The MasterCard Foundation

Youth and Financial Services Working Group

Effective Integration of Financial Services into Economic Opportunities Programming for Youth

SEEP is a global learning network. We explore strategies that create new and better opportunities for vulnerable populations, especially women and the rural poor, to participate in markets and improve the quality of their lives. Founded in 1985, SEEP was a pioneer in the microcredit movement and helped build the foundation of the financial inclusion efforts of today. In the last three decades our members have continued to serve as a testing ground for innovative strategies that promote inclusion, develop competitive markets, and enhance the livelihood potential of the world's poor. SEEP members work together and with other stakeholders to mobilize knowledge and foster innovation, creating opportunities for meaningful collaboration and, above all, for scaling impact.

About the Youth and Financial Services Working Group

This paper is one in a series of Promising Practices Briefs written and commissioned by the SEEP Network's Youth and Financial Services Working Group. These documents explore innovations and address operational issues in the promotion of effective financial services for youth. Topics were selected during a series of consultations held with Working Group members in January 2015.

Launched in May 2011, the Working Group represents a diverse group of industry leaders. It brings together practitioners to exchange experiences and to create opportunities for collaborative learning and the development of innovative learning products that benefit not only members, but also practitioners working in youth financial services and economic strengthening activities worldwide. The overall goal of the Working Group is ***to improve the ability of practitioner organizations to provide high-quality and effective financial and nonfinancial services to youth worldwide.***

Acknowledgments
Authors: Jennifer Denomy and **Farah Chandani, MEDA**
Editor: Nisha Singh, The SEEP Network
Special thanks to Joanna Melymuk and David Panetta of Plan Canada for providing valuable feedback and input on this document, and to Sarah Engebretsen of the Population Council for her input.

The SEEP Network

1611 North Kent Street, Suite 610
Arlington, VA 22209

T: 202.534.1400 | **F:** 703.276.1433
www.seepnetwork.org

Effective Integration of Financial Services into Economic Opportunities Programming for Youth

OVERVIEW

The United Nations Population Fund reports that there are 1.8 billion young people between the ages of 10 and 24, with 89 percent of them residing in less-developed countries (2014).[1] In Sub-Saharan Africa, minors often account for more than 50 percent of a country's population.

Moreover, by 2050, the world's population will increase by 2 billion, an increase of 28 percent, all of whom will require access to health and education services, and eventually to jobs and self-employment opportunities.

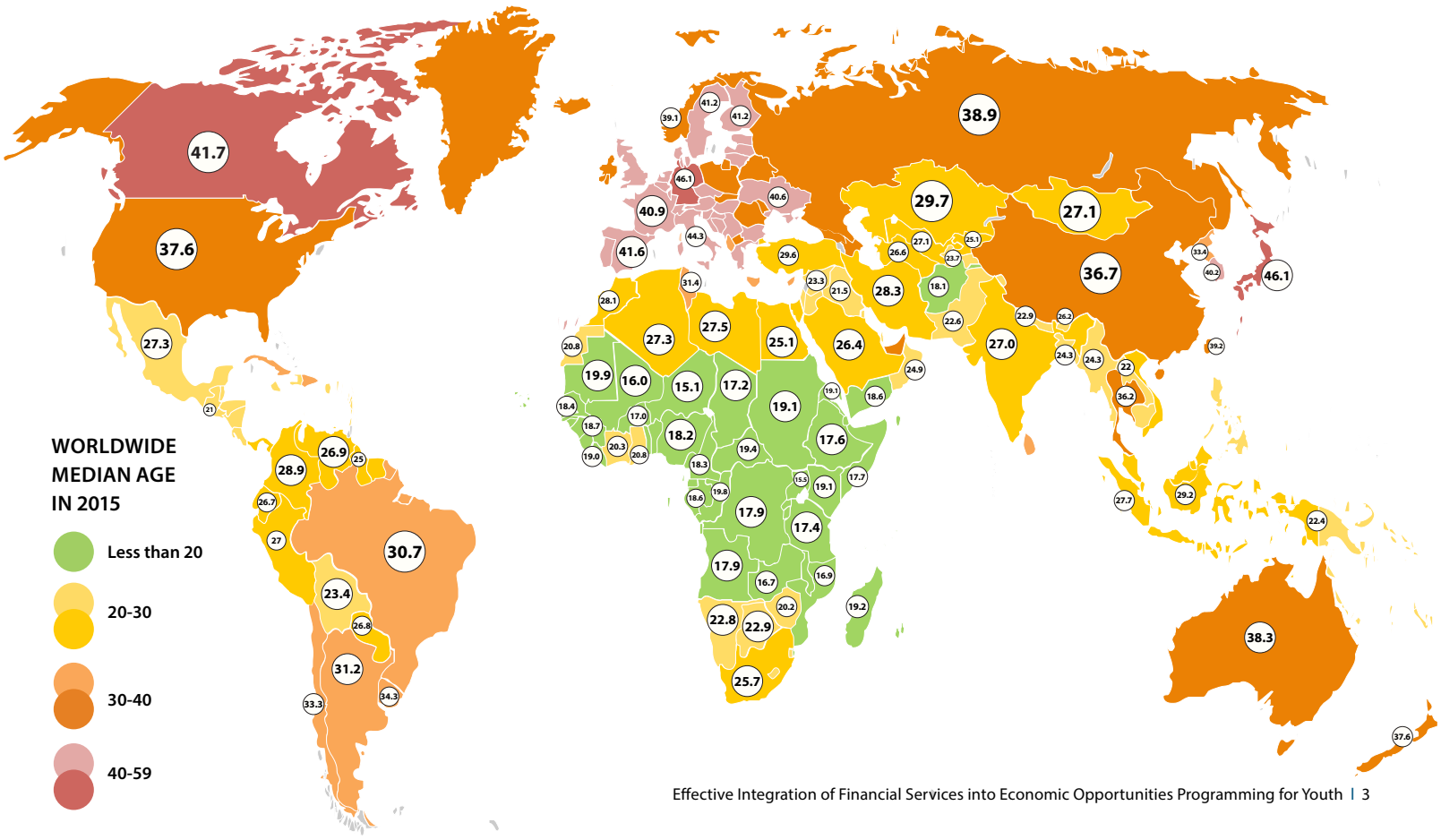
With appropriate knowledge and tools, youth can be financially empowered to access economic opportunities in a sustainable manner. Although they represent a large potential market, the integration of youth into the formal financial system is still a relatively new concept in many countries. Access is limited by a lack of financial education, restrictive government policies, inadequate financial products, and limited awareness among Financial Service Providers (FSPs) of how to include youth in their portfolios.

