



Center for Social Development

GEORGE WARREN BROWN SCHOOL OF SOCIAL WORK

YOUTH SAVINGS PATTERNS AND PERFORMANCE
IN COLOMBIA, GHANA, KENYA, AND NEPAL
YOUTHSAVE RESEARCH REPORT 2015



Washington University in St. Louis



Center for Social Development

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Youth Savings Patterns and Performance in Colombia, Ghana, Kenya, and Nepal

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Organization of the Report

The report is divided into four sections: the ten key findings; the project summary; the body, which consists of Chapters 1 through 9 and summarizes information across all four countries; and the appendices, which include country-specific details and summary tables. A summary of findings appears at the end of each chapter.

- Chapter 1 provides background information on each country and its financial sector and an overview of YouthSave, drawing on data collected from YouthSave’s Integrative Case Studies research.¹
- Chapter 2 describes the research method used to collect and analyze the data.
- Chapter 3 describes the project implementation.
- Chapters 4 and 5 present descriptive findings on account uptake and savings.
- Chapter 6 provides findings on account transaction activity.
- Chapters 7 and 8 present information on savings patterns based on account-holder, household, and financial education and outreach characteristics.
- Chapter 9 summarizes findings and provides recommendations for moving forward.

Acronyms used in the Report

| | |
|---|---|
| AMNS – average monthly net savings | HOH – head of household |
| ATM – automatic teller machine | KES – Kenyan shilling, Kenya’s currency |
| BCS – Banco Caja Social | KYC – Know your client |
| BOK – Bank of Kathmandu Ltd. | NPR – Nepalese rupee, Nepal’s currency |
| COP – Colombian peso, Colombia’s currency | PPP – purchasing power parity |
| CSD – Center for Social Development | RP – research partner |
| CYBY – Nepal’s YouthSave product | SC – Save the Children |
| FC – financial capability | SD – standard deviation |
| FE – financial education | SDA – savings demand assessment |
| FI – financial institution | USD – United States dollar |
| GHS – Ghanaian cedi, Ghana’s currency | |

¹ For the Integrative Case Studies, research partners compiled contextual information to frame the learning results within the economic, policy, regulatory, institutional, community, and household contexts of each country.

Ten Key Findings

The following ten key findings summarize highlights and may signal to the reader topics that merit closer attention:

1. Youth will open savings accounts if financial institutions make safe and affordable accounts available. Almost 100,000 youth across four countries opened accounts between the years of 2012 and 2014, of which approximately 70,000 are included in the research study.
2. Youth will save in the accounts as evidenced by the \$1.8 million saved across the four countries (comparability based on 2011 purchasing power parity conversion rates).
3. As measured by average monthly net savings, younger youth (i.e., youth aged younger than 13 years) save more than older youth, in part because younger youth withdraw less than older youth. This result highlights the importance of starting to save early in life.
4. Female youth save as much and sometimes more than male youth. This finding and the lower female account uptake rate of 41% in Nepal and Kenya suggests that access to financial institutions may be a bigger gender barrier than saving itself.
5. Direct outreach from financial institutions to locations where youth congregate (e.g., schools, youth clubs) facilitates overall account uptake. Direct outreach at low-income schools and girls' schools facilitates low-income (48%) and female youth (43%) opening accounts. Additional efforts are required to reach out-of-school youth.
6. About 39% of youth were actively using their account during the last six months of the study, which suggests the importance of focusing on ways to increase deposit activity. Deposit frequency is highest in Colombia where monthly deposits are part of a programmed savings goal. Youth receiving cash incentives in Nepal saved significantly more than other Nepalese account holders. These findings indicate possible directions for encouraging deposits.
7. Financial institution policies influence the number of accounts opened. In Nepal, where the age of majority is 16, 42% of the account holders own and operate their accounts. In Kenya, flexibility in banking policies allowed “trusted adults” to be cosignatories on minors' accounts, a policy already allowed in Ghana. In these two countries, nonrelatives are cosignatory on 56% and 47% of accounts, respectively. In Ghana, the Central Bank approved use of custodial accounts rather than trust accounts, which allows minors greater control of their account. Greater flexibility in banking policies may facilitate greater youth financial participation.
8. When parents are the cosignatory, youth save significantly more. The majority of the youth (84%) indicated that savings would likely come from family. Engaging the parent in the savings process is important to help youth save and accumulate assets.
9. Account restrictions affect account uptake and savings performance. Stringent withdrawal restrictions hindered uptake in Colombia but facilitated stable savings in Ghana. No withdrawal restrictions or fees enabled use of savings accounts more like transaction accounts for account holders of majority age in Nepal.
10. Products and product features should be clearly defined and tailored to the development stage of the youth. A lifelong savings account accompanied by other products as the youth reaches employment age may satisfy both the need to save and the need to manage expenditures.

Executive Summary

If offered an opportunity to save via formal financial services, will youth in developing countries participate, save, and accumulate assets? This is one of the key questions in YouthSave, a savings initiative implemented in four developing countries, targeting youth aged 12 to 18 years, from predominantly low-income households.

Created in partnership with The MasterCard Foundation, YouthSave investigates the potential of savings accounts as a tool for youth development and financial inclusion in developing countries by co-designing tailored, sustainable savings products with local financial institutions (FIs) and assessing their performance and development outcomes with local researchers.

The project is an initiative of the YouthSave Consortium led by Save the Children (SC) in partnership with the Center for Social Development (CSD) at Washington University in St. Louis, the New America Foundation, and the Consultative Group to Assist the Poor (CGAP). Research partners (RPs) in the field include Universidad de los Andes in Colombia, Institute of Statistical, Social and Economic Research (ISSER) at the University of Ghana, Kenya Institute for Public Policy Research and Analysis (KIPPRA), and New ERA in Nepal. Participating financial institutions include Banco Caja Social (BCS) in Colombia, HFC Bank in Ghana, Kenya Post Office Savings Bank (Postbank) in Kenya, and Bank of Kathmandu Ltd. (BOK) in Nepal.

This report presents two-year findings from a study that tracks account uptake and saving patterns and performance in youth savings accounts in four countries: Colombia, Ghana, Kenya, and Nepal. This *savings demand assessment* (SDA) is ambitious in its attempt to include systematic data on as many youth savers as possible. The result is a very large dataset that enables us to report in detail who is saving, and factors associated with saving patterns and performance.

Project Implementation

Financial institutions in YouthSave launched the new youth-oriented saving products in 2012. In Colombia, Banco Caja Social (BCS) began offering the product in late February, followed by Bank of Kathmandu Ltd. (BOK) in Nepal in April. Ghana's HFC Bank and Kenya's Post Office Bank (Postbank) launched their products in May. Product rollout dates depended on product and marketing readiness. This report is based on data from each country's rollout date through May 31, 2014. Accounts have been open for an average of 13 months in Colombia and in Nepal, 11 months in Kenya, and eight months in Ghana.

In addition to the YouthSave savings product, SC, FIs, and community partners offer financial education and outreach through visits to schools and youth clubs. Product features and outreach vary by country. Generally, the banks in Colombia and Ghana began with stricter product withdrawal procedures compared to Kenya and Nepal. From the outset, the participating banks in Ghana, Kenya, and Nepal offered account opening services at schools and youth-serving organizations. The bank in Colombia began offering account opening services at schools in the second year after product rollout. In Ghana and Nepal, the banks participate in financial education and offer opportunities to open accounts and make savings deposits.

After the four FIs officially launched their YouthSave financial products, SDA researchers began collating account holder information the FIs collected at account opening, and the transaction data. The researchers also received data on financial education and outreach from FI branches, including participation in SC-sponsored financial education (FE) workshops or youth clubs, and school visits to inform youth about the YouthSave product, open accounts, and take deposits.

Research Methods for Savings Demand Assessment

During the planning stage of YouthSave, the research team reviewed existing savings account applications from each FI and determined that very little demographic information was being collected. Therefore, we added key youth and household demographic questions to account-opening applications. The YouthSave Research Advisory Council and all YouthSave partners were consulted and provided input on the selection of questions.

The research team vetted the new questions with the FIs to determine whether they were clear and understandable and whether the FIs would be interested in the results. With data collection across four countries, the questions also had to be refined to ensure consistency and cultural compatibility. The research team then pilot-tested and revised the questions to increase comprehension and reduce the length of time needed to complete data collection. Pilot-testing occurred over a six-month period and resulted in product and process modifications designed to increase account uptake and question completion.

In Ghana, Kenya, and Nepal, FIs submitted responses from individual-level demographic questions and savings-account transaction records to researchers. In Colombia, BCS chose not to include the research questions with its savings account application form; therefore, BCS collected a more limited set of youth and household information on Colombian YouthSave account holders.

In all four countries, the FIs obtained permission from the youth and cosignatory (if the youth were a minor) to provide identifying account information for participation in the study. Because permission was not obtained for all 98,485 account holders, the resulting dataset is a subset of total accounts opened and identified in this report as “research accounts,” which include 69,247 account holders.

The research team cleaned the data for quality control and merged transaction records with demographic records for analyses. Transaction records were restructured so that each account holder had a monthly transaction record with variables of monthly, quarterly, and total cumulative amounts of deposits, withdrawals, fees, and interest. Original savings outcomes based on the national currency for each country were converted from the national currency amounts into comparable USD using purchasing power parity (PPP) rates.

In Colombia and Kenya, youth can open accounts without an initial deposit. However, some of these accounts continue to remain open without ever receiving a deposit. To reflect all accounts that the FIs define as open, account holder demographics include all research accounts (69,247). However, accounts with no transaction activity for the life of the account are excluded in the savings analysis to ensure comparability of savings measures across countries. The resulting savings analysis sample size is 66,606.

Results of the SDA research method include descriptive information on the number of youth clients who adopted the savings product and all of their savings account transactions. Statistical analyses assess which youth and household characteristics are associated with savings performance. We present patterns and correlations rather than causal linkages because there was not a control condition to serve as a counterfactual. Where possible, analyses also examine how product design and FI participation in financial education and financial services may affect account uptake and savings performance.

Key Findings

What matters in increasing youth financial inclusion? The countries participating in YouthSave each have particular characteristics and contexts that have led to divergent financial products and services. Nevertheless, the SDA data highlight common themes in account uptake, transaction activity, and savings performance that can inform design and implementation of financial products and services, as well as governmental policies and regulations.

Account uptake

When offered the opportunity, many youth open savings accounts.

The participating four FIs launched new youth products in 2012. By May 2014, these FIs reported more than 98,000 youth accounts opened, of which 69,247 were research accounts (i.e., accounts with consent to use data for this report). Ghana's HFC Bank and Kenya's Postbank exceeded their account-opening goals, and BOK in Nepal reached approximately 70% of its goal. Colombia's BCS reached less than 20% of its goal, in part because of the presence of an existing BCS youth transaction product that was competing with its own YouthSave product.

The FIs reached their target population of low-income youth aged between 12 and 18 years, most of whom had no prior formal bank account. However, most youth the FIs reached were neither out-of-school youth nor from the very poorest households in their respective countries. Percentages vary by country but across the four countries, an estimated 48% of YouthSave account holders live below a consumption expenditure level of USD 2.50 per day (in 2005 PPP) and 1.6% are out-of-school youth. What attracts each youth to open an account may include a variety of personal and cultural factors, but the data suggest that regulatory policy, product design, and product outreach play important roles as summarized below.

Flexible regulatory policy can increase account access.

Regulatory policy regarding client age and account ownership differs in each country. In Colombia, the opportunity to own a savings account is offered at a much younger age (seven years) than in Ghana, Kenya, and Nepal and is reflected in the younger age of the average Colombian YouthSave account holder. In Nepal, youth aged 16 years, the age of majority, can own an account, and these independent account owners comprise over 40% of the Nepal YouthSave accounts. In Ghana and Kenya, youth must be aged 18 years to independently open an account. In Ghana, the Central Bank approved use of custodial accounts rather than trust accounts, which allows minors some control to operate their account. In Kenya, flexibility in banking policy allowed "trusted adults" to be

cosignatories on minors' accounts, a policy already allowed in Ghana. This alternate cosignatory frees the youth from having to rely solely on parents who might not be living in the same town or are otherwise unavailable. Approximately half of the YouthSave accounts in Ghana and Kenya were opened with a nonrelative as cosignatory.

Changes in product design and outreach affect account uptake.

In Colombia, researchers had a unique opportunity to study changes in product design and services one year after rollout. Because of low account uptake and competition with its more popular transaction-oriented youth product, BCS altered its product design and services in the second year by reducing withdrawal restrictions, equalizing bank staff incentives, and attending school assemblies to inform youth about the savings product and open accounts (with or without an initial deposit). The changes resulted in a 124% increase in the number of accounts and a 9% increase in younger-aged youth who opened the accounts. Though it is not possible to isolate which factor played a larger role, these institutional changes contributed to a noticeable increase in opened accounts as well as a shift in the population characteristics of who opened accounts.

Direct outreach increases account uptake.

To open a savings account and make deposits, access to the bank is critical. In YouthSave, FIs facilitated opportunities to open accounts, and sometimes also deposit services, where the youth were located (e.g., schools, youth clubs, youth organizations). The data reflect this emphasis on outreach to schools with over 98% of account holders reporting attending school at time of account opening. In most cases, the youth (and parent or “trusted adult” in the case of a minor) had to go to the branch to verify legal information. When the FI could facilitate the process, youth could open accounts and make deposits more quickly. The data confirm that branches that “take the bank to the youth” to provide alternate offsite financial services opened significantly more accounts than branch counterparts that did not.

Direct outreach encourages inclusion of low-income youth.

By the end of the YouthSave study, all of the FIs were using dual strategies to increase account uptake. All of the FIs used mass media (e.g., television, radio, newspapers) to reach the broader youth population. To ensure that low-income youth and families knew about the product offering, FIs used a second strategy of intentional and direct outreach in low-income communities and schools, often in partnership with SC or its youth-serving partner organizations offering financial education. Their efforts appear to be effective, with approximately 48% of total accounts opened by youth living below USD 2.50 per day. In Ghana, for example, over 80% of account holders reported learning about the account through the HFC bank program, the outreach effort targeting low-income schools, and these youth tend to have a higher poverty likelihood than other Ghana account holders. The YouthSave population is not as poor as the national percentage of those living in poverty in each country, but the products attracted a substantial proportion of poor households. The data demonstrate the efficacy of this approach in yielding a more inclusive portfolio of both lower- and higher-income account holders.

Direct outreach encourages inclusion of females.

Although there were no targets based on gender, the FIs were conscious of potential disparities. In countries where females are limited in moving freely in public spaces, FI outreach provides a greater opportunity for their participation. Gender participation was nearly equal in Colombia, and more females (54%) than males (46%) opened accounts in Ghana. In Kenya and Nepal, however, more males signed up for accounts (59%) than females (41%). Save the Children, youth-serving organizations, and FIs in both countries attempted to reduce differences with more intentional outreach to girls' schools and youth clubs. These efforts appear to be successful with an increase in female participation in Nepal from 35% in the first quarter of rollout in 2012 to 44% in May 2014, and in Kenya from 42% in the first quarter to 57% in May 2014.

Account holder incentives can improve account uptake and savings performance.

All of the FIs provided account holder incentives in the form of gifts such as piggy banks and money wallets at time of account opening. In addition, Nepal's FI offered an attractive 4.5% interest rate, the highest of the four FIs. It is not clear whether the youth were attracted by the favorable interest rate, but the total amount of interest earned is higher than the total amount of fees and taxes on accounts, whereas in Ghana and Kenya, the amount of taxes and fees is higher than interest accrued. In Colombia, the total interest is higher than the total fees and taxes even though fees are similarly applied and the interest rate is similar to the rates in Ghana and Kenya. A question for further study is how taxes and fees are applied and can be adjusted for youth accounts, and to what extent the interest rate can offset these costs.

The FI in Nepal is the only one that offered small cash incentives to account holders. For a period of seven months, the FI offered cash incentives to new and existing account holders to provide an opportunity to assess whether cash incentives increase account uptake and improve savings performance. Approximately 25% of all Nepal youth account holders took advantage of the cash incentives to open their accounts during this time period. In terms of savings, youth who received the incentives have statistically significant higher average monthly savings than those who did not receive the incentives. These findings suggest that incentives have positive effects on account uptake and youth savings. However, implementation of incentives was limited. The degree of influence, controlling for other possible factors, cannot be determined with this study. Further research is necessary to test effects of incentives on account uptake and savings performance.

Sales incentives for bank representatives boost account uptake.

Incentives to the FI representatives for reaching account sales targets were not hypothesized to boost account uptake. However, providing such incentives appears to increase account uptake across all countries. In Colombia, bank representatives received cash incentives to sell the YouthSave product. In Ghana, Kenya, and Nepal, branches had competitions among themselves and received cash and other prizes when account uptake targets were met. When tracking the timeframe of these activities, the number of accounts increased in parallel.

These findings on account uptake suggest that youth will open accounts if provided an opportunity that encourages saving, is easy to access, and is relevant to their needs. In all four countries, the

decline in the number of accounts opened within the last few months of the study (prior to May 2014 data collection) may reflect attainment of target goals as set by the YouthSave project or a decrease in focus with project end approaching. This decline raises potential concerns regarding ongoing outreach efforts to support youth financial inclusion in the absence of a subsidized project initiative. However, based on feedback from final project meetings, the FIs will continue to evaluate youth account activity and review business and corporate social responsibility strategies that can serve youth clients.

Transaction activity and patterns

In the first two years of product rollout, FIs focused more on opening accounts to reach target goals than on increasing savings. The level of account activity may reflect this focus with an average of 61% of accounts across countries having no transaction activity in the previous six months (between November 2013 and May 2014). In addition, average monthly savings declined in all countries between the first year and second year of product rollout, though Ghana had the most stable level. Declines reflect withdrawal activity, some of which were due to closing accounts, and lower deposit frequency, which may reflect a lull in motivation to save as time passes, or simply no money to deposit.

Deposit and withdrawal rules play a critical role in transaction patterns and savings performance. Findings reflect treatment of initial deposits, presence of monthly deposit goals, and withdrawal restrictions.

Initial deposit

To facilitate the account opening process in Colombia and Kenya, FIs allow youth to open accounts without an initial deposit, particularly at non-branch locations. In Colombia's case, 40% of account holders who opened accounts have not made any deposits. These accounts tend to stay dormant, perhaps reflecting account holders who are less motivated to save, have limited access to the bank, or simply have no money to save. Facilitating account uptake is important, but ensuring that the initial deposit can be made, even if the account has to be opened at a later time, may be more beneficial. Otherwise, accounts may continue to lay dormant, potentially incurring costs that benefit neither the account holder nor the FI.

Monthly deposit goal

Account holders in Colombia deposit most frequently, likely because opening the account includes committing to a monthly deposit to reach a savings goal. This feature appears to encourage deposits although a third of those who reached their goal subsequently closed their account. A savings goal may boost savings behavior, but for some may also have the opposite effect of limiting the potential to save more for a longer period of time.

Withdrawal restrictions

Accounts with greater withdrawal restrictions, such as in Ghana, have the fewest withdrawals. The steady increase in quarterly net savings over time and relatively stable average monthly savings reflect use of the Ghana savings product as it was intended. In contrast, the savings product in

Nepal has no withdrawal restrictions or fees; the average monthly number of withdrawals is up to seven times higher than in the other countries. Many of the Nepal account holders, whether high or low savers, treated the account more like a transaction account, with both high withdrawals and high deposits relative to the other countries. Given the high number of Nepalese youth who independently own and operate their account, the differences in account use may be not only a response to the product's flexibility, but also an indication of Nepalese youths' different needs. Youth who are of majority age may be more self-sufficient, require funds for daily needs, and therefore need greater flexibility to deposit and withdraw funds.

Savings performance

Youth save in formal savings accounts.

Simply put, youth, including low-income youth, do save as evidenced by the USD 1.8 million (PPP-converted) accumulated by 66,606 account holders who made savings deposits across the four countries. Total accumulation is notable but, not surprisingly, average balance per account in each country is much smaller. The average balance per account is USD 262 in Colombia, USD 114 in Nepal, USD 33 in Ghana, and USD 9 in Kenya (PPP-converted). The FIs have articulated their commitment to the youth segment to build their portfolio of current and future clients, especially because youth are the majority population. In addition, the value these accounts may have on youth development, being tested in YouthSave, has important implications for public welfare strategies and fits with FI corporate social responsibility.

If provided an opportunity, female youth also save.

In all the countries except Kenya, females save more than males, although the difference is statistically significant only in Nepal. This finding and the lower female account uptake rate in Nepal and Kenya suggests that, for females, a focus on access is more important than a focus on savings behavior.

Age matters.

Across all four countries, younger youth tend to save more than older youth. A key reason is that younger youth are less likely to withdraw, a factor the data show contributes to lower amounts of net savings by older youth. In addition, most of the youth account holders report that savings will come from parents or gifts, so younger youth may be receiving greater financial support from parents and other adults than older youth. These findings, though unanticipated, may not be negative for older youth. As youth get older, their expenses rise, as do expectations for them to make money and pay for their expenses, whether for education or daily needs. Beginning to build savings early in life may enhance education, enterprise, or other opportunities that increase well-being.

Parents matter.

In Ghana and Kenya, where custodial accounts are required until age 18, a nonrelative "trusted adult" designated by the youth and approved by the FI can be the cosignatory. Although youth opened almost 50% of accounts with a nonrelative in Ghana and Kenya, savings is associated with a

parent as cosignatory. YouthSave case studies confirm that parents provide not only funds for the account, but also other forms of support, such as encouraging their children to save, facilitating access to make deposits at the FI or schools, and helping to build trust in formalized saving (Zou, et al., 2014). These findings signal the importance of parental involvement in the savings process.

Electronic transactions facilitate savings.

The Kenya and Nepal data provide some insight into use of technology in financial transactions. In Kenya, a total of 455 account holders made deposits and 74 made withdrawals through mobile phone banking (Safaricom's M-PESA). Though usage is very low overall, the number and amount of deposits and withdrawals, as well as average monthly net savings (AMNS), is significantly higher than for the other Kenyan account holders. These findings emphasize that this process is moving relatively large amounts of funds (relative to other SMATA transactions) in and out of these savings accounts. In Nepal, the data allow us to analyze transactions that use point-of-sale (POS), ATM, Visa debit card, and direct deposit of salary into YouthSave accounts. Similar to Kenya, the number and amount of deposits and withdrawals made by Nepal account holders using these types of transactions are significantly higher than for the other Nepal account holders. However, only those using the ATM show significantly higher AMNS. In both Kenya and Nepal, these findings indicate higher account usage with higher amounts of funds flowing in and out of these accounts using these types of transactions. These findings hold regardless of age, but usage was higher among older youth, likely reflecting their need for flexibility in accessing funds. Furthermore, these findings reinforce the value of technology in providing accessible mechanisms for transactions.

Multifaceted outreach strategies maximize results.

Consistently across Ghana, Kenya, and Nepal, youth who said they learned about the account through friends, family, or mass media save more than those who learned about the account through some other means, such as information at school, a bank campaign, or a financial education workshop. The majority of youth in Ghana and Kenya, and 40% in Nepal reported learning about the account through these other means, indicating that media and personal contacts may attract fewer but higher savers, and other strategies may increase financial inclusion. These findings suggest that multifaceted outreach strategies may be required to achieve the dual outcomes of increasing financial inclusion and improving the business case with higher savings balances.

Implications of Savings Demand Assessment Findings

Based on the findings in this report, we point to product design and outreach features that may increase youth financial inclusion in developing countries.

Access

When the opportunity is offered, many youth will open savings accounts and save in them. If offered earlier in their lives, they may save more. Across the four countries, younger children accumulate more savings than older youth, regardless of custodial or independent account ownership. This finding argues for earlier savings account opening, whether the parent, some other adult, or the child owns the account. Stakeholders from both the public and private sector should

consider policy initiatives that can benefit both the FIs and their clients in starting formal savings early, perhaps as early as birth, and strategies for encouraging savings over a lifetime (Sherraden, 1991). As the data show, parents play an important role in helping their children to save. However, the systems and policies must be put in place first to provide the vehicle for secure saving, to give children experience in formal savings, and to allow participation if a parent is not available. As children grow older, other types of accounts can be introduced. For example, transaction accounts are likely to be more relevant to working youth or students needing to pay for school expenses. Such accounts could complement their lifelong savings accounts. Expanding services in parallel with youth developmental stages can benefit both the youth and the financial institutions (Kilara, Magnoni, & Zimmerman, 2014).

Facilitation

At each stage of youth development, key stakeholders should facilitate the savings process. Two institutions that are important in YouthSave are schools and financial institutions. Schools offer FIs an efficient way to reach more young people in one setting, and for incorporating financial education into youth education. The data from all four countries suggest that more youth will open accounts if FIs partner with schools to offer financial education and financial services. Partnerships between FIs and youth-serving organizations or apprenticeship programs may also facilitate account uptake with out-of-school youth. However, such partnerships may require government ministry-level approvals, central bank approval, and approvals by local school officials. Some national governments have stated a commitment to financial education. Establishing a national set of standards or program to integrate financial education and financial services by “taking the bank to the youth” could be one way to reach the greatest number of youth in building youth financial capability.

In terms of savings performance, the data from Kenya and Nepal on M-PESA and ATM transactions suggest that electronic banking could help to increase savings amounts. Expanded partnerships with schools to house ATMs, become retail banking outlets (or integrated into a nationally structured program such as described above), or partner with mobile payment systems (e.g., M-PESA, mobile wallet) might facilitate the deposit process for youth and reduce FI outreach costs. However, there are age constraints on use of M-PESA and phone access issues with mobile banking. With any model, the data in this study indicate that engaging parents in the savings process is a key component to facilitate savings.

Information

The high number of accounts opened and the divergent responses to how youth learned about the account indicate that using a multipronged outreach strategy—whether through mass media, bank campaigns, or directly via financial education and outreach to schools and youth organizations—has been effective in informing youth about the opportunity to save in an FI and how to open a savings account. This strategy should continue to ensure that all youth know about the opportunity, and government campaigns or central bank initiatives may be best positioned for maximum reach. Informally, FIs can contribute to educating the youth by providing information about the types of accounts available and guidance on which product features may facilitate or hinder savings performance when the youth is ready to open an account.

Incentives

Incentives for account holders may encourage savings but research findings are limited and relevant only to Nepal, the only country to offer small cash incentives to new and existing account holders. While it is not possible to isolate the effect of the incentive among other possible variables, periodic incentives may boost savings performance. Given the second year decline in average savings in all four countries, one strategy is to offer incentives annually, perhaps via an interest rate increase, which would serve the dual purpose of encouraging savings and reminding youth to save.

Incentives for bank representatives to sell the YouthSave products were not considered in hypotheses about account uptake or savings performance. However, the data show a correlation in account uptake when such incentives are applied. To encourage youth financial inclusion, incentives may be necessary as a strategy to remind both bank staff and youth that a youth savings product is a viable financial product. In developing business strategies that serve youth, FIs that offer incentives for selling other account products should also consider offering incentives for selling youth savings accounts, thus equalizing emphasis on any particular product and more fairly representing each product's features to help the youth decide what product best meets his or her needs.

Restrictions

In the YouthSave financial products, withdrawal rules play an important role in savings but can also have an adverse effect on uptake. In the first year of Colombia's product, when withdrawal rules were stricter, savings was higher. However, the strict withdrawal rules may have also been part of the reason for low account uptake. In Ghana, where withdrawals are also restricted, average monthly savings across the two years of the study was more stable compared to the other three countries. Of all the product characteristics, determining the appropriate balance of control of the account between account holder and FI may be the most difficult. For the FI, this process may be determined by the business strategy for its youth segment; the rate of uptake by account holders will reveal whether the appropriate balance was met. While this study cannot establish what works best, one alternative to the FI restricting control may be setting expectations and goals.

Expectations

When opening a YouthSave account, youth in Ghana, Kenya, and Nepal were asked to identify what they were saving *for*. When opening the Colombia YouthSave product, however, youth were asked to identify and commit to a savings goal *amount* with monthly deposits. Although fewer youth opened this account compared to the number who opened accounts in the other three countries, deposit frequency and average monthly savings is higher. In addition, one-third of the youth closed their account after reaching their savings goal, suggesting that they were motivated to save to the goal. In this study, findings are limited to one country, but the data suggest that setting savings targets with youth may increase savings performance. Establishing monetary savings goals that reflect resources needed at different life stages (e.g. education, business development, land) may encourage both short- and long-term savings.

Recommendations for Future Inquiry

Based on the current findings and planned implementation changes, this section offers brief recommendations for additional research questions, testing, and continued learning.

- Does account ownership matter? A major policy question is whether youth should be able to independently own and operate their account at a younger age. The data do not point to a particular answer, and in fact offer both pros and cons. Whether the parent, the child, or some other adult owns the account, stakeholders should consider and test opportunities for opening accounts early and facilitating the deposit process over time.
- The data from YouthSave highlight the important role of parents in account access and usage. Further studies may identify ways to engage parents more effectively. For example, in younger years, youth may depend on parents more for financial support and education about savings and access mechanisms to make deposits. Older youth may need advice when choosing financial products and services that can best serve their needs, and how they can be used to support further education or employment.
- The FIs were not able to attract many out-of-school youth. This result may have been mostly a function of the direct outreach strategy to youth at schools, or it may be that the products and services were not well-tailored to the needs of out-of-school youth. Future research should explore effective strategies of reaching out-of-school youth, whether through NGO programs or publicly funded initiatives.
- Incentives may play an important role for account holders, but this study was not designed to test the effects of cash incentives or interest rates. Studies should systematically test the impact of account holder incentives—including different levels of top-ups and interest rates—on account uptake and savings performance. Similarly, studies should test the impact of disincentives, such as service fees and taxes on account uptake and savings. As a key part of this research agenda, it will be important to document the extent to which youth understand incentives and disincentives.
- The findings indicate that YouthSave is reaching youth who had no prior experience with formal banking, as well as some heads of household (HOHs) who also did not have prior experience with formal banking. The effect of a youth's account on these HOHs is unknown. Further research on how youth savings affects the entire household may be worthwhile for expanding financial inclusion at all age levels.
- Results from this study suggest how product design and outreach activities can influence who opens accounts and saves. So much more can be learned to continue refining and improving youth financial products and services. For example, future studies should test effects of deposit and withdrawal rules on savings performance.
- In this study, we were able to track account uptake by the level of branch participation, but not deposits that occurred at schools. Instead, most transactions were recorded as a branch transaction even though the bank representative may have collected the deposits at a school or youth club. To better understand the effect of outreach on savings performance, future research should test proximity of bank access (whether a nearby branch, branch agent,

branch representative collecting deposits at a school, or other means) on transaction activity and savings performance. Financial institutions might also consider adding transaction codes to their management information systems that represent these locations to facilitate data analysis.

Findings from the SDA have contributed to understanding youth participation in the financial sector of four developing countries by identifying youth and household characteristics, tracking transactions, and identifying savings patterns of almost 70,000 youth account holders. The study offers insights on account uptake and savings patterns within and across countries. Findings common across countries suggest relevance despite differences in socioeconomic or political environments.

Overall, youth can and will save, but the structure must be in place for them to do so. This includes accounts that are easy to understand, easy to access, affordable, relevant to youth goals, and motivate saving. Evidence is growing, but there is much more to learn, especially on ways to increase savings. Continued research is critical because it can inform interventions that affect both the demand and supply side—youth savings and development, youth financial capability, and public and private sector commitment to sustainable youth saving products and services.

Chapter 1: Background and Context of the Study

If provided an opportunity to save via formal financial services, will youth participate, save, and accumulate assets? This is a fundamental question of YouthSave, a savings initiative implemented in four developing countries—Colombia, Ghana, Kenya, and Nepal—that targets young people aged 12 to 18 from predominantly low-income households.

This study is one part of a mixed-method learning agenda in YouthSave. Created in partnership with The MasterCard Foundation, YouthSave investigates the potential of savings accounts as a tool for youth development and financial inclusion in developing countries by co-designing tailored, sustainable savings products with local financial institutions (FIs) and assessing their performance and youth development outcomes with local researchers. The project is an initiative of the YouthSave Consortium, led by Save the Children (SC) in partnership with the Center for Social Development (CSD) at Washington University in St. Louis, the New America Foundation, and the Consultative Group to Assist the Poor (CGAP). Research partners (RPs) in the field include Universidad de los Andes in Colombia, Institute of Statistical, Social and Economic Research (ISSER) at the University of Ghana, Kenya Institute for Public Policy Research and Analysis (KIPPRA), and New ERA in Nepal. Participating financial institutions include Banco Caja Social (BCS) in Colombia, HFC Bank in Ghana, Kenya Post Office Savings Bank (Postbank) in Kenya, and Bank of Kathmandu Ltd. (BOK) in Nepal.

Many youth save informally and may participate in formal banking services if given the opportunity (United Nations Capital Development Fund, 2011). However, such opportunities are limited for some groups because of barriers inherent in regulatory policy, geographic access, identity verification, financial product information, financial service fees, affordability of deposit services, and documentation required to open an account (Aggarwal & Klapper, 2013; Demirguc-Kunt & Klapper, 2012a; Karlan, Ratan, & Zinman, 2013; Porter, Blaufuss, & Owusu Acheampong, 2007). These barriers can be challenging for youth in particular. Youth desire greater opportunity for economic participation but identify issues of limited access, account fees, bank bureaucracy, lack of trust and transparency in banks, and lack of independent youth products (Child & Youth Finance International, 2014). The value of removing these barriers is evident in research that demonstrates the important effects financial inclusion has on youth development (Chowa & Ansong, 2010; Deshpande & Zimmerman, 2010; Elliott, 2012; Prina, 2014; Scanlon & Adams, 2009; Sherraden & Ansong, 2013; Ssewamala & Ismayilova, 2009). These findings deserve greater study.

In this report, we focus on youth and their responses to the financial products and services that the participating FIs offer (in market terms, *the demand side*) from product launch in 2012 through May 31, 2014. The research aims to determine whether offering a youth-friendly formal savings account at a financial institution leads to account uptake and savings, and for whom. In collaboration with Save the Children, FIs in each country developed savings products for their youth populations and augmented them by financial service delivery outreach and education. Save the Children, in partnership with local community organizations, offered financial education in Colombia, Kenya, and Nepal.² Such opportunities to learn and apply knowledge through access to financial products and services may increase their *financial capability* (Johnson & Sherraden, 2007; Sherraden, 2013). The

² Save the Children did not offer financial education in Ghana to avoid contamination of the experiment, another research method in the YouthSave learning agenda (Chowa et al., 2012).

extent to which youth increase their financial capability can be measured in part by whether they open an account, make deposits, and increase their net savings over time.

This study reports on how many youth save, how much they save, and characteristics associated with their savings. We present findings as patterns and correlations rather than causal linkages because there was not a control condition to serve as a counterfactual. Although the report is not intended to analyze the business case, the findings help to understand how youth savings performance relates to financial product design and outreach.

Savings Demand Assessment Study Hypotheses

Which youth, household, and savings product characteristics are associated with positive savings outcomes? That is the primary research question associated with the savings demand assessment (SDA).

Youth and household characteristics

Research on children and youth savings is growing but less is known about individual characteristics associated with account uptake and savings (Deshpande & Zimmerman, 2010). Research indicators on financial inclusion analyze populations starting at age 15. These data and research on adult populations highlight disparities in account ownership and savings for females, those with low education, low income, and low financial capability (Kaffenberger, 2014; Kilara, Magnoni, & Zimmerman, 2014; Sahn & Stifel, 2000; Sherraden, 2013; The World Bank, 2013; The World Bank, 2012). Informed by prior research, the research team identifies youth and household characteristics that may affect account uptake and savings performance of the YouthSave population.

- *Age of youth.* Households are more likely to save in accounts of older youth, especially if the older youth can work.
- *Gender of youth.* Evidence of gender inequities suggests females are less likely to have access to formal banking and save.
- *Education level and school enrollment of youth.* Those with higher education levels may have higher savings performance.
- *Prior participation in formal savings.* Youth with more experience saving in a formal financial institution may be more likely to open an account and have higher savings performance.
- *Income in the previous six months.* Youth who earn income may have more money to save and therefore higher savings performance.
- *Estimated consumption-based poverty rates.* Youth with a higher poverty likelihood are likely to have lower savings performance than those with a lower poverty likelihood.
- *Head of household (HOH) demographics.* The HOH's gender, level of education, and employment status are associated with socioeconomic status. Youth whose HOH is male, educated, and employed are likely to have higher savings performance than youth whose HOH is less educated, unemployed, or works in the agriculture sector.

- *HOH's prior involvement in formal savings.* The HOH's prior experience with savings in a formal savings product has a higher level of household financial capability that will positively influence their child's savings performance.

Results of SDA research include descriptive information on the number of youth who open YouthSave accounts and their savings performance. Through statistical analyses, we assess youth and household characteristics associated with savings. YouthSave also offers an opportunity to explore these outcomes in the four countries with variation in product features.

Savings product design, financial education, and outreach characteristics

Research has shown that characteristics of financial products and services matter in account uptake and savings performance (Karlán, Ratan, & Zinman, 2013; Prina, 2014; Schreiner & Sherraden, 2007; Weidrich, Collins, Rosen & Rademacher, 2014). In YouthSave, savings product features and financial services differ across FIs in each country. In some cases, the FI provided financial education, either on its own or in collaboration with SC and local youth-serving organizations. All FIs facilitated account opening through visits to schools and youth clubs, though this service varied by branch and timeframe. Some features (e.g., fees, incentives, withdrawal rules; branch visits to schools) also changed during the timeframe of the study. To the extent that these features are provided in each country, the research team hypothesizes their influence on savings. These features are organized based on six factors, also described in the institutional theory of savings (Beverly et al., 2008). These include (1) existence of an account that youth are eligible and have access to use; (2) information about the account to make an informed decision about opening the account; (3) incentive to save, whether through an attractive interest rate, monetary contribution, or other benefit; (4) facilitation to easily open accounts and make deposits; (5) restrictions or rules to discourage dissaving; and (6) goals or expectations to encourage saving.

- *Access.* If youth are eligible to open and operate a youth-friendly savings account offered at a financial institution, they will sign up and save in the accounts.
- *Incentives.* Providing financial incentives to youth account holders will increase account uptake and savings performance.
- *Information.* Providing financial education and information to youth about the opportunity to save in a formal savings account will increase account uptake and savings performance.
- *Facilitation.* Facilitating access for youth to open accounts and make deposits, such as providing financial services at schools, youth organizations, or through other alternate service-delivery mechanisms, will increase account uptake and savings performance.
- *Restrictions.* Withdrawal rules, such as fees or restriction on allowable withdrawals, will reduce the number of withdrawals taken, thereby increasing savings performance.
- *Expectations.* Setting savings goals and monthly deposit goals will increase savings performance.

Table 1.1. Country Characteristics*

| | Colombia | Ghana | Kenya | Nepal |
|--|----------|-------|-------|-------|
| Population (millions) (2012) | 47.6 | 25.5 | 42.7 | 31.0 |
| Urban population (percentage of total) (2012) | 75.6 | 52.6 | 24.4 | 17.3 |
| Median age (2010) | 26.8 | 20.5 | 18.5 | 21.4 |
| GDP per capita (2005, PPP USD) | 8,861 | 1,652 | 1,507 | 1,102 |
| GNI per capita (2005, PPP USD) | 8,711 | 1,684 | 1,541 | 1,137 |
| % living on USD 1.25/day or less (2002–2011) | 8.2 | 28.6 | 43.4 | 24.8 |
| % living at or below national poverty line (2002–2012) | 37.2 | 28.5 | 45.9 | 25.2 |
| Gender inequality index (2012) | .459 | .565 | .608 | .485 |
| Primary school dropout rate (2002–2011) | 15.5 | 27.8 | 27.2 | 38.3 |
| Expected years of schooling, children (2011) | 13.6 | 11.4 | 11.1 | 8.9 |
| Mean years of schooling (persons 25 years and older) (2010) | 7.3 | 7.0 | 7.0 | 3.2 |
| % with account at a formal financial institution** | 30.4 | 29.4 | 42.3 | 25.3 |
| % with account at a formal financial institution (income, bottom 40%)** | 15.4 | 15.4 | 18.8 | 16.0 |
| Human Development Index rank (2012) | 0.719 | 0.558 | 0.519 | 0.463 |

GDP, gross domestic product; *GNI*, gross national income

*Data from United Nations Development Programme, 2013, unless otherwise noted.

**Data from Demirguc-Kunt & Klapper, 2012b.

Country characteristics

The environments in which youth live in each of the four YouthSave countries could affect saving outcomes. Table 1.1 presents characteristics about each country that provide context for SDA findings.

In Colombia and Ghana, the majority of the population lives in urban areas, whereas in Kenya and Nepal, the majority lives in rural areas. Across the countries, the median age ranges from 18.5 to 26.8, which means half of the population is younger than these ages and can be described as children and youth.³

In terms of the overall economy, Colombia has a higher standard of living—as measured by gross domestic product per capita and the Human Development Index—than in the other three countries. Nepal has the largest population living in rural areas, the least educated population, and the lowest standard of living. However, Kenya has the largest number of people living on consumption expenditure level of USD 1.25 per day or less. Research indicates that socioeconomic indicators, including GDP per capita, are correlated with youth account ownership (Kilara, Magnoni, & Zimmerman, 2014).

The gender inequality index introduced by the United Nations Development Programme (UNDP, 2013) provides a composite measure based on female reproductive health, empowerment, and labor market participation to assess the level of gender equality. Colombia has the lowest inequality ratings

³ The definition of youth differs across countries, and there is no universally accepted age range (United Nations Department of Economic and Social Affairs, 2011). The U.N. defines youth as ages 15 to 24 years for statistical purposes, and the World Youth Report includes ages 12 to 24 years. The World Health Organization (WHO) and the United Nations Children’s Fund (UNICEF) refer to young people as ages 10 to 24 years. The Economic Commission for Latin America and the Caribbean (ECLAC) (2011) defines youth as ages 15 to 30 years.

(0 to 1, with 0 considered 100% equal) followed in order by Nepal, Ghana, and Kenya with the highest (see Table 1.1).

The financial sector in each country varies widely and reflects socioeconomic and political circumstances. As of 2012, the percentage of the population that has a bank account is low in all four countries, according to the World Bank financial inclusion database. The percentage of the population aged 15 years or older that has an account at a formal financial institution is 42% in Kenya, 30% in Colombia, 29% in Ghana, and 25% in Nepal (see Table 1.1). However, for those in the lower 40% of income, the percentages are much lower and similar across countries, ranging from approximately 15% to 19%. In each of these countries, financial inclusion has become a focus of public policy and private sector action, especially for youth and less economically advantaged populations.

Youth Participation in the Financial Sector in the Four Countries

Most FIs have savings products for parents and guardians to save on behalf of their children. These products typically are owned and operated by parents or designated as trust accounts, and children have little or no authority to deposit into or withdraw from these accounts. As noted above, facilitators of and challenges to youth participation in formal financial banking differ based on a number of social, economic, and geographic factors, but laws and regulatory issues are critical. In Colombia, youth aged as young as seven years with identification can open and operate an account without parental signature. In Nepal, the age of majority is 16, the age at which they can open their own account. In Ghana and Kenya, youth cannot independently open or manage an account until they are 18 years of age. Instead, youth must have a parent or other trusted adult assist in opening an account and provide cosignature. A further hindrance can be fulfilling the FI's requirements of a citizenship identification number or associated identification papers. Finally, high bank fees and low savings returns combined with high youth unemployment can constrain savings potential.

However, FIs in developing countries have increased their focus on youth financial products and services, especially on savings products that are designed for greater youth participation (Abeywickrema, 2009; Griffin, 2014; Masa, 2009). This sets the stage for YouthSave, which investigates pathways to financial inclusion for lower income youth. Through support from SC, participating FIs conducted market research with the goal of developing more inclusive, accessible, and youth-friendly financial products and services to attract lower income youth (Deshpande, 2012). With central bank approvals, the FIs were able to relax some of the documentation and financial service delivery restrictions needed to provide a youth-friendly financial environment.

YouthSave Financial Institutions and Youth Savings Products

Four FIs participate in YouthSave, each associated with one of the four countries: Banco Caja Social in Colombia, HFC Bank in Ghana, Kenya Post Office Savings Bank in Kenya, and Bank of Kathmandu Ltd. in Nepal.

Banco Caja Social, Colombia

Banco Caja Social (BCS) grew out of the Catholic Worker's Guild Savings project in 1911 to address socioeconomic disparities and continues to focus on the low- and middle-income market. In 2013, 50.6% of BCS's clients earned less than Colombia's minimum wage of COP 589,500 (USD 476 PPP) per month, and almost 80% earned less than twice the minimum wage.

In 2013, BCS had more than 4.8 million customers⁴ and 6,691 employees, most of them in Bogotá, which has 45% of the bank's 263 branches. Though BCS has a wide national presence across 24 of the 33 Colombian departments, most branches (78%) are located in Colombia's departmental capitals. The rest are located in secondary urban centers that have more than 30,000 inhabitants. The FI has no rural presence and ranks sixth among Colombian banks in number of branches.

As part of its goal to provide access to the unbanked, BCS introduced *Corresponsales bancarios* (i.e., nonbanking correspondents). *Corresponsales bancarios* are nonbanking locations (e.g., drugstores, post offices) that offer some bank services, including deposits, transfers, withdrawals, payments, and credit applications. They are located in neighborhoods of large cities without a nearby BCS branch. The potential network will include 6,000 agent locations but currently about 300 are active (C. G. Suarez, personal communication, November 25, 2014).

Before working with YouthSave, BCS had only one banking product for children and youth, *Tuticuenta*, for those aged between 7 and 17 years. This product was created in 1989 to complement the bank's savings portfolio and incorporate a segment of the population that previously had been ignored. *Tuticuenta* was the third savings product BCS offered and the first designed for youth. Some of *Tuticuenta's* features include no monthly fees and an automated teller machine (ATM) card. As of 2013, BCS opened about 3,500 *Tuticuenta* accounts per month, most of them in Bogotá. Two thirds of new *Tuticuenta* account holders are children from low- to medium-low-income families, and only 4.7% have very low incomes.

From their experience with *Tuticuenta*, BCS believed that there was a large market potential for the *Cuentamiga para Jóvenes* (i.e., Friendly Account for Youth). Positioned as a longer-term savings vehicle, *Cuentamiga para Jóvenes* is intended to broaden financial participation among unbanked urban youth. Overall, the youth accounts make up a very small percentage of BCS's portfolio, comprising only 4.05% of total BCS accounts and thus far generating less than 1% of BCS's total balance. Gender distribution is nearly equal, both across BCS products in aggregate, and also reflected in the youth products. The *Tuticuenta* continues to be the more popular of the two youth products. Of youth who open both accounts, the majority (60%) opens them at the same time or opens the *Tuticuenta* first (37%).⁵ Youth who open a *Tuticuenta* account tend to be slightly older, enrolled in secondary education, and in a higher income household than *Cuentamiga para Jóvenes* account holders.

⁴ The total customers are comprised of 3.6 million individuals and 1.8 million companies.

⁵ Based on *Tuticuenta* accounts opened between January and April 2013. (Information provided by BCS for YouthSave)

HFC Bank, Ghana

HFC Bank originated in 1991 as a home mortgage finance company and received its universal banking status in 2003. The bank continues to maintain over 30% share of the mortgage industry. HFC operates in eight regional capitals with 26 branches and 31 ATMs (HFC Bank, 2014). Its strategic alliances—especially with HFC Boafo Microfinance Services, a subsidiary of the bank that supplies nonmortgage housing microfinance loans to urban poor who have limited access to credit—provide additional infrastructure for marketing and delivering financial services.

HFC Bank has four saving products for young people: the Student Plus Account, the Life Starter Account, the HFC Future Plan Trust, and the YouthSave *Enidaso* (i.e., Hope) savings account. The HFC Student Plus Account is designed to finance educational needs and affords students liquidity at all times, which is especially important before disbursement of Social Security and National Insurance Trust (SSNIT) student loans. The HFC Life Starter Account is for new graduates and young professionals aged 18 years or older who want to venture into business. The HFC Future Plan Trust (F-Plan) is a long-term collective investment scheme for parents to save money in trust for their children. The *Enidaso* product integrates a younger age group into the youth market segment of HFC Bank and helps prepare youth to be the next generation of customers.

Kenya Post Office Savings Bank, Kenya

The Kenya Post Office Savings Bank (Postbank) was established as a savings bank in 1910. Following the enactment of the Kenya Post Office Savings Bank Act (Cap 493B, Laws of Kenya), Postbank became government-owned on January 1, 1978 (Postbank, 2010). The bank is wholly owned by the Government of Kenya, and a Board of Directors subject to the direction of the Minister of Finance controls the institution. The primary mandates of the institution are to mobilize savings for national development, encourage thrift, and provide the people of Kenya with the means and opportunity for saving (Republic of Kenya, 1978).

Postbank has 100 branches, more than 850 agents, and more than 1,000 ATMs. Customers also have access to mobile banking, known as *Patacash*. With more branches than most commercial banks in Kenya, Postbank has branches distributed across the bank's six regions—Coast, Mount Kenya, Nairobi North, Nairobi South, Rift Valley, and Western. Nairobi and Western regions have the highest numbers of branches with 40 and 19, respectively. Although Postbank's entire branch network is located mainly in urban areas, most agents are located and operated in small trading centers in rural areas.

At incorporation in 1978, Postbank had only one savings product, the Ordinary Savings Account, but has since expanded its products to meet customer demand. In 2006, the first two products for youth were launched: the Bidii Junior Account for youth aged 18 years or younger and the STEP (Smart, Trendy, Electronic, and Portable) Account for older youth aged 18 to 28 years. The YouthSave product, *SMATA* (a local idiom for “smarter”), was added to Postbank's portfolio in response to the youth population growth and the bank's strategic objectives to enhance financial access and mobilize savings.

Between 2008 and 2012, deposits in Postbank youth products (Bidii Junior, STEP, and *SMATA* accounts) grew 670% compared to the overall deposit growth of 113% in the same period.

Together, the youth products' share of total deposits grew to 2.5% in 2012 from 0.7% in 2008. *SMATA*'s share of total deposits in youth products increased from 0.2% in 2011 to 1.1% in 2012. The growth of the youth product portfolio can be attributed to marketing campaigns and growth of the youth population in the country. As of April 2014, *SMATA* accounts comprised approximately 8% of the total active accounts held by the bank.

Bank of Kathmandu Ltd., Nepal

The Bank of Kathmandu Ltd. (BOK) started its operation to stimulate the Nepalese economy in March 1995. Established under the Commercial Bank Act in 1974, BOK is primarily owned (approximately 58%) by the general public. With a strategy of reaching out to low-income clients, an emphasis on financial inclusion of all Nepalese citizens, and experience offering savings products to children and youth, BOK's goals correlate with those of YouthSave. One of the main differences between BOK and other commercial banks is that BOK uses a mass-banking strategy. Instead of relying on larger investments from fewer customers, BOK strategically markets to the greater population of small- and medium-sized deposit customers.

In 1995, BOK offered only a general savings account but began to expand its product offerings in 2003, adding several new products almost every year thereafter. Currently, BOK provides a variety of products and services and has different modes of accepting deposits into current, savings, and fixed deposit accounts.

In 2005, BOK introduced a savings product targeted directly to youth (*Kopila Bachat Yojana*) that was replaced five years later with a product targeted to parents to establish savings for their children (*Nava Kopila Bachat Yojana*). The YouthSave product *Chetanshil Yuva Bachat Yojana* (CYBY) (i.e., Conscientious Youth Savings Scheme) was introduced two years later and offers a savings account with a focus on attracting lower income youth. Through this approach, BOK aims to increase youth participation in the financial sector, especially among marginalized and unbanked youth.

As of April 2014, BOK has 277,585 customers across its 50 branches, placing it in the ranks of mid-sized banks in Nepal. The Bank has 47 branches located in urban areas, and 3 in rural areas. Especially significant in the Western and Far-Western provinces where Nepal's most marginalized populations are located, BOK's national presence provides the infrastructure necessary to market and deliver a youth savings product.

As part of the increased attention on corporate social responsibility, BOK has extended its financial-education programs under its "Save for the Future" awareness campaign. Its goal is to mobilize maximum deposits by increasing the financial involvement of small depositors throughout the country. The Bank reported success in establishing relationships with more than 32,000 new depositors over the past year.

Summary

This chapter provides the context of the environments in which youth live and the savings opportunities offered by partner FIs. The next chapter describes research methods used to collect and analyze the savings data.

Chapter 2: Research Methods

In each participating country, a local research partner (RP) works with the Center for Social Development (CSD) to collect, analyze, and report on data that financial institutions (FIs) and Save the Children (SC) provide. The YouthSave RPs are Universidad de los Andes in Colombia, Institute for Statistical, Social and Economic Research (ISSER) at the University of Ghana, Kenya Institute for Public Policy Research and Analysis (KIPPRA) in Kenya, and New ERA in Nepal.

Data Collection Procedures

As a first step to determine what information should be collected about youth account holders, the YouthSave research team reviewed savings account application forms the four FIs normally use. The team found a limited number of demographic questions about youth and their households. The questions typically were open ended (e.g., fill-in-the-blank) and thus subject to variation and data-entry error.

Because of space constraints, the research team could add only a limited number of questions about hypothesized savings outcomes to each FI's account-opening forms to learn more about youth account holders and their household demographics. Care was given to keep questions similar across countries, but some responses varied by cultural or programmatic differences. The researchers vetted the questions with FIs to determine answerability and FIs' interest in the potential results. YouthSave partners then pilot tested the questions with youth and revised them to increase comprehension and reduce the length of time needed to complete data collection.

Partner FIs in Ghana, Kenya, and Nepal administered the questions using youth and guardian consent to participate in research and then transferred responses from paper to electronic data systems. In Colombia, BCS chose not to include the research questions with its savings account application form and therefore a more limited set of youth and household information was collected on Colombian YouthSave account holders. (See Appendix D for questions used in each country.) In addition to demographic information, all FIs provided records of individual-level transactions (e.g., deposits, withdrawals, interest, fees, taxes) for each account. The FIs then submitted electronic data to RPs via a secure file server on a quarterly basis.

In all countries, FIs obtained permission from the youth and cosignatory to provide identifying account information for participation in the study. Because permission was not obtained for all account holders, the resulting dataset is a subset of total accounts opened and identified as "research accounts."

Researchers cleaned the data and merged transaction records with demographic data for analysis. Transaction records were restructured so each account holder had a monthly transaction record with variables of monthly, quarterly, and total cumulative amounts of deposits, withdrawals, fees, and interest. For months with no activity, RPs created transaction records with zero amounts for the month and current cumulative amounts. They collected data on a quarterly basis for two years on accounts opened from product rollout in each country through May 31, 2014.

Researchers also collected data from SC and the FIs on financial education and outreach activities the FIs conducted during the course of the study. In some cases, an FI conducted financial

education on its own and in other cases participated in financial education activities led by SC. Where possible, the information included the timeframe when these activities occurred.

Analysis Sample

To determine which records to include, researchers used each FI's account definition of *open*. In Ghana and Nepal, YouthSave accounts are open if an initial deposit has been made. In Colombia and Kenya, accounts can be opened without an initial deposit, particularly if the account is opened at a school or youth club. Some of these accounts continue to be open but without ever receiving a deposit. To reflect all accounts that the FIs define as open, account holder demographics include all research accounts. However, those with no transaction activity for the life of the account are excluded in the savings analysis to ensure comparability of savings measures across countries.

Measurement

Below are measurements of the key outcome (i.e., dependent variable) and factors that may be associated with this outcome (i.e., independent variables).

Dependent variables

Average Monthly Net Savings (AMNS). The key dependent variable of the analysis is AMNS, defined as net savings per months an account has been open (Schreiner et al., 2001). The formula is as follows:

$$AMNS = \frac{\textit{total net savings}}{\textit{number of months account has been open}}$$

where total net savings = deposit + interest – withdrawal – service fees and taxes

Because the researchers measured the original savings outcomes based on the national currency for each country, they converted the national currency amounts into comparable USD using purchasing power parity (PPP) factors.⁶

High, medium, and low savers

There are large differences in AMNS across accounts, particularly among median, minimum, and maximum values; therefore, the distribution of AMNS is highly skewed. To consider this nonnormality in AMNS, the research team divided the sample into quartiles based on the level of monthly savings. Youth in the highest quartile comprise the *high saver* group. Youth in the lowest quartile belong to the *low saver* group. Youth in the second and third quartiles are *medium savers*. The researchers used the resulting three-level categorical variable as a dependent variable.

⁶ Researchers used the purchasing power parity (PPP) conversion rates for 2011 drawn from the IMF World Economic Outlook (WEO) dataset (<http://www.imf.org/external/pubs/ft/weo/2012/01/index.htm>). Rates from 2011 were used to maintain comparability with findings from previous years.

Active depositor

The research team divided the sample into two groups. The first group includes those who made one or more deposits per quarter (excluding initial deposits), and the second group includes the rest. This binary variable was used as a dependent variable.

Active withdrawer

The researchers divided the sample into two groups. The first group included those who made at least one withdrawal, and another group included those who did not make any withdrawals. This binary variable was also used as dependent variables.

Account status

Account status comprises three categories: active account, inactive account, and closed account. An “active account” is defined as an account with an initial deposit. An “inactive account” is defined as an account that has received an initial deposit but does not have any transaction activity (i.e., deposits or withdrawals) within the last six months. By definition, an inactive account has been open longer than six months. A “closed” account is the status of the account provided by the FI. For Colombia, the research team used the three-level categorical variable (active/inactive/closed) to measure account status. The number of closed accounts was substantially low in Ghana, Kenya, and Nepal, so RPs did not conduct analysis of closed accounts for these three countries.

Independent variables

Analyses include all youth and household characteristic measures as independent variables. Youth characteristics include gender, age, school enrollment, income in the past six months, previous formal account held by youth, source of savings, source for learning about the account, and reason for saving. Household characteristics include relationship of the head of household (HOH) to the youth, previous formal account held by the HOH, education level of the HOH, employment status of the HOH, whether the HOH is employed in the agricultural sector, number of household members, estimated consumption-based poverty rate, mode of transportation ownership, and relationship of the cosignatory for the account to the youth account holder. Original response categories for a few variables were slightly different across countries (e.g., HOH employment status, how youth learned about the account), and several variables had response categories with zero or few observations. In these situations, response categories were sometimes collapsed into other categories and recoded.

Estimated consumption-based poverty rate

The estimated poverty rate measure has been specified from poverty scoring techniques in developing countries (similar to credit scoring) wherein poverty scorecards use household characteristics to assess likelihood that per-capita household expenditure is below a given poverty line (Caire, Schreiner, Chen, & Woller, 2009; Schreiner, 2012; Schreiner, 2011; Schreiner & Woller, 2010). The scoring measure is constructed from national expenditure survey data matched with responses to the savings demand assessment (SDA) account opening questionnaire, and linked to commonly used poverty lines. The measure for each account holder indicates the percentage likelihood that the individual lives at or below a particular poverty line.

In international poverty comparisons, the most common poverty line used is the World Bank's USD 1.25 per person per day in 2005 PPP. Some comparisons use USD 2.50 per person per day in 2005 PPP. This amount is considered applicable to all developing countries except the poorest 15 (Chen & Ravallion, 2008). In this report, researchers estimate and present the percentages of YouthSave account holders who live in households in which total expenditures per member are less than USD 1.25 per day and less than USD 2.50 per day. This measure has the advantage of creating interval data that are comparable across countries. The research team view this as a more fully-reported, more accurate, and overall more informative comparative gauge of poverty than reported household income data that were also collected at the time of account opening.

Statistical Procedures

Descriptive, bivariate, and multivariate analysis

The research team used descriptive statistics to examine account uptake and demographic characteristics of the youth. Using bivariate analyses such as chi-square tests and t-tests, the researchers examined whether those demographic characteristics were different between male and female youth (see Chapter 4). Descriptive statistics were also used to investigate savings activities and performance. The research team also used a series of bivariate analysis including t-tests and ANOVA to examine whether savings were different by demographic characteristics of youth as well as by the length of account holding (see Chapters 5 and 7).

Researchers used a series of multivariate analyses to examine which youth characteristics are associated with various savings outcomes. The continuous independent variables were recoded as categorical variables for multivariate analysis because it was more conceptually and analytically meaningful. Researchers first conducted multivariate analyses using generalized linear modeling (e.g., binary or multinomial logistic regression depending on the level of categories in the dependent variables) to investigate which demographic characteristics are associated with active depositor, active withdrawer, as well as account status, controlling for effects of other characteristics (see Chapter 6). Researchers then examined which demographic characteristics are associated with AMNS using ordinary least square regression and high/medium/low savers using multinomial logistic regression. To further control for unobserved heterogeneity across branches within each country, branch-level fixed effects were included in the regression model where possible (see Chapter 7). Finally, researchers conducted branch-level analyses to examine how financial education and outreach are associated with account uptakes and savings performance (see Chapter 8).

Limitations

The SDA has introduced a new process to the FIs for collecting information on their account holders. In addition, each FI is operating within a unique country context with their own set of products and services. These factors can introduce challenges in data collection and analysis.

- Participant consent and SDA data collection were new procedures for the FIs, which may explain, in part, some missing variables and missing values in accounts opened in the early stages of rollout.

- Some household variables (e.g., level of income) have a high number of missing values. Youth may have had difficulty providing household variables if a parent or the HOH was unavailable or unwilling to assist with answering the questions.
- Product rollout and outreach activities can vary by branch. Differences in account uptake by branch reflect, in part, different startup dates, levels of marketing, and branch management support.
- Delays in the transfer of data from FI to researchers and missing data on the consent form may have resulted in underreporting of the total number of research accounts opened. Missing data could have been due to youth declining participation or the FI unintentionally omitting the information indicating consent.
- Differences in account uptake and savings among countries reflect a variety of country-level factors and differences in product features. While the research team controls for many of these differences in analysis, and highlights differences where relevant throughout the report, the reader is advised to also consider context when comparing results across countries.
- The SDA dataset affords a unique opportunity to identify factors associated with saving patterns and performance over time, but it is not possible to assess causally which product features influence savings patterns most because there was not a control condition in the SDA to serve as a sound counterfactual. (YouthSave does have a full experiment in Ghana, which will be examined in a separate report.)

Despite these limitations, the study offers a unique opportunity to explore patterns of account uptake and youth savings in four developing countries.

This chapter describes research methods. Chapter 3 focuses on FI design and implementation of the YouthSave product and services.

Chapter 3: YouthSave Implementation

In YouthSave, all participating financial institutions (FIs) offer a youth-tailored financial product targeted to low-income youth and, in some cases, outreach of financial services in locations beyond the branch, usually at schools. In addition, financial education workshops or youth clubs are available through Save the Children (SC) and its local community partners. An FI may participate in these financial education activities as well as facilitate access through outreach—informing the youth about the YouthSave account and offering the opportunity to open accounts and make savings deposits at these alternate locations. Together, access to youth-friendly financial products and services and financial education may contribute to developing youth financial capability.

Financial Products

Financial institutions developed the financial products in two phases: the pilot period and product rollout (Table 3.1). The FIs chose the features of a product's pilot period based on findings from market research with low-income youth. Youth indicated that they wanted a product that would allow greater control in account management, facilitate access to deposits and withdrawals, ensure a secure account, and offer incentives for long-term saving (Deshpande, 2012). Product piloting in Ghana, Kenya, and Nepal occurred between July and December 2011. In Colombia, BCS chose not to conduct product piloting prior to an official rollout per their internal decision process.

The second phase, product rollout, began in late February 2012 for Colombia, April 2012 for Nepal, and May 2012 for Ghana and Kenya. Each FI set a target goal of number of accounts to be opened by May 31, 2014. The beginning of rollout varied across countries and by branch within countries, depending on product and marketing readiness. This report is based on data from the beginning of rollout in each country through May 31, 2014.

