRADEN
MICHAEL SHERRADEN
FRED SSEWAMALA
THIERRY VAN BASTELAER
JAMIE M. ZIMMERMAN
LI ZOU

About YouthSave

Supported by The MasterCard Foundation, YouthSave is a consortium project led by Save the Children in partnership with the Center for Social Development at Washington University in St. Louis (CSD), the New America Foundation (NAF), and CGAP (Consultative Group to Assist the Poor). YouthSave has three goals: 1) Work with local financial institutions in four countries (Colombia, Ghana, Kenya and Nepal) to develop and roll out savings products accessible to low-income youth; 2) Study the uptake, usage, and impact of these youth savings products through both a youth development and a financial inclusion lens; and 3) Use project learnings to inform global dialogue and practice on youth savings.

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Part I. Why Youth Savings Accounts?

Eager to find tools that provide social and economic opportunities to one of the world's largest and most vulnerable populations[1] — low-income youth — an increasing number of scholars and practitioners is exploring whether savings services can influence youth development. Over the last 20 years, a growing body of evidence has shown that building assets, and specifically savings, can have a range of positive social and economic impacts on individuals and households, including those with low incomes.[2] Although much of this research has been conducted in industrialized countries, recent experiments in developing countries have begun to show links between youth-owned savings accounts and positive changes in attitudes and behaviors among low-income and/or socially disadvantaged youth.

More recently, the microfinance field, searching for mechanisms to accelerate financial inclusion of the poor, has begun to consider whether there is a business case for youth savings accounts (YSAs).[3] Under this view, YSAs may be a tool to introduce a greater number of low-income clients into the formal financial system at an earlier time. To the extent that YSAs were commercially viable, financial institutions would have an incentive to take them to scale, increasing their potential as a sustainable tool for financial inclusion. YSAs could also be particularly effective in enhancing the financial capability dimension of financial inclusion, by reaching clients at an age when new habits are still relatively easy to form and enabling a "learning by doing" approach to money management skills.

What has not yet been explored is to what extent YSAs could achieve goals in both these areas — youth development and financial inclusion — at the same time. If so, then YSAs may have the potential to be a high-leverage intervention, with effects on multiple development priorities. However, very little is known about what types or combinations of youth savings products and services would best contribute to achieving both youth development and finan-

Commonly Used Terms

Asset Effects: The economic, social, behavioral, and psychological impacts of asset ownership.

Financial Capability: The combination of knowledge, skills, attitudes, and especially behaviors that people need to make sound personal finance decisions, suited to their social and financial circumstances; often used interchangeably with "financial literacy" and "financial education," but places more emphasis on translating knowledge into behaviors and practices.

Financial Inclusion: The availability of a complete suite of financial services — including savings, credit, insurance, and payments — to all who can use them.

Sustainability: Refers to the financial viability, over the short or long term, of a financial product, service, or institution.

Total Client Profitability: The net value of a client over his/her lifetime with the financial institution, including profit from all products/services utilized.

Youth: Per the United Nations, youth includes teens (13 to 19) and young adults (20 to 24). This paper focuses on YSAs targeted or accessible to low-income youth.

Youth Savings Account (YSA): A savings account targeted to or designed to be easily accessible to youth. This paper focuses on YSAs targeted or accessible to low-income youth.

Youth Savings Initiative: Any product, program, or policy that includes a YSA as a core component.

cial inclusion goals, or how they might differ with context. Systematic, donor- or government-funded research and experimentation on youth savings is relatively new, with little rigorous evidence available. Private commercial initiatives in youth savings have not been subject to rigorous impact evaluations, and performance data on their YSAs are rarely publicly accessible.

The dearth of hard information on YSAs has not, however, stunted interest or activity in youth saving. In fact, their perceived potential has prompted increased interest and investment among a variety of stakeholders. From small-scale experimental *programs* by non-governmental organizations (NGOs), to *products* offered on a commercial basis by financial institutions, to large-scale *policies* subsidized by national governments, an increasingly diverse range of initiatives is emerging around the world.

This report analyzes the diverse landscape of current youth savings initiatives as a first step to understanding what types of products, programs, and policies might best achieve goals related to both youth development and financial inclusion. It explores this question by reviewing: 1) current evidence on the effects of YSAs on these two development priorities; 2) current trends in practice on YSAs in developing countries, drawing out any implications for achieving youth development and financial inclusion goals; and 3) what information is still needed before we can fully understand whether and how YSAs can achieve this dual potential.[4]

Part II. Concepts and Evidence of the Developmental Outcomes of Youth Savings

In principle, appropriately designed and effectively delivered savings services could contribute to a variety of developmental goals, from economic and social empowerment at the micro level to broader inclusion and opportunity at the macro level. This section reviews current theory and related evidence on the potential for savings services to impact the goals of a) youth development and b) financial inclusion.

Youth Development

Asset-building theory posits a two-part argument in favor of asset accumulation as a means of poverty alleviation.[5] First, accumulation of assets is key to economic development of poor households.[6] For the vast majority of households, the pathway out of poverty is not through consumption but saving, including the accumulation and subsequent investment of those assets. Second, when people begin to accumulate assets, their thinking and behavior changes. Accumulating assets can lead to important psychological and social effects that are not achieved by receiving and spending income alone. The impact of the accumulation and ownership of assets, commonly referred to as "asset effects," can influence the current and future well-being of an individual or household in a variety of ways.[7]

Numerous studies have demonstrated the link between family assets and children's economic outcomes, educational attainment, and mental and physical health.[8] By comparison, the connection between youth outcomes and savings

Potential Asset Effects

- *Economic*: Increased investment in human and financial capital, the ability to weather shocks and to smooth personal and household consumption.
- *Psychological*: Improved future orientation, outlook on life
- *Social*: Greater social empowerment, such as improved social status and feelings of social inclusion, enhanced civic and political engagement.
- *Health*: Decreased risk-taking behaviors and improved awareness
- *Intergenerational*: Improved economic/social behaviors and well-being of offspring.

owned by, or destined specifically for, youth has been less well documented — particularly in developing countries.[9] Where it exists, evidence suggests that initiatives that enable low-income and vulnerable youth to accumulate assets may have the potential to improve the well-being of this population. Below, we describe three examples of such research, which — although they use a variety of methodologies with differing levels of rigor — all point to the link between YSAs and positive youth development outcomes.[10]

Tap and Reposition Youth (TRY), Kenya

One well-known study of the influence of savings services on low-income youth, called Tap and Reposition Youth (TRY), was a multi-phase youth savings initiative launched in 1998 by the Population Council and the K-Rep Development Agency (KDA) in low-income and slum areas of Nairobi. The goal of TRY was to reduce the vulnerability of teens and young women to adverse social and reproductive health outcomes, including HIV infection, by offering participants an integrated program including savings, credit, business and life skills training, and adult mentoring.[11] TRY participants were young women ages 16 to 22 who came from diverse religious backgrounds (Muslim and Christian) and had attended primary school. The participants were in a variety of life situations: with and without children, married and unmarried, and living within and outside of their families of origin.

Research on TRY found participation in the youth savings program to be positively associated with higher income, savings, and household asset levels.[12] Although TRY participants and non-participants had comparable income levels and household asset levels at baseline, incomes increased significantly more and asset levels were significantly higher for TRY participants at the end of the study.[13] For example, on average, participants who opened a formal savings account doubled their savings from 23 USD to 44 from 2001 to 2004. By the pilot's end TRY participants also had significantly larger savings than non-participants (USD 95 vs. USD 67, respectively). And they were significantly more likely to: 1) have at least seven or more household assets; 2) have savings, and significantly higher savings; and 3) keep their savings in a safer place than non-participants.

TRY participation was also associated with other positive attitude and behavior changes. For example, participants demonstrated greater shifts toward more empowered gender attitudes than non-participants, including that: 1) wives should be able to refuse their husbands sex; 2) marriage is not the only option for an unschooled girl; and 3) having a husband is necessary to be happy. The reproductive health knowledge of TRY participants generally increased as well.[14]

SUUBI Project, Uganda

SUUBI, which means "hope" in a local Ugandan language, is an experimental research program that combines the care usually provided for orphaned children in Uganda with an asset-building/economic empowerment intervention. Under the first phase of SUUBI, more than 300 adolescent orphans ages 12 to 16, both boys and girls, were offered the opportunity to open a matched-savings account for secondary education or for microenterprise development, and given life-skills training.[15] Started in 2004, the accounts offered a 2:1 match up to USD 10 per month with strict withdrawal restrictions.

Results from the SUUBI project found positive associations between youth savings and economic, educational, and physical and mental health outcomes.[16] Participating youth saved, on average, USD 6.33 a month.[17] Equal to 20 percent of Ugandan GDP per capita, this is a significant sum for this vulnerable population. Moreover, while average monthly deposits varied widely, from less than a dollar (USD 0.14) to USD 77, there was no significant difference in savings by gender or type of orphan. Orphans with a matched-savings account also experienced improved educational outcomes compared to peers without a savings account, including: 1) greater expectations and confidence for future education; 2) higher scores on standardized tests; and 3) better grades.[18] SUUBI participants also reported significantly higher self-esteem than non-participants, and positive changes in attitudes toward sexual risk-taking.[19] In particular, SUUBI participants improved their HIV-prevention attitudes scores and decreased their approval of risky sexual behavior, whereas the non-participants did just the opposite.[20]

The Population Council in India

In 2001, the Population Council collaborated with CARE India to conduct a study on the effects of a program that offered livelihoods and vocational training in addition to savings accounts to young girls in the slums of Allahabad, Uttar Pradesh. When offered the opportunity to open a savings account at local post offices, more than half the 500 participants did so.[21] An evaluation of this program found that participants were significantly more likely than non-participants to: 1) have knowledge of safe spaces[22]; 2) be members of a group; 3) score higher on indexes of social skills and self-esteem; 4) be informed about reproductive health; and 5) spend time on leisure activities.[23] However, this study did not measure differences between those participants who opened a savings account and those who did not, so the extent to which having savings affects the change in attitudes and behaviors is unclear.

