The MasterCard Foundation

seep
Powering connections

JANUARY 2013

Understanding Youth and their Financial Needs

Youth and Financial Services Working Group

Acknowledgements

We at the SEEP Network would like to thank, first and foremost, The MasterCard Foundation . We had a shared vision for a publication that would build on the collective knowledge that already exists within the youth financial services industry to provide useful preliminary guidance to those who are planning to work with youth increating economic op-portunities. The MasterCard Foundation knows this emerging field well enough to see the need at this time for such a publication and the SEEP's Youth and Financial Services Working Group (SLWG) is fortunate to have its support.

SEEP is also grateful to its members and other key stakeholders who shared their market research results, without which this publication would not have been possible.

A huge thanks is owed to the primary author, Danielle Hopkins , who took on this task of reviewing all the market research studies to synthesize the information in a simple and easy to understand format.

A SEEP product is rarely the result of work by one or two individuals. This document was the inspiration of Youth and Financial Services Working Group members; it benefitted from careful review by many of them and by detailed comments on multiple versions from others. For this we owe a debt of gratitude to Nicki Post, Jared Penner , Bram Stoffele, Laura Munoz, Densmaa Togtokh, Rossana Ramirez ,Jennifer Gurbin Harley, Sharon D'Onofrio and Nisha Singh.

We would also like to thank all the working group members who provided comments and feedback during the various in person meetings we hadleading up to the finalization of this publication.

Rossana Ramirez and Jennifer Harley
Co-Facilitators – YaFS WG

This publication is made possible inpartnership with The MasterCard Foundation. The contents are the responsibility of The SEEP Network and do not necessarily reflect the views of The MasterCard Foundation.

The SEEP Network
1611 North Kent Street, Suite 610
Arlington, VA 22209
(tel) 202.534.1400 (fax) 703.276.1400
Email: seep@seepnetwork.org

Table of Contents

I. Money Inflows of Youth 10
Market Research Findings 11

II. Financial Decision-Making Behaviors of Youth 14

Spending
- Market Research Findings 15
- Implications for Program Design 18

Savings
- Market Research Findings 18
- Implications for Program Design 20

Borrowing
- Market Research Findings 22
- Implications for Program Design 23

III. Youth Perceptions and Experience of and Preferences for Financial Services 24
Market Research Findings 25
Experience with Formal Financial Services 27

Implications for Program Design
- Preferences for Formal Financial Services 28
- Access to Formal Financial Services 32

Increasing Access
- Through Alternative Know Your Customer Requirements 33
- Through Technology 34
- Through School-Based Models 34

IV. The Most Effective Delivery Channels for Reaching Youth 35
Market Research Findings 36
Program Implications of the Most Effective Delivery Channels 37

V. Market Segmentation 40

Implications
- Different Financial Products for Different Ages and Life Stages 43
- Different Products for Different Ages and Life Stages 44
- Services by Geographic Location 50

Conclusion 51
Bibliography 52
Annex A 55

Tables

Chapter I

Table 1. Youth Income Flows by Region and Type of Seasonal or Part-Time Work 12
Table 2. Implications of Youth Money Inflows for Program Design 13

Chapter II

Table 3. Discretionary Spending Across Regions 16
Table 4. Youth Spending and its Implications for Program Design 18
Table 5. Youth Savings and the Implications for Program Design 21
Table 6. Youth Borrowing and its Implications for Program Design 23

Chapter III

Table 7. Comparison of Youth Perceptions on Formal and Informal Saving 26
Table 8. Comparison of Youth Perceptions of Informal and Formal Borrowing 27
Table 9. Implications for Program Design: Preferences for Formal Financial Services 29
Table 10. Young People's Experience of Formal Financial Services and Its Implications for Access 32

Chapter IV

Table 11. Types of Delivery Channels to Reach Youth: Financial and Services 38

Chapter V

Table 12. Market Segment #1: Age or Life Stage 41
Table 13. Finance Trust Uganda: Terms of Savings Accounts by Age Segment (U.S. dollars) 43
Table 14. Market Segment #2: Enrollment Status 46
Table 15. Market Segment #3: Gender 47
Table 16. Designing Safe Spaces for Girls 48
Table 17. Market Segment #4: Geographic Location 49

Conclusion

Table 18. Recommendations for Design of Youth Financial and Services 51

Annex A

Table A1. Youth Programs by Geographic Area and Market Segmentation 55

Boxes

Chapter I

Box 1. Spotlight on Migration as Source of Income for Youth 13

Chapter II

Box 2. Spotlight on Mali: Importance of Marriage Expense 15
Box 3. Spotlight on Mongolia: Household Contributions of Girls 17
Box 4. Spotlight on Youth Borrowing in Africa 22
Box 5. Spotlight on UNCDF-YouthStart Partners: Linking Savings to Credit for Loan Guarantees 23
Box 6. Spotlight on Palestine: Segmenting Youth Borrowers by Business Development Cycle 23

Chapter III

Box 7. Spotlight on Uruguay: Lowering Age Barriers to Access 28
Box 8. Spotlight on the Philippines: Lowering Age and KYC Barriers 28
Box 9. Spotlight on Mongolia: Tracking Savings 28
Box 10. Spotlight on Account Restrictions: Balance between Access and Controlling Spending 31
Box 11. Spotlight on UFT Uganda: Flexibility in KYC 33
Box 12. Spotlight on Population Council: Increasing Access through Mentor Model 33
Box 13. Spotlight on Equity Bank, Kenya: Increasing Access through Mobile Banking 33
Box 14. Spotlight on Bank of Kathmandu, Nepal: Increasing Access through School-Based Models 34

Chapter IV

Box 15. Spotlight on Dominican Republic and Palestine: Incentivizing Staff 39

Chapter V

Box 16. Spotlight on Youth Savings Products of UNCDF Partners 43
Box 17. Spotlight on CARE Burundi: Segmentation of Services 44
Box 18. Spotlight on XacBank: Segmentation of Services 45
Box 19. Spotlight on Ethiopia: Delivery Channels by Enrollment Status 46
Box 20. Spotlight: How the Pressure to Look Good Influences Girls and Young Women 48
Box 21. Spotlight on Reaching Girls 48
Box 22. Spotlight on Mali: Spending Differences by Proximity to Road 50

Acronyms

AIM Youth	Advancing Integrated Microfinance for Youth
ATM	automatic teller machine
BCS	Banco Cajas Social
DRC	Democratic Republic of the Congo
FFH	Freedom from Hunger
ID	identification
IDB	Inter-American Development Bank
IGA	income-generating activity
FGD	focus group discussion
FSP	financial service provider
KYC	know your customer
MCI	Making Cents International
MEDA	Mennonite Economic Development Agency
MFI	microfinance institution
MFO	Microfinance Opportunities
NFS	nonfinancial services
NRC	national registration card
OBM	Opportunity Bank Malawi
POS	point-of-sale (device)
RCPB	Le Reseau des Caisses Populaires du Burkina
ROSCA	Rotating Savings and Credit Association
UCU	Union Des Cooped Umutanguha
UFT	Uganda Finance Trust
UNCDF	United Capital Development Fund
VSLA	Village Savings and Loan Association
YaFS	Youth and Financial Services Working Group, SEEP Network
WWB	Women's World Banking

Executive Summary

The SEEP Youth and Financial Services (YaFS) Working Group brings together practitioners to exchange experiences and create opportunities for collaborative learning. From July to November 2011, the Working Group conducted industry research to understand the potential gaps in the availability of practitioner-oriented technical tools and knowledge about youth financial services. The assessment indicated a need to consolidate and interpret findings of market research associated with understanding youth financial behaviors in developing countries. This understanding is crucial for financial service providers (FSPs) to offer appropriately designed services to young people and to scale the outreach of these services. However, in the process of conducting the assessment, it became clear that while many organizations had been collecting data on youth financial behaviors in various countries around the world, most of this data was either not published or was not easily accessible to the growing number of organizations seeking entry into this market.

To fill this critical gap, the SEEP YaFS Working Group collected and analyzed findings from recent market research studies of young people conducted in multiple countries. Understanding Youth and their Financial Needs presents a synthesis of these findings. It is derived from market data from youth related programs in covering twenty two countries. Additionally experts from twelve practitioner organizations, members of SEEP's YaFS working group, contributed in different capacities to the analysis and interpretation of these results for the broader industry.

The *Understanding Youth and their Financial Needs* publication provides deep insights into the financial decision-making behaviors of youth (e.g., spending, saving, and borrowing) at three different levels—the client level, market segmentation level, and institutional level—and shows how these behaviors can inform the design of financial and education support services. At the client level, the synthesis examines youth financial behaviors that are influenced by young people's income flows, expected contributions to their families, and experience and perception of formal financial services. At the institutional level, it examines how different market segments (e.g., current life stage and/or age, gender, enrollment status, and geographic location) affect youth financial behaviors and consequently the design of both delivery mechanisms and products.

Insights into the money flows and financial behaviors of youth provide an important launching point for FSPs to design appropriate and sustainable youth-friendly products. They can also serve as a reference for policy makers seeking to develop, promote, or strengthen new or existing youth programs within their respective countries.

Introduction

Background

The SEEP Youth and Financial Services (YaFS) Working Group brings together practitioners to engage in discussions and analysis of the field that can lead to the development of functional learning products. The Working Group is currently comprised of SEEP Members and other key stakeholder that support programs and services designed to increase economic opportunities for youth and their access and utilization of appropriate financial services. More than 90 individual practitioners have engaged with the group since its inception in May 2011.

In addition to providing opportunities for continued dialogue and learning of key industry issues and challenges, SEEP'sYaFS Working Group contributes to the field by responding to critical knowledge gaps in the form of collaborative learning outputs that build on practitioner experiences and are easily accessible and relevant to those interested in expanding work in this area. When the group first came together in 2011, the first activity undertaken was to conduct a multi-disciplinary industry survey to identify gaps in knowledge about Youth Financial Services (YFS). Drawing on extensive consultations with practitioners from around the world, the YaFS WG determined that within the area of YFS, much research has been done to date to map access to financial services for children and youth, primarily on savings. What was missing, however, was an understanding of the global commonalities and trends of the youth market and their financial behaviors, andthe means to analyze this information to develop appropriate financial services for young people.

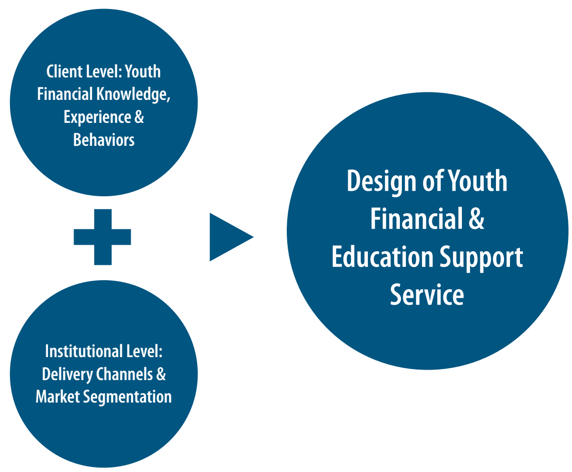
Understanding Youth and their Financial Needs, is an attempt to fill this critical gap and allow practitioners to build on the work being done by projects such as YouthSave Consortium, SEEP's Innovations in Youth Financial Services Practioner Learning Program, Youth Start and others. The information is derived from an extensive literature review of youth-focused market research undertaken by programs in developing countries complemented by expert analysis by members of SEEP's YaFS WG.[1]

References to youth within this publication are based on the definition of the United Nations definition of youth as persons between the ages of 15 and 24 years. However, many programs start working with children and youth at the age of 12 (e.g., YouthStart, YouthSave), or even the age of 10 (e.g., Savings Innovation and Expansion for Adolescent Girls and Young Women). In addition, many programs target girls or young women specifically because they are considered a more vulnerable group (e.g., YouthStart–Kenya, Safe Spaces–Uganda)

Objectives and Implications of Study

Financial knowledge, experience & behaviors, delivery channels, age and gender must be considered in the design of youth financial and education support services, most importantly education support programs. The different factors mentioned can categorize and examined at 3 distinct levels as mentioned below:

- **Client level:** Youth money flows and financial knowledge, experience and behaviors, as identified through market research in developing countries.
- **Market segmentation level:** How different market segments (e.g., age and/or life stage, gender, enrollment status, geographic location) affect youth financial knowledge, experience, and behaviors.
- **Institutional level:** Examples of delivery channels (for both financial and education support services) that are effective in reaching youth.



1 For a list of all programs that were reviewed, see annex A.

This Synthesis captures the insights of a number of stakeholders in the field and provides preliminary guidance for organizations that are contemplating the design and implementation of youth financial service programming. Insights into the money flows and financial behaviors of youth provide an important launching point for FSPs seeking to design appropriate, sustainable youth-friendly products in a way that will ensure both their uptake and usage. However, it may be necessary for an FSP to conduct additional market research to ensure the maximum relevance and applicability of a program in a specific context for a specific market segment. The Synthesis can also serve as reference for policy makers seeking to develop, promote, or strengthen new or existing youth programs within their respective countries

This Synthesis looks at the financial decision-making behaviors of youth (e.g., spending, saving, and borrowing) that are directly influenced by their income flows, expected contributions to their families, and experience and perception of formal financial services, as well as their current life stage. It then examines how these behaviors may impact the design of financial and education support services. Emerging best practices indicate that young people benefit the most from financial services when these services are offered in conjunction with nonfinancial services, such as mentoring, financial education, internship opportunities, health education, livelihood skills training, and social asset building.[2] This publication will focus mainly on financial education as a tool for building the capabilities of youth in saving, spending, and borrowing in order to make effective use of financial services. It will also look at how market segmentation and the most effective ways of reaching youth contribute to program design at the institutional level.

