



## Understanding the Impact of Savings Groups

Date: February 7, 2018

Time: 9:00 – 10:15 am (EST)

### SPEAKERS

**Diana Dezso**, Team Leader, Mastercard Foundation Savings Learning Lab, *Itad*

**Megan Gash**, Director of Research, Evaluation and Learning, *The BOMA Project*

### QUESTIONS

#### Diana's Presentation

**Is there any geographic breakdown of the scope of the research review?**

Diana: Yes, thank you for this question. We found that the majority of studies focus on Sub-Saharan Africa (139), followed by South Asia (54) and Latin America and the Caribbean (34). These figures exclude systematic reviews, research synthesis, and other evidence maps.

**Thank you, Diana, for the presentation. Can you explain how you separate the target Market/Client? You can have youths/women who are ultra-poor or living in urban/rural.**

Diana: We allow for multi tagging so in the example given, such study would have been tagged both youth and women, and second both ultra poor and rural/urban, that's why the overall number of studies presented in the map adds up to a number higher than the 260 studies.

**At the beginning Diana mentioned there were 3 (?) studies considered for how savings groups impact on the ecosystem? Are you able to provide insights on how savings groups are influencing or impacting on the 'ecosystem', perhaps on government policies for example, or maybe in other ways?**

Diana: Indeed, our map includes a total of 12 studies that discuss ecosystem level results, of which 3 studies only looked at ecosystem level results (as seen below). When

the map will be available online on the Mango Tree users will be able to see those actual studies and delve deeper into what the evidence is saying. The categories included under ecosystem level results are: Policy and Regulation, Supporting functions (Infrastructure, Skills and technology, Information, Related services), Market coordination and Informal rules and norms.

#### Number of studies by aggregate types of results



## Megan's Presentation

### Among the SEEP research, are there any papers covering people with disabilities?

Megan: That is a clear gap in the research, but there is a good section on it in a pending publication as listed below. This paper will be out in the near future and is a good resource for PWD and SGs.

State of Practice: Savings Groups and Inclusion, SEEP Network (pending publication, 2018)

### Could you clarify what you mean by Standalone SGs and the impact on standalone SGs? Did these include measures of well-being?

Diana: Intervention focused on SG only, did not combine SG with other types of support, such as health, education, youth livelihoods, etc.

Megan: Some of the standalone programs had financial literacy training. As for measures of well-being, we only looked at studies that included measures of well-being. Some studies look at operational issues, for instance, and we did not include those.

**Is any further breakdown? For example, I am joining from Nigeria, do you have a country by country level?**

Megan: No, we do not have findings broken out by country. However, Annex 1 lists the studies reviewed and includes the countries in which the studies took place. None are in Nigeria, but others are in the region, from Ivory Coast and Cameroon.

**What is the difference between a Savings Group using a graduation approach and those which do not use graduation?**

Megan: The graduation approach, is a multi-component program. Savings groups are typically just one of these components. Other components often include grant or asset transfer, coaching, linkages to other services.

**Are 14% from South Africa or Southern Africa?**

Megan: Southern Africa.

**How many studies did not state the intervention period?**

Megan: About 50-60% of the studies did not state the intervention period.

**Could you give some details on how studies were chosen/excluded for the review?**

Megan: It was not a very scientific process, but we tried to be thorough in terms of grey literature by practitioners. We started with the studies in the prior two reviews. We then thought about studies we had heard of informally, including some secondary studies. We looked at their references and pulled some resources from them. We searched the SEEP Resource database and asked people in the industry we knew. Through those means, and some other internet searches, we had 53 studies, which felt rather comprehensive. If we had picked a specific sector, like agriculture or health, we could have had a deeper diver, but we wanted it to stay rather general. Studies included had to be primary research and include measures of well-being.