Table 3.2 summarizes the key product features of the YouthSave products each FI developed. Eligibility focuses on youth aged seven to 22 years. Account ownership is dependent on the country's regulatory policy. Interest rates vary, and Nepal offers the most favorable one at 4.5%. Account rules are strictest in Colombia and Ghana, though some withdrawal restrictions were lifted after the first year of product rollout. As incentive to save, youth are provided free savings kits such as piggy banks, wallets, and savings diaries when they open an account.

Financial Education and Outreach

Table 3.3 provides a summary of financial education and outreach in each country. In Colombia, Kenya, and Nepal, SC and its community partners offered financial education workshops, youth clubs, and other community-focused financial education activities (Ghana was excluded due to the YouthSave experiment). Some of the FI branches in each country also participated or conducted financial education on their own. Particular regions for workshops were selected, according to SC, the lead project implementer, based on “where SC was working or had an interest in working because of the existence of poor/marginalized populations, and where the partner bank had a presence. Within this overlap, SC also aimed for regional diversity” (R. Deshpande, personal communication, May 7, 2012).

Table 3.1. Financial Product Rollout

| | Colombia | Ghana | Kenya | Nepal |
|--------------------------------------|--------------------------------|----------------------|----------------------|---------------------------|
| Bank name | BCS | HFC | Postbank | BOK |
| Product name | <i>Cuentamiga para Jóvenes</i> | <i>Enidaso</i> | <i>SMATA</i> | CYBY |
| Phase 1: Pilot period | No pilot conducted | July – December 2011 | July – December 2011 | September – December 2011 |
| Phase 2: Product rollout | February 2012 | May 2012 | May 2012 | April 2012 |
| Number of branches | 263 | 26 | 100 | 50 |
| Number of banking agents | 300 | 0 | 850+ | 0 |
| Target number of accounts | 15,740 | 5,621 | 37,500 | 9,156 |
| FI staff incentives to open accounts | Yes | Yes | Yes | Yes |

Table 3.2. Financial Product Features Summary*

| | Colombia | Ghana | Kenya | Nepal |
|-------------------------|---|---|---|--|
| Target age group | 7–17 | 12–18 | 12–18 | 10–22 |
| Owner | Self | Custodial with trusted adult | Custodial with trusted adult | Parent/guardian until age 16 |
| Deposit access | Self | Self | Self | Self |
| Withdrawal access | Self | Adult presence | Adult presence | Parent/guardian signature |
| Withdrawal restrictions | None as of July 2013 | No withdrawals first three months (subsequently removed for boarding school students); 1 per month thereafter | None | None |
| Withdrawal fee | Yes | No | Yes | On account closure |
| Interest rate | .25% to 1% depending on accumulation | 1% to 2.5% depending on accumulation | .75% to 2.5% depending on accumulation | 4.5% |
| In-kind incentive | Special kit with bracelet, card, and piggy bank | Piggy bank, t-shirt, or pen | Money wallet, savings diary, and debit card | Minors receive piggy bank. Majors can receive a Visa debit card with first year issuance charge waived |
| Other features | Quarterly account statements | ATM card to view balance; semi-annual account statements | Debit card for all deposits, and withdrawals from bank teller | Customer ID |

*Detailed description of product features available in Appendix A

Table 3.3. Financial Education and Outreach by Country

| | Colombia | Ghana | Kenya | Nepal |
|---|----------|-------|----------|---------|
| SC Youth club or workshop length | 4 hours | None | 15 hours | 3 hours |
| SC Youth club or workshop frequency | 1 time | None | Variable | 1 time |
| SC Adult seminar | None | None | Yes | None |
| FI branches conduct youth financial education | Yes* | Yes** | None | Yes |
| FI branches open accounts at schools | Yes* | Yes | Yes | Yes |
| FI branches take deposits at schools | None | Yes** | Yes | Yes |

*Began in second year of product rollout

**Some schools were excluded from participation due to experiment conditions

The type of outreach activities that FIs conducted varied by country as well as by branch within country. In Colombia and Kenya, the FIs primarily opened accounts. In Ghana and Nepal, FIs opened accounts but some also visited periodically to take deposits. Not all branches participated equally in each activity. Analyses of differences are presented in Chapter 8.

The SC financial education was provided as a separate service from FI services, though there was some overlap. Youth may have had either one experience or the other, but not necessarily both. That is, a youth may have participated in a financial education workshop or youth club but never opened an account, or a youth may have opened an account but never had the opportunity to participate in a financial education workshop.

Country-specific product features, financial education, and outreach are described below by country. Detailed descriptions are available in Appendices A and B.

Colombia

Cuentamiga para Jóvenes account

The YouthSave product in Colombia is *Cuentamiga para Jóvenes*, which means “friendly account for youth” in English. The product targets youth aged between seven and 17 years and is designed to encourage medium- and long-term savings. The account encourages youth to create their own saving plans and set goals that require regular deposits for a period of no less than one year and no more than five years. At the time of account opening, youth receive a kit that includes a personal identification card, a bracelet, a BCS piggy bank, and a brochure with account information.

Youth aged seven years and older—the youngest in all four YouthSave countries—can open a *Cuentamiga para Jóvenes* account without being accompanied by an adult. Youth account holders manage accounts using their personal identification card, which allows deposits and withdrawals in all BCS branches. Although there are nonbank correspondent locations, the bank does not advertise or encourage depositing at these locations and thus most deposits occur at branch locations (C. G. Suarez, personal communication, November 25, 2014). The bank sends a detailed account statement to the account holder’s e-mail on a quarterly basis. All relevant information concerning the account and financial education tips are posted on the BCS website for easy reference.

To attract more youth, BCS loosened account restrictions from the original product characteristics after one year (in July 2013). For example, the required minimum opening deposit in BCS branches decreased from COP 20,000 (USD 16 PPP) to COP 10,000 (USD 8 PPP). The minimum balance to

make a withdrawal decreased from COP 60,000 (USD 48 PPP) to COP 10,000 (USD 8 PPP) and unlimited withdrawals are now allowed instead of only one per year. The cancellation fee was reduced from COP 11,000 (USD 8.89 PPP) to COP 5,000 (USD 4 PPP). Table 3.4 shows the changes in product features.

Financial education and outreach

From 2012 to 2013, SC conducted and tracked participation in financial education workshops in 17 different schools in Cali, Pasto, Medellín, Bogotá and Tumaco. At the termination of financial education activities in November 2013, a total of 323 four-hour workshops had been conducted in the area schools.

To increase account uptake and usage of *Cuentamiga para Jóvenes*, SC and BCS initiated four outreach strategies in 2013. These included (1) savings assemblies, (2) account opening services at schools, (3) financial education text messages, and (4) gift campaigns.

The savings assemblies arose from the decision for an intervention that was both shorter than the SC workshops and could also address a large number of children per session, allowing SC to accompany BCS into schools. Each SC workshop took place over four hours and covered between 25 and 30 children, and the saving assemblies were between 45 minutes and one hour long and gathered between 100 and 200 children in the school auditorium. Beginning in July 2013, SC and BCS conducted 33 saving assemblies at 14 schools in six Colombian cities. In the assemblies, two SC facilitators gave saving tips and explained basic financial education concepts to the youth. The assemblies were based on a methodology called “Savvy Savers Assembly” developed by MyBnK©, a British registered charity organization. At the end of assemblies, the students had the opportunity to open an account without making an initial deposit.

A second strategy allowed every BCS branch to perform account-opening strategies with mobile offices or BCS stands at schools. Carried out directly and solely by BCS, these visits to schools gave youth the opportunity to open accounts without an initial deposit.

Table 3.4. *Cuentamiga para Jóvenes* – Product Feature Changes

| | <i>Cuentamiga para Jóvenes</i> (February 2012–June 2013) | <i>Cuentamiga para Jóvenes</i> (July 2013–present) |
|-------------------------------------|---|---|
| Minimum opening deposit* | COP 20,000 | COP 10,000 |
| Withdrawals | One per year | Unlimited |
| Minimum balance to make withdrawals | COP 60,000 | COP 10,000 |
| Account cancellation fee | COP 11,000 | COP 5,000 |
| Commission to Commercial Advisors | 2 points** | 2 points |

*Accounts opened at schools can be opened with zero deposit

** Commission was only one point until December 2012

A third strategy to encourage account use involved text messaging. Every youth who opened the account before July 2013 and had a cell phone received one monthly financial-education text message. Beginning in September 2013 and continuing monthly for one year, these text messages were specifically designed to encourage deposits. A second group of youth, who opened the account between June 2013 and February 2014, was included in a simple randomized experiment to analyze whether there was an impact of the financial education text messages on savings performance.

A fourth strategy was “gift campaigns” to incentivize account holders to make deposits. A “free gift campaign” was implemented in June and July 2013 across all BCS products consisting of prizes given to account holders who increased their balance to COP 1 million (USD 808.81 PPP). Although *Cuentamiga para Jóvenes* account holders were not the target segment given the high balance requirements, they were included in the promotion. In March and April 2014, BCS and SC implemented the “return campaign,” notifying *Cuentamiga para Jóvenes* account holders via text messages that they would receive a prize of a wallet if they deposited their monthly target for two consecutive months.

Ghana

Enidaso account

The YouthSave account offered by HFC Bank in Ghana is called *Enidaso*, which means “hope” in the Twi language. The product targets low-income youth aged between 12 and 18 years. The account requires a minimum opening balance of GHS 2 (USD 1.04) and an operating balance of at least GHS 5 (USD 2.60). Savings earn interest (1% to 2.5%) after the account has at least GHS 20 (USD 10.42). Withdrawals from the account are restricted for the first three months, and only monthly withdrawals can be made thereafter. However, the three-month restriction was waived for the youth who reside in boarding schools because they generally need consistent access to their funds. A parent or trusted adult of the youth must be the primary signatory for account opening and withdrawal of funds. The youth can deposit into but cannot withdraw from the account without the adult guardian.

YouthSave clients are issued a view-only ATM card upon request for a one-time fee of GHS 2.50 (USD 1.26). This ATM card enables them to check their balance and account statement but does not allow withdrawals from the ATM. Savings withdrawal booklets are given to account holders for a fee of GHS 3.50 (USD 1.76). Statements are provided every six months for free and on demand for a fee of GHS 2 (USD 1.01) per statement.

Outreach includes use of mass media (e.g., radio, newsprint, television), direct sales (e.g., presentations and account opening in schools), social media (e.g., Facebook), and awareness-building campaigns (e.g., street floats, distribution of fliers on main streets) to introduce the account and educate youth about it. Incentives (e.g., piggy banks, pens, t-shirts, slings, waist bands) are given to youth upon opening an account. In addition, HFC partners with youth-focused organizations to conduct savings fairs and implement youth programs.

In March 2013, four HFC sales representatives were employed to sell the *Enidaso* account in two selected branches. Based on the positive outcome in terms of accounts opened, 13 more were recruited in June 2013 and another 20 in November 2013. The sales representatives were responsible

for assisting branches to sell and open *Enidaso* accounts in schools and make scheduled follow ups for in-school banking activities (see Financial Education and Outreach below). A total of 17 branches had sales agents. Cash incentives were given to branches and sales agents who were able to meet targets.

Financial education and outreach

HFC bank has focused almost exclusively on financial services outreach to schools, particularly junior high schools. Branch representatives visit schools, request for Parent–Teacher Association (PTA) meetings from school authorities, meet the PTA (for schools that show interest in the product and welcome the bank), and subsequently open accounts for interested students.

In March 2013 and March 2014, HFC bank joined the global community to celebrate Global Money week. As part of the celebration, some branches of HFC organized savings fairs at selected senior high schools to open accounts and take initial deposits. These branches made periodic visits to the selected senior high schools to take additional deposits (N. A. Mark-Sowah, personal communication, October 2, 2014). The bank also refreshed its branding in September 2014 to attract more senior high school students.

In addition, HFC is participating in an experiment to test different types of outreach offered at junior high schools. With the schools participating in the experiment, HFC offers two sets of services in 50 randomly selected schools across seven regions of the country. In 25 schools, HFC offers in-school banking, which comprises financial education, account enrollment, and periodic depository services. In the other 25 schools, HFC provides outreach about the *Enidaso* account through informational visits to schools with opportunity to open an account and make an initial deposit but no financial education or subsequent depository services.

In nonexperiment schools, once accounts are opened in schools and initial deposits are taken, branches make subsequent visits to the schools approximately once every two weeks to offer account holders the opportunity to make deposits and to complete pending account opening documentation.

Kenya

***SMATA* account**

“My bank, my future” is the slogan for *SMATA*, the YouthSave product developed by Postbank. The product targets low-income youth aged 12 to 18 years, both in school and out of school, and living in urban, periurban, or rural areas. Youth can open an account without making a deposit and with any trusted adult chosen by the youth. Youth can deposit independently, but withdrawals require the presence of the adult. For those setting up accounts with a trusted adult, a second trusted adult may be designated as an alternate to facilitate youth withdrawal access. The withdrawal fee is KES 30 (USD 0.34). The minimum amount required to earn interest is KES 15,000 (USD 171). Youth receive a free wallet and debit card at account opening. The debit card may be used as identification or to withdraw through the bank teller.

The outreach strategy for the *SMATA* account is different from that of other Postbank products because it targets low-income youth, a unique segment of Postbank’s customers. Outreach strategies

for other Postbank products feature mass media campaigns. *SMATA* accounts integrate mass media and direct selling strategies. In addition, Kenya's Postbank conducted branch-level sales competitions to encourage branch representatives to open YouthSave accounts from July to October 2012, February to June 2013, and during Global Money Week in March 2014.

Postbank branches, agents, and all outlets that operate on agency agreement with the Postal Corporation of Kenya are being used as the distribution channels for the YouthSave product. To reach low-income youth, Postbank conducted on-the-ground activities to educate communities and mobilize youth to open accounts. Postbank sponsored youth activities (e.g., sports) and distributed posters, fliers, and t-shirts during these outreach efforts.

Financial education and outreach

Financial education and outreach in Kenya include youth, adult, and community financial education programs, as well as FI outreach to open accounts. In collaboration with SC, Postbank works with youth leaders in the community, schools, churches, youth-serving organizations, and other youth-centered community outreach programs. Save the Children identifies and trains community resource persons to serve as youth mentors and financial education instructors. The mentors publicize the project during community events to create awareness of and support for YouthSave and *SMATA* among parents, guardians, and other community leaders. Each mentor establishes savings clubs with approximately 25 to 35 in- and out-of-school youth. Clubs may meet for approximately one hour per week for 10 to 14 weeks with focus on financial education topics taught from SC's "Life Poa toolkit." This curriculum has also been delivered in blocks of time spanning a few days, during school holidays. A community outreach program for adults, *Jifanikishe*, led by SC, offers two-hour financial education training, while short buy-in sessions with community stakeholders (i.e., community leaders, teachers, parents), share information about YouthSave and the benefits of saving to garner support for Life Poa clubs and savings for young people in their households and community.

Postbank representatives participate with SC to train youth club mentors and establish relationships with mentors for follow-up club activities, such as account opening and organizing branch tours. For youth who are unable to make a bank tour, Postbank staff visit the youth club and educate the youth about banking services, *SMATA* account features, and account-opening procedures. During such forums, youth may also open their accounts. As of May 2014, eight branches had visited youth clubs (see Appendix B.3).

As part of its outreach efforts, Postbank independently sends representatives to schools and other locations to inform youth about the *SMATA* product, the benefits of saving, and to open accounts.

Nepal

CYBY account

The YouthSave product in Nepal is *Chetanshil Yuva Bachat Yojana* (CYBY), which in English means Conscientious Youth Savings Scheme. The target population of CYBY is youth aged 10 to 22 years. The product originally was targeted to youth aged 12 to 18 years but was popular among a wider age range. The minimum opening balance is NPR 100 (USD 1). The interest rate on the account is

4.5%, down from its original 5% because of a directive from Nepal's Rasta Bank (Central Bank) to alter their spread rate (the difference between interest earned and interest paid) to a maximum of 5% within the current fiscal year (Nepal Rastra Bank, 2013). The 4.5% interest rate for the CYBY product is still the highest rate provided by the Bank of Kathmandu Ltd. (BOK) compared to its other saving products (A. Shrestha, personal communication, October 2014).

Upon opening the account, minors (i.e., youth aged younger than 16 years) receive a piggy bank, and majors (i.e., youth aged 16 to 22 years) choose to receive either a piggy bank or a Visa debit card with no issuance charges for the first year. According to the guidelines provided by Nepal Rastra Bank, the child's birth certificate and a document showing the adult signatory's citizenship are required to open an account for a minor. However, upon examination of the policy, BOK was able to accept minor's school registration certificates as an alternate ID since these are often easier to obtain than birth certificates.

The approaches BOK uses to promote the CYBY product include mass media (e.g., newspapers, television commercials, radio), staff incentives, account holder incentives, involvement of staff interns, and community activities. Staff incentives include gifts of smart phones and holiday-trip excursions. Cash incentives for youth account holders began in the last several months of the study and included NPR 100 for new and existing account holders. Details are available in Appendix B.

Financial education and outreach

Save the Children, their local partners, and BOK provided three-hour financial education workshops for youth, financial orientations for adults, community street dramas, and booster financial education sessions at school and youth savings club locations (i.e., aggregation points). In locations where SC had no implementing capacity, radio drama was aired as a substitute for street dramas. BOK also implemented its own abbreviated financial education workshops and offered other opportunities to conduct transactions at aggregation points.

Between June 1, 2012, and May 31, 2014, SC, its local community partners, and 12 FI branches collaborated to provide youth and adult financial education workshops and street dramas in each of the five Nepal regions. Independently, 24 BOK branches also provided youth financial education at area schools and clubs.

The bank's outreach also includes transaction services on a regular basis at aggregation points. Aggregation-point transactions for CYBY account holders take place in schools with a bank representative recording a handwritten transaction and later entering it electronically in the branch office. A total of 18 branches participated in outreach to the youth. Most of the participating branches were located in the Mid-Western and Western regions of Nepal, followed by the Central, Far-Western, and Eastern regions. Additional details are provided in Appendix B.4.

Summary of Project Implementation

- Development of youth-friendly savings products began with market research and product piloting. Product rollout began first in Colombia in February 2012, followed by Nepal in April 2012 and Ghana and Kenya in May 2012. This report is based on data collected on accounts opened from product rollout in each country through May 31, 2014.
- Differences in country regulatory policies, FI savings product features should be considered when reviewing findings across countries. Key differences include the following:
 - *Access.* The age that an account can be legally owned and operated is younger than 18 years in two YouthSave countries: Colombia (7) and Nepal (16).
 - *Facilitation.* In terms of branch locations and banking agents, Colombia's BCS and Kenya's Postbank have the higher number to facilitate access to financial services. Colombia's BCS has almost 10 times more branches than Ghana's HFC Bank, five times more than Nepal's BOK, and more than twice as many as Postbank.
 - *Incentives.* The FIs have provided incentives to account holders and bank branch representatives at different times during the study. Nepal's BOK offered monetary incentives to account holders to open accounts and increase savings, and to bank branch representatives to increase account uptake. Ghana's HFC and Kenya's Postbank offered incentives to branch representatives through branch-level sales competitions, and HFC provided cash incentives to direct sales representatives. In Colombia, BCS branch representatives receive sales commission points. Of all the YouthSave accounts, BOK continues to offer the most favorable interest rate (4.5%) to its youth account holders.
 - *Restrictions.* With respect to withdrawals, Postbank and BOK have no withdrawal restrictions though Postbank does have a withdrawal fee. Ghana restricts withdrawals to one per month. Colombia initially restricted withdrawals to one per year, but in the second year of product rollout allowed unlimited withdrawals.
 - *Expectations.* Colombia is the only country that requires the youth to set a savings goal amount with a monthly deposit to reach it.
- Financial education and outreach augmented the rollout of the youth savings product in all four countries. Along with local partners and FIs, SC led financial education workshops, youth clubs, and school assemblies in Colombia, Kenya, and Nepal. Ghana's HFC conducted an in-school banking experiment that offered financial education and opportunities to open accounts and make deposits. By the second year of the study, all four FIs were conducting outreach at schools offering opportunities for youth to open accounts.
- Outreach changed over time as FIs gained knowledge about how to attract their youth customers and increase account usage. In Colombia, BCS began sending financial education text messages and conducting outreach via school assemblies, allowing youth to open accounts at the schools without an initial deposit. In Ghana, HFC included senior high

school students in their outreach strategy. In Kenya, Postbank expanded its collaboration with community youth programs.

This chapter describes the financial products and services offered through YouthSave. The next chapter identifies in detail the population of youth who chose to open an account.

Chapter 4: Account Uptake

As of May 31, 2014, a total of 98,485 youth have opened YouthSave accounts since product rollout. As noted in Table 4.1 and Figure 4.1, this number far exceeds the total target goal of 68,017 and is predominantly reflected in the targets exceeded in Ghana and Kenya. Of the total accounts, 69,247 “research accounts”⁷ are included in the data for this report: 2,775 in Colombia, 10,866 in Ghana, 49,797 in Kenya, and 5,829 in Nepal. The number of research accounts closed during this time includes 447 in Colombia, 6 in Ghana, 11 in Kenya, and 32 in Nepal.

In Colombia and Kenya, youth may open an account without an initial deposit, whereas in Ghana and Nepal, an initial deposit is required. In this chapter, the data reflect all youth who opened an account, even if they have not made any deposits into their account. In Colombia, 1,114 accounts (40%), and in Kenya, 1,527 (3%) of the total opened research accounts were opened without an initial or subsequent deposit.

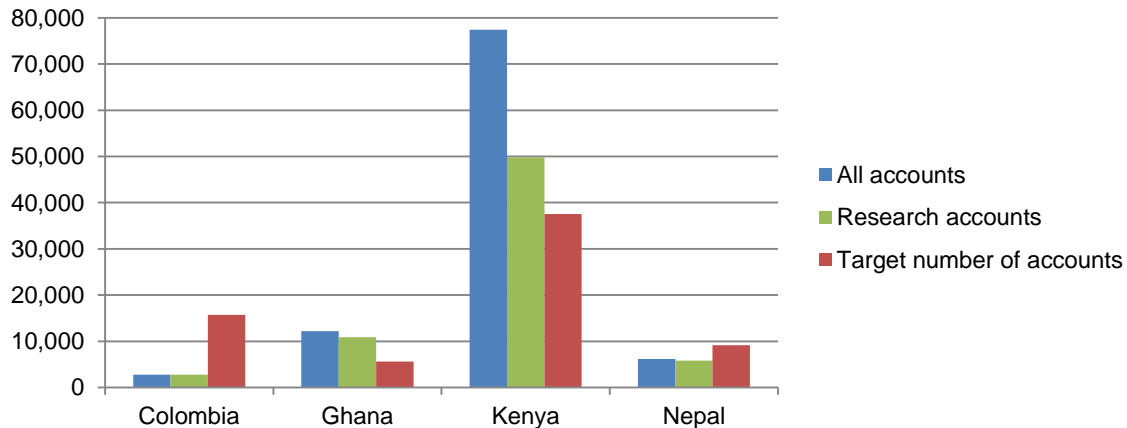
A high concentration of these accounts in Colombia was opened in the past year. In fact, 832 of 1,114 (74.6%) accounts without transactions were opened between July 2013, when Save the

Table 4.1. Account Information

| | Colombia | Ghana | Kenya | Nepal | Total |
|---|-------------------|--------------|-------------|----------------|--------|
| Rollout date | February 29, 2012 | May 11, 2012 | May 7, 2012 | April 26, 2012 | |
| FI target goal | 15,740 | 5,621 | 37,500 | 9,156 | 68,017 |
| Total accounts (as reported by SC/FI) | 2,755 | 12,162 | 77,421 | 6,147 | 98,485 |
| Total research accounts | 2755* | 10,866 | 49,797* | 5,829 | 69,247 |
| Total closed research accounts | 447 | 6 | 11 | 32 | 496 |

* Colombia research accounts include 1,114 accounts and Kenya research accounts include 1,527 accounts without any transaction activity from life of account

Figure 4.1. Account Information



⁷ Research accounts are those for which permission was obtained to report on the data.

Table 4.2. Length of Account Holding in Months

| | Maximum | Mean (SD) | Median |
|----------|---------|-------------|--------|
| Colombia | 27 | 13.2 (7.57) | 11 |
| Nepal | 26 | 13.0 (7.28) | 12 |
| Ghana | 25 | 8.2 (5.97) | 6 |
| Kenya | 25 | 11.1 (5.75) | 12 |

SD, standard deviation

Children (SC) and Banco Caja Social (BCS) started conducting financial assemblies in schools, and May 2014 (see Table B.1.2 in Appendix B). This result suggests that the financial assemblies were effective in increasing the number of accounts opened but also highlights challenges associated with offering services in nonbranch locations. The youth may be interested in the idea of the savings account but may not have the funds in that moment to contribute to it. If the financial institution (FI) does not offer a follow-up visit, the youth may have difficulty accessing the bank to make the initial or future deposits.

Length of Participation

Length of participation in YouthSave is defined as the number of months that an account has been open between product rollout and the last data collection point of May 31, 2014. Table 4.2 provides the maximum, mean, and median length that accounts have been open. *Maximum* represents the longest time an account has been open, and *mean* is the average length accounts have been open. *Median* reflects the middle point of all accounts that have been opened.

Savings products have been available for 25 to 27 months, depending on the rollout date, with Colombia's product having been available the longest. On average, accounts in Colombia have been open slightly over 13 months followed closely by Nepal with 13 months, Kenya with 11 months, and Ghana with 8 months.

Figures 4.2 and 4.3 graphically depict the number of research accounts opened and closed each month (see also Tables C.1 and C.2 in Appendix C). Overall, the Colombia YouthSave product did not reach target goals, and those in the African countries far exceeded target goals. In each country, spikes occurred at particular time periods and a few patterns emerge.

Figures 4.4, 4.5, 4.6, and 4.7 provide examples with the Colombia, Kenya, and Nepal data of how account opening may reflect one or more outreach strategies (Ghana outreach activities are not mapped due to experiment variation). In the figures, only the presence of an outreach strategy is represented, not the frequency or number of branches participating in the strategy. Figure 4.4 maps Colombia's BCS outreach via school assemblies with account uptake in which 12 branches participated. Figure 4.5 maps the timeframe when Kenya's Postbank branch-level sales competition was conducted to increase account uptake. Figure 4.6 maps Bank of Kathmandu Ltd. (BOK)-led financial education and outreach in Nepal, in which 24 and 18 branches participated, respectively. Figure 4.7 maps SC-led financial education in Nepal in which 12 branches participated.

In Colombia, account uptake was very low, especially in contrast with the target that BCS set for opening accounts. In the first year, there was a downward trend in the number of research accounts opened. Discussion with the FI revealed internal competition with the preexisting youth product,

Tuticuenta, which has been in place for 27 years and serves the same age population. *Tuticuenta* is less restrictive and more transaction-oriented than *Cuentamiga para Jóvenes*, which is a savings account.

However, as shown in Figure 4.4, the downward trend was reversed in July 2013 with the beginning of the saving assemblies conducted by SC and BCS in schools in Colombia, and changes in withdrawal restrictions of the *Cuentamiga para Jóvenes* product. The number of accounts opened per month was highest between July and November 2013. Between December 2013 and May 2014, account opening started to slow, perhaps a result of schools being closed for the holidays, fewer workshops at schools, and a waning emphasis on selling the product as the YouthSave project's conclusion approached at the end of May 2014.

In Ghana, HFC doubled its target goals for opening accounts. The slow start of HFC's product-outreach strategy to junior high schools may explain the fact that youth opened more accounts in the second year of product rollout. Developing an outreach strategy with schools took longer than anticipated including challenges with arranging Parent-Teacher Association (PTA) meetings to obtain parental approval to open accounts. Disruptions in the school calendar (e.g., teacher strikes) also reduced outreach opportunities. The increase in the second year is attributed to the positive outcome of using sales representatives for direct selling.

In Kenya, Postbank opened significantly more accounts than other FIs and more than doubled its target goals. As shown in Figure 4.5, periodic spikes across the time period point to a variety of factors, including promotional campaigns, collaboration with community youth organizations, and participation in financial education youth clubs. The most closely mapped, however, is the timeframe during which bank branches held competitions and offered incentives for opening accounts. Lower uptake in December and January each year may reflect a break in Postbank's outreach activities.

In Nepal, BOK nearly met its target number of accounts and showed a fairly consistent pattern of periodic spikes with fewer accounts opened in January and February each year. In the first year of product rollout, the Central Bank passed new regulations requiring identification documents from past generations of an account holder's family. Banking officials suggest this requirement dampened account opening across the entire banking sector. Spikes in account uptake may reflect particular BOK outreach strategies. Downturns may reflect breaks for festivals and holidays. As noted in Figure 4.6, mass media efforts were strongest from April 2012 to September 2012, from September to November 2013, and February and March 2014. From May to July 2013 and March to April 2014, BOK offered bank representatives incentives to open accounts. It also offered cash incentives to account holders between October 2013 and April 2014. A total of 1,451 youth took the incentives, of which 1,442 opened accounts between October 2013 and April 2014 (see Table B.4.17). This represents 25% of all Nepal YouthSave account holders. Though bank staff incentives appear to drive account uptake in other time periods, the introduction of account holder cash incentives may encourage uptake between October and April. The degree to which these incentives influence uptake, controlling for other factors, cannot be determined but they seem to play an important role and should be further tested.

In all countries, declines in account opening beginning April 2014 may reflect a waning in outreach as FIs reached target goals and neared project end.

Figure 4.2. Research Accounts Opened by Month

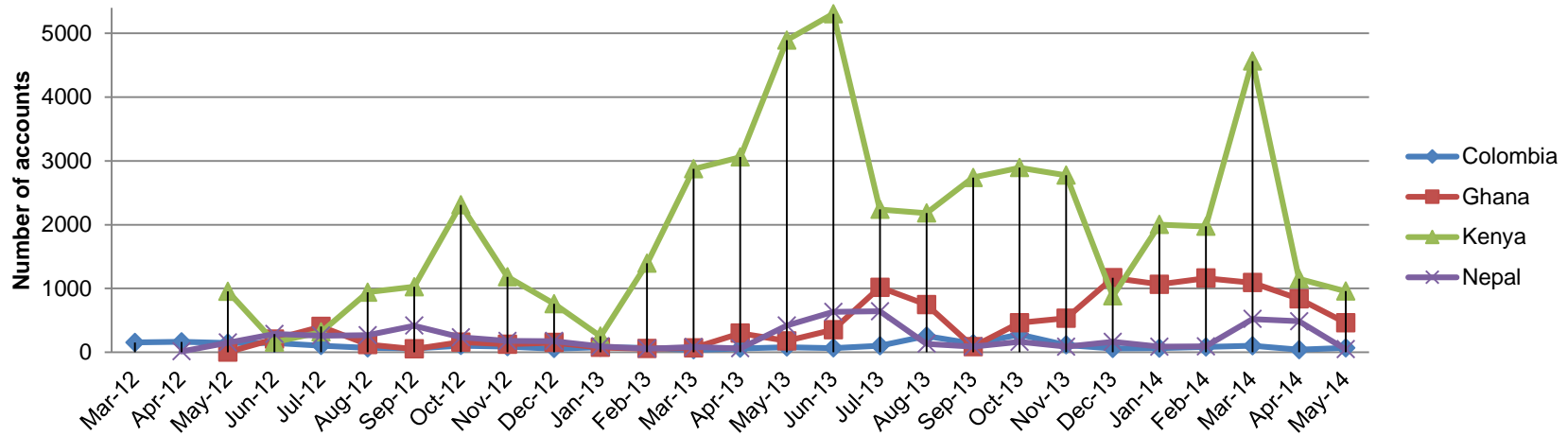


Figure 4.3. Research Accounts Closed by Month

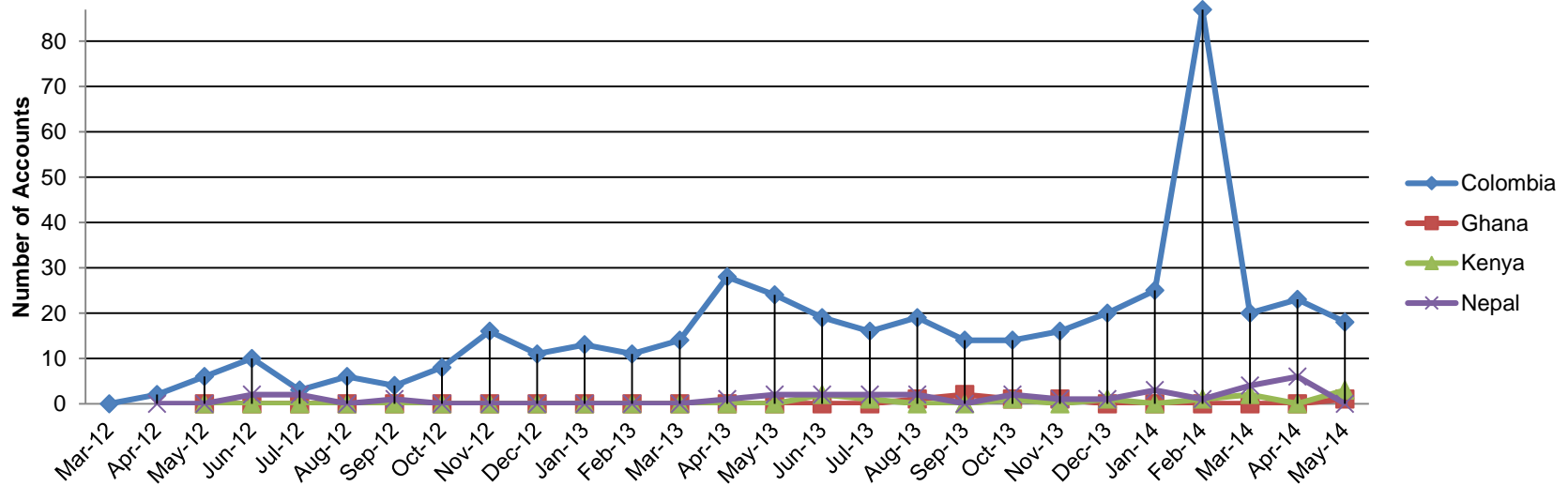


Figure 4.4. Number of Colombia Accounts Opened and BCS Outreach

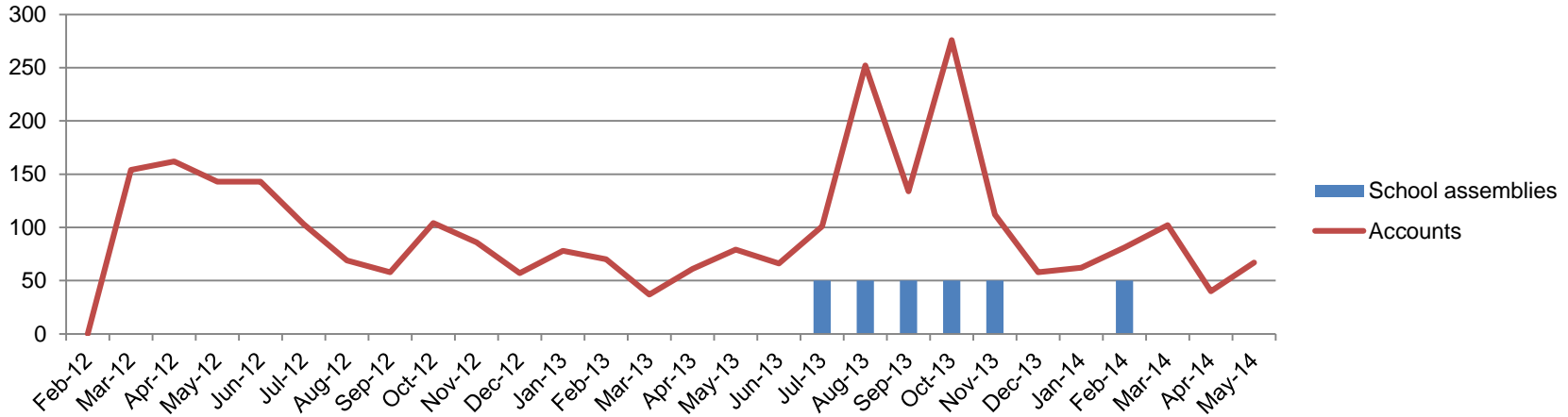


Figure 4.5. Number of Kenya Accounts Opened and Postbank Outreach

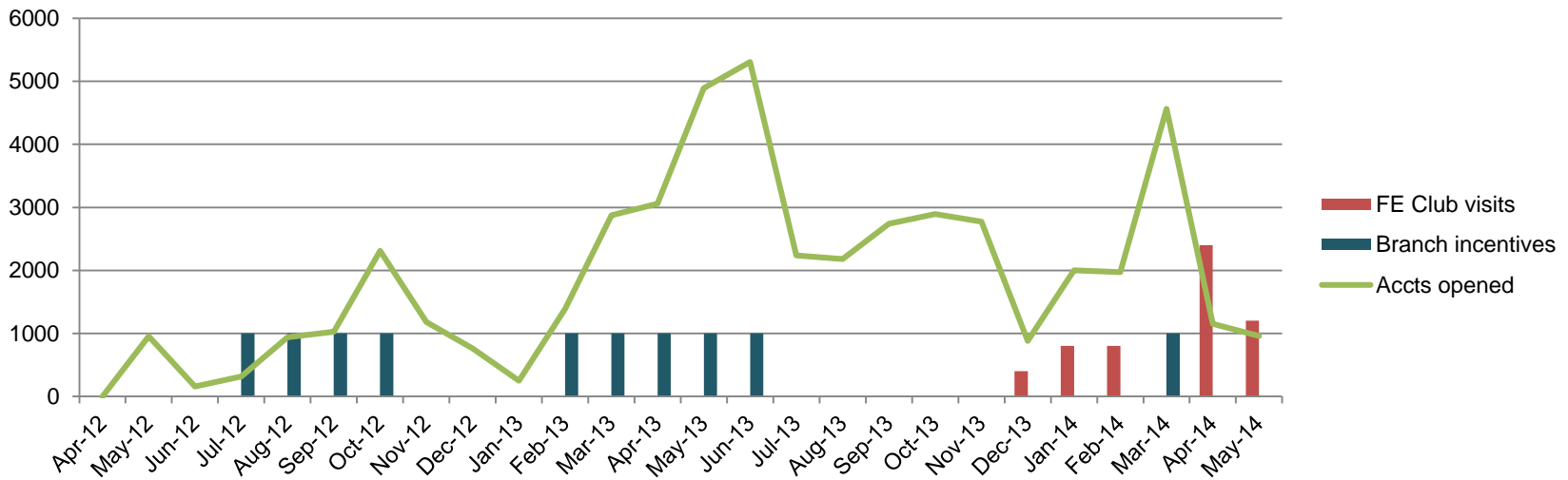


Figure 4.6. Number of Nepal Accounts Opened and BOK Outreach

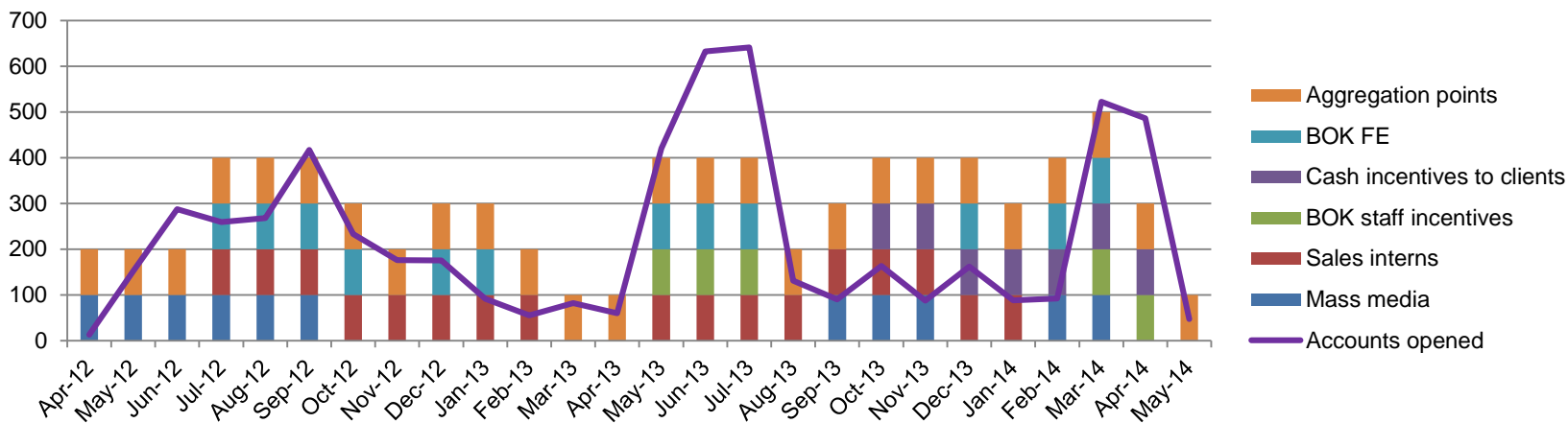
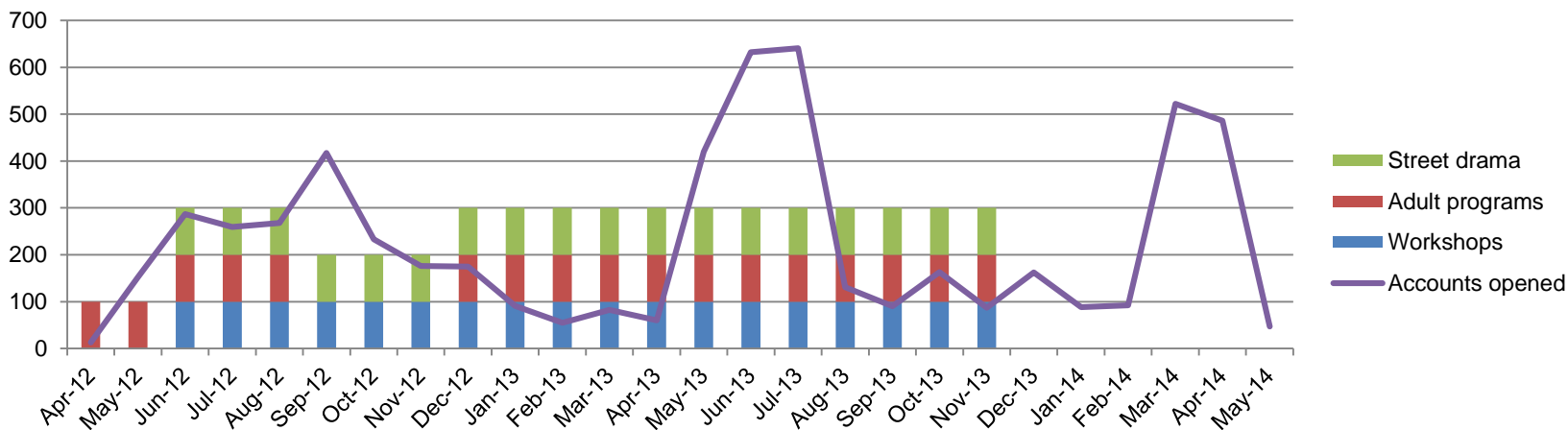


Figure 4.7. Number of Nepal Accounts Opened and SC-led Financial Education



Youth Account Holder Characteristics

Demographic characteristics of YouthSave participants are presented in Table 4.3. (These data are also shown by quarter in Appendices B.1–B.4.) Demographic information from Colombia is available only for gender, age, school status, education level, and poverty likelihood because the FI used its own application form and did not include the research questionnaire. A key question is whether the targeted population—low-income youth—opened accounts.

Table 4.3. Youth Account Holder Characteristics at Account Opening

| Variable | Colombia | Ghana | Kenya | Nepal | Total |
|-------------------------|---------------------|----------------------|----------------------|---------------------|----------------------|
| | (<i>N</i> = 2,755) | (<i>N</i> = 10,866) | (<i>N</i> = 49,797) | (<i>N</i> = 5,829) | (<i>N</i> = 69,247) |
| | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) |
| Age (account opening) | | | | | |
| Younger than 10 | 551 (20.0) | 116 (1.1) | 936 (1.9) | 28 (0.5) | 1,631 (2.4) |
| 10–12 | 954 (34.6) | 1,558 (14.3) | 2,942 (5.9) | 1,419 (24.3) | 6,873 (9.9) |
| 13–15 | 806 (29.3) | 5,160 (47.4) | 17,887 (35.9) | 1,362 (23.4) | 25,215 (36.4) |
| 16–18 | 444 (16.1) | 3,649 (33.6) | 24,000 (48.2) | 1,527 (26.2) | 29,620 (42.8) |
| 19–21 | 0 (0.0) | 345 (3.2) | 3,105 (6.2) | 1,470 (25.2) | 4,920 (7.1) |
| 22–24 | 0 (0.0) | 22 (0.2) | 180 (0.4) | 19 (0.3) | 221 (0.3) |
| 25–30 | 0 (0.0) | 8 (0.1) | 151 (0.3) | 3 (0.1) | 162 (0.2) |
| Older than 30 | 0 (0.0) | 8 (0.1) | 491 (1.0) | 1 (0.0) | 500 (0.7) |
| Missing | 0 (0.0) | 0 (0.0) | 105 (0.2) | 0 (0.0) | 105 (0.2) |
| Age (mean) (SD) | 12.7 (2.8) | 14.7 (2.3) | 16.3 (4.03) | 16.1 (3.5) | 15.9 (3.8) |
| Gender | | | | | |
| Male | 1,379 (50.1) | 4,968 (45.7) | 29,336 (58.9) | 3,420 (58.7) | 39,103 (56.5) |
| Female | 1,376 (49.9) | 5,898 (54.3) | 20,461 (41.1) | 2,409 (41.3) | 30,144 (43.5) |
| Currently in school | | | | | |
| Yes | 2,744 (99.6) | 10,817 (99.6) | 48,837 (98.1) | 5,496 (94.3) | 67,894 (98.1) |
| No | 11 (0.4) | 48 (0.4) | 734 (1.5) | 333 (5.7) | 1,126 (1.6) |
| Missing | 0 (0.0) | 1 (0.01) | 226 (0.4) | 0 (0.0) | 227 (0.3) |
| Education level | | | | | |
| No formal education | 0 (0.0) | 8 (0.1) | 14 (0.03) | 28 (0.5) | 50 (0.1) |
| Pre-school | 0 (0.0) | 1 (0.01) | 476 (1.0) | 41 (0.7) | 518 (0.8) |
| Primary* | 1,248 (45.3) | 1,970 (18.1) | 5,026 (10.1) | 1,095 (18.8) | 9,339 (13.5) |
| Secondary | 1,440 (52.3) | 8,868 (81.6) | 37,963 (76.2) | 4,250 (72.9) | 52,521 (75.8) |
| Technical or university | 56 (2.0) | 0 (0.0) | 158 (0.3) | 415 (7.1) | 629 (0.9) |
| Other | 11 (0.4) | 19 (0.2) | 0 (0.0) | 0 (0.0) | 30 (0.04) |
| Don't know | 0 (0.0) | 0 (0.0) | 2 (0.0) | 0 (0.0) | 2 (0.00) |
| Missing | 0 (0.0) | 0 (0.0) | 6,158 (12.4)** | 0 (0.0) | 6,158 (8.9) |

* Primary school consists of grades 1–6 in Ghana and Kenya and grades 1–5 in Colombia and Nepal

**Missing values primarily due to incorrect entries when data collection procedures first began.

Gender

Account uptake by gender differs by country as shown in Figure 4.8 and Table 4.3. Male youth lead account uptake in Kenya (58.9%) and Nepal (58.7%), whereas account uptake is nearly balanced (49.9% female) in Colombia. In Ghana, female youth have slightly higher account uptake (54%). Although it is not possible to make direct comparisons of account holder population to country population, country context helps explain gender patterns in account uptake. In this case, the gender ratio of YouthSave account holders mirrors the inequality index for Colombia and Kenya (see Table 1.1). In other words, contrasted with the other countries, Colombia has a more equal gender distribution in account uptake and a lower gender inequality index, and Kenya has a higher gender disparity in account uptake and a higher gender inequality index.

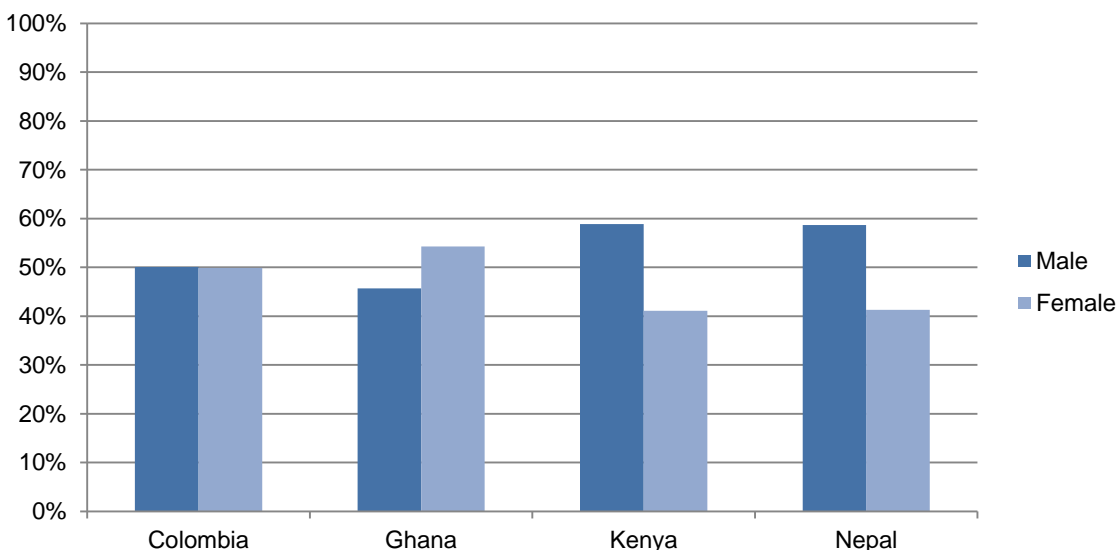
Age

The average age of account holders at account opening ranges from 12 to 16 years across countries. In Colombia, account holders are the youngest with the average aged approximately 13 years and none older than 18 years. Colombia has the highest percentage of youth account holders aged 12 years or younger (54.6%), which may reflect the regulatory policy that allows youth to open an account independently at age seven. The average Ghanaian account holder is aged 14.7 years with the largest category between 13 and 15 years (47.4%). In Nepal, the average account holder is aged 16 years with 51.8% being 16 or older. On average, Kenyan account holders are slightly older with a mean age of 16.3 years. As in Nepal, over 50% are aged 16 years or older.

School enrollment

Over 90% of youth in all countries report being enrolled in school. This result is not surprising given the focus of FI outreach to schools. More out-of-school youth are represented in Kenya (1.5%) and Nepal (5.7%) (see Table B.3.6 in Appendix B.3 and Table B.4.6 in Appendix B.4).

Figure 4.8. Account Uptake by Gender



Level of education

Among account holders in Colombia, 45.3% were in primary school (grades 1–5), and 52.3% were in secondary school (grades 6–12) at account opening. About 2% were attending higher education (technical school or university). In Ghana, the majority (81.6%) were in junior high school (JHS) and senior high school (SHS) (secondary [grades 7–12]), and 18.1% were in primary school (lower and upper primary [grades 1–6]). The greater representation of youth in JHS and SHS reflects HFC’s focus of outreach. Beginning in the fourth quarter of rollout, HFC’s strong outreach at savings fairs to SHS students doubled the proportion of their participation, increasing from an average 10% in Q3 to 22% in Q8 (see Table B.2.2 in Appendix B.2).

In Kenya, 76.2% of account holders were enrolled in secondary level (upper primary and high school [grades 7–12]) at time of account enrollment, while only 10% were in primary school (preschool and lower primary [grades 1–6]). Postbank conducted outreach mainly in secondary schools, which may explain the higher number of account holders being in secondary school and account holders’ older age. In Nepal, 72.9% were in secondary level education (grades 6–12), while only 18.8% were in primary level (grades 1–5).

When contrasted with country populations, the YouthSave population seems to be more educated. According to the Human Development Index, primary school dropout rates are 15% in Colombia, 27% in Ghana and Kenya, and 38% in Nepal. Over 90% of YouthSave account holders report being in school.

Estimated poverty rates

Table 4.4 shows the poverty rates of YouthSave account holders in each country as contrasted with national averages. Comparatively, a lower proportion of YouthSave account holders are from poorer households compared to the national distribution in each country except in Nepal. In Colombia, 10% of account holders live below a consumption-expenditure level of USD 2.50 per day, while the national poverty rate is 17%. In Ghana, 41% of YouthSave account holders live below a consumption-expenditure level of USD 2.50 per day while the national rate is 58%. In Kenya, 50% live below USD 2.50 per day whereas the national population is 68%. In Nepal, the percentage nearly reflects the national distribution with 67% of the YouthSave population living in poverty compared to 69% in the national population. While the YouthSave population is not as poor as the national percentage living in poverty, the products attracted a substantial proportion of poor households.

Youth demographics by gender

Table 4.5 shows youth demographics by gender. In all countries, male account holders tend to be slightly older with more education than their female counterparts, except in Colombia where a slightly larger proportion of female youth report a tertiary level of education. In Nepal, about 2% more females than males report being out of school. In Kenya and Nepal, the poverty rate for those living on USD 2.50 per day or less is slightly higher for females than males.

Table 4.4. Estimated Consumption-Based Poverty Rates

| | National population (%)* | YouthSave population (%) |
|-----------------------|-----------------------------|-----------------------------|
| Colombia | | |
| USD 1.25/day 2005 PPP | 5 | 3.0 |
| USD 2.50/day 2005 PPP | 17 | 10 |
| Ghana | | |
| USD 1.25/day 2005 PPP | 26 | 11 |
| USD 2.50/day 2005 PPP | 58 | 41 |
| Kenya | | |
| USD 1.25/day 2005 PPP | 36 | 23 |
| USD 2.50/day 2005 PPP | 68 | 50 |
| Nepal | | |
| USD 1.25/day 2005 PPP | 23 | 20 |
| USD 2.50/day 2005 PPP | 69 | 67 |

*(Schreiner, 2011, 2012, 2013; Schreiner & Woller, 2010)

Table 4.5. Youth Demographics by Gender

| | Colombia | | Ghana | | Kenya | | Nepal | |
|------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|--------------------------------------|--------------------------------------|-------------------------------------|-------------------------------------|
| | Male | Female | Male | Female | Male | Female | Male | Female |
| | (<i>N</i> = 1,379) <i>n</i> (%) | (<i>N</i> = 1,376) <i>n</i> (%) | (<i>N</i> = 4,968) <i>n</i> (%) | (<i>N</i> = 5,898) <i>n</i> (%) | (<i>N</i> = 29,336) <i>n</i> (%) | (<i>N</i> = 20,461) <i>n</i> (%) | (<i>N</i> = 3,420) <i>n</i> (%) | (<i>N</i> = 2,409) <i>n</i> (%) |
| Age | | | | | | | | |
| Younger than 10 | 263 (19.1) | 288 (20.9) | 51 (1.0) | 65 (1.1) | 394 (1.3) | 542 (2.7) | 10 (0.3) | 18 (0.8) |
| 10–12 | 465 (33.7) | 489 (35.5) | 735 (14.8) | 823 (14.0) | 1,284 (4.4) | 1,658 (8.1) | 712 (20.8) | 707 (29.3) |
| 13–15 | 425 (30.8) | 381 (27.8) | 2,305 (46.4) | 2,855 (48.4) | 10,599 (36.1) | 7,288 (35.6) | 658 (19.2) | 704 (29.2) |
| 16–18 | 226 (16.4) | 218 (15.8) | 1,637 (33.0) | 2,012 (34.1) | 14,452 (49.3) | 9,548 (46.7) | 1,058 (30.9) | 469 (19.5) |
| 19–21 | 0 (0.0) | 0 (0.0) | 215 (4.3) | 130 (2.2) | 2,075 (7.1) | 1,030 (5.0) | 965 (28.2) | 505 (21.0) |
| 22–24 | 0 (0.0) | 0 (0.0) | 16 (0.3) | 6 (0.1) | 123 (0.4) | 57 (0.3) | 13 (0.4) | 6 (0.2) |
| 25–30 | 0 (0.0) | 0 (0.0) | 3 (0.1) | 5 (0.1) | 102 (0.3) | 49 (0.2) | 3 (0.1) | 0 (0.0) |
| Older than 30 | 0 (0.0) | 0 (0.0) | 6 (0.1) | 2 (0.03) | 263 (0.9) | 228 (1.1) | 1 (0.03) | 0 (0.0) |
| Missing | 0 (0.0) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 44 (0.2) | 61 (0.3) | 0 (0.0) | 0 (0.0) |
| Currently in school | | | | | | | | |
| Yes | 1,372 (99.5) | 1,372 (99.7) | 4,943 (99.5) | 5,874 (99.6) | 28,793 (98.2) | 20,044 (98.0) | 3,198 (93.5) | 2,298 (95.4) |
| No | 7 (0.5) | 4 (0.3) | 24 (0.5) | 24 (0.4) | 391 (1.3) | 343 (1.6) | 222 (6.5) | 111 (4.6) |
| Missing | 0 (0.0) | 0 (0.0) | 1 (0.02) | 0 (0.0) | 152 (0.5) | 74 (0.4) | 0 (0.0) | 0 (0.0) |
| Education level | | | | | | | | |
| No formal education | 0 (0.0) | 0 (0.0) | 2 (0.04) | 6 (0.1) | 8 (0.03) | 6 (0.03) | 12 (0.4) | 16 (0.7) |
| Pre-school | 0 (0.0) | 0 (0.0) | 0 (0.0) | 1 (0.02) | 359 (1.2) | 117 (0.6) | 22 (0.6) | 19 (0.8) |
| Primary ^a | 619 (44.9) | 629 (45.7) | 958 (19.3) | 1,012 (17.2) | 2,595 (8.9) | 2,431 (11.9) | 557 (16.3) | 538 (22.3) |
| Secondary | 733 (53.2) | 707 (51.4) | 4,000 (80.5) | 4,868 (82.5) | 23,291 (79.4) | 14,672 (71.7) | 2,591 (75.8) | 1,659 (68.9) |
| Tech/university | 20 (1.4) | 36 (2.6) | 0 (0.0) | 0 (0.0) | 115 (0.4) | 43 (0.2) | 238 (6.9) | 177 (7.3) |
| Other | 7 (0.5) | 4 (0.3) | 8 (0.2) | 11 (0.2) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 0 (0.0) |
| Don't know | 0 (0.0) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 2 (0.01) | 0 (0.0) | 0 (0.0) | 0 (0.0) |
| Missing | 0 (0.0) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 2,966 (10.1) | 3,192 (15.6) | 0 (0.0) | 0 (0.0) |
| Poverty likelihood at USD 2.50/day | 9.92 (7.9) | 9.58 (7.2) | 41.46 (22.7) | 40.21 (22.2) | 47.36 (31.3) | 52.86 (30.3) | 66.25 (21.5) | 68.62 (21.3) |

^aGrades 1–6 in Ghana and Kenya and grades 1–5 in Colombia and Nepal

Note: Chi-square tests and t-tests indicated that none of the relationships is significant in Colombia. In Ghana, age, education level, and poverty estimates by gender are statistically significant at $p < .05$. In Kenya and Nepal, gender is statistically significant at $p < .05$ for all variables in the table.

Table 4.6. Youth Labor Market Participation

| | Ghana (<i>N</i> = 10,866) | Kenya (<i>N</i> = 49,797) | Nepal (<i>N</i> = 5,829) | Total (<i>N</i> = 66,492) |
|---------------------------|-------------------------------|-------------------------------|------------------------------|-------------------------------|
| | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) |
| Income in past six months | | | | |
| Yes | 950 (8.7) | 4,102 (8.2) | 1,057 (18.1) | 6,109 (9.2) |
| No | 9,780 (90.0) | 43,262 (86.9) | 4,772 (81.9) | 57,814 (86.9) |
| Don't know | 136 (1.3) | 1,579 (3.2) | 0 (0.0) | 1,715 (2.6) |
| Missing | 0 (0.0) | 854 (1.7) | 0 (0.0) | 854 (1.3) |
| Previous formal account | | | | |
| Yes | 521 (4.8) | 4,007 (8.0) | 883 (15.2) | 5,411 (8.1) |
| No | 10,020 (92.2) | 44,337 (89.0) | 4,824 (82.8) | 59,181 (89.0) |
| Don't know | 173 (1.6) | 821 (1.7) | 120 (2.0) | 1,116 (1.7) |
| Missing | 152 (1.4) | 632 (1.3) | 0 (0.0) | 784 (1.2) |
| Source of funds | | | | |
| Earned income | 544 (5.0) | 3,134 (6.3) | 897 (15.4) | 4,575 (6.9) |
| From family | 9,900 (91.1) | 41,269 (82.9) | 4,814 (82.6) | 55,983 (84.2) |
| Other | 422 (3.9) | 4,936 (9.9) | 118 (2.0) | 5,476 (8.2) |
| Missing | 0 (0.0) | 458 (0.9) | 0 (0.0) | 458 (0.7) |

Income and work in past six months

To obtain a snapshot of youth participation in the labor market, youth were asked whether they had earned income in the past six months, whether they previously had a formal financial account, and where they received funds to deposit into their account. As might be expected with this age group, over 80% reported no earned income and no preexisting account. They planned to use funds from parents to deposit into their savings account (Table 4.6). However, Nepalese youth reported having more earned income than Ghanaian and Kenyan youth (18% versus 8%).

Experience with formal bank accounts

Data suggest that the YouthSave account is the first experience of having a formal bank account for the majority of youth in the YouthSave countries. The proportion of youth who previously held a formal account is smaller in Ghana (4.8%) and Kenya (8.0%) than Nepal (15.2%). The higher percentage in Nepal may reflect the younger age (16 years) that a youth can own an account.

Source of funds

At account opening, over 80% of youth indicated that the source of money for savings will come from family. Some youth also reported that they plan to use earned income: 15.4% in Nepal, 6.3% in Kenya, and 5.0% in Ghana.

Table 4.7 provides information about youth labor market participation by gender. In Ghana, Kenya, and Nepal, more male account holders reported earned income in the prior six months and experience with formal banking. This finding is reflected in the source of funds for the savings, with males indicating more funds from earnings while females more frequently report family as the source of funds. The biggest differences by gender are reflected in Nepal.

Table 4.7. Youth Labor Market Participation by Gender

| | Ghana | | Kenya | | Nepal | |
|---------------------------|---------------------|-----------------------|----------------------|------------------------|---------------------|-----------------------|
| | Male (N = 4,968) | Female (N = 5,898) | Male (N = 29,336) | Female (N = 20,461) | Male (N = 3,420) | Female (N = 2,409) |
| | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) |
| Income in past six months | | | | | | |
| Yes | 512 (10.3) | 438 (7.4) | 2,858 (9.7) | 1,244 (6.1) | 713 (20.9) | 340 (14.2) |
| No | 4,399 (88.6) | 5,381 (91.2) | 25,247 (86.1) | 18,015 (88.0) | 2,692 (79.1) | 2,057 (85.8) |
| Don't know | 57 (1.1) | 79 (1.3) | 701 (2.4) | 878 (4.3) | 0 (0.0) | 0 (0.0) |
| Missing | 0 (0.0) | 0 (0.0) | 530 (1.8) | 324 (1.6) | 0 (0.0) | 0 (0.0) |
| Previous formal account | | | | | | |
| Yes | 269 (5.4) | 252 (4.3) | 2,497 (8.5) | 1,510 (7.4) | 564 (16.6) | 309 (12.9) |
| No | 4,533 (91.2) | 5,487 (93.0) | 26,069 (88.9) | 18,268 (89.3) | 2,776 (81.5) | 2,033 (84.8) |
| Don't know | 81 (1.6) | 92 (1.6) | 446 (1.5) | 375 (1.8) | 65 (1.9) | 55 (2.3) |
| Missing | 85 (1.7) | 67 (1.1) | 324 (1.1) | 308 (1.5) | 0 (0.0) | 0 (0.0) |
| Source of funds | | | | | | |
| Earned income | 294 (5.9) | 250 (4.2) | 1,901 (6.5) | 1,233 (6.0) | 618 (18.1) | 279 (11.6) |
| Family | 4,468 (89.9) | 5,432 (92.1) | 23,823 (81.2) | 17,446 (85.3) | 2,729 (79.8) | 2,085 (86.5) |
| Other | 206 (4.2) | 216 (3.7) | 3,275 (11.2) | 1,661 (8.1) | 73 (2.1) | 45 (1.9) |
| Missing | 0 (0.0) | 0 (0.0) | 337 (1.1) | 121 (0.6) | 0 (0.0) | 0 (0.0) |

Note: Chi-square tests indicated that, in all three countries, there was a significant difference by gender in every variable included in the table.