Progress has been made in increasing financial inclusion for youth. The World Bank's Global Findex database reports that, globally, 46 percent of youth aged 15–24 have accounts at formal financial institutions,[2] up from 37.9 percent in 2011.[3]

Increasing youth access to financial services is vital, but it is only a first step; usage of these services is also critically important. Despite almost half of the world's youth owning a savings account, only 18 percent actually saved in this account in 2014.[4] As an example, in Sub-Saharan Africa one in five young people owns a savings account, yet only 11 percent of youth actively used this account in 2014.[5]

Research shows that young people in developing countries do earn money, mainly from stipends, gifts for special occasions, and informal jobs. Most of this money ends up being spent on household expenses and leisure activities, while the remainder is saved through informal mechanisms because of a lack of basic financial management skills and also due to the inaccessibility of financial services.

[1] United Nations Population Fund. "State of World Population: The Power of 1.8 Billion," 2014.
[2] Demirguc-Kunt, Asli, Leora Klapper, Dorothe Singer, and Peter Van Oudheusden. 2015. "The Global Findex Database 2014: Measuring Financial Inclusion around the World." Policy Research Working Paper 7255, World Bank.
[3] Demirguc-Kunt, Asli, and Leora Klapper, 2012. "Measuring Financial Inclusion: The Global Findex Database." World Bank Policy Research Working Paper 6025, World Bank.
[4] Demirguc-Kunt et al., *op. cit.*
[5] *Ibid.*

