

Savings for Change Program

“The Saving for Change (SfC) program began in Mali in 2005 to assist women in organizing themselves into simple savings and credit groups. The program is meant to address the needs of those who are not reached by formal financial service providers or traditional ROSCAs. As part of the program, about 20 women voluntarily form a group that elects officers, establishes rules, and meets weekly to collect savings from each member... When a member needs a loan, she asks the group for the desired amount; the group then collectively discusses whether, how, and to whom to disperse the funds. Loans must be repaid with interest, at a rate set by the members, and the interest collected is also added to the communal pool of funds. SfC introduced a novel oral accounting system which helps the women manage their debts and savings totals.” (J-PAL).

“Unlike formal lenders, SfC group members lend their own money, so collateral is not required. The fact that all money originates from the women themselves, as opposed to outside loans or savings-matching programs, also increases the incentives to manage this money well. In addition, the program is designed to be self-replicating through “replicating agents” in each village. Once the first group is established in an area, members themselves become trainers and set up new groups in their village and the surrounding area.” (J-PAL).

Quick facts

Barriers addressed



Prerequisites

[Lack of credit history \(for credit products only\) >](#)



Information Availability & Capability

[Financial literacy >](#)

[Lack of peers/family/network who use DFS >](#)



Product & Service Quality

[Lack of products that meet women's needs >](#)

[Lack of products and services that create value >](#)

Segment focus

1 2 3 4

Geography

Mali

Sources

[J-PAL](#); [Oxfam, 2019](#); [Beaman et al., 2014](#).

Customer Journey Relevance



Key stakeholders involved

IPA (research team)
Oxfam
BMGF
Freedom from Hunger
Strømme Foundation
6,000 women in 500 villages

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Key activities

“In order to test the impact of the SfC program as well as different strategies for encouraging replication, researchers randomly selected 500 villages in the Segou region of Mali to participate in the study. These villages were randomly divided into two treatment groups of about 100 villages each, and one comparison group with nearly 300 villages.

1. The first group received the SfC program with a structured, three day training for replicators who received a handbook on how to start and manage savings groups.
2. The second group received the SfC program with an informal, organic training program in which trainers answered questions, but did not provide any formal instruction to replicators.
3. The comparison group did not receive the SfC program.” (J-PAL).

Outcomes/results

- “Average savings in treatment villages increased by US \$3.65 or 31% relative to the comparison villages. The SfC program also—

—significantly increased women’s access to credit. Women in the treatment villages were 3% more likely to have received a loan in the past twelve months, and this loan was more likely to have come from a savings group rather than from family and friends.” (J-PAL).

- “In addition livestock holdings increased, and households in treatment villages owned on average US \$120 more in livestock than those in comparison villages, a 13% increase. In Mali, owning livestock is a preferred way to store wealth and mitigate against risks such as drought or illness.” (J-PAL).
- “Villages that received structured replication training rather than informal training had higher participation rates in SfC.” (J-PAL).
- “Both male and female members of households perceived a general pattern of increased empowerment among SfC members over time. Although they did not themselves use the term, they indicated growth of many components one would associate with empowerment: greater economic independence for members within their households, independence for members within their households, increased leadership and sense of potential and purpose, and increased status in the household and in the larger community.” (Oxfam, 2019).

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Key enabling environment factors for the intervention

Limited supporting financial infrastructure is required for this intervention. Once the initial trainings are conducted to familiarize women with the program, the model requires no other financial infrastructure.

Key design elements and principles that led to successful outcomes

- The SfC model is designed to function independently of outside support once established.
- Money originates from women and is managed by women, allowing them to manage their own micro-institutions. This also helps women to build trust with each other and the financial services.
- The program is designed to be flexible. The women in each group can modify rules related to participation and systems and transparency to adapt the program to their preferences and needs.

Potential for scale/replicability

SfC has potential for replicability, and the program has already expanded to other countries. Started in Mali, SfC has grown to include Cambodia, El Salvador, Guatemala, Mali, and Senegal. The limited financial infrastructure required by the program makes it a practical intervention to replicate and adapt across contexts. Additionally, "since its introduction, other organizations have sought to capitalize on the structure established by SfC, taking advantage of readily available groups of women already self-organized and united in purpose. The existence of SfC therefore serves to attract NGOs, information campaigns, and external collectives who may be willing to collaborate on future programs." (Oxfam, 2019).

Challenges encountered during the program

The authors of the SfC evaluation report identified several challenges with the program. First, most SfC groups are not positioned to find partnerships with organizations that provide access to external markets. A second challenge was that even after many years in the SfC program, the research team noted—

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—“limited innovations and strong risk aversion in women’s selection of where to invest in entrepreneurship, often resulting in market saturation... As a result, even in areas where SfC has successfully increased women’s entrepreneurship, women are by and large taking out loans for the same activities as when they began the program.” (Oxfam, 2019).

Recommendations from the research

The authors of the SfC evaluation report identified several recommendations to consider. First, “SfC has succeeded where other microfinance institutions have failed in large part because financial control and decision-making rests in the hands of the women themselves” (Oxfam, 2019). If additional trainings are incorporated into the program, they need to maintain the same principles of transparency and autonomy that have allowed the program to be successful. Second, research has indicated that supplemental education can be linked to SfC around literacy, small business development, and civic education.

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