Household Characteristics of Youth

Household characteristics of the youth in Ghana, Kenya, and Nepal are presented in Table 4.8. Household data for youth in Colombia were not collected because of FI restrictions.

Head of household (HOH) relationship to youth

In all three countries, the majority of the youth report living in households whose head of household (HOH) is the father: 73.7% in Ghana, 73.5% in Kenya, and 82.2% in Nepal. The percentage who reports the mother as HOH is 21.4% in Kenya, 20.3% in Ghana, and 14.7% in Nepal. Some youth report being the HOH, and some report that households are headed by individuals who are neither the youth's father nor mother: 5.4% in Ghana, 3.4% in Kenya, and 3.1% in Nepal. In Ghana and Kenya, one reason these youth may not be living with their parents is that many live with nonrelatives as domestic helpers (Tsikata, 2009).

Number of household members

Across all countries, most youth live in households with five or more members. Nepal has a higher number of youth who live in smaller households with approximately 38% living with four or fewer household members, followed by Ghana with 32% and Kenya with 28%.

HOH education

Education levels of HOHs are highest in Kenya with 43.5% having obtained a technical school (24.2%) or university (19.3%) education. Only about 4% of Kenyan youth live in households whose heads do not have any formal education, contrasted with 9% in Ghana and 17% in Nepal. The country with the lowest HOH education level is Nepal with about 34% having primary or less education, followed by Ghana with 18% and Kenya with 15%. Contrasted with national averages, YouthSave households appear to be more educated. For those aged older than 25 years, the mean years of education in the general population ranges from three to seven (see Table 1.1). Among the YouthSave population, over half of HOHs have secondary-level education or more.

Mode of transportation owned by household

A potential indicator of wealth is asset ownership. Due to time limits in administering the questionnaire, the researchers included only one question to assess level of household wealth.

Table 4.8. Household Demographic Composition

| | Ghana (<i>N</i> = 10,866) | Kenya (<i>N</i> = 49,797) | Nepal (<i>N</i> = 5,829) |
|------------------------------------|-------------------------------|-------------------------------|------------------------------|
| | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) |
| HOH | | | |
| Father | 8,004 (73.7) | 36,621 (73.5) | 4,794 (82.2) |
| Mother | 2,209 (20.3) | 10,667 (21.4) | 855 (14.7) |
| Self or other | 585 (5.4) | 1,688 (3.4) | 180 (3.1) |
| Don't know | 68 (.6) | 357 (0.7) | 0 (0.0) |
| Missing | 0 (0.0) | 464 (0.9) | 0 (0.0) |
| Number of household members | | | |
| 3 or fewer | 1,441 (13.3) | 5,692 (11.4) | 434 (7.5) |
| 4 | 2,004 (18.4) | 8,062 (16.2) | 1,789 (30.7) |
| 5 | 2,380 (21.9) | 11,091 (22.3) | 1,622 (27.8) |
| 6 | 1,741 (16.0) | 10,999 (22.1) | 930 (15.9) |
| 7 or more | 2,978 (27.4) | 13,358 (26.8) | 1,054 (18.1) |
| Don't know | 322 (3.0) | 35 (0.1) | 0 (0.0) |
| Missing | 0 (0.0) | 560 (1.1) | 0 (0.0) |
| Number of household members (mean) | 5.23 (1.47) | 5.32 (1.44) | 5.05 (1.25) |
| HOH education level | | | |
| No formal education | 945 (8.7) | 1,964 (3.9) | 992 (17.0) |
| Primary | 1,078 (9.9) | 5,694 (11.4) | 984 (16.9) |
| Secondary | 2,767 (25.5) | 10,917 (21.9) | 2,409 (41.3) |
| Technical school | 1,283 (11.8) | 12,058 (24.2) | 85 (1.5) |
| University | 1,539 (14.2) | 9,632 (19.3) | 850 (14.6) |
| Don't know | 3,254 (29.9) | 8,903 (17.9) | 509 (8.7) |
| Missing | 0 (0.0) | 629 (1.3) | 0 (0.0) |
| Mode of transportation owned | | | |
| None | 5,392 (49.6) | 22,862 (45.9) | 2,387 (41.0) |
| Non-motorized | 1,098 (10.1) | 7,368 (14.8) | 1,614 (27.7) |
| Motorized | 3,297 (30.3) | 13,509 (27.1) | 1,621 (27.8) |
| Both (motorized/nonmotorized) | 951 (8.8) | 5,114 (10.3) | 207 (3.5) |
| Missing | 128 (1.2) | 944 (1.9) | 0 (0.0) |

Households who own motorized transportation are likely to be wealthier than those who own nonmotorized transportation or do not own any form of transportation. In each country, over 60% of youth report their family owns either nonmotorized or no form of transportation, with Nepal having the highest percentage (68.7%). The proportion of households with motorized transportation (e.g., motorcycle, scooter, car) is highest in Ghana (39.1%), followed by Kenya (37.4%) and Nepal (31.3%).

HOH experience with formal bank accounts

Over 60% of HOHs have had a bank account in a financial institution in each country (Table 4.9). These percentages should be viewed with caution given the number of “don’t know” responses.

HOH employment in the agricultural sector

More HOHs work in the agriculture sector in Kenya (28.1%) and Nepal (41.1%) than in Ghana (14.2%). These differences are not surprising given the larger proportions working in the agricultural sector in Kenya and Nepal, and the higher percentage of Ghanaians living in urban areas.

HOH employment status

The majority of the HOHs are either employed or self-employed. The proportion of self-employed HOHs is highest in Ghana (55.3%), followed by Kenya (36.1%) and Nepal (32.4%). Approximately 16% of youth in Nepal live in households whose heads are not employed, much higher compared to Kenya (8.2%) and Ghana (2.7%).

Table 4.9. Head of Household Labor Market Participation

| | Ghana (N = 10,866) | Kenya (N = 49,797) | Nepal (N = 5,829) |
|-----------------------------|-----------------------|-----------------------|----------------------|
| | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) |
| Previous bank account | | | |
| Yes (this or other FIs) | 6,761 (62.2) | 34,639 (69.6) | 3,690 (63.3) |
| No | 2,067 (19.0) | 5,258 (10.5) | 1,275 (21.9) |
| Don’t know | 2,038 (18.8) | 8,363 (16.8) | 864 (14.8) |
| Missing | 0 (0.0) | 1,537 (3.1) | 0 (0.0) |
| Work in agricultural sector | | | |
| Yes | 1,543 (14.2) | 14,001 (28.1) | 2,399 (41.1) |
| No | 8,495 (78.2) | 27,976 (56.2) | 3,297 (56.6) |
| Don’t know | 828 (7.6) | 6,698 (13.4) | 133 (2.3) |
| Missing | 0 (0.0) | 1,122 (2.3) | 0 (0.0) |
| Employment status | | | |
| Employed | 3,201 (29.4) | 21,631 (43.4) | 2,246 (38.5) |
| Self-employed | 6,006 (55.3) | 17,953 (36.1) | 1,887 (32.4) |
| Not employed | 292 (2.7) | 4,068 (8.2) | 932 (16.0) |
| Other | 557 (5.1) | 2,361 (4.7) | 764 (13.1) |
| Don’t know | 810 (7.5) | 2,928 (5.9) | 0 (0.0) |
| Missing | 0 (0.0) | 856 (1.7) | 0(0.0) |

Cosignature on account

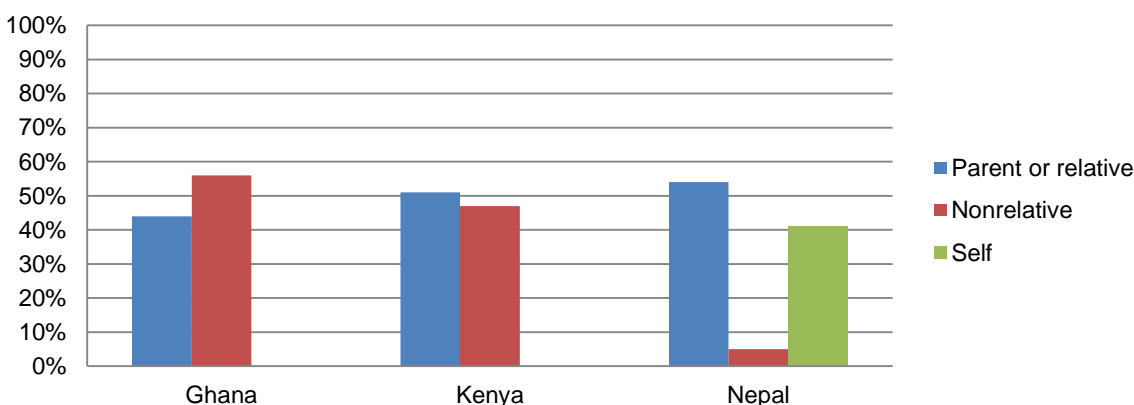
Findings in each of the three countries reflect differences in account ownership and cosignatory policy. In Ghana and Kenya, someone other than the parent (e.g., relative, other trusted adult, self) opened over half of the accounts, with the largest percentage being a nonrelative (Figure 4.9 and Table 4.10). There may be a few reasons for this result. One likely explanation is that in Ghana and Kenya, where outreach often occurs in schools, teachers can be named as the trusted adult instead of the parent or guardian, thus contributing to higher numbers of nonrelative cosignatory. Parents may simply not have the time, or their children live in other households as domestic helpers where parents are not available and the adults in the household may not want to assist in the process. In addition, parents may be reluctant to help their children open accounts because they are concerned that youth might start to steal money to make deposits.

It is also possible that the results reflect the market research findings that youth want the option for a trusted adult other than a parent (Deshpande, 2012). In Nepal, the cosignatory must be the parent or guardian, so it is not possible to know how many accounts would have been opened with a nonrelative had the option been available. However, it is notable that in an environment where the age of majority is 16 years, 41.5% were opened by the youth themselves. In all three countries, the mother was more likely to be cosignatory on the account than the father.

Table 4.10. Cosignatory on Account

| | Ghana (<i>N</i> = 10,866) | Kenya (<i>N</i> = 49,797) | Nepal (<i>N</i> = 5,829) |
|----------------|-------------------------------|-------------------------------|------------------------------|
| | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) |
| Father | 1,083 (10.0) | 9,525 (19.1) | 1,407 (24.1) |
| Mother | 1,901 (17.5) | 10,306 (20.7) | 1,548 (26.5) |
| Other relative | 1,773 (16.3) | 5,451 (10.9) | 151 (2.6) |
| Nonrelative | 6,109 (56.2) | 23,567 (47.3) | 306 (5.3) |
| Self | 0 (0.0) | 0 (0.0) | 2,417 (41.5) |
| Missing | 0 (0.0) | 948 (1.9) | 0 (0.0) |

Figure 4.9. Account Uptake by Account Signatory



Notably, these patterns differ by gender in Kenya and Nepal. The father is more likely to cosign for the male and the mother is more likely to cosign for the female account holder (Table 4.11). For account holders who sign for themselves in Nepal, far more are male (46.9%) than female (33.8%).

Table 4.11. Cosignatory on Account by Gender

| | Ghana | | Kenya | | Nepal | |
|----------------|---------------------|-----------------------|----------------------|------------------------|---------------------|-----------------------|
| | Male (N = 4,968) | Female (N = 5,898) | Male (N = 29,336) | Female (N = 20,461) | Male (N = 3,420) | Female (N = 2,409) |
| | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) |
| Father | 536 (10.8) | 547 (9.3) | 5,823 (19.8) | 3,702 (18.1) | 774 (22.6) | 633 (26.3) |
| Mother | 792 (15.9) | 1,109 (18.8) | 5,216 (17.8) | 5,090 (24.9) | 746 (21.8) | 802 (33.3) |
| Other relative | 794 (16.0) | 979 (16.6) | 3,123 (10.7) | 2,328 (11.4) | 71 (2.1) | 80 (3.3) |
| Nonrelative | 2,846 (57.3) | 3,263 (55.3) | 14,612 (49.8) | 8,955 (43.8) | 226 (6.6) | 80 (3.3) |
| Self | 0 (0.0) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 1,603 (46.9) | 814 (33.8) |
| Missing | 0 (0.0) | 0 (0.0) | 562 (1.9) | 386 (1.8) | 0 (0.0) | 0 (0.0) |

Note: Chi-square tests indicated that cosignatory on account was significantly different between male and female youth in all three countries.

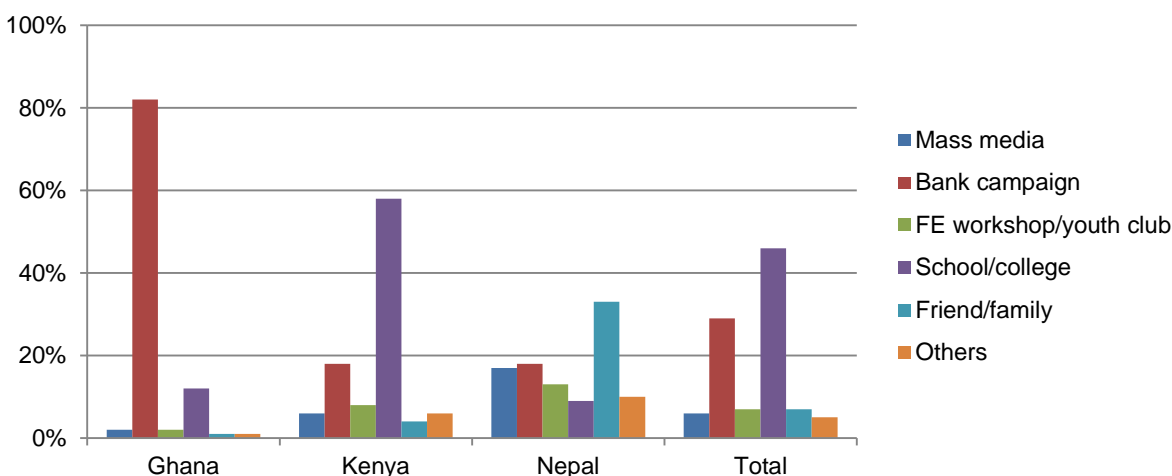
How Youth Learned about the Account

Youth account holders in Ghana, Kenya, and Nepal learned about YouthSave accounts from a variety of sources, to some extent revealing the success of different FI outreach strategies (Table 4.12 and Figure 4.10). There is no consistent pattern across the countries, which, again, may reflect the different outreach strategies the FI used. In Ghana, the majority of youth learned about the account through the HFC Outreach Program bank campaign (81.5%), followed by schools (12.4%). In Kenya, the majority of the youth indicated that they learned about the account through schools (58%). In both countries, this result likely reflects the heavy outreach FIs conducted at schools and through in-school banking in Ghana. In Nepal, youth were more likely to learn about the account through their friends or family (33.3%), bank campaigns (17.9%) or mass media (17%).

Table 4.12. Source for Learning about YouthSave Account

| | Ghana | Kenya | Nepal | Total |
|----------------------------------|--------------|---------------|--------------|---------------|
| | (N = 10,866) | (N = 49,797) | (N = 5,829) | (N = 66,492) |
| | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) |
| Radio/TV/newspaper | 201 (1.9) | 3,074 (6.2) | 991 (17.0) | 4,266 (6.4) |
| Bank fair/rallies/other campaign | 8,857 (81.5) | 9,197 (18.5) | 1,042 (17.9) | 19,096 (28.7) |
| FE workshop/youth club | 227 (2.1) | 3,774 (7.6) | 785 (13.5) | 4,786 (7.2) |
| School/college | 1,352 (12.4) | 28,904 (58.0) | 545 (9.3) | 30,801 (46.3) |
| Church/mosque/temple | 55 (0.5) | 498 (1.0) | 6 (0.1) | 559 (0.8) |
| Friend/family | 140 (1.3) | 2,220 (4.5) | 1,940 (33.3) | 4,300 (6.5) |
| Mobile phone | 0 (0.0) | 142 (0.3) | 15 (0.2) | 157 (0.2) |
| Internet | 1 (0.01) | 214 (0.4) | 81 (1.4) | 296 (0.5) |
| Others | 32 (0.29) | 1,194 (2.4) | 424 (7.3) | 1,650 (2.5) |
| Missing | 1 (0.01) | 580 (1.1) | 0 (0.0) | 581 (0.9) |

Figure 4.10. Account Uptake by Source for Learning about the YouthSave Account



With respect to gender, Ghanaian and Kenyan males and females were similarly likely to learn about the account through bank campaigns or school outreach (Table 4.13). In Nepal, both genders were most likely to hear about the CYBY account through friends and family. Nepalese female account holders were more likely than males to learn about the account through financial education workshops (15.2%) and bank fairs (20.1%), while males were more likely to learn about the account through mass media. In all three countries, more females than males learned about the account through a workshop or youth club. Though not as frequently mentioned, males report learning about the account through the Internet more often than females.

Table 4.13. Source for Learning about YouthSave Account by Gender

| | Ghana | | Kenya | | Nepal | |
|--------------------------------------|------------------------|--------------------------|-------------------------|---------------------------|------------------------|--------------------------|
| | Male (N = 4,968) | Female (N = 5,898) | Male (N = 29,336) | Female (N = 20,461) | Male (N = 3,420) | Female (N = 2,409) |
| | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) |
| Radio/TV/ newspaper | 87 (1.8) | 114 (1.9) | 1,822 (6.2) | 1,252 (6.1) | 653 (19.1) | 338 (14.0) |
| Bank fair/rallies/ other campaign | 4,153 (83.6) | 4,704 (79.8) | 5,556 (19.0) | 3,641 (17.8) | 557 (16.2) | 485 (20.1) |
| FE workshop or youth club | 66 (1.3) | 161 (2.7) | 1,846 (6.3) | 1,928 (9.4) | 420 (12.3) | 365 (15.2) |
| School/college | 548 (11.0) | 804 (13.6) | 17,223 (58.7) | 11,681 (57.1) | 300 (8.8) | 245 (10.2) |
| Church/mosque/ temple | 33 (0.7) | 22 (0.4) | 276 (0.9) | 222 (1.1) | 5 (0.1) | 1 (0.04) |
| Friend/family | 62 (1.3) | 78 (1.3) | 1,330 (4.5) | 890 (4.3) | 1,182 (34.6) | 758 (31.5) |
| Mobile phone | 0 (0.0) | 0 (0.0) | 91 (0.3) | 51 (0.3) | 13 (0.4) | 2 (0.1) |
| Internet | 1 (0.02) | 0 (0.0) | 161 (0.5) | 53 (0.3) | 68 (2.0) | 13 (0.5) |
| Other | 17 (0.3) | 15 (0.3) | 743 (2.5) | 451 (2.2) | 222 (6.5) | 202 (8.4) |
| Missing | 0 (0.0) | 0 (0.0) | 288 (1.0) | 292 (1.4) | 0 (0.0) | 0 (0.0) |

Note: Chi-square tests indicated that source for learning about account was significantly different between male and female youth in all three countries.

Youth Savings Goals

When asked during account opening about reasons for saving, many youth indicated that they are saving for their own education (78.9% in Ghana, 62.1% in Nepal, and 31.5% in Kenya) and emergencies (Kenya 29.3%) and Nepal (29.1%). In Kenya, an additional 16.9% indicate saving for day-to-day expenses (Table 4.14 and Figure 4.11).

Table 4.15 shows youth savings goals by gender. In Kenya and Nepal, the proportion of youth who report saving for their own education is higher among females than males, whereas more males save for emergencies and day-to-day expenses. In every country, male account holders selected business expenses as a reason for saving more often than females.

Table 4.14. Youth Savings Goals

| | Ghana (N = 10,866) | Kenya (N = 49,797) | Nepal (N = 5,829) | Total (N = 66,492) |
|----------------------|-----------------------|-----------------------|----------------------|-----------------------|
| | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) |
| Emergencies | 1,496 (13.8) | 14,574 (29.3) | 1,694 (29.1) | 17,764 (26.7) |
| Business | 264 (2.4) | 4,130 (8.3) | 118 (2.0) | 4,512 (6.8) |
| Own education | 8,572 (78.9) | 15,679 (31.5) | 3,619 (62.1) | 27,870 (41.9) |
| Relative's education | 113 (1.0) | 1,115 (2.2) | 37 (0.6) | 1,265 (1.9) |
| Day-to-day expenses | 163 (1.5) | 8,433 (16.9) | 223 (3.8) | 8,819 (13.3) |
| Trip/vacation | 48 (0.4) | 1,213 (2.4) | 66 (1.1) | 1,327 (2.0) |
| Job-related training | 20 (0.2) | 472 (0.9) | 39 (0.7) | 531 (0.8) |
| Other | 122 (1.1) | 3,622 (7.3) | 33 (0.6) | 3,777 (5.7) |
| Missing | 68 (0.6) | 559 (1.1) | 0 (0.0) | 627 (0.9) |

Figure 4.11. Account Uptake by Youth Savings Goal

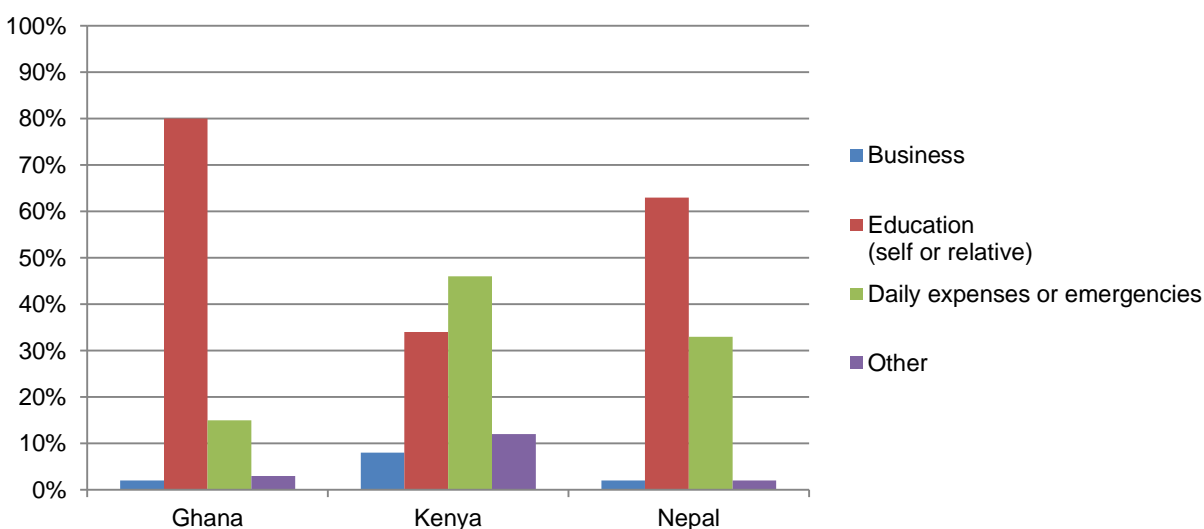


Table 4.15. Youth Savings Goal by Gender

| | Ghana | | Kenya | | Nepal | |
|----------------------|---------------------|-----------------------|-------------------------|---------------------------|------------------------|--------------------------|
| | Male (N = 4,968) | Female (N = 5,898) | Male (N = 29,336) | Female (N = 20,461) | Male (N = 3,420) | Female (N = 2,409) |
| | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) |
| Emergencies | 623 (12.5) | 873 (14.8) | 8,496 (29.0) | 6,078 (29.7) | 1,051 (30.7) | 643 (26.7) |
| Business | 127 (2.5) | 137 (2.3) | 2,850 (9.7) | 1,280 (6.3) | 87 (2.5) | 31 (1.3) |
| Own education | 3,941 (79.3) | 4,631 (78.5) | 8,067 (27.5) | 7,612 (37.2) | 2011 (58.8) | 1608 (66.8) |
| Relatives' education | 52 (1.1) | 61 (1.0) | 755 (2.6) | 360 (1.8) | 28 (0.8) | 9 (0.4) |
| Day-to-day expenses | 82 (1.7) | 81 (1.4) | 5,581 (19.0) | 2,852 (13.9) | 146 (4.3) | 77 (3.2) |
| Trip/vacation | 30 (0.6) | 18 (0.3) | 696 (2.4) | 517 (2.5) | 53 (1.6) | 13 (0.5) |
| Job-related training | 9 (0.2) | 11 (0.2) | 291 (1.0) | 181 (0.9) | 28 (0.8) | 11 (0.4) |
| Other | 55 (1.1) | 67 (1.1) | 2,312 (7.9) | 1,310 (6.4) | 16 (0.5) | 17 (0.7) |
| Missing | 49 (1.0) | 19 (0.3) | 288 (.9) | 271 (1.3) | 0 (0.0) | 0 (0.0) |

Note: Chi-square tests indicate that savings goals were significantly different for male and female youth at $p < .05$ in all three countries.

In Colombia, during the account opening process, FIs did not ask youth about their reasons for saving. Instead, FIs asked how much they wanted to save, how much time they perceived they would need to reach that goal, and how much their average monthly deposit would be. As shown in Table 4.16, a typical youth in Colombia plans to save approximately USD 600 (PPP) over 20 months with an average monthly deposit of USD 30. When viewed by gender, the amount of the savings goal and the months they project to meet the goal are significantly higher for male than female account holders (Table 4.17).

Table 4.16. *Cuentamiga para Jóvenes* Account Holder Savings Goals*

| | Mean (N = 2,741) |
|---|------------------|
| Total amount of savings goal (in PPP-converted USD) | 600.7 |
| Total months to reach goal | 19.7 |
| Average monthly deposit goal (in PPP-converted USD) | 30.1 |

*Fourteen values are missing for the savings goal variable

Table 4.17. *Cuentamiga para Jóvenes* Account Holder Savings Goals by Gender

| | Male (N = 1,374) | Female (N = 1,367) |
|--|---------------------|-----------------------|
| Total amount of savings goal (in PPP-converted USD)* | 679.1 | 522.0 |
| Total months to reach goal** | 20 | 19 |
| Average monthly deposit goal (in PPP-converted USD) | 33.8 | 26.4 |

* $p < 0.1$, ** $p < 0.05$.

Out-of-School Youth

Out-of-school youth comprise a very small portion of the YouthSave population with less than 1% in Colombia and Ghana, 1.5% in Kenya, and 5.7% in Nepal. Factors for the lack of participation in Ghana, Kenya, and Nepal include a strong outreach directed to in-school youth and challenges in recruitment. The reason for the higher percentage in Nepal may reflect SC and BOK collaboration with the nongovernmental organization (NGO) Underprivileged Children Association, UPCA, whose clients are low-income youth and predominantly school dropouts or part-time wage laborers. According to an internal project report, 205 of approximately 1,000 youth who participated in this collaborative's financial education workshops opened YouthSave accounts. This number represents over 60% of the total 333 YouthSave accounts opened by out-of-school youth in Nepal and suggests this may be a useful strategy for reaching the out-of-school population. The product's features of unrestricted withdrawals and favorable interest rate may also be attractive to this particular youth segment.

In Colombia, the 11 out-of-school YouthSave account holders tend to be slightly younger and poorer than the average Colombia YouthSave account holder with more males (7) than females (4) (Table B.1.5).

Most of the 78 Ghana out-of-school youth were aged between 13 and 18 years when they opened the account and almost half have JHS or more education (Table B.2.6). Approximately 30% indicated having income in the past six months, over three times more than the general YouthSave population. Interestingly, most are saving for education, but more indicate saving for business (16%) than among the overall Ghana YouthSave population (2%).

In Kenya, the 734 out-of-school account holders have a similar gender ratio as the in-school population with 53.3% males and 46.7% females (Table B.3.6). Like those in school, the majority of the out-of-school youth had no prior experience with an account. Over half are aged between 16 and 21 years with education levels between JHS and SHS. In contrast to in-school youth, out-of-school youth more often reported saving for a relative's education (14%) compared to the overall Kenya YouthSave population (2.2%).

The 333 out-of-school account holders in Nepal reflect a different population segment than the average Nepal YouthSave account holder. The gender difference of male to female is even greater in the out-of-school youth population with 66.7% male and 33.3% female. In addition, these youth tend to be older than the in-school population and have at least a secondary level of education. Over 43% had earned income in the past six months compared to only 18% of the overall Nepal YouthSave population. In terms of how they learned about the account, over half of these youth reported friends and family as the source of learning about the account. Most out-of-school youth reported saving for emergencies (48.4%) followed by their own education (27%) and day-to-day expenses (9.9%) compared to the overall Nepal YouthSave population who are mostly saving for their own education (62%).

Exposure to Formal Financial Services

Some youth have exposure to formal financial services based on their own and their HOH's experience with formal banking. To assess potential differences, account holders are divided between those who indicated both the HOH and the youth had prior formal banking experience (self and HOH), and those indicating neither the youth nor the HOH had prior experience with a formal account (neither self nor HOH).

Appendix Tables B.2.7, B.3.7, and B.4.7 highlight the differences between youth who have more or less financial exposure. Across the three countries, youth who have the least experience with formal financial services are younger and more likely to be saving for their own education. In Kenya and Nepal, youth with more exposure to formal financial services more frequently reported having income in the prior six months.

Summary of Account Uptake

Primary topics addressed in this chapter are the number of youth signing up for accounts, characteristics of these youth and their households, and the extent to which these characteristics reflect the target population that the FIs intend to reach.

In terms of access, YouthSave has worked with FIs to provide youth-friendly savings products to youth for approximately two years in Colombia, Ghana, Kenya, and Nepal. A total of 98,485 youth have opened YouthSave accounts. Of these youth, 69,247 (70%) are included in the SDA research. The average length an account has been open ranges from eight to 13 months.

Patterns associated with youth and household characteristics

- Youth who open accounts are on average aged 16 years. Youth in Colombia and Ghana are slightly younger, averaging 13 and 14 years, respectively. Over half of Colombia account holders are aged 12 years or younger, which may reflect the young age at which the youth can open accounts on their own (7 years old). The typical account holder is enrolled in the equivalent of grades 7–12.
- YouthSave FIs are reaching low-income youth. Based on estimated consumption-based poverty rates, approximately 48% of the YouthSave account holders across the four countries live below USD 2.50 per day (in 2005 PPP).
- Over half of the YouthSave population was enrolled in secondary level education or higher at the time of account opening. Based on the primary school dropout rate in each country, YouthSave account holders tend to be proportionally more educated than the general population.
- Only 1.6% of YouthSave account holders are out-of-school youth across all four countries, with Nepal having the highest percentage (5.7%). The higher number in Nepal may reflect greater effort in the past year by the FI to collaborate with NGOs to reach this population. Most of the out-of-school youth have some high school education. Out-of-school youth's lack of participation may reflect the difficulty of reaching this population as FI outreach activities often occurred in schools.

- Over 90% of Ghana and Kenya account holders and 80% of Nepal account holders have no previous formal bank experience. These results suggest that the YouthSave products are reaching unbanked youth. In Nepal, almost 20% of account holders have had prior bank accounts. The higher percentage in Nepal may reflect the younger age of majority (16 years), reinforcing how factors such as regulatory policy can affect financial inclusion.
- Some youth reported that their HOH did not have prior formal banking experience, ranging from 10% in Kenya to approximately 20% in Ghana and Nepal. This finding suggests that YouthSave may be reaching unbanked households.
- Countries differ in the number of accounts opened by gender. Male youth are opening more accounts than female youth by a ratio of 3:2 in Kenya and Nepal. In Colombia, gender is more equally represented, and in Ghana approximately 5% more females than males have opened accounts. Differences in gender participation may reflect cultural norms. In Nepal, for example, explanations from the field suggest the findings reflect the strong patriarchal social system. In addition, girls' schools, particularly in Kenya and Nepal, were more protective of the female youth with respect to external visitors; therefore, the FI had greater difficulty reaching them.
- Across the countries, compared to females, male account holders tend to be older and have more experience in the labor market. In Kenya and Nepal, males are also more likely to be saving for emergencies and day-to-day expenses. Of Nepal account holders who own their accounts (no cosigner), far more are male than female.
- Most youth in Ghana and Nepal are saving for their own education. In Kenya, youth are almost evenly divided between saving for education and emergencies. The differences by country may reflect age and the diversity of financial education and outreach offered. More YouthSave account holders are younger in Ghana and Nepal than in Kenya and thus may be saving for continued schooling. In addition, both FIs in Ghana and Nepal offered financial education as part of outreach at schools and messaging may have conveyed the importance of education.
- Over 80% of the youth reported having no earned income for the prior six months. A similar percentage indicated that their parents will be the primary source of funds for savings in the account. These findings suggest the importance of parental financial support to the youth.

Patterns associated with product design and outreach

- The way in which youth reported learning about the YouthSave account generally reflects the respective country's FI outreach efforts. In Ghana, for example, most youth reported learning about the opportunity through the HFC Outreach Program. In Kenya, the majority indicated they learned about the account from schools or a bank, reflecting Postbank's main outreach strategy. In Nepal, the responses were more diverse but the most reported categories were family or friends, bank campaigns, and mass media. Speculation from field

staff is that the “family or friends” response is actually a reflection of exposure to the media campaigns and financial education workshops.

- In Ghana and Kenya, someone other than a parent cosigned more than half of the opened accounts, with the largest percentage by a nonrelative. In both countries, teachers at schools or other “trusted adults” are allowed to cosign on the account to enable greater financial access when parents are not available. In Nepal, youth opened over 40% themselves, likely reflecting Nepal’s younger age of majority (16 years). These findings may reflect the influence of legal and regulatory policies on access.
- When a parent did cosign on an account, the mother was more likely to do so than the father in all three countries. In Kenya and Nepal, a father more often cosigned for the male account holder and a mother more often cosigned for the female account holder. Mothers cosigned more frequently because some children have a male parent who works out of town. In addition, women are more likely to share information with each other about the account and follow up to support their children to open the account.
- In Colombia and Kenya, FIs facilitated account access by allowing youth to open the account without an initial deposit. Some never made any deposit for the life of the account. For Colombia, this represents 40% of all opened accounts and reflects the challenge of offering flexibility in product access at the same time ensuring cost-effective investment for both client and FI.
- Patterns in account uptake appear to reflect FI outreach strategies for reaching this population segment. In Colombia, uptake increased when the FI altered some its product features, added staff incentives to sell the product, and began visiting schools to open accounts. In Ghana, youth opened more accounts in the second year when the FI intensified its outreach to schools through the employment of sales representatives, introduction of cash incentives and organization of savings fairs in senior high schools. In Kenya, spikes in uptake reflect FI promotional campaigns, FI branch competition incentives, and collaboration with youth community organizations. In Nepal, uptake reflects increases during mass media campaigns, and when FIs offered cash incentives for bank staff or account holders. In Colombia, Kenya, and Nepal, the presence of bank staff incentives appear to be especially effective in opening accounts. Months of lower account openings tend to reflect holidays, when FIs are not conducting outreach activities, or when schools are not in session. In all four countries, the decline in number of accounts opened within the last few months may reflect attainment of target goals and reduction in outreach as project concluded. This decline raises potential concern regarding ongoing efforts and resources to support youth financial inclusion in the absence of a project initiative.

This chapter provides a picture of who is signing up for YouthSave accounts, and patterns associated with product design and outreach. The next chapter describes how much they have saved in YouthSave accounts.

Chapter 5: Savings Performance

This chapter presents several measures of savings outcomes. Findings reflect cumulative and average amounts at points in time as well as savings based on length of time accounts have been held.

Total net savings across accounts

Table 5.1 presents measures of total net savings across all accounts during the reporting period between rollout and May 31, 2014, for each country. Total net savings across all four countries is USD 1,882,431.⁸

- In Colombia, 1,641 *Cuentamiga para Jóvenes* account holders deposited USD 725,837 and withdrew USD 297,124 over an average 13 months. Total net savings is USD 429,876.
- In Ghana, 10,866 *Enidaso* account holders deposited USD 519,946 and withdrew USD 151,324 over an average 8 months. Total net savings is USD 362,297.
- In Kenya, 48,270 *SMATA* account holders deposited USD 908,098 and withdrew USD 464,664 over an average 11 months. Total net savings is USD 425,065.
- In Nepal, 5,829 *CYBY* account holders deposited USD 4,594,390 and withdrew USD 3,959,418 over an average 13 months. Total net savings is USD 665,193.

Table 5.1 Total Savings in National Currencies (PPP-Converted USD)*

| Variable | Colombia <i>n</i> = 1,641 COP | Ghana <i>n</i> = 10,866 GHS | Kenya <i>n</i> = 48,270 KSH | Nepal <i>n</i> = 5,829 NPR | Total <i>N</i> = 66,606 USD |
|------------------------------------|-------------------------------------|-----------------------------------|-----------------------------------|----------------------------------|-----------------------------------|
| Total amount of deposits | 897,402,688 (725,837) | 415,957 (519,946) | 36,026,986 (908,098) | 155,216,868 (4,594,390) | 6,748,271 |
| Total amount of interest | 4,266,907 (3,451) | 1,706 (2,133) | 13,688 (345) | 1,074,751 (31,812) | 37,741 |
| Total amount of withdrawals | 367,354,784 (297,124) | 121,059 (151,324) | 18,434,600 (464,664) | 133,764,987 (3,959,418) | 4,872,529 |
| Total amount of service fees/taxes | 2,829,321 (2,288) | 6,767 (8,458) | 742,458 (18,714) | 53,747 (1,591) | 31,052 |
| Total net savings** | 531,485,468 (429,876) | 289,837 (362,297) | 16,863,616 (425,065) | 22,472,885 (665,193) | 1,882,431 |

*Researchers used the purchasing power parity (PPP) conversion rates for 2011 drawn from the IMF World Economic Outlook (WEO) dataset (<http://www.imf.org/external/pubs/ft/weo/2012/01/index.htm>).

**Total net savings = deposits + interest – withdrawals – taxes or service fees.

In overall net savings, Nepal represents 35% of the total, Colombia and Kenya each represent 23%, and Ghana represents 19%. Nepal account holders contributed 68% of the total amount of deposits followed by Kenya (13%), Colombia (11%), and Ghana (8%). At the same time, Nepalese youth also withdrew the most: 86% of total deposits made. Percentages were substantially less in the other

⁸ The data presented in the following sections omit accounts without any transaction activity from life of account, which includes 1,114 accounts from Colombia and 1,527 accounts from Kenya.

countries. Kenyan youth withdrew 51% of total deposits, followed by Colombia with 41% and Ghana with 29%. Nepal has the lowest service fees and taxes and no withdrawal restrictions, which may explain some of the differences. In addition, the Colombia and Ghana YouthSave products have more restrictive withdrawal policies compared to those in Kenya and Nepal (see Appendix A for detailed product features).

In Ghana and Kenya, total service fees and taxes exceed the interest earned on the account. This net loss in savings could be a disincentive for youth despite the security advantage of saving in a financial institution.

Table 5.2 and Figure 5.1 provide a summary of total net savings by quarter.⁹ Ghana is the only country that reflects a steady and increasing trend in quarterly net savings. This pattern reflects a lack of withdrawals and few closed accounts. In Colombia, the net amount saved was highest in the first quarter just after product rollout and lowest in May 2013. Savings increased again starting July 2013, the same timeframe that Banco Caja Social (BCS) made changes to the product features, and began visiting schools to open accounts. Savings in Kenya rose steadily with a few dips and a steep decline in net savings between October 2013 and February 2014. These declines may reflect account closings, expenditures during holiday season, and fewer opportunities to make deposits during school breaks. Nepal follows a similar pattern with a saving dip in February 2013 and a steep decline in February 2014 from a few large withdrawals. Increases in Nepal from March through May 2014 may reflect the bank staff and account holder incentives offered to boost account uptake and savings.

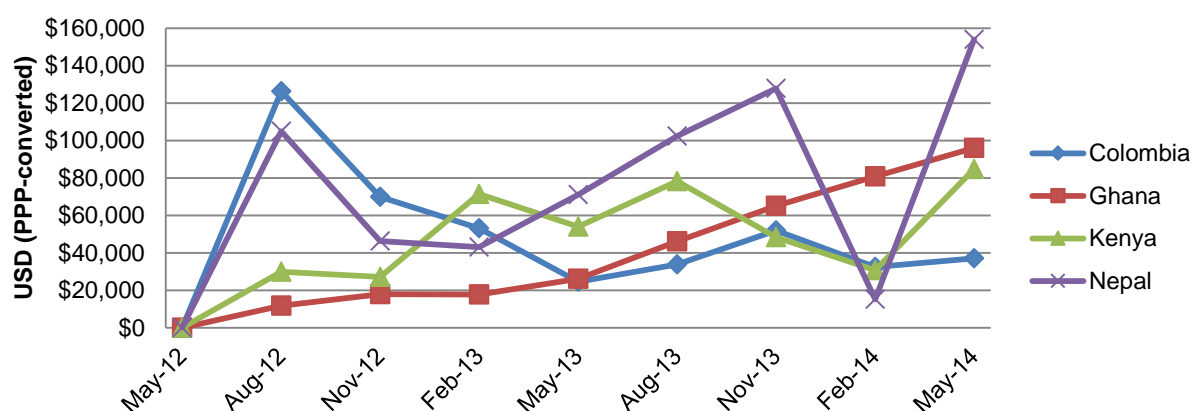
Table 5.2. Total Net Savings by Quarter in National Currencies (PPP-Converted USD)*

| Quarter | Colombia | Ghana | Kenya | Nepal |
|--------------|------------------------------|--------------------------|-----------------------------|-----------------------------|
| Q1 | 156,245,068 (126,374) | 9,456 (11,821) | 1,188,424 (29,955) | 3,548,13 (105,024) |
| Q2 | 86,467,656 (69,937) | 14,397 (17,996) | 1,079,035 (27,198) | 1,565,802 (46,347) |
| Q3 | 65,881,276 (53,286) | 14,310 (17,887) | 2,834,325 (71,442) | 1,455,342 (43,078) |
| Q4 | 30,512,076 (24,679) | 21,014 (26,267) | 2,146,683 (54,109) | 2,404,841 (71,183) |
| Q5 | 41,817,064 (33,822) | 36,908 (46,135) | 3,108,465 (78,352) | 3,458,637 (102,375) |
| Q6 | 64,293,720 (52,002) | 52,086 (65,108) | 1,920,941 (48,419) | 4,321,294 (127,910) |
| Q7 | 40,324,504 (32,615) | 64,723 (80,904) | 1,219,693 (30,744) | 517,110 (15,306) |
| Q8 | 45,944,104 (37,160) | 76,944 (96,180) | 3,366,050 (84,845) | 5,201,722 (153,970) |
| <i>Total</i> | <i>531,485,468 (429,876)</i> | <i>289,837 (362,297)</i> | <i>16,863,616 (425,065)</i> | <i>22,472,885 (665,193)</i> |

*Net savings = deposits + interest – withdrawals – taxes and service fees.

⁹ Q1 is the country's product rollout date through August 2012; Q2 is September through November 2012; Q3 is December 2012 through February 2013; Q4 is March 2013 through May 2013; Q5 is June through August 2013; Q6 is September through November 2013; Q7 is December 2013 through February 2014; and Q8 is March through May 2014.

Figure 5.1. Total Net Savings by Quarter (PPP-Converted USD)



Total net savings per account

Table 5.3 presents measures of total savings *per account* for each country. Some account holders have very high amounts of deposits and withdrawals that skew the average (i.e., mean). Therefore, we present mean and median (i.e., middle point of all values, which helps account for any extreme values) for each country.¹⁰ The average total net savings per account (i.e., balance) is USD 261.96 for Colombia, USD 114.12 for Nepal, USD 33.34 for Ghana, and USD 8.81 for Kenya. These amounts differ quite dramatically from the median amounts of USD 40.47 in Colombia, USD 5.95 in Nepal, USD 3.75 in Ghana, and USD 1.26 in Kenya. The differences indicate that some youth are saving relatively large amounts, thereby increasing the average.

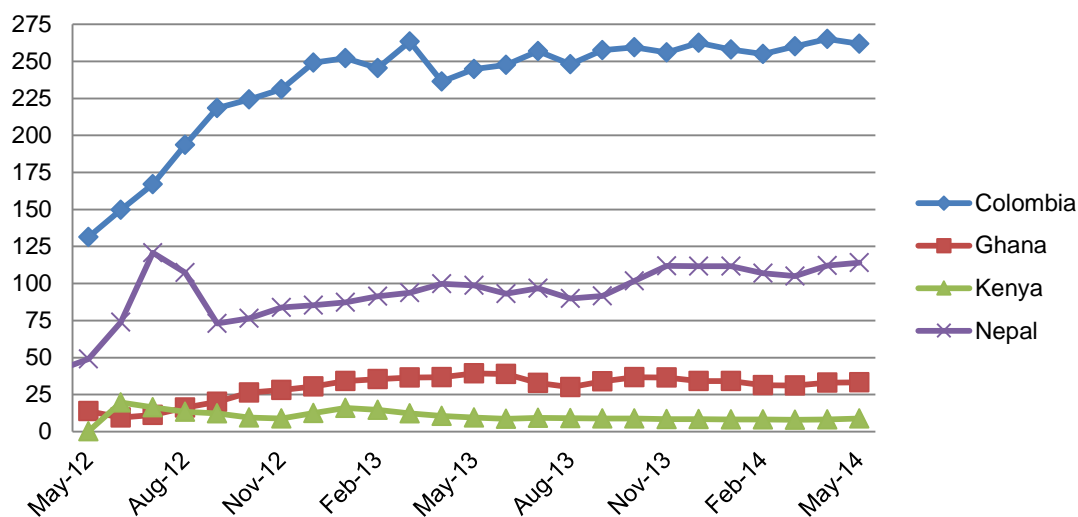
Table 5.3. Savings per Account in National Currencies (PPP-Converted USD)

| Variable | Colombia COP | | Ghana GHS | | Kenya KSH | | Nepal NPR | |
|--|---------------------|---------------------|------------------|----------------|-------------------|-----------------|--------------------|-------------------|
| | Mean | Median | Mean | Median | Mean | Median | Mean | Median |
| Average amount of deposits (including interest) | 549,464 (444.42) | 160,450 (129.78) | 38.44 (48.05) | 4.00 (5.00) | 746.65 (18.82) | 50.00 (1.26) | 26,813 (793.65) | 733.87 (21.72) |
| Average amount of withdrawals | 223,860 (181.06) | 0.00 (0.00) | 11.14 (13.93) | 0.00 (0.00) | 381.91 (9.63) | 0.00 (0.00) | 22,948 (679.26) | 33.33 (0.99) |
| Average amount of service fees/taxes | 1,724 (1.39) | 0.00 (0.00) | 0.62 (0.78) | 0.00 (0.00) | 15.38 (0.39) | 0.00 (0.00) | 9.22 (0.27) | 0.47 (0.01) |
| Average total net savings (balance) per account* | 323,879 (261.96) | 50,030 (40.47) | 26.67 (33.34) | 3.00 (3.75) | 349.36 (8.81) | 50.00 (1.26) | 3,855 (114.12) | 201.1 (5.95) |

*Net savings = deposits + interest – withdrawals – taxes and service fees.

¹⁰ See Tables B.1.7 and B.1.8 in Appendix B for Colombia, B.2.7 and B.2.8 in Appendix B.2 for Ghana, Tables B.3.8 and B.3.9 in Appendix B.3 for Kenya, and Tables B.4.8 and B.4.9 in Appendix B.4 for Nepal for more detail on the minimum and maximum values for each country.

Figure 5.2. Average Balance per Account by Quarter (PPP-Converted USD)



As shown in Figure 5.2, from the end of Q1 of product rollout in August 2012 to May 2014, account balances have approximately doubled. The exception is Kenya, where the significant increase in number of accounts opened may have reduced the average balance calculated per account (see Table C.3 in Appendix C).

In 2014, average balances per account have increased in Colombia and Nepal, though by a smaller percentage than in 2013, and fallen in Ghana and Kenya. In Ghana, the average balance fell from USD 39.24 in May 2013 to USD 33.34 in May 2014, and in Kenya from USD 9.46 to USD 8.81. In Colombia, the average balance rose from USD 244.89 in May 2013 to USD 261.96 in May 2014, and in Nepal the average rose from USD 98.78 to USD 114.12.

As noted in Chapter 3, Nepal's Bank of Kathmandu Ltd. (BOK) offered cash incentives to its account holders for seven months, between October 2013 and April 2014. Figure 5.3 shows average monthly balance mapped with the timeframe when BOK outreach occurred. Average monthly balance increased in three of seven months, maintained the higher balance in two of the months, and declined in February and March before increasing again in April. Further analysis in Table 5.4 shows that youth who received the incentives have significantly higher average monthly net savings (AMNS) than other account holders (see definition of AMNS below). These findings suggest incentives are a useful approach to increase youth savings. However, implementation of incentives was limited and the study was not designed to test causality. Further research is recommended to test effects of incentives on youth savings under controlled conditions.

Figure 5.3. Average BOK Balance per Account and BOK Outreach

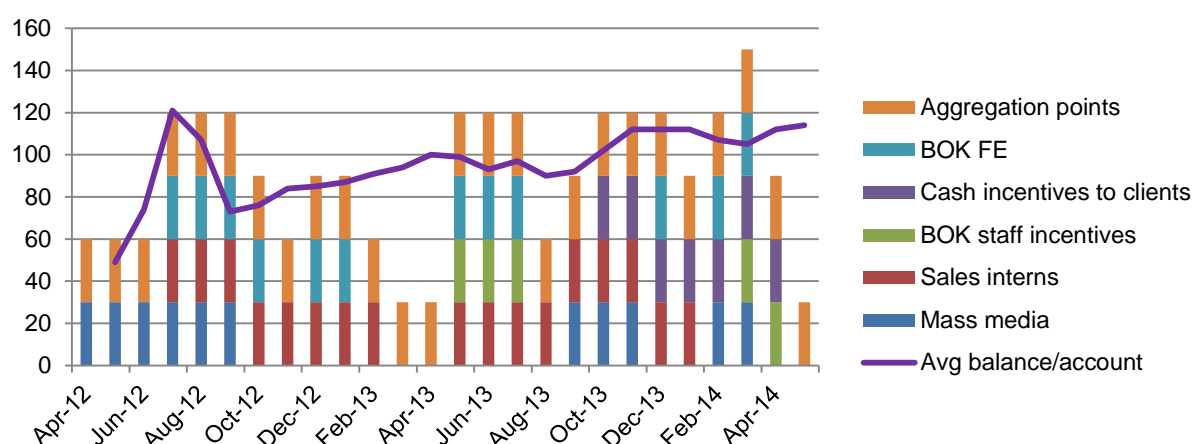


Table 5.4. Account Holders by Receipt of Incentives

| | Account holders who received YouthSave incentives ($n = 1,451$) | Account holders who did not receive YouthSave incentives ($n = 4,378$) |
|--|---|--|
| Average monthly net savings*** (PPP-converted USD) | 20.80 | 9.80 |

*** $p < .001$.

Table 5.5. AMNS per Account in National Currencies (PPP-Converted USD)

| | Colombia COP | | Ghana GHS | | Kenya KES | | Nepal NPR | |
|--|-------------------|-------------------|----------------|----------------|-----------------|----------------|-------------------|------------------|
| | Mean | Median | Mean | Median | Mean | Median | Mean | Median |
| Average monthly deposits (including interest) | 47,412 (38.35) | 15,005 (12.14) | 4.71 (5.89) | 0.80 (1.00) | 70.47 (1.78) | 7.14 (0.18) | 1,959 (58.00) | 106.20 (3.14) |
| Average monthly withdrawals (including fees/taxes) | 19,106 (15.45) | 0.00 (0.00) | 1.10 (1.38) | 0.00 (0.00) | 29.24 (0.74) | 0.00 (0.00) | 1,536 (45.46) | 11.12 (0.33) |
| AMNS* | 28,305 (22.89) | 4,841 (3.92) | 3.61 (4.51) | 0.67 (0.83) | 41.23 (1.04) | 7.14 (0.18) | 423.56 (12.54) | 38.11 (1.13) |

*AMNS = (deposits + interest – withdrawals – service fees and taxes)/months account has been open

Note: Because interest and fees/taxes are negligible amounts, they are added to overall deposits and withdrawals, respectively.

AMNS, average monthly net savings

Average monthly net savings

Average balances only reflect a point in time, but the product rollout period and length of account holding vary across and within countries. To account for these differences and more accurately assess savings performance, researchers calculate net savings *per month of participation* to obtain AMNS (Schreiner et al., 2001).

Measures of AMNS for each country are presented in Table 5.5. The AMNS is USD 22.89 in Colombia, USD 12.54 in Nepal, USD 4.51 in Ghana, and USD 1.04 in Kenya.

Figure 5.4. Average Monthly Net Savings by Year (PPP-Converted USD)

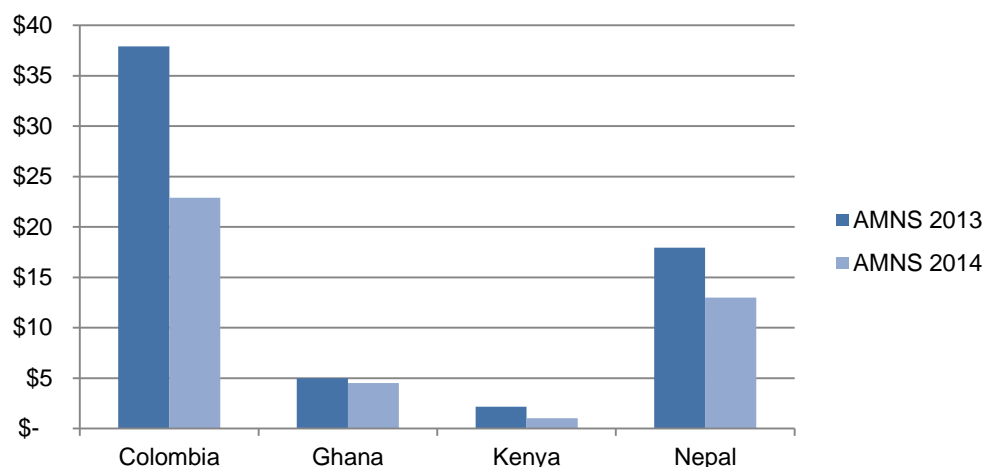


Figure 5.4 provides a graph comparing AMNS reported in 2013 and AMNS calculated in 2014 (Johnson, Lee, Osei-Akoto, Njenga, & Sharma, 2013). In 2014, AMNS is lower across all four countries but relatively much lower in Colombia and Nepal. This finding is particularly noteworthy because it appears to contradict the increase in average balance noted above for Colombia and Nepal. Because AMNS considers the length of time an account has been open, this finding provides a truer picture of savings behavior over time. In this case, Ghana reflects a relatively stable level of savings, and Colombia and Nepal show greater fluctuation of savings in the accounts through time.

Savings by length of account holding

Further analysis of savings shows that length of account holding is associated with savings. As shown in Table 5.6, in all countries, average net savings rises over time and is significantly higher the longer the account is held. However, in all countries except Ghana, AMNS is significantly higher for those holding accounts for less than 6 months than those holding accounts for 6 months or more. Possible reasons are that youth lose interest in the account after the first few months of saving, start making withdrawals over time, or are closing their account. In Ghana, withdrawal restrictions may be preventing or delaying withdrawals, whether it is the limited number of withdrawals allowed, or the lack of availability of the adult cosigner who must be present for the youth to take a withdrawal. Distance to the branch may also play a role, but data are not available to assess this relationship (Chowa et al., 2012; Zou et al., 2014). These findings indicate that savings is being maintained more consistently over time with the Ghana product than with the YouthSave product in the other countries.

Table 5.6. Frequency and Savings by Length of Account Holding

| | Average Total Net Savings–PPP Mean (SD) | Average Monthly Net Savings–PP Mean (SD) |
|---|--|---|
| Colombia | | |
| Less than 6 months (<i>n</i> = 245) | 173.40 (477.52) | 58.32 (178.78)*** |
| Between 6 and 12 months (<i>n</i> = 360) | 172.02 (424.22) | 20.75 (49.99) |
| 12 month or more (<i>n</i> = 1,036) | 314.16 (1,257.36) | 15.26 (51.88) |
| Ghana | | |
| Less than 6 months (<i>n</i> = 4,617) | 16.32 (82.83) | 5.20 (21.34) |
| Between 6 and 12 months (<i>n</i> = 4,011) | 36.08 (556.81) | 4.12 (51.22) |
| 12 month or more (<i>n</i> = 2,238) | 63.56 (356.86)*** | 3.80 (24.78) |
| Kenya | | |
| Less than 6 months (<i>n</i> = 10,391) | 6.49 (43.15) | 2.31 (14.14)*** |
| Between 6 and 12 months (<i>n</i> = 13,392) | 7.05 (96.19) | 0.80 (10.04) |
| 12 month or more (<i>n</i> = 24,487) | 10.75 (92.27)*** | 0.63 (5.13) |
| Nepal | | |
| Less than 6 months (<i>n</i> = 1,235) | 67.68 (399.64) | 25.95 (127.68)*** |
| Between 6 and 12 months (<i>n</i> = 1,274) | 82.33 (417.56) | 9.39 (42.93) |
| 12 month or more (<i>n</i> = 3,320) | 143.59 (1,069.00)** | 8.75 (75.54) |

p* < .01, *p* < .001.

High, medium, and low savers

There are large differences in savings across accounts, particularly among median, minimum, and maximum values. To understand these differences, the research team divided the sample into quartiles based on level of monthly savings. Youth in the highest quartile comprise the *high saver* group. Youth in the second and third quartiles are *medium savers*. Youth in the lowest quartile belong to the *low saver* group. Table 5.7 shows the groups for each country.

Table 5.7. High, Medium, and Low Savers

| Group | Number of savers N (%) | Mean AMNS (SD)*** | Minimum AMNS | Maximum AMNS |
|----------|---------------------------|----------------------|-----------------|-----------------|
| Colombia | | | | |
| High | 410 (25.0%) | 80.84 (156.25) | 16.50 | 2,166.83 |
| Medium | 820 (50.0%) | 5.40 (5.20) | 0.00 | 16.41 |
| Low | 411 (25.0%) | 0.00 (0.01) | 0.00 | 0.00 |
| Ghana | | | | |
| High | 2,716 (25.0%) | 15.64 (70.61) | 2.52 | 3,133.10 |
| Medium | 5,121 (47.1%) | 1.16 (0.63) | 0.42 | 2.52 |
| Low | 3,029 (27.9%) | 0.19 (2.06) | 0.00 | 0.42 |
| Kenya | | | | |
| High | 11,366 (23.5%) | 3.84 (18.70) | 0.42 | 813.61 |
| Medium | 25,081 (52.0%) | 0.22 (0.11) | 0.11 | 0.42 |
| Low | 11,823 (24.5%) | 0.08 (0.01) | 0.00 | 0.10 |
| Nepal | | | | |
| High | 1,457 (25.0%) | 47.54 (164.29) | 3.60 | 2,562.51 |
| Medium | 2,929 (50.2%) | 1.35 (0.99) | 0.26 | 3.60 |
| Low | 1,443 (24.8%) | 0.00 (0.30) | 0.00 | 0.26 |

* $p < .05$, ** $p < .01$, *** $p < .001$.

Note: Significant differences in mean AMNS exist between High and Low and between High and Medium in all four countries.

Across the four countries, high savers have significantly higher savings than both the medium and low savers. High savers in Colombia save an average USD 80.84 per month, USD 47.54 in Nepal, USD 15.64 in Ghana, and USD 3.84 in Kenya. Chapter 6 will explore transaction activity by high, medium, and low savers and the characteristics associated with these groups.

Summary of Savings Performance

- With accounts opened on average for approximately one year, youth have saved USD 1,882,431 (PPP-converted) across all four countries with average savings balances of COP 323,879 (USD 262) in Colombia, NPR 3,855 (USD 114) in Nepal, GHS 27 (USD 33) in Ghana, and KES 349 (USD 9) in Kenya. Median values are substantially less, suggesting some youth are saving high amounts. Though most accounts have modest balances, it is important to note that 66,606 youth in the research study have positive balances in formal savings accounts that most of them did not have before. Nepal and Kenya account holders withdrew the most funds in terms of the percentage of total amount they deposited. Account holders in these two countries may be using the savings account more like a transaction account.
- In Ghana and Kenya, total service fees and taxes are greater than interest earned, whereas in Nepal, the interest earned is much higher than service fees and taxes. Although it is not clear what effect these findings have on the youth, the financial policy on interest rates in Nepal may be an incentive to encourage savings. The net loss in savings in Ghana and Kenya could be a disincentive for youth despite the safety advantage of saving in a secure institution.

- Average monthly net savings is highest in Colombia (USD 22.89) followed by Nepal (USD 12.22), Ghana (USD 4.51), and Kenya (USD 1.04). However, AMNS has declined from the first year to the second in all countries. The FIs largely focused on reaching or exceeding account opening targets, but attention to account usage increased in the second year after most of the targets were reached.
- In Nepal, FIs offered cash incentives to account holders for a period of seven months, providing an opportunity to assess patterns in savings performance. Average monthly balance initially increased and maintained the higher balance in five of the seven months that the cash incentives were offered but declined in two of the months. Additional analysis shows that youth who received incentives have statistically significant higher average monthly savings than those who did not receive the incentives. These findings suggest cash incentives have a positive effect on youth savings performance. However, implementation of incentives was limited and the study was not designed to test causality. Further research is necessary to test effects of specific types of incentives on savings performance.
- When viewed across years, Ghana account holders have the most stable savings. It is the only country that does not show a significant reduction in AMNS over time. In Colombia, Kenya, and Nepal, AMNS is significantly higher in the first five months of account holding than those that follow. These findings suggest that youth are maintaining savings more consistently over time in the Ghana product than in savings products in the other countries. This pattern may be in part a result of the differences in withdrawal policies and practices and in the high number of accounts closed in Colombia. Other factors will be explored in later chapters.

This chapter presents findings on total savings accrued, average savings amount per account, and savings levels. The next chapter offers a more detailed look at account use based on transaction activity.