**Why investing in IGA provide limited effects? What are the challenges?**

Megan: My guess is that for most businesses to be profitable, or more profitable, they need more than what the SGs funds can provide. In some cases, SG participants need more money, in other cases, they need more training on how to build a stronger

business. However, in some communities, especially more rural ones, there needs to be a greater infusion of funds from outside of the community in order for more people to gain and prosper within a community. The issue is rather complex, and there is a lot of literature on it if you want to delve further.

**I am currently involved in a Food for Education (School Feeding) Program which has Savings Groups as a component. Is this that much unique such that none of the study categories covered SGs and Education programs?**

Megan: Several of the studies that looked at integrated programs had some sort of a training or a “dialogue” component that could be considered an education program. If you mean linkages to more formal education, I cannot think of one like that, but you should look at the youth programs. Annex 1 lists the studies as well as the type of interventions. A good analyses of education-related effects to review is the following (which also included a primary study in Ghana): Cameron, S., and Ananga, E., (2013). Ghana Savings groups and educational investment. London: Plan UK.

**What does saying we don't know much yet for FFS mean? Did the research considered not show an impact?**

Megan: Impact for members in groups with commercial relationships with financial service providers has not been studied often in a rigorous way (at minimum, with a control group). Although much work has been done in experimenting with different models, understanding how the well-being of member in groups connected with FSPs has not been explored often to fully understand how members are benefitting or not benefitting. For instance, are we certain that members increase savings when connected to a FSP? Does more savings translate into higher consumption and greater asset-building for the household?

One study that has looked at impact is the following:

Harigaya, T. (2016). Effects of Digitization on Financial Behaviors: Experimental Evidence from the Philippines. Working Paper. Accessed on April 6, 2017 at: [http://scholar.harvard.edu/files/tharigaya/files/harigaya\\_jmp\\_11.23.16.pdf](http://scholar.harvard.edu/files/tharigaya/files/harigaya_jmp_11.23.16.pdf)

**Can you clarify the OVC category again – are you saying the impact on OVCs when caregivers are in savings groups or when OVCs that are in savings groups?**

Megan: There are primarily two types of orphaned and vulnerable children (OVC) interventions studied in the current SG literature. One type is when the caregivers of OVCs are the members of SGs, the other is when the adolescents are members of SGs. Most of the latter type are programs that include life skills, health and psycho-social trainings, or other integrated programming. The learning brief summarizes findings from literature covering both types.

**Please share the link to the Mango Tree. It disappeared before it could be copied.**

<https://www.mangotree.org/Resource/Understanding-the-Impact-of-SGs>

**Is there any evidence of which model works best when it comes to linkage of SGs to formal financial services? For instance, linkage to Microfinance Institutions, Banks, Savings and Credit Cooperatives, etc.**

Megan: There may be evidence for that, but that scope did not fall within the aim of this paper. There are a couple of resources that may get at that cited in the paper. One resource to start with is the following:

Rippey, P. (2017). *Evidence, Hope, and Hype: A Review of the Literature concerning Commercial Relationships between Savings Groups and Financial Service Providers*. Arlington, VA: The SEEP Network.

**On page 6 of the 2018 report, it states “Many of the studies identified in this paper did not specify the duration of the intervention period.” What is the n for figure 6?**

Megan: N=34.

**Did robustness of the studies consulted get included in the high to low categories?**

Megan: Yes, very much so. The conclusions that lead to the Figure 8 came from mainly from rigorous studies – those with randomized design or quasi-experimental design with control groups. I considered the number of studies that looked at a measure, the number that had positive, negative or null findings, as well as the rigor of the studies that examined it. I considered the findings from non-experimental (NE) and qualitative designs as well, but I did not let findings from studies using those methodologies to lead the conclusions. For the most part, qualitative findings support the quantitative findings, except for a handful of indicators. I looked to the NE and qualitative studies for more in-depth consideration of an issue or explanation of a causal pathway.