Limitations of Study

As previously noted, this publication does not attempt to make the business case for youth financial products or prove the effectiveness or impact of particular youth-focused financial products or services, as these issues are beyond the scope of the market research studies that were analyzed. These are important considerations and should be factored in while developing a new product .For example, when considering youth account preferences for various financial products, an FSP must carefully weigh these preferences against the capacity of the institution and the operational feasibility of a given product to ensure its financial sustainability.

Components of Study

Undertstanding Youth and their Financial Needs is comprised of five sections (see below), each of which describes market research findings specific to the topic, together with its corresponding implications.

I. Money Inflows of Youth

II. Financial Decision-Making Behaviors of Youth

III. Youth Perceptions and Experience of and Preferences for Financial Services

IV. Market Segmentation

V. The Most Effective Delivery Channels for Reaching Youth

2 A YouthInvest study shows that young people aged 15 to 24 increased their saving rates after receiving life skills and financial education training (Jennifer Gurbin Harley et al., 2010, "YouthInvest: A Case Study of Savings Behaviour as an Indicator of Change through Experiential Learning," Enterprise Development and Microfinance 21 (4): 293–306).

I. Inflows of Youth

I. Inflows of Youth

Market Research Findings

This section examines the sources through which youth generally receive money and the implications this can have for youth product design.

Most youth in developing countries receive money from their parents and relatives (YouthSave, YouthStart).[3] This money may be in the form of an allowance or could be left over from shopping for the household (YouthSave–Kenya). However, given limited income from parents, youth look for other means to earn money or supplement their incomes through part- or full-time formal or informal labor (e.g., casual labor, petty trade, other income-generating activities, agriculture) (AIM Youth–Ecuador).

Youth typically receive irregular and small income flows. They may receive income daily, weekly, on weekends, bimonthly, or monthly, depending on the source. Youth receive smaller and more frequent allowances from parents mainly for daily expenditures (e.g., lunch or snacks at school) and larger and less frequent flows from parents or other family members during holidays, festivals, or migration (YouthSave). Working youth may receive income on a weekly or monthly basis (AIM Youth–Ecuador).

Income flows of youth may also be seasonal. For example, the amount of income received from parents may be lower during certain times of the year, such as after holidays or when school resumes (when parents must pay school fees). It may be higher during holidays, when youth may receive cash as a gift from relatives (YouthStart). In rural areas, income flows may be higher after either the harvest or the rainy season, when crops are sold (AIM Youth–Mali, AIM Youth–Ecuador).

3 Market research findings presented in this study are followed in parentheses by the names of the organization and/or program that collected the findings; certain of these findings were published in process or policy documents or acquired through personal interviews.

Table 1. Youth Income Flows by Region and Type of Seasonal or Part-Time Work

LAC	Africa	Asia	MENA
Colombia: Housework or chores, helping family with business or economic activity, selling mobile phone minutes (YouthSave)	**Ghana:** Petty trading, hairdressing, mechanics, shoe shining, carpentry (YouthSave)	**Nepal:** Domestic labor, brick kiln work, working in shops in urban areas, selling milk in rural areas (YouthSave)	**Egypt:** Salesperson for clothes or shoes, foreman in hospitality industry or farming, hairdresser, construction work, teaching and private tutoring, factory work, nursing (YouthInvest)
Ecuador: Agricultural labor (seasonal), either on the family's land or for someone else. Also, casual work, such as construction (primarily for boys)[a]	**Kenya:** Housework, water vending, and selling scrap metal (YouthSave)	**Mongolia:** Waiting tables, washing dishes, helping parents in black market, or taking over business of parents (Savings Innovation and expansion for Adolescent Girls and Young Women)	**Morocco:** Work in retail, handicrafts, transportation, agriculture/livestock (YouthInvest)
	Senegal: Small trade, sale of agricultural products, housekeeping work, apprentice work, work for parents, sale of bred animals (AIM Youth–Senegal)		
	Burundi: Work in commerce or agriculture, trade in foodstuffs, sewing, washing clothes for others, waitress, cashier, animal husbandry, carpentry and masonry, prostitution (also common in Kenya and Uganda) (Ishaka)		
	Mali: Gardening, large-scale agriculture, collection, cutting, transportation and selling of wood, selling wild produce, small commerce (AIM Youth)		

Note: LAC – Latin America and the Caribbean; MENA – Middle East and North Africa.

a. Interview with Rossana Ramirez, Youth Program Director, Freedom from Hunger, October, 2012.

Box 1. Spotlight on Migration as Source of Income for Youth (AIM Youth–Mali)

In Mali, it is very common for young people to migrate for a few weeks or 4–7 months or longer to earn income. At first, they may migrate to nearby towns; later they may migrate farther away and when older, they may migrate internationally. Young people typically start to migrate around the age of 12, with migration fairly common between the ages of 12 and 15. Malian youth migrate to help their family pay for clothing, school supplies during the rainy season, and to save for their weddings and trousseaus. They also migrate to contribute to the household and gain financial independence by setting up income-generating activities.

Table 2. Implications of Youth Money Inflows for Program Design

Market research finding	Design of financial services	Financial education: Messages to youth
Youth have small, irregular income flows that come mostly from daily or weekly allowances or part-time jobs	Make youth savings products flexible, with low opening and minimum balances If income levels of older youth or out-of-school working youth are higher than those of in-school or younger youth, then the former may be able to afford slightly higher opening and minimum balances Allow small deposits in order to build large accounts Offer loans with longer repayment and grace periods	Include irregularity of income in financial education materials that teach youth how to develop a budget Stress the importance of developing contingency fund for emergencies
Youth have seasonal income flows that vary in relation to school year, holidays, and other events	Launch program and promote products during seasons when youth have more income Provide seasonal incentives	Launch education support services during seasons when youth are more available Include seasonality of income in financial education materials that teach youth how to develop a budget
Youth receive income from parents and other relatives	Host introductory meetings or workshops about the program to obtain parental approval	Address sources of income through sessions on budgeting

II. Decision Making

II. Financial Decision-Making Behaviors of Youth

This section looks at the financial decision-making behaviors of youth (e.g., spending, saving, and borrowing) and how their families are integrated into this decision-making process. Youth may experience financial pressures from the following life-cycle events:

- Education
- Marriage
- Childbirth
- Taking care of family

To overcome these challenges, young people may need to make a variety of financial decisions, which may include the following:

- Postponing unnecessary expenses and studies
- Increasing the amount of part-time work or finding seasonal work
- Selling additional crops (in an agrarian-based society)
- Migrating
- Saving at home or with another person
- Saving in kind (animals); selling animal or things
- Borrowing from friends, family, or a local shopkeeper
- Borrowing from an informal association
- Drawing on community assistance or mutual help (AIM Youth - Mali , AIM Youth - Senegal)

Spending: Market Research Findings

In most of the developing world, youth spend their money on food, clothing, school supplies, and by contributing to the household and savings (YouthStart). Some of these expenses are basic needs (e.g., food and school supplies for in-school youth; basic clothing and personal care items, especially for girls; transportation; and household expenses), while others are more discretionary (e.g., entertainment, Internet and mobile phone use, brand-name clothing, accessories) (YouthSave). Clothing and shoes are a common expense across all regions due to the social pressure to look good, but also due to the rough environment and physical conditions of many countries, where clothes and shoes wear out quickly and need to be replaced (AIM Youth–Mali).

Young people also spend money on inputs for their businesses or income-generating activities (IGAs), including commerce, agriculture, and animal husbandry (especially in rural areas). Expenses may vary according to the changing life cycle of youth (e.g. education, marriage, business, childbirth, asset building, health and education of children). In some countries in Asia (e.g., India) and Africa (e.g., Burundi, Mali, and Senegal), it is important for a girl's family to provide a dowry or trousseau to help her get started in her new life; the family may thus encourage a girl to contribute to this important occasion as well.

Box 2. Spotlight on Mali: Importance of Marriage Expense (AIM Youth–Mali)

A marriage trousseau in Mali consists of items such as kitchen utensils, clothes, and furniture or ornaments for the house. It brings honor to a girl and her family. In rural areas, the average age of marriage is 15, while in urban areas, it is 18. The costs of marriage and the trousseau are relatively high compared to typical household income in Mali. As a result, the marriage trousseau is one of the largest financial pressures on youth in both rural and urban areas. Both parents and youth save for it, with parents encouraging children to migrate during the dry season to help the family and save for marriage. When youth migrate, they must balance the need to contribute to the household (e.g., food, medicine) against saving for marriage and the marriage trousseau.

Spending may be seasonal if income is seasonal, especially in rural areas (YouthStart, Finca DRC, AIM Youth–Ecuador, AIM Youth–Mali). Of note, young people often spend money on impulse without planning. They may spend more during weekends with their friends, especially if they are older youth or teenagers (Youth Start, Savings Innovation and Expansion for Adolescent Girls and Young Women–Dominican Republic).

Table 3. Discretionary Spending across Regions

LAC	Africa	Asia	MENA
Colombia: Internet use, entertainment, status purchases (e.g., brand-name clothing) (YouthSave)	**Ghana:** Internet use, video games, phone credit (airtime) (YouthSave)	**Nepal:** Entertainment, activities with friends (YouthSave)	**West Bank/Gaza:** Personal expenses (e.g., CDs, snacks, cigarettes, visiting coffee shops) Clothes and personal care (e.g., haircuts) Recreational activities/ entertainment (e.g., making local trips, going to cinema and concerts) (ESAF)
Dominican Republic: Brand-name clothing, accessories, shoes, beauty salon (Savings Innovation and Expansion for Adolescent Girls and Young Women)	**Kenya:** Sports and related activities (recreation) (YouthSave)	**Mongolia:** Mobile phones (Savings Innovation and Expansion for Adolescent Girls and Young Women)	**Egypt:** Mobile-phones and charging cards, entertainment (e.g., movies, cafes, fast food, coffee shops), "Qahwa", drugs, alcohol, gambling, prostitution (YouthInvest)
Ecuador: Accessories, shoes, brand-name clothing, mobile phones (airtime), trips, alcohol, parties (AIM Youth–Ecuador)	**Zambia:** hair products/services, cosmetics, mobile phones, snacks, gifts, fashion items, beer, alcohol (AGEP)		

Note: LAC – Latin America and the Caribbean; MENA – Middle East and North Africa.

Role of family in spending and other financial decisions

Young people seek independence and want to make their own financial decisions, but they also seek guidance and permission from their families, especially regarding larger purchases (e.g., clothes, shoes, assets), long-term investments (e.g., education, marriage), choice of income-generating activity (YouthInvest–Egypt), and in some countries, recreational activities—even though they might not have to (ESAF–West Bank/Gaza, Savings Innovation and Expansion for Adolescent Girls and Young Women, AGEP–Zambia, YouthStart–RCPB, YouthStart–Furkina Faso, AIM Youth–Mali). When younger (e.g., less than 18 or 20 years of age) or if rural residents, youth may be more dependent on and receptive to parental advice on financial matters (Savings Innovation and Expansion for Adolescent Girls and Young Women, AGEP–Zambia). This may be directly related to the fact that in some regions, youth take care of smaller expenses and feel empowered to make small purchases, while their parents take care of larger purchases (Nike, XacBank). Some youth may continue to involve their families in their financial decisions even after they form their own families (Ishaka–Burundi).

Contributions to household economy

In most regions of the developing world, youth are expected to contribute to the household, when needed, for such expenses as transportation, food, medicine, rent, and debt payments. They may view these expected contributions as their number one spending priority (YouthInvest–Egypt). The age at which youth are expected to contribute to the household and reach financial independence may vary across regions and contexts. In household economies that are linked to the failure or success of the harvest, contributions of youth may be seasonal and erratic. Young people may feel great financial pressure as a result of these expected contributions (AIM Youth–Ecuador, AIM Youth–Mali). Some may migrate to contribute to the household and gain financial independence by setting up IGAs (AIM Youth–Mali).

Youth contribute to their households in the following ways (AIM Youth–Ecuador):

- When they become aware that their parents lack resources (they then seek informal or temporary work)
- Through their savings
- Working with parents (mainly in agricultural activities or in businesses or marketplaces)

Box 3. Spotlight on Mongolia: Household Contributions of Girls (Savings Innovation and Expansion for Adolescent Girls and Young Women)

Girls in Mongolia feel responsible for the well-being of their families and desire to contribute to their households. Some keep money at home so they can contribute to household income if the need arises. Older women (aged 18–24) expressed the desire and practice of using their income for family expenses, such as the medical expenses of their parents, education and school fees of younger siblings, food, transportation, and marriage expenses of siblings. Parents expect that if their daughter works, she will turn over at least part of her income to them (Savings Innovation and Expansion for Adolescent Girls and Young Women–Mongolia).

Youth may also contribute to their households indirectly by paying for their own expenses (e.g., those related to school, clothing, accessories, entertainment, etc.), thus freeing up the family budget so that extra money can be reallocated to other household priorities (YouthInvest–Egypt).