Chapter 6: Account Transaction Patterns

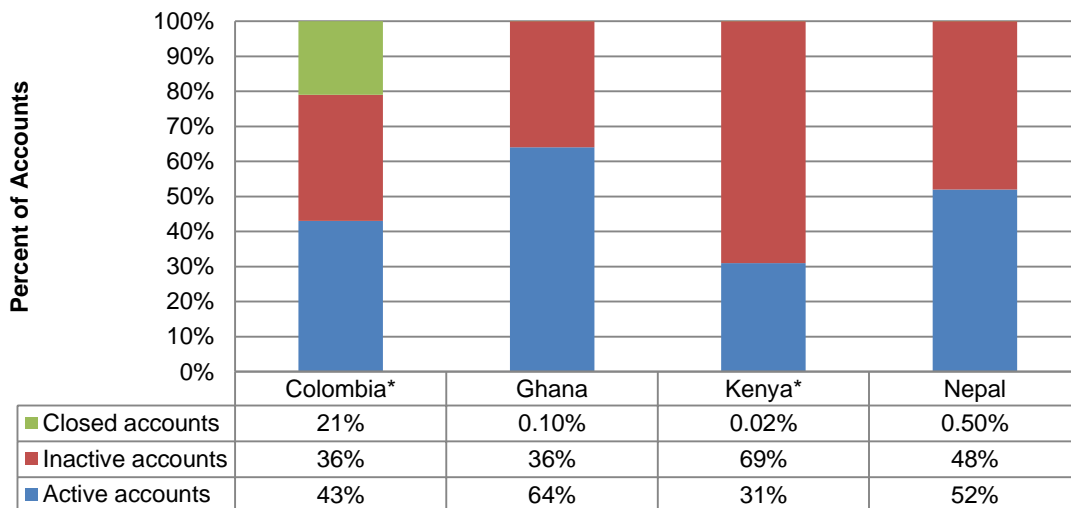
The previous chapters provide a picture of the youth who open accounts and the savings they have accrued. This chapter analyzes account transaction patterns and characteristics associated with more or less activity.

Figure 6.1 depicts account activity for each YouthSave product. Active accounts include any transaction activity from account holders within the past six months. The definition of an inactive (dormant) account varies by country. In Ghana, Kenya, and Nepal, an account is inactive if there has been no transaction activity for 12 months. In Colombia, an account is inactive if there has been no activity for six months. For the purposes of comparability, researchers define “inactive accounts” as those that have been open longer than six months, have had at least one deposit, but no transaction activity in the past six months.

Account activity is highest in Ghana with 64% of accounts active in the past six months followed by Nepal (52%), Colombia (43%), and Kenya (31%). Kenya has the lowest percentage of closed accounts but the highest percentage of inactive accounts. The number of closed accounts is negligible in all countries except Colombia where the rate is 21%.

Separate from inactive accounts, and as footnoted in Figure 6.1, some accounts were opened but have never had any transaction activity, neither an initial deposit nor a subsequent deposit. These include 1,114 in Colombia and 1,527 in Kenya (1,527). While this represents only 3% in Kenya, in Colombia it represents 40% of accounts. Previously noted in Chapter 4, youth opened 832 of these 1,114 (74.6%) accounts in the second year when Banco Caja Social (BCS) and Save the Children (SC) began conducting financial assemblies in the schools. Though the finding suggests the financial assemblies were effective for opening accounts, they were not as effective for ensuring account use.

Figure 6.1. Account Activity



*For Kenya, 1527 accounts without any transactions are excluded. For Colombia, 1114 accounts without any transactions are excluded.

Characteristics of the Colombian accounts without any transaction for the life of the account indicate that youth are likely to be younger, enrolled in primary school, and in middle or upper income levels (see Table B.1.11). Reasons for no activity are unknown but may be that youth were excited about the opportunity but did not have the money for the initial deposit, perhaps had difficulty getting to the bank to complete paperwork and make their initial deposit, or simply decided to save through other means.

Generally, account activity alone cannot be used to assess positive or negative account use. An inactive account can indicate low levels of withdrawals or deposits. At the same time, an active account could suggest high levels of deposits or withdrawals. Table 6.1 provides a summary of youth account transactions (e.g., deposits, withdrawals) since accounts were opened. Transaction-level data provide the basis for assessing account usage patterns and characteristics of depositors, withdrawers, and those who closed their account. These are explored below.

Deposit activity

The number of deposits during the study period range from 1.6 in Kenya to 5.6 in Colombia, with the most activity in Colombia and Nepal (see Table 6.1). The length of time the average account has been open—13 months in Colombia and Nepal, 11 months in Kenya, and 8 months in Ghana—suggests that Kenyan youth tend to make deposits approximately once every seven months, Ghanaian and Nepalese youth approximately every three months, and Colombian youth every other month. Compared to the previous year's SDA report (2013), deposit frequency declined about 2% in Colombia and Kenya.

Table 6.2 and Figure 6.2 show youth deposit activity and the proportion of youth who made at least one deposit per quarter, not including the initial deposit to open the account. Over 40% of youth in Colombia, 34% in Nepal, 17% in Ghana, and 5.6% in Kenya average one or more deposits per quarter. Tables 6.3 and 6.4 present findings from logistic regression, which examine characteristics associated with being an *active depositor* (i.e., a youth with an average of one or more deposits per quarter, excluding the initial deposit).

Table 6.1. Transaction Activity*

| | Colombia N = | Ghana N = | Kenya N = | Nepal N = |
|--|-----------------|--------------|--------------|--------------|
| | 1,641 | 10,866 | 48,270 | 5,829 |
| Total number of deposits | 9,208 | 24,993 | 78,141 | 22,138 |
| Total number of withdrawals | 813 | 702 | 12,105 | 29,665 |
| Number of youth that made deposits | 1,641 | 10,856** | 48,270 | 5,829 |
| Number of youth that made withdrawals | 737 | 351 | 5,191 | 3,413 |
| Percent of youth that made withdrawals | 45% | 3% | 11% | 59% |
| Average number of deposits per account | 5.6 | 2.3 | 1.6 | 3.8 |
| Average number of withdrawals by those who made a withdrawal | 1.1 | 2.0 | 2.3 | 8.7 |
| Average monthly number of deposits per account | 0.4 | 0.4 | 0.2 | 0.4 |
| Average monthly number of withdrawals by those who made a withdrawal | 0.1 | 0.2 | 0.2 | 0.7 |

*These data exclude accounts without any transactions for the life of the account.

**All youth made at least one deposit with the exception of ten cases in Ghana where there are fees or interest transactions, but no deposits.

Table 6.2. Youth Deposit Activity (excluding initial deposits)

| Averages | Colombia <i>n</i> (%) | Ghana <i>n</i> (%) | Kenya <i>n</i> (%) | Nepal <i>n</i> (%) |
|-------------------------------------|--------------------------|-----------------------|-----------------------|-----------------------|
| One or more deposits per quarter | 679 (41.4) | 1,914 (17.6) | 2,702 (5.6) | 1,981 (34.0) |
| One or more deposits per two months | 497 (30.3) | 1,250 (11.5) | 1,438 (3.0) | 1,186 (20.4) |
| One or more deposits per month | 59 (3.6) | 461 (4.2) | 467 (1.0) | 372 (6.4) |

Figure 6.2. Percent of Youth with Deposits (excluding initial deposits)

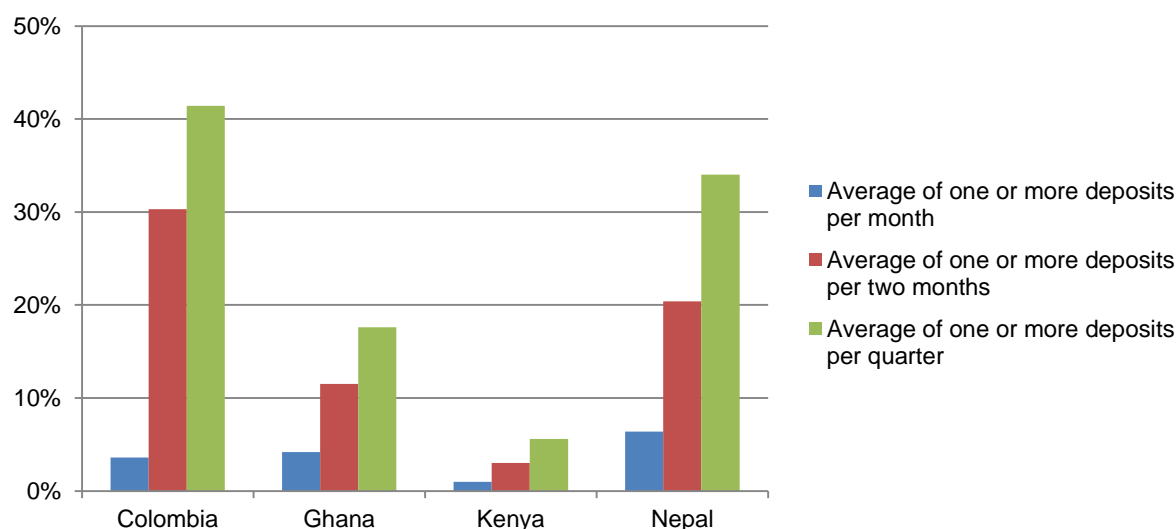


Table 6.3. Characteristics Associated with Deposit Activity in Ghana, Kenya, and Nepal

| | Ghana EST (SE) | Kenya EST (SE) | Nepal EST (SE) |
|---|---------------------------|--------------------------|---------------------------|
| Male | -0.04 (0.07) | 0.45 (0.06)*** | 0.01 (0.09) |
| Currently enrolled in school | -0.85 (0.49) [†] | -0.50 (0.19)** | -0.69 (0.34)* |
| School enrollment (Primary or below) | | | |
| Secondary | 0.17 (0.11) | -0.32 (0.08)*** | 0.19 (0.11) [†] |
| Higher secondary or above | -0.25 (0.16) | -0.55 (0.09)*** | 0.66 (0.21)** |
| Age (Younger than 13) | | | |
| 13–15 | -0.33 (0.11)** | -0.46 (0.09)*** | -0.16 (0.11) |
| 16–18 | -0.42 (0.13)** | -0.80 (0.10)*** | 0.48 (0.21)* |
| 19 or above | -0.86 (0.26)** | -0.65 (0.14)*** | 0.41 (0.26) |
| Past income | 0.13 (0.15) | 0.16 (0.10) [†] | 0.26 (0.18) |
| Past account | -0.07 (0.18) | 0.24 (0.09)* | -0.28 (0.15) [†] |
| Source of fund (Earned income) | | | |
| From parents | 0.65 (0.22)** | -0.11 (0.12) | -0.02 (0.20) |
| Other source | 0.61 (0.30)* | -0.03 (0.15) | -0.74 (0.46) |

| | Ghana | Kenya | Nepal |
|------------------------------------|-----------------|-----------------|-----------------|
| | EST (SE) | EST (SE) | EST (SE) |
| HOH | | | |
| (Father) | | | |
| Mother | 0.01 (0.14) | 0.14 (0.09) | 0.34 (0.14)* |
| Other | -0.22 (0.78) | -0.06 (0.38) | 1.67 (0.81)* |
| Poverty likelihood at USD 2.50/day | -0.0004 (0.004) | -0.0005 (0.003) | 0.0005 (0.006) |
| Number of household members | | | |
| (1–3) | | | |
| 4–5 | 0.11 (0.12) | -0.002 (0.10) | 0.24 (0.20) |
| 6 or above | 0.04 (0.14) | 0.003 (0.14) | 0.43 (0.24)† |
| HOH previous formal bank account | 0.16 (0.10) | 0.09 (0.09) | 0.56 (0.12)*** |
| HOH education level | | | |
| (No formal education) | | | |
| Primary | -0.16 (0.16) | 0.06 (0.17) | 0.07 (0.16) |
| Secondary | -0.13 (0.17) | 0.07 (0.17) | 0.04 (0.16) |
| Technical school | 0.01 (0.19) | 0.02 (0.18) | 0.45 (0.40) |
| University | -0.15 (0.20) | -0.08 (0.18) | -0.12 (0.20) |
| HOH employment in agriculture | -0.002 (0.12) | -0.15 (0.06)* | -0.45 (0.11)*** |
| HOH employment | | | |
| (Employed) | | | |
| Self-employed | 0.04 (0.09) | 0.05 (0.06) | -0.04 (0.12) |
| No employment | 0.55 (0.22)* | -0.07 (0.12) | 0.29 (0.16) |
| Other | -0.17 (0.19) | -0.11 (0.15) | 0.04 (0.15) |
| Mode of transportation owned | | | |
| (None) | | | |
| Nonmotorized | -0.16 (0.13) | -0.27 (0.09)** | -0.08 (0.14) |
| Motorized | -0.02 (0.09) | -0.13 (0.17) | -0.20 (0.15) |
| Both | 0.05 (0.14) | -0.21 (0.19) | 0.09 (0.26) |
| Cosignatory | | | |
| (Others) | | | |
| Parents | 0.0003 (0.08) | 0.33 (0.06)*** | 0.59 (0.18)** |
| Savings goal | | | |
| (Emergency) | | | |
| Business | 0.13 (0.26) | -0.37 (0.12)** | 1.21 (0.39)** |
| Education | -0.09 (0.11) | 0.10 (0.07) | 0.25 (0.12)* |
| Day-to-day expense | -0.13 (0.29) | -0.18 (0.09)* | -0.40 (0.34) |
| Other | -0.69 (0.37)† | -0.10 (0.10) | -0.82 (0.45)† |
| Source for learning about account | | | |
| (Bank campaign) | | | |
| Radio/TV/newspaper | -0.15 (0.25) | -0.02 (0.13) | 0.34 (0.18)† |
| Financial education/youth club | -0.94 (0.32)** | -0.18 (0.11) | 0.70 (0.16)*** |
| School/college | -0.98 (0.15)*** | -0.26 (0.07)*** | 1.01 (0.18)*** |
| Friend/family | -0.23 (0.30) | 0.44 (0.11)*** | 1.23 (0.15)*** |
| Others | 0.55 (0.33)† | -0.35 (0.16)* | 1.08 (0.19)*** |

EST, parameter estimates; SE, standard error; HOH, head of household.

† $p < .10$, * $p < .05$, ** $p < .01$, *** $p < .001$.

Table 6.4. Characteristics Associated with Deposit Activity in Colombia

| | Colombia EST (SE) |
|---|----------------------|
| Male | 0.24 (0.11)* |
| School enrollment (Primary or below) | |
| Secondary | 0.01 (0.14) |
| Technical/university | 0.41 (0.36) |
| Age (younger than 10) | |
| 10–12 | -0.01 (0.16) |
| 13–15 | -0.26 (0.18) |
| 16–18 | -0.13 (0.21) |
| Poverty likelihood at USD 2.50/day | -0.001 (0.007) |

EST, parameter estimates; *SE*, standard error.

Characteristics of youth who deposit more frequently vary by country, but a few patterns emerge. In Ghana, Kenya, and Nepal, out-of-school youth are likely to deposit more frequently than in-school youth. The finding is strongest in Kenya and Nepal, the countries that include more out-of-school YouthSave accounts. Possible reasons are that out-of-school youth are more likely to be engaged in economic activity with comparatively more resources to deposit than in-school youth, and using the account as both a transactional and savings vehicle. In all countries, but statistically significant only in Kenya and Nepal, youth are less likely to deposit frequently if the head of household (HOH) works in agriculture.

In terms of gender, males in Colombia and Kenya are likely to deposit more frequently than females.

Younger youth in Ghana and Kenya tend to deposit more frequently than older youth. The opposite is true in Nepal, where older youth are likely to deposit more often.

The way in which youth learned about the account is related to deposit frequency but differs by country. The differences may reflect more about the FI outreach efforts than an individual characteristic. In Ghana, for example, youth who reported learning about the account through the bank campaign (i.e., the main way youth learned about the account) deposit more frequently than those who learned about the account through any other means. In Kenya, account holders who learned about the account through friends or family tend to deposit more often. In Nepal, youth who learned about the product through school, youth workshops, media, and friends or family deposit more frequently than those who learned about the account through bank campaigns. This latter result may reflect the financial institution's (FI) strong outreach to diverse audiences including the media, schools, and financial education workshops.

In Nepal, the HOH's prior formal banking experience is associated with greater deposit frequency. In addition, youth are likely to make frequent deposits if the parents are cosignatory or if the HOH is the mother, oneself, or some other adult (but not the father). Youth are also more likely to make frequent deposits if they are saving for business or education reasons.

Youth in Ghana are more likely to deposit frequently if parents are the source of funds for the YouthSave account. This result is not surprising; one may expect that parent involvement would bolster deposit activity. What is interesting is that this finding is only true for Ghana.

In Kenya, youth with prior formal banking experience or youth whose parents are cosignatory on their account are likely to deposit more frequently. The youth make less frequent deposits if their family does not have motorized transportation or if the youth is saving for business or daily expenses.

Withdrawal activity

Account holders in Colombia and Nepal are both the most active depositors and the most active withdrawers. As highlighted in Figure 6.3, 59% of account holders in Nepal and 45% in Colombia made withdrawals, a strong contrast to the percentage of youth who made withdrawals in Kenya (11%), and Ghana (3%).

Table 6.5 shows the level of withdrawal activity across time. Nepalese youth made more withdrawals than youth in the other three countries with approximately 37% of youth withdrawing quarterly compared to approximately 3% in Colombia and Kenya, and less than 1% in Ghana. Withdrawals that do occur in these three countries are generally associated with closing an account (see Appendix tables B.1.10, B.2.12, B.3.12, and B.4.13).

One of the reasons for the low percentage of withdrawals may be product withdrawal restrictions.. Both the Ghana and Kenya products include a withdrawal fee. In addition, Ghanaian youth cannot make withdrawals in the first three months after account opening and only one per month thereafter. Particularly for account holders with a nonparent cosignatory, lack of availability of the adult cosigner, who must be present for the youth to take a withdrawal, may also be a limiting factor. After its first year, Colombia's FI changed its policy of one withdrawal per year to unlimited withdrawals. The Nepal savings product has no withdrawal restrictions or fees other than presence of cosignatory in the case of a minor.

Figure 6.3. Percent of Youth who made Withdrawals

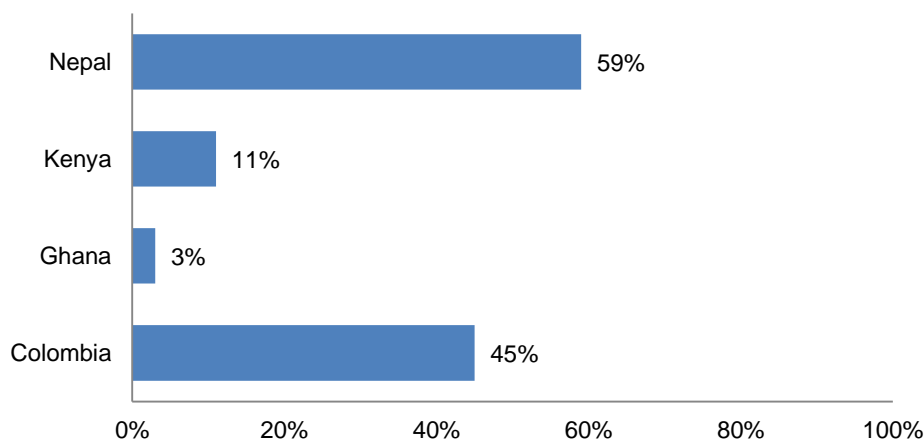


Table 6.5. Youth Withdrawal Activity

| Averages | Colombia <i>n</i> (%) | Ghana <i>n</i> (%) | Kenya <i>n</i> (%) | Nepal <i>n</i> (%) |
|--------------------------------------|--------------------------|-----------------------|-----------------------|-----------------------|
| No withdrawal | 904 (55.1) | 10,515 (96.8) | 43,079 (89.2) | 2,416 (41.5) |
| One or more withdrawal per 24 months | 582 (35.5) | 336 (3.1) | 4,928 (10.2) | 3,354 (57.5) |
| One or more withdrawal per 12 months | 217 (13.2) | 259 (2.4) | 3,510 (7.3) | 2,926 (50.2) |
| One or more withdrawal per quarter | 44 (2.7) | 87 (0.8) | 1,206 (2.5) | 2,145 (36.8) |
| One or more withdrawal per month | 7 (0.4) | 15 (0.1) | 78 (0.2) | 669 (11.5) |

Because the YouthSave products were developed as savings accounts, one might expect deposits to be the primary transaction activity. With the high numbers of withdrawals, though, it is important to understand what characteristics are associated with withdrawers.

Findings from logistic regression for each country are presented in Tables 6.6 and 6.7. Across Ghana, Kenya, and Nepal, males and youth in higher level grades consistently tend to withdraw more frequently than others. Those who learned about the account through mass media or through friends or family are also more likely to take withdrawals than those who reported learning through a bank campaign. In Colombia and Kenya, higher poverty likelihood is associated with fewer withdrawals. Other characteristics noted below are also associated with withdrawal activity but vary by country.

In Colombia, youth who withdraw are more likely to be aged on the older end of 12 to 18 years and in technical school or university.

In both Ghana and Kenya, youth who are more likely to withdraw tend to have had earned income in the past six months, had previous experience with formal banking, are saving for daily expenses, or their parents were cosignatory on their account. In Ghana, youth are less likely to withdraw if the HOH is employed in agriculture, the household has motorized transportation, or if the youth is saving for school or college.

In Kenya and Nepal, youth currently enrolled in school are less likely to withdraw than out-of-school youth. Kenyan youth are more likely to withdraw if they are saving for business or daily expenses or if their HOH is not the father. They are less likely to withdraw if the HOH has little education, the household has motorized transportation, or if they learned about the account through a financial education workshop or youth club.

In Nepal, youth who have secondary education or higher are more likely to withdraw than those who have primary education or lower. These youth are also more likely to withdraw if their mother is the HOH, or the HOH previously had a formal bank account. The youth are less likely to withdraw if the HOH is employed in agriculture or self-employed, and if they learned about the account through a financial education workshop or youth club.

To assess whether the Nepalese youth taking large amounts of withdrawals altered savings and characteristics outcomes, the research team separately analyzed the 261 (5%) account holders whose number of withdrawals exceeds 50. The average monthly net savings (AMNS) for this group is USD 18.73 compared to the USD 12.53 of all the Nepal account holders but the youth and household characteristics are essentially the same.

Table 6.6. Characteristics Associated with Withdrawal Activity in Ghana, Kenya, and Nepal

| | Ghana | Kenya | Nepal |
|---|----------------|------------------|----------------|
| | EST (SE) | EST (SE) | EST (SE) |
| Male | 0.39 (0.16)* | 0.49 (0.05)*** | 0.16 (0.07)* |
| Currently enrolled in school | - | -0.44 (0.16)** | -0.38 (0.21)† |
| School enrollment (Primary or below) | | | |
| Secondary | 0.72 (0.35)* | -0.01 (0.08) | 0.29 (0.10)** |
| Higher secondary or above | 1.20 (0.40)** | 0.21 (0.08)** | 0.41 (0.15)** |
| Age | | | |
| (Younger than 13) | | | |
| 13–15 | 0.25 (0.34) | -0.47 (0.08)*** | -0.07 (0.10) |
| 16–18 | 0.95 (0.36)** | -0.39 (0.08)*** | 2.19 (0.19)*** |
| 19 or above | 1.33 (0.45)** | -0.43 (0.10)*** | 1.93 (0.21)*** |
| Past income | 0.47 (0.28)† | 0.25 (0.07)*** | 0.07 (0.14) |
| Past account | 0.63 (0.27)* | 0.26 (0.07)*** | 0.10 (0.11) |
| Source of fund | | | |
| (Earned income) | | | |
| From parents | -0.09 (0.37) | 0.04 (0.09) | -0.04 (0.15) |
| Other source | 0.32 (0.50) | -0.03 (0.11) | -0.62 (0.31)* |
| HOH | | | |
| (Father) | | | |
| Mother | 0.26 (0.34) | 0.22 (0.07)** | 0.35 (0.12)** |
| Other | - | 0.54 (0.23)* | -0.13 (0.51) |
| Poverty likelihood at USD 2.50/day | -0.004 (0.009) | -0.006 (0.002)** | -0.001 (0.005) |
| Number of household members | | | |
| (1–3) | | | |
| 4–5 | 0.31 (0.26) | 0.06 (0.08) | -0.01 (0.16) |
| 6 or above | 0.20 (0.32) | 0.19 (0.10)† | 0.10 (0.19) |
| HOH previous formal bank account | -0.24 (0.22) | 0.04 (0.07) | 0.40 (0.09)*** |
| HOH education level | | | |
| (No formal education) | | | |
| Primary | 0.19 (0.41) | -0.26 (0.13)* | -0.07 (0.13) |
| Secondary | 0.59 (0.42) | -0.14 (0.13) | -0.16 (0.13) |
| Technical school | 0.68 (0.45) | -0.06 (0.13) | 0.39 (0.35) |
| University | 0.56 (0.46) | -0.19 (0.13) | -0.06 (0.16) |
| HOH employment in agriculture | -0.53 (0.30)† | 0.02 (0.05) | -0.21 (0.09)* |
| HOH employment | | | |
| (Employed) | | | |
| Self-employed | 0.13 (0.19) | 0.07 (0.05) | -0.19 (0.10)* |
| No employment | 0.87 (0.51)† | -0.06 (0.09) | 0.26 (0.13)* |
| Other | -0.06 (0.43) | 0.10 (0.10) | 0.18 (0.12) |
| Mode of transportation owned | | | |
| (None) | | | |
| Nonmotorized | -0.25 (0.30) | 0.04 (0.07) | 0.02 (0.11) |
| Motorized | -0.34 (0.19)† | -0.30 (0.12)* | -0.05 (0.12) |
| Both | 0.09 (0.26) | -0.25 (0.13)† | 0.11 (0.22) |
| Cosignatory | | | |
| (Others) | | | |
| Parents | 0.74 (0.17)*** | 0.47 (0.04)*** | 0.07 (0.16) |

| | Ghana | Kenya | Nepal |
|-----------------------------------|----------------|-----------------|----------------|
| | EST (SE) | EST (SE) | EST (SE) |
| Savings goal | | | |
| (Emergency) | | | |
| Business | -0.77 (0.75) | 0.28 (0.08)*** | 0.27 (0.29) |
| Education | 0.20 (0.22) | 0.0050 (0.06) | -0.005 (0.09) |
| Day-to-day expense | 0.86 (0.43)* | 0.19 (0.06)** | 0.22 (0.23) |
| Other | 0.09 (0.56) | 0.55 (0.07)*** | -0.12 (0.26) |
| Source for learning about account | | | |
| (Bank campaign) | | | |
| Radio/TV/newspaper | 0.87 (0.37)* | 0.37 (0.10)*** | 0.86 (0.13)*** |
| Financial education/youth club | -0.07 (0.48) | -0.54 (0.11)*** | 0.09 (0.13) |
| School/college | -0.74 (0.29)* | 0.09 (0.06) | 0.68 (0.14)*** |
| Friend/family | 1.62 (0.34)*** | 0.60 (0.09)*** | 0.41 (0.11)*** |
| Others | 1.12 (0.51)* | -0.15 (0.12) | 0.81 (0.15)*** |

EST, parameter estimates; *SE*, standard error; *HOH*, head of household

†*p* < .10, **p* < .05, ***p* < .01, ****p* < .001.

Table 6.7. Characteristics associated with Withdrawal Activity in Colombia

| | Colombia |
|------------------------------------|-----------------|
| | EST (SE) |
| Male | 0.14 (0.11) |
| School enrollment | |
| (Primary or below) | |
| Secondary | 0.05 (0.14) |
| Technical/university | 0.75 (0.40)† |
| Age | |
| (younger than 10) | |
| 10–12 | 0.17 (0.17) |
| 13–15 | 0.48 (0.18)* |
| 16–18 | 1.04 (0.21)*** |
| Poverty likelihood at USD 2.50/day | -0.02 (0.007)** |

EST, parameter estimates; *SE*, standard error

p* < .05, *p* < .01, ****p* < .001, †*p* < .10.

Closed accounts

More account holders in Colombia closed their accounts during the YouthSave initiative than account holders in other countries. To assess youth characteristics that may be associated with closed accounts, researchers analyzed the Colombia data using multinomial logistic regression (Table 6.8).

The likelihood of having a closed account increases with age and education level in Colombia. Closure rates also increase with the level of income, which indicates that youth in poorer households have a more constant saving behavior than the less poor. Reasons for closure are not available, but it may be that the less poor have other resource pools or accounts where they hold savings. The withdrawal rule of automatic closure on second withdrawal within one year may also have triggered account closures.

Table 6.8. Characteristics Associated with Closed Accounts in Colombia

| | Closed vs. active EST (SE) |
|---------------------------------------|-------------------------------|
| Male | 0.13 (0.14) |
| Education level (Primary or below) | |
| Secondary | -0.03 (0.18) |
| Technical school/university | 1.04 (0.49)* |
| Age (Younger than 10) | |
| 10-12 | 0.11 (0.24) |
| 13-15 | 0.47 (0.26) |
| 16-18 | 1.39 (0.28)*** |
| Poverty likelihood at USD 2.50/day | -0.02 (0.009)* |

EST, parameter estimates; *SE*, standard error

* $p < .05$, *** $p < .001$.

In addition, youth may have chosen to close their account once they reached their savings goal. Of the 348 youth that reached their savings goal, 111 (32%) closed their account. These 111 closed accounts represent 25% of the total 447 youth account holders who closed their accounts, reflecting the percentage that may have closed because they reached their savings goal (Table B.1.12).

Transaction activity and technology

The Kenya data provide some insight into use of mobile phone banking (Safaricom's M-PESA) and automated teller machines (ATMs). A total of 533 account holders transacted using either M-PESA or ATM. Table 6.9 shows that 455 account holders made deposits and 74 made withdrawals through M-PESA transactions. Though usage is very low overall in YouthSave (1%), the number and amount of deposits and withdrawals, and average monthly savings, are significantly higher than for the other Kenyan account holders (Tables 6.10, B.3.16, and B.3.17). These findings emphasize that this process is moving relatively large amounts of funds (relative to other SMATA transactions) in and out of these savings accounts and increasing net savings. Research on use in the country overall indicates that about 10% of the population use this service as a form of saving (Kaffenberger, 2014).

Table 6.9. Use of Phone-banking and ATM in Kenya

| Description | Type of transaction | |
|--|-------------------------|---------------------|
| | M-PESA ($n = 513$) | ATM ($n = 20$) |
| Number of accounts that had deposits | 455 | 8 |
| Mean number of deposits | 2.4 | 1.38 |
| Number of accounts that had withdrawals | 74 | 13 |
| Mean number of withdrawals | 1.99 | 1.08 |
| Number of accounts that had deposits and withdrawals | 16 | 1 |
| Mean number of deposits and withdrawals | 5.62 | 2 |

Table 6.10. Use of Phone Banking and ATM and Savings Performance in Kenya

| Averages | M-PESA and ATM transactions (<i>n</i> = 533) | Branch transactions (<i>n</i> = 47,737) |
|--|--|---|
| Monthly amount of deposits (PPP-converted USD)*** | 15.95 | 1.62 |
| Monthly amount of withdrawals (PPP-converted USD)*** | 10.92 | 0.59 |
| Monthly net savings (PPP-converted USD)*** | 4.75 | 1.00 |
| Monthly number of deposits*** | 0.48 | 0.20 |
| Monthly number of withdrawals*** | 0.13 | 0.02 |

****p* < .001.

In Nepal, the data allow us to analyze particular types of transactions including, ATM, POS, Visa debit card, and direct deposit of salary into YouthSave accounts (Tables 6.11–6.14). Across these transaction types, most youth are cosigners on their accounts and aged 16 years or older (see Tables B.4.18–B.4.21). The majority reports being in school at the time of account opening, and in secondary or higher grade level. Many of these youth previously had accounts (over 20%) and all were saving primarily for emergencies or their own education. More of the account holders use Visa cards (26%) followed by those who use ATMs (23%). A few transactions occurred through POS terminals (40 account holders) or as automatic salary deposits (21 account holders). Account holders with salary deposits made the largest transaction deposits. Youth using these types of transactions show higher amounts of deposits and withdrawals than those using other mechanisms, but only those using the ATM show significantly higher AMNS. This may be due to account holders using POS and Visa more for withdrawals than deposits, and withdrawing large amounts of one's salary. These findings in Kenya and Nepal indicate that these types of transactions tend to have more funds flowing in and out and associated with higher account usage and higher amounts of funds. This also reflects account usage by an older group of youth and their need for flexibility in accessing funds. Furthermore, these findings reinforce the value of technology in providing accessible mechanisms for transacting.

Table 6.11. Account Holder Use of ATMs in Nepal

| Averages | Account holders who have used an ATM at least once (<i>n</i> = 1,376) | Account holders who have not used an ATM (<i>n</i> = 4,453) |
|---|---|---|
| Monthly amount of deposits*** (PPP-converted USD) | 180.50 | 19.69 |
| Monthly amount of withdrawals*** (PPP-converted USD) | 161.01 | 9.73 |
| Monthly net savings*** (PPP-converted USD) | 20.04 | 10.22 |
| Monthly number of deposits*** | 0.65 | 0.35 |
| Monthly number of withdrawals*** | 1.40 | 0.12 |

****p* < .001.

Table 6.12. Account Holder Use of POS in Nepal

| | Account holders who have POS-related transactions (<i>n</i> = 40) | Account holders who do not have POS-related transactions (<i>n</i> = 5,789) |
|---|---|--|
| Average monthly amount of deposits *** (PPP-converted USD) | 310.55 | 55.90 |
| Average monthly amount of withdrawals*** (PPP-converted USD) | 278.01 | 43.84 |
| Average monthly net savings (PPP-converted USD) | 34.23 | 12.39 |
| Average monthly number of deposits*** | 0.78 | 0.41 |
| Average monthly number of withdrawals*** | 2.51 | 0.41 |

****p* < .001.

Table 6.13. Account Holders with Automatic Salary Deposits in Nepal

| | Account holders who have salary deposits (<i>n</i> = 21) | Account holders who do not have salary deposits (<i>n</i> = 5,808) |
|---|---|---|
| Average monthly amount of deposits*** (PPP-converted USD) | 253.79 | 56.94 |
| Average monthly amount of withdrawals*** (PPP-converted USD) | 217.94 | 44.82 |
| Average monthly net savings (PPP-converted USD) | 36.40 | 12.45 |
| Average monthly number of deposits*** | 1.28 | 0.41 |
| Average monthly number of withdrawals*** | 1.97 | 0.42 |

****p* < .001.

Table 6.14. Account Holders with Visa Debit Card Transactions

| | Account holders who have Visa-related transactions (<i>n</i> = 1,498) | Account holders who do not have Visa-related transactions (<i>n</i> = 4,331) |
|---|---|---|
| Average monthly amount of deposits*** (PPP-converted USD) | 113.92 | 38.18 |
| Average monthly amount of withdrawals*** (PPP-converted USD) | 103.22 | 25.46 |
| Average monthly net savings (PPP-converted USD) | 11.17 | 13.01 |
| Average monthly number of deposits*** | 0.37 | 0.43 |
| Average monthly number of withdrawals*** | 0.83 | 0.29 |

****p* < .001.

Transaction activity by high, medium, and low savers

In all four countries, the high savers group has a higher average monthly number and amount of deposits than the medium and low savers (Table 6.15). When compared to low savers, high savers make almost three times more deposits in Colombia, four times more in Nepal, six times more in Ghana, and seven times more in Kenya. The value of the average monthly deposits is also three and six times higher than low savers in Colombia and Nepal, respectively. In Ghana, the amount of monthly deposits is 45 times higher, and in Kenya the amounts are about 70 times higher than for low savers. Overall, the Colombia data indicate high and low savers have the highest average number of deposits but Nepalese account holders have the highest amount of deposits.

There are also important differences in withdrawal patterns among these groups. In Colombia, high savers withdraw less often than the medium and low savers. The average low saver withdraws almost 100% of deposits, the medium saver withdraws about 71%, and the high saver withdraws about 5% of deposits. For low savers, these withdrawals likely reflect account closures (recall that the average Colombian youth has taken about one withdrawal during the life of his or her account).

The opposite is true in the other three countries; high savers withdraw more often than low savers although the difference is very small in Ghana and Kenya as few withdrawals were taken. Low savers in Ghana withdraw an average of 50% of their deposits, medium savers withdraw about 23%, and high savers withdraw about 20%. In Kenya, low savers withdraw less than 1% of their deposits, medium savers withdraw about 55%, and high savers withdraw about 33%. In Nepal, the average low and medium savers withdraw 100% of their deposits, and high savers withdraw 50% of their deposits.

Overall, Kenya's high, medium, and low savers have the least number of deposits and withdrawals compared to the other three countries, which is in line with its high number of inactive accounts. Nepal's high, medium, and low savers, on the other hand, have the highest number and amount of withdrawals compared to the other countries. The high number and amount of both deposits and withdrawals for all saver levels reinforces the finding that many of Nepal's account holders are using the account more like a transaction account than a savings account, yet are still building savings.

Table 6.15. Account usage by high, medium, and low savers

| Monthly averages | Low Mean (SD) | Medium Mean (SD) | High Mean (SD) |
|--------------------------|------------------|---------------------|-------------------|
| Colombia | | | |
| Number of Deposits*** | 0.27 (0.32) | 0.38 (0.33) | 0.76 (0.46) |
| Number of Withdrawals*** | 0.08 (0.09) | 0.04 (0.10) | 0.01 (0.02) |
| Amount of Deposits*** | 24.84 (86.60) | 21.21 (107.42) | 85.66 (161.96) |
| Amount of Withdrawals** | 24.55 (86.50) | 15.67 (108.08) | 5.10 (34.46) |
| Ghana | | | |
| Number of Deposits*** | 0.12 (0.002) | 0.37(0.25) | 0.75 (0.88) |
| Number of Withdrawals*** | 0.002 (0.03) | 0.01 (0.08) | 0.02 (0.09) |
| Amount of Deposits*** | 0.44 (1.73) | 1.60 (4.76) | 20.00 (116.03) |
| Amount of Withdrawals*** | 0.20 (2.87) | 0.38 (4.42) | 4.19 (65.37) |
| Kenya | | | |
| Number of Deposits*** | 0.06 (0.02) | 0.16 (0.11) | 0.45 (0.45) |
| Number of Withdrawals*** | 0.0003 (0.008) | 0.01 (0.06) | 0.06 (0.17) |
| Amount of Deposits*** | 0.09 (0.26) | 0.51 (4.11) | 6.32 (29.08) |
| Amount of Withdrawals*** | 0.006 (0.26) | 0.28 (4.06) | 2.38 (19.13) |
| Nepal | | | |
| Number of Deposits*** | 0.17 (0.29) | 0.42 (0.43) | 0.65 (0.57) |
| Number of Withdrawals*** | 0.32 (0.80) | 0.41 (0.96) | 0.56 (1.18) |
| Amount of Deposits*** | 35.05 (163.72) | 40.84 (178.78) | 113.82 (300.25) |
| Amount of Withdrawals*** | 35.22 (163.93) | 39.60 (178.96) | 67.33 (234.75) |

*** $p < .001$; In Columbia and Kenya, posthoc tests showed that there were statistically significant differences between all three groups in all savings measures. In Ghana and Nepal, the number of deposits and the number of withdrawals were significantly different between all three groups; amount of deposits and amount of withdrawals were significantly different between the high and medium savers, and between the high and low savers.

Summary of Account Transaction Patterns

Account activity

- Across the four countries, an average 39% of research accounts are active in contrast to 61% that have had no activity from the account holder for the past six months. Ghana has the highest percentage of active accounts (64%) and Kenya has the lowest (31%). Less than 1% of all accounts are closed—except in Colombia, where 21% of accounts have been closed.
- In Colombia and Kenya, accounts could be opened without an initial deposit. In Kenya, this represents only 3% but in Colombia it represents 40% of accounts with no transactions for the life of the account. The product design and outreach changes made to the Colombia product appear to have been effective for opening accounts but not for saving in the accounts.
- Older youth and males are more likely to close accounts in Colombia. Reasons for closure are not available but some may have made more withdrawals than allowed triggering automatic closure, or reached their savings goal. Of those that closed their account, 25% had reached their savings goal.

- In Ghana, Kenya, and Nepal, out-of-school youth tend to use their account more actively than in-school youth. In these countries, they are likely to deposit more frequently. In Kenya and Nepal, out-of-school youth are also more likely to take withdrawals than in-school youth.
- The Kenya and Nepal data provide some insight into use of technology in financial transactions. In Kenya, a total of 455 account holders made deposits and 74 made withdrawals through mobile phone banking (Safaricom's M-PESA). Though usage is very low overall, the number and amount of deposits and withdrawals, and average monthly net savings (AMNS) is significantly higher than for the other Kenyan account holders. These findings emphasize that this process is moving relatively large amounts of funds (relative to other SMATA transactions) in and out of these savings accounts. In Nepal, youth who used ATMs, point-of-sale (POS), Visa debit cards, and direct deposits of salary into YouthSave accounts also show significantly higher number and amount of deposits and withdrawals than for the other Nepal account holders. However, only those using the ATM show significantly higher AMNS. This may be because account holders use POS and Visa more for withdrawals than deposits, and withdraw large amounts of their salary. For both Kenya and Nepal, these types of transactions tend to be associated with higher account usage and higher amounts of funds. These transactions also reflect account usage by an older group of youth and their need for flexibility in accessing funds. Furthermore, these findings reinforce the value of technology in providing accessible mechanisms for transacting.
- Overall, Colombia's high and low savers have the highest average *number* of deposits while Nepalese account holders have the highest *amount* of deposits across all four countries. Kenya's high, medium, and low savers have the least number and amount of deposits and withdrawals compared to the other three countries, which is in line with its high number of inactive accounts. Nepal's high, medium, and low savers, on the other hand, have high numbers of deposits and the highest number and amount of withdrawals compared to the other countries, reinforcing the finding that many of Nepal's account holders are using the account more like a transaction account than a savings account.

Characteristics associated with deposit activity

- On average, Kenyan youth tend to deposit about once every seven months, Ghanaian and Nepalese youth approximately once every three months, and Colombian youth once every other month.
- Approximately 2% of the youth made monthly deposits on average across all four countries. A greater percentage was able to make one or more deposits per quarter: 41% in Colombia, 34% in Nepal, 17% in Ghana, and 5.6% in Kenya.
- Younger youth in Ghana and Kenya have greater deposit activity than older youth. The opposite is true in Nepal, where older youth are more frequent depositors.
- When compared to low savers, high savers make almost three times more deposits in Colombia, four times more in Nepal, six times more in Ghana, and seven times more in Kenya. The value of the average monthly deposits is also three and six times higher than low

savers in Colombia and Nepal, respectively. In Ghana, the amount of monthly deposits is 45 times higher, and in Kenya the amounts are about 70 times higher than for low savers.

Characteristics associated with withdrawal activity

- In terms of withdrawals, 59% of account holders in Nepal and 45% in Colombia made withdrawals contrasted with youth who made withdrawals in Kenya (11%) and Ghana (3%). Product withdrawal restrictions may explain the low number of withdrawals in Ghana. Account closures and the lifting of withdrawal restrictions may explain higher numbers in Colombia. Lack of withdrawal restrictions and the ability to self-manage the account may reflect reasons for higher withdrawals in Nepal.
- The only characteristic associated with withdrawal activity shared across all four countries is youth being in secondary or higher education level. In all countries except Colombia, males tend to take more withdrawals than females, and those who learned about accounts through mass media or friends and family are more likely to take withdrawals than through other means.
- In Colombia and Kenya, youth with higher poverty likelihood tend to withdraw less often.
- Ghanaian and Kenyan youth who withdraw more frequently share similar characteristics, which may reflect similarities in the social, economic, and policy environment. In addition to males and those with higher education levels, account holders who had previous experience with formal banking or earned income in the previous six months tend to withdraw more than those who did not. Account holders who are saving for daily expenses are more likely to withdraw than those saving for other reasons. If the cosignatory is a parent, the youth is more likely to withdraw than if the cosignatory is someone else.
- In Colombia, high savers withdraw less often than the medium and low savers. The opposite is true in the other three countries; high savers withdraw more often than low savers although the difference is very small in Ghana and Kenya since few withdrawals were taken.
- The average high saver withdraws about 5% of deposits made in Colombia, 20% in Ghana, 33% in Kenya, and 50% in Nepal.

This chapter explores how youth use their savings accounts and characteristics associated with depositing, withdrawing, and not using the account at all. Younger youth tend to be more active depositors, and older male youth tend to be more active withdrawers. However, it is impossible to predict account usage based on youth characteristics alone and findings suggest that regulatory policies, product features, and financial services are important factors in youth opportunities to deposit and withdraw.

The next chapter focuses on youth and household characteristics and savings outcomes with a focus on overall savings performance.

Chapter 7: Youth and Household Characteristics and Savings Performance

This chapter presents a series of multivariate analyses that examine youth characteristics associated with average monthly net savings (AMNS). This represents the average savings balance per month since the youth opened the account. The first set of analysis includes the sample of all account holders who made transactions: 1,641 in Colombia, 10,866 in Ghana, 48,270 in Kenya, and 5,829 in Nepal (Tables 7.1 and 7.2). The second set of analysis assesses savings by the length of account holding, accounts that have been held six months or more, and accounts held 12 months or more (Tables C.5 through C.8). The third analysis reviews characteristics of high, medium, and low savers.

The research team recoded several youth and household characteristics variables for ease of cross-national comparisons. For the regression analysis, the research team transformed the dependent variable, AMNS, using a square-root because of the severe violation of a normality assumption. For all countries, the research team added branch-level fixed effects to the model to control for unobserved heterogeneity across branches. We discuss variables with statistical significance below. Because of data unavailability, the Colombia analysis model included only five independent variables and they are presented separately (Tables 7.2, C.6, and C.8).

Gender

Generally, there is little difference in savings by gender. Females tend to save more than males, but the finding is statistically significant only in Nepal.

School enrollment

School enrollment is not associated with savings except in Kenya. Out-of-school youth save more than in-school youth.

Level of education

Level of education may be related to savings behavior. In Ghana, senior high school students are likely to save more than youth with less education. However, this difference disappears for accounts held 12 months or more. In contrast, Kenya account holders with secondary level education or higher save less than those in primary education. This difference is not significant for the full sample, but it is for long-term account holders.

Age

In all four countries, youth aged younger than 13 years tend to save more than other age groups. This tendency holds for the full sample and long-term account holders although significance levels vary across countries. In Colombia, this finding is statistically significant for accounts held longer than 6 months and may reflect the fact that older youth are more likely to close their account, either because they reached their savings goal or to withdraw funds for other use.

Past account

Very few youth had prior experience with formal banking. Only in Kenya do findings show that youth who previously had an account save more than those who did not. One might expect similar results in other countries, but it may be that the number of youth in Ghana and Nepal who had prior experience were too few in number to distinguish statistical differences.

Head of household (HOH)

Youth in Ghana and Kenya who report that their mother is the HOH save more than those whose HOH is the father. However, the difference decreases in significance the longer the youth holds the account.

Poverty likelihood at USD 2.50 per day

Higher poverty likelihood is associated with less savings in Ghana, Kenya, and Nepal, but this relationship is statistically significant only in Ghana. In Ghana, the significant relationship disappears for youth who held accounts for 12 months or more. Higher poverty likelihood in Colombia is associated with higher savings but the difference is not statistically significant.

HOH experience with formal bank accounts

In Nepal, youth whose HOH has prior banking experience tend to save more. In Ghana and Kenya, the association is also positive but not statistically significant. Additional analysis of the Nepal data assesses prior experience of both the HOH and the youth, neither the HOH nor the youth, and either the HOH or the youth (Table B.4.11). Results indicate that youth save significantly more when either the youth or the HOH has prior formal banking experience.

HOH education level

The level of the HOH's education is not related to the amount youth have saved.

HOH employment

In Kenya, youth whose HOH is employed tend to save more compared to those whose HOH is self-employed or unemployed. These relationships are statistically significant for the youth holding accounts for six months or more.

Transportation ownership

Ghanaian youth living in a household that owns motorized transportation are likely to save more than those without motorized transportation. This finding is consistent with the hypothesis that those with more resources are likely to have higher savings.

Cosignatory on account

As shown in Tables 7.1, C.5, and C.7, savings by Ghanaian and Kenyan youth is significantly higher when a parent is the cosignatory on the account, whether the account has been held for a shorter or

longer time period. A likely explanation is that parents provide greater support than other adult cosignatories, which is confirmed in evidence from YouthSave in-depth interviews (Zou et al., 2014).

Savings goal

In Kenya, youth saving for their own education tend to save more than those saving for other purposes if the account has been open longer than six months. However, the significance declines after the account has been held for more than 12 months.

Source for learning about account

In Ghana, Kenya, and Nepal, youth who indicated learning about the account through family or friends, mass media, and “other” unidentified means have higher savings than those who reported learning about the account through school, bank campaign, or financial education club. This finding may be somewhat perplexing given the strong outreach efforts by the financial institutions (FIs) at schools and through youth clubs and workshops. However, many of these outreach efforts focused on lower income communities, which may have drawn in youth with fewer resources to deposit in the accounts. In addition, youth who learned about the account through friends, family, or mass media had to make an effort to get to the FI to open an account; therefore, they may have been more motivated (self-selected) than youth who learned through school or a club where peer pressure or the presence of the FI may have made been more of a motivator than the desire or ability to save.

Table 7.1. Multivariate Analysis Results (Branch-Level Fixed Effects Model)

| | Ghana EST (SE) | Kenya EST (SE) | Nepal EST (SE) |
|------------------------------------|-------------------|-------------------|-------------------|
| Male | -0.01 (0.05) | -0.0003 (0.01) | -0.31 (0.08)*** |
| Currently enrolled in school | -0.17 (0.39) | -1.17 (0.05)*** | 0.11 (0.20) |
| Education level | | | |
| (Primary or below) | | | |
| Secondary | 0.22 (0.08)** | -0.02 (0.02) | 0.02 (0.12) |
| Higher secondary or above | 0.53 (0.11)*** | -0.02 (0.02) | 0.13 (0.17) |
| Age | | | |
| (Younger than 13) | | | |
| 13–15 | -0.25 (0.08)** | -0.12 (0.02) | -0.11 (0.12) |
| 16–18 | -0.14 (0.09) | -0.19 (0.02)*** | -0.43 (0.21)* |
| 19 or above | -0.12 (0.15) | -0.21 (0.03)*** | -0.56 (0.23)* |
| Past income | 0.10 (0.10) | -0.005 (0.02) | -0.08 (0.14) |
| Past account | 0.05 (0.11) | 0.06 (0.02)** | -0.09 (0.11) |
| Source of fund | | | |
| (Earned income) | | | |
| From parents | 0.14 (0.13) | -0.02 (0.02) | -0.02 (0.16) |
| Other source | 0.003 (0.19) | -0.05 (0.03) | 0.12 (0.33) |
| HOH | | | |
| (Father) | | | |
| Mother | 0.41 (0.10)*** | 0.04 (0.02)* | 0.06 (0.13) |
| Other | 0.30 (0.45) | 0.06 (0.07) | -0.33 (0.54) |
| Poverty likelihood at USD 2.50/day | -0.007(0.002)** | -0.001 (0.001) | -0.006 (0.005) |

| | Ghana EST (SE) | Kenya EST (SE) | Nepal EST (SE) |
|--|--------------------------|---------------------------|---------------------------|
| Number of household members (1–3) | | | |
| 4–5 | -0.01 (0.08) | 0.003 (0.02) | -0.20 (0.17) |
| 6 or above | 0.03 (0.09) | 0.005 (0.03) | -0.16 (0.21) |
| HOH previous formal bank account | 0.03 (0.07) | 0.009 (0.02) | 0.19 (0.10) [†] |
| HOH education level (No formal education) | | | |
| Primary | -0.16 (0.11) | 0.02 (0.03) | 0.06 (0.14) |
| Secondary | -0.25 (0.11)* | 0.009 (0.03) | -0.07 (0.14) |
| College | -0.14 (0.13) | 0.02 (0.03) | 0.13 (0.35) |
| University | -0.17 (0.13) | 0.01 (0.03) | 0.28 (0.17) |
| HOH employment in agriculture | -0.01 (0.08) | 0.0002 (0.01) | -0.09 (0.09) |
| HOH employment (Employed) | | | |
| Self-employed | 0.004 (0.06) | -0.02 (0.01) | -0.15 (0.10) |
| No employment | 0.07 (0.16) | -0.04 (0.02) [†] | -0.08 (0.14) |
| Other | -0.14 (0.12) | -0.02 (0.03) | -0.07 (0.13) |
| Mode of transportation owned (None) | | | |
| Nonmotorized | 0.05 (0.09) | -0.03 (0.02) | -0.21 (0.14) |
| Motorized | 0.16 (0.06)** | -0.02 (0.03) | 0.01 (0.13) |
| Both | 0.42 (0.09)*** | -0.05 (0.04) | 0.41 (0.23) [†] |
| Cosignatory (Others) | | | |
| Parents | 0.59 (0.07)*** | 0.10 (0.01)*** | -0.28 (0.17) [†] |
| Savings goal (Emergency) | | | |
| Business | 0.04 (0.17) | -0.03 (0.02) | 0.15 (0.28) |
| Education | 0.03 (0.08) | 0.01 (0.01) | 0.07 (0.10) |
| Day-to-day expense | -0.17 (0.19) | -0.02 (0.02) | -0.16 (0.22) |
| Other | 0.32 (0.19) [†] | 0.05 (0.02) | 0.08 (0.27) |
| Source for learning about account (Bank campaign) | | | |
| Radio/TV/news/Internet | 0.47 (0.16)** | 0.05 (0.03) [†] | 0.50 (0.15)*** |
| FE workshop/youth club | -0.34 (0.16)* | 0.02 (0.02) | 0.16 (0.15) |
| School/college | -0.25 (0.09)** | -0.01 (0.01) | 0.21 (0.17) |
| Friend/family | 0.75 (0.19)*** | 0.27 (0.03)*** | 0.46 (0.13)*** |
| Other | 1.14 (0.26)*** | 0.09 (0.03)** | 0.66 (0.18)*** |

EST, parameter estimates; *SE*, standard error; *HOH*, head of household

[†] $p < .10$, * $p < .05$, ** $p < .01$, *** $p < .001$.

Note: Branch-level fixed effects are added to the model (i.e., the analysis controls for unobserved characteristics associated with the branches); dependent variable is transformed using a square-root transformation due to nonnormal distributions.

Table 7.2. Colombia Multivariate Analysis Results (Branch-Level Fixed Effects Model)

| | Colombia EST (SE) |
|------------------------------------|----------------------|
| Male | 0.12 (0.23) |
| Education level | |
| (Primary or below) | |
| Secondary | 0.03 (0.31) |
| Higher secondary or above | 0.40 (0.91) |
| Age | |
| (Younger than 10) | |
| 10–12 | -0.26 (0.35) |
| 13–15 | -0.47 (0.41) |
| 16–18 | -0.62 (0.48) |
| Poverty likelihood at USD 2.50/day | 0.01 (0.02) |

EST, parameter estimates; SE, standard error.

Note: Branch-level fixed effects are added to the model (i.e., the analysis controls for unobserved characteristics associated with the branches); dependent variable is transformed using a square-root transformation due to nonnormal distributions.

High, Medium, and Low Savers

Given the limitation in the AMNS measure (e.g., nonnormality), the research team divided the sample into quartiles based on level of monthly savings. Youth in the highest quartile comprise the *high saver* group. Youth in the second and third quartiles are *medium savers*. Youth in the lowest quartile belong to the *low saver* group. We further examine which youth and household characteristics are associated with savings performance using the high, medium, and low savers group as a dependent variable. Because the dependent variable is a three-level categorical variable, we use multinomial logistic regression where the low savers group is the reference category. Findings for Ghana, Kenya, Nepal, and Colombia are presented in Tables C.9, C.10, C.11, and C.12, respectively.

The findings are consistent with those from the analyses using AMNS as dependent variables, although specific results are slightly different.

Gender

Gender matters in Kenya and Nepal, but the direction of association differs between the two countries. In Kenya, male youth are more likely to be in higher saver groups, but in Nepal, female youth are more likely to be in higher saver groups. This analysis of high, medium, and low savers shows a similar but stronger association than in the previous multivariate analysis.

Age

In all four countries, low age groups (e.g., younger than 13) are more likely to be in the high savers group. This analysis of high, medium, and low savers shows a similar association to the previous multivariate analysis.

School enrollment

School enrollment is not associated with savings except in Nepal where youth enrolled in school are more likely to be high savers. Compared to the previous multivariate analysis, the finding shows a similar but stronger association for Nepal but a weaker association between Kenyan out-of-school youth and savings.

Level of education

In Ghana, Kenya, and Nepal, youth with higher education are more likely to be high savers. In Colombia, youth with less years of education are more likely to be high savers. In the previous multivariate analysis, findings do not show these associations in Colombia, Kenya and Nepal. Variation may be due to categorization of education levels.

Poverty likelihood at USD 2.50/day

In Ghana, Kenya, and Nepal, youth with higher poverty likelihood are associated with being in the low savers group, but the finding is only statistically significant in Kenya. In the previous multivariate analysis, the finding was statistically significant also in Ghana. In Colombia, the opposite is true; youth with higher poverty likelihood are in the high savers group.

Earned income

In Kenya, youth who indicated having earned income within the past six months prior to opening the account are more likely to be in the low savers group. This analysis shows a similar but stronger association than in the previous multivariate analysis.

Experience with formal bank accounts

In Ghana and Kenya, youth whose HOH has prior experience in formal banking are more likely to be high savers. In addition, Kenyan youth who have prior experience with bank accounts are more likely to be high savers. This analysis shows a similar but stronger association than in the previous multivariate analysis.

Cosignatory on account

In Ghana and Kenya, the likelihood of being a high saver increases when the parent is the cosignatory on the account. This analysis shows a similar association to the previous multivariate analysis.

Savings goal

The type of savings goal is significantly associated with savings, but the relationships vary across countries. In Ghana and Kenya, youth who save for emergencies are more likely to be high savers, but in Nepal, those who save for business are more likely to be in the high savers group.

Source for learning about account

The source for learning about the account is significantly associated with savings in Ghana, Kenya, and Nepal. In Ghana and Nepal, youth who learned about the account through financial education or youth clubs are more likely to be low savers. However, in Kenya, youth who learned about the account from financial education or youth clubs, a friend or family member, or school or college are more likely to be high savers.

Summary of Characteristics Associated with Savings Performance

Several youth and household characteristics are associated with savings but some have stronger implications for programs and policies than others. Product and outreach characteristics are also associated with savings. Common findings across countries suggest that the characteristics are important to savings, regardless of social, economic, or political context. These are noted below.

- Across all four countries, younger youth (aged younger than 13 years) tend to save more than older youth, in part because they withdraw less. This finding provides strong evidence that youth can begin building assets at an early age if provided sufficient access through a secure mechanism. It also suggests the importance of complementing the accounts with other age-appropriate products as clients mature (Kilara, Magnoni, & Zimmerman, 2014).
- Parents play a role in savings. When a parent is cosignatory on the account, the youth saves more than if another adult is cosignatory. As noted in an earlier chapter, nonrelatives as cosignatories facilitate account opening, but parent participation as cosignatory increases the likelihood of savings. This finding has important policy and program implications. The former suggests the need for regulatory policy to address account ownership; the latter highlights the importance of engaging parents in their child's savings process.
- Gender is associated with savings performance in Kenya and Nepal. In Kenya, male youth are more likely to be higher savers than females, but, in Nepal, female youth are more likely to save more than male youth.
- Poverty is associated with savings performance, but the level of statistical significance depends on the type of analysis. Generally, higher poverty likelihood in Ghana and Kenya is associated with lower savers, but, in Colombia, youth with higher poverty likelihood are associated with the high savers group.
- Youth with prior experience in formal banking in Kenya, and HOH prior experience with formal banking in Ghana, Kenya, and Nepal are associated with higher savings. These findings support the importance of financial socialization in cultivating financial wellbeing (Kilara, Magnoni, & Zimmerman, 2014; Sherraden, 2013; Webley & Nyhus, 2006).
- In Ghana and Kenya, youth who save for emergencies are more likely to be high savers. In Nepal, those who save for business are more likely to be higher savers.
- The way in which youth learned about the savings product is significantly associated with savings but differs across countries. These differences may reflect the way in which FIs conducted outreach. Consistently across Ghana, Kenya, and Nepal, youth who reported learning about the account through friends and family, media, or "other" save more than through other means. Although FIs typically conducted outreach to schools, youth who save

did not report this as the source for learning about the account at the time they opened the account. In fact, schools are negatively associated with amount of savings in Ghana and Kenya. One possible reason is the targeted outreach to low-income schools. Possibly these youth have less to save than those who learned about the account opportunity through other means. For the FI, this could be a positive implication. The higher savings of the one group might offset the lower amounts of poorer youth who were targeted for the product, thus allowing the FI to support both youth segments and promote greater financial inclusion.

This chapter analyzes characteristics associated with savings performance. Youth characteristics associated with savings include age, gender, poverty level, and household experience with formal banking. Product-related characteristics include account cosignatory and the way in which youth learned about the account.

The next chapter describes financial education, outreach activities, and patterns associated with account uptake and savings performance.

Chapter 8: Financial Education and Outreach

This chapter presents account uptake and savings patterns associated with financial education and outreach in each country. They include financial education (FE) that representatives from Save the Children (SC), its community partners, and financial institutions (FIs) provide, and account opening and deposit services at schools and youth clubs that FI representatives provide (Table 8.1). The type of FE branches provide varies widely and includes outreach information. The Ghana and Nepal FIs are the only two that provide curriculum-based FE.

Table 8.1. Financial Education and Outreach by Country

| | Colombia | Ghana | Kenya | Nepal |
|---|----------|-------|-------|-------|
| SC youth financial workshops/clubs | 323 | 0 | 339 | 384 |
| School/youth club account open locations | 14* | 216 | 23 | 22 |
| School/youth club deposit locations | 0 | 153 | 19 | 22 |
| FI branches that participate in youth financial education | 0 | 13 | 0 | 32 |
| FI branches that open accounts at schools or youth clubs | 12 | 24 | 80*** | 32 |
| FI branches that take periodic deposits at schools or youth clubs** | 0 | 21 | 39*** | 18 |

*School assemblies beginning July 2013

**Does not include initial deposit to open account

***Reflects data from 80 of 100 branches

Colombia

Financial education workshops

Save the Children and its community partners conducted 323 FE workshops in 17 different schools in Cali, Pasto, Medellín, Bogotá and Tumaco. When comparing the roster of workshop attendees with their YouthSave customers, Banco Caja Social (BCS) identified only one youth with a *Cuentamiga para Jóvenes* account who also attended the workshop. A similar situation occurs in attempting to match neighborhoods in which the workshop took place with BCS branches. No bank branch coincides with the neighborhood of the school in which the workshops were held, though the neighborhoods were located in the greater branch catchment areas.

Researchers were unable to match accounts holders with specific schools in which workshops took place. Therefore, the analysis contrasts savings outcomes of all youth who have opened an account in the five cities in which a workshop took place with savings outcomes of all other *Cuentamiga para Jóvenes* account holders in the country.¹¹ However, the analysis presented cannot establish any causality, and researchers cannot evaluate the impact that these workshops have had on those who attended them. As shown in Table 8.2, youth opened 916 accounts in cities in which the workshops took place, while youth opened the remaining 725 in other cities.

¹¹ For the analysis presented in this section, researchers report on the 1,641 accounts that have had at least one transaction since they were opened.

Table 8.2. Distribution of Accounts in Colombia by City with FE Workshop

| | Opened accounts <i>n</i> (%) |
|--------------------------|------------------------------|
| Cities with FE workshops | 916 (55.82) |
| Other cities | 725 (44.18) |

FE, financial education

In general, youth who opened *Cuentamiga para Jóvenes* accounts in cities in which workshops occurred have higher savings goals (Table 8.3) and average monthly net saving (AMNS) (Table 8.4) than youth who opened accounts in other Colombian cities. Also, the AMNS difference by FE workshop location is statistically significant. Nevertheless, the presented results are descriptive only for two reasons. First, the size of the population of the five cities in which the workshops took place is relatively larger than the rest of the cities. In fact, the people who live in these five cities (12,840,294) represent 46.85% of the total population who live in the 95 cities in which BCS has at least one branch. Consequently, it is expected that these five cities present a higher account opening rate. Second, Bogota and Medellín have the highest gross domestic product (GDP) per capita in Colombia. Therefore, it is also expected that the cities with FE workshops present higher saving outcomes given the higher income to which the children in these cities are exposed.