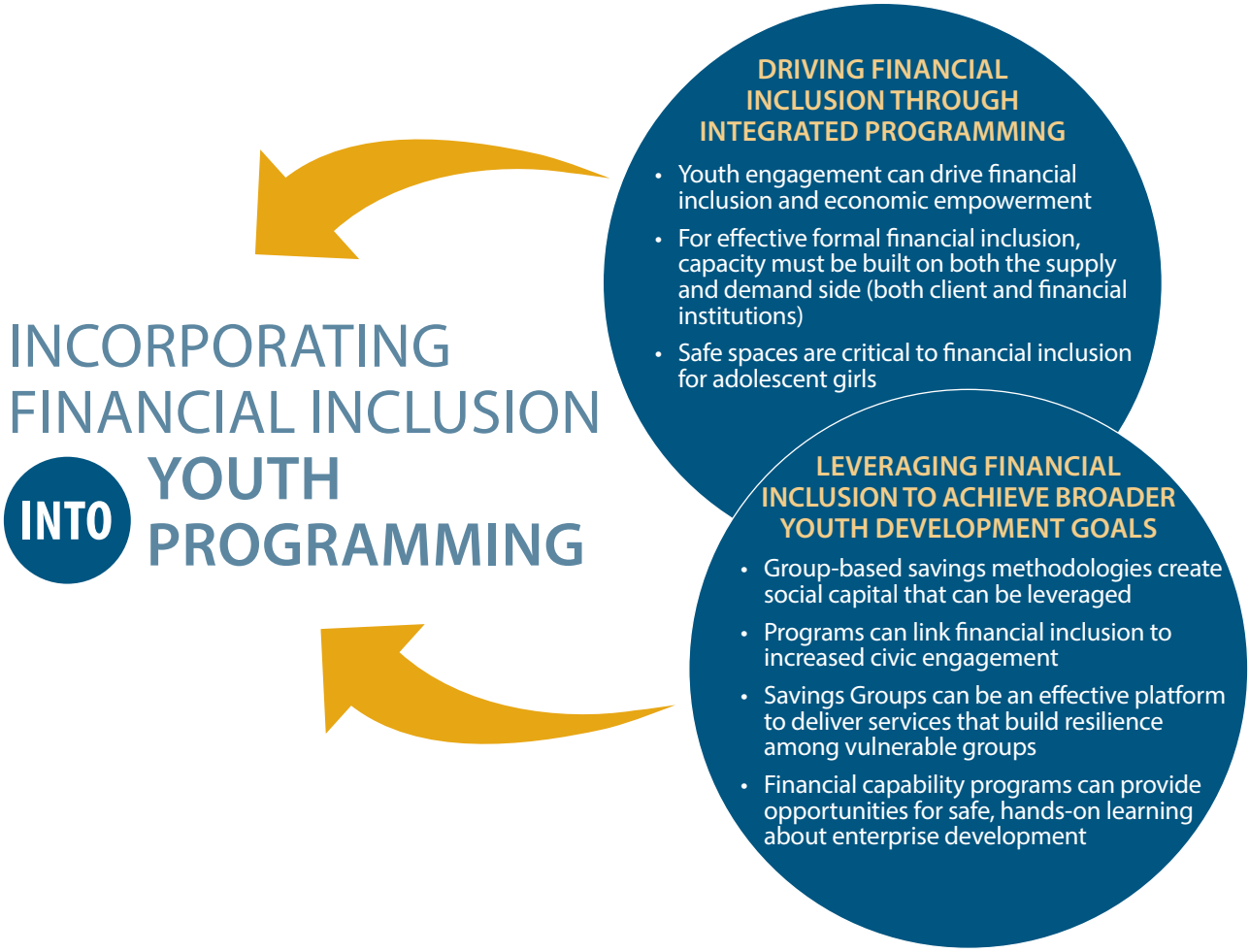


Thinking around youth financial inclusion has evolved in the past decade. Until recently, numerous large-scale programs focused primarily on improving youth access to financial services, with a variety of strategies. Formal financial inclusion was promoted by projects that engaged with banks, cooperatives, and microfinance institutions, such as Save the Children's YouthSave project, UNCDF's YouthStart, BRAC's Employment and Livelihoods for Adolescents program, and MEDA's YouthInvest. Wide-scale participation in youth-oriented savings groups was supported by Plan International Canada's Youth Microfinance (YMF) project, Freedom from Hunger's Advancing Integrated Microfinance for Youth initiative (AIM Youth), the Population Council's work in Africa and Asia, and the Banking on Change consortium of Barclays Bank, Plan UK, and CARE International UK. A specific focus on youth financial inclusion was seen as necessary to raise awareness of the importance and utility of appropriate financial services among financial institutions, young people, and their families.

Though significant gaps still remain, implementers are moving toward a more inclusive approach, incorporating financial services for youth into programs as part of broader objectives, such as economic development or even youth development. Financial services are increasingly considered within an ecosystem of interventions contributing to youth economic opportunities.

This brief examines ways in which financial inclusion has been effectively incorporated into youth economic opportunities programming, and its benefits used to reinforce other development goals. Examples are drawn from a range of initiatives, some of which are currently being implemented and some of which are complete.

Lessons on incorporating financial inclusion into youth programming are described in the brief under two sections: (1) driving financial inclusion through integrated programming, and (2) leveraging financial inclusion to achieve broader youth development goals, as summarized in the diagram below.



LESSONS LEARNED

Driving Financial Inclusion through Integrated Programming

Increased financial inclusion for youth may be one of many goals in an integrated program promoting youth economic opportunities. The programs described in this section have adopted a range of strategies to drive financial inclusion, including increased youth engagement and participation, comprehensive capacity building for both youth clients and FSPs, and provision of safe spaces, particularly for adolescent girls.

Youth engagement can drive financial inclusion and economic empowerment.

Well-designed financial inclusion programs provide youth with a wide range of benefits. When youth are actively engaged in designing and delivering these interventions, the results include increased empowerment. Youth participation and engagement can take many forms: Youth may serve as peer educators, savings group facilitators and promoters, or community mobilizers. They may also contribute operationally, providing or collecting monitoring data and advising on project design. Meaningful youth engagement requires a clear purpose, an implementation plan, and a realistic budgeting of resources to ensure adequate levels of ongoing support.[6] Restless Development, an international, youth-led NGO that prioritizes youth engagement and leadership, supports livelihood work in northern Uganda, where a team of local young people led action research to identify and find solutions for complex problems, including the challenge of identifying and engaging in appropriate livelihood activities, stemming community violence, and reducing environmental degradation.[7]