Unexpected expenses as another source of financial pressure

Youth often experience financial pressure when they are unable to pay for unexpected expenses, such as the costs associated with illness (e.g., malaria, diarrhea, fever, stomach ailments), accidents and wounds incurred at work, the arrival of relatives, deaths, bad harvests, locust infestations, or drought in rural areas (AIM Youth–Mali, AIM Youth–Senegal). It is hard for youth to plan for such unexpected expenses when they have irregular and infrequent income.

Spending: Implications for Program Design

Table 4 summarizes market research findings with respect to youth spending and how these findings inform program design.

Table 4. Youth Spending and its Implications for Program Design

Market research findings	Design of financial services	Financial education: Messages to youth
Youth spend money on personal or discretionary items that lead to improved personal appearance or acceptance by peers, or on entertainment Discretionary items may vary by gender, enrollment status, and geographic location	Provide incentives for young people to open and use accounts that are linked to fashionable items and appropriate for age, gender, enrollment status, and geographic location (e.g., jewelry, accessories, purses, school supplies, t-shirts, baseball caps, mobile phone airtime)	Teach youth how to prioritize spending (e.g., differentiate between needs and wants) Take into account differences in spending behaviors by gender, enrollment status, and geographic location
Parents play a large role in the spending decisions of youth, especially for larger purchases Youth are expected to contribute to the household	Include parents as part of the target group, not only youth Involve parents through introductory community meetings (in rural areas) or branch events (in more urban areas) in order to provide information on youth products and show sensitivity to their expectations that their children contribute to the household	Stress the importance of including the family in the financial decision-making process Teach young people how to develop a budget and include contributions to the household
Youth are unequipped to plan for unexpected expenses	Design products to help youth meet unexpected expenses (e.g., health insurance)	Instruct youth in how to plan for unexpected expenses in their budgets (e.g., contingency fund)

Saving: Market Research Findings

Savings strategies

Most youth around the world are able to put aside some money or make it "stretch" (Safe Spaces–Kenya). Youth use various strategies to save. They may save part of the money that their parents give them for food or transportation (i.e., allowances), or they may work on a part-time or irregular basis either to supplement this income or if they are out of school. They may also reduce their expenses or their consumption to save (Safe Spaces–Uganda, ESAF–West Bank/Gaza). Some youth may only save for a short time period, such as during the week, in order to spend these monies on entertainment or personal expenses during the weekends or on school-related expenses (Savings Innovation and Expansion for Adolescent Girls and Young Women–Dominican Republic).

In some regions youth are very innovative in their savings strategies. For example, they may save by giving their money to a shop owner in return for a small percentage of the shop owner's profits. Youth may also invest money in buying inexpensive goods (e.g., clothes) or crops (e.g., beans) during the harvest or another time when such goods are cheaper, storing them, and then selling them at a later date when they need money or prices are higher (AIM Youth–Mali, AGEP–Zambia, Ishaka–Burundi). In addition, they may loan money on a short-term basis with high interest rates to friends and family (MCI Zambia). Other youth may invest in businesses or assets (e.g., land, gold) (ESAF–West Bank/Gaza).

Savings capacity

Similar to their income flows, the amount of young people's savings varies; typically, it is irregular. They may save a little each day, each week, or even each month. The savings capacity of youth may be lower when income is lower, such as during the high-spending months of December (for Christmas) or August (when youth go back to school and parents must pay school fees) (YouthStart).

Youth may have difficulty saving because they have no disposable income, but are nevertheless expected to contribute to the household. Most lack a long-term job or consistent income. In addition, most youth lack the discipline to save regularly mainly due to the pressure to look good and compete with friends (ESAF–West Bank/Gaza, Savings Innovation and Expansion for Adolescent Girls and Young Women–Dominican Republic & Mongolia, YouthInvest).

Savings goals

Youth around the developing world typically save for a purpose. It may be to buy things on their own, making them feel more independent, responsible, and free (Savings Innovation and Expansion for Adolescent Girls and Young Women–Dominican Republic, ESAF–West Bank/Gaza). Youth typically have a short planning horizon (ESAF–West Bank/Gaza), which translates into shorter-term goals. These short-term goals often align with their typical daily or weekly expenses, such as contributions to the household, clothes, school supplies, and discretionary spending (e.g., brand-name clothing, accessories for girls, entertainment for boys) (YouthStart, YouthSave). Most youth prefer saving to borrowing because they would rather save toward a goal than borrow to finance it (ESAF–West Bank/Gaza).

However, youth are concerned about their futures and save for education, equipment for a business or IGA, assets (e.g., a business, home, bicycle, car, animal, radio), emergencies, or unexpected expenses (YouthStart, YouthSave, YouthInvest, Savings Innovation and Expansion for Adolescent Girls and Young Women). They may also save for social events, such as birthdays, holidays, or festivals, or an important life event, such as graduation, migration, marriage, having a child, or buying a house (Savings Innovation and Expansion for Adolescent Girls and Young Women–Dominican Republic & Mongolia, AIM Youth–Mali). Finally, in some regions youth may save to overcome or cope with the financial pressure of needing to meet their own expenses (YouthSave).

In many regions, youth don't understand the connection between daily spending and storing money at home with achieving savings goals. For example, some youth may save for education, business, emergencies, or marriage, but then spend their savings on discretionary items (e.g., snacks at school, entertainment) or recreational or personal items (e.g., laptop computer, mobile phone, clothing) (YouthInvest, ESAF–West Bank/Gaza). In many cases youth spend small amounts of money on anything they want, but seek their parents' permission to spend larger amounts of money, or ask their parents to save it for them. As a result, youth may consider savings to be more related to daily or weekly transactions for smaller purchases and independently managing their own money, rather than to long-term goals or their futures (Savings Innovation and Expansion for Adolescent Girls and Young Women–Mongolia).

Savings methods

Some youth may save through banks and microfinance institutions (MFIs), but in most regions youth save mostly through the following informal methods (YouthStart, YouthSave, AGEP–Zambia, AIM Youth–Mali, Savings Innovation and Expansion for Adolescent Girls and Young Women–Mongolia, Ishaka–Burundi):[4]

- Through a trusted person, such as a family member (especially a parent—in most cases, the mother[5]), friend, or shopkeeper
- At home in piggy banks, boxes, tins, wallets, or purses that are hidden in the house (e.g., under a mattressor pillow, inside furniture, underground, or in clothing)
- Savings groups[6]
- Mobile money accounts
- In kind (e.g., animals, inexpensive goods or crops, bicycles)

Youth value the privacy of their savings, which is why most of them hide them from parents and other family members and boyfriends. In some regions, particularly in Africa, if their savings are discovered, the discovery can result in arguments or violence, especially for girls (Safe Spaces–Kenya). In some cases the amount of savings and type of savings goal (e.g., short versus long term) may directly influence how youth choose to save money. For example, youth may save small amounts of money for leisure, entertainment, or education (i.e., short-term goals) at home, and larger amounts for clothing or school fees (i.e., long-term goals) with a parent, shopkeeper, or in a savings account (YouthInvest, Savings Innovation and Expansion for Adolescent Girls and Young Women–Mongolia, AIM Youth–Mali). Some youth prefer to save larger amounts (e.g., monies received for gifts or holidays) with parents or in a bank to help them overcome the temptation of spending the money (Savings Innovation and Expansion for Adolescent Girls and Young Women–Mongolia).

Savings: Implications for Program Design

Since most youth save for a specific purpose (e.g., birthdays, holidays), it is important to promote a product prior to or at the same time that these savings activities take place. Savings goals can be linked to a specific product and may vary by life cycle. For example, passbook or demand-deposit savings accounts might be more appropriate for short-term savings goals, while fixed or programmed savings accounts might be more appropriate for long-term goals.

In partnership with the YouthSave project, Banco Cajas Social (BCS)—a corporate division of Fundacion Social—discovered through market research that youth have a desire to save for the long term. Based on this finding, in February 2012 BCS launched its youth product, "Cuenta Amiga para Jovenes," a programmed account that enables youth to set a savings goal.

---

4 For a discussion of why young people save mainly through informal methods, see the next section: "Youth Perceptions and Experience of and Preferences for Financial Services."

5 In Mongolia, girls make the comparison between their mothers and a "locked safe" (XacBank).

6 Savings groups vary across regions and include Rotating Savings and Credit Associations (ROSCAs). In Africa, common types of ROSCAs are Village Savings and Loans Associations (VSLAs), *tontines, ekubs* (Ethiopia), and *ibirimba* (Burundi). In Egypt, they are known as *gamayat.*

Table 5. Youth Savings and the Implications for Program Design

Market research findings	Design of financial services	Financial education: Messages to youth
Youth lack consistent income, steady jobs, and the discipline to save regularly	Provide incentives to encourage youth to open an account at a formal financial institution with savings from informal work or money from parents(saved in piggy banks,, lockboxes, wallets/purses) Provide incentives for saving (e.g., most frequent depositor, saver of the month) Provide savings "nudges" (e.g., SMS reminders to save) Provide collection strategies that facilitate saving (e.g., mobile van, satellite branches, at schools) Provide interest	Teach youth how to prioritize spending (e.g., differentiate between needs and wants)
Youth use various strategies to save	Use promotional materials to show youth how products will leverage existing savings strategies (e.g., saving allowances, reducing expenses or consumption)	Show youth how to incorporate existing savings strategies into additional strategies for saving Explain difference between short- and long-term strategies and/or goals
Youth save for a specific purpose Savings goals vary according to the life stage of a young person	Promote product prior to or at the same time as these savings activities Link incentives to clearly defined savings goals that demonstrate positive savings behavior Design products that are linked to a specific goal (e.g., health savings account, education account)	Explain how to set and achieve savings goals according to different life stages of youth
Youth save small amounts of money at home Youth have irregular and limited savings capacity Youth may not consider small amounts of money to be savings	Define savings in promotional materials to include small amounts of money and acknowledge that financial institutions welcome small deposits Product design: • Low opening deposit • Low minimum deposit • No fees to deposit • Can deposit any amount	Define savings as both small and large amounts of money Show how saving in a formal institution can make small amounts grow larger
Savings capacity may be higher among older youth	Design products for older youth that have higher opening and minimum balances, but perhaps higher interest rates	Promote higher savings capacity among older youth through financial education training
Keeping money at home is risky for some youth (especially girls)	Provide lockable home bank for their savings when small amounts are kept at home	Identify risks of savings and how to overcome them

Borrowing: Market Research Findings

Reasons for borrowing

Youth in most developing countries borrow money to purchase equipment, inventory, or other inputs for businesses (YouthInvest–Morocco), IGAs, commerce, animal husbandry, or agriculture. Some may borrow for home improvements or personal use (AIM Youth–Mali). Most youth, especially in-school youth or youth that have dropped out of school for financial reasons, are interested in borrowing for their educations (Savings Innovation and Expansion for Adolescent Girls and Young Women–Mongolia, YouthStart, AIM Youth–Ecuador). Often the reasons for borrowing may not correspond with how a loan is used. For example, in some regions youth may use loans to pay back debts or for marriage or education expenses (YouthInvest–Egypt).

Sources of borrowing

In most regions youth borrow from friends, family members, and shopkeepers. Some youth are cautious about borrowing from family members because the latter may want to know what the money is for and this could interfere with their desire for financial independence (AIM Youth–Senegal, AIM Youth–Ecuador). But most youth prefer to borrow from these sources, especially to start up a business, as opposed to borrowing from a financial institution, because they have more privacy and understanding if they have difficulty repaying a loan (e.g., no penalties). In addition, youth typically lack the experience, collateral, or guarantee (e.g., assets such as property, vehicles, money, or a family member's guarantee) necessary to borrow from a financial institution. Alternatively, they may prefer to start a business from home in order to save money, rather than establish a formal business site (YouthInvest–Egypt, YouthInvest–Morocco). In some regions, youth approached MFIs only after their businesses had been in operation for two years (ESAF–West Bank/Gaza, Down to Business, YouthInvest). In other regions, older youth (18+ years) may have some experience with student loans, business loans, leasing loans for electronics, or salary loans for home repairs (Savings Innovation and Expansion for Adolescent Girls and Young Women–Mongolia).

Box 4. Spotlight on Youth Borrowing in Africa (AIM Youth–Mali, AIM Youth–Senegal)

In some regions in Africa, youth may borrow from a tontine or credit union if the mother is a member, or a mutual aid group that collects money from friends, neighbors, or relatives to help a person planning a family event (e.g., wedding, baptism).

Youth who did not have experience borrowing formally from MFIs mentioned the following challenges (YouthInvest–Egypt, YouthInvest–Morocco):

- Size of loans
- Short grace periods
- High interest rates
- Lack of technical support
- High fees for not paying loan installments on time
- Slow process for disbursing a loan

Borrowing: Implications for Program Design

Table 6 below summarizes market research findings with respect to youth borrowing and how these findings can inform program design.