School assemblies

The research team was not able to specifically identify the youth who opened the accounts at school assemblies. However, using the date when each assembly took place and the branch that was designated to accompany SC, the researchers estimate that youth opened 267 accounts. Given that 4,165 children attended the assemblies, the account take-up rate for *Cuentamiga para Jóvenes* accounts is estimated at 6.4% (Table B.1.14). However, 210 of the youth had not yet made an initial deposit. Excluding those youth results in an estimated 1.4% take-up rate for this strategy.

Table 8.3. Colombia Youth Savings Goals in COP (PPP-Converted USD) by FE Workshop

| Location | Mean | Median | Minimum | Maximum |
|--|-----------------------|---------------------|---------------------|---------------------------|
| Cities with FE workshops (<i>n</i> = 910) | 1,035,058 (837.14) | 480,000 (388.23) | 240,000 (194.12) | 90,200,000 (72,955.50) |
| Other cities (<i>n</i> = 724) | 896,474 (723.30) | 500,000 (404.40) | 240,000 (194.12) | 84,000,000 (67,940.83) |
| Total (<i>n</i> = 1,634) | 973,654 (735.08) | 480,000 (388.23) | 240,000 (194.11) | 90,200,000 (72,955.50) |

PPP, purchasing power parity; *USD*, U.S. dollar; *FE*, financial education.

Table 8.4. Colombia AMNS (PPP-converted USD) by FE Workshop Location

| | Mean (SD) | Median | Minimum | Maximum | Test statistic |
|--------------------------|----------------|--------|---------|----------|------------------|
| Cities with FE workshops | 26.12 (106.04) | 4.13 | 0 | 2,166.82 | F(1,1639) = 3.0* |
| Other cities | 18.80 (46.10) | 3.47 | 0 | 606.61 | |

PPP, purchasing power parity; *USD*, U.S. dollar; *FE*, financial education; *SD*, standard deviation.

* $p < 0.1$.

Table 8.5. Colombia Branch-Level Analysis

| | Account uptake* | AMNS (PPP) |
|---|-----------------|---------------|
| Branches participating in school assemblies ($n = 11$) | 35.00 (36.72) | 17.32 (20.61) |
| Branches not participating in school assemblies ($n = 210$) | 11.29 (31.72) | 29.92 (55.88) |

* $p < .05$.

Nevertheless, as shown in Table 8.5, a branch-level analysis to assess whether branch participation in outreach is associated with account uptake reveals that branches that participate in the school assemblies opened significantly more accounts than branches that did not.

Branch participation in school assemblies is not associated with savings. The number of branches may be too low to observe statistical differences. In addition, findings on savings may be obscured because the branch where the account was opened is not necessarily where subsequent transactions occur.

Financial education text messages

The research team conducted a randomized experiment of text messaging with *Cuentamiga para Jóvenes* account holders who signed up for an account between July 2013 and February 2014. From the month youth opened the account to May 2014, BCS sent 378 monthly FE text messages. Researchers compared savings of these youth to 417 account holders who signed up during the same timeframe but did not receive such messages. Results do not show any significant difference in savings for those who received the FE text messages.

These findings are comparable to a larger and more robust test of text messaging with the *Tuticuenta* youth product that occurred during the same period at the same FI. A recent report on the *Tuticuenta* experiment indicates that FE text messages do not increase net savings, but simple saving reminders do. This finding suggests that text messaging may be a cost-effective approach to increasing savings, if only as a prompt to keep youth focused on saving (Rodriguez & Saavedra, 2014).

Ghana

As previously noted, a portion of HFC account holders are participating in an experiment testing in-school banking on youth in primarily low-income junior high schools. While we separately identify the schools participating in the experiment, we report on all YouthSave account holders based on the school they indicated attending at time of account opening.¹² This represents 931 schools. Of these schools, 24 are part of the in-school banking treatment of the experiment (and include 906 account holders), 25 are part of the outreach treatment (and include 500 account holders), 36 receive no financial services (and include 22 account holders [control group]) and 846 are nonexperiment schools (and include 9,438 account holders). Approximately 170 of the 846 nonexperiment schools received FI outreach services. (N. A. M Sowah, personal communication, October 2, 2014).

¹² The research team did not conduct branch-level analysis because all branches participated in some form of outreach to schools and some branches conducted multiple forms of outreach.

Table 8.6. School-Level Analysis in Ghana ($N = 931$)

| | Account uptake*** mean (SD) | AMNS GHS (PPP) |
|--|--------------------------------|-------------------|
| Experiment schools with in-school banking ($n = 24$) | 37.88 (31.42) | 1.58 (1.49) |
| Experiment schools with outreach ($n = 25$) | 20.28 (20.75) | 1.96 (2.03) |
| Experiment control group school (no services) ($n = 36$) | 0.72 (2.26) | 0.57 (1.99) |
| Other nonexperiment schools ($n = 846$) | 11.14 (29.26) | 12.33 (43.90) |

GHS, Ghana cedis; *SD*, standard deviation.

***Post-hoc tests indicate that account uptake is significantly different between “experiment schools with outreach” and “control group” schools, between “experiment schools with in-school banking” and “control group” schools, and between “experiment schools with in-school banking” and “other nonexperiment schools;” $p < .001$.

Comparing experiment schools that receive in-school banking, experiment schools that receive outreach, experiment schools that receive no services, and all other schools reveals significance associated with account uptake. Table 8.6 shows that schools have significantly higher account uptake when the FI provides in-school banking or outreach services.

In terms of savings, youth who attend schools receiving in-school banking services do not save any more than those who do not. In fact, AMNS is higher in the “other schools” but the characteristics of the schools and the level of financial services provided to them is unknown.

The account uptake results are notable but it is not clear that in-school banking or other financial education and outreach activities contribute to increasing savings after the account is open. However, data are still being collected on both account uptake and savings in Ghana; further analysis and future reports will provide more information.

Kenya

From June 2012 to May 2014, SC conducted and tracked participation in 39 youth clubs across the country. Youth opened some accounts through these clubs but opened most through Postbank’s direct outreach visits to schools. For example, seven Postbank branches made 23 visits to various youth clubs to talk about saving and to introduce *SMATA* accounts. Separately, 80 of Postbank’s branches made a total of 1,141 visits to schools to open *SMATA* accounts and made an additional 369 visits to collect subsequent deposits (see Appendix B).

Researchers conducted a branch-level analysis to assess whether branch participation in outreach is associated with account uptake or savings. As SC reported, seven branches opened accounts and collected deposits at youth clubs. These seven branches opened significantly more accounts than the other 151 branches and agents, suggesting a strong relationship between outreach and account uptake (see Table 8.7).

Table 8.7. Branch-Level Analysis of Youth Club Visits in Kenya ($N = 158$)

| Group | Account uptake*** | AMNS (PPP) |
|-------------------------------|-------------------|-------------|
| Youth Club Visits ($n = 7$) | 985.43 (630.38) | 1.49 (1.98) |
| No ($n = 151$) | 284.10 (427.63) | 1.21 (2.20) |

*** $p < .001$.

Additional analysis assesses branch visits to school to open accounts and collect deposits. In Table 8.8, branches were divided between those that visited schools up to 10 times and those that visited schools 11 times or more. The results suggest that more visits will generate significantly more opened accounts.

Table 8.8. Branch-Level Analysis of School Visits to Open Accounts in Kenya ($N = 71$)

| Number of Visits to Open <i>SMATA</i> | Account uptake*** | AMNS (PPP) |
|---------------------------------------|-------------------|-------------|
| 1–10 ($n = 32$) | 297.56 (269.58) | 1.33 (1.59) |
| 11 or more ($n = 39$) | 684.18 (469.12) | 1.08 (0.72) |

*** $p < .001$.

Tables 8.9 and 8.10 present analyses of branches that visited schools to collect deposits. As shown in Table 8.9, branches that visited schools to collect deposits opened significantly more accounts than those that did not.

Table 8.9. Branch-Level Analysis of School Visits to Collect Deposits in Kenya ($N = 73$)

| Group | Account uptake*** | AMNS (PPP) |
|---|-------------------|-------------|
| Visit schools to collect <i>SMATA</i> deposits ($n = 35$) | 587.77 (392.44) | 1.31 (1.19) |
| No ($n = 38$) | 431.21 (457.79) | 1.12 (1.21) |

*** $p < .001$.

As indicated in Table 8.10, more visits result in more accounts opened. However, the differences are not large enough to be significant.

Table 8.10. Branch-Level Analysis of School Visits to Collect Deposits in Kenya ($N = 73$)

| Number of Visits to Collect <i>SMATA</i> | Account uptake | AMNS (PPP) |
|--|-----------------|-------------|
| No Visits ($n = 38$) | 431.21 (457.79) | 1.12 (1.21) |
| 1–10 ($n = 20$) | 560.45 (400.98) | 1.38 (1.45) |
| 11 or more ($n = 15$) | 624.20 (391.57) | 1.21 (0.76) |

In each analysis above, branch participation is not associated with savings (Tables 8.7–8.10). However, findings on savings may be obscured because the branch where the account was opened is not necessarily where subsequent transactions occur.

Findings in Kenya are similar to those in Colombia and Ghana. Financial institutions' visits to schools result in higher numbers of accounts opened.

Nepal

Between June 1, 2012, and May 31, 2014, SC and local community partners conducted youth FE workshops, street dramas, and adult orientation activities with 12 FI branches across the country. Independent of SC activities, 24 bank branches of BOK also provided FE.

Aggregation-point transactions for account holders take place in schools with a bank representative who records a handwritten transaction and later enters it electronically at the branch office. Eighteen branches are conducting aggregation point transactions, 11 in collaboration with SC and seven independently.

Researchers conducted a branch-level analysis to assess whether branch participation in financial education and outreach are associated with account uptake or savings. Of the 50 branches, 32 participated in some level of financial education or outreach from product rollout through May 31, 2014 (see Tables B.4.14 and B.4.15). The analysis in Table 8.11 does not show statistically significant association with a particular intervention because of the small number of branches participating in each type of intervention. For example, one branch participated only in SC financial education, and eight participated in both SC financial education and deposit collection at aggregation points.

Table 8.11. Individual Branch-Level Analysis of FE and financial services outreach in Nepal ($N = 50$)

| FC intervention | Account uptake | AMNS (PPP) |
|---|-----------------|---------------|
| SC financial education ($n = 1$) | 288 (0.00) | 4.54 (0.00) |
| SC Financial Education and BOK Aggregation Point ($n = 8$) | 138.38 (58.46) | 13.70 (14.26) |
| BOK Financial Education ($n = 13$) | 129.08 (101.11) | 16.74 (12.61) |
| BOK Financial education and Aggregation Point ($n = 7$) | 112.43 (54.75) | 16.08 (12.91) |
| BOK and SC Financial Education, and BOK Aggregation Point ($n = 3$) | 223.00 (71.13) | 10.08 (5.62) |
| No intervention ($n = 18$) | 72.22 (48.42) | 18.46 (19.32) |

However, when all activities are combined for a particular branch, results show that the number of accounts opened is significantly higher in branches that were involved in financial education and outreach than those that were not (Table 8.12).

Similar to Kenya, branch participation is not associated with savings (Tables 8.11 and 8.12). As previously stated, findings on savings may be obscured because the branch where the account was opened is not necessarily where subsequent transactions occur.

Table 8.12. Combined Branch-Level Analysis of FE and financial services outreach in Nepal ($N=50$)

| FC intervention | Account uptake** | AMNS |
|------------------|------------------|---------------|
| Yes ($n = 32$) | 141.53 (85.02) | 14.83 (12.23) |
| No ($n = 18$) | 72.22 (48.42) | 18.46 (19.32) |

** $p < .01$.

The Nepal findings replicate those in Colombia, Ghana, and Kenya. The FIs open more accounts when they conduct financial education and outreach at schools and youth clubs.

Summary of Financial Education and Outreach

- Save the Children and its community partners provided financial education workshops or youth clubs in Colombia, Kenya, and Nepal. In Nepal, some FI branches participated with SC in FE workshops and some conducted their own FE. In Ghana, the FI conducted an experiment of in-school banking.
- In each of the four countries, FI branches provided outreach at schools, and in some cases at youth-serving organizations and youth clubs. Outreach included opening accounts and taking initial deposits. In Ghana, Kenya, and Nepal, some branches also visited schools periodically to take subsequent deposits. In Colombia, Kenya, and Nepal, where researchers conducted branch-level analysis, the FI branches that provided outreach significantly

increased the number of YouthSave accounts opened compared to the FI branches that did not. This suggests that taking the youth to the bank may be a good strategy for facilitating youth account uptake.

- In Ghana, an analysis of schools participating in the experiment shows that those receiving in-school banking or outreach services opened significantly more accounts than those in the experiment that did not receive such services as well as other nonexperiment schools. The account uptake results are promising, but it is not clear that these activities contribute to increasing savings after the account is open. However, data are still being collected on both account uptake and savings in Ghana; further analysis and a forthcoming report will provide more information.
- A small experiment with the *Cuentamiga para Jóvenes* account holders in Colombia testing FE text messages suggests that they have no effect on savings. These findings are comparable to a larger and more robust test of text messaging with a transaction-oriented youth product that occurred during the same period at the same FI. A recent report on the larger experiment indicates that FE text messages do not increase net savings, but simple saving reminders do. This finding suggests that text messaging may be a cost-effective approach to increasing savings, if only as a prompt to keep youth focused on saving (Rodriguez & Saavedra, 2014).

This chapter analyzes patterns in account uptake and savings performance related to FI branch participation in financial education and outreach. In all four countries, FIs open significantly more YouthSave accounts when they provide outreach at schools and youth clubs.

Chapter 9 includes a larger discussion of the implications of all findings in this report.

Chapter 9: Discussion and Conclusions

The savings demand assessment (SDA) offers a rich set of data for understanding and informing youth financial inclusion. Key findings from each chapter address questions about opening and saving in a formal account designed to attract youth, who the youth are, characteristics associated with savings, and financial product and service characteristics that facilitate savings.

Each of the four financial institutions (FIs) tested and launched a new youth savings product to complement its commercial portfolio, with the purpose of offering low-income youth an account that is easy to access, affordable, and secure. The research team in each country collaborated with the FIs to expand the data collected at account opening by adding questions about the youth and their household. These questions provided the basis for assessing characteristics associated with uptake and savings performance. Over the next two years, the FIs conducted various forms of financial education and outreach independently and in conjunction with Save the Children (SC) and community partners primarily at schools and youth-serving organizations. Separately, SC also conducted financial education workshops and youth clubs. Quarterly, the research team collected account information and transaction data on all YouthSave accounts, and on FI branch financial education and outreach services in each country.

The countries participating in YouthSave each have unique characteristics that require contextual understanding and divergent financial products, services, and associated policies. Contextual differences also limit the extent to which cross-country comparisons can be made. For example, a profile of Colombia reflects a country with lower poverty levels and gender inequities and a younger age limit (seven years) of account ownership than the other three countries. The Colombia implementation also includes a large commercial FI that has a preexisting transaction-oriented youth product. Ghana's implementation involves an FI that has a small geographic footprint and is creating a new youth market through in-school banking with a product that has tight withdrawal restrictions. In Kenya, the FI is a parastatal organization that has a large geographic presence and is opening a new youth market with a product that has no withdrawal restrictions but does carry a withdrawal fee. In Nepal, where the age of majority is 16 years, the FI renewed its focus on youth savings by designing a product with a favorable interest rate and no withdrawal restrictions, and by participating in financial education.

Despite these differences in implementation and context, the data highlight common themes in account uptake, transaction activity, and savings performance that can inform design and implementation of financial products and services, as well as governmental policies and regulations.

Account Uptake

Youth open savings accounts

A large number of youth took up accounts when they were offered and encouraged to do so. The participating four financial institutions launched new youth products in 2012, and by May 2014 these FIs reported over 98,000 youth accounts opened, of which 69,247 are research accounts. HFC in Ghana and Postbank in Kenya exceeded their account opening goals and Bank of Kathmandu Ltd. (BOK) in Nepal reached approximately 70% of its goal. Banco Caja Social (BCS) in Colombia

reached less than 20% of its goal, in part because of an existing BCS youth transaction product that was competing with its own YouthSave product.

The FIs reached their target population of low-income youth aged between 12 and 18 years, most of whom had no prior formal bank account. However, most were not the very poorest or out-of-school youth. What attracts each youth to open an account may include a variety of personal and cultural factors. The data also suggest that regulatory policy, and product design and outreach play important roles.

Regulatory policy

Regulatory policy regarding age and account ownership differs in each country. In Colombia, the opportunity to own a savings account is offered at a much younger age (seven years) than in Ghana, Kenya, and Nepal, and this is reflected in the younger age of the average Colombian YouthSave account holder. In Nepal, youth can own an account at age 16, the age of majority, and these include over 40% of their YouthSave account holders. In Ghana and Kenya, youth must be aged 18 years to independently open and operate an account. In Ghana, the Central Bank approved use of custodial accounts rather than trust accounts, which allows minors some control to operate their account. In Kenya, flexibility in banking policy allowed “trusted adults” to be cosignatories on minors’ accounts, a policy already allowed in Ghana. This alternate cosignatory frees the youth from having to rely solely on parents who might not be living in the same town or are otherwise unavailable. Approximately half of the YouthSave accounts in Ghana and Kenya were opened with a nonrelative as cosignatory.

Product design and outreach

In Colombia, researchers had a unique opportunity to study changes in product design and services after one year of rollout. Because of low account uptake and competition with its more popular transaction-oriented youth product, BCS altered its product design and services in the second year by reducing withdrawal restrictions, equalizing bank staff incentives, and attending school assemblies to inform youth about the savings product and open accounts (with or without an initial deposit). The changes resulted in a 124% increase in the number of accounts and a 9% increase in younger-aged youth who opened the accounts. While it is not possible to isolate which factor played a larger role, the institutional changes contributed to a noticeable increase in opened accounts as well as a shift in the population characteristics of who opened accounts.

Outreach strategies played a role in who signed up for an account. In YouthSave, FIs facilitated opportunities to open accounts, and sometimes also deposit services, where the youth were located, typically at schools, youth clubs, or other youth organizations. In aggregate, youth are more likely to be at school during the FI’s regular business hours; therefore, schools were a logical focus for FI outreach out to youth. The data reflect this emphasis on outreach to schools with over 98% of account holders reporting attending school at time of account opening.

To ensure that low-income youth and families knew about the product offering, FIs made intentional and direct efforts to conduct outreach in low-income communities and schools, often in partnership with SC or its youth-serving partner organizations offering financial education. Their efforts appear to have been successful with an estimated 48% of YouthSave account holders living

on USD 2.50 per day or less. In Ghana, for example, over 80% of account holders reported learning about the account through the HFC bank program, the outreach effort targeting low-income schools, and these youth tend to have a higher poverty likelihood than other Ghana account holders. While the YouthSave population is not as poor as the national percentage of those living in poverty in each country (although the YouthSave population in Nepal is within 2% of the national population rate), the products attracted a substantial proportion of poor households. By the second year, all of the FIs were using dual strategies of both mass media and direct outreach. The data suggest this was an effective approach to yield a more inclusive portfolio of both lower- and higher-income account holders.

Although no targets were based on gender, the FIs were conscious of potential disparities. Gender participation was nearly equal in Colombia, and more females than males opened accounts in Ghana. In Kenya and Nepal, however, more males signed up for accounts by a ratio of approximately three to two. Save the Children, community youth groups, and FIs in both countries attempted to reduce differences with more intentional outreach to girls' schools and youth clubs. These efforts appear to be successful with an increase in female participation in Nepal from 35% in the first quarter of rollout in 2012 to 44% in May 2014, and in Kenya from 42% in the first quarter to 57% in May 2014.

By the end of the YouthSave study, all of the FIs were using the strategy of direct outreach at schools, youth clubs, youth community organizations, and other youth aggregation points. Analysis among all four FIs confirms that branches that "take the bank to the youth" to provide alternate offsite financial services open significantly more accounts than branch counterparts that do not.

In terms of account holder incentives, all of the FIs provided in-kind gifts such as piggy banks and money wallets at time of account opening. In addition, Nepal's FI offered an attractive 4.5% interest rate, the highest of the four FIs. It is not clear whether the youth were attracted by the favorable interest rate, but the total amount of interest earned is higher than the total amount of fees and taxes on accounts, whereas in Ghana and Kenya, amount of taxes and fees is higher than interest accrued. Interestingly in Colombia, total interest is higher than total fees and taxes even though fees are similarly applied and the interest rate is similar to the rates in Ghana and Kenya. A question for further study is how taxes and fees are applied and can be adjusted for youth accounts, and to what extent the interest rate can offset these costs.

The FI in Nepal is the only one that offered small cash incentives to account holders. For a period of seven months, the FI offered cash incentives to new and existing account holders, providing an opportunity to assess whether cash incentives increase account uptake and improve savings performance. Approximately 25% of all Nepal youth account holders took advantage of the cash incentives, and opened accounts during this time period. In terms of savings, average monthly balance initially increased and maintained a higher balance in five of the seven months that the FI offered cash incentives but declined in two of the months. Further analysis shows that youth who received incentives have statistically significant higher average monthly savings than those who did not receive the incentives. These findings suggest incentives have positive effects on account uptake and youth savings. However, implementation of incentives was limited. The degree of influence, controlling for other possible factors, cannot be determined with this study. Further research is necessary to test effects of incentives on account uptake and savings performance.

Not considered as a factor in account uptake were incentives to the FI representatives for reaching account sales targets. These incentives appear to have a positive effect on account uptake across all countries. In Colombia, bank representatives received cash incentives to sell the YouthSave product, as they do for other products. In Ghana, Kenya, and Nepal, branches had competitions among themselves and received cash and other prizes when account uptake targets were met. When tracking the timeframe of these activities, the number of accounts increased in parallel.

These findings on account uptake suggest that many youth will open accounts if provided an opportunity that encourages saving, is easy to access, and is relevant to their needs. In all four countries, the decline in the number of accounts opened within the last few months of the study (prior to May 2014 data collection) may reflect attainment of target goals as set by the YouthSave project or a decrease in focus with the project's end approaching. This decline raises potential concerns regarding ongoing outreach efforts to support youth financial inclusion in the absence of a subsidized project initiative. However, based on feedback from final project meetings, the FIs will continue to evaluate youth account activity and review business and corporate social responsibility strategies that can serve youth clients (see Lessons Learned in Appendices B.1–B.4).

Transaction Activity and Patterns

In the first two years of product rollout, FIs focused more on opening accounts to reach target goals than on increasing savings. The level of account activity may reflect this focus with an average of 61% of accounts across countries having no activity in the previous six months (between November 2013 and May 2014). In addition, average monthly savings declined in all countries between the first year and second year of product rollout, though Ghana had the most stable level. Declines reflect withdrawal activity, some of which were due to closing accounts, and lower deposit frequency, which may reflect a lull in motivation to save as time passes, a phenomenon reflected in other savings studies (Wang et al., 2014). It may also be that the youth simply had no funds to deposit.

Account rules affect uptake and savings performance

Deposit and withdrawal rules associated with the financial product play a critical role in transaction patterns and savings performance. In Colombia and Kenya, accounts can be opened without an initial deposit to facilitate the account opening process, particularly at nonbranch locations. In Colombia's case, 40% of account holders who opened accounts have not made any deposits. These accounts tend to stay dormant, perhaps reflecting an account holder who is less motivated to save, has limited access to the bank, or simply has no money to save. Facilitating account uptake is important, but ensuring that the initial deposit can be made, even if the account has to be opened at a later time may be more beneficial. Otherwise, accounts may continue to lay dormant, potentially incurring costs that benefit neither the account holder nor the FI.

Account holders in Colombia deposit most frequently, likely because opening the account includes committing to a monthly deposit to reach a savings goal. This feature appears to encourage deposits although a third of those who reached their goal subsequently closed their account. A savings goal may boost savings behavior, but for some may also have the opposite effect of limiting the potential to save more for a longer period of time.

Accounts with greater withdrawal restrictions, such as in Ghana, have the fewest withdrawals. The steady increase in quarterly net savings over time and relatively stable average monthly savings reflect use of the Ghana savings product as it was intended. In contrast, the savings product in Nepal has no withdrawal restrictions or fees; the average monthly number of withdrawals is up to seven times higher than in the other countries. Many of the Nepal account holders, whether high or low savers, treated the account more like a transaction account, with both high withdrawals and high deposits relative to the other countries. Given the high number of Nepalese youth who independently own and operate their account, the differences in account use may be not only a response to the product's flexibility, but also a reflection of different this group of youth's different needs. Youth who are of majority age may be more self-sufficient, require funds for daily needs, and therefore need greater flexibility to deposit and withdraw funds.

Savings Performance

Youth save in formal savings accounts

Youth, including low-income youth, do save as evidenced by the USD 1.8 million accumulated by the 66,606 account holders who made savings deposits across the four countries. On average, accounts have been open for 11 months, although the FIs launched savings products in 2012.

Total accumulation is notable but, not surprisingly, average balance per account in each country is much smaller and problematic if measuring short-term profitability. The FIs have articulated their commitment to the youth segment to build their portfolio of current and future clients, especially because youth are the majority population. In addition, the value these accounts may have on youth development, being tested in YouthSave, has important implications for public welfare strategies and fits with FI corporate social responsibility.

Savings patterns

Across all four countries, younger youth tend to save more than older youth. A key reason is that younger youth are less likely to withdraw, a factor the data show contributes to lower amounts of net savings by older youth. In addition, most of the youth account holders report that savings will come from parents or gifts, so younger youth may receive greater financial support from parents and other adults than older youth. These findings, though unanticipated, may not be negative for older youth. As youth get older, their expenses rise, as do expectations for them to make money and pay for their expenses, whether for education or daily needs. Beginning to build savings early in life may enhance education, enterprise, or other opportunities that increase well-being.

In all the countries except Kenya, females save more than males, although the difference is statistically significant only in Nepal. This finding and the lower female account uptake rate in Nepal and Kenya suggests that, for females, focus on access is more important than focus on savings behavior.

In Ghana and Kenya, where custodial accounts are required until age 18, savings are consistently associated with the parent being cosignatory on the account, despite almost half of accounts opened with a nonrelative as cosignatory. YouthSave case studies confirm that parents provide not only funds for the account, but also other forms of support, such as encouraging their children to save,

facilitating access to make deposits at the FI or schools, and helping to build trust in formalized saving (Zou, et al., 2014). These findings signal the importance of parental involvement in the savings process.

The Kenya and Nepal data provide some insight into use of technology in financial transactions. In Kenya, a total of 455 account holders made deposits and 74 made withdrawals through mobile phone banking (Safaricom's M-PESA). Though usage is very low overall, the number and amount of deposits and withdrawals, as well as average monthly net savings (AMNS), is significantly higher than for the other Kenyan account holders. These findings emphasize that this process is moving relatively large amounts of funds (relative to other SMATA transactions) in and out of these savings accounts. In Nepal, the data allow us to analyze transactions that use ATM, point-of-sale (POS), Visa debit card, and direct deposit of salary into YouthSave accounts. Similar to Kenya, the number and amount of deposits and withdrawals made by Nepal account holders using these types of transactions are significantly higher than for the other Nepal account holders. However, only those using the ATM show significantly higher AMNS. This may be because account holders use POS and Visa more for withdrawals than deposits, and withdraw large amounts of their salary, resulting in less overall savings. In both Kenya and Nepal, these findings indicate higher account usage with higher amounts of funds flowing in and out of these accounts using these types of transactions. These findings hold regardless of age, but usage was higher among older youth, likely reflecting their need for flexibility in accessing funds. Furthermore, these findings reinforce the value of technology in providing accessible mechanisms for transacting.

Consistently across Ghana, Kenya, and Nepal, youth who said they learned about the account through friends, family, or mass media save more than those who learned about the account through some other means such as information at school, through a bank campaign, or in a financial education workshop. The majority of youth in Ghana and Kenya, and 40% in Nepal reported learning about the account through these other means, indicating that media and personal contacts may attract fewer but higher savers, and other strategies may increase financial inclusion. These findings suggest that multifaceted outreach strategies may be required to achieve the dual outcomes of increasing financial inclusion and improving the business case with higher savings balances.

Implications of SDA Findings

Based on the findings in this report, we point to product design and outreach features that may increase youth financial inclusion in developing countries.

Access

When the opportunity is offered, many youth will open savings accounts and save in them. If offered earlier in their lives, they may save more. Across the four countries, younger children accumulate more savings than older youth, regardless of a custodial or independent account ownership. This finding argues for earlier savings account opening, whether the parent, some other adult, or the child owns the account. Stakeholders from both the public and private sector should consider policy initiatives that can benefit both the FIs and their clients in starting formal savings early, perhaps as early as birth, and strategies for encouraging savings over a lifetime (Sherraden, 1991). As the data show, parents play an important role in helping their children to save. However, the systems and policies must be put in place first to provide the vehicle for secure saving, to give

children experience in formal savings, and to allow participation if a parent is not available. As children grow older, access to other types of accounts and alternate transaction locations (such as ATMs) can be introduced. For example, transaction accounts are likely to be more relevant to working youth or students needing to pay for school expenses. Such accounts could complement their lifelong savings accounts. Expanding services in parallel with youth developmental stages can benefit both the youth and the financial institutions (Kilara, Magnoni, & Zimmerman, 2014).

Facilitation

At each stage of youth development, key stakeholders should facilitate the savings process. Two institutions that are important in YouthSave are schools and financial institutions. Schools offer an efficient way to reach more young people in one setting, and for incorporating financial education into youth education. The data from all four countries suggest that more youth will open accounts if FIs partner with schools to offer financial education and financial services. Partnerships between FIs and youth-serving organizations or apprenticeship programs may also facilitate account uptake with out-of-school youth. However, such partnerships may require government ministry-level approvals, central bank approval, and approvals by local school officials. Some national governments have stated a commitment to financial education. Establishing a national set of standards or program to integrate financial education and financial services by “taking the bank to the youth” could be one way to reach the greatest number of youth in building youth financial capability.

In terms of savings performance, the data from Kenya and Nepal on M-PESA and ATM transactions suggest that electronic banking could help to increase savings amounts. Expanded partnerships with schools to house ATMs, become retail banking outlets (or integrated into a nationally structured program such as described above), or partner with mobile payment systems (e.g., M-PESA, mobile wallet), might facilitate the deposit process for youth and reduce FI outreach costs. However, there are age constraints on use of M-PESA and phone access issues with mobile banking. With any model, the data in this study indicate that engaging parents in the savings process is a key component to facilitate savings.

Information

The high number of accounts opened and the divergent responses to how youth learned about the account indicate that using a multi-pronged outreach strategy—whether through mass media, bank campaigns, or directly via financial education and outreach to schools and youth organizations – has been effective in informing youth about the opportunity to save in an FI and how to open a savings account. This strategy should continue to ensure that all youth know about the opportunity, and government campaigns or central bank initiatives may be best positioned for maximum reach. Informally, FIs can contribute to educating the youth by providing information about the types of accounts available and guidance on which product features may facilitate or hinder savings performance when the youth is ready to open an account.

Incentives

Incentives for account holders may encourage savings but research findings are limited and relevant only to Nepal, the only country to offer small cash incentives to new and existing account holders. While it is not possible to isolate the effect of the incentive among other possible variables, periodic

incentives may boost savings performance. Given the second year decline in average savings in all four countries, one strategy is to offer incentives annually, perhaps via an interest rate increase, which would serve the dual purpose of encouraging savings and reminding youth to save.

Incentives for bank representatives to sell the YouthSave products were not considered in hypotheses about account uptake or savings performance. However, the data show a correlation in account uptake when such incentives are applied. To encourage youth financial inclusion, incentives may be necessary as a strategy to remind both bank staff and youth that a youth savings product is a viable financial product. In developing business strategies that serve youth, FIs that offer incentives for selling other account products should also consider offering incentives for selling youth savings accounts, thus equalizing emphasis on any particular product and more fairly representing each product's features to help the youth decide what product best meets his or her needs.

Restrictions

In the YouthSave financial products, withdrawal rules play an important role in savings but can also have an adverse effect on uptake. In the first year of Colombia's product, when withdrawal rules were stricter, savings was higher. However, the strict withdrawal rules may have also been part of the reason for low account uptake. In Ghana, where withdrawals are also restricted, average monthly savings across the two years of the study was more stable compared to the other three countries. Of all the product characteristics, determining the appropriate balance of control of the account between account holder and FI may be the most difficult. For the FI, this process may be determined by the business strategy for its youth segment; the rate of uptake by account holders will reveal whether the appropriate balance was met. While this study cannot establish what works best, one alternative to the FI restricting control may be setting expectations and goals.

Expectations

When opening a YouthSave account, youth in Ghana, Kenya, and Nepal were asked to identify what they were saving *for*. When opening the Colombia YouthSave product, however, youth were asked to identify and commit to a savings goal *amount* with monthly deposits. Although fewer youth opened this account compared to the number who opened accounts in the other three countries, deposit frequency and average monthly savings is higher. In addition, one-third of the youth closed their account after reaching their savings goal, suggesting that they were motivated to save to the goal. In this study, findings are limited to one country, but the data indicate that setting savings targets with youth may increase savings performance. Establishing monetary savings goals that reflect resources needed at different life stages (e.g. education, business development, land) may encourage both short- and long-term savings.

Recommendations for Additional Inquiry

Based on the current findings and planned implementation changes, this section offers brief recommendations for additional research questions, testing, and continued learning.

- Does account ownership matter? A major policy question is whether youth should be able to independently own and operate their account at a younger age. The data do not point to a particular answer, and in fact offer both pros and cons. Whether the parent, the child, some

other adult owns the account, stakeholders should consider and test opportunities for opening accounts early and facilitating the deposit process.

- The data from YouthSave highlight the important role of parents in account access and usage. Further studies may identify ways to engage parents more effectively (or other support systems when parents are not available). For example, in younger years, youth may depend on parents more for financial support and education about savings and access mechanisms to make deposits. Older youth may need advice when choosing financial products and services that can best serve their needs, and how they can be used to support further education, entrepreneurship, or employment.
- The FIs were not able to attract many out-of-school youth. This result may have been mostly a function of the direct outreach strategy to youth at schools, or it may be that the products and services were not well-tailored to the needs of out-of-school youth. Future research should explore effective strategies of reaching out-of-school youth, whether through NGO programs or publicly funded initiatives.
- Incentives may play an important role for account holders, but this study was not designed to test the effects of cash incentives or interest rates. Studies should systematically test the impact of account holder incentives—including different levels of top-ups and interest rates—on account uptake and savings performance. Similarly, studies should test the impact of disincentives, such as service fees and taxes on account uptake and savings. As a key part of this research agenda, it will be important to document the extent to which youth understand incentives and disincentives.
- The findings indicate that YouthSave is reaching youth who had no prior experience with formal banking, as well as some heads of household (HOHs) who also did not have prior experience with formal banking. The effect of a youth's account on these HOHs is unknown. Further research on how youth savings affects the entire household may be worthwhile for expanding financial inclusion at all age levels.
- Results from this study suggest how product design and outreach activities can influence who opens accounts and saves. So much more can be learned to continue refining and improving youth financial products and services. For example, future studies should test effects of deposit and withdrawal rules on savings performance.
- In this study, we were able to track account uptake by the level of branch participation, but not deposits that occurred at schools. Instead, most transactions were recorded as a branch transaction even though the bank representative may have collected the deposits at a school or youth club. To better understand the effect of outreach on savings performance, future research should test proximity of bank access (whether a nearby branch, branch agent, branch representative collecting deposits at a school, or other means) on transaction activity and savings performance. Financial institutions might also consider adding transaction codes to their management information systems that represent these locations to facilitate data analysis

Findings from the SDA have contributed to understanding youth participation in the financial sector of four developing countries by identifying youth and household characteristics, tracking transactions, and identifying savings patterns of almost 70,000 youth account holders. The study offers insights on account uptake and savings patterns within and across countries. Findings common across countries suggest relevance despite differences in socio-economic or political environments. Overall, youth can and will save, but the structure must be in place for them to do so. This includes accounts that are easy to understand, easy to access, affordable, relevant to youth goals, and motivate saving. Evidence is growing, but there is much more to learn, especially on ways to increase savings. Continued research is critical because it can inform interventions that affect both the demand and supply side—youth savings and development, youth financial capability, and public and private sector commitment to sustainable youth saving products and services.

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Appendix A – YouthSave Account Features at Product Rollout

| | Colombia | Ghana | Kenya | Nepal |
|------------------------------|---|---|---|---|
| Financial institution | Banco Caja Social (BCS) | HFC Bank | Postbank | Bank of Kathmandu (BOK) |
| Product name | <i>Cuentamiga para Jóvenes</i> | <i>Enidaso</i> | <i>SMATA</i> | <i>Chetanshil Yuva Bachat Yojana (CYBY)</i> |
| Type of account | Programmed savings | Regular savings | Regular savings | Regular savings |
| Eligible youth | 7–17 years | 12–18 years | 12–18 years | 10–22 years |
| Owner | <ul style="list-style-type: none"> Youth | <ul style="list-style-type: none"> Custodian is primary signatory and can be any trusted adult. Youth also must sign account opening forms. | <ul style="list-style-type: none"> Custodian is primary signatory and can be any trusted adult. Youth also must sign account opening forms. | <ul style="list-style-type: none"> Age 16 Under age 16: Parent/guardian |
| Account opening requirements | <ul style="list-style-type: none"> Account opening form completed by youth Child ID | <ul style="list-style-type: none"> Account opening and KYC form completed and signed by adult and youth Youth and adult photos taken at branch ID for adults include national ID, voter ID, passport, driver’s license, or health insurance card. ID for youth include national ID, NHIS card, school ID, letter from local government official, or letter from school. | <ul style="list-style-type: none"> Account opening form Youth and adult photos taken at branch ID for parent/guardian ID for youth include birth certificate, birth notification, baptism card, school leaving certificate, or letter from provincial administration to introduce youth with no ID. For savings club accounts, youth need an introduction letter from the school, a minimum of two adult signatories, and two youth representatives. | <ul style="list-style-type: none"> Account opening form ID for minors (youth younger than 16) include a photocopy of parent’s or guardian’s citizenship and documentation of youth’s data of birth (e.g., birth registration certificate or school registration certificate). ID for majors (youth 16 and older) include a photocopy of citizenship or passport. Youth photo Parent or guardian photo (for minors) |

| | Colombia | Ghana | Kenya | Nepal |
|--|---|---|---|--|
| Deposit/ withdrawal requirements | <ul style="list-style-type: none"> • Youth can withdraw and deposit independently. • In the savings plan, monthly deposits must total COP 20,000; however, there is no penalty for missing monthly goal. | <ul style="list-style-type: none"> • Youth can deposit independently. • An adult must be present for youth to make a withdrawal. | <ul style="list-style-type: none"> • Youth can deposit independently. • An adult and youth must be present for youth to make a withdrawal, (but not legally required for youth to be present). Policy applies to club accounts as well. | <ul style="list-style-type: none"> • Minors can deposit but adult and child presence and signature required for withdrawal. • Majors can withdraw and deposit independently. |
| Interest rate | <ul style="list-style-type: none"> • 0.25% per year for up to COP 500,000 • 0.5% per year for up to COP 1,000,000 • 0.75% per year for up to COP 2,000,000 • 1% per year for over COP 2,000,000 | <ul style="list-style-type: none"> • 1.25% per year subject to Asset and Liability Management Committee (ALCO) which meets monthly to set rate, minimum GHS 20 to earn interest | <ul style="list-style-type: none"> • .75% for KES 20,000 to 99,999; 1% for KES 100,000 to 499,999; 2% for KES 500,000 to 4,999,999; and 2.5% for KES 5,000,000 and above. • Interest compounds daily and is capitalized annually | <ul style="list-style-type: none"> • 4.5% on savings |
| Fees | <ul style="list-style-type: none"> • Withdrawal: COP 5,000 • Account closure (if savings goal not achieved): COP 5,000 | <ul style="list-style-type: none"> • Withdrawal: GHS 3.50 • ATM card: GHS 2.50 <ul style="list-style-type: none"> • Withdrawal booklet: GHS 3.50 • Paper statements: GHS 2 | <ul style="list-style-type: none"> • Withdrawal: KES 30 • Replacement of lost/ stolen debit card: KES 350 • Replacement of lost/ stolen money wallet: KES 100 • Replacement of lost/ stolen savings diary: KES 100 • Account closure fee: KES 50 | <ul style="list-style-type: none"> • Account closure: NPR 100 (charge waived for accounts open for at least two years) |
| Minimums | <ul style="list-style-type: none"> • Opening balance: COP 10,000 • Balance to earn interest: COP 1 | <ul style="list-style-type: none"> • Opening balance: GHS 2 • Operating balance: GHS 5 • Balance to earn interest: GHS 20 | <ul style="list-style-type: none"> • Opening balance: KES 50 • Operating balance: KES 200 • Minimum deposit: KES 50 • Balance for interest: KES 15,000 | <ul style="list-style-type: none"> • Opening: NPR 100 • Operating: NPR 100 • Balance to earn interest: NPR 1 |

| | Colombia | Ghana | Kenya | Nepal |
|-------------------------|---|---|---|---|
| Withdrawal restrictions | <ul style="list-style-type: none"> • One withdrawal per year • Withdrawals allowed after balance reaches COP 10,000. | <ul style="list-style-type: none"> • No withdrawals for first three months • Monthly withdrawals are allowed thereafter. | <ul style="list-style-type: none"> • None | <ul style="list-style-type: none"> • Transactions (deposits and withdrawals) are capped at NPR 5,000 per transaction at aggregation points (e.g., schools, youth clubs). • There are no transaction limits in branches. |
| Incentives | <ul style="list-style-type: none"> • A special kit with a bracelet, card, and piggy bank is offered at account opening as incentives. | <ul style="list-style-type: none"> • Account holders are offered a free piggy bank, T-shirt, or pen. | <ul style="list-style-type: none"> • Account holders are given a free money wallet for use as piggy bank, a free savings diary, and a free debit card. | <ul style="list-style-type: none"> • Account holders are given a free piggy bank. Majors have the option to receive a Visa debit card instead with the first year issuance charge waived. |
| Other features | <ul style="list-style-type: none"> • Youth sets up savings plan of 12–60 months and plan to deposit at least COP 20,000 per month. • Statements are sent by email on a quarterly basis. | <ul style="list-style-type: none"> • Youth receive an ATM card to check balances (fee-free). • Statements are given every six months. | <ul style="list-style-type: none"> • Youth receive a debit card that enables withdrawals only at a teller and to use as a bank ID. | <ul style="list-style-type: none"> • Youth receive a free customer ID card. |
| Delivery strategy | <ul style="list-style-type: none"> • Branches for all transactions and agents for deposits | <ul style="list-style-type: none"> • Branches and Boafo agents • In-school delivery in certain locations | <ul style="list-style-type: none"> • Branches for deposits and withdrawals • Postbank agents for deposits only • Mobile phone for deposits only • School collection of checks only by branch staff when requested by school | <ul style="list-style-type: none"> • Branches • Periodic service at aggregation points (e.g., schools, youth savings clubs) in certain locations |
| Marketing Strategies | <ul style="list-style-type: none"> • Event tickets offered at promotional events in 14 schools in Bogotá and 10 schools in Medellín. | <ul style="list-style-type: none"> • Prizes were offered during promotional campaigns. • Direct marketing occurred during school visits and through print and electronic media. | <ul style="list-style-type: none"> • Prizes were offered during promotional campaigns. • Direct marketing occurred during school visits and through print and electronic media. | |

| | Colombia | Ghana | Kenya | Nepal |
|--------------------------|--|--|---|--|
| Conversion upon majority | <ul style="list-style-type: none"> • No automatic conversion • BCS offers adult products into which youth can be migrated. | <ul style="list-style-type: none"> • No automatic conversion • HFC offers adult products into which youth can be migrated. KYC will be upgraded to reflect new status. Same account code will apply, but a new account number is assigned. | <ul style="list-style-type: none"> • No automatic conversion • Youth can continue to operate account for one year after turning 18 while awaiting adult ID and transition to STEP account thereafter. | <ul style="list-style-type: none"> • Once youth turn 16, withdrawals are frozen until they submit a citizenship certificate to continue operations. • Account can be retained. |

KYC, Know Your Client.

Data provided by Save the Children (2014).

Appendix B.1 – Colombia Country Brief

Program Description

The youth savings product Banco Caja Social (BCS) offers, *Cuentamiga para Jóvenes*, means “Friendly Account for Youth” and is targeted to youth aged between 7 and 17 years.

Account Uptake

A total of 2,755 accounts were opened between February 29, 2012, and May 31, 2014, and have been open for an average of 13.15 months. During the period, 447 accounts were closed and 1,703 declared inactive or never received an initial deposit (Table B.1.1). Over 50% of the accounts closed were opened during the first quarter (Q1).

There was a decreasing trend in quarterly opening rates until Q4. Discussion with BCS revealed internal competition with a preexisting youth product, *Tuticuenta*, which has been in place since 1997, serves the same age population. *Tuticuenta* is less restrictive and more transaction-oriented than *Cuentamiga para Jóvenes*' longer-term saving emphasis. Nevertheless, the number of accounts opened grew in Q5 when BCS relaxed product features and began participating with SC in financial savings assemblies at schools. It should be noted however that the increase in the number of accounts started to decelerate by Q7 and Q8.

Table B.1.1. Colombia Account Information by Quarter*

| | Q1 | Q2 | Q3 | Q4 | Q5 | Q6 | Q7 | Q8 | Total |
|---|-----|-----|-----|-----|-----|-----|-----|-----|-------|
| Total accounts opened (as reported by SC/BCS) | 774 | 248 | 205 | 177 | 419 | 522 | 201 | 209 | 2,755 |
| Number of total accounts closed | 239 | 33 | 39 | 16 | 76 | 31 | 5 | 8 | 447 |
| Number of total inactive accounts (includes those with no transactions since account opening) | 413 | 143 | 106 | 121 | 345 | 398 | 67 | 110 | 1,703 |

*Q1 is February 29, 2012, to August 31, 2012; Q2 is September 1, 2012, to November 30, 2013; Q3 is December 1, 2013, to February 28, 2013; Q4 is March 1, 2013, to May 31, 2013; Q5 is June 1, 2013, to August 31; Q6 is September 1, 2013, to November 30, 2013; Q7 is December 1, 2013, to February 28, 2014; and Q8 is March 1, 2014, to May 31, 2014.

Table B.1.2 Number of Accounts without Transactions and Inactive Accounts by Opening Quarter*

| Account opening quarter | Total number of research accounts opened in the quarter | Number and percent of inactive research accounts for past six months that were opened in the quarter specified | |
|-------------------------|---|--|---------------------|
| | | <i>n</i> (%) | <i>n</i> (%) |
| Q1 | 774 | 399 (51.5) | 118 (15.2) |
| Q2 | 248 | 143 (57.7) | 51 (20.6) |
| Q3 | 205 | 106 (51.7) | 39 (19.0) |
| Q4 | 177 | 119 (67.2) | 74 (41.8) |
| Q5 | 419 | 282 (67.3) | 297 (70.9) |
| Q6 | 522 | 384 (73.6) | 358 (68.6) |
| Q7 | 201 | 0 (0) | 67 (33.3) |
| Q8 | 209 | 0 (0) | 110 (52.6) |
| <i>Total</i> | <i>2755</i> | <i>1,433 (52.0)</i> | <i>1,114 (40.4)</i> |

*Q1 is February 29, 2012, to August 31, 2012; Q2 is September 1, 2012, to November 30, 2013; Q3 is December 1, 2013, to February 28, 2013; Q4 is March 1, 2013, to May 31, 2013; Q5 is June 1, 2013, to August 31; Q6 is September 1, 2013, to November 30, 2013; Q7 is December 1, 2013, to February 28, 2014; and Q8 is March 1, 2014, to May 31, 2014.

Account Holder Characteristics

Table B.1.3 presents detailed demographic characteristics of account holders by quarter, and highlights are as follows:

- *Cuentamiga para Jóvenes* account holders are divided almost evenly between females (49.9%) and males (50.1%).
- The average age of account holders is 12.7 years. Ages of youths are relatively balanced with 34.6% between 10 and 12 years and 29.3% between 13 and 15 years. There is a lower percentage of youth aged younger than 10 (20.0%) and aged between 16 and 18 years (16.1%). As expected given the characteristics of this product, none are aged older than 18 years. The majority of account holders (99.6%) are enrolled in school. Among them, 45.5% attend primary school, and 52.5% attend secondary school. Fifty-six youth attend a higher education institution: 35 in technical school and 21 at a university.
- In the Colombia YouthSave population, 9.7%—contrasted with 17% of the general population—live on less than USD 2.50 per day PPP. A similar but alternative approach to assessing the percentage of low-income youth in Colombia is to use the national stratum, which defines socioeconomic levels based on housing and public infrastructure characteristics in a geographic region. Strata 1 and 2 represent the lowest income class, strata 3 and 4 are middle class, and strata 5 and 6 are the highest income classes. The majority report being in strata 3 (38%) and strata 2 (36.4%). The percentage of people in the highest and lowest strata is very low. Strata 1 comprises 7.5% and strata 6 includes 2.2% of account holders.

- Overall, the account holder characteristics present small differences across opening quarters. In Q2 and Q3, more females opened accounts with 61.3% in Q2 and 61.0% in Q3 compared to 49.9% in total. Also, there was higher participation among youth enrolled in primary school in Q6 and of youth aged between 10 and 12 years in Q5. Finally, Q8 is peculiar in two aspects: first, more youth in strata 1 opened an account with 20.1% compared to the total of 7.5%; second, 71.3% of the youth who opened the account in Q8 were enrolled in secondary school, in contrast to the total of 52.3%.
- Of the youth who opened the *Cuentamiga para Jóvenes* account, 227 (8.2%) also acquired a *Tuticuenta* account. Of these, 141 (62.1%) opened both accounts the same day, 70 (30.8%) opened first *Tuticuenta* and then *Cuentamiga para Jóvenes*, and 16 (7.0%) opened first *Cuentamiga para Jóvenes* and then *Tuticuenta*. In addition, 37 youths have opened other financial products such as saving accounts, and payroll or transactional accounts. Youth who opened both accounts reflect a higher proportion of women, youth who were aged between 13 and 15 years at the time of account opening, youth who have a cell phone and email account, and youth in strata 2 and 3.

Savings Goal

This section shows reported savings goals by quarter and socioeconomic strata. There is variation between quarters, but it is unclear what might explain differences and whether this is a meaningful pattern. Continued tracking will help assess and explain patterns. In terms of savings goal amounts, lower strata youth who signed up in Q3 have higher savings goals than the rest of their counterparts (Table B.1.4). Conversely, strata 6 youth who signed up in Q8 and strata 5 youth who signed up in Q7 have higher savings goals than their counterparts. Overall, middle class strata youth have higher savings goals. In terms of timeframe to achieve savings goals, many youths across strata in Q3 have longer timeframes than youths who opened the account in the rest of quarters. Finally, the strata 4 youths present the highest monthly saving target.

Table B.1.3. Colombia Account Holder Characteristics by Quarter*

| Youth Characteristics | Q1 | Q2 | Q3 | Q4 | Q5 | Q6 | Q7 | Q8 | Total |
|------------------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------|
| | N = 774 | N = 248 | N = 205 | N = 177 | N = 419 | N = 522 | N = 201 | N = 209 | N = 2,755 |
| | n (%) | n (%) | n (%) | n (%) | n (%) | n (%) | n (%) | n (%) | n (%) |
| Gender | | | | | | | | | |
| Female | 358 (46.3) | 152 (61.3) | 125 (61.0) | 80 (45.2) | 224 (53.5) | 247 (47.3) | 89 (44.3) | 101 (48.3) | 1,376 (49.9) |
| Male | 416 (53.7) | 96 (38.7) | 80 (39.0) | 97 (54.8) | 195 (46.5) | 275 (52.7) | 112 (55.7) | 108 (51.7) | 1,379 (50.1) |
| Age (years) | | | | | | | | | |
| Less than 10 | 157 (20.3) | 58 (23.4) | 35 (17.1) | 30 (16.9) | 93 (22.2) | 123 (23.6) | 35 (17.4) | 20 (9.6) | 551 (20.0) |
| 10-12 | 229 (29.6) | 73 (29.5) | 65 (31.7) | 50 (28.3) | 180 (43.0) | 217 (41.1) | 65 (32.3) | 75 (35.9) | 954 (34.6) |
| 13-15 | 245 (31.6) | 84 (33.8) | 61 (29.8) | 60 (33.9) | 91 (21.7) | 125 (24.0) | 58 (28.9) | 82 (39.2) | 806 (29.3) |
| 16-18 | 143 (18.5) | 33 (13.3) | 44 (21.4) | 37 (20.9) | 55 (13.1) | 57 (10.9) | 43 (21.4) | 32 (15.3) | 444 (16.1) |
| 19-21 | 0 (0) | 0 (0) | 0 (0) | 0 (0) | 0 (0) | 0 (0) | 0 (0) | 0 (0) | 0 (0) |
| 22-24 | 0 (0) | 0 (0) | 0 (0) | 0 (0) | 0 (0) | 0 (0) | 0 (0) | 0 (0) | 0 (0) |
| 25-30 | 0 (0) | 0 (0) | 0 (0) | 0 (0) | 0 (0) | 0 (0) | 0 (0) | 0 (0) | 0 (0) |
| Over 30 | 0 (0) | 0 (0) | 0 (0) | 0 (0) | 0 (0) | 0 (0) | 0 (0) | 0 (0) | 0 (0) |
| Missing | 0 (0) | 0 (0) | 0 (0) | 0 (0) | 0 (0) | 0 (0) | 0 (0) | 0 (0) | 0 (0) |
| Education level | | | | | | | | | |
| Not in school | 3 (0.4) | 1 (0.4) | 0 (0) | 0 (0) | 0 (0) | 3 (0.5) | 1 (0.5) | 3 (1.4) | 11 (0.4) |
| Primary | 325 (42.0) | 113 (45.6) | 89 (43.4) | 69 (39.0) | 225 (53.7) | 290 (55.5) | 82 (40.8) | 55 (26.3) | 1,248 (45.3) |
| Secondary | 417 (53.9) | 132 (53.2) | 112 (54.6) | 102 (57.6) | 186 (44.4) | 226 (43.2) | 116 (57.7) | 149 (71.3) | 1,440 (52.3) |
| Tech school | 16 (2.1) | 1 (0.4) | 2 (1.0) | 6 (3.4) | 6 (1.4) | 2 (0.4) | 1 (0.5) | 1 (0.5) | 35 (1.3) |
| University | 13 (1.7) | 1 (0.4) | 2 (1.0) | 0 (0) | 2 (0.5) | 1 (0.2) | 1 (0.5) | 1 (0.5) | 21 (0.7) |

| Youth Characteristics | Q1 N = 774 <i>n</i> (%) | Q2 N = 248 <i>n</i> (%) | Q3 N = 205 <i>n</i> (%) | Q4 N = 177 <i>n</i> (%) | Q5 N = 419 <i>n</i> (%) | Q6 N = 522 <i>n</i> (%) | Q7 N = 201 <i>n</i> (%) | Q8 N = 209 <i>n</i> (%) | Total N = 2,755 <i>n</i> (%) |
|-----------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|------------------------------------|
| School status | | | | | | | | | |
| In school | 771 (99.6) | 247 (99.6) | 205 (100) | 177 (100) | 419 (100) | 519 (99.4) | 200 (99.5) | 206 (98.5) | 2,744 (99.6) |
| Not in school | 3 (0.4) | 1 (0.4) | 0 (0) | 0 (0) | 0 (0) | 3 (0.6) | 1 (0.5) | 3 (1.5) | 11 (0.4) |
| Household income | | | | | | | | | |
| Strata 1 | 56 (7.2) | 10 (4.0) | 15 (7.3) | 13 (7.3) | 24 (5.7) | 30 (5.6) | 16 (8.0) | 42 (20.1) | 206 (7.5) |
| Strata 2 | 285 (36.8) | 117 (47.2) | 76 (37.0) | 50 (28.3) | 165 (39.4) | 169 (32.4) | 54 (26.9) | 87 (41.6) | 1,003 (36.4) |
| Strata 3 | 330 (42.6) | 96 (38.7) | 83 (40.5) | 73 (41.2) | 152 (36.3) | 201 (38.5) | 75 (37.3) | 37 (17.7) | 1,048 (38.0) |
| Strata 4 | 65 (8.4) | 17 (6.8) | 21 (10.3) | 12 (6.8) | 28 (6.7) | 23 (4.4) | 16 (7.9) | 5 (2.4) | 186 (6.7) |
| Strata 5 | 22 (2.8) | 3 (1.2) | 6 (2.9) | 2 (1.1) | 4 (0.9) | 12 (2.3) | 2 (1.0) | 0 (0.0) | 51 (1.9) |
| Strata 6 | 10 (1.3) | 4 (1.6) | 2 (1.0) | 3 (1.7) | 3 (0.7) | 36 (6.9) | 1 (0.5) | 1 (0.5) | 60 (2.2) |
| Missing/don't know | 6 (0.8) | 1 (0.4) | 2 (1.0) | 24 (13.6) | 43 (10.3) | 51 (9.7) | 37 (18.4) | 37 (17.7) | 201 (7.3) |

* Q1 is February 29, 2012, to August 31, 2012; Q2 is September 1, 2012, to November 30, 2013; Q3 is December 1, 2013, to February 28, 2013; Q4 is March 1, 2013, to May 31, 2013; Q5 is June 1, 2013, to August 31; Q6 is September 1, 2013, to November 30, 2013; Q7 is December 1, 2013, to February 28, 2014; and Q8 is March 1, 2014, to May 31, 2014.

Note: Researchers imputed values for 623 accounts (22.61%) with missing values for stratum provided by BCS. Researchers imputed stratum values following specific rules. Those with missing values were matched with youths who specified the same neighborhood as their residence and imputed the strata as the mode of the group of kids who reported living in that neighborhood. If no other youth in the database reported living in the same neighborhood, the researchers searched a spatial database containing the strata of all Bogota's neighborhoods (using ArcGIS) and imputed the value. For other cities, they searched online real estate sales sites and imputed the strata of any property found in the same neighborhood.

Table B.1.4 Colombia Savings Goals by Quarter*

| Youth Characteristics | Q1* | Q2 | Q3 | Q4 | Q5 | Q6 | Q7 | Q8 | Total |
|--|---------------|---------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | Mean | Mean | Mean | Mean | Mean | Mean | Mean | Mean | Mean |
| 1. Savings Goal Amount - Dollars PPP (mean) | | | | | | | | | |
| Strata 1 | 697.38 | 329.28 | 971.66 | 369.57 | 361.61 | 850.65 | 541.91 | 276.57 | 633.45 |
| Strata 2 | 517.48 | 655.85 | 678.77 | 429.00 | 455.64 | 517.69 | 515.85 | 539.39 | 547.82 |
| Strata 3 | 534.88 | 851.73 | 1666.78 | 421.05 | 388.41 | 316.77 | 881.72 | 547.81 | 650.15 |
| Strata 4 | 1580.36 | 325.43 | 463.72 | 607.96 | 309.08 | 778.58 | 399.35 | 2174.10 | 767.22 |
| Strata 5 | 441.17 | 264.21 | 601.22 | 339.70 | 291.18 | 458.82 | 1011.02 | - | 455.02 |
| Strata 6 | 806.36 | 351.84 | 299.26 | 685.88 | 194.12 | 206.13 | 485.29 | 970.58 | 474.78 |
| Missing | 501.47 | 485.29 | 194.12 | 650.43 | 851.96 | 525.79 | 724.96 | 1,126.8 2 | 695.57 |
| <i>Total</i> | <i>627.46</i> | <i>686.30</i> | <i>1067.50</i> | <i>467.07</i> | <i>458.60</i> | <i>448.63</i> | <i>687.01</i> | <i>634.96</i> | <i>600.73</i> |
| 2. Savings Goal Timeframe - Months (mean) | | | | | | | | | |
| Strata 1 | 25.22 | 13.56 | 27.27 | 17.31 | 15.58 | 30.66 | 20.38 | 14.41 | 23.67 |
| Strata 2 | 20.70 | 18.65 | 21.97 | 16.43 | 19.60 | 24.17 | 18.93 | 16.86 | 20.62 |
| Strata 3 | 18.83 | 19.01 | 23.90 | 18.93 | 18.21 | 17.05 | 22.91 | 21.86 | 19.62 |
| Strata 4 | 18.27 | 17.29 | 20.24 | 26.33 | 14.18 | 20.96 | 16.69 | 12.00 | 18.76 |
| Strata 5 | 16.36 | 16.33 | 32.17 | 12.00 | 12.00 | 12.00 | 25.00 | - | 18.54 |
| Strata 6 | 24.00 | 21.75 | 18.50 | 28.00 | 14.18 | 12.00 | 12.00 | 24.00 | 18.90 |
| Missing | 12.00 | 12.00 | 12.00 | 24.46 | 21.54 | 18.09 | 22.18 | 22.51 | 20.42 |
| <i>Total</i> | <i>19.86</i> | <i>18.50</i> | <i>23.13</i> | <i>19.45</i> | <i>18.61</i> | <i>19.97</i> | <i>20.96</i> | <i>18.19</i> | <i>19.74</i> |
| 3. Monthly Savings Goal - Dollars PPP (mean) | | | | | | | | | |
| Strata 1 | 28.01 | 25.34 | 47.45 | 23.64 | 23.59 | 25.94 | 27.80 | 19.53 | 27.28 |
| Strata 2 | 25.79 | 29.65 | 30.99 | 24.59 | 24.58 | 22.78 | 30.43 | 24.45 | 26.20 |
| Strata 3 | 29.83 | 33.10 | 54.16 | 21.39 | 20.38 | 18.63 | 31.27 | 27.54 | 29.07 |
| Strata 4 | 120.60 | 19.98 | 23.69 | 27.30 | 21.38 | 27.49 | 24.60 | 181.17 | 50.66 |
| Strata 5 | 29.41 | 16.18 | 22.92 | 28.31 | 24.26 | 38.24 | 40.44 | - | 26.78 |
| Strata 6 | 29.96 | 16.18 | 16.18 | 35.59 | 16.18 | 16.25 | 40.44 | 40.44 | 22.56 |
| Missing | 41.79 | 40.44 | 16.18 | 34.71 | 38.08 | 35.60 | 31.71 | 53.99 | 36.93 |
| <i>Total</i> | <i>35.85</i> | <i>29.82</i> | <i>40.30</i> | <i>24.99</i> | <i>24.28</i> | <i>22.78</i> | <i>30.41</i> | <i>33.13</i> | <i>33.10</i> |

*Q1 is February 29, 2012, to August 31, 2012; Q2 is September 1, 2012, to November 30, 2013; Q3 is December 1, 2013, to February 28, 2013; Q4 is March 1, 2013, to May 31, 2013; Q5 is June 1, 2013, to August 31; Q6 is September 1, 2013, to November 30, 2013; Q7 is December 1, 2013, to February 28, 2014; and Q8 is March 1, 2014, to May 31, 2014.

Out-of-School Youth

Out-of-school youth account for less than 1% of the YouthSave account holders in Colombia. Despite this low percentage, characteristics of these youth are provided in Table B.1.5.

