



ECONOMIC STRENGTHENING TO KEEP AND REINTEGRATE CHILDREN INTO FAMILIES (ESFAM)

CHILDREN AND YOUTH SAVINGS GROUPS

A LEARNING BRIEF



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Introduction

This Learning Brief draws on project documents,¹ focus group discussions and individual interviews to document ChildFund International's experience with Children and Youth Savings Groups for highly vulnerable children in Uganda's Kamuli, Luwero and Gulu Districts through the Economic Strengthening for Families (ESFAM) Project. ESFAM, funded by USAID's Displaced Children and Orphans Fund (DCOF) through FHI 360's Accelerating Strategies for Practical Innovation and Research in Economic Strengthening (ASPIRES) project from November 2015 to June 2018, aimed to pilot and assess different economic strengthening interventions in programming aimed at preventing child-family separation and reintegrating separated children in their families and communities. The 700 families targeted by the project were invited to participate in one of three household-level intervention packages, based on an assessment of the level of their economic vulnerability: a package including limited-term cash transfers plus optional participation in a saving group, one offering a bank savings account with matching deposits and one involving VSLA participation. All packages included case management, development of family plans, and home visits including counseling and coaching on social and economic issues by para-social workers (PSWs), training on child protection and parenting skills, and psychosocial support.

In addition to the household-level packages, ESFAM offered a savings intervention for children from targeted families themselves. The Child and Youth Savings Groups (CYSGs) described in this Learning Brief used a methodology adapted from that of the project's adult savings groups. CYSGs were incorporated into the project with the aim of fostering the self-confidence and social resilience of young people targeted by the project, as well as other children from their communities, and increasing social cohesion among group participants. CYSGs were also intended to build children's and adolescents' financial literacy and money management skills and develop a habit of saving for educational and other needs. Project PSWs and Economic Strengthening Facilitators (ESFs) mobilized children during their supportive home visits with families participating in the project. In conversations and financial education sessions with caregivers and children during these home visits, PSWs and ESFs mobilized children to join these groups and invited other children in their communities to also participate.

ESFs organized boys and girls into mixed-gender groups by age cohort: children 10-13 years old and youth 14-17 years old. Between January and April 2017, they formed 27 CYSGs comprising 225 young people (male 115 and female 110, 99 children and 126 youth) from families targeted by the project and 206 children and youth from other families in those communities. Each CYSG had about 25 members and met on a weekly basis for about 45 minutes, generally on a weekend afternoon outside of school hours. Groups were involved in saving only; groups made no loans and therefore did not generate profits for members. The life cycle for each CYSG was between 9 and 12 months and concluded with the distribution, or "share-out," of each member's personal savings. Each group decided when its share-out would take place; for example, some groups decided their share-out should coincide with the beginning of the school term. In addition to the saving activity, CYSGs followed the *Catalyzing Business Skills for Children* and *Catalyzing Business Skills for Youth* curricula created for ESFAM by partner Making Cents International. These age-appropriate curricula included financial literacy and business skills training and

1. ASPIRES 2015 – Child Fund International, Technical Application – Revised; Children and Youth Members VSLA Tracking Reports – for Kamuli and Luwero; Tracking Savings for members in CYSGs for Luwero, Kamuli and Gulu; ESFAM Project Log frame; ESFAM Annual Workplan October 2017 – June 2018; ESFAM ME Plan and PIRS – Final February 2017; ESFAM Quarterly Report, July – September 2017; and ESFAM CYSG Guidelines

coaching. Training emphasized the importance of obtaining money through safe means. Groups shared out member savings between December 2017 and March 2018.

None of the CYSGs dissolved prior to share-out and only 2 of the 225 total members from the 27 groups dropped out. District leadership promised to continue supporting the groups, through the work of Community Development Officers, after ESFAM ended its project activities with participants in March 2018 and agreed to organize new groups in villages that the project did not reach. After project implementation, the CYSG participants' communities, in collaboration with children's caregivers and sub-county Community Development Offices, are assisting CYSGs to continue to function. Most CYSGs started a second saving cycle.

Findings

Finding 1: Children can save! But it's harder for the younger age group.