More recently, the Population Council collaborated with the Council of Self-Employed Women's Association (SEWA) to conduct an interview-based exploratory study of savings demand among low-income young women in both rural and urban areas in Gujarat, India.[24] Participants ranged in age from 13-25 and came from different religious backgrounds, but all had attended primary school and had mothers who worked. Additionally, the majority of participants were working, albeit irregularly, at the time of the interview. All participants reported saving money earned through wages and gifts either in a formal savings account or with their parents, husbands, or other family members. Some of the girls also recognized the importance of saving in a bank; and saving money to buffer against emergencies, support their families, and cover health-care costs. Results from this study provided some evidence that saving is associated with positive social behaviors: young women with control of their savings account were more likely to set savings goals and be encouraged to make their own decisions than participants who did not have control over their accounts.[25]

Financial Inclusion

Financial inclusion can be defined as the quality supply of financial services to all who can use them,[26] combined with a regulatory framework and client knowledge levels that enable the safe and informed use of those services. Access to a comprehensive set of quality financial services — including savings, credit, insurance, and payments — enables clients to increase and manage income as well as hedge against financial risk. At the micro level, this means individuals and households can better smooth consumption, build assets, and withstand financial shocks.[27] At the macro level, countries that have deeper financial markets have experienced faster income growth and reductions in income inequality for the poor.[28] As a result, building inclusive financial sectors and "banking the unbanked" have become development priorities in recent years.

Efforts at expanding financial inclusion have been focused on the poor and marginalized, as client groups who have historically had less access to quality, formal financial services. In some of the world's poorest nations the proportion of adults with access is below 20 percent.[29] While very little hard data are available for youth under 18, it can be inferred that their access to financial services would be even lower due to the higher barriers they face. These include laws in many countries that prevent minors from undertaking financial transactions; less opportunity to learn how to use financial services; and more limited mobility than adults, impeding physical access to service points.

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Some would question whether youth can really use financial services; however, young people have access to and manage money on a regular basis, even if often in small amounts. This has not only been documented by the types of studies cited above, but echoed by the observations of youth-serving organizations and demonstrated by the response to youth savings products offered around the world (described in greater detail in Section III).

Promoting savings among low-income youth therefore has the potential to contribute to the financial inclusion agenda, in three main ways. At the most basic level, it could introduce more people to the formal financial system and "bank" them for a greater number of years. But substantive financial inclusion encompasses more than simple access to financial services; it requires the educated and savvy use of these services, or financial capability, among clients. Promoting youth savings could therefore also enhance financial inclusion by increasing young people's knowledge of and experience with financial services, inculcating good habits when they are relatively easier to form.

Finally, offering a YSA for low-income youth could support the sustainability of inclusive financial institutions. First, if a financial institution could retain youth customers into adulthood, it would lengthen the amount of time available to recoup customer acquisition costs (compared to acquiring the same customers as adults). Second, the greater numbers of clients that could result from offering a YSA could help the financial institution capture economies of scale — if the product itself is sustainable, at least in the long term. This highlights the critical importance of the business case for YSAs in unlocking their potential for financial inclusion (or youth development). The developmental impacts of financial services will be limited if they are only offered on a small-scale basis. However, few sustainable financial institutions will invest in taking a product to scale if it does not offer a minimum potential profit.

Commercial financial institutions have been reluctant to design services for small savers because they have traditionally been viewed as prohibitively costly to administer. Emerging research indicates, however, that small savers can, over time, generate additional revenue for these institutions through cross-sales of credit and other products, contributing substantially to overall profitability.

Accordingly, commercial financial institutions have been reluctant to design services for small savers because they have traditionally been viewed as prohibitively costly to administer. Emerging research indicates, however, that small savers can, over time, generate additional revenue for these institutions through cross-sales of credit and other products, contributing substantially to overall profitability.[30] Like other small-balance products, YSAs may not be profitable on an immediate or stand-alone basis. But compared to adult savings accounts, they may encourage even longer and/or more intensive usage of an institution's services over time, making a greater contribution to the bottom line in the long run.

YSAs thus may offer the possibility of achieving goals related to both youth development and financial inclusion. A commercially viable YSA could theoretically achieve both scale and profitability, each reinforcing the other. If the YSA was designed appropriately for low-income youth, its scale could also lead to significant impact, and its profitability would in principle minimize the need for public/donor subsidies for a given level of outreach.

A tantalizing vision indeed — but how close is current practice to achieving this ideal? Little is known about whether the majority of YSAs on offer are either commercially viable or producing positive social impacts. As a first step to tackling this question, the following section presents an overview of the different types of youth savings initiatives currently available to low-income youth in developing countries.

Part III. A Typology of Youth Savings Initiatives: Trends in Practice

The YSAs in the programs described above are among the very few that have been systematically studied. However, they represent only a small fraction of the different types of youth savings initiatives — any product, program, or policy that includes a YSA as a core component — under way in different parts of the world. This section develops a typology of current initiatives, in order to explore trends stemming from the diversity of practices found in this field.[31] The discussion focuses on initiatives targeted at youth meeting the U.N. definition cited above (13-24 years old) and accessible to, if not exclusively targeted at, low-income youth. However, we briefly highlight a small number of youth savings initiatives that fall outside this definition if they exhibit particularly noteworthy or innovative features.

Overview

Youth savings initiatives tend to exist in one of three forms, depending on both their purpose and the type of stakeholder sponsoring them. At the center of each of these types is a youth savings **product**: a YSA offered by a financial institution for primarily commercial purposes (including corporate social responsibility) but sometimes to reach purely social objectives as well (more often the case with double-bottom-line institutions).[32]

When financial institutions join with NGOs, the result is often a youth savings **program**: a YSA offered in conjunction with other supports and services, meant to achieve a development outcome for an economically or socially vulnerable subset of youth. To that end, youth savings programs often combine NGO interventions such as training and counseling with a YSA offered by a partner financial institution. Donor funding typically supports the cost of the complementary services.

Some youth savings programs are explicitly designed as small-scale tests of future youth savings **policies**, in which governments may mandate product provision to all youth in a certain category. The category may be narrow (e.g. children meeting certain social and economic criteria) or broad (e.g. universal provision at birth for all babies born beginning in a given year), though the latter only exist in a small group of developed countries. Although youth savings policies do not tend to provide the types of intensive support services offered through programs, their YSAs are generally designed to strongly encourage the accumulation of savings, for example through blocked savings matches or other financial incentives. Such policies therefore generally require significant amounts of public funding.

The rest of this section reviews each type of youth savings initiative in greater depth, illustrating both the commonalities and the diversity within types by highlighting specific youth savings products, programs, and policies. This review is not intended to provide an exhaustive list of all youth savings initiatives around the world, but an illustrative cross-section. Appendix A at the end of this document provides additional details on the examples highlighted in this section, as well as on several others.

Types of Youth Savings Account Initiatives

Products

A variety of financial institutions, from microfinance institutions, to cooperatives, to postal and commercial banks, are experimenting with or offering YSAs. Regardless of the type of institution, the motivation is generally a mix of commercial objectives and corporate social responsibility. Attracting new and long-term clients is often viewed as the first step in a "cradle to grave" strategy to offer appropriate products to clients at each stage in their life cycle. In this view, YSAs are seen as "gateway products" to others — such as payments and credit — that may bring in more immediate profit for the financial institution. Some institutions also feel that YSAs can broaden their customer base by not only adding new youth clients but also bringing in their family and community members.

Another common purpose financial institutions cite for offering YSAs is to inculcate a habit or culture of savings among youth. From a business perspective, savers who accumulate balances and leave them in their accounts are more attractive to these institutions. But developing a savings habit is seen to benefit youth clients as well, and many financial institutions report that such social concerns play a strong role in the appeal of YSAs. Corporate social responsibility not only affects customer perceptions and employee engagement, but can generate goodwill among other important stakeholders such as regulators.

These fairly consistent motivations have given rise to a number of different types of youth savings products. The most basic type is a regular savings account open to all minors, held in the youth's name or jointly with a parent/guardian depending on local laws. It generally features some kind of withdrawal restriction, and is delivered through the same channels as the institution's other products. However, there are many examples of innovation

Types of Youth Savings Initiatives

- *Youth savings **products***: YSAs offered by a financial institution, typically for commercial purposes; rarely involve additional stakeholders or support services.

- *Youth savings **programs***: YSAs offered as a result of initiatives by a nonprofit institution to promote specific social outcomes; often involve a financial institution partner; sometimes designed as a small-scale pilot of a future policy, and almost always involve additional support services.

- *Youth savings **policies***: YSAs offered as a result of an act of government, covering either all youth or all youth in a certain category; designed to encourage asset building or other positive behaviors; typically feature both direct financial incentives/subsidies and restrictions on the withdrawal and/or use of funds.

along each of these dimensions, such as target age, product terms and features, delivery channels, and marketing techniques. This section reviews a selection of youth savings products in order to illustrate this diversity.

Target age

Most financial institutions offer one basic account that does not distinguish between children and youth, targeting those anywhere from birth to 18 years old. However some segment the youth population into finer categories, offering them either separate accounts with different features or the same account with different branding and marketing. One example comes from the Philippines, where **Paglaum Multi-Purpose Cooperative (PMPC)** offers accounts both for children under 13 years old (Youth Savers Club) and youth aged 13-18 (Power Teens Club). While for Youth Savers, parents are usually co-depositors, Power Teens products are mostly managed by youth clients themselves.[33]

The Philippine **Banco de Oro** also has a segmented offering for children aged 7-12 and youth 13-19. Although both products are essentially the same transaction account, the name and imagery on marketing collateral, passbooks, and ATM cards both vary, as does the minimum balance. In Guatemala, the cooperative network **MICOOPE** employs a similar strategy, using differentiated marketing to attract children under 13 and youth 13-17 to what is essentially the same account. This type of more careful segmentation recognizes the heterogeneity of youth, whose aspirations, tastes, and economic possibilities change as they grow.

During the course of research for this paper, several financial institutions reported a "roller coaster" phenomenon, where avid account usage during childhood falls off in the adolescent years. To combat this, some institutions emphasize a seamless transition between products aimed at different age segments. In Colombia, for example, **Bancolombia** offers separate products for children and youth; the first product, Banconautas, converts automatically into the second, Cuenta Joven, when the account holder turns 13. At the other end of the youth age spectrum, Ghana's **HFC Bank** offers a product specifically for youth in tertiary education, which the bank sets up for the client free of charge. This account is designed to receive the account holder's student loan funds, and comes with an automatic loan facility of up to 80 percent of the loan value prior to disbursal. Like Bancolombia's Banconautas, it is also eligible for automatic conversion into the next product in the lifecycle continuum, in this case HFC's savings product for young working adults.