B.1.5. Colombia Out-of-School Youth Characteristics

| Variable | Colombia (N = 11) n (%) |
|------------------------------------|-------------------------------|
| Age (account opening) | |
| Younger than 10 | 2 (18.2) |
| 10–12 | 6 (54.6) |
| 13–15 | 1 (9.1) |
| 16–18 | 2 (18.2) |
| 19–21 | 0 (0.0) |
| 22–24 | 0 (0.0) |
| 25–30 | 0 (0.0) |
| Older than 30 | 0 (0.0) |
| Missing | 0 (0.0) |
| Age (mean) (SD) | 11.98 (2.98) |
| Gender | |
| Male | 7 (63.6) |
| Female | 4 (36.4) |
| Poverty likelihood at USD 2.50/day | 10.70 (9.23) |

Savings Outcomes

For savings outcomes, the sample size consists of 1,641 account holders instead of 2,765. The analysis excludes 1,114 accounts with no initial deposit record or subsequent transactions. Total net savings across these 1,641 accounts is COP 531,485,468 (USD 429,876) (Table B.1.6). Since rollout, there have been 813 withdrawals. Total withdrawals amount to COP 367,354,784 (USD 297,124), which is the equivalent of approximately 40.9% of total deposits.

Table B.1.6. Colombia Total Savings in COP (PPP-Converted USD)

| Totals | COP (USD) |
|------------------------------|-----------------------|
| Amount of deposits | 897,402,688 (725,837) |
| Amount of interest | 4,266,907 (3,451) |
| Amount of withdrawals | 367,354,784 (297,124) |
| Amount of service fees/taxes | 2,829,321 (2,288) |
| Net savings | 531,485,468 (429,876) |

COP, Colombian peso; *PPP*, purchasing power parity; *USD*, U.S. dollar

Average net savings per account is COP 323,879 (261.96) while the median value is COP 50,030 (USD 40.47) (Table B.1.7). The minimum amount is zero, which corresponds to accounts that have been closed. The maximum value of total net savings reflects the highest average balance in an account: COP 40,100,000 (USD 32,433.66). The median value of withdrawals is 0, which shows that the old account's restrictions encouraged saving.

Table B.1.7. Colombia Average Total Savings per Account in COP (PPP-Converted USD)

| Averages | Mean | Median | Minimum | Maximum |
|---|------------------|------------------|--------------|------------------------|
| Amount of deposits (including interest) | 549,464 (444.42) | 160,450 (129.78) | 5,013 (4.05) | 42,600,000 (34,455.71) |
| Amount of withdrawals | 223,860 (181.06) | 0 (0.00) | 0 (0.00) | 36,900,000 (29,845.43) |
| Amount of service fees/taxes | 1,724 (1.39) | 0 (0.00) | 0 (0.00) | 110,078 (89.03) |
| Net savings (balance) per account | 323,879 (261.96) | 50,030 (40.47) | 0 (0.00) | 40,100,000 (32,433.66) |

COP, Colombian peso; *PPP*, purchasing power parity; *USD*, U.S. dollar

Table B.1.8 shows that the average monthly net savings (AMNS) per account is COP 28,305 (USD 22.89). The median, however, is again much smaller, reaching only COP 4,481 (USD 3.92). The maximum value of monthly net savings reaches COP 2,679,000 (USD 2,166.83). On average, the youth are not fulfilling their savings goal because the AMNS (USD 22.89) is lower than the average monthly savings goals youth reported (USD 33.10) at account opening.

Table B.1.8. Colombia AMNS per Account in COP (PPP-Converted USD)

| Averages | Mean | Median | Minimum | Maximum |
|--|----------------|----------------|------------|----------------------|
| Monthly amount of deposits (including interest) | 47,412 (38.35) | 15,005 (12.14) | 186 (0.15) | 2,679,000 (2,166.83) |
| Monthly amount of withdrawals (including fees/taxes) | 19,106 (15.45) | 0 (0.00) | 0 (0.00) | 2,644,549 (2,138.96) |
| AMNS* | 28,305 (22.89) | 4,841 (3.92) | 0 (0.00) | 2,679,000 (2,166.83) |

AMNS, average monthly net savings; *COP*, Colombian peso; *PPP*, purchasing power parity; *USD*, U.S. dollar

*AMNS = (deposits + interest – withdrawals – service fees and taxes)/months account has been open.

Transaction Activity

Table B.1.9 presents the *Cuentamiga para Jóvenes* transactions for the 1,641 accounts with transactions. All youth have made at least one deposit since account opening, and the total average number of deposits per account is 5.61. Approximately 45% of youth have withdrawn money; of those that withdrew, almost half were due to closing accounts (Table B.1.10).

Table B.1.9. Colombia Transaction Activity

| | <i>N</i> |
|---|----------|
| Total number of deposits | 9,208 |
| Total number of withdrawals | 813 |
| Number of youth that made deposits | 1,641 |
| Number of youth that made withdrawals | 737 |
| Average number of deposits per account | 5.6 |
| Average number of withdrawals per account of those that took a withdrawal | 1.1 |
| Average monthly number of deposits per account | 0.4 |
| Average monthly number of withdrawals per account of those that took a withdrawal | 0.1 |

Table B.1.10. Colombia Transaction Activity by Account Status

| | Mean | Median | Minimum | Maximum |
|-------------------------------------|------|--------|---------|---------|
| Cumulative number of deposits*** | | | | |
| Active (<i>n</i> = 707) | 7.7 | 5.0 | 1.0 | 53.0 |
| Closed (<i>n</i> = 345) | 6.1 | 5.0 | 1.0 | 28.0 |
| Inactive (<i>n</i> = 589) | 2.8 | 2.0 | 1.0 | 20.0 |
| Total (<i>N</i> = 1,641) | 5.6 | 3.0 | 1.0 | 53.0 |
| Cumulative number of withdrawals*** | | | | |
| Active (<i>n</i> = 707) | 0.2 | 0.0 | 0.0 | 9.0 |
| Closed (<i>n</i> = 345) | 1.1 | 1.0 | 1.0 | 3.0 |
| Inactive (<i>n</i> = 589) | 0.5 | 0.0 | 0.0 | 2.0 |
| Total (<i>N</i> = 1,641) | 0.5 | 0.0 | 0.0 | 9.0 |

*** $p < 0.01$.

Table B.1.11 shows statistically significant differences in account holder characteristics of those with accounts but without any transactions for the life of the account. They are similar to inactive account holders. As age increases, the likelihood of not making a transaction decreases. As well, the higher the education level the more likely it is that account holders transact. Finally, youth belonging to the strata 3 (middle class) and strata 6 (high class) present higher rates of no financial movement than the lower strata.

Reasons for closure are not available, but it is possible that youth chose to close their account once they reached their savings goal. A total of 348 youth reached their savings goal. Table B.1.12 shows that 195 (56%) are active accounts, 111 (32%) are closed, and 42 (12%) are inactive.

Table B.1.11 Colombia Account Holder Characteristics of Those without Transactions

| | Mean (SD) | Test-Statistic |
|-----------------------------|----------------|-------------------------------------|
| Gender | | |
| Male | 0.4068 (0.491) | F(1,2753) = 0.07, Prob > F = 0.7923 |
| Female | 0.4018 (0.49) | |
| Age*** | | |
| Less than 10 | 0.428 (0.49) | F(3,2751)=20.59, Prob > F = 0.0000 |
| 10–12 years | 0.485 (0.50) | |
| 13–15 years | 0.357 (0.47) | |
| 16–18 years | 0.286 (0.45) | |
| Education level*** | | |
| Primary | 0.445 (0.497) | F(4,2750) = 6.10, Prob > F = 0.0001 |
| Secondary | 0.377 (0.485) | |
| Tech school | 0.228 (0.42) | |
| University | 0.142 (0.35) | |
| Other | 0.27 (0.46) | |
| Currently in School | | |
| Yes | 0.40 (0.49) | F(1,2753) = 0.79, Prob > F = 0.3729 |
| No | 0.27 (0.46) | |
| Household income**** | | |
| Strata 1 | 0.36 (0.48) | F(6,2748) = 4.08, Prob > F = 0.0004 |
| Strata 2 | 0.39 (0.48) | |
| Strata 3 | 0.42 (0.49) | |
| Strata 4 | 0.38 (0.48) | |
| Strata 5 | 0.33 (0.47) | |
| Strata 6 | 0.66 (0.47) | |

^a There are 201 missing values in the strata variable.

*** p<0.01.

Table B.1.12. Total Youth Who Reached Their Savings Goal by Account Opening Quarter

| Opening Quarter | Closed Accounts | Active Accounts | Inactive Accounts |
|-----------------|-----------------|-----------------|-------------------|
| Q1 | 69 | 78 | 27 |
| Q2 | 14 | 38 | 2 |
| Q3 | 15 | 18 | 5 |
| Q4 | 7 | 11 | 4 |
| Q5 | 2 | 11 | 3 |
| Q6 | 3 | 16 | 1 |
| Q7 | 0 | 21 | 0 |
| Q8 | 1 | 2 | 0 |
| <i>Total</i> | <i>111</i> | <i>195</i> | <i>42</i> |

Branch-Level Account Uptake, Savings, and Outreach

Banco Caja Social has 263 branches across the five geographic regions of Colombia: Andina, Amazónica, Caribe, Orinoquia, and Pacífica. The Andina region has the largest number of inhabitants with almost 75% of the country's population and includes the two largest cities, Bogotá and Medellín. Caribe and Pacífica are the second most populated regions, and Orinoquia and Amazónica are the least populated regions. The highest concentration of BCS branches (76.4%) is in Andina, followed by Pacífica with 12.4% and Caribe with 8.5%. Orinoquia and Amazonia have only six branches each.

The number of accounts opened by region reflects the concentration of the branches (Table B.1.13). Approximately 74.5% of all *Cuentamiga para Jóvenes* accounts were opened in the Andina region, followed by 17.4% in Pacífica and 3.3% in Caribe. Only 4.8% of the accounts were opened in the regions of Amazónica and Orinoquia combined.

Table B.1.14 provides detail on branch participation at school assemblies and estimated number of accounts opened.

Table B.1.13. Colombia Regional-Level Account Uptake and Savings*

| | Total accounts opened <i>n</i> (%) | AMNS (PPP-converted USD)** |
|--------------|---------------------------------------|----------------------------|
| Amazónica | 60 (2.2) | 8.13 |
| Andina | 2,034 (74.5) | 25.96 |
| Caribe | 90 (3.3) | 14.29 |
| Orinoquia | 71 (2.6) | 26.09 |
| Pacífica | 475 (17.4) | 16.91 |
| <i>Total</i> | <i>2730</i> | <i>22.89</i> |

AMNS, average monthly net savings; PPP, purchasing power parity; USD, U.S. dollar

* There are 25 missing values in "region" variable.

**Excludes 1,114 accounts without any transaction activity from life of account.

Financial education text message experiment

A small randomized controlled trial (RCT) with the *Cuentamiga para jóvenes* account holders was designed and implemented to assess the effect of financial education text messages on savings. In total, 795 youth who opened their account from July 2013¹³ to February 2014 were randomized into two groups: treatment and control. The first one received the welcome text message to the RCT and one monthly financial education text message for 12 months, while the control group only received only the welcome message.

¹³ The youth who opened the accounts before July 2013 were excluded from the experiment because they opened the account under the old *Cuentaamiga para Jóvenes* financial characteristics, consequently they may be systematically different from the youths who opened the account since July 2013.

Table B.1.14. Accounts Opened in Schools by Branch

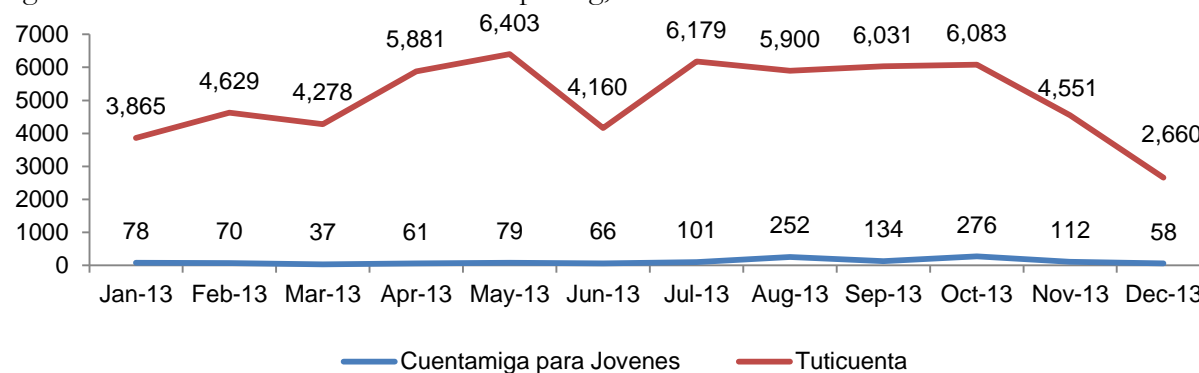
| City | School | Date | BCS Branch | Total participants | Total assemblies | Total accounts opened |
|--------------|----------|----------|-----------------------|--------------------|------------------|-----------------------|
| Bogotá | School A | Jul 2013 | 637 (Parque Fontibon) | 360 | 2 | 3 |
| | School B | Aug 2013 | 4 (Villa Javier) | 386 | 1 | 35 |
| | School C | Aug 2013 | 4 (Villa Javier) | 176 | 1 | |
| Medellín | School D | Aug 2013 | 208 (Manrique) | 83 | 1 | 14 |
| Bogotá | School E | Sep 2013 | 51 (Soacha Autop Sur) | 116 | 1 | 0 |
| | School F | Sep 2013 | 29 (Primavera) | 469 | 6 | 0 |
| Bogotá | School G | Oct 2013 | 108 (Unicentro) | 320 | 3 | 121 |
| Fusagasuga | School H | Oct 2013 | 158 (Av Las Palmas) | 249 | 3 | 7 |
| | School I | Oct 2013 | 158 (Av Las Palmas) | 192 | 2 | 7 |
| Madrid | School J | Oct 2013 | 168 (Madrid) | 287 | 3 | 33 |
| Bogotá | School J | Nov 2013 | 638 (Centro Suba) | 57 | 1 | 0 |
| | School K | Nov 2013 | 444 (Bosa Porvenir) | 150 | 1 | 0 |
| Sogamoso | School L | Feb 2014 | 540 (Sogamoso) | 546 | 3 | 0 |
| Soacha | School M | Feb 2014 | 130 (Soacha Parque) | 774 | 5 | 47 |
| | School N | Feb 2014 | | | | |
| <i>Total</i> | | | | <i>4,165</i> | <i>33</i> | <i>267</i> |

Results indicate that the treated youth present a lower cumulative net savings increase than the control group, although the difference is not statistically significant. Additionally, results suggest that the financial education message increases the inactivity of the account and the probability that the account does not register any financial movement.

A Comparison of *Cuentamiga para Jóvenes* and *Tuticuenta*

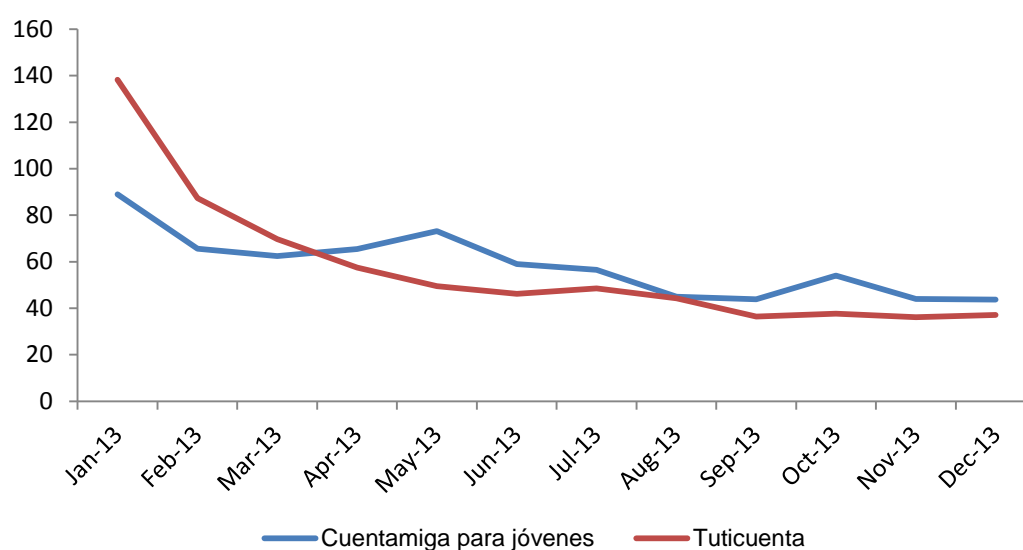
The number of *Cuentamiga para Jóvenes* accounts is low compared to the strong performance of *Tuticuenta*. (Figure B.1.1). During 2013, the total number of *Cuentamiga para Jóvenes* accounts opened represents only 2.18% of the total number of *Tuticuenta* accounts opened. Between January and December 2013, a total of 1,324 *Cuentamiga para Jóvenes* accounts were opened, while 60,620 *Tuticuenta* accounts were opened. At least two factors may account for this difference in account uptake. First, the *Cuentamiga para Jóvenes* account was less flexible and had more withdrawal rules. Second, BCS staff was more familiar with *Tuticuenta* and had incentives for opening those accounts. Changes to withdrawal restrictions and staff incentives have since been made, and effects on account uptake will continue to be tracked.

Figure B.1.1. Colombia Youth Account Opening, 2013*



*Data based on 42,135 *Tuticuenta* and 538 *Cuentamiga para Jóvenes* accounts opened in 2013 with positive balance.

Figure B.1.2. Colombia AMNS per Account* in PPP-Converted USD



It is important to note that AMNS per *Tuticuenta* account is higher than that of the *Cuentamiga para Jóvenes* account in only the first three months of 2013 (Figure B.1.2). For the remaining nine months, AMNS is higher for *Cuentamiga para Jóvenes* account. As expected, accounts focused on saving—such as the *Cuentamiga para Jóvenes*—exhibit higher saving than *Tuticuenta*, a transactional account.

Lessons Learned

According to BCS officials, being part of the YouthSave project was an enriching and fruitful experience. Although the *Cuentamiga para jóvenes* did not reach its expected level of sales, BCS believes that other project goals were met, specifically in terms of innovation and learning. Innovations included creating a low-income youth saving product not available in the Colombian market, improving processes with allies, and learning to monitor customers' savings behavior.

The *Cuentamiga para jóvenes* and the experience with the YouthSave project yielded many lessons for the development of new products for both the youth segment and other clients. The project results

made evident how products exclusively dedicated to savings help people achieve their goals and are in demand. However, BCS also learned how products with many withdrawal restrictions can be too rigid for youth who are learning to save, which may discourage account uptake. This becomes apparent when comparing the account uptake of *Cuentamiga para jóvenes* and *Tuticuenta*. Bank representatives believe that because *Tuticuenta* has been available in the market longer, has no barriers, and includes a debit card, it attracts more youth.

Regardless, the *Cuentamiga para jóvenes* experience revealed that there are different profiles of youth savers; therefore, BCS will review account activity in both youth accounts again in 2015. It is possible that both accounts will be merged into a single product, but there is also the possibility that *Cuentamiga para jóvenes* will continue to exist as a separate product with softer barriers for withdrawals. Despite the low account uptake of *Cuentamiga para jóvenes* account, it has higher savings balances than *Tuticuenta*, which is more in line with the BCS's objective to promote savings.

Appendix B.2 – Ghana Country Brief

Program Description

In Ghana, HFC Bank offers the YouthSave account *Enidaso*. It is a regular savings account targeted to youth aged between 12 and 18 years.

Account Uptake

HFC Bank opened 12,162 *Enidaso* accounts between May 11, 2012, and May 31, 2014. Of those, 10,866 account holders agreed to participate in YouthSave. Research accounts have been open for an average of 8.2 months. Table B.2.1 shows the number of accounts opened each quarter since product rollout. Most accounts were opened in the second year of product rollout.

Table B.2.1. Ghana Account Information by Quarter*

| | Q1 | Q2 | Q3 | Q4 | Q5 | Q6 | Q7 | Q8 | Total |
|---|-----|-----|-----|-----|-------|-------|-------|-------|--------|
| Total accounts opened since rollout (as reported by FI) | 820 | 403 | 254 | 628 | 2,157 | 1,329 | 3,855 | 2,716 | 12,162 |
| Number of research accounts | 728 | 334 | 282 | 541 | 2,116 | 1,082 | 3,393 | 2,390 | 10,866 |
| Number of research accounts closed | 0 | 0 | 0 | 0 | 1 | 4 | 0 | 1 | 6 |

FI, financial institution

*Q1 is May 11, 2012, to August 31, 2012; Q2 is September 1, 2012, to November 30, 2012; Q3 is December 1, 2012, to February 28, 2013; Q4 is March 1, 2013, to May 31, 2013; Q5 is June 1, 2013, to August 31, 2013; Q6 is September 1, 2013, to November 30, 2013; Q7 is December 1, 2013, to February 28, 2014; Q8 is March 1, 2014, to May 31, 2014.

Account Holder Characteristics

Table B.2.2 presents detailed demographic characteristics of account holders by quarter, and highlights are as follows:

- Of the total 10,866 research account holders, 5,898 are female (54.3%) and 4,968 are male (45.7%).
- The largest group of account holders (47.5%) is aged 13 to 15 years, followed by those aged 16 to 18 years (33.6%) and those aged 10 to 12 years (14.2%). A larger number of youth aged 16-18 years signed up for accounts in the second year.
- All but 48 (0.4%) youth are enrolled in school, which likely is a result of HFC's targeted marketing to schools through the HFC Outreach Program.
- Account holders are almost equally distributed between Junior High School (JHS) Level 1, Level 2, and Senior High School (SHS) (22% each) followed by Upper Primary (17.1%) and JHS 3 (14.4%). A substantial increase in SHS began in the fourth quarter of rollout.
- In the Ghana YouthSave population, approximately 41%—contrasted with 58% of the general population—live on less than USD 2.50 per day PPP.
- Only 8.7% of account holders indicate that they have earned income in the past six months.

- Almost all account holders (92.2%) had no experience with formal banking before opening an *Enidaso* account.
- Most youth (91.1%) report that funds for saving come from parents, while a small percentage (5%) report using earned income.

Table B.2.2. Ghana Account Holder Characteristics by Quarter*

| | Q1 | Q2 | Q3 | Q4 | Q5 | Q6 | Q7 | Q8 | Total |
|---------------------|------------|------------|------------|-------------|--------------|--------------|--------------|--------------|---------------|
| | N = 728 | N = 334 | N = 282 | N = 541 | N = 2,116 | N = 1,082 | N = 3,393 | N = 2,390 | N = 10,866 |
| | n (%) | n (%) | n (%) | n (%) | n (%) | n (%) | n (%) | n (%) | n (%) |
| Gender | | | | | | | | | |
| Male | 321 (44.1) | 149 (44.6) | 137 (48.6) | 235 (43.4) | 929 (43.9) | 506 (46.8) | 1,552 (45.7) | 1,139 (47.7) | 4,968 (45.7) |
| Female | 407 (55.9) | 185 (55.4) | 145 (51.4) | 306 (56.6) | 1,187(56.1) | 576 (53.2) | 1,841 (54.3) | 1,251 (52.3) | 5,898 (54.3) |
| Age (years) | | | | | | | | | |
| Younger than 10 | 1 (0.1) | 0 (0.0) | 1 (0.4) | 1 (0.2) | 34 (1.6) | 29 (2.7) | 22 (0.6) | 28 (1.2) | 116 (1.1) |
| 10–12 | 81 (11.1) | 44 (13.2) | 51 (18.1) | 101 (18.7) | 323 (15.3) | 213 (19.7) | 382 (11.3) | 363 (15.2) | 1,558 (14.3) |
| 13–15 | 392 (53.9) | 193 (57.8) | 150 (53.2) | 224 (41.4) | 898 (42.4) | 561 (51.8) | 1,697 (50.0) | 1,045 (43.7) | 5,160 (47.5) |
| 16–18 | 217 (29.8) | 91 (27.2) | 74 (26.2) | 203 (37.5) | 743 (35.1) | 252 (23.3) | 1,195 (35.2) | 878 (36.6) | 3,649 (33.6) |
| 19–21 | 30 (4.1) | 5 (1.5) | 4 (1.4) | 11 (2.0) | 110 (5.2) | 23 (2.1) | 89 (2.6) | 73 (3.0) | 345 (3.1) |
| 22–24 | 7 (1.0) | 1 (0.3) | 1 (0.4) | 1 (0.2) | 4 (0.2) | 2 (0.2) | 2 (0.1) | 4 (0.2) | 22 (0.2) |
| 25–30 | 0 (0.0) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 4 (0.2) | 2 (0.2) | 1(0.03) | 1 (0.04) | 8 (0.1) |
| Older than 30 | 0 (0.0) | 0 (0.0) | 1 (0.4) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 5 (0.2) | 2 (0.1) | 8 (0.1) |
| Education level | | | | | | | | | |
| No formal education | 2 (0.3) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 6 (0.3) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 8 (0.1) |
| Pre-school | 0 (0.0) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 1 (0.04) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 1 (0.01) |
| Lower primary (1–3) | 14 (1.9) | 0 (0.0) | 0 (0.0) | 4 (0.7) | 36 (1.7) | 31 (2.9) | 20 (0.6) | 6 (0.3) | 111 (1.0) |
| Upper primary (4–6) | 161 (22.1) | 53 (15.9) | 40 (14.2) | 96 (17.7) | 431(20.4) | 235 (21.7) | 356 (10.5) | 487 (20.4) | 1,859 (17.1) |
| JHS 1 | 226 (31.0) | 84 (25.1) | 70 (24.8) | 98 (18.1) | 459 (21.7) | 327 (30.2) | 734 (21.6) | 407 (17.0) | 2,405 (22.1) |
| JHS 2 | 171 (23.5) | 99 (29.6) | 76 (26.9) | 73 (13.5) | 585 (27.6) | 216 (20.0) | 793 (23.4) | 445 (18.6) | 2,458 (22.6) |
| JHS 3 | 86 (11.8) | 64 (19.2) | 63 (22.3) | 48 (8.9) | 201 (9.5) | 133 (12.3) | 661 (19.5) | 304 (12.7) | 1,560 (14.4) |
| SHS | 65 (8.9) | 32 (9.6) | 33 (11.7) | 220 (40.7) | 387 (18.3) | 140 (12.9) | 827 (24.4) | 741 (31.0) | 2,445 (22.5) |
| Other | 3 (0.4) | 2 (0.6) | 0 (0.0) | 2 (0.4) | 10 (0.5) | 0 (0.0) | 2 (0.06) | 0 (0.0) | 19 (0.2) |
| School status | | | | | | | | | |
| In school | 723 (99.3) | 333 (99.7) | 281(99.7) | 541 (100.0) | 2,100 (99.2) | 1,077 (99.5) | 3,385 (99.8) | 2,377 (99.5) | 10,817 (99.6) |
| Not in school | 5 (0.7) | 0 (0.0) | 1 (0.3) | 0 (0.0) | 16 (0.8) | 5 (0.5) | 8 (0.2) | 13 (0.5) | 48 (0.4) |
| Missing | 0 (0.0) | 1 (0.3) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 1 (0.01) |

| | Q1 N = 728 | Q2 N = 334 | Q3 N = 282 | Q4 N = 541 | Q5 N = 2,116 | Q6 N = 1,082 | Q7 N = 3,393 | Q8 N = 2,390 | Total N = 10,866 |
|-------------------------|---------------|---------------|---------------|---------------|-----------------|-----------------|-----------------|-----------------|---------------------|
| | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) |
| Prior income | | | | | | | | | |
| Yes | 121(16.6) | 39 (11.7) | 34 (12.1) | 30 (5.5) | 257 (12.2) | 131(12.1) | 197 (5.8) | 141 (5.9) | 950 (8.7) |
| No | 589 (80.9) | 287 (85.9) | 237 (84.0) | 501 (92.6) | 1,821 (86.1) | 932 (86.1) | 3,185 (93.9) | 2,228 (93.2) | 9,780 (90.0) |
| Don't know | 18 (2.5) | 8 (2.4) | 11 (3.9) | 10 (1.9) | 38 (1.8) | 19 (1.8) | 11 (0.3) | 21 (0.9) | 136 (1.3) |
| Previous formal account | | | | | | | | | |
| Yes | 21 (2.9) | 11 (3.3) | 12 (4.3) | 40 (7.4) | 135 (6.4) | 52 (4.8) | 137 (4.0) | 113 (4.7) | 521 (4.8) |
| No | 686 (94.2) | 311 (93.1) | 262 (92.9) | 489 (90.4) | 1,833 (86.6) | 989 (91.4) | 3,205 (94.5) | 2,245 (93.9) | 10,020 (92.2) |
| Don't know | 20 (2.8) | 10 (3.0) | 7 (2.5) | 10 (1.9) | 39 (1.8) | 27 (2.5) | 31 (0.9) | 29 (1.2) | 173 (1.6) |
| Missing | 1 (0.1) | 2 (0.6) | 1 (0.4) | 2 (0.3) | 109 (5.2) | 14 (1.3) | 20 (0.6) | 3 (0.1) | 152 (1.4) |
| Source of funds | | | | | | | | | |
| Earned income | 60 (8.2) | 17 (5.1) | 6 (2.1) | 18 (3.3) | 143 (6.7) | 75 (6.9) | 133 (3.9) | 92 (3.8) | 544 (5.0) |
| From family | 632 (86.8) | 298 (89.2) | 255 (90.4) | 513 (94.8) | 1,849 (87.4) | 953 (88.1) | 3,178 (93.7) | 2,222 (93.0) | 9,900 (91.1) |
| Other | 36 (5.0) | 19 (5.7) | 21 (7.5) | 10 (1.9) | 124 (5.9) | 54 (5.0) | 82 (2.4) | 76 (3.2) | 422 (3.9) |

*Q1 is May 11, 2012, to August 31, 2012; Q2 is September 1, 2012, to November 30, 2012; Q3 is December 1, 2012, to February 28, 2013; Q4 is March 1, 2013, to May 31, 2013; Q5 is June 1, 2013, to August 31, 2013; Q6 is September 1, 2013, to November 30, 2013; Q7 is December 1, 2013, to February 28, 2014; Q8 is March 1, 2014, to May 31, 2014.

Household Characteristics

Table B.2.3 presents detailed account holders' household and head-of-household (HOH) characteristics by quarter. Highlights are as follows:

- Most account holders (73.7%) report fathers as the HOH, while 20.3% report mothers. About 5% of youth head their household or live in a household in which an individual other than a parent is the HOH.
- Most youth live in households with five or more members (65.3%). About 27% have a household size of seven or more, 37.9% live in households of five or six, and 31.7% live in households with four or fewer members.
- Over half of youth (62.2%) indicate that the HOH had prior experience with formal banking, either with HFC or another financial institution (FI), while 19% indicate that the HOH had no experience with formal banking, and 18.8% did not know. The second year of rollout reflects a 5% increase in the number of youth who report that their HOH had prior banking experience.
- Many account holders (29.9%) did not know their HOH's education level. Those who did report the following: 26% technical, college, or university education; 25.5% secondary school; 9.9% primary education; and 8.7% no formal education.
- The majority of youth (78.2%) indicate that their HOH is not employed in the agricultural sector, while 14.2% are employed in the agricultural sector. About 8% provided no information.
- Over half of the HOHs are reported as being self-employed (55.3%), and 29.5% salaried. Only 2.7% indicate the HOH as not employed.
- Almost half of households (49.6%) own no means of transportation. Among those who do own a mode of transportation, 39.1% own motorized and 10.1% own only nonmotorized (e.g., bicycle) transportation.
- Over half of youth (56.2%) had a nonrelative cosign for the account. Of those whose cosignatory was a parent, the mother (17.5%) signed more often than the father (10%). The number of youth opening accounts with a nonrelative cosignatory almost doubled between the first and second year of rollout, from an average of 36% in year one to an average of 60% of youth in year 2.

Savings Goals

The majority of youth (78.9%) are saving for their own education, followed by 13.8% saving for emergencies, and 2.4% saving for a business (Table B.2.4). A few indicate saving for day-to-day expenses (1.5%), a relative's education (1%), or another reason (1.7%).

How Youth Learned about the Account

HFC's Outreach Program has been very helpful in informing the youth about the benefits of operating a formal bank account with 81.5% of the youth indicating they learned about the account through the program (Table B.2.5). An additional 12.4% learned in their school or college. The number of account holders who learned about the account through HFC's Outreach Program decreased in Q2 as other market outreach strategies (e.g., mass media) were used. From Q3, HFC has intensified their outreach program efforts, which is reflected in the increased number of youth who learned of the account through the program.

Table B.2.3. Ghana Household/HOH Characteristics by Quarter*

| | Q1 N = 728 | Q2 N = 334 | Q3 N = 282 | Q4 N = 541 | Q5 N = 2,116 | Q6 N = 1,082 | Q7 N = 3,393 | Q8 N = 2,390 | Total N = 10,866 |
|----------------------------------|---------------|---------------|---------------|---------------|-----------------|-----------------|-----------------|-----------------|---------------------|
| | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) |
| HOH | | | | | | | | | |
| Father | 509 (69.9) | 228 (68.3) | 218 (77.3) | 416 (76.9) | 1,444 (68.2) | 797 (73.6) | 2,586 (76.22) | 1,806 (75.6) | 8,004 (73.7) |
| Mother | 154 (21.2) | 84 (25.1) | 44 (15.6) | 99 (18.3) | 539 (25.5) | 226 (20.9) | 608 (17.9) | 455 (19.04) | 2,209 (20.3) |
| Self or other | 58 (7.9) | 21 (6.3) | 17 (6.0) | 20 (3.7) | 112 (5.3) | 52 (4.8) | 185 (5.5) | 120 (5.0) | 585 (5.4) |
| Don't know | 7 (1.0) | 1 (0.3) | 3 (1.1) | 6 (1.1) | 21 (1.0) | 7 (0.7) | 14 (0.4) | 9 (0.4) | 68 (0.6) |
| Number of household members | | | | | | | | | |
| 3 or fewer | 131 (18.0) | 50 (14.9) | 46 (16.3) | 53 (9.8) | 293 (13.8) | 175 (16.2) | 379 (11.2) | 314 (13.1) | 1,441 (13.3) |
| 4 | 120 (16.5) | 52 (15.6) | 48 (17.0) | 92 (17.0) | 395 (18.7) | 230 (21.2) | 614 (18.1) | 453 (18.9) | 2,004 (18.4) |
| 5 | 126 (17.3) | 54 (16.2) | 48 (17.0) | 132 (24.4) | 438 (20.7) | 248 (22.9) | 795 (23.4) | 539 (22.6) | 2,380 (21.9) |
| 6 | 99 (13.6) | 56 (16.8) | 51 (18.1) | 114 (21.1) | 295 (13.9) | 138 (12.8) | 605 (17.8) | 383 (16.0) | 1,741 (16.0) |
| 7 or more | 233 (32.0) | 109 (32.6) | 70 (24.8) | 132 (24.4) | 602 (28.5) | 255 (23.6) | 942 (27.8) | 635 (26.6) | 2,978 (27.4) |
| Don't know | 19 (2.6) | 13 (3.9) | 19 (6.7) | 18 (3.3) | 93 (4.4) | 36 (3.3) | 58 (1.7) | 66 (2.8) | 322 (3.0) |
| HOH previous formal bank account | | | | | | | | | |
| Yes (HFC or other FI) | 325 (44.6) | 186 (55.7) | 170 (60.3) | 373 (69.0) | 1,385 (65.5) | 643 (59.4) | 2,208 (65.1) | 1,471 (61.6) | 6,761 (62.2) |
| No | 207 (28.4) | 79 (23.7) | 41 (14.5) | 52 (9.6) | 443 (20.9) | 260 (24.0) | 566 (16.7) | 419 (17.5) | 2,067 (19.0) |
| Don't know | 196 (26.9) | 69 (20.6) | 71 (25.2) | 116 (21.4) | 288 (13.6) | 179 (16.5) | 619 (18.2) | 500 (20.9) | 2,038 (18.8) |
| HOH education level | | | | | | | | | |
| No formal education | 63 (8.7) | 42 (12.6) | 27 (9.6) | 15 (2.8) | 330 (15.6) | 138 (12.8) | 166 (4.9) | 164 (6.9) | 945 (8.7) |
| Primary | 72 (9.9) | 35 (10.5) | 22 (7.8) | 22 (4.1) | 203 (9.6) | 78 (7.2) | 406 (11.9) | 240 (10.0) | 1,078 (9.9) |
| Secondary | 219 (30.1) | 78 (23.3) | 68 (24.1) | 124 (22.9) | 421 (19.9) | 251 (23.2) | 1,013 (29.9) | 593 (24.8) | 2,767 (25.5) |
| Technical school | 78 (10.7) | 49 (14.7) | 34 (12.1) | 53 (9.8) | 289 (13.6) | 120 (11.1) | 403 (11.9) | 257 (10.8) | 1,283 (11.8) |
| University | 57 (7.8) | 50 (15.0) | 55 (19.5) | 135 (24.9) | 296 (14.0) | 139 (12.8) | 470 (13.9) | 337 (14.1) | 1,539 (14.2) |
| Don't know | 239 (32.8) | 80 (23.9) | 76 (26.9) | 192 (35.5) | 577 (27.3) | 356 (32.9) | 935 (27.6) | 799 (33.4) | 3,254 (29.9) |

| | Q1 N = 728 | Q2 N = 334 | Q3 N = 282 | Q4 N = 541 | Q5 N = 2,116 | Q6 N = 1,082 | Q7 N = 3,393 | Q8 N = 2,390 | Total N = 10,866 |
|---------------------------------------|---------------|---------------|---------------|---------------|-----------------|-----------------|-----------------|-----------------|---------------------|
| | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) |
| HOH employment in agricultural sector | | | | | | | | | |
| Yes | 126 (17.3) | 44 (13.2) | 33 (11.7) | 35 (6.5) | 289 (13.6) | 149 (13.8) | 505 (14.9) | 362 (15.1) | 1,543 (14.2) |
| No | 555 (76.2) | 242 (72.4) | 213 (75.5) | 457 (84.5) | 1,707 (80.7) | 854 (78.9) | 2,699 (79.5) | 1,768 (74.0) | 8,495 (78.2) |
| Don't know | 47 (6.5) | 48 (14.4) | 36 (12.8) | 49 (9.0) | 120 (5.7) | 79 (7.3) | 189 (5.6) | 260 (10.9) | 828 (7.6) |
| HOH employment status | | | | | | | | | |
| Salaried | 168 (23.1) | 99 (29.6) | 88 (31.2) | 184 (34.0) | 563 (26.6) | 293 (27.0) | 1,049 (30.9) | 757 (31.7) | 3,201 (29.5) |
| Self-employed | 467 (64.2) | 172 (51.5) | 137 (48.6) | 242 (44.7) | 1,150 (54.4) | 651 (60.2) | 1,932 (56.9) | 1,255 (52.5) | 6,006 (55.3) |
| Pensioner/retired | 13 (1.8) | 3 (0.9) | 6 (2.1) | 13 (2.4) | 39 (1.8) | 12 (1.1) | 53 (1.6) | 30 (1.2) | 169 (1.5) |
| Not employed | 9 (1.2) | 6 (1.8) | 2 (0.7) | 7 (1.3) | 80 (3.8) | 27 (2.5) | 85 (2.5) | 76 (3.2) | 292 (2.7) |
| Other | 25 (3.4) | 18 (5.4) | 9 (3.2) | 15 (2.8) | 112 (5.3) | 31 (2.9) | 106 (3.1) | 72 (3.0) | 388 (3.6) |
| Don't know | 46 (6.3) | 36 (10.8) | 40 (14.2) | 80 (14.8) | 172 (8.1) | 68 (6.3) | 168 (5.0) | 200 (8.4) | 810 (7.4) |
| Mode of transportation owned | | | | | | | | | |
| None | 379 (52.1) | 208 (62.3) | 138 (48.9) | 223 (41.2) | 1,076 (50.9) | 540 (49.9) | 1,709 (50.4) | 1,119 (46.8) | 5,392 (49.6) |
| Nonmotorized | 70 (9.6) | 33 (9.9) | 41 (14.5) | 47 (8.7) | 229 (10.8) | 120 (11.1) | 322 (9.5) | 236 (9.87) | 1,098 (10.1) |
| Motorized | 113 (15.5) | 69 (20.6) | 76 (27.0) | 203 (37.5) | 619 (29.2) | 332 (30.7) | 1,075 (31.7) | 810 (33.9) | 3,297 (30.3) |
| Both | 42 (5.8) | 20 (6.0) | 27 (9.6) | 68 (12.6) | 192 (9.1) | 90 (8.3) | 287 (8.4) | 225 (9.4) | 951 (8.8) |
| Missing | 124 (17.0) | 4 (1.2) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 128 (1.2) |
| Cosignatory | | | | | | | | | |
| Father | 131 (18.0) | 52 (15.6) | 48 (17.0) | 96 (17.7) | 274 (12.9) | 107 (9.9) | 216 (6.4) | 159 (6.6) | 1,083 (10.0) |
| Mother | 231 (31.7) | 110 (32.9) | 61 (21.6) | 148 (27.4) | 497 (23.5) | 208 (19.2) | 416 (12.3) | 230 (9.6) | 1,901 (17.5) |
| Other relative | 137 (18.8) | 48 (14.4) | 67 (23.8) | 98 (18.1) | 362 (17.1) | 136 (12.6) | 606 (17.8) | 319 (13.4) | 1,773 (16.3) |
| Nonrelative | 229 (31.5) | 124 (37.1) | 106 (37.6) | 199 (36.8) | 983 (46.5) | 631 (58.3) | 2,155 (63.5) | 1,682 (70.4) | 6,109 (56.2) |

*Q1 is May 11, 2012, to August 31, 2012; Q2 is September 1, 2012, to November 30, 2012; Q3 is December 1, 2012, to February 28, 2013; Q4 is March 1, 2013, to May 31, 2013; Q5 is June 1, 2013, to August 31, 2013; Q6 is September 1, 2013, to November 30, 2013; Q7 is December 1, 2013, to February 28, 2014; Q8 is March 1, 2014, to May 31, 2014.

Table B.2.4. Ghana Savings Goals by Quarter*

| | Q1 N = 728 | Q2 N = 334 | Q3 N = 282 | Q4 N = 541 | Q5 N = 2,116 | Q6 N = 1,082 | Q7 N = 3,393 | Q8 N = 2,390 | Total N = 10,866 |
|----------------------|---------------|---------------|---------------|---------------|-----------------|-----------------|-----------------|-----------------|---------------------|
| | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) |
| Emergencies | 56 (7.7) | 33 (9.9) | 57 (20.2) | 194 (35.8) | 264 (12.5) | 82 (7.6) | 439 (12.9) | 371 (15.5) | 1,496 (13.8) |
| Business | 20 (2.7) | 5 (1.5) | 10 (3.5) | 28 (5.2) | 48 (2.3) | 27 (2.5) | 71 (2.1) | 55 (2.3) | 264 (2.4) |
| Own education | 617 (84.8) | 272 (81.4) | 197 (69.9) | 273 (50.5) | 1,719 (81.2) | 935 (86.4) | 2,740 (80.7) | 1,819 (76.1) | 8,572 (78.9) |
| Relative's education | 11 (1.5) | 5 (1.5) | 4 (1.4) | 10 (1.9) | 26 (1.2) | 15 (1.4) | 24 (0.7) | 18 (0.8) | 113 (1.0) |
| Day-to-day expenses | 8 (1.1) | 4 (1.2) | 6 (2.1) | 17 (3.1) | 22 (1.0) | 9 (0.8) | 54 (1.6) | 43 (1.8) | 163 (1.5) |
| Trip/vacation | 2 (0.3) | 4 (1.2) | 0 (0.0) | 4 (0.7) | 8 (0.4) | 1 (0.1) | 18 (0.5) | 11 (0.5) | 48 (0.4) |
| Job-related training | 0 (0.0) | 1 (0.3) | 1 (0.4) | 0 (0.0) | 5 (0.2) | 0 (0.0) | 9 (0.3) | 4 (0.2) | 20 (0.2) |
| Other | 14 (1.9) | 10 (3.0) | 7 (2.5) | 15 (2.8) | 24 (1.1) | 13 (1.2) | 26 (0.8) | 13 (0.5) | 122 (1.1) |
| Missing | 0 (0.0) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 12 (0.4) | 56 (2.3) | 68 (0.6) |

*Q1 is May 11, 2012, to August 31, 2012; Q2 is September 1, 2012, to November 30, 2012; Q3 is December 1, 2012, to February 28, 2013; Q4 is March 1, 2013, to May 31, 2013; Q5 is June 1, 2013, to August 31, 2013; Q6 is September 1, 2013, to November 30, 2013; Q7 is December 1, 2013, to February 28, 2014; Q8 is March 1, 2014, to May 31, 2014.

Table B.2.5. Ghana Account Holder Source for Learning about Account by Quarter*

| | Q1 N = 728 | Q2 N = 334 | Q3 N = 282 | Q4 N = 541 | Q5 N = 2,116 | Q6 N = 1,082 | Q7 N = 3,393 | Q8 N = 2,390 | Total N = 10,866 |
|-----------------------------------|---------------|---------------|---------------|---------------|-----------------|-----------------|-----------------|-----------------|---------------------|
| | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) |
| Radio/television/newspaper | 6 (0.8) | 17 (5.1) | 30 (10.6) | 22 (4.1) | 48 (2.3) | 25 (2.3) | 39 (1.1) | 14 (0.6) | 201 (1.9) |
| HFC Outreach Program | 592 (81.3) | 199 (59.6) | 210 (74.5) | 328 (60.6) | 1,556 (73.5) | 881 (81.4) | 3,022 (89.1) | 2,069 (86.6) | 8,857 (81.5) |
| Youth club/financial education | 3 (0.4) | 3 (0.9) | 3 (1.1) | 9 (1.7) | 134 (6.3) | 13 (1.2) | 43 (1.3) | 19 (0.8) | 227 (2.1) |
| School/college | 108 (14.8) | 101 (30.2) | 21 (7.4) | 136 (25.1) | 316 (14.9) | 148 (13.7) | 253 (7.5) | 269 (11.3) | 1,352 (12.4) |
| Church/mosque/temple | 0 (0.0) | 0 (0.0) | 0 (0.0) | 32 (5.9) | 14 (0.7) | 4 (0.4) | 4 (0.1) | 1 (0.04) | 55 (0.5) |
| Friend/family | 13 (1.8) | 11 (3.3) | 12 (4.3) | 9 (1.7) | 38 (1.8) | 9 (0.8) | 31 (0.9) | 17 (0.7) | 140 (1.3) |
| Mobile phone | 0 (0.0) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 0 (0.0) |
| Internet | 0 (0.0) | 0 (0.0) | 0 (0.0) | 1 (0.2) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 1 (0.01) |
| Other | 6 (0.8) | 3 (0.9) | 6 (2.1) | 4 (0.7) | 9 (0.4) | 2 (0.2) | 1 (0.03) | 1 (0.04) | 32 (0.29) |
| Missing | 0 (0.0) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 1 (0.1) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 1 (0.01) |

*Q1 is May 11, 2012, to August 31, 2012; Q2 is September 1, 2012, to November 30, 2012; Q3 is December 1, 2012, to February 28, 2013; Q4 is March 1, 2013, to May 31, 2013; Q5 is June 1, 2013, to August 31, 2013; Q6 is September 1, 2013, to November 30, 2013; Q7 is December 1, 2013, to February 28, 2014; Q8 is March 1, 2014, to May 31, 2014.

Out-of-School Youth

Out-of-school youth account for less than 1% of the YouthSave account holders in Ghana. Despite this low percentage, characteristics of these youth are provided in Table B.2.6.

Table B.2.7 presents characteristics associated with exposure to formal financial comparing youth account holders who indicated that both they and the HOH had prior accounts to account holders who indicated neither they nor the HOH had prior bank accounts.

B.2.6. Ghana Out-of-School Youth Characteristics

| | <i>N</i> = 48 (%) |
|------------------------------|-------------------|
| Gender | |
| Male | 24 (50.0) |
| Female | 24 (50.0) |
| Age (years) | |
| Younger than 10 | 0 (0.0) |
| 10–12 | 9 (18.8) |
| 13–15 | 18 (37.5) |
| 16–18 | 17 (35.4) |
| 19–21 | 3 (6.2) |
| 22–24 | 1 (2.1) |
| 25–30 | 0 (0.0) |
| Older than 30 | 0 (0.0) |
| Education level | |
| No formal | 8 (16.7) |
| Pre-school | 1 (2.1) |
| Lower primary (1–3) | 0 (0.0) |
| Upper primary (4–6) | 6 (12.5) |
| JHS 1 | 7 (14.6) |
| JHS 2 | 6 (12.5) |
| JHS 3 | 3 (6.2) |
| SHS | 8 (16.7) |
| Other | 9 (18.7) |
| Income in past six months | |
| Yes | 15 (31.2) |
| No | 32 (66.7) |
| Don't know | 1 (2.1) |
| Previous formal bank account | |
| Yes | 1 (2.1) |
| No | 46 (95.8) |
| Don't know | 1 (2.1) |
| Savings goal | |
| Emergencies | 2 (4.2) |
| Business | 8 (16.7) |
| Own education | 36 (75.0) |
| Relative's education | 1 (2.1) |
| Day-to-day expenses | 0 (0.0) |
| Trip/vacation | 0 (0.0) |
| Job-related training | 0 (0.0) |
| Other | 0 (0.0) |
| Missing | 1 (2.1) |

| | N = 48 (%) |
|-----------------------------------|------------|
| Source for learning about account | |
| Radio/television/newspaper | 1 (2.1) |
| Bank fair/rallies/other campaign | 38 (79.2) |
| FE workshop/youth club | 0 (0.0) |
| School/college | 3 (6.2) |
| Church/mosque/temple | 0 (0.0) |
| Friend/family | 5 (10.4) |
| Mobile phone | 0 (0.0) |
| Internet | 0 (0.0) |
| Others | 1 (2.1) |

B.2.7. Characteristics of Ghana Youth Exposure to Formal Financial Services

| | With prior experience with an account(youth and HOH) N = 383 (%) | No prior experience with an account (youth and HOH) N = 1,969 (%) |
|---------------------------|--|---|
| Gender | | |
| Male | 192 (50.1) | 974 (49.5) |
| Female | 191 (49.9) | 995 (50.5) |
| Age (years) | | |
| Younger than 10 | 4 (1.0) | 22 (1.1) |
| 10–12 | 45 (11.7) | 254 (12.9) |
| 13–15 | 147 (38.4) | 934 (47.4) |
| 16–18 | 165 (43.1) | 663 (33.7) |
| 19–21 | 20 (5.2) | 83 (4.2) |
| 22–24 | 1 (0.3) | 7 (0.4) |
| 25–30 | 1 (0.3) | 4 (0.2) |
| Older than 30 | 0 (0.0) | 2 (0.1) |
| Education level | | |
| No formal | 0 (0.0) | 7 (0.4) |
| Pre-school | 0 (0.0) | 0 (0.0) |
| Lower primary (1–3) | 0 (0.0) | 44 (2.2) |
| Upper primary (4–6) | 50 (13.0) | 429 (21.8) |
| JHS 1 | 68 (17.7) | 513 (26.0) |
| JHS 2 | 67 (17.5) | 487 (24.7) |
| JHS 3 | 45 (11.8) | 318 (16.2) |
| SHS | 152 (39.7) | 168 (8.5) |
| Other | 1 (0.3) | 3 (0.2) |
| Income in past six months | | |
| Yes | 49 (12.8) | 292 (14.8) |
| No | 330 (86.2) | 1,661 (84.4) |
| Don't know | 4 (1.0) | 16 (0.8) |
| Savings goal | | |
| Emergencies | 66 (17.2) | 208 (10.6) |
| Business | 22 (5.7) | 28 (1.4) |
| Own education | 261 (68.2) | 1,669 (84.8) |
| Relative's education | 8 (2.1) | 22 (1.1) |
| Day-to-day expenses | 11 (2.9) | 13 (0.7) |
| Trip/vacation | 2 (0.5) | 5 (0.2) |
| Job-related training | 1 (0.3) | 3 (0.1) |
| Other | 5 (1.3) | 18 (0.9) |
| Missing | 7 (1.8) | 3 (0.2) |

| | With prior experience with an account(youth and HOH) N = 383 (%) | No prior experience with an account (youth and HOH) N = 1,969 (%) |
|-----------------------------------|---|--|
| Source for learning about account | | |
| Radio/television/newspaper | 8 (2.1) | 36 (1.8) |
| Bank fair/rallies/other campaign | 280 (73.1) | 1,642 (83.4) |
| FE workshop/youth club | 17 (4.4) | 31 (1.6) |
| School/college | 72 (18.8) | 225 (11.4) |
| Church/mosque/temple | 0 (0.0) | 13 (0.7) |
| Friend/family | 5 (1.3) | 19 (0.9) |
| Mobile phone | 0 (0.0) | 0 (0.0) |
| Internet | 0 (0.0) | 0 (0.0) |
| Others | 1 (0.3) | 3 (0.2) |

Savings Outcomes

Total net savings across all 10,866 accounts as of May 31, 2014, is GHS 289,837 (USD 362,297) (Table B.2.8).

As shown in Table B.2.9, average net savings per account is GHS 26.67 (USD 33.34), and median savings per account holder is GHS 3.00 (USD 3.75). The maximum average in an account is GHS 27,571 (USD 34,464).

The AMNS per account is GHS 3.61 (USD 4.51), and the median is GHS 0.67 (USD 0.83) (Table B.2.10). The maximum AMNS in an account is GHS 2,506 (USD 3,133) which is from one account holder who made deposits through the year.

Table B.2.8. Ghana Total Account Savings across Accounts in GHS (PPP-Converted USD)

| Totals | GHS (USD) |
|------------------------------|-------------------|
| Amount of deposits | 415,957 (519,946) |
| Amount of interest | 1,706 (2,133) |
| Amount of withdrawals | 121,059 (151,324) |
| Amount of service fees/taxes | 6,767 (8,458) |
| Net savings | 289,837 (362,297) |

GHS, Ghanaian cedi; PPP, purchasing power parity; USD, U.S. dollar

Table B.2.9. Ghana Average Total Savings per Account in GHS (PPP-Converted USD)

| Averages | Mean | Median | Minimum | Maximum |
|---|---------------|-------------|----------|-----------------|
| Amount of deposits (including interest) | 38.44 (48.05) | 4.00 (5.00) | 0 (0.00) | 41,360 (51,700) |
| Amount of withdrawals | 11.14 (13.93) | 0.00 (0.00) | 0 (0.00) | 24,600 (30,750) |
| Amount of service fees/taxes | 0.62 (0.78) | 0.00 (0.00) | 0 (0.00) | 139 (173) |
| Net savings (balance) per account | 26.67 (33.34) | 3.00 (3.75) | 0 (0.00) | 27,571 (34,464) |

GHS, Ghanaian cedi; *PPP*, purchasing power parity; *USD*, U.S. dollar

Table B.2.10. Ghana AMNS per Account in GHS (PPP-Converted USD)

| Averages | Mean | Median | Minimum | Maximum |
|--|-------------|-------------|----------|---------------|
| Monthly amount of deposits (including interest) | 4.71 (5.89) | 0.80 (1.00) | 0 (0.00) | 3,760 (4,700) |
| Monthly amount of withdrawals (including fees/taxes) | 1.10 (1.38) | 0.00 (0.00) | 0 (0.0) | 2,237 (2,796) |
| AMNS* | 3.61 (4.51) | 0.67 (0.83) | 0 (0.00) | 2,506 (3,133) |

AMNS, average monthly net savings; *GHS*, Ghanaian cedi; *PPP*, purchasing power parity; *USD*, U.S. dollar

*AMNS = (deposits + interest – withdrawals – service fees and taxes)/months account has been open

Transaction Activity

Table B.2.11 presents transactions for the 10,866 accounts with activity. Youth made an average of two deposits in the average eight months an account was open. Only 351 youth (3%) made withdrawals.

Table B.2.11. Ghana Transaction Activity*

| | |
|---|----------|
| Number of deposits/withdrawals | |
| Total number of deposits | 24,993 |
| Total number of withdrawals | 702 |
| Number of youth that made deposits | 10,856** |
| Number of youth that made withdrawals | 351 |
| Average number of deposits per account | 2.3 |
| Average number of withdrawals per account by those that took a withdrawal | 2.0 |
| Average monthly number of deposits per account | 0.4 |
| Average monthly number of withdrawals per account by those that took a withdrawal | 0.2 |

*These data exclude accounts without any transactions for the life of the account.

**All youth made at least one deposit with the exception of ten cases in Ghana where there are fees or interest transactions, but no deposits.

Table B.2.12 shows transactions by active, inactive, and closed account status. The six closed accounts had the most activity.

Table B.2.12. Ghana Transaction Activity by Account Status

| | Mean | Median | Minimum | Maximum |
|-----------------------------------|------|--------|---------|---------|
| Cumulative number of deposits* | | | | |
| Active ($n = 9,620$) | 2.4 | 1.0 | 0.0 | 150.0 |
| Closed ($n = 6$) | 5.3 | 4.0 | 2.0 | 13.0 |
| Inactive ($n = 1,240$) | 1.7 | 1.0 | 0.0 | 19.0 |
| Total ($N = 10,866$) | 2.3 | 1.0 | 0.0 | 150.0 |
| Cumulative number of withdrawals* | | | | |
| Active ($n = 9,620$) | 0.1 | 0.0 | 0.0 | 40.0 |
| Closed ($n = 6$) | 1.5 | 1.0 | 1.0 | 3.0 |
| Inactive ($n = 1,240$) | 0.01 | 0.0 | 0.0 | 3.0 |
| Total ($N = 10,866$) | 0.1 | 0.0 | 0.0 | 40.0 |

* $p < 0.001$.

Branch-Level Account Uptake, Savings, and Financial Education and Outreach

HFC has 26 branches in 11 districts across seven geographic regions of Ghana, and *Enidaso* was marketed in 25 of the 26 branches. The majority of accounts were opened in Greater Accra (4,832) followed by Ashanti (1,738), Central (1,564) Northern (906), Eastern (853), Western (672), and Brong Ahafo (301) regions (Table B.2.13).

Table B.2.13 also shows how many accounts by branch were opened at the schools participating in the school banking experiment. Youth who attend schools receiving in-school banking opened 746 accounts. Youth who attend schools receiving outreach but not financial education or depository services opened 326 accounts. Youth who attend schools in the experiment that received no services (control group) opened 68 accounts. Note that it is possible for a branch to open accounts from schools receiving different services.

Table B.2.13 Ghana Branch Participation

| District | Branch | Total research accounts | AMNS | Accounts from in-school banking schools | Accounts from in-school marketing schools | Accounts from schools receiving no services (control group) |
|----------------------|--------------------------|-------------------------|-------|---|---|---|
| Greater Accra Region | | | | | | |
| Accra Metro | Abossey Okai | 223 | 2.84 | 0 | 5 | 0 |
| Accra Metro | Accra Central | 58 | 6.82 | 0 | 0 | 0 |
| Accra Metro | Adabraka | 287 | 3.58 | 0 | 27 | 0 |
| Ashaiman | Ashaiman | 449 | 3.98 | 0 | 6 | 57 |
| Accra Metro | Baastonaa (Spintex Road) | 727 | 3.96 | 61 | 0 | 0 |
| | Dansoman | 293 | 8.25 | 0 | 0 | 0 |
| Accra Metro | Ebankese (Head Office) | 345 | 6.28 | 0 | 0 | 0 |
| Accra Metro | Legon | 501 | 6.68 | 0 | 0 | 0 |
| Accra Metro | Post Office Square | 758 | 2.66 | 0 | 0 | 4 |
| Accra Metro | Ridge | 1,078 | 6.01 | 0 | 45 | 0 |
| Accra Metro | South Industrial (Boafo) | 12 | .45 | 0 | 0 | 0 |
| Tema Metro | Tema, Harbour City | 84 | 4.70 | 40 | 0 | 3 |
| Accra Metro | Tudu (Boafo) | 17 | 1.93 | 0 | 0 | 0 |
| Ashanti Region | | | | | | |
| Kumasi Metro | KNUST | 458 | 3.84 | 57 | 11 | 0 |
| Kumasi Metro | Kumasi Main Branch | 196 | 3.74 | 56 | 0 | 0 |
| | Magazine | 1,084 | 3.64 | 22 | 104 | 2 |
| Central Region | | | | | | |
| Awutu Effutu Senya | Kasoa | 458 | 3.79 | 0 | 0 | 0 |
| Agona West | Swedru | 650 | 2.98 | 18 | 27 | 0 |
| Kumasi Metro | Winneba | 48 | 6.03 | 2 | 0 | 0 |
| | Cape Coast | 408 | 3.99 | 0 | 0 | 0 |
| Western Region | | | | | | |
| Sekondi Takoradi | Takoradi | 672 | 3.19 | 161 | 20 | 2 |
| Northern Region | | | | | | |
| Tamale | Tamale | 906 | 2.64 | 152 | 17 | 0 |
| Brong Ahafo Region | | | | | | |
| Techiman | Techiman | 301 | 3.32 | 50 | 36 | 0 |
| Eastern Region | | | | | | |
| West Akim | Asamankese | 418 | 6.25 | 16 | 7 | 0 |
| New Juabeng | Koforidua | 435 | 12.11 | 111 | 21 | 0 |
| <i>Total</i> | | <i>10,866</i> | | <i>746</i> | <i>326</i> | <i>68</i> |

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Lessons Learned

YouthSave afforded HFC an opportunity to target a previously untapped youth market. HFC designed and introduced the first custodial account in Ghana which gave the youth aged between 12 to 18 years an opportunity to operate their own bank account with the supervision of a trusted adult.

Below are HFC's observations, lessons learned, and next steps for the *Enidaso* account:

- The bank was able to reach and introduce formal banking to low-income youth, a segment of the market that HFC ordinarily would not have targeted, thereby excluding them from the financial system.
- The extensive market research carried out prior to the product design enabled HFC to design a product for the youth and by the youth, which contributed greatly to the product's success. Based on this, HFC has adopted some key aspects of the research for its product development.
- Above-the-line marketing, though very expensive, is very important and useful in creating credibility and awareness, and makes market penetration easier for direct selling, which is one of the successful ways of reaching this special youth market.
- In selling savings accounts to youth, emphasizing the importance of early savings creates interest and enthusiasm to save.
- Winning the support of and building strong relationships with the heads of schools is a major contributor to the successful sale of a product in a school.
- Partnering with youth-focused organizations that have established relationships with targeted schools is beneficial and makes access to youth easier. However, regular follow-up is important for continuous account usage.
- Young people are generally enthused and excited about owning their own account. However, unavailability of required identification for youth or selected trusted adult prevents the opportunity from becoming a reality. One recommendation is for the central bank to consider relaxing the age at which a child can own and run a savings account (below the age of majority) to increase youth financial inclusion.
- School vacations affect account activities and should be considered and factored into target setting and performance of youth products.
- HFC will continue the *Enidaso* account and will consider developing other complementary youth products. HFC has also linked its corporate social responsibility to the youth segment by promoting the in-school banking model at the senior high school level coupled with youth training and development programs.
- Experience with the YouthSave project has revealed that schools do have high expectations from banks who initiate relationships with them. In view of this, HFC has allocated some budgetary support for schools with whom it establishes relationships.

Appendix B.3 – Kenya Country Brief

Program Description

The YouthSave product Postbank offers is called *SMATA*. It is a regular savings account targeted to youth aged between 12 and 18 years.

Account Information

Postbank opened 77,421 *SMATA* accounts between May 7, 2012, and May 31 2014. Of those, 49,797 account holders agreed to participate in YouthSave. A unique feature among YouthSave accounts is that youth can open a *SMATA* account without an initial deposit. These include 1527 accounts. In the 25 months after rollout, accounts were open for an average of 11.1 months.

Table B.3.1 shows the number of accounts opened each quarter. The highest number of accounts was opened in Q4 and Q5.