Table 6. Youth Borrowing and its Implications for Program Design

Market research findings	Design of financial services	Financial education: Messages to youth
Most youth lack collateral necessary to access a loan	Offer flexible options for a guarantee, such as providing loans linked directly to savings	Explain how to save for collateral
Youth have irregular and infrequent income flows from work or business Youth face challenges due to short grace periods and penalties for late payments	Offer longer repayment and grace periods for startup loans Adjust repayment structure depending on the type of enterprise (e.g., agriculture-based activities might require seasonal terms, whereas trading activities could be repaid monthly) (OBM, Youth Start)	Teach youth how to develop a repayment calendar to keep track of payments
Most youth borrow informally and are reluctant to borrow formally	Explain benefits of borrowing formally in promotional materials	Explain risks, responsibilities, and benefits of borrowing formally Distinguish between when to save and when to borrow

Box 5. Spotlight on UNCDF-YouthStart Partners: Linking Savings to Credit for Loan Guarantees (YouthStart)

Some UNCDF-YouthStart partners require that youth save for at least six months or one year before taking out a loan (e.g., RCPB Burkina Faso, OBM Malawi, UFT Uganda). Another UNCDF-YouthStart partner, UCU in Rwanda, requires youth to save a certain amount as collateral before they can access a loan. This allows the FSPs to learn about young people's savings patterns and cash flow before they can access a loan.

Box 6. Spotlight on Palestine: Segmenting Youth Borrowers by Business Development Cycle (ESAF–West Bank/Gaza)

Ryada, an MFI in Palestine, targets employed and self-employed youth. When designing a loan product for youth, it took a unique approach to segmenting the market by considering the business development cycle as it relates to age and life stage. Market research revealed that savings and borrowing from friends and family was common before people went into business; only after two years in business did they approach MFIs. This finding demonstrated a relationship between the business development cycle and age in Palestine. Ryada integrated this cycle into a loan product for youth that allows young entrepreneurs to borrow earlier in the cycle.

III. Perception, Experience, and Preferences

III. Youth Perceptions and Experience of and Preferences for Financial Services

Market Research Findings

This section explores the perceptions, experiences and preferences of youth with respect to financial services and implications for product design.

Perceptions of formal financial services. The perceptions that youth have of formal financial services are typically formed by word of mouth and the experience of others (e.g., close friends or family members). If parents and close friends have had a positive experience with formal financial services, then young people will often have a good image of banks and MFIs, but if the former have had a negative experience, young people will have a poor image of FSPs (YouthInvest–Morocco, Savings Innovation and Expansion for Adolescent Girls and Young Women–Dominican Republic, ESAF–West Bank/Gaza). This finding indicates that parents' perceptions of formal financial services carry over to their children (Savings Innovation and Expansion for Adolescent Girls and Young Women–Mongolia). Youth may also choose to open an account at a particular financial institution based on the recommendations of NGOs that provide training for youth or that of a close friend or relative (YouthInvest–Morocco).

In the Dominican Republic, at least half of the parents of girls who were interviewed for a market research project save in a bank. As a result, girls described feeling "happy," "light," "comfortable," or "excellent" upon entering a bank (Savings Innovation and Expansion for Adolescent Girls and Young Women–Dominican Republic).

Youth have several biases and fears with respect to formal financial services. These include (Savings Innovation and Expansion for Adolescent Girls and Young Women–Mongolia, AGEP–Zambia, YouthStart, AIM Youth–Ecuador):

- Banks are only for depositing large amounts of money and not for making small deposits. As a result, youth feel shame or embarrassment about making small deposits and think the bank or FSP will turn them away or view them as inferior clients.
- Belief that banks are for the rich.
- Belief that banks are only for adults.
- Belief that banks are for people with jobs.
- Fear of losing access to their money.
- Fear that the institution will collapse.
- Fear of losing their money due to fraud or high fees. As a result, most youth mistrust formal financial institutions, think banks steal from them, or won't give them the promised interest rate.[7]

As a result, many youth choose informal financial services that are cheaper, require minimal—if any—documentation, and provide more accessibility, especially for emergencies (YouthStart).

Comparison of youth perceptions of formal and informal financial services. Even though most youth have limited experience of formal financial services, they can still compare the advantages and disadvantages of formal and informal financial services based on the perceptions and experiences of others (AGEP–Zambia). In some cases, this may be slightly easier for older youth (18+ years) (Savings Innovation and Expansion for Adolescent Girls and Young Women–Mongolia). Tables 7 and 8 outline young people's perceptions of the advantages and disadvantages of formal and informal savings products.

7 See, for example, Danielle Hopkins and Maria Perdomo, 2011, "Listening to Youth: Market Research to Design and Develop Financial and Nonfinancial Services for Youth in Sub-Saharan Africa," UNCDF, New York.

Table 7. Comparison of Youth Perceptions on Formal and Informal Saving

Source of savings	Advantages	Disadvantages
Informal		
Box, tin, piggy bank hidden at home	• Safe, discreet location • Harder to misuse if it's not in your hand • Harder for others to steal if it's hidden • Under their personal control • Can access any time	• Possible theft • Siblings, parents, or other family members can ask for money • Money can be destroyed by rats or fire • May lose key • Can easily spend money, making it harder to accumulate lump sums • May not know amount they have saved
Parents	• Reliable, easy access • Youth savings can help parents in time of need • Parents can help youth save for their goals (e.g., by not giving it back to them for their "wants") • Harder to misuse money	• May use funds when in need and not repay them • Loss of money or difficulty getting money back; could damage family relationships
In kind	• Prevents temptation of spending money stored as cash • Can sell animal	• Theft • Epidemics
Shopkeeper	• Presence and inventory provide guarantee that savings can be collected when necessary	• May spend the savings • No written proof or contract • Could go bankrupt and close the shop or be victim of theft or fire • Could move away • May not be at store when youth needs money
Savings groups (e.g. ROSCAs, tontines)	• Located close to youth residences (access) • Can deposit money anytime • Can easily access funds when it is their turn • Receive large amount to make large purchases when it is their turn • Can save small amounts • Have access to credit • Harder to spend money on things youth don't need	• Can be used to provide credit that might not be repaid • Risk of girls quitting the group before each one has received the lump sum at least once • Lack of security • Based on social control, with the risk that someone may spend the money of the group
Formal		
Bank/MFIa	• Safe from being stolen • Money earns interest • Harder to misuse money	• Requirements are too stringent to open an account (e.g., having an official identification) • Charge for opening and maintaining accounts
Mobile banking/ ATMs	• Lower costs of travelling to branches • Save time otherwise spent waiting in line • May not charge fees or fees may be minimal • Savings may be insured	• Savings may not be insured • May not receive interest on savings

Sources: AIM Youth–Senegal, AIM Youth–Mali, YouthSave, YouthStart, AGEP–Zambia, Savings Innovation and Expansion for Adolescent Girls and Young Women–Dominican Republic, Ishaka–Burundi

Note: a. This information assumes a branch account with a bank or an MFI. This comparison of formal and informal saving shows how youth perceive the advantages and disadvantages of access to financial services. Youth see being able to access money quickly through informal savings methods in case of emergency or business opportunity but at the same time,they risk misusing or misspending money if they access it too easily (AGEP–Zambia, YouthSave).

Table 8. Comparison of Youth Perceptions of Informal and Formal Borrowing

Source of borrowing	Advantages	Disadvantages
Informal		
Parent	• No penalties, gossip, or exposure • Discreet	• Embarrassed to ask parents for money • Could damage parent-child relationship
Friend	• Mutual understanding	• Could destroy friendship • Can refuse or may not be discreet, causing embarrassment
Shopkeeper	• Privacy	• Getting into bad habits of borrowing • May not be available when money is needed
Tontine	• Social structure	• Can't access money whenever youth want—they have to wait their turn • Penalties for late payments
Formal		
Bank, MFI	• Availability of capital • Allows for investment in business	• High interest rate • Causes obligations and stress

Sources: AIM Senegal, MCI West Bank/Gaza.

Experience with Formal Financial Services

Most youth don't have experience with formal financial services and do not have their own accounts or shared accounts with their parents. Their experience of formal financial services can often be directly linked to whether or not their parents have accessed these services. For example, some youth may have gone to the bank with a parent to make a deposit (Savings Innovation and Expansion for Adolescent Girls and Young Women–Dominican Republic, Mongolia). Or they may be influenced by their parents, who save mostly small amounts at home and large amounts at a bank (Savings Innovation and Expansion for Adolescent Girls and Young Women–Mongolia).

Youth lack experience with formal financial services because they (ESAF–West Bank/Gaza):

- Lack money to deposit
- Don't feel the need to open a bank account
- Don't have banking information
- Prefer to rely on friends and family first for saving and borrowing

In many regions, youth face the following three barriers to accessing and using formal financial services (YouthStart):

- Restrictions in the legal and regulatory environment (e.g., minimum age and identification requirements to open and manage an account, or to take out a loan on their own)
- Inappropriate and inaccessible financial products offered by FSPs (e.g., high opening or minimum balances, branches located too far from communities where youth reside, or operating hours that conflict with school or work obligations)
- Poor financial capabilities (e.g., knowledge, skills, attitudes and behaviors) of youth

Box 7. Spotlight on Uruguay: Lowering Age Barriers to Access

In 2010, Uruguay's parliament passed legislation to allow girls and boys, ages 12 and 14, respectively, to open and manage savings accounts on their own at Banco de la Republica Oriental del Uruguay, the country's state bank. The idea was inspired by the Chile, where there is a similar state bank child account that is owned and managed solely by youth, as well as by the Uruguayan National Postal Bank accounts for children.

Sources: Tanaya Kilara and Alexia Latortue, 2012, "Emerging Perspectives on Youth Savings," Focus Note 82, CGAP, Washington, DC.
Role of Policy Makers and Regulators: Increasing Access

In most developing countries, with a few exceptions (e.g., Ethiopia, Colombia, Uruguay, Chile, the Philippines, and Mongolia), youth must be 16 or 18 years of age to open and manage an account on their own. As a result, youth below the legal age must rely on their parents or guardians to open and access an account (mainly for withdrawals).

Most countries also have strict "know your customer" (KYC) regulations that require birth certificates, national identification (ID), or national registration cards (NRCs) for youth if they are old enough, or for their parent or guardian. Since most youth lack these types of identification, they are unable to access formal financial services (YouthSave).

Finally, most youth don't know how formal accounts work. They are unclear about financial terms (e.g., minimum balance, current account, fees), the requirements for opening an account, and the differences among various financial products (ESAF–West Bank/Gaza, YouthInvest–Morocco, YouthStart). Youth in some regions associate formal financial services more with providing loans than with savings (ESAF–West Bank/Gaza). As a result, the majority of young people seek more information on financial services and greater understanding of how they work.

Box 8. Spotlight on the Philippines: Lowering Age and KYC Barriers (YouthSave)

The Central Bank of the Philippines, Bangko Sentral ng Pilipinas (BSP), launched the "Kiddie Account Program" in August 2011—the first initiative in a developing country spearheaded by a central bank that permits young children to open and manage savings accounts on their own. It was developed in partnership with the Bank Marketing Association of the Philippines and allows children older than the age of 7 to open and manage savings accounts on their own in 12 of the top Filipino banks. Not only did the Bangko Sentral ng lower the age for access, it also eased up on stringent ID requirements, permitting youth to use a school ID to open an account.

Source: YouthSave, n.d., "Phillipines: Driving Innovation in Youth Savings," online blog, http://youthsave.org/content/blog-philippines-driving-innovation-youth-savings (accessed Nov. 2011).

The following section outlines how youth perceptions and experiences can translate into appropriate design of financial and education support services.

Box 9. Spotlight on Mongolia: Tracking Savings (Savings Innovation and Expansion for Adolescent Girls and Young Women)

In Mongolia, most girls don't know the balance of accounts held in their parents name not only because they lack ownership of the account, but also because of the Mongolian superstition that if a person counts his or her money, he or she will lose it, go broke, or won't go very far. This myth stems from the countryside, where people don't tell others how many sheep they have. As a result, most girls are unaware of the amount that they have saved at home.

Implications for Program Design: Preferences for Formal Financial Services

This section shows how young people's perceptions and experience of financial services translate into specific product preferences, and in turn, what these preferences mean for program design (table 9). In some cases, market research findings are only applicable to savings.