Common Motivations for Offering YSAs Reported by Commercial Financial Institutions

- Acquire and retain clients/broaden customer base
- Develop customer loyalty
- Mobilize deposits
- Improve the bank's image in the community
- Fulfill corporate social responsibility
- Achieve part of the institution's mission or mandate
- Bring youth into the formal financial system
- Promote a habit/culture of savings
- Increase financial literacy
- Inculcate a sense of responsibility in youth

Delivery channels

The vast majority of youth savings products appear to be delivered through the same channels as other products, mainly branches. However, some financial institutions have experimented with off-site product delivery, most often at schools. Financial institutions cite the effectiveness of school-based delivery not only for deposit collection but also to engage and build relationships with youth clients.

For example, the **Government Savings Bank** in Thailand **(GSB)** and **Hatton National Bank (HNB)** in Sri Lanka operate deposit centers in schools. GSB provides savings services at 169 primary, secondary, and vocational schools across the country, reaching more than 512,000 youth.[34] At HNB, students are trained to manage Student Banking Units, or school-based bank branches. Since its inception in 1990, HNB has opened more than 500,000 accounts at 200 Student Banking Centers across the country, representing 18 percent of the bank's savings accounts and 6 percent of its total volume of deposits.

PMPC Philippines found that partnering with schools was the most effective way to recruit youth clients. Across 20 partner schools it has attracted more than 7,000 young savers. In an effort to build relationships with its young clients, it has also initiated a Youth Officers program for its Power Teens (13- to 18-year-olds) account holders.[35]

While some financial institutions have realized benefits from school-based deposit collection, the cost of sending bank staff out and the risk they incur by transporting cash is prohibitive for others. **Green Bank** in the Philippines discontinued its school-based delivery of savings accounts because of the high costs. Even those financial institutions offering school-based delivery acknowledge its expense, but justify it as part of a longer-term strategy to cultivate and maintain customer relationships.

One solution to this dilemma is to delegate school-based deposit collection to teachers, parents, or community volunteers, who then deposit the funds with the financial institution. **Bangko Kabayan** in the Philippines and GSB Thailand feature such intermediated collection. Transaction costs are thus absorbed by volunteer labor. However, this may also shift risk onto youth and their families, if controls are not adequate to guard against the possible loss of savings collected by individuals who are not bank staff.

Debit cards offer one potential solution to the risk issue, but accessible transaction points are still relatively limited in the developing world. With the multiplication of banking agents equipped with cash-in/cash-out solutions (such as POS devices) in many countries, this may become less of a constraint and offer new avenues for school-based or other "branchless" deposit collection.

Withdrawal Limitations

Most YSA products studied appeared to have some kind of restriction on withdrawals. Such restrictions discourage frequent transactions, reducing administrative costs for the financial institution, and encourage the build-up of balances, which can benefit both the client and the institution.

YSA withdrawals are limited either directly — through caps on their number, frequency, or timing — or indirectly, through positive or negative incentives. **Equity Bank** in Kenya and **Barclays Bank** in Ghana, for example, both impose withdrawal caps — Equity at one per quarter and Barclays at one per month.[36] Withdrawal incentives or disincentives often take the form of interest rate awards or fees. **BancoEstado** in Chile allows clients two free withdrawals per year, and provides a 10 percent bonus on interest to clients who do not make any withdrawals over a 12-month period.[37] In Malaysia, **Bank Simpanan Nasional** (BSN) offers clients a preferential interest rate if they make no more than one withdrawal per month.[38] And at **Barclays Bank** in Uganda, clients receive double the normal amount of interest if they make no withdrawals in a quarter.[39]

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Some financial institutions offer YSAs as commitment or fixed-savings products, with withdrawals blocked altogether until the young client turns 18. This restriction encourages long-term asset building and guards against potential expropriation of funds by parents/guardians. However, it may also block access to resources in times of emergency, which could be especially risky for low-income youth.

In Sri Lanka, where withdrawals are prohibited in all accounts held by those under 18, financial institutions mitigate this risk by offering exceptions to the policy. The **SANASA Primary Society**, Sri Lanka's 8,400-member credit union system, allows withdrawals from its YSAs to pay for school fees or education.[40] Hatton National Bank permits withdrawals for "necessities of the minor acceptable to the Bank," such as school fees or medical expenses. HNB ensures the proper use of restricted funds by paying them directly to the school or hospital.

Other financial institutions explicitly design their YSAs to help low-income clientele save for shorter-term expenses — most often school fees. Instead of monitoring the use of withdrawn funds, they offer services that facilitate specific uses. Equity Bank in Kenya, for example, offers free banker's (certified) checks to pay school fees with funds from a YSA. Such features may offer youth and their families more flexibility and privacy than outright limitations on the timing and use of withdrawals, while still influencing behavior toward a desired end.

Promotional Techniques

In addition to incentives built into the product terms, YSAs often come with a range of other promotional features to encourage use of the account and/or accumulation of balances. These promotional incentives generally fall into two categories: in-kind and financial. In-kind incentives are much more common and can include premiums/prizes, lotteries/raffles, shopping discounts, promotional events, and even different types of insurance. **Co-operative Bank** in Kenya, for example, organizes annual holiday parties for youth clients, with prizes for the highest savers. This and other features designed to be appealing and accessible to youth — such as discounts for account holders at popular retailers, bookstores, uniform distributors, and children's hospitals — have helped make this YSA a market leader in Kenya.

Some financial institutions offer prizes for reaching different savings levels or goals. Bancolombia, for example, gives Banconautas clients coloring books and similar premiums if they add USD 37 to their accounts every quarter. **Cantilan Bank** in the Philippines gives the more than 4000 members of its Student Savers Clubs small items like pencils and crayons when they reach a balance of USD 11, increasing the value of prizes as balances become larger. When the youth reach a balance of USD 168, they are given access to a group insurance policy. Seylan Bank in Sri Lanka offers a similar system of rewards for its Tikiri account holders. At a balance of USD 4.5, clients receive a mug or doll; for a balance of USD 45, a wristwatch, soft toy, or school bag. While periodic or graduated prizes help sustain young savers' interest and engagement with their savings accounts over time, our conversations with financial institutions indicate that some find such systems too costly and complicated to administer.

Other financial institutions offer incentives through lotteries and contests, which may be simpler to run. In Malaysia, Bank Simpanan Nasional (BSN) gives away more than USD 30,000 in prizes during its annual national savings competition among its 60,000 Young Saver's Club members.[41] Within MICOOPE, a network of cooperatives in Guatemala that reaches 217,000 youth, for every 10 quetzals saved, young clients receive a coupon for drawings of various prizes.

While such promotions might make YSAs particularly attractive for young savers, it remains unclear as to whether they actually augment savings balances. Relatively few financial institutions offer YSAs with financial incentives that directly accelerate asset accumulation, such as preferential interest rates, complimentary initial, or seed, deposits, or savings matches. In Ghana, both Barclays and **ProCredit** offer relatively high interest rates compared to their other accounts with similar terms.[42] **Opportunity International Bank** Malawi also offers a preferential interest rate for its school-fees account. And at the **Kenya Post Office Savings Bank**, interest earned on the Bidii Junior youth account is tax-free (so the incentive is technically offered by the Kenyan government, of which the bank is a part).

In addition to incentives built into the product terms, YSAs often come with a range of other promotional features to encourage use of the account and/or accumulation of balances.

Matches and seeds are much rarer but do exist: **National Savings Bank** in Sri Lanka makes an initial deposit of USD 1.7 into each of its nearly 400,000 YSAs, which can be opened with a minimum deposit of USD .04.[43] Hatton National Bank will match at 50 percent any initial deposit up to USD 9 made by clients who open YSAs upon beginning school. Sri Lankan banks' ability to offer larger financial incentives may partly be a function of the strict withdrawal limitations attached to these accounts.

Given their cost, direct financial incentives are much more common among the second type of youth savings initiative: *programs*. Youth savings programs go beyond stand-alone products, generally by adding a set of features designed to provide intensive support to particularly vulnerable or marginalized youth. The following section reviews youth savings programs currently under way, and the types of youth-supportive features and services they add to youth savings products.

Programs

Youth savings *programs* are distinguished from stand-alone youth savings *products* by a number of characteristics. First, while products are generally offered independently by financial institutions, youth savings programs tend to be organized by NGOs but often in partnership with those institutions. And where the financial institutions described above tend to design products for a broader cross-section of youth, NGOs' mission orientation means that their programs are targeted at particularly low-income or vulnerable youth.

As a result, the objectives of youth savings programs are also quite different from products. Youth savings programs focus on achieving developmental goals for youth participants, including increasing financial literacy, expanding economic opportunity, improving healthy decision making, and empowering young women. In these programs, YSAs are therefore frequently a vehicle to reach some other end in addition to asset building. Microfinance NGOs often provide savings services as a precursor to microcredit. Other NGOs view YSAs as a "learning by doing" component of a financial literacy intervention. And many poverty-focused NGOs use YSAs as one tool in a larger strategy to improve livelihoods.

Youth savings programs focus on achieving developmental goals for youth participants, including increasing financial literacy, expanding economic opportunity, improving healthy decision making, and empowering young women.

Finally, because youth savings programs aim to spur youth development outcomes much more intentionally than products do, they tend to include features and support services designed to meet the needs of youth more quickly or more effectively. Most if not all programs offer some form of training or counseling in conjunction with the YSA. Many programs also use participatory, group-based savings methods in order to increase social capital while providing financial services — although it is important to note that in these cases the savings service is attached to an informal, rather than a formal, savings mechanism. This section will explore similarities and variations in the diverse youth savings programs currently under way.

Targeted Interventions

The specific development goals and target populations that characterize youth savings programs together give rise to specialized approaches that closely fit the needs of program participants. For example, **Save the Children's** work in Bangladesh and **Women's World Banking's** project with **XacBank** in Mongolia both aim to empower adolescent girls. Save the Children offers girls in rural Bangladesh a three-part program in which the girls receive financial literacy training, before joining informal savings and credit groups, until they are connected with financial services available in their communities. Women's World Banking worked with XacBank to develop a formal savings account for low-income girls, which is offered in conjunction with **Microfinance Opportunities'** Global Financial Education Program youth module. Their varied approaches reflect market research that each organization undertook in order to design YSAs that meet the needs of the young girls in a specific context.