**Can you clarify with the slide on the likelihood of member and HHs impacts for Standalone Model – was this across the board or because some of the impact measures such as on school expenditures, health, etc. was not assessed by all studies that studied standalone SG models?**

Megan: These conclusions are across the board – to the best extent possible. Meaning, that not all studies looked at all measures, but for those that did look at a measure, this is what was found for the more rigorous studies. Several indicators were examined by multiple studies. The areas not studied as often (5 studies or less) include: poverty level, business ownership, and business profits.

**Nice presentation – thank you. Any ideas on project cost efficiency? Even as crudely as \$/SG member?**

David Panetta, SEEP Network: The unit cost of Savings Groups depends on multiple factors including: project scale, design, geography and duration; the local demand for Savings Groups; target groups and specific populations; local cost structures; climate; and the maturity of the implementing organization.

**In general:**

Small-scale pilot project ( < 2,000 member): \$40-50/member

Mid-size pilot project or expanded programming by an experienced implementing organization (2,000-10,000 members): \$30-40/member

Expansion (> 10,000 members): about \$30/member

Efficient, large-scale initiatives (> 50,000 member): \$20-30 member

These benchmarks refer to life-of-project unit costs. However, as implementing organizations increasingly develop networks of community-based trainers to mobilize, train and provide ongoing support services to groups beyond the project period, the long-term unit cost of Savings Groups may be significantly lower.

**Are there any lessons from SGs in early recovery programming?**

Megan: If you mean relief work, or refugee programming, I would look to studies that IRC has done that are encouraging. I know one of the RCTs from 2013 was in Burundi with internally-displaced people. They have done a handful of others.

**The 2013 report stated, "Many practitioners assume the impacts of SGs will appear only after at least one full cycle and share-out has been completed; however, in the CARE, OAFFH, and DCA studies, only relatively small proportions of participants completed a full savings cycle." I'd like to know if any studies included in the 2018 report came from studies measuring impact before a full cycle.**

Megan: Not that I know of, in such a way where that is the only type of group studied. The following study looked at groups 2 months after the baseline, and 8 months after the baseline, which could have been before groups ended the first cycle. See the study for more detail:

Bass, J., S. Murray, G. Cole, P. Bolton, K. Robinetter, J. Seban, K. Falb, and J. Annan. Economic, social and mental health impacts of an economic intervention for female sexual violence survivors in Eastern Democratic Republic of Congo. (2016). *Global Mental Health*, 3, e19, page 1 of 12. doi:10.1017/gmh.2016.13.

**Is there any comparison on SG for women vs SG for men vs mixed groups for men and women?**

Megan: I do not know of a finished study, but some practitioners might be looking closer at these comparisons. For instance, I believe Oxfam America was considering a study with a gender comparison. You could contact Sophie Romana at OA to see if there is more information available.

**Is there a list that exists of the names of Savings Groups in difference countries in Africa? (i.e. Stokvel in South Africa, Chamas/Harambee in Kenya, Susus in Ghana?) Furthermore, are there any transnational studies that also look at associations that support Savings Groups in different countries (for example, we know fo the Stokvel Association in South Africa and Ghana Cooperatives Susu Collectors Association in Ghana).**

Megan: Good question. I believe I have seen lists like this before, but in more general literature on SGs, not impact research. As for associations, I do not know of any resources, although I am sure they exist. I would keep searching.

**We see no Impact on Business outcomes for SG in the 1-3 years. What does evidence from the SGs above 3 to 10 years show; of course well aware that saving volumes, longer loan duration adjustments are made and predictability of SG members more reliable?**

Megan: We do not really have evidence to answer that question well. There are theories of change that assume greater impact on businesses, more investment, more growth. But it remains to be proved. There is a lot of business on microbusinesses in the microfinance (microcredit) literature, however, if you want to look there.

**What is the impact of standalone Savings Groups?**

Megan: See figure 8 in the paper.