Most CYSG members had never saved before joining the groups. Many were initially worried about their ability to acquire money to save. This led to challenges in recruiting group members. Training and coaching by ESFAM on safe ways to obtain money helped to overcome their fears, and by the end of 12 months of group activities participants had saved a total of UGX 7.5 million (USD 2,025), averaging UGX 33,000 (USD 8.91) per participant. The table below illustrates the amounts per group and district, by age cohort. The average savings per youth group was about USD 198.68 and per child group was USD 176.42.

Table 1: Savings Made by ESFAM-Supported CYSG Groups as of December 2017

| District | Name of the Group | Category | Savings accumulated (UGX) | Savings accumulated (USD) |
|----------|-----------------------------|----------|---------------------------|---------------------------|
| Kamuli | TW Youth Savings Group | Youth | 597,000 | \$161.19 |
| | BK Savings Group | Youth | 421,700 | \$113.86 |
| | NJ Children's Saving Group | Children | 370,500 | \$100.04 |
| | AV Children's Saving Group | Children | 210,900 | \$56.94 |
| | AK Youth Savings Group | Youth | 121,500 | \$32.81 |
| | TM Children's Group | Children | 114,000 | \$30.78 |
| | MK Children's Savings Group | Children | 90,300 | \$24.38 |
| Luwero | NZ Savings Group | Youth | 802,000 | \$216.54 |
| | AEK Youth Group | Youth | 699,500 | \$188.87 |
| | KB Children's Saving Group | Children | 453,000 | \$122.31 |
| | LF Children's Saving Group | Children | 428,100 | \$115.59 |
| | NF Youth Savings Group | Youth | 314,500 | \$84.92 |
| | BF Youth Savings | Youth | 186,500 | \$50.36 |

| District | Name of the Group | Category | Savings accumulated (UGX) | Savings accumulated (USD) |
|----------|------------------------|----------|---------------------------|---------------------------|
| | GH Children's Savings | Children | 117,200 | \$31.64 |
| Gulu | YF Group | Youth | 766,600 | \$206.98 |
| | RB Children's Group | Children | 545,400 | \$147.26 |
| | RO Savings Group | Children | 430,800 | \$116.32 |
| | LU Young Youth Savings | Youth | 371,000 | \$100.17 |
| | GG Savings Group | Youth | 318,000 | \$85.86 |
| | LY Savings Group | Children | 194,100 | \$52.41 |

Source: ESFAM's M&E Framework.

Both male and female members of the youth savings groups mostly obtained the money they saved from casual labor for other individuals in the community, such as fetching water, weeding and cultivating gardens, collecting and selling firewood, bricklaying, or harvesting peppers; girls also earned money to save from weaving baskets and mats for sale. For the children 10-13 years, the issue of getting money to save presented bigger challenges throughout the first life cycle of the CYSG program, especially in Gulu District. This age group relied on money provided to them by their caregivers to save.

Finding 2: Not all children could save for each meeting, and care must be taken not to pressure or ostracize children who can't.

Not every CYSG member was able to save at every weekly meeting. ESFAM did not view this as a problem since it did not expect that members would have the same access to cash as their adult counterparts in VSLA. It saw group meetings as an opportunity for kids to get together to learn with their peers about saving and financial literacy skills. ESFAM staff told participants that their participation was more important than the amount they saved, so that no child would feel ostracized if s/he couldn't bring money. Although not all CYSG members saved at every meeting, the sight of other group members bringing money to increase their savings encouraged those who did not to work harder to try to have money to save at the next meeting. ESFAM staff emphasized to participants through home visits as well as the Catalyzing Business Skills curriculum that money for saving should be obtained through safe and legal means.

We save every Saturday but for those without money to save, they are always advised to come and attend the group meeting. Teacher [referring to ESFAM staff] always says everyone should come and attend group meetings even if you don't have money to save (FGD, Lokwiya Children's Savings Group).

Finding 3: Children/adolescents can learn how to plan for their economic futures.

Through the financial literacy and business coaching sessions, CYSG members acquired knowledge and skills in identifying business opportunities. Of the 144 CYSG participants interviewed for this learning brief, 43% reported having increased their business knowledge “very much” and an additional 20% reported an “extreme” improvement. Twenty-three percent said they had started a business, usually after share-out. Seventy-three percent of those that started a business felt either very confident or extremely confident in operating their business.

I have learned a lot from the training like how to start a business, the facilitators taught us what one needs to do before starting a business, like choosing the right location... for me, I have learned to separate needs and wants.... (FGD, Mirembe Youth Savings Group).