Catholic Relief Services in Rwanda and **World Vision** in Ethiopia have both incorporated YSAs into their work with orphaned and vulnerable children (OVCs). CRS provides more than 6,000 YSAs to OVCs between ages 12 and 18 through its Savings and Internal Lending Communities (SILC) program[44] in order to enable micro-entrepreneurship. World Vision in Ethiopia is currently providing 15,000 OVCs between ages 4 and 14 with matched-savings accounts held at their affiliated microfinance institution (MFI), **Wisdom**. Under this program, youth can only use their match for specific asset-building purposes, such as education or microenterprise.

Another common target population of YSA programs is street children. **Padakhep**, which initiated its YSA program in 2000, provides savings services to nearly 5,000 street children in urban Bangladesh as a tool to encourage self-sufficiency and income-generation through microenterprise.[45] Through its Children's Development Bank in India, the NGO **Butterflies** reaches more than 8,000 street children ages 9 to 18 with savings and credit services. The bank also aims to increase financial capability through a "learning by doing" approach: under the guidance of adults, the youth themselves manage the bank and its branches.

Partnerships

Because they offer YSAs as part of a broader intervention, programs very often feature partnerships between the sponsoring organization, a financial institution, and other implementing and supporting stakeholders. **Aflatoun**, an NGO that promotes social and financial education, partners with financial institutions in five countries to provide youth savings accounts, while its implementation partners deliver its financial education curriculum through schools. In Morocco, **MEDA** is partnering with Banque Populaire provide YSAs and local NGOs to provide life skills, entrepreneurship, and financial literacy training, through its YouthInvest project.

Indeed, it is not uncommon for youth savings programs to involve a constellation of three or more partners. Working with a variety of stakeholders may allow for a more holistic approach to savings-based interventions for a particular youth population, but may not be appropriate for a wider cross-section of youth.

Group Models

The use of group models is common among youth savings programs, and generally occurs in two forms. First, some NGOs — generally not regulated to provide financial services themselves — organize savings-and-credit groups such as Village Savings and Loan Associations (VSLAs). In this arrangement, the NGO organizes groups to provide them with a savings "product," essentially informally assuming the role of the financial institution.

The NGO **PLAN International** in West Africa has conducted one of the largest VSLA pilots for youth. By the end of the project pilot phase in September 2009, PLAN had mobilized nearly 4,000 youth aged 15-24 into YSLAs (*youth* savings and loan associations) in Senegal, Sierra Leone, and Niger; in March 2010, PLAN announced plans to expand this project to reach 70,000 youth within four years.[46]

CARE International and Freedom from Hunger have also initiated informal savings-and-credit groups for youth. CARE's *Ishaka* project in Burundi aims to empower 10,000 girls, ages 14-22, through a combination of VSLAs and support services. In December 2009, Freedom from Hunger launched "Advancing Integrated Microfinance (AIM) for Youth" in Mali and Ecuador, combining group financial services and financial education for 37,000 youth aged 13-24.

In the second scenario, the sponsoring NGO is structured to provide individual financial services itself, yet it still prefers to use groups with youth clients. In this case, the NGO plays multiple roles: it provides a formal financial product as well as other targeted support services. In Bangladesh, for example, the NGO microfinance institution **BRAC** provides savings and credit to nearly 430,000 adolescent girls, ages 15-25 through its Employment and Livelihoods for Adolescents (ELA) program. Though BRAC has the capacity to offer savings on an individual basis, using groups allows it to achieve some of the other, non-financial goals of the project.[47]

Other youth savings programs report that youth appreciate groups because of the social interaction they afford — i.e. groups make the YSA more attractive. For this reason, even some programs that do partner with formal financial institutions use groups to further their social/development goals. Market research by the **Population Council** and **MicroSave**, for example, confirmed this finding among low-income girls in Kenya. The methodology they developed for the project "Safe and Smart Savings Products for Vulnerable Adolescent Girls in Kenya and Uganda" (a follow-up to TRY) therefore includes substantial group interaction, although each girl has her own individual account at a formal financial institution.

Among youth savings programs, such savings-only groups are far rarer than savings-and-credit groups. The former appear to exist only where youth are provided accounts at a formal financial institution, which generally necessitates a partnership between the NGO and a financial institution. Where NGOs or NGO MFIs organize groups on their own, they tend to include credit.

Group savings-and-credit methodologies have a long history with adults, but youth-only groups on a large scale are a recent phenomenon. It is therefore too early to tell whether using them to offer credit, as well as savings services, to youth will be beneficial in the long run. More experience is also needed to confirm whether youth-only savings-and-credit groups perform as well as adult groups.

Support Services

The group model may also be popular for NGOs because it is a convenient vehicle to deliver additional training and counseling to young clients, which is considered a core component of most youth savings programs. In fact, *all but one* of the programs reviewed in this section include such a component. Though topics vary, all cover financial literacy in some way. Other common subjects include life skills, entrepreneurship, and sexual and reproductive health.

Table 1. Examples of Training and Support Services Offered by Youth Savings Programs

Organization	Training or Service(s)
TRY (Kenya)	Training on sexual and reproductive health, business management, entrepreneurial skills, life skills, and gender roles.
PLAN (West Africa)	Financial management skills, livelihoods training.
BRAC (Bangladesh)	Vocational and income-generating skills training; discussions on issues such as health, child marriage, and dowry.
Padakhep (Bangladesh)	Training on vocational skills, nutrition, personal hygiene, HIV/STD prevention, basic literacy, and financial literacy; group entertainment and social activities.
Butterflies/Children's Development Bank (India)	Education on life skills, financial management, democratic institutions, collective action, and small business development; self-esteem enhancement.
CARE (Burundi)	Life skills, financial and business management training.

Organizing groups and offering training appear to be unique roles played by NGOs across the three types of youth savings initiatives. Extremely few stand-alone youth savings products included either groups or training; as detailed below, the same is true of youth savings policies. An intermediary is needed to organize and monitor these intensive complements to YSA provision, and to ensure that they meet the needs of young clients. However, the cost of these supports means that youth savings programs have required significant donor funding and, at least as of yet, have benefited relatively small numbers of youth. The one exception among programs studied was BRAC, which as an MFI may have the structural capacity and incentives to achieve scale (e.g. broader targeting and a revenue stream from credit). Still, even BRAC acknowledges that while it expects its ELA program to reach sustainability, it will require a significant amount of subsidy in the early years.[48]

The next section will discuss how some governments have attempted to deliver the potential benefits of youth savings to wider swaths of the youth population, and how that has impacted the design of youth savings policies and policy pilots.

Policies

Like the programs described above, youth savings *policies* are centered on achieving social or economic development goals broader than basic asset building, such as alleviating poverty, accelerating financial inclusion and/or increasing equity within society. To achieve these goals, youth savings policies promote asset accumulation through incentivized accounts held at formal financial institutions. To ensure savings are built and put toward the intended goal, YSAs provided through youth savings policies typically feature significant withdrawal limitations, but also significant financial incentives or subsidies provided by the government. Directly subsidizing youth savings is not an insubstantial financial commitment, however, and it is telling that no developing countries have made YSAs universal. Currently, the few youth savings policies and policy pilots in the developing world cover only particularly low-income or vulnerable youth.

Universal vs. Conditional Provision

The best-known form of youth savings policy is the mandated universal provision of incentivized accounts, restricted until adulthood, typically the age of 18. In these cases, the account typically is provided at birth. These policies are therefore not targeted at youth *per se* but are intended to help provide youth with the stock of resources needed to make productive investments once they enter the formal economy. The three existing examples of mandated universal provision of savings accounts — The United Kingdom's **Child Trust Fund**, Singapore's **Baby Bonus**, and universal **CDAs in the City of Caguas in Puerto Rico** — are concentrated in developed countries or localities.

While universal provision of youth savings accounts at birth does not yet exist in developing countries, a few have made YSAs available through policy pilots covering smaller numbers of low-income or vulnerable youth. The Colombian government's **Oportunidades Rurales**, for example, uses savings and financial education to provide greater economic opportunities to approximately 4,000 youth in rural Colombia. In Nigeria, the **Bayelsa State Government (BYSG)** is testing matched-savings accounts for at least 1,000 low-income children in a historically conflict-prone region of the country. The BYSG hopes this pilot will combat a history of youth unemployment, frustration, and militancy, by providing youth with a means to continue their education, acquire vocational skills, and/or start microenterprises.

The goal of both these pilots is to test the value of YSAs in enabling or prompting certain outcomes, such as setting up microenterprises or funding future education. In other countries, account provision is explicitly conditional on certain behaviors. Mexico's **Jovenes con Oportunidades** and Bogota's **School Attendance Education Subsidy (SAES)** in Colombia, for example, both offer YSAs as part of a conditional cash transfer (CCT) social protection program. Account provision is not automatic, but offered as an incentive for ongoing "good behavior," namely staying in school.

Major Incentives and Major Restrictions

Most youth savings policies offer major financial incentives designed to jump-start or encourage savings behavior, asset accumulation, and/or a range of other positive behaviors. Incentives or savings subsidies offered by governments tend to be far greater than those offered by either financial institutions or NGOs through youth savings products or programs. On the other hand, youth savings policies also feature significant restrictions on when and how savings can be withdrawn and used, including in some cases loss of the subsidy/incentive for early withdrawals.

Savings incentives may come in the form of a seed deposit, a periodic savings match, or bonus transfers into the account. The most common savings incentive — the match — is intended to encourage saving accumulation by making periodic deposits into the account, in fixed amounts or in proportion to the amount saved. Initial seed contributions are intended to provide a head start toward asset accumulation, and are sometimes offered progressively (lower-income youth receive more, as in the UK's Child Trust Fund). Finally, bonus transfers are often designed to encourage behaviors other than saving, such as academic achievement.

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The BYSG pilot is the only one in a developing country to feature both a seed and a match (deposited quarterly at a 2:1 ratio), in addition to bonuses for regular school attendance and high scores on standardized exams. The government also restricts withdrawal and use, but only of *its* contributions, allowing account holders access to their own funds in the case of an emergency. In addition, the government attempts to incentivize asset accumulation by discouraging withdrawals: youth must forgo the associated government contribution of any withdrawn funds.