Plan Canada's YMF project used youth participation and engagement as a key strategy for delivering high-quality financial and social services at scale in Senegal, Niger, and Sierra Leone. Youth Savings and Loan Associations (YSLAs) provided a delivery platform for financial services, skill building, and leadership opportunities. Youth were included in the project at all levels: As peer educators, youth delivered life skills training and financial education; youth who had competed at least one cycle in a savings group could become YSLA promoters; and Youth Advisory Boards provided opportunities for young people to be involved in the governance of the YMF project. Integrating youth so comprehensively required a clear implementation plan, as well as ongoing training of and support to the youth participants.[8] However, this investment allowed Plan Canada to exceed outreach targets, contributing to the economic and social empowerment of over 89,000 young participants. In addition to scale, Plan Canada attributes the project's high quality and effectiveness directly to this youth engagement and delivery of services.[9] The peer training and facilitation built trust among YSLA members, enhanced the leadership skills of almost 4,700[10] youth, and provided role models for young people in the community.

The Child and Youth Finance International (CYFI) movement has developed a youth engagement handbook to support the facilitation of greater youth participation in national policies and programs on financial inclusion and economic citizenship education. CYFI helps partner organizations and member countries to customize their youth engagement strategies through awareness-raising events, such as the annual Global Money Week, and capacity building, such as Regional Meetings and the Global Youth Summit.[11]

[6] Roger Hart's Ladder of Young People's Participation is a valuable framework to illustrate levels of youth participation and the progression from "tokenism," or nonparticipation, to genuine participation where youth are consulted as partners in decision making. See Hart, 1992.
[7] Kizito, Azan, et al. "Strength, Creativity & Livelihoods of Karimojong Youth." Briefing Paper. Restless Development Uganda and the Institute of Development Studies, Uganda, 2012.
[8] Nayar, Nina. "An Integrated Approach to Empower Youth In Niger, Senegal and Sierra Leone: Findings from the Youth Microfinance Project." Plan Canada and The MasterCard Foundation, 2014.
[9] Interview with Joanna Melymuk, YMF program manager, Plan Canada, May 6, 2015.
[10] Includes approximately 500 community volunteers/peer educators who conducted training, over 30 youth advisory board representatives across three countries, and the chairperson for each of the YSLA groups (4,150 groups, one per group).
[11] Youth Engagement Country Handbook, Child and Youth Finance International, 2015. http://www.childfinanceinternational.org/resources/youth/201408-youth-engagement-country-handbook.pdf

For effective formal financial inclusion, capacity must be built on both the supply side and the demand side (both client and financial institutions).

Meeting the needs of both Financial Service Providers (FSPs) and youth clients requires bringing together these two groups to create a mutual understanding of the perspectives and challenges faced by both sides. Capacity-building initiatives have proven effective in many projects, by increasing the ability of financial institutions to understand and serve youth clients, and by building the capacity of youth to evaluate, select, and use services effectively. Such financial capacity building is often successfully integrated into programming that incorporates skills development across multiple areas.[12] Financial services for youth are increasingly part of the mainstream portfolio offerings of many financial institutions. However, serving youth effectively remains a challenge. Financial institutions may lack the ability to gather, analyze, and act upon information on youth needs. In addition, it may be challenging for institutions to offer products that successfully respond to the youth market while remaining viable products for the institution.

> In conducting market research for the **YouthInvest project, MEDA** found that young people and FSPs had unrealistic ideas about each other's capacity and perspective with regard to financial services. When discussing savings, youth wanted very low opening balances and ease of access with no fees; youth described their ideal loan as a large amount of money with low or no interest, accompanied by training and a long repayment period. FSPs were understandably concerned about the viability and cost of administering products that would match these expectations. MEDA began a process of capacity building on both sides, providing young people with a core skills training program that raised awareness on how to select and use financial products effectively. For FSPs, the research demonstrated that there was an unmet demand in the market, with a sizeable population of new and potentially life-long clients who were currently unbanked. For FSPs that were willing to reach out to this new target group, MEDA provided a structured technical assistance program that built the capacity of FSPs in three main areas: Product Development for Youth, Risk Management, and Youth-focused Customer Service.[13]

> **The Banking on Youth toolkit, created by Women's World Banking (WWB),** offers guidance to FSPs on how to provide savings products for youth. WWB promotes savings programs that build the financial capacity of young people, and the toolkit therefore prioritizes products that are controlled and administered by youth and accompanied by financial education (delivered either by the FSP or by an external organization). In addition to benefiting young people, WWB places a focus on ensuring that the institution is able to serve youth in a sustainable way. FSPs should consider how serving youth can support their overall business and, through the toolkit, are guided in answering such questions as the following:

- What can youth savings do for my business? (What is the impact on the institution?)
- What can youth savings do for my customers? (What is the impact on young clients?)[14]

These questions can be answered in many ways, and the toolkit directs institutions on how to formulate their own business case.

[12] Though it does not deal directly with increasing financial capability, the SEEP Network's "Household Economic Strengthening State of Practice Paper, Part II," gathers significant evidence that comprehensive programming that targets a population with multiple interventions, including financial inclusion and skills development, can have positive learning outcomes for young people.