Some youth and children now have plans to make money on their own and are demonstrating their ingenuity and independence. This is reflected in the way they utilized their savings after sharing: Many planned to use their funds to reinvest in their businesses and to pay for school costs.

They taught us how to save, how to work hard, ... (Members of Kiisa Youth Savings Group).

Finding 4: Participants used savings for income-generating activities and schooling costs.

When I got UGX 20,000 from my savings, I rented a piece of land to lay bricks, I laid about 3,000 bricks but was able to sell 2,000 of them. I got UGX 130,000 (USD 34.2) from the sale and right now I am so happy, I will be able to cover expenses for my scholastic materials and repair my bike which I use as my transport means for going to school. I will even bring some back to save with the group... (Member, Mirembe Youth Savings Group).

Savings were not available to members until share-out. CYSG members who shared-out their savings in December 2017 said they invested their savings in chickens, piglets, young goats (kids), and scholastic materials (books, pens, bags and uniforms). About 80% of members interviewed in focus groups used at least some of their savings to buy chickens, while about 10% used some of their savings to buy school uniforms. All children in SGs remained in school.

All of the youth and the children interviewed reported having made the decisions themselves on how their savings were spent. Their ability to make their own choices demonstrates their sense of agency and self-confidence.

Finding 5: Counseling, coaching, group participation and peer support contributed to young people’s ability to save and use funds for constructive purposes

The coaching, training and peer support created in the groups combined with home visits led to the success of these CYSGs. CYSG participants reported that what they learned in their CYSGs, along with home visits by PSWs addressing various risks and child-level wellbeing, changed their behavior and enhanced their self-esteem, leading to more positive (less risky) behaviors. In addition, both children and youth reported a range of social benefits learned from participation in CYSGs including effective emotional management, peer learning and emotional support, and leadership skills. The ES officers taught and encouraged young participants to use their savings for constructive purposes, such as for school fees and IGAs. In addition, the financial literacy and overall Catalyzing Business Skills (CBS) curriculum strengthened youth’s and children’s ability for prudent money management; emphasizing a distinction between “needs” and “wants”.

[Before the savings groups] youth between 13-17 years were a big problem and it was not easy for us. They were not listening, they would frequently engage in fist fights, and they would move at night going to discos. But now it has changed, and their parents are appreciating our intervention (Para-Social Workers, Bungatira sub-county, Gulu District).

Further, ESFAM staff noted that the case management approach in combination with children and youth saving groups had a positive effect on the attitudes of caregivers and the relationship between caregivers and children. ESFs made home visits with the PSWs and the two worked together to provide a comprehensive approach to supporting and encouraging families. Caregivers affirmed that regular monthly home visits by PSWs and ESFs were helpful in making them appreciate their roles in bringing up their children with desirable character and behaviors. Counseling and coaching by PSWs and ESFs helped parents see the value and support their children to remain in the savings groups and engage in IGAs.

Conclusions

ESFAM’s CYSG program aimed to promote a peer savings experience and to strengthen financial literacy among children and youth. The results included:

- Participants' increased self-confidence and financial literacy and business knowledge. Nearly all children and youth who participated in CYSGs invested their savings to generate more income in future and/or purchased scholastic materials and other essentials. In addition, they put some of the money aside to save in a new cycle of their savings groups, which signifies a desire to sustain the benefits of the CYSG program.
- Participants' increased understanding of positive ways of make money, access education and contribute to education costs while remaining at home and contribute to their families. No cases of negative impact or unanticipated effects resulting from participation in CYSGs were reported. Participation in CYSGs did not prevent group members from attending school, supporting their caregivers with chores at home or playing. There were no reports of children engaging in harmful labor or activities which could put their well-being at risk in order to earn money to save.
- Participants' embrace of a "savings culture," reflected in an increase in their savings. ESFAM's 27 CYSG saved UGX 7.5 million (USD 1,987) over a period of 9-12 months.

The CYSG program had a positive influence on the lives of participating children and youth. ChildFund's experience suggests that children and youth savings groups, that include financial literacy and business skills training, can help children and youth build savings habits, save money, start small income-generating activities, and develop self-confidence. These increased capacities may help contribute to vulnerable children remaining with their families.