The South African government's **Fundisa** pilot does not provide a seed, but does offer an annual match of up to USD 74 for each of its approximately 10,000 accounts (as of April 2010). Akin to the 529 college savings plan model in the United States, the Fundisa accounts are not traditional savings accounts, but investment accounts held at specific partnering financial institutions. The accounts are incentivized with periodic matches, and withdrawals are blocked until the youth reaches 18, and even then may only be used for educational purposes. While uptake has been slower than anticipated, between October 2008 and October 2009, the total volume of Fundisa accounts increased 313 percent, from approximately USD 312,000 to USD 1.3 million.[49]

Oportunidades Rurales in Colombia also imposes restrictions on withdrawals and usage. Over the course of the three-year program, the government provides a 50 percent match to all savings deposited into basic, no-fee accounts at Banco Agrario. Beneficiaries can only withdraw up to 50 percent of the match incentive. Savings can be used only for productive projects, such as starting a microenterprise, or for health or education expenses.

Some youth savings policies do not restrict the usage of funds, but rather restrict withdrawals until a particular time or until the youth completes some particular goal. To decrease dropout rates in secondary school, Bogota's SAES policy offers a savings-linked conditional cash transfer to qualifying low-income 6th, 7th, and 8th graders. The students receive a bimonthly cash transfer as well as a USD 10 deposit into a savings account, which accumulates and is made available to the youth at the beginning of the following year.[50]

Similarly, Jovenes con Oportunidades — currently reaching more than 300,000 youth in Mexico — opens an account at Bansefi bank for youth in 8th grade and contributes points for every year of completed schooling, up to five years. Points accumulate at a faster rate in the later years of high school, thereby encouraging continued education. Once the youth completes high school, the points are converted into money and made available for withdrawal.

Highly supportive account features such as the major incentives and restrictions described above have succeeded in helping some clients save and build assets. Overall, however, the record is mixed. For example, researchers have learned that while matching deposits can attract people to an account, matches may not be the most effective mechanism for encouraging savings. Other factors, such as automatic features (for example, the flexibility to opt-out of accounts) and matching goals or caps may turn out to be more effective. On the other hand, matching deposits may play a critical role in helping households amass the amount of capital required to obtain an asset or make a productive investment.[51]

Regardless of their effects on clients, such features may be critical to the success of youth savings policies in that they provide an incentive for financial institutions to participate. Financial incentives, withdrawal restrictions, and other features that aim to encourage savings accumulation can transform a low-income YSA from a potentially small-balance account with frequent transactions into a product with higher, more stable balances and lower transaction costs. By encouraging significant, often regular capital accumulation at the institution, youth savings policies can make low-income YSAs more commercially attractive.

Part IV: The Nexus Potential of Youth Savings Accounts

What does the foregoing information reveal about the potential of YSAs to achieve significant outcomes in the areas of both youth development and financial inclusion? No previous analysis has attempted to examine YSAs from this "nexus" perspective, so little is known about the extent to which a single product, policy, or program is successfully meeting both types of goals. Combined with the lack of rigorous, publicly available data analyzing development impact or commercial sustainability, this means that, as of this writing, the field can only hypothesize about what types of youth savings initiatives are most likely to achieve this dual potential.

At a minimum, it appears that this potential would depend significantly on the extent to which a YSA's design enables scale and accumulation of balances over time. These, in turn, are a function of the way a youth savings product is designed and delivered — including appropriate product features, distribution channels, incentives and complementary services/training. Below we explore these three important prerequisites for nexus impact.

Scale

While small-scale programs are necessary to test YSA design, delivery, and supporting services, their ultimate impact will be limited if these accounts cannot reach significant numbers of youth. In addition, administrative costs per account generally decrease as scale increases, improving the chances for commercial sustainability — and in turn for achieving more widespread provision of YSAs for a given amount of public/donor investment.

In terms of youth reached, products at large financial institutions tend to exceed most programs and policies (please see Table 2 for a sample of initiatives for which uptake data were available). Some large developing-world institutions offer YSAs that attract hundreds of thousands of clients.[52] But even smaller institutions seem to be able to scale their products to a level competitive with most programs and policies. And it is interesting to note that the high outlier in terms of outreach among programs is an NGO MFI. Given its mission orientation, it can be assumed that most if not all of BRAC's youth clients are among Bangladesh's poor. The extent to which other large financial institutions are reaching low-income youth cannot be ascertained.

Table 2. Outreach at a Sample of Youth Savings Initiatives

Initiative	Accounts
Products	
Bancolombia	600,000 [a]
Hatton National Bank	500,000
GSB Thailand	513,000
National Savings Bank	390,000
MICOOPE	217,000
Bank Simpanan Nasional	60,000
PMPC	8,400
Cantilan Bank	4,500
ProCredit Ghana	3,000
Kenya Post Office Savings Bank	2,600 [b]
Bangko Kabayan	500
Programs	
BRAC	430,000
World Vision Ethiopia	15,000
Butterflies, Children's Development Bank	8,000
CRS Rwanda	6,200 [c]
PLAN International	4,000
Padakhep	4,800
WWB/XacBank	2,500
Safe and Smart Savings Products (Population Council and MicroSave)	1,050
MEDA YouthInvest	1,000
SUUBI, Uganda	983 [d]
TRY, Kenya	535
Policies	
Jovenes con Oportunidades	300,000
Bogota SAES	100,000 [e]
Fundisa	10,000
Oportunidades Rurales [c]	4,000
Bayelsa State Government, Nigeria	1,000 [f]

a All youth products.

b Bidii Junior product only.

c Orphaned and Vulnerable Children (OVCs) only.

d Total of first- and second-phase participants.

e All beneficiaries. Includes a portion whose subsidy is not linked to savings account.

f Target minimum number for pilot.

In wealthier countries, policies that mandate universal provision can reach millions of youth and by their nature ensure that all low-income youth will have access to accounts. However, the more targeted youth savings policies and pilots that exist in the developing world reach similar numbers of youth as NGO-led programs. Most examples of both these types currently reach 15,000 youth or less (although some programs are projected to grow substantially in the coming years).

Accumulation of Balances over Time

The asset effects stemming from the accumulation of savings is the main vector through which youth development outcomes may occur. The accumulation of balances through regular deposits also makes savers more attractive to financial institutions, as increasing balances lower administrative costs per dollar of deposits and indicate a loyal customer who may be a good prospect for other financial services in the future. Again, this possibility of long-term client profitability in turn would make it more likely that financial institutions will invest in the provision of YSAs.

Obtaining data on balances mobilized is more difficult than on outreach, so less is known about the record of youth savings initiatives on accumulation of balances over time. Research for this paper indicated that the amounts ranged anywhere from USD 33 to more than USD 200 per account or individual. This data cannot be easily compared, however, because of the different time horizons over which young clients have been saving, both within and across specific products, programs, and policies. It is thus currently impossible to draw firm conclusions about what type of youth savings initiative is more successful in helping youth clients build balances. Currently available data do not indicate that products, programs, or policies routinely had higher or lower average balances per depositor compared with other types.

Supportive Design Features

Can the massive outreach of some products, programs, and policies be explained by particular features of YSA design and delivery? And in the absence of data, what characteristics would make a youth savings initiative more likely to help young savers build balances?

A quick comparison of the top five youth savings products in terms of outreach reveals no overwhelming similarities. Bancolombia takes a multi-product approach with both open-access accounts and fixed-deposit products for older and younger segments of youth. The Sri Lankan banks offer commitment products where funds cannot be withdrawn until the young client turns 18, while GSB Thailand and MICOOPE offer regular savings accounts. If anything, the similarity is among the institutions themselves — some of the largest whose products were reviewed. The preliminary conclusion appears to be that institutional scale breeds product scale — for YSAs, just as for any other financial product or service.

Based on the relatively vast outreach of BRAC, the same would appear to be true for youth savings programs: attaching complementary services to an institution with already massive scale could be a promising strategy for reaching significant numbers of youth. This begs the question of funding, but double-bottom-line financial institutions may be well positioned to marshal the public and private resources necessary to support the extra costs of complementary services while achieving significant scale.

Although examples of youth savings policies in the developing world are extremely limited, based on the current five examples, the key to achieving scale also seems to be delivery channels. Jovenes con Oportunidades and Bogota SAES are both attached to existing large-scale delivery systems, in this case for conditional cash transfers. These may offer a model for other policy pilots as they scale up, to the extent that similar benefits delivery systems are available in other countries. Several other countries in Latin America are already experimenting with linking their CCT programs to savings accounts, although not yet for youth.[53]

In the absence of data, the record of various youth savings initiatives on balance accumulation is murkier. In practice, the three different types of initiatives appear to adopt three fairly distinct approaches to helping youth accumulate savings. Products take a relatively no-frills approach, relying on product terms and promotional tactics to encourage account usage (although this does not necessarily lead to balance accumulation). Youth savings programs take the opposite approach, adding a host of services and activities to the YSA in an attempt to educate, encourage, and support youth in saving. In the majority of programs, these efforts focus on influencing youth attitudes and behaviors — spurring youth themselves to save — rather than building balances directly through financial incentives/subsidies. Direct financial support appears to be concentrated among government-enacted youth savings policies. The accounts associated with youth savings policies are also designed to be highly supportive of balance accumulation, with significant restrictions on the withdrawal of funds.

What is not known is which of these three approaches yields better, not to mention more cost-effective, results in terms of balance accumulation. As will be clear from the foregoing text, this is one of myriad questions that bear further investigation if investment in youth savings is to be optimized. The following section lays out some of the most pressing of these questions and offers preliminary suggestions for filling those knowledge gaps.

Part V: Filling the Gaps in Knowledge

Much additional research and experimentation is still necessary to determine whether the perceived nexus potential of YSAs is actually achievable. Such work falls into at least two categories: learning from what exists and building new evidence.

Learning from What Exists

Certain outstanding questions could be answered by developing a more complete body of knowledge about the youth savings initiatives currently under way. Although this paper and other research have attempted to assemble a more comprehensive fact base about different products, programs, and policies, the data are incomplete and inconsistent. Much could still be learned through a more systematic exploration of the numerous initiatives already undertaken in the field of youth savings. Questions that could usefully be explored using this information include:

- How successfully are different types of youth savings initiatives reaching low-income youth, and what product-related and/or institutional factors contribute most to that success?

- What kinds of variation in scale and balances accumulated are visible over comparable time horizons within and between youth savings products, programs, and policies? What factors appear to cause this variation?

- What has been the commercial performance of youth savings products that have already been on the market for a number of years in terms of customer acquisition and retention, savings mobilization, and cross-selling over time? What are the costs and benefits of pursuing a differentiated approach to acquiring youth clients?