[13] MEDA's YouthInvest Praxis Series records learnings on youth financial inclusion from the perspective of both youth clients and FSPs. The series includes a case study on Loan Officers who received Customer Service training, a study on loan product design, and a case study on strategies to drive access and usage. The "Youth Savings Behavior" case study identified specific ways in which youth save, determined any impact on quality of life, measured satisfaction levels on youth savings products, and examined how youth intend to use their savings. See http://www.meda.org/publications/youthinvest-praxis-series for more information.

[14] Women's World Banking. "Banking on Youth: A Guide to Developing Innovative Youth Savings Programs." 2014. http://www.womensworldbanking.org/wp-content/uploads/2014/10/Womens-World-Banking-Banking-On-Youth-2014.pdf

Safe spaces are critical to financial inclusion for adolescent girls.

Increasing financial inclusion for vulnerable groups requires additional support to ensure that the interventions are as effective as possible, but also that they do not cause harm.

Initiated in 2003, **BRAC's Employment and Livelihoods for Adolescents (ELA)** program provided credit and savings services for girls and young women aged 14– 25 with the goal of increasing their financial independence through income generation. Additional services included training on income-generation activities as well as discussions on reproductive health and early marriage. In 2005, BRAC staff decided a more comprehensive approach was required to tackle the persistent gender bias faced by a dolescent girls.[15] BRAC had already been operating reading centers for adolescent girls as part of its educational programming and incorporated this idea into ELA's next iteration, called SoFEA (Social and Financial Empowerment of Adolescents). SoFEA was designed as a more comprehensive program, in which girls would receive financial and nonfinancial services in a safe space. The combined services are designed to provide maximum support, encouraging girls to create more sustainable enterprises. For BRAC, the business growth leads to larger loan sizes, helping the program reach financial sustainability. BRAC has since replicated ELA in five additional countries, with "safe spaces" as a central component.[16]

[15] Kashfi, Farzana. "Case Study No. 5: Youth Financial Services: The Case of BRAC & the Adolescent Girls of Bangladesh." Making Cents International. 2009.
[16] http://brac.net/ela#.VVY3G-5NPVhM.

LESSONS LEARNED

Leveraging Financial Inclusion to Achieve Broader Youth Development Goals

Increased financial inclusion for youth can be a powerful tool to achieve broader development goals. The programs described in the following sections have successfully leveraged financial services as platforms for creating and expanding young people's social capital, driving increased civic engagement, providing opportunities for learning about enterprise development, and increasing resilience of vulnerable groups.

Group-based savings methodologies create social capital that can be leveraged.

The positive social impacts of savings groups include the sense of solidarity that comes from belonging to a structured group, the support of this group in starting or growing income-generating activities, and access to a support network in an emergency, through either the group's social fund or ad hoc assistance from other members. The Aga Khan Foundation's Savings Groups Learning Initiative notes that economic and social well-being are strongly linked in most savings groups.[17] Oxfam reports that many women in its Savings for Change program value the sense of solidarity and mutual assistance among group members as much as the savings and lending component.[18] For young people, these benefits are magnified. Developmentally, young people are particularly susceptible to peer influence, and group-based approaches are effective in cultivating and reinforcing positive financial and social behaviors. Microfinance expert Chris Dunford, the former President of Freedom from Hunger, describes the self-reinforcing cycle of positive group behavior as follows: "Social capital helps build successful groups, and successful groups help build social capital." In addition, a savings group may be a young person's first opportunity to interact with peers outside of school or family settings, providing an important context in which to explore social interactions, rules, and boundaries. It also builds bonds with other group members in short, it creates social capital. This social capital can extend beyond the group; youth who engage in productive activities may experience improved standing in the community.

Testing different models in its AIM Youth project, **Freedom from Hunger** found that group-based approaches that start with savings as the core are very effective in delivering integrated services and leveraging social capital. Not only do group-based, savings-led approaches provide an opportunity for youth to begin to accumulate assets, practice savings habits, and deliver additional services (such as health programming and financial services), but they also build social capital that goes beyond the boundaries of the group. By participating with group members and the organization that provides the group-based savings services, young people can build external or new social ties. Freedom from Hunger asserts that "savings group activities—finding consensus around group rules, monitoring group norms, working toward a group social goal—help young people strengthen the existing social ties and networks by further building trust and learning how to cooperate with others."[20]

In **MEDA's E-FACE project,** the relationships and discipline formed in the Village Savings Associations for Youth (VSAYs) resulted in social benefits with regard to school attendance, improved behavior at home, and better communication and social interaction with peers. There have been significant changes in the relationships between VSAY members and their parents. During field visits, parents reported to project staff that participation in the VSAYs has made their child more responsible, conscientious, helpful with household and work chores, and communicative with their parents. Youth reported that participation in savings groups changed the way in which they were regarded and that they were now seen as more responsible and trustworthy. Working with different people in their communities and building trust within their savings group hastaught VSAY members how to work in teams and how to better communicate with one another. Although the training provided during the initial set-up for a VSAY contributed to these changes, it seems that the very act of working in and contributing to a savings group has positively impacted social capital and personal changes.[21]