Table 9. Implications for Program Design: Preferences for Formal Financial Services

Market research findings	Implications for financial services	Financial education: Messages to youth
AFFORDABILITY:		
Young people desire no monthly charges on savings because they don't have steady, regular income flows (YouthStart)	Savings: • Low opening balance • Low minimum balance • No maintenance fee Borrowing: • Low interest on loans	Present account terms and benefits
EASY ACCESS:		
Young people want to deposit and withdraw when they want to, especially for emergencies (YouthSave, YouthStart, YouthInvest–Morocco) Most youth want 24/7 access (YouthInvest) or late hours during the week or Saturdays (ESAF–West Bank/Gaza, Savings Innovation and Expansion for Adolescent Girls and Young Women–Dominican Republic)	Flexible terms Operating hours that coincide with school and work schedules Clear information on operating hours	Present account terms and benefits Provide information on operations of financial institution
INTEREST ON SAVINGS:		
In most cases interest is not as high a priority as other issues, such as access, security, privacy, and simplicity (YouthSave, YouthInvest) In some contexts (i.e., Muslim countries), youth prefer not to earn interest because it conflicts with their religion	Provide interest rate on savings products when appropriate	Explain how interest works
LIMITS AND RESTRICTIONS:		
Youth want some type of restriction on their accounts to prevent misuse or misspending of money Young people are open to: • locked-in savings, such as through a fixed account or term deposit (YouthSave, Savings Innovation and Expansion for Adolescent Girls and Young Women–Dominican Republic, Mongolia) • penalties and/or fees for withdrawals, maximum limits for withdrawals, and higher minimum balances (Savings Innovation and Expansion for Adolescent Girls and Young Women–Mongolia, Safe Spaces–Kenya) Youth feel limits will help them achieve their savings goals (Savings Innovation and Expansion for Adolescent Girls and Young Women–Mongolia)	Savings: • Limit number of withdrawals • Fee for withdrawals • Maximum limits for withdrawals • Higher minimum balance Borrowing: • Link savings to loans	Explain how to prioritize and control spending

Market research findings	Implications for financial services	Financial education: Messages to youth
OPPORTUNITY:		
Youth consider access to loans (e.g., to start up and build IGAs, invest in fixed assets or education) and other financial products important, especially older youth (YouthInvest–Morocco, YouthStart, Safe Spaces–Kenya)	Provide access to loans after certain time period of saving	Explain how to match financial products to needs
PRIVACY:		
Young people want their money to remain a secret so they can keep control of it and operate their accounts independently of their parents (YouthSave, Safe Spaces–Kenya) Most youth, especially older youth, want their own accounts (Savings Innovation and Expansion for Adolescent Girls and Young Women–Mongolia) Some prefer to visit financial institutions alone, since they are mature enough to make own decisions; this also gives them a greater sense of independence (ESAF–West Bank/Gaza)	Seek alternatives to "know your customer" regulations within the legal and regultory environment	Provide information on ways to meet requirements of financial service providers
PROXIMITY AND CONVENIENCE:		
Young people desire proximity of FSPs to residence, education, or work in order to minimize travel and costs (YouthInvest–Morocco)	Facilitate account opening and transactions in places that youth frequent, work, or reside (e.g., school, marketplace)	Provide information on nearby financial service providers
SAFETY:		
Young people seek to prevent their money from being lost, stolen, or destroyed in fire; or taken by family members, friends, boyfriends, or others (YouthInvest, Savings Innovation and Expansion for Adolescent Girls and Young Women–Dominican Republic)	Offer deposit insurance on youth savings deposits	Clarify the safeguards that protect young people's funds at a financial institution
SIMPLICITY:		
Youth desire both limited paperwork or document requirements (e.g., ID) to open an account and ease of transactions (YouthSave, ESAF–West Bank/Gaza) They also want clear, straightforward information on product terms and conditions, especially since their perceptions of formal financial services are based on the opinions of the others	Simple processes to open and manage a savings account or loan Minimal identification and documentation requirements Make promotional and product messages simple	Explain: • Steps involved in opening an account or obtaining a loan • How to fill out forms

Market research findings	Implications for financial services	Financial education: Messages to youth
TRACKING:		
Young people want to know the amount in their accounts, especially because they don't track amounts saved through informal mechanisms, mistrust banks (or MFIs), and can feel they're being cheated (AGEP–Zambia, Savings Innovation and Expansion for Adolescent Girls and Young Women–Mongolia, AIM Youth–Ecuador)	Develop passbook or notebook to track account Develop form to track loan repayments	Explain • How to track balance through passbook or create their own ledger in a notebook • How to keep track of loan repayment
TRANSPARENCY:		
Youth feel most fees and charges are unclear and costly (YouthSave, YouthInvest)	Present clear account terms and conditions	Clarify terms and conditions
YOUTH-FRIENDLY CUSTOMER SERVICE:		
Young people want to feel respected and welcomed by financial institution staff (YouthInvest, ESAF–West Bank/Gaza, Savings Innovation and Expansion for Adolescent Girls and Young Women–Dominican Republic)	Integrate youth-friendly or youth staff Train front-line staff in youth-friendly services	Train youth-friendly staff in education support services content and delivery methods (e.g., games for younger youth and discussions for older youth)

Box 10. Spotlight on Account Restrictions: Balance between Access and Controlling Spending

In Ghana, HFC Bank's "Enidaso" product prohibits withdrawals for the first three months, then limits them to once per month. In Kenya, Postbank's "SMATA" account does not put restrictions on the number of withdrawals, but charges a Ksh 30 fee per transaction (YouthSave). In the Dominican Republic, ADOPEM charges a penalty on accounts that are dormant for six months (Savings Innovation and Expansion for Adolescent Girls and Young Women–Dominican Republic).

In Colombia, Banco Caja Social (BCS), launched its youth product ("Cuenta Amiga para Jovenes"), a programmed account that restricts withdrawals to one per year, compelling youth to save—a design feature intended to work for youth and lower the bank's costs (YouthSave).

By considering young people's preferences, FSPs can design more appropriate, accessible financial products for them. This may involve designing savings products with low opening or minimum balances, reducing credit union member fees (AIM Youth–Ecuador), or allowing youth to save progressively for membership fees (UNCDF partner PAMECA Senegal).[8] It may also entail building in some type of restriction or limits to an account to prevent a youth from misusing or misspending his or her money. However, an FSP must carefully weigh youth account preferences against the capacity of the institution and operational feasibility of a product to ensure its financial sustainability.

8 For information on UNCDF YouthStart product standards and the the Child and Youth Financial International certification criteria for banking products, see Danielle Hopkins, Beth Porter, Maria Perdomo, and Laura Munoz, 2012, "Policy Opportunities and Constraints to Access Youth Financial Services," UNCDF, New York.

Implications for Program Design: Access to Formal Financial Services

Table 10 summarizes market research findings with respect to young people's experience of formal financial services and the implications of these findings for access to such services.

Table 10. Young People's Experience of Formal Financial Services and Its Implications for Access

Market research findings	Implications for financial services	Implications for Financial Education
Most common way youth learn about banks and financial issues is via friends and family members Perception of formal financial services is influenced by parents	Reach youth through current clients who are parents or other family members	Use financial education training to identify and discuss role of family in young people's perceptions of formal financial services
Most young people don't have experience with formal financial services They have misperceptions about banks and mistrust of banks Youth also lack information about the financial terms of products and how they work	Provide clear, simple information on account terms and benefits for both youth and their parents through marketing materials and informational meetings in peri-urban or rural areas	Topics for financial education training: • How to overcome myths about banks • Benefits of formal services • How to find best product to meet youth needs and goals • How to open and manage accounts
Most youth don't have access to formal financial services, especially in rural areas There are risks involved in carrying cash to make deposits or withdrawals, especially in rural areas	Provide additional delivery channels aside from brick-and-mortar locations (e.g., point-of-sale devices, satellite branches, mobile banking, schools)	Use financial education to give youth tips to stay safe when carrying cash or visiting a bank

Increasing Access through Alternative Know Your Customer Requirements

FSPs can help lower the barriers of access to formal financial services for youth. Depending on the flexibility of regulators and their interpretation of the legal framework, FSPs can be more flexible in accepting various forms of legal identification from youth than with adults in order to open an account. Several UNCDF-YouthStart partners accept alternate forms of identification. Finance Trust in Uganda accepts a recommendation letter from an adult who knows a youth as a form of identification. It also accepts school IDs for in-school youth and village IDs for out-of-school youth. For mentors or youth above the age of 18, it accepts a voter's card or driving permit/license. Opportunity Bank Malawi (YouthStart) accepts letters from the village chief as a form of identification (UNCDF). Several YouthSave partner banks have also eased identification require- ments for youth, often accepting letters from local authorities and/or school IDs in place of birth certificates or proof of citizenship (YouthSave).

Box 11. Spotlight on UFT Uganda: Flexibility in KYC (YouthStart)

A UNCDF-Youth Start partner, UFT in Uganda, asks parents of youth to complete a one-time authorization form to allow a young person to thereafter manage an account and conduct transactions independently.

FSPs can also develop innovative models to overcome minimum age requirements so that youth can open and manage accounts independently. In Uganda, individuals under the age of 18 must be accompanied by a guardian to withdraw money from a formal financial institution. To overcome this obstacle, FINCA Uganda consulted with legal advisors and incorporated the use of a mentor to enable allow girls to withdraw money. Mentors can co-sign, help manage an account, and take money collected at each group meeting to deposit in a FINCA branch, along with the youth client.[9]

Box 12. Spotlight on Population Council: Increasing Access through Mentor Model

The Population Council uses a mentor model in Kenya and Uganda to facilitate access to savings accounts for girls younger than 18. The mentor is from the same community as the girls and older than the age of 18. The mentor collects voluntary savings during weekly group meetings, records them in a ledger, and deposits money in the girls' name at the bank. She can also make withdrawals on behalf of the girls, but only with their consent.

Source: (Nike Process Documentation Report) Jennefer Sebstad, 2011, "Girls and Their Money: Strategies for Promoting Savings, Financial Education, and Social Support for Adolescent Girls in Low-Income Countries," Microfinance Opportunities, Washington, DC.

However, there are several potential risks with the mentor model. Since most mentors participate as unpaid volunteers, turnover may be high. If mentors are given the ability to make deposits on behalf of girls, they could mismanage the savings, causing the girls and their parents to lose trust in the mentor and, potentially, the entire program. In addition, mentors may not have enough technical knowledge or competency to provide financial guidance and training. It may thus be necessary to provide some type of monetary incentive for mentors and build their knowledge of financial services and savings. However, if mentors are paid, this could threaten the sustainability of the program (Nike Process Documentation).

Box 13. Spotlight on Equity Bank, Kenya: Increasing Access through Mobile Banking

At Equity Bank in Kenya, youth find the mobile banking system particularly attractive because only the initial account opening requires an adult cosigner, but deposits and withdrawals made through a mobile phone do not.

Source: MCI, 2010, "State of the Field in Youth Enterprise, Employment and Livelihoods Development: Programming and Policymaking in Youth Enterprise, Employment, and Livelihoods Development," MCI, Washington, DC.

9 Alice Lubwama and K. M. D. B. Rekogama, 2011, "Institutionalizing Youth-Friendly Services," SEEP Network, Washington, DC.

Increasing Access through Technology

Point-of-sale (POS) devices, automatic teller machines (ATMs), and mobile banking can facilitate access for youth in rural and peri-urban areas. A large network of mobile banking agents, such as small kiosks, grocery stores, pharmacies, mobile operating stores, and post offices, can facilitate young people's access to savings accounts when they live far from branches of financial institutions.

Box 14. Spotlight on Bank of Kathmandu, Nepal: Increasing Access through School-Based Models (YouthSave)

In Nepal, the Bank of Kathmandu is pioneering a school banking service in partnership with Save the Children, wherein the bank visits select schools approximately once a month to enable accountholders to perform transactions on site. These "aggregation points" are paired with short financial education activities conducted by partner NGOs of Save the Children.

Increasing Access through School-Based Models

Reaching youth through schools to promote products and facilitate account opening and transactions provides convenient access for youth, while at the same time helping the FSP increase uptake and usage of its services (YouthStart). In Sri Lanka, Hatton National Bank set up permanent banking units run by students within schools. Branch staff of Nike partners XacBank and ADOPEM visited schools to provide information about the bank and youth savings accounts, offer incentives, and open accounts (Savings Innovation and Expansion for Adolescent Girls and Young Women–Morocco).

UNCDF-YouthStart partners FINCA Uganda and PEACE Ethiopia use lock boxes and regular staff visits to schools to encourage account usage for in-school youth. Young people can either keep the lock boxes at school (and open them when FSP staff visit), or they can carry them to the branch when making a deposit. FINCA Democratic Republic of the Congo uses school-based agents who use POS devices for account opening and transactions so that students do not have to leave the school premises (YouthStart).

IV. Delivery Channels

IV. The Most Effective Delivery Channels for Reaching Youth

Market Research Findings

In examining the most effective ways to reach youth, it is important to identify the following:

- Typical activities
- Gathering places
- Types of groups or clubs to which they belong
- Places where they access information
- Who they trust
- Convenient times for reaching them
- How they like to learn

Typical activities

A day in the life of a young person may include school, homework, housework and/or chores, playing with friends (e.g., entertainment, sports), and part-time labor (e.g., in the market or agriculture, depending on where they live).

Gathering places

Youth gather at home, school, recreation or community centers, cafes (to access entertainment or the Internet), church, workplaces, cinemas or movie theaters, and town squares (AIM Youth–Mali, Safe Spaces–Kenya). In some regions, the most important factors that influence where young people spend time are feeling safe and comfortable and the availability of entertainment (ESAF–West Bank/Gaza).

Schools are the main gathering place for in-school and rural youth. In rural areas, schools host various sporting, cultural, and social events, and may be a gathering place for the entire community (AIM Youth–Ecuador).

Types of groups or clubs

Some youth participate in age-based associations that help develop the community and/or provide mutual help and social support by raising funds for religious and social events. They may also undertake collective work, such as in agriculture. These associations are especially common in rural areas (AIM Youth–Senegal, AIM Youth–Mali). Some youth are also involved in informal savings and credit groups.

Places where young people access information/ Who they trust

Most youth access information by watching or listening to their parents, especially their mothers (YouthSave, Savings Innovation and Expansion for Adolescent Girls and Young Women–Dominican Republic). Youth save money with their parents, other relatives (especially grandmothers), shopkeepers, and teachers, indicating their main sources of trust, influence, and information. Other sources of information include savings groups, peers, staff of NGOs and churches, and community leaders (YouthSave, YouthInvest, AGEP–Zambia).