- Does an analysis of existing products, programs, and policies reveal any lessons about the value of complementary services in producing positive outcomes for low-income youth?

The policy environment for YSAs also bears further investigation. Although out of the scope of this paper, specific aspects of financial sector policy and regulations can have an important effect on the feasibility of offering different types of YSAs. Key among these are: 1) legal restrictions on the age at which young people may own and operate bank accounts independently; 2) the need for identity documents in order to open and operate accounts; and, 3) restrictions on "branchless" banking that affect the ability of financial institutions to offer remote deposit collection and withdrawals. An analysis of the role of government laws and incentives in making YSAs more widespread — aside from mandating and subsidizing universal provision, which may not be feasible for most developing countries — would also be useful.

Much could still be learned through a more systematic exploration of the numerous initiatives already undertaken in the field of youth savings.

Building New Evidence

Other questions, however, will likely require purpose-built experiments to answer, as they would require extensive data collected consistently, potentially from the time a product is launched. These relate to:

- The evolution of savings balances in YSAs over time and in different contexts (especially where data cannot be retrieved from financial institutions ex-post facto).

- The savings performance of different types of youth clients in the same product (because financial institutions are unlikely to have collected all the relevant socio-demographic variables on clients and their families, or store them in a form that can be correlated with savings patterns).

- The longer-term social, psychological, and economic impact of youth savings accounts on young clients and their households (which requires rigorous baseline data collection and sampling strategies that are ideally formulated in conjunction with product rollout).

- Some of the business-case-related questions mentioned above (since few financial institutions in the developing world regularly collect all the data needed to answer them).

The YouthSave Contribution

In order to increase access to quality savings services for low-income youth and generate new evidence on YSAs, Save the Children has created the **YouthSave Consortium** in partnership with the Center for Social Development at Washington University in St Louis, the New America Foundation, and Consultative Group to Assist the Poor. Supported by The MasterCard Foundation, YouthSave is a five-year initiative to develop and test YSAs in four developing countries: Colombia, Ghana, Kenya, and Nepal. In conjunction with one local financial institution in each country, the YouthSave Consortium will design, pilot, and roll out a savings product accessible and attractive to low-income youth. Simultaneously, the Consortium will work with local research partners to study the uptake, usage, and — in one country — impact of project-supported YSAs. Specifically, the project will address the following four research questions:

- What combinations of product and service characteristics and marketing strategies can lead to profitability, sustainability, and commercial adoption of YSAs by different types of financial institutions?
- Which youth client, household, and saving product characteristics are associated with positive savings outcomes?
- What are the impacts of YSAs on developmental outcomes for youth and on household finances, and well-being more generally?
- How do the implementation and functioning of youth savings inform its potential as a social and economic development strategy in each country?

Part VI. Conclusion

As outlined in this report, evidence suggests that promoting youth savings may have the potential to be a high-leverage intervention, with positive effects on youth development and financial inclusion. However, little is known about what types of youth savings products and services would best contribute to both goals, or how these contributions might differ with context. Especially in the developing world, financial institutions, donors, NGOs, and governments have little empirical evidence upon which to base decisions regarding whether and when to invest resources in promoting youth savings on a large scale. This is true even though, as detailed above, interest in YSAs as policy tools is growing.

Current evidence from research conducted on YSAs has used relatively small samples, in single countries. To fully understand the potential role of YSAs as a development tool in different contexts, we need to observe their performance in a wide variety of institutional, cultural, and economic conditions, and to develop insights from cross-country comparisons.

Exploring the types of questions outlined above would produce knowledge critical to advancing the understanding and potential use of YSAs in the developing world. These products and services must be rigorously analyzed in terms of their effect on both clients — i.e. their psychological, social, and economic impacts — and on financial institutions — i.e. their commercial viability. Answering these questions could influence financial institutions, policymakers, and development scholars in national, regional, and global discussions about financial inclusion of youth.

No one research institution, project, or donor can implement a learning agenda that fills all of these knowledge gaps. The good news is that, given the increasing interest in youth savings from a wide variety of stakeholders, the level of intellectual and financial resources being devoted to these questions from diverse fields — including social work, microfinance, and public policy — is also increasing. The YouthSave Consortium welcomes this accelerating activity and hopes that it will inform the increasing investment resources in youth savings, thereby optimizing the use of public, donor, and private resources for the benefit of disadvantaged youth..

Appendix A: Summary Table of Youth Savings Products, Bancolombia through Equity Bank

The youth savings initiatives below represent a sample of the diversity of practice in this growing field.

Institution	Account Name	Number of Accounts	Volume of Deposits Mobilized	Target Age Group	Account Manager	Opening Deposit (OD) and Minimum Balance (MB)
Bancolombia, Colombia	Banconautas	600,000	Approx. USD 10 million	<13	Parent/ guardian and/ or youth	USD 12 (OD) USD (MB)
	Cuenta Joven		Approx. USD 16 million	13-25	Youth	USD 50 (OD) USD 5 (MB)
Banco Caja Social, Colombia (BCSC)	Tuticuenta	109,000	USD 7.6 million	7-17	Parent/ guardian	USD 5 (OD) -
BancoEstado, Chile	Ahorro Ninos	-	-	0-12 (girls) 0-14 (boys)	Parent/ guardian	USD 10 (OD) No min. balance
Banco de Oro, Philippines	Junior Savers Club	-	-	0-12	-	USD 11 (MB)
	Smart Savers			13-19		USD 23 (MB)
Bangko Kabayan, Philippines	Savers' Club	500	USD 270,000	7-16	Youth	USD 2 (OD) USD 2 (MB)
Bank Simpanan Nasional (BSN), Malaysia	Youth Savers' Club	60,000	USD 13.9 million	6-20	n/a	USD 1.50 (OD) -
Barclays Bank, Ghana	-	n/a	n/a	0-18	n/a	USD 10 (OD) -
Barclays Bank, Uganda	-	n/a	n/a	0-18	n/a	USD 6.25 (OD) -
Cantilan Bank, Philippines	Student Savers Clubs	4,500	USD 225,000	0-13	<8: Parent/ guardian; >8: Youth	USD 2 (OD) USD 2 (interest bearing USD 11) (MB)
Co-operative Bank of Kenya	Jumbo Junior Account	35,000	-	0-18	Parent/ guardian	USD 26 (OD)
Equity Bank, Kenya	Super Junior Investment Account	-	-	0-18	Parent/ guardian	No opening deposit or minimum balance required

Key: (-) means data is unavailable; (n/a) means it is not applicable.

Incentives	Other Terms
Higher interest rates than regular accounts. Gifts (e.g. coloring books) for quarterly balance increases of > USD 37.	No deposit, debit card, or maintenance fees. 1 free withdrawal per month from a Bancolombia ATM.
None	No deposit, withdrawal, or maintenance fees.
None	No deposit, maintenance, or withdrawal fees.
10% bonus on interest earned if no withdrawals are made within the year.	No deposit or maintenance fees, two free withdrawals per year.
Discount shopping card and a specially designed debit card (kids under 7 receive a JSC ID).	-
	-
None	No deposit, maintenance, or withdrawal fees. Savings collected by parents or teachers.
Annual prize giveaways	If withdrawals are less than once a month, interest is 2 – 3.5%.
Interest higher than other bank products.	Withdrawals permitted only once a month.
Double interest if no withdrawals are made in a quarter.	Withdrawals permitted only once a quarter.
Tiered incentives: pencils (USD 11), T-shirt (USD 110), and insurance (USD 168).	20% withholding tax on interest, USD 1 quarterly dormancy charge.
Free "ele-bank" (piggy bank). Discounted bank checks for school fees. Discounts at bookstores, uniform distributors, children's hospitals, and entertainment venues.	-
Free banker's check for school fees. Access to school fees loan.	No deposit, maintenance, or withdrawal fees. Withdrawals permitted only four times a year.

Key: (-) means data is unavailable; (n/a) means it is not applicable.

Summary Table of Youth Savings Products, Family Bank through Metro Bank

<table>
<tr><th>Institution</th><th>Account Name</th><th>Number of Accounts</th><th>Volume of Deposits Mobilized</th><th>Target Age Group</th><th>Account Manager</th><th>Opening Deposit (OD) and Minimum Balance (MB)</th></tr>
<tr><td rowspan="2">Family Bank, Kenya</td><td>Mdosi Junior</td><td>-</td><td>-</td><td>0-18</td><td>Parent/ guardian</td><td>USD 3 (OD)
USD 13 (MB)
Interest-bearing balance USD 65</td></tr>
<tr><td>Scholar Account</td><td>-</td><td>-</td><td>Students in tertiary institutions</td><td>Youth</td><td>-</td></tr>
<tr><td>Government Savings Bank, Thailand</td><td>School-based banking scheme</td><td>513,000</td><td>USD 6.25 million</td><td>Students in elementary, secondary, high and vocational schools</td><td>Youth</td><td>USD 0.03 (MB)</td></tr>
<tr><td rowspan="3">Hatton National Bank, Sri Lanka</td><td>Singithi Kiriketiyo</td><td>600,000</td><td rowspan="3">USD 60 million</td><td>0-5</td><td>Parent/ guardian</td><td rowspan="3">USD 1 (OD)
No min. balance required</td></tr>
<tr><td>Singithi</td><td>500,000</td><td>6-20</td><td>Youth</td></tr>
<tr><td>Microfinance-focused youth</td><td>100,000</td><td>18-26</td><td>Youth</td></tr>
<tr><td>HFC Bank, Ghana</td><td>Students Plus Account</td><td>1,075</td><td>USD 21,000</td><td>18-24</td><td>Youth</td><td>No opening balance required
USD 14 (MB)</td></tr>
<tr><td rowspan="2">Kenya Post Office Savings Bank</td><td>Bidii Junior</td><td>2,600</td><td>USD 440,000</td><td>0-18</td><td>Parent/ guardian</td><td>USD 7 (OD)
USD 7 (MB)</td></tr>
<tr><td>STEP</td><td>43,000</td><td>USD 2.3 million</td><td>18+</td><td>Youth</td><td>USD 3 (OD)
USD 3 (MB)</td></tr>
<tr><td rowspan="2">K-Rep Bank, Kenya</td><td>YES! Msingi</td><td rowspan="2">-</td><td rowspan="2">-</td><td>0-18</td><td>Parent/ guardian</td><td>USD 4 (OD)</td></tr>
<tr><td>YES! Youth</td><td>18+</td><td>Youth</td><td>USD 4 (OD)</td></tr>
<tr><td>Metro Bank, Philippines</td><td>Fun Savers Account</td><td>-</td><td>-</td><td>0-18</td><td>-</td><td>USD 11 (OD)</td></tr>
</table>

Key: (-) means data is unavailable; (n/a) means it is not applicable.