[17] Marcia O'Dell and Paul Rippey. "The Permanence and Value of Savings Groups in Kenya's COSAMO Programme." Aga Khan Development Network, June 2010.
[18] Oxfam America. Saving for Change in West Africa Program. 2011. http://www.oxfamamerica.org/static/oa3/files/saving-for-change-west-africa.pdf
[19] Cited in Ramírez, Rossana M., and Laura Fleischer-Proaño. "Saving Together: Group-based Approaches to Promote Youth Savings." Freedom from Hunger. December 2013.
[20] *Ibid.*
[21] Chandani, Farah. "Youth Savings: Assessing Village Savings Associations for Youth in the E-FACE Project." MEDA. 2015.

Programs can link financial inclusion and increased civic engagement

In some cases, as just described, youth participating in savings groups engaged with their families and communities in more positive and constructive ways. Some initiatives have extended youth engagement even further, seeking to engage young people in formal political processes.

Yes Youth Can, a USAID-funded project implemented by multiple NGOs in Kenya,[24] linked economic empowerment and access to financial services with peacebuilding and civic engagement. The project originated as a response to the violence that followed Kenya's disputed 2007 presidential election, violence perpetrated in large part by youth who had been socially, politically, and economically disenfranchised.[25] Core activities included the formation of 22,000 village-level youth bunges (Kiswahili for "parliaments"), which elected their own leaders, created by-laws, and encouraged members to carry out a variety of activities, including community service and economic development. The bunges facilitate access to financial services in two ways: (1) by registering with the Kenyan government, and (2) by launching youth savings and credit associations, known as SACCOs. These youth-led SACCOs (launched by 29 bunges) provide a safe place for youth to save money and take loans to start microenterprises.[26] In addition, bunges support members in replacing or obtaining national identification cards and by allowing them to vote in general elections, apply for jobs in the formal economy, and open bank accounts.

In **Plan Canada's YMF project,** the strong social cohesion created in the YSLAs led to an unintended but positive consequence: The project evaluation found that in all three implementation countries, project youth not only provided emergency financial support to members of their own groups to cover health expenses and weddings; they also sought out ways to help others in their communities. For example, youth played an important role in rebuilding homes destroyed by floods or landslides.[22] Groups used money from their social funds to take on community projects: One group decided to fix a neighbor's roof that had collapsed; another used funds to fix up a local mosque. Groups supported health-related activities in their communities, including facilitation of free medical examinations with a doctor and an awareness-raising campaign on the importance of using insecticide-treated mosquito nets. Plan Canada's staff saw a direct link between the strong social cohesion created by the YSLA and the desire of many groups to actively improve life for others in their communities. Anecdotally, Plan Canada observed communities in which the perception of youth and their abilities changed dramatically. Youth have been invited to contribute to local management and village committee consultations and decision-making processes; in some communities, YSLA members have been invited to act as mediators to resolve conflicts.[23] Plan Canada attributes this social engagement to the strong social cohesion and developmental effects created through the YSLAs.

[23] Melymuk, *op. cit.*
[24] Yes Youth Can was implemented by Mercy Corps, CLUSA International, World Vision, Winrock International, and the Education Development Center, with each focusing on a different region in Kenya.
[25] See, for example, Mercy Corps' research brief, which estimates that over 70 percent of the perpetrators of post-election violence in Kenya were youth. Mercy Corps. Understanding Political Violence among Youth: Evidence from Kenya on the Links between Youth, Economic Independence, Social Integration, and Stability. 2011.
[26] USAID Kenya. Yes Youth Can Fact Sheet. November 2014. http://www.usaid.gov/sites/default/files/documents/1860/YYC%20National%20Fact%20Sheet%20Nov%202014.pdf.

Savings groups can be an effective platform to deliver services that build resilience among vulnerable groups.

Vulnerable groups, such as children who are orphaned or separated from their parents due to HIV or AIDS, are at a higher risk than their peers of experiencing barriers to health care access, low school enrollment, or neglect. Evidence is still being gathered to understand the impacts of savings groups on vulnerable children, but findings increasingly point to positive outcomes; the IRC and Freedom from Hunger have hypothesized about potential benefits of savings groups to help vulnerable children, including Orphans and Vulnerable Children (OVCs) and adolescent girls.[27] Savings groups can build financial capabilities, increase social capital, reduce stigmas (as in the case of orphans or HIV-affected children), and build resilience among vulnerable children, especially when programming is run parallel to or with less vulnerable children.