Table B.3.1. Kenya Account Information by Quarter*

| | Q1 | Q2 | Q3 | Q4 | Q5 | Q6 | Q7 | Q8 | Total |
|---|-------|-------|-------|--------|--------|--------|-------|--------|--------|
| Total accounts opened since rollout (as reported by FI) | 2,726 | 8,369 | 3,963 | 13,753 | 13,807 | 12,951 | 9,568 | 12,284 | 77,421 |
| Number of research accounts | 2,368 | 4,522 | 2,406 | 10,830 | 9,727 | 8,410 | 4,857 | 6,677 | 49,797 |
| Number of research accounts closed | 0 | 0 | 0 | 0 | 3 | 1 | 2 | 5 | 11 |

*Q1 is May 7, 2012, to August 31, 2012; Q2 is September 1, 2012, to November 30, 2012; Q3 is December 1, 2012, to February 28, 2013; Q4 is March 1 2013, to May 31 2013; Q5 is from June 1, 2013, to August 31, 2013; Q6 is from September 1, 2013, to November 30, 2013; Q7 is from December 1, 2013, to February 28, 2014; and Q8 is from March 1, 2014, to May 31, 2014.

FI, Financial Institution

Account Holder Characteristics

Table B.3.2 presents detailed demographic characteristics of account holders by quarter Highlights are as follows:

- Males led account uptake. In total, 58.9% of account holders are male and 41.1% are female.
- The mean age of account holders is 16. The majority of youth are aged 13 to 15 years (35.9%) and 16 to 18 years (48.2%).
- In terms of school enrollment, most youth (98.07%) are enrolled with 55.8% at the secondary level. This reflects Financial Institution (FI) marketing efforts targeted to secondary schools.
- Only 8.24% of youth indicate receiving work income.
- The proportion of youth who previously held a formal account is low (less than 8%).
- In the Kenya YouthSave population, 52%—contrasted with 68% of the general population—live on less than USD 2.50 per day PPP.
- The majority of youth (82.9 %) fund savings with money from their parents.

Table B.3.2. Kenya Account Holder Characteristics by Quarter*

| | Q1 | Q2 | Q3 | Q4 | Q5 | Q6 | Q7 | Q8 | Total |
|------------------------------|--------------|--------------|--------------|---------------|--------------|--------------|--------------|--------------|---------------|
| | N = 2,368 | N = 4,522 | N = 2406 | N = 10,830 | N = 9,727 | N = 8,410 | N = 4,857 | N = 6,677 | N = 49,797 |
| | n (%) | n (%) | n (%) | n (%) | n (%) | n (%) | n (%) | n (%) | n (%) |
| Gender | | | | | | | | | |
| Female | 999 (42.2) | 1,747 (38.6) | 1,138 (47.3) | 4,750 (43.9) | 3,488 (35.9) | 3,505 (41.7) | 1,934 (39.8) | 3,777 (56.6) | 20,461 (41.1) |
| Male | 1,369 (57.8) | 2,775 (61.4) | 1,268 (52.7) | 6,080 (56.1) | 6,239 (64.1) | 4,905 (58.3) | 2,923 (60.2) | 2,900 (43.4) | 29,336 (58.9) |
| Age (years) | | | | | | | | | |
| Younger than 10 | 419 (17.7) | 62 (1.4) | 14 (0.6) | 160 (1.5) | 68 (0.7) | 72 (0.9) | 51 (1.0) | 90 (1.3) | 936 (1.9) |
| 10–12 | 135 (5.7) | 514 (11.4) | 187 (7.8) | 455 (4.2) | 390 (4.0) | 315 (3.7) | 273 (5.6) | 673 (10.1) | 2,942 (5.9) |
| 13–15 | 518 (21.9) | 1,414 (31.3) | 736 (30.6) | 3,676 (33.9) | 3,946 (40.6) | 2,943 (35.0) | 1,559 (32.1) | 3,095 (46.4) | 17,887 (35.9) |
| 16–18 | 1,204 (50.8) | 2,080 (46.0) | 1,261 (52.4) | 5,521 (51.0) | 4,654 (47.8) | 4,321 (51.4) | 2,501 (51.5) | 2,458 (36.8) | 24,000 (48.2) |
| 19–21 | 55 (2.3) | 250 (5.5) | 158 (6.5) | 743 (6.9) | 561 (5.8) | 657 (7.8) | 382 (7.9) | 299 (4.5) | 3,105 (6.2) |
| 22–24 | 3 (0.1) | 19 (0.4) | 9 (0.4) | 46 (0.4) | 35 (0.4) | 36 (0.4) | 21 (0.4) | 11 (0.2) | 180 (0.4) |
| 25–30 | 9 (0.4) | 58 (1.3) | 8 (0.3) | 20 (0.2) | 11 (0.1) | 17 (0.2) | 23 (0.5) | 5 (0.1) | 151 (0.3) |
| Older than 30 | 23 (1.0) | 120 (2.6) | 28 (1.2) | 183 (1.7) | 42 (0.4) | 37 (0.4) | 29 (0.6) | 29 (0.4) | 491 (1.0) |
| Missing | 2 (0.1) | 5 (0.1) | 5 (0.2) | 26 (0.2) | 20 (0.2) | 12 (0.1) | 18 (0.4) | 17 (0.2) | 105 (0.2) |
| Education level | | | | | | | | | |
| No formal education | 1 (0.04) | 1 (0.02) | 3 (0.1) | 5 (0.1) | 2 (0.02) | 1 (0.01) | 0 (0.0) | 1 (0.01) | 14 (0.03) |
| Preschool | 13 (0.5) | 181 (4.0) | 11 (0.5) | 61 (0.5) | 126 (1.3) | 42 (0.5) | 17 (0.4) | 25 (0.4) | 476 (1.0) |
| Lower primary (Standard 1–6) | 415 (17.5) | 851 (18.8) | 348 (14.5) | 777 (7.2) | 971 (10.0) | 585 (6.9) | 388 (8.0) | 691 (10.3) | 5,026 (10.1) |
| Upper primary (Standard 7–8) | 315 (13.3) | 801 (17.7) | 278 (11.5) | 1,669 (15.4) | 2,416 (24.8) | 2,183 (26.0) | 760 (15.6) | 1,762 (26.4) | 10,184 (20.4) |
| Secondary (Form 1–4) | 1,563 (66.0) | 2,146 (47.5) | 1,275 (53.0) | 5,765 (53.2) | 5,235 (53.8) | 4,777 (56.8) | 3,399 (70.0) | 3,619 (54.2) | 27,779 (55.8) |
| Tech school/university | 10 (0.4) | 16 (0.3) | 4 (0.2) | 50 (0.5) | 17 (0.2) | 17 (0.2) | 21 (0.4) | 23 (0.3) | 158 (0.3) |
| Don't know | 1 (0.04) | 0 (0.00) | 0 (0.00) | 0 (0.00) | 0 (0.0) | 1 (0.01) | 0 (0.0) | 0 (0.0) | 2 (0.0) |
| Missing | 50 (2.1) | 526 (11.6) | 487 (20.2) | 2,503 (23.1) | 960 (9.9) | 804 (9.6) | 272 (5.6) | 556 (8.3) | 6,158 (12.4) |
| School status | | | | | | | | | |
| In school | 2,259 (95.4) | 4,410 (97.5) | 2,355 (97.9) | 10,671 (98.5) | 9,587 (98.6) | 8,228 (98.5) | 4,729 (97.4) | 6,544 (98.0) | 48,837 (98.1) |
| Not in school | 36 (1.5) | 97 (2.1) | 45 (1.9) | 120 (1.1) | 101 (1.0) | 110 (1.3) | 107 (2.2) | 118 (1.8) | 734 (1.5) |
| Missing | 73 (3.1) | 15 (0.3) | 6 (0.2) | 39 (0.4) | 39 (0.4) | 18 (0.2) | 21 (0.4) | 15 (0.2) | 226 (0.4) |
| Income in past six months | | | | | | | | | |
| Yes | 260 (11.0) | 414 (9.2) | 142 (5.9) | 994 (9.2) | 822 (8.5) | 584 (6.9) | 325 (6.7) | 561 (8.4) | 4,102 (8.2) |
| No | 2,062 (87.1) | 3,986 (88.1) | 2,147 (89.2) | 8,607 (79.5) | 8,551 (87.9) | 7,604 (90.4) | 4,390 (90.4) | 5,915 (88.6) | 43,262 (86.9) |
| Don't know | 269 (1.1) | 84 (1.9) | 91 (3.8) | 651 (6.0) | 283 (2.9) | 174 (2.1) | 105 (2.1) | 165 (2.5) | 1,579 (3.2) |
| Missing | 20 (0.8) | 38 (0.8) | 26 (1.1) | 578 (5.3) | 71 (0.7) | 48 (0.6) | 37 (0.8) | 36 (0.5) | 854 (1.7) |

| | Q1 | Q2 | Q3 | Q4 | Q5 | Q6 | Q7 | Q8 | Total |
|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| | N = 2,368 | N = 4,522 | N = 2406 | N = 10,830 | N = 9,727 | N = 8,410 | N = 4,857 | N = 6,677 | N = 49,797 |
| | n (%) | n (%) | n (%) | n (%) | n (%) | n (%) | n (%) | n (%) | n (%) |
| Previous formal bank account | | | | | | | | | |
| Yes | 262 (11.1) | 309 (6.8) | 198 (8.2) | 999 (9.2) | 873 (9.0) | 556 (6.6) | 274 (5.6) | 536 (8.0) | 4,007 (8.0) |
| No | 2,000 (84.5) | 4,088 (90.4) | 2,123 (88.2) | 9,308 (85.9) | 8,630 (88.7) | 7,718 (91.8) | 4,505 (92.8) | 5,965 (89.3) | 44,337 (89.0) |
| Don't know | 96 (4.0) | 77 (1.7) | 51 (2.1) | 124 (1.1) | 175 (1.8) | 119 (1.4) | 53 (1.1) | 126 (1.9) | 821 (1.6) |
| Missing | 10 (0.4) | 48 (1.1) | 34 (1.4) | 399 (3.7) | 49 (0.5) | 17 (0.2) | 25 (0.5) | 50 (0.7) | 632 (1.3) |
| Source of funding | | | | | | | | | |
| Earned income | 122 (5.2) | 319 (7.1) | 137 (5.7) | 718 (6.6) | 598 (6.1) | 493 (5.9) | 269 (5.5) | 478 (7.2) | 3134 (6.3) |
| Money from family | 1,852 (78.2) | 3,666 (81.1) | 2,007 (83.4) | 8,991 (83.0) | 8,072 (83.0) | 6,997 (83.2) | 4,015 (82.7) | 5,669 (84.9) | 41,269 (82.9) |
| Other | 211 (8.9) | 495 (10.9) | 238 (9.9) | 1,042 (9.6) | 1,014 (10.4) | 892 (10.6) | 541 (11.1) | 503 (7.5) | 4936 (9.9) |
| Missing | 183 (7.7) | 42 (0.9) | 24 (1.0) | 79 (0.7) | 43 (0.4) | 28 (0.3) | 32 (0.7) | 27 (0.4) | 458 (0.9) |

* Q1 Year is May 7, 2012, to August 31, 2012; Q2 is September 1, 2012 to November 30, 2012; Q3 is December 1, 2012, to February 28, 2013; Q4 is March 1, 2013, to May 31, 2013; Q5 is June 1, 2013, to August 31, 2013; Q6 is September 1, 2013, to November 30, 2013; Q7 is December 1, 2013, to February 28, 2014; Q8 is March 1, 2014, to May 31, 2014.

Household Characteristics

Table B.3.3 presents detailed account holders' household and head-of-household (HOH) characteristics by quarter. Highlights are as follows:

- A majority of youth (73.5%) live in households in which fathers are the HOH. Over 70% have households with five or more members, while 11.4% of households have three or fewer members.
- A majority (69.6%) have HOHs who have had a formal account at an FI.
- About 46% of HOHs have a secondary or technical-school level of education, and 19.3% have university education. About 15% have primary education or less. The percentage with secondary-level education remained steady at 23% between Y3Q1 and Y4Q4.
- Only 28% of HOHs are employed in agricultural sectors. The percentage almost remained steady through the period. Most of HOHs are employed (43%) or self-employed (36%).
- About 46% indicated that their household owns no mode of transportation. The proportion of households with nonmotorized transportation (e.g., bicycle) was 14.8% compared to 37.4% with motorized transportation (e.g., motorcycle, car).
- More than half (58.2%) used a trusted adult other than a parent as cosignatory. Only 39.8% indicated that a parent was the cosignatory in the account opening process. Between Y3Q1 and Y4Q4, the percentage of parents signing for accounts went down 14%, while those signed by a nonrelative increased by 21%.

Savings Goals

When asked their reason for saving, youth most often indicated saving for their own education (31.55%) (Table B.3.4). The proportion of participants saving for emergencies is 29.3%, while the proportion of those saving for day-to-day expenses is 16.9%. By Q8, the percentage of those saving for their own education increased by 2%, while saving for emergencies increased by 13%.

How Youth Learned about the Account

When asked how they learned about the *SMATA* account, the majority (58%) indicated school/college. Other sources include bank campaign (18.5%), family/friend (4.5%), and radio/television/newspaper (6.2 %) (Table B.3.5).

Table B.3.3. Kenya Household/HOH Characteristics by Quarter*

| | Q1 | Q2 | Q3 | Q4 | Q5 | Q6 | Q7 | Q8 | Total |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| | N = 2,368 | N = 4,522 | N = 2406 | N = 10,830 | N = 9,727 | N = 8,410 | N = 4,857 | N = 6,677 | N = 49,797 |
| | n (%) | n (%) | n (%) | n (%) | n (%) | n (%) | n (%) | n (%) | n (%) |
| HOH | | | | | | | | | |
| Father | 1,660 (70.1) | 3,117 (68.9) | 1,591 (66.6) | 7,969 (73.6) | 7,316 (75.2) | 6,382 (75.9) | 3,626 (74.7) | 4,960 (74.3) | 36,621 (73.5) |
| Mother | 590 (24.9) | 1,057 (23.4) | 650 (27.2) | 2,193 (20.2) | 2,001 (20.6) | 1,710 (20.3) | 1,025 (21.1) | 1,441 (21.6) | 10,667 (21.4) |
| Self or other | 79 (3.3) | 266 (5.9) | 132 (5.5) | 339 (3.1) | 309 (3.2) | 228 (2.7) | 149 (3.1) | 196 (2.9) | 1,688 (3.4) |
| Don't know | 17 (0.7) | 50 (1.1) | 14 (0.6) | 46 (0.4) | 68 (0.7) | 70 (0.8) | 48 (1.0) | 44 (0.7) | 357 (0.7) |
| Missing | 22 (0.9) | 32 (0.7) | 19 (0.8) | 293 (2.7) | 33 (0.3) | 20 (0.2) | 9 (0.2) | 36 (0.5) | 464 (0.9) |
| Number of household members | | | | | | | | | |
| 3 or fewer | 277 (11.7) | 602 (13.3) | 377 (15.7) | 988 (9.1) | 992 (10.2) | 1,022 (12.1) | 567 (11.7) | 867 (13.0) | 5,692 (11.4) |
| 4 | 408 (17.2) | 746 (16.5) | 426 (17.7) | 1,649 (15.2) | 1,561 (16.0) | 1,293 (15.4) | 842 (17.3) | 1,137 (17.0) | 8,062 (16.2) |
| 5 | 571 (24.1) | 953 (21.1) | 507 (21.1) | 2,423 (22.4) | 2,266 (23.3) | 1,761 (20.9) | 1,079 (22.2) | 1,531 (22.9) | 11,091 (22.3) |
| 6 | 493 (20.8) | 937 (20.5) | 470 (19.5) | 2,344 (21.6) | 2,293 (23.6) | 1,890 (22.5) | 1,061 (21.8) | 1,511 (22.6) | 10,999 (22.0) |
| 7 or more | 600 (25.3) | 1,245 (27.5) | 603 (25.1) | 3,038 (28.0) | 2,591 (26.6) | 2,390 (28.4) | 1,291 (26.6) | 1,600 (24.0) | 13,358 (26.8) |
| Don't know | 5 (0.2) | 5 (0.1) | 2 (0.1) | 20 (0.2) | 0 (0) | 2 (0.02) | 0 (0) | 1 (0.01) | 35 (0.1) |
| Missing | 14 (0.6) | 34 (0.7) | 21 (0.9) | 368 (3.4) | 24 (0.2) | 52 (0.6) | 17 (0.3) | 30 (0.4) | 560 (1.1) |
| HOH previous formal bank account | | | | | | | | | |
| Yes | 1,912 (80.7) | 2,916 (64.5) | 1,598 (66.4) | 7,261 (67.0) | 7,209 (74.1) | 5,733 (68.2) | 3,315 (68.2) | 4,695 (70.3) | 34,639 (69.6) |
| (Postbank/other FI) | | | | | | | | | |
| No | 221 (9.3) | 650 (14.4) | 376 (15.6) | 1,086 (10.0) | 822 (8.4) | 870 (10.3) | 567 (11.7) | 666 (10.0) | 5,258 (10.6) |
| Don't know | 202 (8.5) | 834 (18.4) | 354 (14.7) | 1,621 (15.0) | 1,617 (16.6) | 1,638 (19.5) | 900 (18.5) | 1,197 (17.9) | 8,363 (16.8) |
| Missing | 33 (1.4) | 122 (2.7) | 78 (3.2) | 862 (8.0) | 79 (0.8) | 169 (2.0) | 75 (1.5) | 119 (1.8) | 1,537 (3.1) |
| HOH education level | | | | | | | | | |
| No formal education | 78 (3.9) | 184 (4.1) | 122 (5.1) | 430 (4.0) | 434 (4.5) | 296 (3.5) | 168 (3.5) | 252 (3.8) | 1,964 (3.9) |
| Primary | 244 (10.3) | 612 (13.5) | 344 (14.3) | 982 (9.1) | 1,002 (10.3) | 1,070 (12.7) | 649 (13.4) | 791 (11.8) | 5,694 (11.4) |
| Secondary | 494 (20.9) | 1,248 (27.6) | 629 (25.9) | 2,174 (20.1) | 1,828 (18.8) | 2,017 (24.0) | 1,093 (22.5) | 1,434 (21.5) | 10,917 (21.9) |
| Technical school | 766 (32.3) | 987 (21.8) | 624 (25.9) | 2,846 (26.3) | 2,203 (22.6) | 1,891 (22.5) | 1,198 (24.7) | 1,543 (23.1) | 12,058 (24.2) |
| University | 415 (17.5) | 675 (14.9) | 322 (13.4) | 2,161 (19.9) | 2,312 (23.8) | 1,537 (18.3) | 878 (18.1) | 1,332 (19.9) | 9,632 (19.3) |
| Don't know | 360 (15.2) | 778 (17.2) | 342 (14.2) | 1,794 (16.6) | 1,917 (19.7) | 1,561 (18.6) | 860 (17.7) | 1,291 (19.3) | 8,903 (17.9) |
| Missing | 11 (0.5) | 38 (0.9) | 23 (1.0) | 443 (4.1) | 31 (0.3) | 38 (0.4) | 11 (0.2) | 34 (0.5) | 629 (1.3) |
| HOH employment in agricultural sector | | | | | | | | | |
| Yes | 701 (29.6) | 1,394 (30.8) | 671 (27.9) | 3,132 (28.9) | 2,508 (25.8) | 2,451 (29.1) | 1,419 (29.2) | 1,725 (25.8) | 14,001 (28.1) |
| No | 1,416 (59.8) | 2,552 (56.5) | 1,398 (58.1) | 5,699 (52.6) | 5,690 (58.5) | 4,636 (55.) | 2,783 (57.3) | 3,799 (56.9) | 27,976 (56.2) |
| Don't know | 217 (9.2) | 506 (11.2) | 297 (12.3) | 1,443 (13.3) | 1,391 (14.3) | 1,206 (14.3) | 600 (12.3) | 1,038 (15.5) | 6,698 (13.4) |
| Missing | 34 (1.4) | 67 (1.5) | 40 (1.7) | 556 (5.1) | 138 (1.4) | 117 (1.4) | 55 (1.1) | 115 (1.7) | 1,122 (2.2) |

| | Q1 N = 2,368 n (%) | Q2 N = 4,522 n (%) | Q3 N = 2406 n (%) | Q4 N = 10,830 n (%) | Q5 N = 9,727 n (%) | Q6 N = 8,410 n (%) | Q7 N = 4,857 n (%) | Q8 N = 6,677 n (%) | Total N = 49,797 n (%) |
|------------------------------|--------------------------|--------------------------|-------------------------|---------------------------|--------------------------|--------------------------|--------------------------|--------------------------|------------------------------|
| Mode of transportation owned | | | | | | | | | |
| None | 1,035 (43.7) | 2,113 (46.7) | 1,132 (47.0) | 4,640 (42.8) | 4,287 (44.1) | 3,842 (45.7) | 2,472 (50.9) | 3,341 (50.0) | 22,862 (45.9) |
| Non-motorized | 581 (24.5) | 868 (19.2) | 491 (20.4) | 1,451 (13.4) | 1,144 (11.8) | 1,316 (15.6) | 632 (13.00) | 885 (13.2) | 7,368 (14.8) |
| Motorized | 572 (24.2) | 1,070 (23.7) | 541 (22.5) | 2,941 (27.2) | 2,991 (30.7) | 2,371 (28.2) | 1,250 (25.7) | 1,773 (26.5) | 13,509 (27.1) |
| Both | 160 (6.8) | 407 (9.0) | 209 (8.7) | 1,292 (11.9) | 1,189 (12.2) | 807 (9.6) | 459 (9.4) | 591 (8.8) | 5,114 (10.3) |
| Missing | 20 (0.8) | 64 (1.4) | 33 (1.4) | 506 (4.7) | 116 (1.2) | 74 (0.9) | 44 (0.9) | 87 (1.3) | 944 (1.9) |
| Cosignatory | | | | | | | | | |
| Father | 634 (26.8) | 879 (19.4) | 553 (23.0) | 2,042 (18.9) | 1,806 (18.6) | 1,350 (16.0) | 794 (16.3) | 1,467 (22.0) | 9,525 (19.1) |
| Mother | 742 (31.3) | 1,085 (24.0) | 625 (26.0) | 2,148 (19.8) | 1,834 (18.8) | 1,437 (17.1) | 954 (19.6) | 1,481 (22.2) | 10,306 (20.7) |
| Other relative | 418 (17.6) | 636 (14.1) | 239 (9.9) | 1,131 (10.4) | 932 (9.6) | 805 (9.6) | 549 (11.3) | 741 (11.1) | 5,451 (10.9) |
| Nonrelative | 544 (23.0) | 1,847 (40.8) | 963 (40.0) | 5,041 (46.5) | 5,064 (52.1) | 4,740 (56.4) | 2,461 (50.7) | 1,907 (43.5) | 23,567 (47.3) |
| Missing | 30 (1.3) | 75 (1.7) | 26 (1.1) | 468 (4.3) | 91 (0.9) | 78 (0.9) | 99 (2.0) | 81 (1.2) | 948 (1.9) |

* Q1 Year is May 7, 2012, to August 31, 2012; Q2 is September 1, 2012 to November 30, 2012; Q3 is December 1, 2012, to February 28, 2013; Q4 is March 1, 2013, to May 31, 2013; Q5 is June 1, 2013, to August 31, 2013; Q6 is September 1, 2013, to November 30, 2013; Q7 is December 1, 2013, to February 28, 2014; Q8 is March 1, 2014, to May 31, 2014.

Table B.3.4. Kenya Savings Goals by Quarter*

| | Q1 N = 2,368 n (%) | Q2 N = 4,522 n (%) | Q3 N = 2406 n (%) | Q4 N = 10,830 n (%) | Q5 N = 9,727 n (%) | Q6 N = 8,410 n (%) | Q7 N = 4,857 n (%) | Q8 N = 6,677 n (%) | Total N = 49,797 n (%) |
|----------------------|--------------------------|--------------------------|-------------------------|---------------------------|--------------------------|--------------------------|--------------------------|--------------------------|------------------------------|
| Emergencies | 499 (21.1) | 1,262 (27.9) | 495 (20.6) | 2,960 (27.3) | 2,747 (28.2) | 2,723 (32.4) | 1,603 (33.0) | 2,285 (34.2) | 14,574 (29.2) |
| Business | 214 (9.0) | 396 (8.8) | 221 (9.2) | 896 (8.3) | 958 (9.8) | 588 (7.0) | 385 (7.9) | 472 (7.1) | 4,130 (8.3) |
| Own education | 675 (28.5) | 1,753 (38.8) | 1,007 (41.8) | 3,264 (30.1) | 2,709 (27.8) | 2,624 (31.2) | 1,558 (32.1) | 2,089 (31.3) | 15,679 (31.5) |
| Relative's education | 31 (1.3) | 56 (1.2) | 41 (1.7) | 222 (2.0) | 385 (4.0) | 173 (2.1) | 71 (1.5) | 136 (2.0) | 1,115 (2.2) |
| Day-to-day expenses | 359 (15.2) | 618 (13.7) | 376 (15.6) | 1,957 (18.1) | 1,871 (19.2) | 1,472 (17.5) | 786 (16.2) | 994 (14.9) | 8,433 (16.9) |
| Trip/vacation | 305 (12.9) | 88 (1.9) | 58 (2.4) | 186 (1.7) | 170 (1.7) | 185 (2.2) | 89 (1.8) | 132 (2.0) | 1,213 (2.4) |
| Job-related training | 27 (1.1) | 68 (1.5) | 48 (2.0) | 83 (0.8) | 105 (1.1) | 75 (0.9) | 26 (0.5) | 40 (0.6) | 472 (0.9) |
| Other | 246 (10.4) | 242 (5.3) | 141 (5.9) | 881 (8.1) | 751 (7.7) | 552 (6.5) | 323 (6.6) | 486 (7.3) | 3,622 (7.3) |
| Missing | 12 (0.5) | 39 (0.9) | 19 (0.8) | 381 (3.5) | 31 (0.3) | 18 (0.2) | 16 (0.3) | 43 (0.6) | 559 (1.1) |

* Q1 Year is May 7, 2012, to August 31, 2012; Q2 is September 1, 2012 to November 30, 2012; Q3 is December 1, 2012, to February 28, 2013; Q4 is March 1, 2013, to May 31, 2013; Q5 is June 1, 2013, to August 31, 2013; Q6 is September 1, 2013, to November 30, 2013; Q7 is December 1, 2013, to February 28, 2014; Q8 is March 1, 2014, to May 31, 2014.

Table B.3.5. Kenya Account Holder Source for Learning about Account by Quarter*

| | Q1 N = 2,368 n (%) | Q2 N = 4,522 n (%) | Q3 N = 2406 n (%) | Q4 N = 10,830 n (%) | Q5 N = 9,727 n (%) | Q6 N = 8,410 n (%) | Q7 N = 4,857 n (%) | Q8 N = 6,677 n (%) | Total N = 49,797 n (%) |
|-----------------------------|--------------------------|--------------------------|-------------------------|---------------------------|--------------------------|--------------------------|--------------------------|--------------------------|------------------------------|
| Radio/television/news paper | 134 (5.6) | 391 (8.6) | 210 (8.7) | 666 (6.1) | 606 (6.2) | 474 (5.6) | 234 (4.8) | 359 (5.4) | 3,074 (6.2) |
| School/College | 1,415 (59.8) | 2,224 (49.2) | 1,393 (57.9) | 6,347 (58.6) | 5,994 (61.6) | 5,240 (62.3) | 2,707 (55.7) | 3,584 (53.7) | 28,904 (58.0) |
| Church/Mosque/Temple | 6 (0.2) | 107 (2.4) | 71 (2.9) | 47 (0.4) | 86 (0.9) | 59 (0.7) | 38 (0.8) | 84 (1.3) | 498 (1.0) |
| Friend/family | 189 (8.0) | 341 (7.5) | 145 (6.0) | 342 (3.2) | 293 (3.0) | 451 (5.4) | 210 (4.3) | 249 (3.7) | 2,220 (4.5) |
| Internet | 5 (0.2) | 30 (0.7) | 5 (0.2) | 46 (0.4) | 49 (0.5) | 35 (0.4) | 19 (0.4) | 25 (0.4) | 214 (0.4) |
| Mobile phone | 7 (0.3) | 14 (0.3) | 3 (0.1) | 28 (0.3) | 32 (0.3) | 17 (0.2) | 17 (0.3) | 24 (0.4) | 142 (0.3) |
| Youth savings group | 89 (3.8) | 211 (4.7) | 180 (7.5) | 696 (6.4) | 565 (5.8) | 541 (6.4) | 536 (11.0) | 956 (14.3) | 3,774 (7.6) |
| Bank campaign | 413 (17.4) | 1,082 (23.9) | 336 (14.0) | 2,084 (19.2) | 1,925 (19.8) | 1,350 (16.0) | 877 (18.1) | 1,130 (16.9) | 9,197 (18.5) |
| Other | 102 (4.3) | 87 (1.9) | 45 (1.9) | 193 (1.8) | 143 (1.5) | 230 (2.7) | 205 (4.2) | 189 (2.8) | 1,194 (2.4) |
| Missing | 8 (0.3) | 35 (0.8) | 18 (0.7) | 381 (3.5) | 34 (0.3) | 13 (0.1) | 14 (0.3) | 77 (1.1) | 580 (1.2) |

* Q1 Year is May 7, 2012, to August 31, 2012; Q2 is September 1, 2012 to November 30, 2012; Q3 is December 1, 2012, to February 28, 2013; Q4 is March 1, 2013, to May 31, 2013; Q5 is June 1, 2013, to August 31, 2013; Q6 is September 1, 2013, to November 30, 2013; Q7 is December 1, 2013, to February 28, 2014; Q8 is March 1, 2014, to May 31, 2014.

Out-of-School Youth

Out-of school youth account for only 1.5% of those who opened *SMATA* accounts. As shown in Table B.3.6, the gender ratio is the same as for the in-school population with more males than females. In terms of how they learned about the account, the most frequently cited source was school/college (36.2%) followed by mass media (19%), bank campaign (16.5%) and friend/family (10.8%). In contrast with the in-school youth, out-of-school youth more often reported saving for emergencies (26.4%) though almost as many indicated saving for their own education (25.5%) or a relative's education (14%). Some youth reported saving for business (11.7%) or day-to-day expenses (10.1%). Like those in school, the majority of the out-of school youth had no prior experience with an account.

Table B.3.7 presents characteristics associated with exposure to formal financial comparing youth account holders who indicated that both they and the HOH had prior accounts to account holders who indicated neither they nor the HOH had prior bank accounts.

B.3.6. Kenya Out-of-School Youth Characteristics

| | Out-of-school N = 734 (%) |
|------------------------------|------------------------------|
| Gender | |
| Male | 391 (53.3) |
| Female | 343 (46.7) |
| Age (years) | |
| Younger than 10 | 12 (1.6) |
| 10–12 | 54 (7.4) |
| 13–15 | 236 (32.1) |
| 16–18 | 348 (47.4) |
| 19–21 | 59 (8.0) |
| 22–24 | 5 (0.7) |
| 25–30 | 4 (0.5) |
| Older than 30 | 14 (1.9) |
| Missing | 2 (0.3) |
| Education level | |
| No formal education | 2 (0.3) |
| Preschool | 11 (1.5) |
| Lower primary (Standard 1–6) | 91 (12.4) |
| Upper primary (Standard 7–8) | 166 (22.6) |
| Secondary (Form 1–4) | 383 (52.2) |
| Other | 18 (2.4) |
| Don't know | 0 (0.0) |
| Missing | 63 (8.6) |
| Income in past six months | |
| Yes | 98 (13.3) |
| No | 583 (79.4) |
| Don't know | 21 (2.9) |
| Missing | 32 (4.4) |
| Previous formal bank account | |
| Yes | 68 (9.3) |
| No | 630 (85.8) |
| Don't know | 17 (2.3) |
| Missing | 19 (2.6) |

| | Out-of-school N = 734 (%) |
|-----------------------------------|------------------------------|
| Savings goal | |
| Emergencies | 194 (26.4) |
| Business | 86 (11.7) |
| Own education | 187 (25.5) |
| Relative's education | 103 (14.0) |
| Day-to-day expenses | 80 (10.9) |
| Trip/vacation | 20 (2.7) |
| Job-related training | 14 (1.9) |
| Other | 20 (2.7) |
| Missing | 30 (4.1) |
| Source for learning about account | |
| Radio/television/newspaper | 141 (19.2) |
| Bank fair/rallies/other campaign | 121 (16.5) |
| FE workshop/youth club | 66 (9.0) |
| School/college | 266 (36.2) |
| Church/mosque/temple | 13 (1.8) |
| Friend/family | 79 (10.8) |
| Mobile phone | 1 (0.1) |
| Internet | 7 (0.9) |
| Others | 21 (2.9) |
| Missing | 19 (2.6) |

B.3.7. Characteristics of Youth Exposure to Formal Financial Services

| | Prior experience with an account (youth AND parent) N = 3,167 (%) | No prior experience with an account (youth AND parent) N = 4,888 (%) |
|------------------------------|---|--|
| Gender | | |
| Male | 2,005 (63.3) | 2,802 (57.3) |
| Female | 1,162 (36.7) | 2,086 (42.7) |
| Age (years) | | |
| Younger than 10 | | |
| 10–12 | 93 (2.9) | 100 (2.0) |
| 13–15 | 202 (6.4) | 328 (6.7) |
| 16–18 | 1,243 (39.2) | 1,338 (27.4) |
| 19–21 | 1,408 (44.5) | 2,485 (50.8) |
| 22–24 | 160 (5.0) | 523 (10.7) |
| 25–30 | 11 (0.3) | 28 (0.6) |
| 31–34 | 7 (0.2) | 24 (0.5) |
| Older than 30 | 37 (1.2) | 47 (1.0) |
| Missing | 6 (0.2) | 15 (0.3) |
| Education level | | |
| No formal education | 0 (0.0) | 4 (0.1) |
| Preschool | 57 (1.8) | 37 (0.8) |
| Lower primary (Standard 1–6) | 480 (15.2) | 564 (11.5) |
| Upper primary (Standard 7–8) | 586 (18.5) | 946 (19.3) |
| Secondary (Form 1–4) | 1,527 (48.2) | 2,429 (49.7) |
| Other | 19 (0.6) | 13 (0.3) |
| Don't know | 0 (0.0) | 0 (0.0) |
| Missing | 498 (15.7) | 895 (18.3) |

| | Prior experience with an account (youth AND parent) N = 3,167 (%) | No prior experience with an account (youth AND parent) N = 4,888 (%) |
|-----------------------------------|---|--|
| Income in past six months | | |
| Yes | 669 (21.1) | 469 (9.6) |
| No | 2,235 (70.6) | 4,143 (84.8) |
| Don't know | 94 (3.0) | 242 (4.9) |
| Missing | 169 (5.3) | 34 (0.7) |
| Savings goal | | |
| Emergencies | 782 (24.7) | 1,257 (25.7) |
| Business | 405 (12.7) | 349 (7.1) |
| Own education | 752 (23.7) | 2,156 (44.1) |
| Relative's education | 248 (7.8) | 76 (1.5) |
| Day-to-day expenses | 533 (16.8) | 652 (13.3) |
| Trip/vacation | 113 (3.6) | 90 (1.8) |
| Job-related training | 38 (1.2) | 49 (1.0) |
| Other | 286 (9.0) | 248 (5.1) |
| Missing | 10 (0.3) | 11 (0.2) |
| Source for learning about account | | |
| Radio/television/newspaper | 413 (13.0) | 275 (5.6) |
| Bank fair/rallies/other campaign | 512 (16.2) | 872 (17.8) |
| FE workshop/youth club | 183 (5.8) | 512 (10.5) |
| School/college | 1,774 (56.0) | 2,745 (56.2) |
| Church/mosque/temple | 42 (1.3) | 100 (2.0) |
| Friend/family | 140 (4.4) | 240 (4.9) |
| Mobile phone | 14 (0.4) | 16 (0.3) |
| Internet | 20 (0.6) | 16 (0.3) |
| Others | 57 (1.8) | 94 (1.9) |
| Missing | 12 (0.4) | 18 (0.4) |

Savings Outcomes

For savings outcomes, the sample size consists of 48,270 holders instead of 49,797. The analysis excludes 1,527 accounts with no initial deposit or any transactions since account opening. Table B.3.8 presents total deposits, interest, withdrawals, and service fees or taxes, and net savings across the 48,270 accounts with activity. Youth deposited a total of KES 36,026,985.8 (USD 908,098) and withdrew KES 18,434,599.8 (USD 464,664). Total net savings across all accounts is KES 16,863,615.8 (USD 425,065).

Table B.3.8. Kenya Total Savings in KES (PPP-converted USD)

| Totals | KES (USD) |
|------------------------------|----------------------|
| Amount of deposits | 36,026,986 (908,098) |
| Amount of interest | 13,688 (345) |
| Amount of withdrawals | 18,434,600 (464,664) |
| Amount of service fees/taxes | 742,458 (18,714) |
| Net savings | 16,863,616 (425,065) |

KES, Kenyan shilling; *PPP*, purchasing power parity; *USD*, U.S. dollar

Table B.3.9 presents measures of average savings outcomes per account. Mean total deposits are KES 746.7 (USD 18.8). The minimum balance is KES 0.5 (USD 0.13), and the maximum balance is KES 752,813.5 (USD 18,975.5). The mean total amount of withdrawals was KES381.9 (USD 9.63). Average net savings was a maximum of KES326, 747.4 (USD 8,236).

Table B.3.9. Kenya Average Total Savings per Account in KES (PPP-Converted USD)

| Averages | Mean | Median | Minimum | Maximum |
|---|-------------------|--------------|---------------|------------------------|
| Amount of deposits (including interest) | 746.65 (18.82) | 50 (1.26) | 0.5 (0.13) | 752,813 (18,975.45) |
| Amount of withdrawals | 381.91 (9.63) | 0 (0) | 0 (0) | 751,570 (18,944.12) |
| Amount of service fees/taxes | 15.38 (0.39) | 0 (0) | 0 (0) | 59,308 (1,494.92) |
| Net savings (balance) per account | 349.36 (8.81) | 50 (1.26) | 0 (0) | 326,747.4 (8,236) |

KES, Kenyan shilling; *PPP*, purchasing power parity; *USD*, U.S. dollar

To facilitate comparisons of savings performance and account for the length of time accounts have been open, researchers calculated measures of average monthly net savings (AMNS) (Table B.3.10) (Schreiner, 2001). The mean AMNS per account was KES 41.23 (USD 1.04) with the minimum and maximum average monthly net savings being KES 0 and KES 32,278.35 (USD 813.61), respectively.

Table B.3.10. Kenya AMNS per Account in KES (PPP-Converted USD)

| Averages | Mean | Median | Minimum | Maximum |
|--|--------------|-------------|----------------|------------------------|
| Monthly amount of deposits (including interest) | 70.47 (1.78) | 7.14 (0.18) | 0.33 (0.00) | 53,772.36 (1355.39) |
| Monthly amount of withdrawals (including fees/taxes) | 29.24 (0.74) | 0.00 (0.00) | 0.00 (0.00) | 53,751.43 (1354.86) |
| AMNS* | 41.23 (1.04) | 7.14 (0.18) | 0.00 (0.00) | 32,278.35 (813.61) |

AMNS, average monthly net savings; *KES*, Kenyan shilling; *PPP*, purchasing power parity; *USD*, U.S. dollar

*AMNS = (deposits + interest – withdrawals – service fees and taxes)/months account has been open

Table B.3.11 presents the number of deposits and withdrawals. In total, 48,270 participants made 78,141 deposits. There were 12,105 withdrawals by 5,191 youth.

Table B.3.11. Kenya Transaction Activity

| | <i>N</i> |
|---|----------|
| Total number of deposits | 78,141 |
| Total number of withdrawals | 12,105 |
| Number of youth that made deposits | 48,270 |
| Number of youth that made withdrawals | 5,191 |
| Average number of deposits per account | 1.6 |
| Average number of withdrawals per account by those that took a withdrawal | 2.3 |
| Average monthly number of deposits per account | 0.2 |
| Average monthly number of withdrawals per account by those that took a withdrawal | 0.2 |

Table B.3.12 shows transactions by active, inactive, and closed account status. The 11 closed accounts had the most activity.

Table B.3.12. Kenya Transaction Activity by Account Status

| | Mean | Median | Minimum | Maximum |
|-----------------------------------|------|--------|---------|---------|
| Cumulative number of deposits* | | | | |
| Active ($n = 32,518$) | 1.8 | 1.0 | 1.0 | 109.0 |
| Closed ($n = 11$) | 3.2 | 2.0 | 1.0 | 11.0 |
| Inactive ($n = 15,741$) | 1.3 | 1.0 | 1.0 | 29.0 |
| Total ($N = 48,270$) | 1.6 | 1.0 | 1.0 | 109.0 |
| Cumulative number of withdrawals* | | | | |
| Active ($n = 32,518$) | 0.3 | 0.0 | 0.0 | 59.0 |
| Closed ($n = 11$) | 1.9 | 1.0 | 0.0 | 6.0 |
| Inactive ($n = 15,741$) | 0.1 | 0.0 | 0.0 | 12.0 |
| Total ($N = 48,270$) | 0.2 | 0.0 | 0.0 | 59.0 |

* $p < 0.001$.

Branch-Level Account Uptake, Savings, and Financial Education and Outreach

SMATA accounts were opened in 92 of Postbank's 100 branches and in 63 of 782 agent locations across five regions of Kenya (i.e., Coast, Mt. Kenya, Nairobi, Rift Valley, and Western). All branches are located in urban or semi-urban settings. As presented in Table B.3.13, Nairobi and Western regions have the most branches—42 and 19, respectively, followed by 14 in Rift Valley, 13 in Coast, and 11 in Mt. Kenya. The most accounts opened were in Rift Valley with 14,097 (28%), Western region had 13,791 (27.7%) and Nairobi region had 13,127 (26.4%). Mt. Kenya region opened 4,999 accounts, while the Coast region opened 3,783 accounts. The Western region had the most accounts opened through an agent location.

In terms of savings, Nairobi has the highest AMNS, with an average of USD 1.48 per account followed by Rift Valley with USD 1.31, Western with USD 1.2, Coast with USD 1.08, and Mt. Kenya with USD 0.86.

Table B.3.13. Kenya Outreach and Affiliated Branches

| Branch Name | Total Research Accounts | AMNS (PPP- USD) |
|---------------------|-------------------------|-----------------|
| Coast | | |
| Kilifi | 158 | 0.47 |
| Kisauni | 687 | 0.82 |
| Likoni | 42 | 0.67 |
| Malindi | 150 | 0.5 |
| Mariakani | 339 | 0.68 |
| Mombasa, Moi Avenue | 798 | 0.81 |
| Mombasa Savani | 328 | 1.38 |
| Mtwapa | 383 | 1.86 |
| Taveta | 313 | 3.34 |
| Ukunda | 374 | 2.12 |
| Voi | 11 | 0.06 |

| Branch Name | Total Research Accounts | AMNS (PPP- USD) |
|-----------------------------------|-------------------------|-----------------|
| Watamu | 200 | 0.24 |
| Subtotal | 3,783 | |
| Mt. Kenya | | |
| Chuka | 763 | 1.1 |
| Embu | 297 | 0.81 |
| Isiolo | 17 | 0.92 |
| Karatina | 35 | 0.24 |
| Kenol hency top supplies(agent) | 2 | 0.4 |
| Kenol Kangema Ag. Lt (agent) | 1 | 1.26 |
| Kerugoya | 584 | 1.6 |
| Kiambu (agent) | 226 | 0.2 |
| Kikuyu (agent) | 71 | 0.76 |
| Limuru (agent) | 94 | 0.48 |
| Magomano Kangema Agencies (agent) | 1 | 1.26 |
| Maua | 33 | 0.36 |
| Meru | 738 | 0.96 |
| Muranga | 149 | 1.05 |
| Nanyuki | 167 | 0.27 |
| Nyeri | 766 | 1.36 |
| Thika (agent) | 374 | 1.26 |
| Wanguru | 680 | 0.73 |
| Witeithie-Teran Prolific (agent) | 1 | 1.26 |
| Subtotal | 4,999 | 0.86 |
| Nairobi | | |
| Afya Centre | 166 | 0.43 |
| Athi River | 145 | 0.78 |
| Bondeni Bethel Comm ltd (agent) | 1 | 0 |
| Canon House | 59 | 6.89 |
| Central | 507 | 0.59 |
| Customer Service Centre (agent) | 131 | 0.55 |
| Dandora | 157 | 0.99 |
| Eastleigh | 884 | 1.69 |
| Enterprise Road | 35 | 0.61 |
| Garhanga Metro Springs (agent) | 1 | 0.14 |
| Githurai | 39 | 0.46 |
| Jogoo Road | 167 | 2.16 |
| Kajiado | 123 | 0.42 |
| Kangundo | 13 | 3.04 |
| Kariobangi | 1,241 | 1.01 |
| Karuri | 516 | 0.78 |
| Kenyatta Market | 984 | 1.58 |
| Kibwezi | 405 | 1.6 |
| Kitengela | 523 | 1.93 |
| Kitui | 910 | 1.88 |
| Komorock (agent) | 2 | 0.63 |
| Machakos | 1,598 | 0.84 |
| Makueni (agent) | 1,233 | 1.56 |
| Market Branch | 116 | 0.79 |
| Maruri Modern (agent) | 1 | 0.07 |
| Mathare-Supalex Uniform (agent) | 14 | 1.72 |

| Branch Name | Total Research Accounts | AMNS (PPP- USD) |
|--|-------------------------|-----------------|
| Matuu | 558 | 0.18 |
| Mbumbuni nescad (agent) | 2 | 0.19 |
| Mlolongo | 57 | 0.73 |
| Mwingi | 285 | 0.71 |
| Nacico | 34 | 0.37 |
| Ngara Road | 1,294 | 1.34 |
| Ngong Hills | 221 | 1.98 |
| Ongata Rongai | 118 | 5.95 |
| Ruiru | 432 | 0.5 |
| Tom Mboya Street | 63 | 6.75 |
| Uchumi Adams Arcade | 90 | 3.11 |
| Wabera (agent) | 2 | 0 |
| Subtotal | 13,127 | 1.48 |
| Rift Valley | | |
| Abanas enterprises (agent) | 2 | 0.17 |
| Bomet (agent) | 1,443 | 0.99 |
| Callaghan Micro Investment (agent) | 2 | 0.16 |
| Eldama Ravine | 1,564 | 0.54 |
| Eldoret | 764 | 0.49 |
| Gilgil | 1,467 | 1.71 |
| Johnson Losilia (agent) | 2 | 0.11 |
| Kabarnet | 751 | 1.36 |
| Kapenguria | 250 | 1.35 |
| Kapsabet | 659 | 3.12 |
| Kericho (agent) | 487 | 0.43 |
| Kitale (agent) | 560 | 0.49 |
| Lodwar | 327 | 1.01 |
| Lodwar Town Tamasha Impex Ltd (agent) | 35 | 4.48 |
| Majaoni-Mass Bora (agent) | 1 | 10.65 |
| Molo | 531 | 0.64 |
| Mulot- Grace Hardware (agent) | 2 | 0.42 |
| Naivasha | 1,317 | 0.59 |
| Naivasha Town-Nyikah enterprises (agent) | 1 | 0.14 |
| Nakuru | 1,942 | 0.87 |
| Nandi Hills | 1,360 | 0.63 |
| Narok | 250 | 0.26 |
| Nyahururu | 377 | 1.68 |
| Reckos Stationary & Book Seller (agent) | 2 | 0.16 |
| Umoja 1 Tiera Investments (agent) | 1 | 0.32 |
| Subtotal | 14,097 | 1.31 |
| Western | | |
| Amagoro-Evelyn Mukunyeli Oluba (agent) | 2 | 0.79 |
| Amukura Merchandises (agent) | 15 | 0.21 |
| Arwak supplies (agent) | 1 | 0.63 |
| Baatman services co. ltd (agent) | 9 | 0.23 |
| Brital shine investment (agent) | 10 | 0.37 |
| Bulimbo home-life agencies (agent) | 7 | 0.29 |
| Bungoma | 1,054 | 0.38 |
| Busia Market | 1,946 | 0.65 |
| Butali bmm enterprise (agent) | 2 | 0.07 |

| Branch Name | Total Research Accounts | AMNS (PPP- USD) |
|--|-------------------------|-----------------|
| Chelly farmers agencies (agent) | 1 | 1.07 |
| Chwele-jaribu stores (agent) | 1 | 12.58 |
| Elicarto group ltd Oyugis (agent) | 4 | 0.28 |
| Enos ateli-pan paper (agent) | 2 | 0.49 |
| Erico General Stores Kaew (agent) | 1 | 0.05 |
| Funyula-Queens Resource (agent) | 1 | 0.63 |
| Geos didital bureau (agent) | 5 | 0.37 |
| Homa-Bay | 245 | 0.7 |
| Isebania_Suntelcom (agent) | 1 | 1.07 |
| Kahancha | 340 | 0.31 |
| Kakamega | 574 | 1.4 |
| Keroka | 201 | 0.6 |
| Kikoneni (agent) | 1 | 0.79 |
| Kimilili mobile world (k) ltd (agent) | 2 | 0.58 |
| Kimilili-Jaribu Stores (agent) | 34 | 0.33 |
| Kiomara Market-Abanas enterprise (agent) | 1 | 0.54 |
| Kip Centre (agent) | 1 | 0.09 |
| Kisii | 631 | 1.87 |
| Kisumu | 790 | 0.8 |
| Lichuna Defranto Properties (agent) | 2 | 0.15 |
| Luanda | 541 | 0.38 |
| Lugari_Pamoja Supermarkets (agent) | 3 | 0.07 |
| LumakandaLumakanda Chemist (agent) | 30 | 0.24 |
| LwandetiPamoja Supermarket (agent) | 2 | 0.18 |
| Mahaga kagwa ent. (agent) | 1 | 2.98 |
| Malakisi baathman services (agent) | 4 | 1.22 |
| Malava-pamoja supermarket (agent) | 14 | 0.56 |
| Matete-Pamoja Supermarket (agent) | 41 | 0.97 |
| Mbale | 1,020 | 1.44 |
| Mumias | 1,005 | 0.62 |
| Ndigwa-otieno n onyango (agent) | 1 | 0.11 |
| N-trust sacco Kimilili (agent) | 8 | 0.41 |
| N-trust sacco Naitiri (agent) | 11 | 0.1 |
| Nyakoe-mindful mobile accessor (agent) | 1 | 5.94 |
| Nyamira | 252 | 0.71 |
| Oasis solvent & h/w (agent) | 8 | 0.21 |
| Odhiambo samson w ogutu (agent) | 5 | 0.3 |
| Oyugis | 2,051 | 0.56 |
| Pamoja supermarket – turbo (agent) | 2 | 0.08 |
| Pamoja supermarket kamukuywa (agent) | 4 | 0.21 |
| Pamoja supermarket Webuye (agent) | 2 | 0.07 |
| Patliza contractors (agent) | 2 | 0.16 |
| Pema communication (agent) | 3 | 6.62 |
| Rangwe-Kemam enterprise (agent) | 1 | 1.26 |
| Rictine agencies (agent) | 3 | 0.11 |
| RodiKopany-Ramam Enterprises (agent) | 5 | 0.42 |
| Sare | 1,011 | 0.9 |
| Sega-Msafiri General Marchants (agent) | 2 | 0.06 |
| Shianda Fas communication (agent) | 4 | 0.41 |
| Siaya | 318 | 0.65 |

| Branch Name | Total Research Accounts | AMNS (PPP- USD) |
|-------------------------------------|-------------------------|---------------------|
| Sikhendu-Wano industries (agent) | 3 | 18.19 |
| Suna | 1,136 | 1.17 |
| Ugwedhi-rabuor digitec comp (agent) | 1 | 0.06 |
| Webuye | 411 | 0.31 |
| Zactech ict comm. In (agent) | 1 | 0.63 |
| Subtotal | 13,791 | 1.2 |
| <i>Total</i> | <i>49,797</i> | <i>Average 1.04</i> |

AMNS, average monthly net savings; *PPP*, purchasing power parity; *USD*, U.S. dollar

Tables B.3.14 and B.3.15 provide detail of Postbank branch visits to youth clubs and schools to open accounts and take deposits.

Table B.3.14 Postbank Branch Visits to Youth Clubs

| Region | Partner | Participating Postbank Branch | Date of Visit to Youth Club |
|--------------|-------------------------|-------------------------------|-----------------------------|
| Rift Valley | Nakuru East | Molo | Dec 2013 |
| | Nakuru West | Nakuru | Dec 2013 |
| | | | Feb 2014 |
| | Lanet | | Dec 2013 |
| | | | Jan 2014 |
| | Molo | | Apr 2014 |
| | | | Apr 2014 |
| | Elburgon | | May 2014 |
| | | | Feb 2014 |
| | Njoro | | Apr 2014 |
| | | | Dec 2013 |
| | Kenya Assemblies of God | | Apr 2014 |
| | | | Dec 2013 |
| Kajiado | Eldama Ravine | Eldama Ravine | Jan 2014 |
| | | | May 2014 |
| | | | May 2014 |
| | | | May 2014 |
| | | | Apr 2014 |
| Nairobi | SOS Buruburu | Kariobangi | Apr 2014 |
| | | | Apr 2014 |
| | | | Apr 2014 |
| | | | Apr 2014 |
| | SOS Meru | Meru | Apr 2014 |
| | | | SOS Eldoret |
| <i>Total</i> | <i>19 locations</i> | <i>7 branches</i> | <i>23 visits</i> |

Source: Save the Children (2014)

Table B.3.15. Postbank Branch Services at Schools*

| Branch Name | Visit schools to provide financial education | Total financial education visits | Visit schools to open <i>SMATA</i> accounts | Total visits to open <i>SMATA</i> accounts | Visit schools to collect <i>SMATA</i> deposits after account open | Total visits to collect <i>SMATA</i> deposits |
|----------------------|--|----------------------------------|---|--|---|---|
| Head Office Branch | Yes | 8 | Yes | 8 | Yes | 8 |
| Kisauni | Yes | 3 | Yes | 3 | Yes | 3 |
| Adams Arcade | Yes | 5 | Yes | 12 | Yes | 3 |
| Afya Centre | Yes | 4 | Yes | 4 | No | N/A |
| Cannon Branch | Yes | 3 | Yes | 3 | No | N/A |
| Chaani | Yes | 4 | Yes | 4 | Yes | 2 |
| Chuka | Yes | 18 | Yes | 18 | Yes | 5 |
| Dandora | Yes | 12 | Yes | 12 | No | N/A |
| Eastleigh | Yes | 18 | Yes | 50 | Yes | 4 |
| Eldama Ravine Branch | Yes | 12 | Yes | 12 | No | N/A |
| Eldoret | Yes | 10 | Yes | 42 | No | N/A |
| Emali | Yes | 5 | Yes | 5 | Yes | 5 |
| Embu | Yes | 12 | Yes | 19 | No | N/A |
| Gilgil | Yes | 16 | Yes | 26 | Yes | 26 |
| Githurai | Yes | 6 | Yes | 4 | No | N/A |
| Isiolo | Yes | 5 | Yes | 5 | No | N/A |
| Jogoo Road Branch | Yes | 2 | Yes | 4 | Yes | 4 |
| Kabarnet | Yes | 13 | Yes | 13 | No | N/A |
| Kajiado | Yes | 6 | Yes | 12 | No | N/A |
| Kakamega | Yes | 10 | Yes | 10 | Yes | 7 |
| Kangundo | Yes | 4 | Yes | 4 | No | N/A |
| Kapenguria | Yes | 4 | Yes | 6 | No | N/A |
| Kapsabet | Yes | 18 | Yes | Missing | Yes | 20 |
| Karatina | Yes | 4 | Yes | 10 | No | N/A |
| Karen | Yes | 4 | Yes | 16 | Yes | 8 |
| Kariobangi | Yes | 8 | Yes | 12 | Yes | 12 |
| Karuri | Yes | 14 | Yes | 14 | No | N/A |

| Branch Name | Visit schools to provide financial education | Total financial education visits | Visit schools to open <i>SMATA</i> accounts | Total visits to open <i>SMATA</i> accounts | Visit schools to collect <i>SMATA</i> deposits after account open | Total visits to collect <i>SMATA</i> deposits |
|----------------------|--|----------------------------------|---|--|---|---|
| Kehancha | Yes | 12 | Yes | 4 | Yes | 6 |
| Kenya Avenue | Yes | 4 | Yes | 4 | No | N/A |
| Kenyatta Market | Yes | 12 | Yes | 12 | No | N/A |
| Keroka | Yes | 9 | Yes | 13 | No | N/A |
| Kerugoya | Yes | 10 | Yes | 10 | Yes | 2 |
| Kiambu | Yes | 16 | Yes | 10 | Yes | 20 |
| Kibwezi | Yes | 6 | Yes | 6 | No | N/A |
| Kilifi Branch | Yes | 14 | Yes | 18 | Yes | 3 |
| Kisii Branch | Yes | 6 | Yes | 4 | No | N/A |
| Kitale Branch | Yes | 21 | Yes | 16 | Yes | 27 |
| Kitengela | Yes | 17 | Yes | 6 | Yes | 12 |
| Kitui | Yes | 12 | Yes | 12 | Yes | 12 |
| Likoni | Yes | 5 | Yes | 5 | No | N/A |
| Limuru | Yes | 5 | Yes | Missing | Yes | 3 |
| Lodwar | Yes | 5 | Yes | 5 | Yes | 11 |
| Luanda | Yes | 52 | Yes | 144 | No | N/A |
| Makueni | Yes | 14 | Yes | 16 | Yes | 5 |
| Malindi | Yes | 8 | Yes | 3 | No | N/A |
| Mariakani | Yes | 10 | Yes | 10 | Yes | 8 |
| Matuu | Yes | 8 | Yes | 19 | No | N/A |
| Maua Kenya | Yes | 6 | Yes | Missing | Missing | Missing |
| Mbale | Yes | 20 | Yes | 20 | Yes | 11 |
| Meru | Yes | 7 | Yes | 15 | Yes | 9 |
| Mlolongo | Yes | 2 | Yes | 2 | No | N/A |
| Moi Avenue (Mombasa) | Yes | 21 | Yes | 17 | Yes | 12 |
| Molo | Yes | 21 | Yes | 21 | Yes | 21 |
| Mumias | Yes | 30 | Yes | 28 | No | N/A |
| Murang'a | Yes | 21 | Yes | 19 | Yes | 12 |

| Branch Name | Visit schools to provide financial education | Total financial education visits | Visit schools to open <i>SMATA</i> accounts | Total visits to open <i>SMATA</i> accounts | Visit schools to collect <i>SMATA</i> deposits after account open | Total visits to collect <i>SMATA</i> deposits |
|----------------|--|----------------------------------|---|--|---|---|
| Mwingi Branch | Yes | 5 | Yes | 5 | No | N/A |
| Nacico | Yes | 10 | Yes | 10 | No | N/A |
| Naivasha | Yes | 8 | Yes | 22 | Yes | 4 |
| Nakuru | Yes | 24 | Yes | 60 | No | N/A |
| Nandi Hills | Yes | 26 | Yes | 26 | No | N/A |
| Narok | Yes | 5 | Yes | 3 | Yes | 15 |
| Ngara | Yes | 10 | Yes | 6 | Yes | 3 |
| Ngong Hills | Yes | 15 | Yes | 15 | No | N/A |
| Nyahururu | Yes | 10 | Yes | 5 | No | N/A |
| Nyamira | Yes | 18 | Yes | 18 | No | N/A |
| Nyeri | Yes | 13 | Yes | 13 | Yes | 4 |
| Ruiru | Yes | 9 | Yes | 9 | No | N/A |
| Sare Awendo | Yes | 24 | Yes | 24 | No | N/A |
| Savani Mombasa | Yes | 24 | Yes | 24 | Yes | 24 |
| Siaya | Yes | 5 | Yes | 10 | No | N/A |
| Suna Migori | Yes | 12 | Yes | Missing | Missing | Missing |
| Taveta Branch | Yes | 15 | Yes | 35 | No | N/A |
| Thika | Yes | 6 | Yes | 24 | Yes | 24 |
| Tom Mboya | Yes | 5 | Yes | 4 | Yes | 2 |
| Ukunda | Yes | 15 | Yes | 15 | No | N/A |
| Uthiru | Yes | 2 | Yes | 2 | No | N/A |
| Voi | Yes | 2 | Yes | 15 | No | N/A |
| Watamu | Yes | 4 | Yes | 4 | Yes | 4 |
| Webuye | Yes | 15 | Yes | 15 | Yes | 3 |
| Westlands | Yes | 15 | Yes | 10 | Yes | 5 |
| <i>Total</i> | <i>80</i> | <i>899</i> | <i>80</i> | <i>1,141</i> | <i>39</i> | <i>369</i> |

*Data from January to December 2013

Transaction data identify different types of electronic transactions, including M-PESA and ATM transactions. Tables B.3.16 and B.3.17 provide characteristics of account holders who used these types of electronic transactions compared to those who did not. Of those transacting via M-PESA, usage is across ages but the majority are aged 16 or older with secondary-level or more education. In addition, a greater percentage are male, had earned income prior to opening the account, learned about the account through friends and family, and are saving for business. Of the few who used the ATM, a greater percentage are male, aged 16 or older with secondary-level or more education, had earned income prior to opening the account, learned about the account through mass media, and are saving for business.