Incentives	Other Terms
Free banker's check for school fees.	No deposit or maintenance fees. 3 free withdrawals a year.
Free banker's check for school fee and personal accident benefit.	Free cash deposits, no monthly maintenance fees.
Scholarships and study tours	-
Interest 3% above the normal rate and matches at 50 percent initial deposit when starting school.	No deposit, maintenance, or withdrawal fees. Central Bank regulations prohibit withdrawals prior to age 18 except for specific, approved purposes.
Tiered incentives and interest 1% above the normal rate.	
-	
None	No deposit, maintenance, or withdrawal fees. 2 withdrawals per month allowed.
Interest earned is tax free.	No deposit or maintenance fees. Withdrawal fees: USD 0.60 (over the counter), USD 0.40 (ATM).
None	Withdrawal fees: USD1 (over the counter), USD 0.40 (K-Rep ATM).
Gift upon opening, free personal accident insurance, Education Trust Fund with benefits worth USD 1,100, and discounts from partner establishments.	-

Key: (-) means data is unavailable; (n/a) means it is not applicable.

Summary Table of Youth Savings Products, MICOOPE through Seylan

Institution	Account Name	Number of Accounts	Volume of Deposits Mobilized	Target Age Group	Account Manager	Opening Deposit (OD) and Minimum Balance (MB)
MICOOPE, Guatemala	n/a	217,000	USD 9.4 million	Children's accounts: 0-12 Youth accounts: 13-17	Parent/ guardian	USD 0.62 - 5 (OD) USD 0.60 (MB)
National Savings Bank, Sri Lanka	Kiri Keti Hapan	390,000	USD 30 million	Newborn to 3 months	Parent/ guardian	USD 0.04 (OD)
	Punchi Hapan			3 months to 7 years	Parent/ guardian	USD 0.04 (OD)
	Hapan			7-16	Youth	USD 0.04 (OD)
	Ithuru Mithru			16+	Youth	USD 0.04 (OD)
Opportunity International Bank of Malawi	Tsoglo Langa (My Future)	Product still in planning stages.	Product still in planning stages.	7-18	Parent/ guardian	USD 3 (OD & MB)
Paglaum Multi-Purpose Cooperative (PMPC), Philippines	Youth Savers Club	3,100	USD 8,700	0-13	Parent/ guardian	USD 2 (OD) Interest-bearing min. balance USD 5
	Power Teens Club	5,300	USD 35,000	13-18	Youth	USD 3 (OD) Interest-bearing min. balance USD5
ProCredit Ghana	ProKid	3,000	-	< 18	Parent/ guardian and/or youth	No opening deposit or minimum balance required
Seylan Bank, Sri Lanka	Tikiri	-	-	0-18	Parent/ guardian and/or youth	USD 0.90 (OD)
	Cool Cash	-	-	18-29	Youth	-

Key: (-) means data is unavailable; (n/a) means it is not applicable.

Incentives	Other Terms
Some cooperatives offer scholarships or hold raffles, which account holders enter by saving certain amounts, e.g. for every USD1 saved, the account holder receives a ticket to enter a drawing.	No deposit, maintenance, or withdrawal fees.
Bank makes initial deposit of USD 2.	Central Bank regulations prohibit withdrawals prior to age 18 except for specific, approved purposes.
Interest rate 1% higher than regular accounts.	
Interest rate 1% higher than regular accounts. Scholarships and other prizes.	
Interest rate 0.5% higher than regular accounts.	
7% interest (highest interest paid nationwide). Assistance is offered to the school that opens the most accounts and scholarships for students that save consistently. Planned special promotions include lotteries.	Funds can only be used for school fees or for other school-related expenses, and funds are directly transferred to the schools to ensure this.
School supplies for saving a minimum of USD 10. Free accident insurance reimbursement.	Parent/guardian consent for application and withdrawals required for those under 16.
Free accident insurance reimbursement.	
Interest higher than other bank products.	No deposit or maintenance fees. Withdrawal fee of USD 1 for more than one withdrawal per month. Mobile banking for clients that are not near bank branches.
Tiered incentives include mugs, games, and watches. Grants available for sick account holders and participants in international sport and cultural competitions.	Central Bank regulations prohibit withdrawals prior to age 18 except for specific, approved purposes.
Interest rate 1% higher than regular accounts. Birthday cash gift for those who maintain min. balance of USD 220 for a year.	

Key: (-) means data is unavailable; (n/a) means it is not applicable.

Appendix B: Summary Table of Youth Savings Programs, Aflatoun through Padakhep

The youth savings initiatives below represent a sample of the diversity of practice in this growing field.

Institution	Account/Program/ Initiative Name	Numbers of Accounts/ Participants	Target Age Group and Other Target Characteristics	Individual or Group Accounts
Aflatoun	n/a	211,000	6-15 years	Varies
BRAC, Bangladesh	Employment and Livelihood for Adolescents (ELA)	430,000	14-25, low-income adolescent girls in rural Bangladesh	Group
Butterflies, India	Children's Development Bank	8,000	8-18; Rural and urban poor children; Street and working children	Individual
Catholic Relief Services (CRS) Rwanda with Caritas Rwanda	Savings and Internal Lending Communities (SILC)	27,000 SILC members, of which 6,200 are OVC participants	12-18; Orphans and vulnerable children (OVC), including child-headed households (CHH).	Group
Freedom from Hunger, Ecuador and Mali	AIM Youth (Advancing Integrated Microfinance for Youth)	n/a	13-24; Low-income youth.	-
Mennonite Economic Development Associates (MEDA), Egypt and Morocco	YouthInvest	1,000	15-25; Youth in lower-income areas with some education	Individual
Padakhep, Bangladesh	-	4,800	8-18; Street children	Group

Key: (-) means data is unavailable; (n/a) means it is not applicable.

Financial Literacy and Other Support Services	Other Terms and Features
The Aflatoun program teaches social and financial education through curricula contextualized for the appropriate regions.	Account terms vary among financial institution partners
Skills training is provided to some members to encourage income-generating activities (IGA) including tailoring, horticulture, and agriculture. Livelihoods issues are discussed at meetings and include reproductive health, early marriage and dowry.	Members are arranged into groups called Village Organizations (VOs), which meet weekly where the weekly installments and savings are collected by staff. Each member saves USD 0.07 or above weekly and receives a yearly return of 5% on it.
Financial literacy is provided in life skills education program.	No limitations on withdrawals. No restriction on use of savings but monthly data is collected on use of savings. Interest rate of 3.5% per annum. Youth volunteer managers (selected from members), adult facilitators, and other members increase outreach by talking to other children, their friends etc.
Basic financial education is provided and usually integrated with vocational training. Learning tours are organized between SILC groups. Most groups are composed of youth and adults to allow for mentoring and transfer of life skills.	VSL group cycles range from 8-12 months, at the end of the cycle a share-out takes place of savings and dividend.
Financial education is combined with the provision of financial services.	-
NGO partners deliver 108 hours of training covering life skills, entrepreneurship, and financial literacy.	No withdrawal limitations or savings restrictions.
Education and skills training, employment and personal counseling are offered at 71 education centers in Dhaka, Chittagong, and Rajshahi.	-

Key: (-) means data is unavailable; (n/a) means it is not applicable.

Summary Table of Youth Savings Programs, PLAN International through Women's World Banking

Institution	Account/Program/ Initiative Name	Numbers of Accounts/ Participants	Target Age Group and Other Target Characteristics	Individual or Group Accounts
PLAN International, Niger, Sierra Leone and Senegal	Making Financial Services and Business Skills Development Available to African Children and Youth	4,000	15-24; Out-of-school, working youth.	Individual
Population Council and MicroSave, Kenya	Safe and Smart Savings Products for Vulnerable Adolescent Girls in Kenya and Uganda	1,050	10-19; Low-income, vulnerable, and at-risk adolescent girls.	Individual
Save the Children, Bangladesh, Bolivia, Malawi, and Uganda	Various	Over 5,000	10-22; Rural, adolescent girls, in poverty-affected areas.	Group
SUUBI Project, Uganda	SUUBI	983	12-16; Orphaned youth	Individual
Tap and Reposition Youth (TRY), Population Council with K-Rep Development Agency (KDA), Kenya	TRY Young Savers' Club	535	16-22; Out-of-school, vulnerable adolescent girls	Group
World Vision Ethiopia	n/a	15,000	4-14; Youth from the poorest of the poor households and orphans and vulnerable children	Individual
Women's World Banking with XacBank, Mongolia	Aspire	2,500	14-17; Designed for low-income girls, in- and out-of-school	Individual

Key: (-) means data is unavailable; (n/a) means it is not applicable.

Financial Literacy and Other Support Services	Other Terms and Features
Financial literacy, business and life skills development services are provided. "Community volunteers" extend the provision of services to broader communities.	Group members decide on min. amount to be saved per member per group meeting. Members save the value of at least one share every meeting (weekly or bi-monthly). Groups decide whether to allow or prohibit withdrawals. Most groups do not allow withdrawals during a cycle, ranging from 6-18 months. At the end of the cycle all members withdraw their savings and receive a dividend.
Financial education and other health-related trainings are held at group meetings. Safe spaces are arranged by the partner financial institution and a mentor over 18 chosen by the group, who facilitates financial transactions and serves as a role model and source of support.	Due to legal age restrictions, withdrawals must be done with the group's mentor. Targeted mobilization through existing clients; announcements at schools, churches, mosques, and existing community programs, word of mouth, and door-to-door recruitment. Delivery channels differ among institutions but deposits are usually done at group meetings or at a bank branch.
Financial education is linked with health training and practical learning experience, and incorporates games, simulations, and participatory exercises. The financial literacy curriculum is developed and revised for the relevant youth context.	Withdrawals limited during the savings cycle. Malawi program includes credit; others are savings-only. Participants establish savings plans with specific savings targets, although the end use is not controlled.
There are after school financial literacy activities in partnership with the partner financial institutions.	The accounts are restricted for educational and/or small-business development. The savings accounts are matched by 2:1. A participant must have saved, and must be attending school to receive the match.
Financial education activities and reproductive health training was provided.	Withdrawals were restricted and could only be made when leaving the program.
Financial literacy activities are not integrated into the program.	World Vision deposits approximately USD10 each year. Withdrawals are restricted before age 18 or by special request for justifiable reasons approved by World Vision (to prevent guardians from exploiting children). Savings to be used for microenterprise, skills acquisition, or for continuing higher education. World Vision performs targeted outreach to identify beneficiaries.
Financial education messages have been integrated into the marketing of the products, which are tailored to low-income girls and their parents/guardians. In the capital city there are some facilitated financial education classes provided by Microfinance Opportunities.	No withdrawal limitations for demand deposits and card accounts. For time deposits, if withdrawal occurs before the maturity date, the interest rate reverts to that of a demand deposit. Incentives include gifts for opening accounts, reaching various deposit levels, and for regular deposit behavior for demand deposit accounts.