> In Mozambique, a country with high HIV/AIDS incidence rates and a large number of OVCs, **Aflatoun adapted its Child Social and Financial Education program** to include HIV awareness and prevention. The curriculum also provided skills for OVCs who may have to manage their own or family resources or generate resources for their families. The program was administered by schoolteachers, who formed Aflatoun Clubs, in which young people save and participate in Aflatoun lessons. Teachers and program staff found that life skills training, financial lessons, and opportunities such as savings and entrepreneurship were of more interest and more directly applicable to the children who were identified as OVCs. And while the OVCs participated fully with others, a key lesson was that the stigmatization of and discrimination toward children who are affected by HIV need to be addressed with children at a very young age.[28]

> **Population Council** research has shown that having savings—even in a secure place—can increase girls' risk if they do not have the proper social support systems: "Building economic assets in isolation may actually increase the risk of sexual violence for vulnerable adolescent girls. To improve outcomes, programs must address and empower the whole girl, not simply one element of her life."[29] In South Africa, the Population Council's project "Addressing the Balance of Burden in AIDS" found that providing social, health, and financial skills to adolescents reduced HIV risk behaviors and increased their financial and social inclusion. The use of savings groups to build resilience in high-risk populations has proven so effective that this approach is being considered for implementation by the KwaZulu-Natal Department of Education in South Africa. The Safe and Smart Savings project helps vulnerable adolescent girls build assets, support networks, and savings. It combines weekly group meetings (facilitated by a female mentor), financial education, health and life skills education, and formal individual savings accounts. "The program, which has been piloted and evaluated in Nairobi, Kenya, and Kampala, Uganda, has increased girls' social, health, and economic assets. Girls who participate are significantly more likely than other girls to have financial goals and accurate financial knowledge, to know about HIV and reproductive health, and to discuss financial issues with parents. They are also less likely to be sexually harassed."[30] The program's pilot phase reached more than 12,000 girls in Kenya and Uganda. The Council continues to study the program's impact on the relationship between economic assets for girls and their risk of sexual violence and exploitation. The project is also assessing strategies aimed at reducing the risks encountered by girls as they continue to build their economic independence.

> In addition to building resilience in vulnerable populations, savings groups can also help to protect against shocks. Group members accumulate savings that can be used in emergencies, when regular sources of income may disappear. In Mali, **Freedom from Hunger** found that young people participating in savings groups had been accumulating assets and reporting increased confidence in their ability to manage their expenses. The 2012 coup d'état had a negative impact on these indicators, but FFH noted that youth participating in savings groups recovered relatively quickly after the coup and that by July 2012, four months after the coup, youth savings and confidence levels were even higher than they had been the previous year.[31]

[27] http://www.seepnetwork.org/blog/bridge-adulthood-promise-savings-groups-vulnerable-children.
[28] Drivdal, S., et al. "Aflatoun's Child Social and Financial Education for Children in Mozambique, An Emerging Initiative." The SEEP Network. 2010.
[29] http://www.popcouncil.org/news/reducing-adolescent-girls-vulnerability-to-sexual-violence-in-sub-saharan-a.
[30] http://www.popcouncil.org/research/safe-and-smart-savings.
[31] http://www.seepnetwork.org/blog/bridge-adulthood-promise-savings-groups-vulnerable-children.

Financial capability programs can provide opportunities for safe, hands-on learning about enterprise development.

Financial capability programs typically include a range of skill-building opportunities, including budgeting, setting savings goals, understanding the opportunities and responsibilities related to borrowing, and understanding and evaluating financial service offerings. Such programs can also provide invaluable opportunities to learn about and practice microenterprise formation, in a safe environment with a high degree of support and supervision. Teachers or instructors with business experience can guide young people through the phases of starting up, operating, and growing a business within the confines of a school, community center, or other safe space.

Aflatoun integrates enterprise development education with financial services programming for young people. Its approach teaches children about basic market and business principles and allows them to test their financial knowledge through a group enterprise that is usually confined to the school and supervised by a teacher. Enterprises are time bound and usually involve selling or providing a service over a short period of time. The Aflatoun approach is meant to address a perceived lack of pride in entrepreneurship: "Schools usually foster ambitions that are out of sync with the harsh realities of local job markets. Children around the world demonstrate white-collar aspirations largely because this is what school encourages them to hope for."[32]

In **Bangladesh, Aflatoun and BRAC** adapted the Child Social and Financial Education curriculum to focus on individual enterprises as opposed to group enterprise activities, as this was determined to more appropriately reinforce existing patterns of children's responsibilities in villages. Youth are often responsible for work related to the family's livestock, which associates their responsibilities with a valuable family asset. The program thus encouraged young people to use their cash savings to purchase animals and to raise them as their own. As these purchases were in line with family asset allocations and the work was consistent with their existing patterns, young people understood and were quick to act on this idea. The program was highly successful in getting youth to use their savings for productive assets and ownership, while providing a link between their daily household activities and the program that they were participating in. In so doing, the practical experience reinforced some of the lessons taught in the program.

WHAT'S NEXT?

Youth financial services have matured significantly in the past two decades. Once largely the domain of NGOs, such services are now widely provided by commercial FSPs. Community-based organizations reach significant numbers of young people with savings groups and other informal financial services.

