



# ESAF & Youth Financial Services



Photos by ESAF/Save the Children

ESAF has taken a nationwide approach to improving youth financial literacy, while also enhancing access to financial services and livelihoods opportunities.

Young people are a large and growing part of the Palestinian population, as around one third of Palestinians are between ages 15-29. For the financial sector, youth are among the most underserved groups but also represent a promising market for new and existing products and services. ESAF has taken a holistic approach to enhancing youth financial capabilities and services in Palestine, through initiatives including consumer awareness and financial literacy, microfinance product development, savings promotion, and entrepreneurship.

### Consumer Protection and Financial Literacy

A 2009 ESAF survey of the state of consumer protection and financial literacy in Palestine found that financial consumers, especially youth, have low levels of financial literacy and understanding of the

financial sector. In response, ESAF supported a nationwide consumer awareness and financial literacy campaign in cooperation with partner regulatory agencies the Palestine Monetary Authority and Palestine Capital Markets Authority, and industry associations the Association of Banks in Palestine and the Palestinian Insurance Federation.

The campaign launched in the fall of 2010, featuring a slogan that translates as “Figure it Out and Improve Your Life.” Though not exclusively targeting youth, it utilized youth friendly media including radio and TV spots, newspaper cartoons, billboards, and informational stands displayed at financial institutions throughout the West Bank and Gaza. Partners also collaborated on a website, [www.amwaly.ps](http://www.amwaly.ps), to provide consumers with resources and links on financial services and consumer protection mechanisms.

### At-a-Glance:

- Carried out a nationwide consumer awareness and financial literacy media campaign, with youth as a key target group.
- Developed an interactive financial literacy companion curriculum that will reach around 50,000 public school 11<sup>th</sup> graders annually.
- Supported a microfinance institution to develop a youth focused start-up business loan product, based on market research.
- Provided matched savings grants to 2,000 low income young adults in Gaza, building over \$2 million in assets.
- Trained over 2,000 youth in Gaza on financial literacy and life skills, and awarded 550 start-up grants through a business plan competition.

ESAF also partnered with the Ministry of Education and Higher Education to improve financial education in secondary schools. With subcontractor Making Cents, ESAF developed a highly interactive companion curriculum for the “Management and Economics” course required for all 11<sup>th</sup> graders in public schools. The material was piloted successfully in 2010-11 and is now being rolled out to around 48,000 students during the 2011-12 school year, following a cascading training of teachers.

### Microfinance Product Development

Through a subaward to CHF International, ESAF supported the development of a youth friendly microfinance product by the microfinance institution (MFI) CHF Ryada. In partnership with Making Cents, Ryada conducted extensive market research on

youth demand for financial services and studied best practices in youth microfinance through an exposure trip to Morocco. As a result, Ryada designed and launched a start-up loan product targeting young entrepreneurs, now offered in branches throughout the West Bank and Gaza.

Youth friendly features included offering a brief assessment of and consultation on the applicants' business plans (recognizing youth's need for additional counseling as compared to older clients), as well as tailoring marketing materials especially for youth. The MFI FATEN also benefited from the market research and participated in the trip, helping it to refine its existing start-up loan product.

### **Gaza Youth Programs: Matched Savings and Entrepreneurship Grants**

Recognizing the unique challenges faced by youth in Gaza, where 70% of young adults are outside of the labor force and unemployment tops 50%, ESAF has offered grant assistance to meet short-term needs while linking beneficiaries to financial services and building financial capabilities for the future.

FHI 360, in conjunction with ESAF partners Save the Children and ShoreBank International, launched a matched savings initiative in Gaza in summer 2010. The activity offered young adult participants from low-income households the opportunity to become savers by offering a 100% match on their savings at one of two partner banks, over a one-year period. The goal was to more broadly encourage asset accumulation, increase banking services to the unserved, and facilitate saving behavior change among youth in an unpredictable political and economic environment. As a result, over 2,000 participants earned up to \$425 each in matching funds. The activity generated around \$2 million in assets (about \$800 per participant), of which over \$1 million was participant savings.

Save the Children implemented a youth entrepreneurship and training component to help young people become engaged in productive economic activities and informed about financial services available to them. The activity sought to

### **Building Youth Savings**

Hanady Abu Ghalyoun, a 23-year old who lives in Gaza City, had to delay her dream of studying at a university due to a lack of funds, and work full-time instead. She enrolled in ESAF's matched savings activity in Gaza with the goal of saving money in order to continue her education in the future. Hanady earns a monthly salary of 350 NIS (~US\$100) as a pre-school teacher. "As soon as I receive my salary, I go to the bank to put 150 NIS in the savings account, and spend what's left on my daily expenses," she explained.

After a year, Hanady earned the maximum match of 1,500 NIS. Including her own savings, she now has 3,000 NIS in her account, nearly enough to pay for two years at the university. "I will continue to save money even when the project is ended. What I have learned is for life," she says.



Photo by Save the Children

address the lack of employment activities for young people by providing immediate self-employment opportunities, while also offering broader preparation for future career development.

Over 2,000 young adults were trained through a one-week financial literacy and life skills curriculum. This was followed by a start-up grants competition based on business plans prepared by each participant. As a result, almost 550 youth received start-up grants of \$950 each. The grants were disbursed in two steps (\$600/\$350), with the second payment contingent on investment of funds according to the business plans. Through a local consulting firm, Save also provided the grantees with mentoring and coaching activities along with one-on-one business counseling.

**The Expanded and Sustained Access to Financial Services (ESAF) program** is a three-year \$36 million program, funded by USAID, and designed to build a more inclusive financial sector in the West Bank and Gaza for Palestinian households and enterprises. The program is implemented by FHI 360 in partnership with The William Davidson Institute at the University of Michigan, Shorebank International, CHF International, CARE and Save the Children. ESAF is an Associate Award under USAID's FIELD-Support Leader with Associates cooperative agreement, which is managed by FHI 360. Learn more at <http://kdid.org/projects/field-support>