Key: (-) means data is unavailable; (n/a) means it is not applicable.

Appendix C: Summary Table of Youth Savings Policies

The youth savings initiatives below represent a sample of the diversity of practice in this growing field.

Institution	Account Name	Number of Accounts	Volume of Deposits Mobilized	Target Age Group	Account Manager	Opening Deposit and Minimum Balance
Bayelsa State Government, Nigeria	Nigeria Child Development Accounts (pilot study to begin in 2010)	Up to 1,000	n/a	11-15	Parent/ guardian and/or youth	Bayelsa State Government makes the initial deposit of USD 265
The Fundisa Fund, South Africa	Fundisa	10,000	USD 1.8 million	0-35	Parent/ guardian	USD 5
Government of Bogota, Colombia	Bogota School Attendance Educational Subsidy	100,000	-	Type 1: students in 9th-11th grade Type 2: students in 6th-8th grade	Youth	n/a
Ministerio de Agricultura y Desarrollo Rural, Colombia	Oportunidades Rurales	Approx 4,000	USD 348,311	15-25	Youth	No opening deposit or min. balance required.
Oportunidades, Mexico	Jovenes Con Oportunidades	Over 300,000	-	15-18	Youth	n/a

Key: (-) means data is unavailable; (n/a) means it is not applicable.

Financial Incentives	Other Terms and Features
Initial deposit of USD 265. 2:1 match (match cap of USD 265 in a year. Students in the top 15 percentile of the national examination receive an annual bonus of USD65	Withdrawal restrictions: government funds to only be used for skills acquisition, continued education, or microenterprise investment; withdrawals from youth's contribution are not restricted. Outreach efforts: communication campaign including radio, selecting public schools through a lottery system and involving community stakeholders.
The amount of the bonus can be as much as 25% (one quarter) of annual savings, to a maximum of USD 80 per child.	Minimum monthly deposit of USD 5. Withdrawals restricted to educational purposes, or any bonus will be lost. Specialized marketing: targets low-income communities by radio, newspaper, and video campaigns distributed through Stokvels (informal savings groups) and health clinics.
Type 1: Payment of USD 36 every two months (not account-linked)	Beneficiaries receive the subsidy based on fulfilling certain conditionalities for only 2 years, counting the initial year when they were selected
Type 2: Payment of USD 36; USD 26 is available immediately and USD10 goes into a savings account in the name of the beneficiary, available the following January.	
50% match for 3 years.	Savings can be used for productive projects, health, and education; monitoring is done through agricultural colleges. Only 50% of the match can be withdrawn.
Annual rewards deposited into accounts every year that youth remain in school.	No withdrawals until graduation from secondary school or until the age of 22.

Key: (-) means data is unavailable; (n/a) means it is not applicable.

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Center for Social Development, Washington University in St Louis (for child development accounts programs in Korea and Singapore as well as the SEED USA, SEED/SUUBI Uganda programs)
Child Trust Fund, United Kingdom
Equity Bank, Kenya
Freedom from Hunger
Hatton National Bank, Sri Lanka
HFC Bank, Ghana
Green Bank, Philippines
Kenya Post Office Savings Bank
Mennonite Economic Development Associates (MEDA), Egypt and Morocco
Ministerio de Agricultura y Desarrollo Rural, Colombia
MICOOPE, Guatemala and World Council of Credit Unions
Opportunity International Bank of Malawi
Paglaum Multi-Purpose Cooperative (PMPC) Philippines
ProCredit Ghana
PLAN International, Niger, Sierra Leone and Senegal
SEED/SUUBI, Uganda
Population Council and K-Rep Development Agency (KDA), Kenya (for the TRY program)
World Vision, Ethiopia
Women's World Banking (for Xac Bank, Mongolia)

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Notes

1 The U.S. International Census Database estimates that 3 billion people in the world today are under age 25; approximately 40 percent are between 15 and 24. The United Nations estimates that 45 percent of these — 515 million youth — live on less than USD2 per day.

2 Michael Sherraden (1991); M. Schreiner and Michael Sherraden (2007); T. W. Shanks et al (forthcoming); G. Chowa et al (forthcoming).

3 M. Hirschland (2010).

4 The findings in this report were developed through a grant awarded by The MasterCard Foundation to the YouthSave Consortium (Save the Children, the Center for Social Development, the New America Foundation, and CGAP). Grant-funded activities included planning for a multi-year project to develop and test youth savings accounts in four countries, which entailed multiple field visits, numerous conversations with researchers and practitioners in youth savings, and extensive desk reviews. The observations in this report are a product of that research.

5 Sherraden (1991).

6 Social development scholars have identified five key types of capital assets of the poor: human, financial, natural, social, and physical. For this paper, the discussion of asset accumulation is limited to financial assets that are later invested for development purposes.

7 Schreiner and Sherraden (2007); Margaret S. Sherraden and A.M. McBride (2010).

8 See for example: Zhan and Sherraden (2009); and Hallman (2004) and the research reviewed in G. Chowa et al (2009).

9 T.W. Shanks et al (forthcoming); G. Chowa et al. (forthcoming); M. Destin and D. Oyserman (2009); and W. Elliott and S. Beverly (2010).

10 The research presented in this section was conducted using a range of methodologies from simple interviews to cluster randomization. The Population Council employed a survey methodology to explore savings demand in Gujarat, India. The TRY program in Kenya as well as the Population Council program in Allahabad, India, used a quasi-experimental research design for impact evaluations. To date, SUUBI is the only research program on youth savings employing a randomized experimental methodology to conduct an impact evaluation.

11 A. Erulkar and E. Chong (2005).

12 Ibid.

13 Ibid.

14 Ibid. More specifically, TRY participants were more than 1.7 times as likely to be able to refuse sex with their partner and nearly three times more likely to be able to insist on condom use, compared to non-participants.

15 SUUBI participants lost one or both parents to HIV/AIDS. The breakdown of participation included 41 percent paternal orphans, 19 percent maternal orphans, and 40 percent double orphans. The children were evenly divided between male and female.

16 F.M. Ssewamala, C,-K. Han, and T.B. Neilands (2009).

17 Savings came from a combination of the youths' own resources and money from relatives.

18 J. Curley, F.M. Ssewamala, and C.-K. Han (in press).

19 F.M. Ssewamala, C,-K. Han, and T.B. Neilands (2009).

20 F.M. Ssewamala, L. Ismayilova, M. McKay, E. Sperber, W. Bannon, and S. Alicea (2010)

21 http://www.popcouncil.org/pdfs/TABriefs/PGY_Brief17_Livelihoods.pdf.

22 Defined as places in the community where it is safe for unmarried adolescent girls to congregate.

23 B. Mensch et al (2004).

24 Interviews with young savers explored saving patterns, the extent of participation and barriers to savings, the use of savings and degree of autonomy therein, and girls' perceptions and experience with the schemes or accounts they had. http://www.popcouncil.org/pdfs/IndiaUpdate/IndiaUpdate_SEWASaving.pdf.

25 S. Kalyanwala and J. Sebstad (2006).

26 “Financial Inclusion: What’s the Vision?” Center for Financial Inclusion, http://www.centerforfinancialinclusion.org/Document.Doc?id=778.

27 For an extensive qualitative description of this process, see M. Collins et al (2009).

28 T. Beck et al (2004).

29 See http://www.cgap.org/gm/document-1.9.38735/FA2009.pdf.

30 G. Westley 2010

31 Unless otherwise noted, the information and observations explored in this section combine desk research with information derived from the YouthSave Consortium field visits to Africa, Asia, and Latin America. Where current data were not readily available, supplemental data were collected by Save the Children and the New America Foundation, in the form of surveys and interviews with institutions offering YSAs.

32 According to CGAP (2004), a double bottom-line institution refers to a financial institution that measures its success not only in terms of profit or financial gain but also in terms of achieving various social and/or developmental objectives.

33 Lalaine Gepaya (2009).

34 World Savings Bank Institute. “Savings Banks’ Social Responsible Activities, A Wealth of Experience: Insights from WBSI Members in Africa, Asia and the Americas” (September 2007).

35 Gepaya (2009).

36 J. Meyer et al (2008).

37 Ibid.

38 Ibid.

39 Ibid.

40 23 percent of SANASA’s voluntary deposits are from its youth savings product. World Council of Credit Unions (2006).

41 World Savings Bank Institute: “Examples of WSBI members’ initiatives in the field of financial education” (September 2007).

42 Meyer et al (2008).

43 R. Masa 2010

44 A model of informal group saving and lending.

45 I. Ahammed (2009).

46 J. Schiller (2009).

47 F. Kashfi (2009).

48 Ibid.

49 L. Fild (2009).

50 See http://www.bogota.gov.co/portel/libreria/php/frame_detalle_scv.php?h_id=23206.

51 For additional information on current evidence related to the determinants of asset building, see Sherraden (2008); R. Boshara (2005); and S. Beverly, et al (2008).

52 In many cases where commercial product numbers are highest — 513,000 at GSB in Thailand, 500,000 at Hatton National Bank in Sri Lanka, and more than 200,000 in MICOOPE in Guatemala — non-commercial factors and conditions, such as policy supports (as in the enabling policy environment of Sri Lanka), double-bottom-line orientations (common among savings banks and credit unions), and embedded savings cultures (as occur in many Asian countries), also exist.

53 For more information, see J. Zimmerman and Y. Moury (2009).

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