Youth also access information through a variety of media, such as television, radio, mobile phones, and the Internet (ESAF–West Bank/Gaza, InterMedia/AudienceScapes, Savings Innovation and Expansion for Adolescent Girls and Young Women–Dominican Republic). In Mongolia, mobile phones are the main communication tool for girls (Savings Innovation and Expansion for Adolescent Girls and Young Women–Mongolia). In other regions, youth are open to receiving mobile-based communications, especially those in rural areas (ESAF–West Bank/Gaza).

Young people's sources of information may vary by geographic location. For example, in Kenya radio is the best way to reach youth in rural areas and TV, the best way to reach youth in urban areas (InterMedia/AudienceScapes–Ghana). In Ghana, youth receive information about formal financial services through radio and TV, and about informal financial services, through word of mouth from family or friends (InterMedia/AudienceScapes–Ghana).

Convenient times

The best times to reach young people may vary by geographic location, enrollment status, or age. For example, women may prefer morning/daytime classes due to safety issues associated with going out alone in the evening. In addition, parents will not permit them to venture out at that time (YouthInvest–Morocco, Safe Spaces–Kenya).

Older at-work or in-school youth (i.e., those who pursue vocational training) may prefer the evening (YouthInvest–Morocco), while younger in-school youth may only be able to meet after school and during weekends (Savings Innovation and Expansion for Adolescent Girls and Young Women–Dominican Republic).

Rural youth involved in agricultural activities may be more available during the rainy season (June to September) because they are otherwise either on vacation from school or helping their parents in the fields. During the dry season, in-school youth are in school and working youth may migrate to the city, making it more difficult to meet them (AIM Youth–Mali).

How youth like to learn

Most youth who are in school prefer a classroom setting where they can engage with their peers and facilitators, interact with a group, ask questions, and receive answers (YouthInvest–Morocco, Savings Innovation and Expansion for Adolescent Girls and Young Women–Dominican Republic). They prefer learning about financial services in the structured environment of school, where they spend the majority of their time (ESAF–West Bank/Gaza).

Program Implications of the Most Effective Delivery Channels

Results of an Inter-American Development Bank (IDB) study that reviewed 18 years of IDB-sponsored youth activities in Latin American and the Caribbean show that programs that locate activities close to the communities where youth live foster family and community involvement, use interactive teaching approaches (e.g., simulations, games, role playing, small-group activities, field visits), and align training with the hours best suited for reaching youth.

Table 11 offers an illustrative list of ways of delivering financial and education support services to youth. These methods can also be used to market and promote both types of services. The delivery channels listed are based on previously mentioned market research findings on the items discussed in the preceding section, as well as on organizations around the world that are currently serving youth.

Table 11. Types of Delivery Channels to Reach Youth: Financial and Educational Services

Type/Category	Examples	Rationale/Benefits
Door-to-door direct marketing Word of mouth	Catalogs, fliers Door-to-door sales telephone calls; in-person interaction through organized events	• Facilitates face-to-face engagement at the community level that is essential for building trust, obtaining buy-in, and ensuring understanding of financial products and programs on the part of youth, their parents, and gatekeepers • Parents and gatekeepers learn about programs and banks • FSPs learn about youth and their social and community environment • Word of mouth is important, since parents and gatekeepers serve as main source of information for youth
Group/community	Youth groups Girl groups Savings groups/clubs Savings and credit groups Classroom training NGOs Schools Churches Sports tournaments Dancing/singing competitions Street theater	• Schools and other groups can serve as entry points to deliver nonfinancial services (NFS) and promote various youth-friendly products • Schools can host National Savings Days (e.g., Dominican Republic) • Groups can also be used to host social activities, such as drama, games, and sports • Tournaments and competitions are innovative and fun ways to reach youth and provide an opportunity to reach potential clients • Street theater can reach both urban and rural youth near markets and in schools and public squares (YouthInvest,Savings Innovation and Expansion for Adolescent Girls and Young Women–Dominican Republic)
Technology	Mobile phones Radio TV ATM POS devices	• Financial education text messages that remind youth of their savings goals or to save on a specific day can encourage usage • Mobile phones can disseminate product information, such as account balances, or promotional information about new products • Mobile phones, ATMs, and POS devices help improve access to financial services, especially in rural and peri-urban areas
Social media	Facebook Twitter	• These channels are becomingly increasingly popular among youth who have Internet access
Financial institutions	Bank branch events Mini-talks	• FSPs can host branch events to promote youth products, using games, prizes, and snacks, or offer short mini-lectures on financial education that target both young people and their families

Tips on delivery channels

It is important to build and capitalize on existing infrastructure for delivering financial and education support services (e.g., extracurricular activities or civic classes at school, groups or clubs, weekly meetings with loan officers, common congregation points), as this can greatly reduce the costs and time involved for FSPs. It may be necessary for an FSP or youth-friendly organization to change its strategies for reaching youth as their perceptions, demands, life-cycle needs, and the places that they frequent or reside change.

Box 15. Spotlight on Dominican Republic and Palestine: Incentivizing Staff (ADOPEM & MCI)

ADOPEM in the Dominican Republic provides its loan officers monthly targets for opening youth accounts that are directly linked to their incentive program. Ryada in Palestine makes youth loans count for two loans to increase the incentive for loan officers to market youth loans.

Extensive delivery (a few hours a week over several months) of education support services such as financial literacy may be better than intensive delivery (full days over a shorter time period) for promoting behavioral change among youth (XacBank, Hatton National Bank[10]). Lastly, front-line staff offering youth financial products (e.g., tellers, loan officers) or those involved in delivering education support services (e.g., teachers, peer educators, mentors, training officers) should have experience with youth, familiarity with financial services, and some knowledge of financial management and financial education. It is important to get the buy-in of such staff and build their capacity by providing them some type of incentive as well as training in youth- friendly services).

10 See also Lubwama and Rekogama, 2011, "Institutionalizing Youth-Friendly Services.

I Inflows
II Decision Making
III Perception, Experience, and Preferences
IV Delivery Channels
V Market Segmentation

V. Market Segmentation

V. Market Segmentation

As the previous sections have made clear, it is important to consider age and/or life stage, gender, enrollment status, and geographic location when designing financial and education support services, as young people's money inflows, financial decision-making behaviors (e.g., spending, saving, and borrowing)—as well as their perceptions and experience of and preferences for financial services—may differ according to these market segments. This section highlights these market segmentations and their corresponding implications for the design of both types of services.

Table 12. Market Segment #1: Age or Life Stage

	Younger youth	Older youth	Implications
Income flows	Depend heavily on their parents for income; may supplement their incomes with occasional labor (e.g., during summer or holidays)	Diversify their incomes to a greater degree via small-scale or part-time labor and, in some cases, may not receive much income from their parents	Involve parents more in programs for younger youth
Spending	Spend their money on smaller often discretionary, items, (e.g., food, transportation, school supplies, entertainment, technology)	Wider range of life-cycle needs that include basic survival (e.g., clothes, hair care, food, rent) and investing in IGAs (e.g., selling goods in the local market or buying materials or equipment) (YouthStart, AIM Youth–Ecuador, Nike Process Documentation) Increasing responsibilities and expected contributions to household (e.g., for food, school, or medicine for themselves, siblings, or their children)	Schools and NGOs may be more effective channels for reaching younger youth, while church groups, vocational schools, and professional organizations (e.g., trade associations) may be more effective channels for reaching older youth
Saving capacity	Save less—have lower savings capacity than older youth (AIM Youth–Mali, AIM Youth–Ecuador, Savings Innovation and Expansion for Adolescent Girls and Young Women–Dominican Republic)	Save more—have higher savings capacity than younger youth (AIM Youth–Mali, AIM Youth–Ecuador, Savings Innovation and Expansion for Adolescent Girls and Young Women–Dominican Republic)	Design products with higher opening deposits and minimum balances for older youth
Saving goals	Help parents, future school expenses, clothing, and emergencies (YouthStart, Savings Innovation and Expansion for Adolescent Girls and Young Women–Dominican Republic, AIM Youth–Ecuador)	Clothing, education, graduation, and emergencies Young mothers save for the basic needs of their children, such as clothes, shoes, emergencies, and school supplies, as well as for birthdays (YouthStart, Savings Innovation and Expansion for Adolescent Girls and Young Women–Dominican Republic, AIM Youth–Ecuador)	Products may vary depending on youth goals during a specific life stage (e.g., savings or loans for their own education or that of their children; or for a business, IGA; or home improvements; or for health accounts or health insurance for families when older) A demand-deposit account may be more appropriate if youth need to access money regularly (e.g., for business or IGA), but a term deposit may be more appropriate for long-term goals (e.g.. for their own education or that of their children)

	Younger youth	Older youth	Implications
Perceptions and experience of formal financial services	Limited knowledge of financial products Experience with formal financial services limited to parents' experience	Have more knowledge about interest rates and financial products (Hatton National Bank, Savings Innovation and Expansion for Adolescent Girls and Young Women–Mongolia)[a] Prefer formal financial services (YouthInvest); consider it "trendy" or "stylish" to have an account (Savings Innovation and Expansion for Adolescent Girls and Young Women–Mongolia)	Provide basic financial education to younger youth (e.g., nuts and bolts of saving), together with life skills education Provide training in more sophisticated topics to older youth (e.g., budgeting, account and loan management, how to match financial products to different savings goals and life stages, business development services) (Savings Innovation and Expansion for Adolescent Girls and Young Women–Mongolia) Younger girls may prefer games and activities, while older girls may prefer discussions and stories (Savings Innovation and Expansion for Adolescent Girls and Young Women–Mongolia)
Account preferences	Value youth-friendly customer service (e.g., reception by staff), guidance and recommendations from others, and flexibility (YouthInvest–Morocco, Savings Innovation and Expansion for Adolescent Girls and Young Women–Dominican Republic) Desire lower minimum balance—related to lower savings capacity Prefer group-based model, as it brings them together for various activities during which they can encourage each other to save (YouthSave–Kenya)	Prefer account attributes such as less time to open an account, convenience, proximity; value low cost of financial products (YouthInvest) Stronger desire for independent control of money and thus independent ownership of account Desire a higher opening deposit to encourage savings—related to higher savings capacity Desire their own savings outside of a group, both for privacy and to avoid jealousy among friends (YouthSave–Kenya)	Flexible savings products (e.g., passbook account or demand deposit) might be better for younger youth, who value flexibility, while long-term deposit accounts might be better for older youth, who value individual privacy (Savings Innovation and Expansion for Adolescent Girls and Young Women, AGEP–Zambia) Higher opening deposits and minimum balances are better for older youth Group accounts may be more appropriate for younger youth, while individual accounts may be for older youth

Note: Age may differ by region or specific context. For example, younger youth may be defined as below the age of 14 in Africa and below 18 in Latin America.

a. See also Lubwama and Rekogama, 2011, "Institutionalizing Youth-Friendly Services." The greater knowledge of older youth about financial services may be due to the assumption that access and use of such services increases with age (InterMedia/AudienceScapes Kenya).

Implications: Different Financial Products for Different Ages and Life Stages

FSPs may choose to offer different financial products to different age segments. For example, YouthStart Partner FINCA Democratic Republic of the Congo (DRC) offers a current account for younger youth (below the age of 15) and a term deposit account for older youth. How FSPs or NGOs segment ages for financial or education support products may depend on the legal age in each country for independently opening and managing an account. For example, in Mongolia and the Dominican Republic, FINCA segments the financial product and corresponding financial education curriculum by the ages of 14 and 16, respectively; the legal ages in Mongolia and the Dominican Republic to independently open and manage an account.

Box 16. Spotlight on Youth Savings Products of UNCDF Partners

Many UNCDF Partners have developed a savings product for in-school youth and a credit product for out-of-school and economically active youth. FINCA DRC will be launching a savings account linked to school fees. Finance Trust in Uganda developed its "Teen Classic" savings product for youth aged 12 to 17, while its "Youth Progress" savings product is for youth aged 18 to 24 who have a microenterprise; the latter product provides a link to credit during the second year. To access a loan, most FSPs first require youth to save for at least six months to one year, allowing the FSP to identify their savings patterns and cash flows.

Savings may be more appropriate for younger and in-school youth, while credit may be more appropriate for out-of school, working, and older youth. Most UNCDF-YouthStart partners have developed savings accounts that target youth between 12 and 17 years old and credit services that target youth between 18 and 24 years old. UNCDF YouthStart Partner PEACE Ethiopia plans to reach young married or divorced girls through groups already established by the PopulationCouncil.[11]

Some FSPs require a higher opening deposit and minimum balance in savings accounts for older youth. In the Dominican Republic, for example, ADOPEM requires an opening deposit of US$3 for 7–13-year-olds and US$6 for youth 14 and older. AIM Ecuador partner Cooperative San Jose requires a US$2 minimum opening deposit for youth aged 13–17, who are considered clients, and US$11 for youth aged 18–24, who are considered cooperative members. Finance Trust in Uganda also requires higher opening and minimum balances for older youth (18–24 years of age) (table 13).