There are many questions that require further exploration as financial services continue to reach more young people:

- Youth decisions about finance are strongly influenced by their families[33] and peer groups. Practitioners are delving into behavioral influences on youth decision making, but more remains to be learned about how to positively leverage family and peer involvement in financial practices.
- For FSPs to continue offering services to young people, there must be sufficient motivation in terms of profitability, corporate social responsibility, or donor support. The business case for serving youth clients, particularly small savers such as the poor and rural youth, continues to be investigated.
- Many youth first encounter financial services through informal mechanisms, such as savings groups. Even if they access formal services, many continue to participate in savings groups in parallel. Further study of how both formal and informal services can benefit youth, as well as optimum combinations of services, would be beneficial for future programming.

seep
Powering connections

[32] Aflatoun. "Children and Change 2011: Children and Enterprise." 2011.

[33] For further discussion on the role of family in youth savings, please see "The Role of Parents and Families in Youth Financial Inclusion," part of the SEEP Network Youth and Financial Services Working Group series on promising practices.

References

Aflatoun. "Children and Change 2011: Children and Enterprise."Amsterdam, 2011.

BRAC. "Empowerment and Livelihood for Adolescents: Learning from a Tested Methodology for Global Girl Power."Blog updated September 2014. Link accessed June 2015: http://brac.net/ela#.VVY3G5NPVhM

Chaffin, Josh, and The International Rescue Committee. "Financial Inclusion Yes, but Don't Forget Protection." Microlinks blog series, December 1, 2014. Link accessed June 2015: http://www.seepnetwork.org/blog/financial-inclusion-yes-dont-forget-protection

Chandani, Farah. "Youth Savings: Assessing Village Savings Associations for Youth in the E-FACE Project." MEDA: Waterloo, Canada, 2015.

Child and Youth Finance International. Youth Engagement Country Handbook. Amsterdam. 2015. http://www.childfinanceinternational.org/resources/youth/201408-youth-engagement-country-handbook.pdf

Demirguc-Kunt, Asli, Leora Klapper, Dorothe Singer, and Peter Van Oudheusden. "The Global Findex Database 2014: Measuring Financial Inclusion around the World." Policy Research Working Paper 7255. World Bank: Washington, DC, 2015.

Drivdal, S., et al. "Aflatoun's Child Social and Financial Education for Children in Mozambique, An Emerging Initiative." The SEEP Network: Washington, DC, 2010.

Hart, R. "Children's Participation: From Tokenism to Citizenship." Innocenti Essays No. 4. UNICEF: New York, 1992. Retrieved from http://www.unicef-irc.org/publications/pdf/childrens_participation.pdf

International Rescue Committee, The. "A Bridge to Adulthood: The Promise of Savings Groups for Vulnerable Children." Blog posting, December 15, 2014. Link accessed June 2015: http://www.seepnetwork.org/blog/bridge-adulthood-promise-savings-groups-vulnerable-children

Kashfi, Farzana. "Case Study No. 5: Youth Financial Services: The Case of BRAC & the Adolescent Girls of Bangladesh." Making Cents International. 2009.

Kizito, Azan, et al. "Strength, Creativity & Livelihoods of Karimojong Youth." Briefing Paper. Restless Development Uganda and the Institute of Development Studies. Uganda, 2012.

Markell, Erin, Emilie Gettliffe, and Claire Simon. "Household Economic Strengthening State of Practice Paper Part Two. The SEEP Network: Washington, DC, 2014.

Mercy Corps, "Understanding Political Violence among Youth: Evidence from Kenya on the Links between Youth, Economic Independence, Social Integration, and Stability." 2011. http://www.mercycorps.org/sites/default/files/research_brief_-_kenya_youth_and_conflict_study_0.pdf

Nayar, Nina. "An Integrated Approach to Empower Youth in Niger, Senegal, and Sierra Leone: Findings from the Youth Microfinance Project." Plan Canada. 2014.

O'Dell, Marcia, and Paul Rippey. "The Permanence and Value of Savings Groups in Kenya's COSAMO Programme." Aga Khan Development Network. June 2010.

Oxfam America, Saving for Change in West Africa Program, 2011. http://www.oxfamamerica.org/static/oa3/files/saving-for-change-west-africa.pdf

Population Council, The. "Reducing Adolescent Girls' Vulnerability to Sexual Violence in Sub-Saharan Africa." Population Briefs Blog Series, April 28, 2015. Link accessed June 2015: http://www.popcouncil.org/news/reducing-adolescent-girls-vulnerability-to-sexual-violence-in-sub-saharan-a

Population Council, The. "Project: Safe and Smart Savings." Link accessed June 2015: http://www.popcouncil.org/research/safe-and-smart-savings

Ramírez, Rossana M., and Laura Fleischer-Proaño. "Saving Together: Group-Based Approaches to Promote Youth Savings." Freedom from Hunger. December 2013.

United Nations Population Fund. "State of World Population: The Power of 1.8 Billion." 2014.

USAID Kenya, "Yes Youth Can Fact Sheet." November 2014. http://www.usaid.gov/sites/default/files/documents/1860/YYC%20National%20Fact%20Sheet%20Nov%202014.pdf

seep
Powering connections