**Just a real stupid question: You talk of Savings Groups – do these always only save or always also lend...**

Megan: The always save, and almost always lend. You can read more about a general guide or introduction to savings groups via the resources on mangotree.org and the SEEP resource database.

**Any lead on where once can access global SG data/structure data?**

Megan: If you are referring to SAVIX data on savings groups financial performance, you can find that at: [thesavix.org](http://thesavix.org)

**Are there studies that look at Savings Groups and entrepreneurial endeavors? For example, in Kenya, Chamas have been responsible for everything from starting shopping centers in the communities or towns to starting/investing in new businesses.**

Megan: I cannot think of an impact study that does this, but there could be studies that highlight programs like these that fall outside of the impact literature. I would check the mangotree.org and SEEP resource databases as a place to start.

**Could you go into more depth on the impact of SGs and the ultra poor?**

Megan: The seven SG RCTs are a good place to start when looking at impacts on the very poor. These studies each measured the percentage of members that fell below the poverty line (national and international). For the study in Mali, 81% fell under the national poverty line. As for the ultra-poor, or those who fall in the lowest quartiles under the national poverty lines, some of the studies in the review comment on this, but not many. Many of the graduation models that include SGs target the ultra-poor, but do not pull out the impact of the SG component on the participants.

**Any explanation for the heterogeneous geographical distribution of studies: why so few in Central Africa? Donor factor (more for East Africa)?**

Megan: I think funding is highly influential. A very large amount of money went into supporting the expansion of SGs from 2008-2013, and most of it focused on East Africa (with some in West Africa). Where you see more groups, and more actors supporting groups, you see more innovation and research.

**Megan, you mention that there is a lot of interest and investment in integrated programming. Does any of it focus on how to most effectively implement these programs? I am thinking specifically about sequencing of services/interventions (SGs first then other services of the other way around?) There are other operational/design questions too...**

Megan: There are some resources that discuss this that are outside of the impact literature. A key one to start with is the following:  
[http://www.akdn.org/sites/akdn/files/Publications/2011\\_akf\\_beyond\\_financial\\_services.pdf](http://www.akdn.org/sites/akdn/files/Publications/2011_akf_beyond_financial_services.pdf)

**Congrats. Nice summary of the research process. But it appears that you recognized differences in robustness of studies. Then you mixed the robust with less robust results in deriving conclusions but did not warn us which were based on weak results.**

Megan: None of the conclusions were based on weak results, or results from weak studies. The conclusions that lead to the Figure 8 came from mainly from rigorous studies – those with randomized design or quasi-experimental design with control groups. I considered the number of studies that looked at a measure, the number that had positive, negative or null findings, as well as the rigor of the studies that examined it. I considered the findings from non-experimental (NE) and qualitative designs as well, but

I did not let findings from studies using those methodologies to lead the conclusions. For the most part, qualitative findings support the quantitative findings, except for a handful of indicators. I looked to the NE and qualitative studies for more in-depth consideration of an issue or explanation of a causal pathway.

### **Evidence for increased or decreased impact five or more cycles out?**

Megan: There is very, very little literature on long-term impacts to answer that question. I suggest you explore the literature out there to come to your own conclusions.

### **Any data showing the impact of the PSP methodology?**

Megan: There are 3 randomized controlled trials showing the impact of the PSP methodology, all published by Catholic Relief Services.

### **In your survey, did you find any information on the dynamics of Roscas, moneylenders and other money flows in areas where SG have been developed?**

Megan: The scope of this research summary did not include looking at dynamics with other financial instruments.

### **I am from Nepal, working with Mercy Corps. In Nepal we have a lot of Savings Groups but they are informally providing savings and credit services, but it is not enough very loan size and is not enough to provide for undertaking micro-enterprises. In this what would be the best way to cater to the credit needs of the farmers?**

Megan: It is difficult to say what would be the best way to cater to the credit needs of the farmers in that context, but if SGs are not providing enough capital, then likely they need loans from other sources. They likely need other resources as well, perhaps some agricultural inputs, training, etc.