Table 13. Finance Trust Uganda: Terms of Savings Accounts by Age Segment (U.S. dollars)

Age	12–17 (Teen Classic)	18–24 (Youth Progress)
Opening deposit	$1.3	$2.6
Minimum balance	$0.9	$2.2

11 Interview with Laura Muñoz, Program Associate, UNCDF, Fall 2012

Implications: Different Education Support Programs for Different Ages and Life Stages

Knowledge and experience of financial services may also differ according to age and geographic location, resulting in the design of a financial education program that moves from basic to complex discussion and engagement with formal financial services. Some topics may not be appropriate for the knowledge and life experiences of younger youth, who can start with basic financial education (e.g., the nuts and bolts of saving—what savings are, their importance and benefits, why a young person should save, how to save, setting goals, etc.) and life skills education, then learn more sophisticated topics as they grow older (e.g., budgeting, financial products, account and loan management, how to match products to savings goals and life stages, business development services). The methodology of financial training may also differ by age. For example, younger girls may prefer games and activities, while older girls may prefer discussions and stories (Savings Innovation and Expansion for Adolescent Girls and Young Women–Mongolia, Dominican Republic).

Box 17. Spotlight on CARE Burundi: Segmentation of Education Support Services (Ishaka)

In developing their curriculum, CARE segmented the topics based on age groups, as market research indicated signifi- cant differences in their financial knowledge and expertise

Table B16.1 Segmentation of CARE Burundi Education Support Services by Age Cohort

Age cohort	Financial knowledge and experience	Financial education topics
Younger youth (10-14 years)	Younger girls do not yet have a context for managing money and find some topics difficult (e.g., financial negotiations)	Introduction to financial education should focus mainly on young people's dreams ("Dream Big") and savings strategies
Teenagers (15-18 years)	Once girls become older and have a solid base of knowledge about savings, they can move on to other critical topics, such as ways to earn money and skills to negotiate about money (e.g., with family members, boyfriends); negotiating is an especially important skill in the context of frequent transactional sex	• "Dream Big" • "Seven Strategies of Saving" • Employment • Financial negotiations (family and boyfriends) • Resolving conflicts
Graduation program (18+ years)	A "graduation" program for girls could be offered just before leaving, an appropriate point for them to learn about borrowing and negotiating with financial institutions	• Borrowing • Financial negotiations (in the context of financial decisions and use of financial services)

Box 18. Spotlight on XacBank: Segmentation of Education Support Services

In 2002, XacBank launched its first children's savings account, "Future Millionaire." In 2009, the bank launched the "Aspire Girl" and "Apsire Boy" savings and financial education products, followed by the "Afaltoun" financial education program in 2010. At the age of 18, youth graduate from the financial education programs and can access other types of savings accounts. A bank tour is included as a part of these programs in order to demystify banking and increase young people's familiarity with formal financial services. The following table demonstrates how the content and delivery (e.g., location, the person who delivers financial education, the total amount of material delivered, methodology) of education support services varies by age (specifically, the 8–13 and 14–18 age cohorts).

	Aflatoun	Aspire
Participant age	8-13 years	14-18 years
Content	Social and financial education	Financial education
Goals and core elements	• Personal understanding and exploration • Understanding their rights and responsibilities • Concepts of saving and spending • Planning and budgeting resources	• Understanding and valuing savings • Learning savings strategies • Opening formal accounts • Developing the habit of saving
Delivery location	Primary schools	Schools and communities
Curriculum hours	30 hours over one school year	13 hours over half a school year
Instructors	Primary school teachers	University students studying finance and social work
Implementation range	Urban and rural	Urban and rural
Accompanying financial product (savings)	Future Millionaire Savings (long term, parent managed, provides incentives)	Aspire Savings (time and demand deposit, long term, youth managed, provides incentives)
Methodology	Child centered	Team focused, activity based

Source: Dias, Supun,and Siisel, Oyunchimeg,2011 "Reaching Scale with Financial Education for Youth" , The SEEP Network

Table 14. Market Segment #2: Enrollment Status

	In school	Out of school	Implications
Income flows	More likely to receive gifts and allowances from parents and relatives because parents are more willing to provide money for education (AGEP–Zambia) Engage in income-generating activities before, during, and after school (e.g., buying and selling sweets and snacks or braiding hair) (AGEP–Zambia)	Work more and are more reliant on some type of job for income, such as petty trade, working in shops, domestic labor, as well as seasonal agricultural work in rural areas (YouthSave)	Schools and NGOs may be more effective channels for reaching in-school youth, while church groups, vocational schools, and professional organizations (e.g., trade associations) may be more effective channels for reaching out-of-school youth
Spending	Increasingly spend money on clothes, food (e.g., lunch, snacks, candy), transportation, or school supplies (YouthStart, YouthSave, Safe Spaces–Kenya)	Increasingly spend money on IGAs, mobile phone airtime, rent, school fees for children and/or siblings (YouthStart, YouthSave, Safe Spaces–Kenya) In some regions, may be required to contribute more to the household (AGEP–Zambia)	Incorporate spending differences between in-school and out-of-school youth into financial education materials as well as incentives for account opening and usage
Saving methods	Save through clubs and with teachers at school (YouthSave, YouthStart, AGEP–Zambia)	Tend to save more in savings groups (AGEP–Zambia) Easier to reach and organize through savings groups because they demand less time and group members are more motivated to save than in-school youth (Ishaka–Burundi)	Reach in-school youth through schools and out-of-school youth through market places (on market days), churches, vocational centers, recreation areas, and youth workplaces
Saving goals	Save for clothes or future plans, such as education (YouthSave)	Tend to save more for emergencies, larger purchases (e.g., house, land) (AGEP–Zambia), small business or IGA, home improvements, or return to school (YouthSave)	Incorporate differences in savings goals into decision making on when to launch the program as well as financial education materials

Box 19. Spotlight on Ethiopia: Delivery Channels by Enrollment Status (YouthStart)

UNCDF-YouthStart partner ASCI Ethiopia works with schools for in-school youth and with kebeles (local administrative offices, such as village or ward councils) for out-of-school youth to form youth savings clubs. Youth can open savings accounts at a school or kebele through youth clubs, allowing them to avoid costs and time spent traveling to a bank branch. The clubs are also a channel for ASCI to provide financial education, cultural activities, and entertainment to youth.

Table 15. Market Segment #3: Gender

	Girls	Boys	Implications
Income flows	Income from informal savings and credit groups (e.g., ROSCAs) and boyfriends/male friends, especially among older girls (YouthStart, AGEP–Zambia)[a] Rely more on income from families, cash gifts, housekeeping, and small chores (ESAF–West Bank/Gaza, AIM Youth–Senegal, AIM Youth–Ecuador) If they receive money mostly from parents, they may receive smaller amounts more often (e.g., daily or a few times a week) (AIM Youth–Ecuador) Parents may be protective of young girls and may invest more in their daughters' education than in their sons' education because girls are considered more vulnerable than boys (Safe Spaces–Kenya, Savings Innovation and Expansion for Adolescent Girls and Young Women–Mongolia)	Income from part-time jobs (YouthStart) Rely on seasonal work, apprentice work, and livestock farming (ESAF–West Bank/Gaza , AIM Youth–Senegal, AIM Youth–Ecuador) Receive money primarily during weekends, when they look for seasonal or part-time work (AIM Ecuador)	Involve parents from the onset to gain their support, especially with girls Hold financial education activities in safe location and during a safe time (e.g., during the day) Address risks associated with income from boyfriends (e.g., dependency on exchanging sex for money and implications of breaking this dependency by saving money)
Spending	Spend money on food, education, IGAs, household contributions, medical expenses, gifts, and personal care items (e.g., clothing, jewelry, beauty salons, accessories such as make-up and hair clips) (ESAF–West Bank/Gaza, YouthStart, YouthSave) May tend to prioritize household expenses and expenses related to personal appearance Feminine hygiene products are a common expense for girls in Africa (Safe Spaces–Burundi, Kenya, Uganda)	Spend money on entertainment and technology (e.g., computer and Internet use) and some IGAs (ESAF–West Bank/Gaza)	Provide incentives for girls related to spending (e.g., chance to win a purse, key chain, jewelry, accessories, etc.) Provide incentives for boys related to spending (e.g., chance to win a mobile phone case, movie tickets, etc.)
Saving	Primarily save money with relatives and friends, especially mothers, due to close mother-daughter relationships and the desire to save with a trusted person and protect the privacy of their savings (YouthStart, Savings Innovation and Expansion for Adolescent Girls and Young Women– Mongolia, AIM Youth–Senegal) Save more than men (ESAF–West Bank/Gaza, YouthInvest)	Save money more with local shopkeepers, MFIs, or banks (YouthStart, AIM Senegal) Save less than women (ESAF West Bank/Gaza)	Incorporate savings methods that differ by gender into financial education training materials
Borrowing	Have less debt than men (ESAF–West Bank/Gaza) Prefer to borrow from tontines (AIM Youth–Senegal) May have less control than men in deciding how a loan in their name is used (YouthInvest–Egypt)	Borrow more from friends (AIM Youth–Senegal)	
Perception and experience of formal financial services	Use of formal financial services may be lower among girls, who face greater risks in traveling alone to/from a bank		Address the risks girls face through case studies (part of financial education training materials)
Account Preferences	Proximity may be more important for women than men due to safety concerns and their responsibilities at home (YouthInvest)		Address risks girls face through case studies (part of financial education training materials)

Box 20. Spotlight: How the Pressure to Look Good Influences Girls and Young Women

The social pressure associated with physical appearance is typically much greater for girls than boys in almost every society. This type of social pressure influences financial behaviors... In some rural areas in Africa, girls spend money on clothing and body care products (e.g., ointments, creams, cosmetics) to keep their hair and skin healthy to prepare for marriage (AIM Youth–Mali, AIM Youth–Senegal). There is often additional pressure in most regions for girls, attending schools and often urban girls, to be concerned about their appearances at school, causing them to spend money on hair salons, accessories, and the latest fashions (Savings Innovation and Expansion for Adolescent Girls and Young Wom- en–Dominican Republic, Mongolia, Ishaka–Burundi). In some regions, the Muslim tradition of wearing new clothes for important religious occasions creates additional social pressure on girls and women to look good (ESAF–West Bank/Gaza).

Box 21. Spotlight on Reaching Girls (Population Council)

The Population Council designs a number of programs that target girls in Africa (e.g., Kenya, Uganda, and Zambia) using the "Safe Spaces Model." This group-based model provides girls access to "Safe Spaces" programming and education support services (e.g., financial education, training in livelihood skills, health, HIV/AIDS, etc). The model was designed based on market research findings (see table 15) and is comprised of the following three components:

Physical safe space where girls can meet (e.g., school, churches, community halls)

A group of friends of the same sex living in the community; even though each girl has her own savings account, girls are organized into groups to make friends and form social networks

A mentor who is from the same community as the girls, who helps facilitate discussions and is a source of support (e.g., makes deposits for girls)

Table 16. Designing Safe Spaces for Girls

Market research findings (Safe Spaces group model)	Program implications
Girls need friends and social networks with whom they meet regularly	Girls are organized into groups Groups meet once a week
Girls need and want a mentor to whom they have regular access	Each savings group has a mentor
Girls need a safe place to meet	Financial institution provides a safe place in the community for weekly meetings
Girls want more than just savings in terms of financial services	Group meetings are enriched with trainings on financial education and health Periodic fun days are part of activities

Source:Karen Austrian and Corrine Ngurukie, 2009, "Safe and Smart Savings Products for Vulnerable Adolescent Girls in Kenya and Uganda," Population Council, New York, and MicroSave Consulting Ltd., Uganda.

Table 17. Market Segment #4: Geographic Location[12]

Themes	Rural	Urban	Implications
Income flows	In agriculturally based countries, rural youth primarily diversify their incomes with money from agriculture and self-employment (AGEP–Zambia) Income of rural youth may be lower than that of urban youth (AGEP–Zambia)	Income of urban youth may be higher than that of rural youth (AGEP–Zambia)	It may be more effective to reach rural youth during the dry season or different migration cycles; and urban youth, during the rainy season (AIM Youth–Mali)
Spending	Youth spend more on investing in IGAs (AGEP–Zambia) Spending on animal husbandry and agricultural materials is more common (AIM Youth–Senegal) Costs of a wedding and marriage trousseau are higher for rural than urban youth (AIM Youth–Mali)	Youth spend more on personal consumption items (e.g., hair care) and risky discretionary spending (e.g., drugs and alcohol) (AGEP–Zambia)	In some regions, urban girls may have a greater need to learn how to prioritize spending than rural girls (AGEP–Zambia)
Saving	In some areas, rural youth have a higher savings capacity than those living in urban areas (AGEP–Zambia)	In some areas, urban youth have a lower savings capacity than those living in rural areas (AGEP–Zambia)	
Perception and experience of formal financial services	Use of formal financial services may be lower due to more time and costs associated with travel and the risks involved in going to/from a bank branch with money, especially at night (Safe Spaces–Kenya) Prefer ATMs and POS devices, such as those in shops in the community, because they eliminate the cost of travelling to the bank (YouthStart–Mali)	May be more informed about formal financial services and have more experience of such services than rural youth (Hatton National Bank, Intermedia/AudienceScapes–Kenya, AGEP–Zambia),[12] mainly due to greater access in urban areas (Intermedia/AudienceScapes–Kenya)	Address different needs for knowledge of formal financial services among urban and rural youth Provide convenient access points for rural youth, such as mobile vans, savings collectors, POS devices, satellite/ mobile branches, and kiosks (YouthStart) Center promotional and educational activities (e.g., mini-branch events with games, prizes, snacks, or short mini-lectures on financial education that target both youth and their families) around FSP branches for dense urban populations (Nike Process Documentation Report) Center promotional and education activities around schools for rural populations, since they are a common venue for various community and social events
Account preferences	May be more concerned with access and convenience and/or proximity due mostly to risks of traveling large distances with money to/from branch locations (ESAF–West Bank/Gaza, Safe Spaces–Kenya)		Savings groups for women ay be more effective in rural than urban areas, since lack of trust and high mobility of urban girls makes it less appealing in an urban than rural setting (Nike Process Documentation Report)

12 See also Lubwama and Rekogama, 2011, "Institutionalizing Youth-Friendly Services."

Box 22. Spotlight on Mali: Spending Differences by Proximity to Road (AIM Youth–Mali)

In Mali, researchers found that proximity to a road can affect young people's spending habits. Youth that live in closer proximity to a major road indicate they have personal care (e.g., hairdressing, and cosmetics) and technology (e.g., mobile phones, other electronics, solar panels) expenses more often than do youth that live farther from a road. Proximity to a road can also affect the ability of youth to pay for daily expenses. Those that live closer to a road have a harder time paying for daily expenses, most likely because have access to more goods or face more temptations to spend on consumption and personal expenses. Youth living closer to a road also have more difficulty repaying their debts (AIM Youth–Mali).