### **What kind of impact has the size of the group shown? I.E. more solidarity, stronger savings, or unintentional consequences? Thanks!**

Megan: Great question. I do not know the answer! I have seen size vary widely from Africa (15-25) to Latin America (up to 100 members). Sometimes smaller groups have more solidarity and more savings (for wealthier members), but larger groups can take on other activities like social events and have more liquidity for easy-access loans.

### **What are the challenges in linking Savings Groups to FSPs?**

Megan: I recommend reading the literature on FSP relationships. There are two resources on mangotree.org that are a good place to start.

## **To what extent are the techniques of behavioral economics deployed in these studies?**

Megan: Good question. You could argue that behavioral economics are embedded in all SG programs, since SGs are commitment savings devices. As for other behavioral economics techniques, there are programs that use these in a variety of ways, with intention or without. I think the most common way you see them are in programs including trainings and linkages to services to use these trainings. One example is the SG + maternal health linkage program by Aga Khan Foundation in Pakistan. See the following study for more information:

Noorani, Q., Azam, I., Shaikh, B.T., Ranasinghe, T., Abbas, S., and Wali, S. (2013). *Role of Community Based Savings Groups (CBSGs) in Enabling Greater Utilization of Community Midwives in Chitral District of Pakistan*. Pakistan: Aga Khan Foundation.

## **Megan, what is impact of adding other types of support to Savings Groups rather than standalone?**

Megan: Impacts from these other development interventions varies. Impact, when it is found, is often in the area that the additional intervention is trying to influence. However, some are more successful at influencing it than others.

## **May I suggest that ability to manage risk including quick access to emergency cash or credit may be among the most important impacts needs to be stressed more?**

Megan: I think that is a good consideration for discussing household economic impacts. However, I have thought of that more in terms of resilience, and considered that in the resilience section.

## **From Twitter: What is the most impactful Savings Group intervention over the last decade in Africa?**

Megan: That is a tough question. I'm not sure I can answer it well, because I think impact can come down to the individual (how much they put in and get out of it), the context (the very poor seem to benefit more), and the type of intervention (you could argue that some of the integrated health programming has more impact than an agricultural program, for instance). It's also hard to say because not every program has a documented study on it!

I think the Saving for Change program in Mali had a relatively big impact (there was an RCT), but I'm biased because I worked on that study and know it well. I'm quite impressed with some of the integrated health and integrated gender dialogue programs as well. I think for most members, SGs are helpful, but not transformational. There are some programs that stand out more than others, though.

## **Please give more info about the conference.**

The SEEP Network is delighted to host SG2018: The Power of Savings Groups, in collaboration with Conference partners. SG2018 will take place in Rwanda, on May 22-24, and will offer a platform for attendees to connect, engage and learn from each other about the challenges and opportunities they face in supporting Savings Groups – including VSLAs, SHGs, indigenous savings groups, and other forms of community-based microfinance – worldwide. In this pursuit, SEEP encourages greater use of a wide range of innovative session structures and methodologies that build on emerging and accepted best practices in learning and the dissemination of innovations.

For more information, please visit the conference website: [www.SGConference.org](http://www.SGConference.org).

## Resource Links

### **Understanding the Impact of Savings Groups**

<https://www.mangotree.org/Resource/Understanding-the-Impact-of-SGs>

### **A Typology of Relationships between Savings Groups and Financial Service Providers**

<https://www.mangotree.org/Resource/A-Typology-of-Relationships-between-Savings-Groups-and-Financial-Service-Providers>

### **Evidence, Hope, and Hype: A Review of the Literature concerning Commercial Relationships between Savings Groups and Financial Service Providers**

<https://www.mangotree.org/Resource/Evidence-Hope-and-Hype-A-Review-of-the-Literature-concerning-Commercial-Relationships-between-Savings-Groups-and-Financial-Service-Providers>