Implications: Financial Education Services by Geographic Location

Hatton National Bank discovered through market research that urban and rural youth differed in their levels of financial knowledge, access to money, and exposure to commercial activities. This led the bank to develop only one product for older urban and rural youth, but a module-based curriculum that addressed the different needs of in- and out-of-school urban and rural clients (HNB).[13] And in some regions, urban girls may have a greater need to learn how to prioritize spending than rural girls (AGEP–Zambia).

13 Ibid.

Conclusion

When designing appropriate and sustainable financial and education support products that meet the needs and preferences of young people around the globe, it is important to consider the following implications derived from this global trend study, which sheds light on to the daily lives, practices, and financial behaviors of young people (table 18). It is also important to consider how gender, enrollment status, age and/or life stage, and geographic location may affect the design of financial and education support services, as well as the most effective delivery channels for reaching youth.

Table 18. Recommendations for Design of Youth Financial and Education Support Services

Income Flows	• Design youth savings products with a low opening and minimum balance; design loans with a longer repayment and grace periods • Take into account seasonality of youth income when deciding the best time to launch and promote a youth program; host seasonal incentives and offer financial education services • Be sensitive to the locations where youth receive their money because these locations may affect their ability to save or participate in a youth program
Spending	• Teach youth how to prioritize spending • Involve parents from the onset of youth financial programs and be sensitive to their expectations that their children will contribute to the household
Saving	• Promote a product prior to or at the same time as common savings activities or purposes (e.g., paying school fees; during holidays or birthdays) • Provide incentives to encourage youth to open and use savings accounts • Design savings products with low opening deposits and minimum deposits; do not charge fees to makes deposit and allow them to deposit any amount
Borrowing	• Offer more flexible options for a guarantee, such as providing loans linked directly to savings • Allow longer repayment and grace periods for startup loans • Incorporate the risks, responsibilities, and benefits of borrowing into financial education training
Financial services	• Reach youth through parents or other family members by targeting existing clients • Provide clear, simple information on account terms and the benefits offered by the bank • Accept various forms of ID to open an account and develop innovative models to overcome minimum age requirements (e.g., mentor model, mobile banking), permitting young people to open and manage accounts independently and lowering the barriers of access to formal financial services • Taking into account youth preferences in designing appropriate, accessible financial products for youth
Delivery channels	• Use the most appropriate delivery channels for youth, which may vary by enrollment status, geographic location, age, and gender • Build and capitalize on existing infrastructure to deliver financial and education support services (e.g., extracurricular activities or civic classes at school, groups, or clubs; weekly meetings with loan officer; common congregation points) to reduce required costs and time of FSPs

Bibliography

By Program:

Adolescent Girls Empowerment Program

James-Wilson, David, Rathi Mani, and Veronia Torres. 2012. "Youth-Inclusive Market Research Report: Round One." Making Cents International, Washington, DC.

AIM Youth (Freedom from Hunger)

Bushman, Sarah, Michael Scwartz, and Ana-Maria Sinitean. 2011. "Survey of the Economic Activity of Youth in Rural Mali." Report prepared for Freedom from Hunger. Available on the website of George Washington University, Washington, DC. http://elliott.gwu.edu/assets/docs/acad/ids/capstone-2011/aim-youth-mali.pdf.

Cruz, Fabian. 2010. "Market Research Report: Ecuador." Freedom from Hunger, Davis, CA.

Diallo, Violet. 2010. "Market Research Report: Mali." Freedom from Hunger, Davis, CA.

Garnier-Crussard, Pauline. 2011. "Market Research Report: Senegal." Freedom from Hunger, Davis, CA.

Expanded and Sustained Financial Services Program

MEDA. 2010. "Savings Demand and Market Research Study: West Bank and Gaza." MEDA, Waterloo, Ontario, Canada. Available online at the website of the Youth-Inclusive Financial Services Portal, Making Cents International, Washington, DC: http://yfslink.org/resources/case-studies/savings-demand-market-research-study-west-bank-and-gaza.

Miamidoan, Eileen. 2011. "Down to Business." CHF International, Washington DC. Available on the website of the Microfinance Gateway, Washington, DC: http://www.microfinancegateway.org/p/site/m/template.rc/1.1.16072/.

Scavone, Mariko, and Veronica Torres. 2010. "Expanded and Sustained Financial Services, Youth-Inclusive Financial Services—Market Research Report." Making Cents International, Washington, DC.

Innovations in Youth Financial Services Practitioner Learning Program

Dias, Supun, and Oyunchimeg Siisel. 2011. "Reaching Scale with Financial Education for Youth." SEEP Network, Washington, DC. http://www.seepnetwork.org/reaching-scale-with-financial-education-for-youth-resources-172.php.

Lubwama, Alice, and K. M. D. B. Rekogama. 2011. "Institutionalizing Youth Financial Services to Achieve Scale." SEEP Network, Washington, DC. . http://www.seepnetwork.org/institutionalizing-youth-financial-services-to-achieve-scale--resources-170.php.

Quintanilla, Argentia, Naran Batjargal, and Densmaa Togtokh. 2011. "Effective Marketing for Scaling Up Financial Services to Youth." SEEP Network, Washington, DC. http://www.seepnetwork.org/effective-marketing-for-scaling-up-financial-services-to-youth-resources-173.php.

Schurer, Vivian, Robert Lule, and Alice Lubwama. 2011. "Building Sustainable Business Models for Youth Financial Services." SEEP Network, Washington, DC. http://www.seepnetwork.org/building-sustainable-business-models-for-youth-financial-services-resources-171.php.

Safe Spaces, Financial Education, and Savings for Vulnerable Girls

Austrian, Karen, and Corrine Ngurukie. 2009. "Safe and Smart Savings Products for Vulnerable Adolescent Girls in Kenya and Uganda." Population Council, New York, and MicroSave Consulting Ltd., Uganda. Available online at the Youth-Inclusive Financial Services Portal webiste, Making Cents International, Washington, DC: http://www.yfslink.org/resources/case-studies/yfs-case-study-no.3-safe-and-smart-savings-products-for-vulnerable-adolescent-girls-in-kenya-uganda.

Ramirez, Rossana. 2006. "Market Research Findings: Youth Module." Microfinance Opportunities, Washington, DC.

Sebstad, Jennefer, and Bailey Butzberger. 2011. "Savings, Financial Education, and Social Support for Adolescent Girls: Uganda Process Documentation Report on Finance Trust and FINCA Uganda." Microfinance Opportunities, Washington, DC.

Savings Innovation and Expansion for Adolescent Girls and Young Women

Hopkins, Danielle. 2008. "Identifying Gaps in the Financial Literacy of Young Girls and Women in Mongolia."Microfinance Opportunities, Washington, DC.

———. 2009. "Demand Research: ADOPEM." Microfinance Opportunities, Washington, DC.

———. 2011." Savings, Financial Education, and Social Support for Adolescent Girls: Dominican Republic; Process Documentation Report on ADOPEM." Microfinance Opportunities, Washington, DC.

Lee, Julie. 2011. "Savings, Financial Education, and Social Support for Adolescent Girls: Mongolia Process Documentation Report on XacBank." Microfinance Opportunities, Washington, DC.

Sebstad, Jennefer. 2011. "Girls and Their Money: Strategies for Promoting Savings, Financial Education, and Social Support for Adolescent Girls in Low-Income Countries." Microfinance Opportunities, Washington, DC. http://microfinanceopportunities.org/wp-content/uploads/2011/08/Nike-Report-2011.pdf.

YouthStart (UNCDF)

Hopkins, Danielle, and Maria Perdomo. 2011. "Listening to Youth: Market Research to Design and Develop Financial and Non-Financial Services for Youth in Sub-Saharan Africa." UNCDF, New York. http://www.uncdf.org/sites/default/files/Download/Listening_to_Youth-YouthStart_Market_Research.pdf

Hopkins, Danielle, Beth Porter, Maria Perdomo, and Laura Munoz. 2012. "Policy Opportunities and Constraints to Access Youth Financial Services." UNCDF, New York. http://www.uncdf.org/sites/default/files/Download/AccesstoYFS.pdf.

Linder, Chris, Maria Perdomo, Laura Munoz, and Chela Cea.2012. "Assessing New Youth-Focused Products: Pilot Testing Financial and Nonfinancial Services for Youth in Sub-Saharan Africa." UNCDF, New York. http://www.uncdf.org/sites/default/files/Project/YouthStart_PilotTest.pdf.

YouthInvest (MEDA)

MEDA. 2011. "Youth Livelihood Development and Financial Services in Egypt." MEDA, Waterloo, Ontario, Canada.

———. 2011. "Youth Livelihood Development and Financial Services in Morocco." MEDA, Waterloo, Ontario, Canada.

———. 2011. "Youth Savings Behavior: Assessing the Impact of MEDA's YouthInvest Programming in Morocco." MEDA, Waterloo, Ontario, Canada.

YouthSave (The YouthSave Consortium includes Save the Children, the Center for Social Development at Washington University in St. Louis, the New America Foundation, and CGAP (the Consultative Group to Assist the Poor)

Despande, Rani. 2012. "What Do Youth Savers Want?" Save the Children Federation, Inc., Wesport, CT. Available online at the website of the YouthSave consortium : http://youthsave.org/sites/youthsave.org/files/YouthSave%20Market%20Research%20Report_FINAL.pdf

Other

Harley, Jennifer Gurbin, Adil Sadoq, Khadija Saoudi, Leah Katerberg, and Jennifer Denomy. 2010."YouthInvest: A Case Study of Savings Behaviour as an Indicator of Change through Experiential Learning." Enterprise Development and Microfinance 21 (4): 293–306.

Kilara, Tanaya, and Alexia Latortue. 2012. "Emerging Perspectives on Youth Savings." Focus Note 82. CGAP, Washington, DC. http://www.cgap.org/publications/emerging-perspectives-youth-savings.

MCI (Making Cents International). 2010. "State of the Field in Youth Enterprise, Employment and Livelihoods Development: Programming and Policymaking in Youth Enterprise, Employment, and Livelihoods Development."MCI, Washington, DC.

Montez, David. 2010. "Young Africans' Access to Financial Information and Services: Lessons from Surveys in Kenya and Ghana." AudienceScapes—Development Research Briefs. InterMedia Survey Institute, Washington, DC. August 2010. Available online at the AudienceScapes website, Washington, DC: http://www.audiencescapes.org/sites/default/files/Youth%20and%20Financial%20Services_Kenya%20and%20Ghana_Montez%20David.pdf.

Annex A: Summary of Youth Programs Reviewed by this Report

Table A1. Youth Programs by Geographic Area and Market Segmentation

Program and partners	Countries/region	Market segmentation
Adolescent Girls Empowerment Program (AGEP): Population Council, NatSave, Making Cents	Zambia	Age Enrollment status Geographic location
AIM Youth: Freedom from Hunger (FFH), The MasterCard Foundation	Ecuador, Mali, Senegal	Age Gender Geographic location Proximity to road Literacy levels
Ishaka—Courage for the Future: CARE, Microfinance Opportunities (MFO), Nike	Burundi	Geographic location Family status (e.g., living with families, head of households)
Safe Spaces—Financial Education and Savings for Vulnerable Girls: Population Council, MFO, Nike	Kenya, Uganda	Age
Savings Innovation and Expansion for Adolescent Girls and Young Women: ADOPEM, XacBank – Women's World Banking, MFO, Nike	Dominican Republic, Mongolia	Geographic location Levels of income Age Enrollment status
Expanded and Sustained Financial Services Program (ESAF): Ryada, Making Cents, U.S. Agency for International Development	West Bank, Gaza	Business development cycle Level of assets and social support networks (e.g., guarantor) Gender Enrollment status
YouthInvest : MEDA, The MasterCard Foundation	Morocco, Egypt	Age Education level Gender
YouthSave: The YouthSave Consortium includes Save the Children, the Center for Social Development at Washington University in St. Louis, the New America Foundation, and CGAP (the Consultative Group to Assist the Poor), The MasterCard Foundation	Colombia, Ghana, Kenya, Nepal,	Age Enrollment status Gender Geographic location
YouthStart: UNCDF, The MasterCard Foundation and MEDA	Sub-Saharan Africa	Age Enrollment status Gender