B.3.16 Kenya Demographics: M-PESA Users vs. Non-M-PESA Users

| | User (N = 513) | Non-user (N = 47,757) |
|------------------------------|----------------|-----------------------|
| | n (%) | n (%) |
| Gender | | |
| Male | 357 (69.6) | 28,166 (59.0) |
| Female | 156 (30.4) | 19,591 (41.0) |
| Age | | |
| Younger than 10 | 17 (3.3) | 891 (1.9) |
| 10–12 | 36 (7.0) | 2,785 (5.8) |
| 13–15 | 169 (32.9) | 17,239 (36.1) |
| 16–18 | 232 (45.2) | 23,063 (48.3) |
| 19–21 | 40 (7.8) | 2,924 (6.1) |
| 22–24 | 6 (1.2) | 155 (0.3) |
| 25–30 | 1 (0.2) | 138 (0.3) |
| Older than 30 | 10 (1.9) | 460 (1.0) |
| Missing | 2 (0.4) | 102 (0.2) |
| Currently in school | | |
| Yes | 499 (97.3) | 46,841 (98.1) |
| No | 10 (1.9) | 700 (1.5) |
| Missing | 4 (0.8) | 216 (0.5) |
| Education level | | |
| No formal education | 1 (0.2) | 11 (0.02) |
| Pre-school | 5 (1.0) | 407 (0.9) |
| Primary | 65 (12.7) | 4,642 (9.7) |
| Secondary | 390 (76.0) | 36,633 (76.7) |
| Technical / College | 1 (0.2) | 151 (0.3) |
| Don't know | 0 (0.0) | 2 (0.0) |
| Missing | 51 (9.9) | 5,911 (12.4) |
| Income in the past six month | | |
| Yes | 60 (11.7) | 3,926 (8.2) |
| No | 433 (84.4) | 41,491 (86.9) |
| Don't know | 10 (1.9) | 1,520 (3.2) |
| Missing | 10 (1.9) | 820 (1.7) |
| Previous formal account | | |
| Yes | 55 (10.7) | 3,832 (8.0) |
| No | 438 (85.4) | 42,531 (89.1) |
| Don't know | 11 (2.1) | 787 (1.6) |
| Missing | 9 (1.8) | 607 (1.3) |

| | User (N = 513) | Non-user (N = 47,757) |
|----------------------------|----------------|-----------------------|
| | <i>n</i> (%) | <i>n</i> (%) |
| Source of funds | | |
| Earned income | 46 (9.0) | 2,985 (6.2) |
| From family | 401 (78.2) | 39,617 (83.0) |
| Other | 58 (11.3) | 4,712 (9.9) |
| Missing | 8 (1.6) | 443 (0.9) |
| HOH Previous bank account | | |
| Yes | 384 (74.8) | 33,334 (69.8) |
| No | 47 (9.2) | 4,952 (10.4) |
| Don't know | 68 (13.3) | 7,996 (16.7) |
| Missing | 14 (2.7) | 1,475 (3.1) |
| Cosignatory on Account | | |
| Father | 109 (21.2) | 9,162 (19.2) |
| Mother | 167 (32.6) | 9,843 (20.6) |
| Other relative | 66 (12.9) | 5,110 (10.7) |
| Non relative | 159 (31.0) | 22,725 (47.6) |
| Missing | 12 (2.3) | 917 (1.9) |
| Source of learning | | |
| Radio/TV/newspaper | 39 (7.6) | 2,894 (6.1) |
| Bank fair/rallies/campaign | 96 (18.7) | 8,601 (18.0) |
| FE workshop/youth club | 31 (6.0) | 3,628 (7.6) |
| School/college | 257 (5.1) | 28,019 (58.7) |
| Church/mosque/temple | 2 (0.4) | 486 (1.0) |
| Friend/family | 60 (11.7) | 2,080 (4.4) |
| Mobile phone | 3 (0.6) | 135 (0.3) |
| Internet | 2 (0.4) | 207 (0.4) |
| Others | 18 (3.5) | 1,148 (2.4) |
| Missing | 5 (1.0) | 559 (1.2) |
| Youth savings goal | | |
| Emergencies | 137 (26.7) | 13,899 (29.1) |
| Business | 65 (12.7) | 3,928 (8.2) |
| Own education | 151 (29.4) | 15,054 (31.5) |
| Relatives' education | 8 (1.6) | 1,074 (2.2) |
| Day-to-day expenses | 75 (14.6) | 8,144 (17.0) |
| Trip/vacation | 21 (4.1) | 1,149 (2.4) |
| Job-related training | 4 (0.8) | 456 (1.0) |
| Other | 47 (9.2) | 3,511 (7.4) |
| Missing | 5 (1.0) | 542 (1.1) |
| | M (SD) | M (SD) |
| Age | 16.32 (4.96) | 16.26 (3.99) |

B.3.17 Kenya Demographics: ATM Users vs. Non-ATM users

| | ATM user (<i>N</i> = 20) | Non-use (<i>N</i> = 48,250) |
|------------------------------|---------------------------|------------------------------|
| | <i>n</i> (%) | <i>n</i> (%) |
| Gender | | |
| Male | 16 (80.0) | 28,570 (59.1) |
| Female | 4 (20.0) | 19,743 (40.9) |
| Age | | |
| Younger than 10 | 0 (0.0) | 908 (1.9) |
| 10–12 | 2 (10.0) | 2,819 (5.8) |
| 13–15 | 4 (20.0) | 17,404 (36.1) |
| 16–18 | 11 (55.0) | 23,284 (48.3) |
| 19–21 | 3 (15.0) | 2,961 (6.1) |
| 22–24 | 0 (0.0) | 161 (0.3) |
| 25–30 | 0 (0.0) | 139 (0.3) |
| Older than 30 | 0 (0.0) | 470 (1.0) |
| Missing | 0 (0.0) | 104 (0.2) |
| Currently in school | | |
| Yes | 19 (95.0) | 47,321 (98.1) |
| No | 1 (5.0) | 709 (1.5) |
| Missing | 0 (0.0) | 220 (0.5) |
| Education level | | |
| No formal education | 0 (0.0) | 12 (0.02) |
| Pre-school | 0 (0.0) | 412 (0.9) |
| Primary | 0 (0.0) | 4,707 (9.8) |
| Secondary | 17 (85.0) | 37,006 (76.7) |
| Technical/College | 1 (5.0) | 151 (0.3) |
| Don't know | 0 (0.0) | 2 (0.0) |
| Missing | 2 (10.0) | 5,960 (12.3) |
| Income in the past six month | | |
| Yes | 6 (30.0) | 3,980 (8.2) |
| No | 14 (70.0) | 41,910 (86.9) |
| Don't know | 0 (0.0) | 1,530 (3.2) |
| Missing | 0 (0.0) | 830 (1.7) |
| Previous formal account | | |
| Yes | 2 (10.0) | 3,885 (8.1) |
| No | 18 (90.0) | 42,951 (89.0) |
| Don't know | 0 (0.0) | 798 (1.6) |
| Missing | 0 (0.0) | 616 (1.3) |
| Source of funds | | |
| Earned income | 7 (35.0) | 3,024 (6.3) |
| From family | 11 (55.0) | 40,007 (82.9) |
| Other | 2 (10.0) | 4,768 (9.9) |
| Missing | 0 (0.0) | 451 (0.9) |
| HOH Previous bank account | | |
| Yes | 14 (70.0) | 33,704 (69.8) |
| No | 5 (25.0) | 4,994 (10.4) |
| Don't know | 1 (5.0) | 8,064 (16.7) |
| Missing | 0 (0.0) | 1,488 (3.1) |
| Cosignatory on Account | | |
| Father | 6 (30.0) | 9,265 (19.2) |
| Mother | 7 (35.0) | 10,003 (20.7) |
| Other relative | 3 (15.0) | 5,173 (10.7) |
| Non relative | 4 (20.0) | 22,880 (47.4) |
| Missing | 0 (0.0) | 929 (1.9) |

| | ATM user (N = 20) | Non-use (N = 48,250) |
|----------------------------|-------------------|----------------------|
| | n (%) | n (%) |
| Source of learning | | |
| Radio/TV/newspaper | 3 (15.0) | 2,930 (6.1) |
| Bank fair/rallies/campaign | 1 (5.0) | 8,696 (18.0) |
| FE workshop/youth club | 2 (10.0) | 3,657 (7.6) |
| School/college | 9 (45.0) | 28,267 (58.6) |
| Church/mosque/temple | 0 (0.0) | 488 (1.0) |
| Friend/family | 5 (25.0) | 2,135 (4.4) |
| Mobile phone | 0 (0.0) | 138 (0.3) |
| Internet | 0 (0.0) | 209 (0.4) |
| Others | 0 (0.0) | 1,166 (2.4) |
| Missing | 0 (0.0) | 564 (1.2) |
| Youth savings goal | | |
| Emergencies | 3 (15.0) | 14,033 (29.1) |
| Business | 6 (30.0) | 3,987 (8.3) |
| Own education | 3 (15.0) | 15,202 (31.5) |
| Relatives' education | 0 (0.0) | 1,082 (2.2) |
| Day-to-day expenses | 3 (15.0) | 8,216 (17.0) |
| Trip/vacation | 1 (5.0) | 1,169 (2.4) |
| Job-related training | 1 (5.0) | 459 (0.9) |
| Other | 3 (15.0) | 3,555 (7.4) |
| Missing | 0 (0.0) | 547 (1.1) |
| | M (SD) | M (SD) |
| Age | 16.81 (2.53) | 16.26 (4.00) |

Lessons Learned

The YouthSave partners in Kenya organized a forum on youth savings and financial education that brought together financial sector stakeholders, community based organizations, and youth who had participated in the project. They offered key lessons related to the SDA findings.

- All were delighted with the youth's higher-than-expected uptake of the product. The positive attitude the institutions and parents demonstrated was encouraging. This was an indication that—if undertaken on a larger scale—more youth could join the banked population to grow their savings and positively impact their lives.
- To successfully implement a program that targets youth, it is important to understand their habits, preferences, and money patterns, to make the product and services attractive to them. It is also imperative to monitor youth risks that arise as a result of youth being involved in earning and spending activities. Exposing the youth to money also exposes them to certain societal risks, and youth risk-monitoring ensures that the youth are well equipped to counter inherent dangers.
- In some cases, the requirement that a minor must have a guardian as the cosignatory on the account presented a challenge; some youth were not comfortable having their parents know about their accounts. This was overcome by having teachers or other adults as cosignatory on the accounts. This insight, however, points to a knowledge gap regarding parent involvement in building youth financial capability. Education may be needed for parents to understand the importance of having their adolescent child learn how to handle money semi-independently.

Appendix B.4 – Nepal Country Brief Program Description

The YouthSave account product Bank of Kathmandu Ltd. (BOK) offers is *Chetanshil Yuva Bachat Yojana* (CYBY), which means “Conscientious Youth Savings Scheme.” The product is targeted to youth aged between 10 and 22 years.

Account Uptake

Between April 26, 2012, and May 31, 2014, BOK opened a total of 6,147 CYBY accounts (Table B.4.1). Of those, 5,829 account holders agreed to participate in the YouthSave study. On average, accounts have been open for 13 months. Spikes in account uptake occurred in the beginning of each year and the last quarter: Q1, Q5, and Q8. The largest number of accounts opened were during the months of June and July in 2013 and March and April in 2014. A total of 50 CYBY research accounts closed.

Table B.4.1. Nepal Account Information by Quarter*

| | Q1 | Q2 | Q3 | Q4 | Q5 | Q6 | Q7 | Q8 | Total |
|---|-------|-----|-----|-----|-------|-----|-----|-------|-------|
| Total accounts opened since rollout (as reported by FI) | 1,010 | 847 | 334 | 648 | 1,640 | 367 | 371 | 930 | 6,147 |
| Number of research accounts | 979 | 826 | 321 | 562 | 1,404 | 340 | 342 | 1,055 | 5,829 |
| Number of research accounts closed | 4 | 1 | 0 | 3 | 6 | 3 | 5 | 10 | 50 |

*Q1 is April 26, 2012, to August 31, 2012; Q2 is September 1, 2012, to November 30, 2012; Q3 is December 1, 2012, to February 28, 2013; Q4 is March 1, 2013, to May 31, 2013; Q5 is June 1, 2013, to August 31, 2013; Q6 is September 1, 2013, to November 30, 2013; Q7 is December 1, 2013, to February 28, 2014; Q8 is March 1, 2014, to May 31, 2014.

Account Holder Characteristics

Table B.4.2 presents detailed demographic characteristics of account holders by quarter. Highlights are as follows:

- More male youth have opened CYBY accounts (58.7%) than female youth (41.3%). However, the percentage difference has declined since the first quarter when male account holders comprised 64.9% of accounts.
- The average account holder is aged 16 years. More of the youth are in the 16–18 age category (26.2%) compared to other categories.
- The majority of the youth (94.3%) were enrolled in school when they opened their account, with most (72.8%) enrolled at the secondary level.
- The Nepal YouthSave population closely reflects the national population with respect to consumption-based poverty rates with 67.2% in YouthSave, compared to 69% of the general population, living on less than USD 2.50 per day PPP.
- Most youth (81.8%) reported having not worked in the past six months.

- Data suggest that CYBY is the first experience of having a formal bank account for the majority of youth. Only 15% reported having a formal bank account in the past.
- The majority of youth (82.6%) fund their savings with money from parents, and 15.4% indicated that they would use earned income.
- Overall, 40% of account holders represent the lower two class categories, and 56% represent the upper two class levels. Approximately 35% were represented in the Indigenous classification, 26.5% identified as Brahmin, and 28.1% identified as Chhetri. Dalit and others represented 6.1% and 4.2% of account holders, respectively.

Table B.4.2. Nepal Account Holder Characteristics by Quarter*

| | Q1 | Q2 | Q3 | Q4 | Q5 | Q6 | Q7 | Q8 | Total |
|------------------|------------|------------|------------|------------|--------------|------------|------------|------------|--------------|
| | N = 979 | N = 826 | N = 321 | N = 562 | N = 1,404 | N = 340 | N = 342 | N = 1,055 | N = 5,829 |
| | n (%) | n (%) | n (%) | n (%) | n (%) | n (%) | n (%) | n (%) | n (%) |
| Gender | | | | | | | | | |
| Male | 635 (64.9) | 520 (63.0) | 191 (59.5) | 312 (55.5) | 816 (58.1) | 182 (53.5) | 173 (50.6) | 591 (56.0) | 3,420 (58.7) |
| Female | 344 (35.1) | 306 (37.0) | 130 (40.5) | 250 (44.5) | 588 (41.9) | 158 (46.5) | 169 (49.4) | 464 (44.0) | 2,409 (41.3) |
| Age (years) | | | | | | | | | |
| Under 10 | 6 (0.6) | 3 (0.4) | 2 (0.6) | 5 (0.9) | 7 (0.5) | 0 (0.0) | 0 (0.0) | 5 (0.5) | 28 (0.5) |
| 10–12 | 234 (23.9) | 199 (24.1) | 90 (28.0) | 125 (22.2) | 348 (24.8) | 104 (30.6) | 118 (34.5) | 201 (19.1) | 1,419 (24.3) |
| 13–15 | 217 (22.2) | 186 (22.5) | 86 (26.8) | 146 (26.0) | 342 (24.4) | 79 (23.2) | 87 (25.4) | 219 (20.8) | 1,362 (23.4) |
| 16–18 | 276 (28.2) | 260 (31.5) | 75 (23.4) | 142 (25.3) | 354 (25.2) | 83 (24.4) | 70 (20.5) | 267 (25.3) | 1,527 (26.2) |
| 19–21 | 244 (24.9) | 175 (21.2) | 64 (19.9) | 143 (25.4) | 348 (24.8) | 71 (20.9) | 66 (19.3) | 359 (34.0) | 1,470 (25.2) |
| 22–24 | 1 (0.1) | 3 (0.4) | 4 (1.3) | 1 (0.2) | 4 (0.3) | 2 (0.6) | 1 (0.3) | 3 (0.3) | 19 (0.3) |
| 25–30 | 1 (0.1) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 1 (0.1) | 1 (0.3) | 0 (0.0) | 0 (0.0) | 3 (0.1) |
| Older than 30 | 0 (0.0) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 1 (0.1) | 1 (0.02) |
| Education level | | | | | | | | | |
| No formal | 1 (0.1) | 2 (0.2) | 0 (0.0) | 1 (0.2) | 3 (0.2) | 0 (0.0) | 1 (0.3) | 20 (1.9) | 28 (0.5) |
| Preschool | 8 (0.8) | 4 (0.5) | 3 (0.9) | 1 (0.2) | 4 (0.3) | 5 (1.5) | 2 (0.6) | 14 (1.3) | 41 (0.7) |
| Primary | 141 (14.4) | 204 (24.7) | 63 (19.6) | 104 (18.5) | 290 (20.7) | 67 (19.7) | 88 (25.7) | 138 (13.1) | 1,095 (18.8) |
| Secondary | 461 (47.1) | 393 (47.6) | 149 (46.4) | 248 (44.1) | 579 (41.2) | 150 (44.1) | 161 (47.1) | 414 (39.2) | 2,555 (43.8) |
| Higher | | | | | | | | | |
| Secondary | 311 (31.8) | 191 (23.1) | 86 (26.8) | 179 (31.9) | 406 (28.9) | 95 (27.9) | 80 (23.4) | 347 (32.9) | 1,695 (29.1) |
| Technical school | 7 (0.7) | 6 (0.7) | 2 (0.6) | 4 (0.7) | 21 (1.5) | 8 (2.4) | 0 (0.0) | 9 (0.9) | 57 (1.0) |
| College or | | | | | | | | | |
| University | 50 (5.1) | 26 (3.2) | 18 (5.6) | 25 (4.5) | 101 (7.2) | 15 (4.4) | 10 (2.9) | 113 (10.7) | 358 (6.1) |
| School status | | | | | | | | | |
| In school | 904 (92.3) | 779 (94.3) | 313 (97.5) | 538 (95.7) | 1,329 (94.7) | 334 (98.2) | 322 (94.2) | 977 (92.6) | 5,496 (94.3) |
| Not in school | 75 (7.7) | 47 (5.7) | 8 (2.5) | 24 (4.3) | 75 (5.3) | 6 (1.8) | 20 (5.9) | 78 (7.4) | 333 (5.7) |

| | Q1 | Q2 | Q3 | Q4 | Q5 | Q6 | Q7 | Q8 | Total |
|------------------------------|------------|------------|------------|------------|--------------|------------|------------|------------|--------------|
| | N = 979 | N = 826 | N = 321 | N = 562 | N = 1,404 | N = 340 | N = 342 | N = 1,055 | N = 5,829 |
| | n (%) | n (%) | n (%) | n (%) | n (%) | n (%) | n (%) | n (%) | n (%) |
| Income in past six months | | | | | | | | | |
| Yes | 190 (19.4) | 112 (13.6) | 41 (12.8) | 116 (20.6) | 285 (20.3) | 45 (13.2) | 65 (19.0) | 203 (19.2) | 1,057 (18.1) |
| No | 789 (80.6) | 714 (86.4) | 280 (87.2) | 446 (79.4) | 1,119 (79.7) | 295 (86.8) | 277 (81.0) | 852 (80.8) | 4,772 (81.9) |
| Previous formal bank account | | | | | | | | | |
| Yes | 154 (15.7) | 163 (19.7) | 37 (11.5) | 85 (15.1) | 203 (14.5) | 46 (13.5) | 51 (14.9) | 144 (13.6) | 883 (15.2) |
| No | 813 (83.0) | 629 (76.2) | 282 (87.9) | 468 (83.3) | 1,173 (83.6) | 285 (83.8) | 279 (81.6) | 895 (84.8) | 4,824 (82.8) |
| Don't know | 12 (1.2) | 34 (4.1) | 2 (0.6) | 9 (1.6) | 28 (2.0) | 9 (2.7) | 12 (3.5) | 16 (1.5) | 122 (2.1) |
| Source of funding | | | | | | | | | |
| Earned income | 143 (14.6) | 121 (14.7) | 38 (11.8) | 89 (15.8) | 218 (15.5) | 38 (11.2) | 56 (16.4) | 194 (18.4) | 897 (15.4) |
| Family | 808 (82.5) | 685 (82.9) | 278 (86.6) | 469 (83.5) | 1,172 (83.5) | 301 (88.5) | 282 (82.5) | 819 (77.6) | 4,814 (82.6) |
| Other | 28 (2.9) | 20 (2.4) | 5 (1.6) | 4 (0.7) | 14 (1.0) | 1 (0.3) | 4 (1.2) | 42 (4.0) | 118 (2.0) |
| Caste | | | | | | | | | |
| Indigenous | 276 (28.2) | 253 (30.6) | 129 (40.2) | 208 (37.0) | 514 (36.6) | 111 (32.7) | 156 (45.6) | 372 (35.3) | 2,019 (34.6) |
| Dalit | 47 (4.8) | 43 (5.2) | 18 (5.6) | 24 (4.3) | 75 (5.3) | 24 (7.1) | 39 (11.4) | 88 (8.3) | 358 (6.1) |
| Brahmin | 317 (32.4) | 245 (29.7) | 75 (23.4) | 154 (27.4) | 301 (21.4) | 112 (32.9) | 82 (24.0) | 261 (24.7) | 1,547 (26.5) |
| Chhetri | 288 (29.4) | 248 (30.0) | 76 (23.7) | 139 (24.7) | 455 (32.4) | 78 (22.9) | 59 (17.3) | 294 (27.9) | 1,637 (28.1) |
| Other | 51 (5.2) | 37 (4.5) | 23 (7.2) | 37 (6.6) | 59 (4.2) | 15 (4.4) | 6 (1.8) | 40 (3.8) | 268 (4.6) |

*Q1 is April 26, 2012, to August 31, 2012; Q2 is September 1, 2012, to November 30, 2012; Q3 is December 1, 2012, to February 28, 2013; Q4 is March 1, 2013, to May 31, 2013; Q5 is June 1, 2013, to August 31, 2013; Q6 is September 1, 2013, to November 30, 2013; Q7 is December 1, 2013, to February 28, 2014; Q8 is March 1, 2014, to May 31, 2014.

Household Characteristics

Table B.4.3 presents detailed account holders' household and head-of-household (HOH) characteristics by quarter. Highlights are as follows:

- A large majority of youth (82.2%) reported the father as HOH.
- The majority of youth (61.9%) live in households with five or more family members.
- About 63% of HOHs had experience in formal banking services.
- Approximately 15% of HOHs have university-level education, and 43% have secondary-level or technical schooling. Approximately 34% have a primary or lower level of education.
- About 41% reported being employed in the agriculture sector.
- The majority of HOHs are employed (38.4%) or self-employed (32.5%). Approximately 16% are not employed, and 13% have an “other” status.
- In terms of household assets as measured by mode of transportation ownership, 31.3% indicated owning motorized transportation. The majority reported no motorized means of transportation with 27.7% indicating ownership of nonmotorized transportation (e.g., bicycle) and an additional 41% owning no mode of transportation at all.
- Youth opened approximately half of the accounts in the presence of a parent, and youth opened 41.4% themselves.

Savings Goals

When asked about reasons for saving, 62.1% of youth indicated saving for their own education (Table B.4.4). The second most reported reason was saving for emergencies (29%).

How Youth Learned about the Account

As presented in Table B.4.5, the most frequently reported source for hearing about the account was through friends or family (33.3%); a BOK bank campaign (17.9%); TV, radio, or newspaper (16.9%); or financial-education workshop (13.5%).

Table B.4.3. Nepal Household/HOH Characteristics by Quarter*

| | Q1 | Q2 | Q3 | Q4 | Q5 | Q6 | Q7 | Q8 | Total |
|---------------------------------------|------------|------------|------------|------------|--------------|------------|------------|------------|--------------|
| | N = 979 | N = 826 | N = 321 | N = 562 | N = 1,404 | N = 340 | N = 342 | N = 1,055 | N = 5,829 |
| | n (%) | n (%) | n (%) | n (%) | n (%) | n (%) | n (%) | n (%) | n (%) |
| HOH | | | | | | | | | |
| Father | 809 (82.6) | 703 (85.1) | 278 (86.6) | 477 (84.9) | 1,193 (85.0) | 276 (81.2) | 248 (72.5) | 810 (76.8) | 4,794 (82.2) |
| Mother | 129 (13.2) | 100 (12.1) | 38 (11.8) | 69 (12.3) | 174 (12.4) | 58 (17.0) | 87 (25.4) | 200 (18.9) | 855 (14.7) |
| Self/other | 41 (4.2) | 23 (2.8) | 5 (1.5) | 16 (2.8) | 37 (2.6) | 6 (1.8) | 7 (2.1) | 45 (4.3) | 180 (3.1) |
| Number of household members | | | | | | | | | |
| 3 or fewer | 81 (8.3) | 52 (6.3) | 27 (8.4) | 36 (6.4) | 109 (7.8) | 24 (7.1) | 25 (7.3) | 80 (7.6) | 434 (7.5) |
| 4 | 347 (35.4) | 275 (33.3) | 92 (28.7) | 146 (26.0) | 412 (29.3) | 125 (36.8) | 123 (36.0) | 269 (25.5) | 1,789 (30.7) |
| 5 | 254 (25.9) | 249 (30.1) | 84 (26.2) | 171 (30.4) | 363 (25.9) | 93 (27.4) | 101 (29.5) | 307 (29.1) | 1,622 (27.8) |
| 6 | 146 (14.9) | 126 (15.3) | 54 (16.8) | 108 (19.2) | 215 (15.3) | 49 (14.4) | 49 (14.3) | 183 (17.4) | 930 (16.0) |
| 7 or more | 151 (15.4) | 124 (15.0) | 64 (19.9) | 101 (18.0) | 305 (21.7) | 49 (14.4) | 44 (12.9) | 216 (20.5) | 1,054 (18.1) |
| HOH previous formal bank account | | | | | | | | | |
| Yes | 705 (72.0) | 540 (65.4) | 212 (66.0) | 368 (65.5) | 781 (55.6) | 220 (64.7) | 194 (56.7) | 670 (63.5) | 3,690 (63.3) |
| (Postbank or other FI) | | | | | | | | | |
| No | 154 (15.7) | 141 (17.1) | 76 (23.7) | 120 (21.4) | 395 (28.1) | 70 (20.6) | 103 (30.1) | 216 (20.5) | 1,275 (21.9) |
| Don't know | 120 (12.3) | 145 (17.6) | 33 (10.3) | 74 (13.2) | 228 (16.2) | 50 (14.7) | 45 (13.2) | 169 (16.0) | 864 (14.8) |
| HOH education level | | | | | | | | | |
| No formal | 123 (12.6) | 114 (13.8) | 60 (18.7) | 106 (18.9) | 234 (16.6) | 48 (14.1) | 79 (23.1) | 228 (21.6) | 992 (17.0) |
| Primary | 163 (16.7) | 144 (17.4) | 73 (22.7) | 95 (16.9) | 230 (16.4) | 65 (19.1) | 60 (17.5) | 154 (14.6) | 984 (16.9) |
| Secondary | 398 (40.7) | 366 (44.3) | 126 (39.3) | 229 (40.8) | 634 (45.1) | 135 (39.7) | 121 (35.4) | 400 (37.9) | 2,409 (41.3) |
| Technical school | 13 (1.3) | 16 (1.9) | 1 (0.3) | 12 (2.14) | 12 (0.9) | 2 (0.6) | 2 (0.6) | 27 (2.6) | 85 (1.5) |
| University | 196 (20.0) | 114 (13.8) | 46 (14.3) | 66 (11.7) | 181 (12.9) | 57 (16.8) | 41 (12.0) | 149 (14.1) | 850 (14.6) |
| Don't know | 86 (8.78) | 72 (8.7) | 15 (4.7) | 54 (9.6) | 113 (8.1) | 33 (9.7) | 39 (11.4) | 97 (9.2) | 509 (8.7) |
| HOH employment in agricultural sector | | | | | | | | | |
| Yes | 357 (36.5) | 368 (44.5) | 117 (36.4) | 210 (37.4) | 667 (47.5) | 109 (32.1) | 122 (35.7) | 449 (42.5) | 2,399 (41.1) |
| No | 604 (61.7) | 441 (53.4) | 197 (61.4) | 335 (59.6) | 717 (51.1) | 217 (63.8) | 205 (59.9) | 581 (55.1) | 3,297 (56.6) |
| Don't know | 18 (1.8) | 17 (2.1) | 7 (2.2) | 17 (3.0) | 20 (1.4) | 14 (4.1) | 15 (4.4) | 25 (2.4) | 133 (2.3) |
| HOH employment status | | | | | | | | | |
| Employed | 399 (40.8) | 341 (41.3) | 113 (35.2) | 187 (33.3) | 540 (38.5) | 131 (38.5) | 118 (34.5) | 417 (39.5) | 2,246 (38.5) |
| Self- employed | 296 (30.2) | 220 (26.6) | 88 (27.4) | 224 (39.8) | 542 (38.6) | 104 (30.6) | 107 (31.3) | 306 (29.0) | 1,887 (32.4) |
| Not employed | 120 (12.3) | 176 (21.3) | 60 (18.7) | 69 (12.3) | 166 (11.8) | 64 (18.8) | 70 (20.5) | 207 (19.6) | 932 (16.0) |
| Other | 164 (16.7) | 89 (10.8) | 60 (18.7) | 82 (14.6) | 156 (11.1) | 41 (12.1) | 47 (13.7) | 125 (11.8) | 764 (13.1) |

| | Q1 N = 979 | Q2 N = 826 | Q3 N = 321 | Q4 N = 562 | Q5 N = 1,404 | Q6 N = 340 | Q7 N = 342 | Q8 N = 1,055 | Total N = 5,829 |
|------------------------------|---------------|---------------|---------------|---------------|-----------------|---------------|---------------|-----------------|--------------------|
| | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) |
| Mode of transportation owned | | | | | | | | | |
| None | 404 (41.2) | 372 (45.0) | 115 (35.8) | 169 (30.1) | 603 (42.9) | 134 (39.4) | 143 (41.8) | 447 (42.4) | 2,387 (40.9) |
| Non-motorized | 216 (22.0) | 204 (24.7) | 131 (40.8) | 198 (35.2) | 390 (27.8) | 93 (27.4) | 110 (32.2) | 272 (25.8) | 1,614 (27.7) |
| Motorized | 320 (32.7) | 223 (27.0) | 66 (20.6) | 168 (29.9) | 371 (26.4) | 102 (30.0) | 78 (22.8) | 293 (27.8) | 1,621 (27.8) |
| Both | 39 (4.0) | 27 (3.3) | 9 (2.8) | 27 (4.8) | 40 (2.9) | 11 (3.2) | 11 (3.2) | 43 (4.1) | 207 (3.6) |
| Cosignatory | | | | | | | | | |
| Father | 221 (22.6) | 250 (30.2) | 92 (28.7) | 154 (27.4) | 369 (26.3) | 80 (23.5) | 55 (16.1) | 186 (17.6) | 1,407 (24.1) |
| Mother | 231 (23.6) | 203 (24.6) | 88 (27.4) | 129 (23.0) | 375 (26.7) | 109 (32.0) | 150 (43.8) | 263 (24.9) | 1,548 (26.6) |
| Other relative | 34 (3.5) | 19 (2.3) | 8 (2.5) | 13 (2.3) | 42 (3.0) | 1 (0.3) | 5 (1.5) | 29 (2.8) | 151 (2.6) |
| Nonrelative | 83 (8.4) | 89 (10.8) | 9 (2.8) | 9 (1.6) | 59 (4.2) | 25 (7.4) | 5 (1.5) | 27 (2.6) | 306 (5.2) |
| Self | 410 (41.9) | 265 (32.1) | 124 (38.6) | 257 (45.7) | 559 (39.8) | 125 (36.8) | 127 (37.1) | 550 (52.1) | 2,417 (41.5) |

*Q1 is April 26, 2012, to August 31, 2012; Q2 is September 1, 2012, to November 30, 2012; Q3 is December 1, 2012, to February 28, 2013; Q4 is March 1, 2013, to May 31, 2013; Q5 is June 1, 2013, to August 31, 2013; Q6 is September 1, 2013, to November 30, 2013; Q7 is December 1, 2013, to February 28, 2014; Q8 is March 1, 2014, to May 31, 2014.

Table B.4.4. Nepal Savings Goals by Quarter*

| | Q1 N = 979 | Q2 N = 826 | Q3 N = 321 | Q4 N = 562 | Q5 N = 1,404 | Q6 N = 340 | Q7 N = 342 | Q8 N = 1,055 | Total N = 5,829 |
|----------------------|---------------|---------------|---------------|---------------|-----------------|---------------|---------------|-----------------|--------------------|
| | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) |
| Emergencies | 266 (27.2) | 230 (27.8) | 69 (21.5) | 167 (29.7) | 439 (31.3) | 109 (32.0) | 114 (33.3) | 300 (28.4) | 1,694 (29.1) |
| Business | 9 (0.9) | 13 (1.6) | 6 (1.9) | 10 (1.8) | 36 (2.5) | 2 (0.6) | 8 (2.3) | 34 (3.2) | 118 (2.0) |
| Own education | 593 (60.6) | 526 (63.7) | 227 (70.7) | 348 (61.9) | 852 (60.7) | 213 (62.6) | 199 (58.2) | 661 (62.6) | 3,619 (62.1) |
| Relative's education | 7 (0.7) | 6 (0.7) | 4 (1.2) | 4 (0.7) | 7 (0.5) | 0 (0.0) | 1 (0.3) | 8 (0.8) | 37 (0.6) |
| Day-to-day expenses | 60 (6.1) | 37 (4.5) | 9 (2.8) | 17 (3.0) | 45 (3.2) | 7 (2.1) | 11 (3.2) | 37 (3.5) | 223 (3.8) |
| Trip/vacation | 20 (2.0) | 7 (0.8) | 4 (1.2) | 9 (1.6) | 17 (1.2) | 3 (0.9) | 0 (0.0) | 6 (0.6) | 66 (1.1) |
| Job-related training | 12 (1.2) | 3 (0.4) | 0 (0.0) | 5 (0.9) | 3 (0.2) | 3 (0.9) | 6 (1.8) | 7 (0.7) | 39 (0.7) |
| Other | 12 (1.2) | 4 (0.5) | 2 (0.6) | 2 (0.4) | 5 (0.4) | 3 (0.9) | 3 (0.9) | 2 (0.2) | 33 (0.6) |

*Q1 is April 26, 2012, to August 31, 2012; Q2 is September 1, 2012, to November 30, 2012; Q3 is December 1, 2012, to February 28, 2013; Q4 is March 1, 2013, to May 31, 2013; Q5 is June 1, 2013, to August 31, 2013; Q6 is September 1, 2013, to November 30, 2013; Q7 is December 1, 2013, to February 28, 2014; Q8 is March 1, 2014, to May 31, 2014.

Table B.4.5. Nepal Account Holder Source for Learning about Account by Quarter*

| | Q1 | Q2 | Q3 | Q4 | Q5 | Q6 | Q7 | Q8 | Total |
|--------------------------------|------------|------------|-----------|------------|------------|-----------|------------|------------|--------------|
| | N = 979 | N = 826 | N = 321 | N = 562 | N = 1,404 | N = 340 | N = 342 | N = 1,055 | N = 5,829 |
| | n (%) | n (%) | n (%) | n (%) | n (%) | n (%) | n (%) | n (%) | n (%) |
| Radio/television/ newspaper | 389 (39.7) | 188 (22.8) | 48 (14.9) | 87 (15.5) | 108 (7.7) | 74 (21.8) | 37 (10.8) | 60 (5.7) | 991 (17.0) |
| Bank campaign | 104 (10.6) | 164 (19.8) | 53 (16.5) | 145 (25.8) | 331 (23.6) | 57 (16.8) | 41 (12.0) | 147 (13.9) | 1,042 (17.9) |
| Youth savings group | 76 (7.8) | 167 (20.2) | 71 (22.1) | 79 (14.0) | 174 (12.4) | 40 (11.8) | 39 (11.4) | 139 (13.2) | 785 (13.5) |
| School/College | 64 (6.5) | 61 (7.4) | 38 (11.8) | 24 (4.3) | 177 (12.6) | 31 (9.1) | 20 (5.9) | 130 (12.3) | 545 (9.3) |
| Church/Mosque/ Temple | 1 (0.1) | 1 (0.1) | 0 (0.0) | 0 (0.0) | 4 (0.3) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 6 (0.1) |
| Friend/family | 269 (27.5) | 182 (22.0) | 90 (28.0) | 172 (30.6) | 543 (38.7) | 92 (27.0) | 88 (25.7) | 504 (47.8) | 1,940 (33.3) |
| Mobile phone | 0 (0.0) | 2 (0.2) | 2 (0.6) | 2 (0.4) | 5 (0.3) | 1 (0.3) | 0 (0.0) | 3 (0.3) | 15 (0.3) |
| Internet | 21 (2.2) | 15 (1.8) | 5 (1.6) | 7 (1.2) | 12 (0.8) | 8 (2.3) | 6 (1.8) | 7 (0.7) | 81 (1.4) |
| Other | 55 (5.6) | 46 (5.6) | 14 (4.4) | 46 (8.2) | 50 (3.6) | 37 (10.9) | 111 (32.4) | 65 (6.1) | 424 (7.3) |

*Q1 is April 26, 2012, to August 31, 2012; Q2 is September 1, 2012, to November 30, 2012; Q3 is December 1, 2012, to February 28, 2013; Q4 is March 1, 2013 to May 31, 2013; Q5 is June 1, 2013, to August 31, 2013; Q6 is September 1, 2013, to November 30, 2013; Q7 is December 1, 2013, to February 28, 2014; Q8 is March 1, 2014, to May 31, 2014.

Out-of-School Youth

Out-of-school youth are 5.7% of the total CYBY research account holders. Table B.4.6 presents characteristics of out-of-school youth. The gender ratio is almost 2:1 male to female, and out-of-school youth tend to be older than the in-school population. About 43% had earned income in the past six months and nearly 80% reported having no previous formal bank account. In terms of how they learned about the account, more than half of the youth reported friends and family as the source. In contrast with the in-school youth, most out-of-school youth reported saving for emergencies (48.4%) followed by own education (27%), and day-to-day expenses (9.9%).

Table B.4.7 presents characteristics associated with exposure to formal financial comparing youth account holders who indicated that both they and the HOH had prior accounts to account holders who indicated neither they nor the HOH had prior bank accounts.

B.4.6. Nepal Out-of-School Youth Characteristics

| | Out-of-school N = 333 (%) |
|------------------------------|------------------------------|
| Gender | |
| Male | 222 (66.7) |
| Female | 111 (33.3) |
| Age (years) | |
| Younger than 10 | 0 (0.0) |
| 10–12 | 18 (5.4) |
| 13–15 | 16 (4.8) |
| 16–18 | 106 (31.8) |
| 19–21 | 192 (57.7) |
| 22–24 | 1 (0.3) |
| 25–30 | 0 (0.0) |
| Older than 30 | 0 (0.0) |
| Education level | |
| No formal education | 26 (7.8) |
| Preschool | 1 (0.3) |
| Primary (Standard 1–6) | 25 (7.5) |
| Secondary (Form 1–4) | 86 (25.8) |
| Higher secondary | 167 (50.2) |
| Technical school | 5 (1.5) |
| College/university | 23 (6.9) |
| Income in past six months | |
| Yes | 145 (43.5) |
| No | 188 (56.5) |
| Previous formal bank account | |
| Yes | 67 (20.1) |
| No | 258 (77.5) |
| Don't know | 8 (2.4) |
| Savings goal | |
| Emergencies | 161 (48.4) |
| Business | 26 (7.8) |
| Own education | 90 (27.0) |
| Relative's education | 6 (1.8) |
| Day-to-day expenses | 33 (9.9) |

| | Out-of-school N = 333 (%) |
|-----------------------------------|------------------------------|
| Trip/vacation | 8 (2.4) |
| Job-related training | 4 (1.2) |
| Other | 5 (1.5) |
| Source for learning about account | |
| Radio/television/newspaper | 52 (15.6) |
| Bank fair/rallies/other campaign | 43 (12.9) |
| FE workshop/youth club | 14 (4.2) |
| School/college | 11 (3.3) |
| Church/mosque/temple | 1 (0.3) |
| Friend/family | 177 (53.2) |
| Mobile phone | 3 (0.9) |
| Internet | 3 (0.9) |
| Others | 29 (8.7) |

B.4.7. Characteristics of Youth Exposure to Formal Financial Services

| | With prior experience with an account(youth AND parent) N = 725 (%) | No prior experience with an account (youth AND parent) N = 1,177 (%) |
|------------------------------|---|--|
| Gender | | |
| Male | 456 (62.9) | 655 (55.7) |
| Female | 269 (37.1) | 522 (44.3) |
| Age (years) | | |
| Younger than 10 | 3 (0.4) | 4 (0.3) |
| 10–12 | 97 (13.4) | 353 (30.0) |
| 13–15 | 104 (14.3) | 337 (28.6) |
| 16–18 | 201 (27.7) | 220 (18.7) |
| 19–21 | 316 (43.6) | 257 (21.8) |
| 22–24 | 3 (0.4) | 4 (0.3) |
| 25–30 | 1 (0.1) | 1 (0.1) |
| Older than 30 | 0 (0.0) | 1 (0.1) |
| Education level | | |
| No formal education | 1 (0.1) | 11 (0.9) |
| Preschool | 9 (1.2) | 8 (0.7) |
| Primary (Standard 1–6) | 82 (11.3) | 348 (29.6) |
| Secondary (Form 1–4) | 227 (31.3) | 507 (43.1) |
| Higher secondary | 316 (43.6) | 242 (20.6) |
| Technical school | 14 (1.9) | 3 (0.3) |
| College/university | 76 (10.5) | 58 (4.9) |
| Income in past six months | | |
| Yes | 235 (32.4) | 216 (18.4) |
| No | 490 (67.6) | 961 (81.6) |
| Previous formal bank account | | |
| Yes | - | - |
| No | - | - |
| Don't know | - | - |
| Savings goal | | |
| Emergencies | 239 (33.0) | 312 (26.5) |
| Business | 24 (3.3) | 27 (2.3) |
| Own education | 390 (53.8) | 787 (66.9) |

| | With prior experience with an account(youth AND parent) N = 725 (%) | No prior experience with an account (youth AND parent) N = 1,177 (%) |
|-----------------------------------|--|---|
| Relative's education | 3 (0.4) | 13 (1.1) |
| Day-to-day expenses | 48 (6.6) | 22 (1.9) |
| Trip/vacation | 14 (1.9) | 5 (0.4) |
| Job-related training | 4 (0.6) | 6 (0.5) |
| Other | 3 (0.4) | 5 (0.4) |
| Source for learning about account | | |
| Radio/television/newspaper | 142 (19.6) | 118 (10.0) |
| Bank fair/rallies/other campaign | 120 (16.6) | 203 (17.3) |
| FE workshop/youth club | 78 (10.8) | 226 (19.2) |
| School/college | 42 (5.8) | 159 (13.5) |
| Church/mosque/temple | 2 (0.3) | 0 (0.0) |
| Friend/family | 282 (38.9) | 345 (29.3) |
| Mobile phone | 3 (0.4) | 2 (0.2) |
| Internet | 19 (2.6) | 3 (0.3) |
| Others | 37 (5.1) | 121 (10.3) |

Savings Outcomes

Table B.4.8 shows total amount of deposits, interest, withdrawals, service fees, and total net savings per account. Total net savings across all accounts is NPR 22,472,885 (USD 665,193 PPP-converted).

Table B.4.8. Total Savings in NPR (PPP-Converted USD)

| Totals | NPR (USD) |
|------------------------------|-------------------------|
| Amount of deposits | 155,216,868 (4,594,390) |
| Amount of interest | 1,074,751 (31,812) |
| Amount of withdrawals | 133,764,987 (3,959,418) |
| Amount of service fees/taxes | 53,747 (1,591) |
| Net savings | 22,472,885 (665,193) |

NPR, Nepalese rupee; PPP, purchasing power parity; USD, U.S. dollar

As shown in Table B.4.9, the average total net savings per account is NPR 3,855 (USD 114). Given high variation by account—for example, the maximum is NPR 1,124,995 (USD 33,300)—it is important to consider the median amount: NPR 201 (USD 5.95).

Table B.4.10 shows the average monthly amount of deposits and withdrawals. The mean average monthly amount of deposits is NPR 1,959 (USD 58.00), and the mean average for withdrawals is

Table B.4.11 presents savings associated with exposure to formal financial comparing youth account holders who indicated that both they and the HOH had prior accounts to account holders who indicated neither they nor the HOH had prior bank accounts. Youth who previously had an account or their HOH previously had an account save more than youth who had no exposure (neither the youth nor the HOH previously had an account).

Table B.4.9. Nepal Average Total Savings per Account in NPR (PPP-Converted USD)

| Averages | Mean | Median | Minimum | Maximum |
|---|-----------------|----------------|------------|--------------------|
| Amount of deposits (including interest) | 26,813 (793.65) | 733.87 (21.72) | 100 (2.96) | 2,590,781 (76,687) |
| Amount of withdrawals | 22,948 (679.26) | 33.33 (0.99) | 0 (0) | 2,499,450 (73,983) |
| Amount of service fees/taxes | 9.22 (0.27) | 0.47 (0.01) | 0 (0) | 3,311 (98.01) |
| Net savings (balance) per account | 3,855 (114.12) | 201 (5.95) | 0 (0) | 1,124,995 (33,300) |

NPR, Nepalese rupee; *PPP*, purchasing power parity; *USD*, U.S. dollar

NPR 1,536 (USD 45.46). However, the maximum values are quite high, which suggests that median values may be a better indicator of the majority of the youth. In fact, a few account holders made very large deposits and withdrawals. The median average monthly deposit was *NPR* 106.20 (USD 3.14) and no withdrawals. The net difference between deposits and withdrawals is the average monthly amount of savings in a given account. The mean is *NPR* 423.56 (USD 12.54), and the median is *NPR* 38.11 (USD 1.13).

Table B.4.10. Nepal AMNS per Account in NPR (PPP-Converted USD)

| Averages | Mean | Median | Minimum | Maximum |
|--|----------------|---------------|-------------|-----------------|
| Monthly amount of deposits (including interest) | 1,959 (58.00) | 106.20 (3.14) | 4.23 (0.13) | 173,479 (5,135) |
| Monthly amount of withdrawals (including fees/taxes) | 1,536 (45.46) | 11.12 (0.33) | 0 (0) | 173,467 (5,135) |
| AMNS* | 423.56 (12.54) | 38.11 (1.13) | 0 (0) | 86,538 (2,562) |

AMNS, average monthly net savings; *NPR*, Nepalese rupee; *PPP*, purchasing power parity; *USD*, U.S. dollar

*AMNS = (deposits + interest – withdrawals – service fees and taxes)/months account has been open

Table B.4.11. Savings by Formal Banking Experience in Nepal

| | AMNS-PPP Mean (SD) | Statistical Test |
|---------------------------------------|--------------------|---|
| Nepal | | |
| Both HOH and Youth ($n = 725$) | 10.93 (52.95) | $F(2,4895) = 4.30, p < .05^*$ |
| Neither HOH nor Youth ($n = 1,177$) | 6.63 (29.77) | A significant difference between “Neither” and “Either” |
| Either HOH or Youth ($n = 2,996$) | 13.59 (82.48) | |

AMNS, average monthly net savings; *PPP*, purchasing power parity; *SD*, standard deviation

Transaction Activity

As shown in Table B.4.12, all youth made at least one deposit and averaged a total of 3.8 deposits. The 3,413 youth who made withdrawals (59%) averaged a total of 8.7 withdrawals.

Table B.4.12. Nepal Transaction Activity

| | <i>N</i> |
|---|----------|
| Total number of deposits | 22,138 |
| Total number of withdrawals | 29,665 |
| Number of youth that made deposits | 5,829 |
| Number of youth that made withdrawals | 3,413 |
| Percent of youth that made withdrawals | 59% |
| Average number of deposits per account | 3.8 |
| Average number of withdrawals by those that took a withdrawal | 8.7 |
| Average monthly number of deposits per account | 0.4 |
| Average monthly number of withdrawals by those that took a withdrawal | 0.7 |

Table B.4.13 shows level of deposit and withdrawal activity by active, closed, or inactive account. The average account holder made approximately 4 deposits and 6 withdrawals.

Table B.4.13. Nepal Transaction Activity by Account Status

| | Mean | Median | Minimum | Maximum |
|-----------------------------------|------|--------|---------|---------|
| Cumulative number of deposits* | | | | |
| Active (<i>n</i> = 5,024) | 4.1 | 2.0 | 1.0 | 94.0 |
| Closed (<i>n</i> = 32) | 8.7 | 4.0 | 1.0 | 55.0 |
| Inactive (<i>n</i> = 773) | 1.6 | 1.0 | 1.0 | 14.0 |
| Total (<i>N</i> = 5,829) | 3.8 | 4.0 | 1.0 | 55.0 |
| Cumulative number of withdrawals* | | | | |
| Active (<i>n</i> = 5,024) | 5.8 | 1.0 | 0.0 | 201.0 |
| Closed (<i>n</i> = 32) | 16.4 | 2.0 | 0.0 | 133.0 |
| Inactive (<i>n</i> = 773) | 0.1 | 0.0 | 0.0 | 3.0 |
| Total (<i>N</i> = 5,829) | 5.1 | 1.0 | 0.0 | 201.0 |

**p* < 0.001.

Regional Account Uptake, Savings, and Financial Education and Outreach

In all 50 BOK branches, youth opened CYBY accounts. As noted in Table B.4.14, Ghorahi and Attariya branches have the highest number of opened accounts with more than 300 each.

Regionally, account uptake is highest in the Central region with (1,617), followed by the Mid-Western (1,451), Far-Western (965), Western (924), and Eastern (872) regions. However, the Central region has almost three times more branches than the Mid-Western region. Taking number of branches into account, the Far-Western has the highest account uptake with an average 241 accounts per branch and Central region has the fewest with an average 70 per branch.

A higher number of opened accounts does not necessarily correspond to higher AMNS. The rural branch of Amlekhgunj, with only seven accounts, has the highest AMNS (USD 90.87). The other three highest AMNS across all branches range from USD 40 to USD 42 and include Janakpur, Jawalakhel, and Jumla, the first two of which are located in the more urban Central region, and the other in the Mid-Western region.

Table B.4.14. Nepal Financial Education and Outreach with Affiliated Branches*

| Branch Name | Location | Total Research Accounts | AMNS (PPP- USD) | Financial institution FE** | SC/Partner NGO/FI FE activities** | FI aggregation point** |
|----------------|----------|-------------------------------|--------------------|----------------------------------|---|------------------------------|
| Eastern Region | | | | | | |
| Itahari | Urban | 92 | 5.61 | Yes | | |
| Biratnagar | Urban | 75 | 15.04 | | | |
| Urlabari | Urban | 111 | 6.20 | | Yes | Yes |
| Khandbari | Urban | 85 | 9.04 | Yes | | |
| Birtamod | Urban | 178 | 4.10 | Yes | Yes | Yes |
| Lahan | Urban | 99 | 7.22 | Yes | | |
| Dharan | Urban | 154 | 4.64 | Yes | | |
| Diktel | Urban | 78 | 5.09 | | | |
| Central Region | | | | | | |
| Tatopani | Rural | 6 | 15.41 | Yes | | |
| Amlekhgunj | Rural | 7 | 90.87 | | | |
| Birgunj | Urban | 50 | 27.28 | | | |
| Narayangarh | Urban | 67 | 6.02 | Yes | | Yes |
| Janakpur | Urban | 65 | 41.31 | Yes | | |
| Gaur | Urban | 12 | 5.18 | | | |
| Hetauda | Urban | 109 | 9.09 | Yes | | |
| Head Office | Urban | 104 | 16.60 | | | |
| Gyaneshwor | Urban | 107 | 17.05 | Yes | | |
| Old Baneshwor | Urban | 59 | 4.41 | | | |
| Tripureshwor | Urban | 46 | 13.50 | | | |
| Thamel | Urban | 54 | 18.21 | | | |
| Jawalakhel | Urban | 63 | 41.67 | Yes | | |
| Balaju | Urban | 38 | 12.39 | | | |
| Balkhu | Urban | 56 | 15.67 | | | |
| New Road | Urban | 63 | 27.06 | | | |
| Maharajgunj | Urban | 82 | 9.95 | | | |
| Gongabu | Urban | 47 | 8.59 | | | |
| Chabahil | Urban | 210 | 13.52 | Yes | | |
| New Baneshwor | Urban | 114 | 12.41 | | | |
| Bhaktapur | Urban | 116 | 10.11 | | Yes | Yes |
| Panauti | Urban | 83 | 38.96 | | Yes | Yes |
| Sankhu | Rural | 59 | 34.33 | | Yes | Yes |
| Dhapakhel | | | | Yes | | |

| Branch Name | Location | Total Research Accounts | AMNS (PPP- USD) | Financial institution FE** | SC/Partner NGO/FI FE activities** | FI aggregation point** |
|---------------------------|----------|-------------------------|-----------------|----------------------------|-----------------------------------|------------------------|
| Western Region | | | | | | |
| Butwal | Urban | 56 | 12.94 | Yes | | |
| Khairanitar | Urban | 117 | 9.75 | Yes | | Yes |
| Tamghas | Urban | 167 | 17.88 | Yes | | Yes |
| Sandhikharka | Urban | 107 | 8.52 | Yes | | Yes |
| Pokhara | Urban | 88 | 10.58 | | | |
| Baglung | Urban | 212 | 6.33 | | Yes | Yes |
| Beni | Urban | 177 | 3.70 | | Yes | Yes |
| Mid-Western Region | | | | | | |
| Jumla | Urban | 18 | 40.23 | Yes | | Yes |
| Nepalgunj | Urban | 167 | 5.22 | Yes | | Yes |
| Ghorahi | Urban | 392 | 5.19 | Yes | | |
| Guleriya | Urban | 131 | 2.34 | | Yes | Yes |
| Kohalpur | Urban | 186 | 11.96 | Yes | Yes | Yes |
| Surkhet | Urban | 218 | 7.74 | | Yes | Yes |
| Tulsipur | Urban | 240 | 12.63 | Yes | | |
| Dailekh | Urban | 99 | 15.11 | | | |
| Far-Western Region | | | | | | |
| Dhangadi | Urban | 228 | 25.44 | | | |
| Tikapur | Urban | 288 | 4.51 | | Yes | |
| Attariya | Urban | 305 | 14.71 | Yes | Yes | Yes |
| Dadeldhura | Urban | 144 | 25.85 | Yes | | Yes |
| <i>Total</i> | | <i>5,829</i> | | <i>24</i> | <i>12</i> | <i>18</i> |

AMNS, average monthly net savings; NGO, nongovernmental organization; PPP, purchasing power parity; USD, U.S. dollar; SC, Save the Children

*FC activity started during the pilot period, October 2011 to January 2012.

** Source: Save the Children (2014)

Tables B.4.15 and B.4.16 provide detail on BOK financial education and outreach, respectively.

Table B.4.15. Nepal FI Branches and Financial Education and Outreach by Date

| | Through SC's partner NGOs and associated BOK Branches* | | | By BOK branches on their own | |
|----------------|--|------------------------------|------------------------------|--------------------------------------|-----------------------------------|
| | FE Workshop | Street Drama | Orientation for adults | FE orientation | Aggregation point delivery |
| Eastern Region | | | | | |
| Itahari | | | | Jan 2013 | |
| Biratnagar | | | | | |
| Urlabari | Jun–Nov 2012 | Jun–Aug 2012 | Jun–Aug 2012 | | Mar 2013 |
| Khandbari | | | | Jul/Aug 2012 Jan 2013 | |
| Birtamod | Dec 2012– Feb 2013 | Dec 2012– Feb 2013 | Dec 2012– Feb 2013 | Aug/Sep 2012 Mar 2014 | Mar 2013 |
| Lahan | | | | Jan 2013 Mar 2014 | |
| Dharan | | | | Jan 2013 | |
| Diktel | | | | | |
| Central Region | | | | | |
| Tatopani | | | | May 2013 | |
| Amlekhgunj | | | | | |
| Birgunj | | | | | |
| Narayangarh | | | | Dec 2012 | May 2013 |
| Janakpur | | | | Sep/Oct 2012 Jan 2013 Mar 2014 | |
| Gaur | | | | | |
| Hetauda | | | | Mar 2014 | |
| Head Office | | | | | |
| Gyaneshwor | | | | Feb 2014 | |
| Old Baneshwor | | | | | |
| Tripureshwor | | | | | |
| Thamel | | | | | |
| Jawalakhel | | | | Feb 2014 | |
| Balaju | | | | | |
| Balkhu | | | | | |
| New Road | | | | | |
| Maharajgunj | | | | | |
| Gongabu | | | | | |
| Chabahil | | | | Dec 2013 | |
| New | | | | | |
| Baneshwor | | | | | |
| Bhaktapur | Jun–Aug 2012 | Mar–May 2013 | Mar–Aug 2012 Mar–Aug 2013 | | Dec 2011 Feb 2012 Sept 2012 |
| Panauti | Jun–Nov 2012 | Sep–Nov 2012 Mar–May 2013 | Jun–Aug 2012 Jun–Aug 2013 | | Jun 2012 Aug 2012 Dec 2012 |

| | Through SC's partner NGOs and associated BOK Branches* | | | By BOK branches on their own | |
|---------------------------|--|---------------------------------------|------------------------------|------------------------------|----------------------------------|
| | FE Workshop | Street Drama | Orientation for adults | FE orientation | Aggregation point delivery |
| Sankhu | Mar–May 2013 | Mar–May 2013 | Mar–May 2013 | | Aug 2013 |
| Dhapakhel | | | | Feb 2014 | |
| Western Region | | | | | |
| Butwal | | | | Mar 2014 | |
| Khairenitar | | | | Jul /Aug 2012 | Jul 2012 |
| Tamghas | | | | Aug/Sep 2012 | Sep 2012 May 2013 |
| Sandhikharka | | | | Aug/Sep 2012 | Sep 2012 |
| Pokhara | | | | Jul /Aug 2012 | |
| Baglung | Jun–Nov 2012 Jun–Nov 2013 | Jun–Aug 2012 Dec 2012– May 2014 | Jun–Aug 2012 Jun–Aug 2013 | | Jun 2012 Nov 2012 |
| Beni | Jun–Aug 2012 Jun–Nov 2013 | Dec 2012– Nov 2013 | Jun–Aug 2012 Jun–Aug 2013 | | Jan 2014 |
| Mid-Western Region | | | | | |
| Jumla | | | | Mar 2014 | May 2013 |
| Nepalgunj | | | | May 2013 | May 2013 |
| Ghorahi | | | | Mar 2014 May/June 2013 | |
| Guleriya | Jun–Aug 2012 | Jun–Aug 2012 | Jun–Aug 2012 | | Oct 2012 |
| Kohalpur | June–Aug 2012 | Dec 2012– Feb 2013 | Jun–Aug 2012 | May 2013 | Oct 2012 |
| Surkhet | | Sep–Nov 2012 | | | |
| Tulsipur Dailekh | | | | Sep 2013 | |
| Far-Western Region | | | | | |
| Dhangadi | | | | | |
| Tikapur | Jun–Nov 2012 Jun–Nov 2013 | Jun–Nov 2012 | Jun–Aug 2012 Jun–Aug 2013 | | |
| Attariya | Sep–Nov 2013 | | Sep–Nov 2013 | | Feb 2011 Jan 2013 Feb 2013 |
| Dadeldhura | | | | Sep 2012 Jun/Jul 2013 | May 2013 |

Source: Save the Children (2014)

Table B.4.16. Nepal BOK Outreach Activities

| Activity | Activity details | Duration |
|----------------------------|---|---|
| Newspaper, magazine ads | Throughout Nepal in National dailies and Regional Papers | Apr–Sep 2012 |
| | | Sep–Nov 2013 |
| | | Feb–Mar 2014 |
| TV commercials | National (Nepal Television) | Jun–Sep 2012 Sep–Nov 2013 |
| Radio jingle | Nepal Radio and different local FM stations | Jun 2012–Sep 2012 Sep–Nov 2013 Feb–Mar 2014 |
| Staff incentives | 1. Staff Sales Campaign (Samsung Scheme)* 2. Staff Sales Campaign (Holiday Trip)** | May–July 2013 Mar–Apr 2014 |
| Cash incentives to clients | 1. One time cash gift of NPR 100 to new and old CYBY account holder (depositors) April 2014 2. One time cash gift of NPR 100 to new CYBY account holders | Oct–Dec 2013 |
| | | Jan–Apr 2014 |
| Student-run FE campaign | Visits to local branch (10 schools in Kathmandu) | Feb–May 2014 |
| Walkathons/rallies | Lahan and Dharan | Mar 2014 |

*Staff Sales Campaign (Samsung Scheme): To increase the account uptake, BOK staff was involved in marketing the CYBY product. Any staff recommending more than four youth to open the CYBY account were included in a lottery with three winners. The first prize was a Samsung Galaxy S4, the second prize was a Samsung Galaxy Grand, and the third prize was a Samsung Galaxy Duos. This scheme lasted from May through July 2013.

**Staff Sales Campaign (Holiday Trip): Three categories with three winners each totaling nine winners. Staff who recommended more than eight youth to open the CYBY accounts were entered into a lottery to win a trip to Bangkok. Those who recommended five to seven youth to open accounts could win a trip to Chitwan, and those who opened two to four accounts could win a trip to Kulingtaar. This scheme was introduced from March 2014 through May 2014.

Table B.4.17 provides account open dates of youth who received the cash incentive offered by BOK during the timeframe of October 2013 to April 2014. The majority of the youth opened accounts in March and April 2014.

Table B.4.17. Nepal Account Open Dates of Those Who Received Incentives

| Month of Account Opening | <i>N</i> = 1,451 <i>n</i> (%) |
|--------------------------|----------------------------------|
| Sep 2012 | 1 (0.1) |
| Dec 2012 | 1 (0.1) |
| Jul 2013 | 1 (0.1) |
| Sep 2013 | 6 (0.4) |
| Oct 2013 | 163 (11.2) |
| Nov 2013 | 87 (6.0) |
| Dec 2013 | 139 (9.6) |
| Jan 2014 | 39 (2.7) |
| Feb 2014 | 91 (6.3) |
| Mar 2014 | 520 (35.8) |
| Apr 2014 | 403 (27.8) |
| <i>Total</i> | <i>1,451 (100.0)</i> |

Transaction data identify different types of electronic transactions including ATM, point-of-sale (POS), Visa debit card, and direct deposit of salary. Tables B.4.18 through B.4.21 provide characteristics of account holders who used these types of transactions compared to those who did not. A greater percentage are male and aged 16 or older, had earned income prior to opening the account and prior banking experience, learned about the account through mass media, and are saving for emergencies.

B.4.18. Nepal Demographics: ATM Users vs. Non-ATM Users

| | ATM user (<i>N</i> = 1,376) | Non-user (<i>N</i> = 4,453) |
|--------------------------|------------------------------|------------------------------|
| | <i>n</i> (%) | <i>n</i> (%) |
| Gender | | |
| Male | 1,007 (73.2) | 2,413 (54.2) |
| Female | 369 (26.8) | 2,040 (45.8) |
| Age | | |
| Younger than 10 | 0 (0.0) | 28 (0.6) |
| 10–12 | 11 (0.8) | 1,408 (31.6) |
| 13–15 | 28 (2.0) | 1,334 (30.0) |
| 16–18 | 735 (53.4) | 792 (17.8) |
| 19–21 | 590 (42.9) | 880 (19.8) |
| 22–24 | 10 (0.7) | 9 (0.2) |
| 25–30 | 1 (0.1) | 2 (0.0) |
| Older than 30 | 1 (0.1) | 0 (0.0) |
| Currently in school | | |
| Yes | 1,249 (90.8) | 4,247 (95.4) |
| No | 127 (9.2) | 206 (4.6) |
| Education level | | |
| No formal education | 1 (0.1) | 27 (0.6) |
| Pre-school | 0 (0.0) | 41 (0.9) |
| Primary (1–5) | 20 (1.5) | 1,075 (24.1) |
| Secondary (6–10) | 402 (29.2) | 2,153 (48.4) |
| Higher secondary (11–12) | 790 (57.4) | 905 (20.3) |
| Technical school | 31 (2.3) | 26 (0.6) |
| College/university | 132 (9.6) | 226 (5.1) |

| | ATM user (N = 1,376) | Non-user (N = 4,453) |
|-------------------------------|----------------------|----------------------|
| | <i>n</i> (%) | <i>n</i> (%) |
| Income in the past six months | | |
| Yes | 384 (27.9) | 673 (15.1) |
| No | 992 (72.1) | 3,780 (84.9) |
| Previous formal account | | |
| Yes | 293 (21.3) | 590 (13.3) |
| No | 1,066 (77.5) | 3,758 (84.4) |
| Don't know | 17 (1.2) | 105 (2.4) |
| Source of funds | | |
| Earned income | 340 (24.7) | 557 (12.5) |
| From family | 1,010 (73.4) | 3,804 (85.4) |
| Other | 26 (1.9) | 92 (2.1) |
| HOH previous bank account | | |
| Yes | 969 (70.4) | 2,721 (61.1) |
| No | 202 (14.7) | 1,073 (24.1) |
| Don't know | 205 (14.9) | 659 (14.8) |
| Cosignatory on account | | |
| Father | 105 (7.6) | 1,302 (29.2) |
| Mother | 42 (3.1) | 1,506 (33.8) |
| Other relative | 17 (1.2) | 134 (3.0) |
| Nonrelative | 125 (9.1) | 181 (4.1) |
| Self | 1,087 (79.0) | 1,330 (29.9) |
| Source of learning | | |
| Radio/TV/newspaper | 373 (27.1) | 618 (13.9) |
| Bank fair/rallies/campaign | 147 (10.7) | 895 (20.1) |
| FE workshop/youth club | 60 (4.4) | 725 (16.3) |
| School/college | 106 (7.7) | 439 (9.9) |
| Church/mosque/temple | 2 (0.2) | 4 (0.1) |
| Friend/family | 559 (40.6) | 1,381 (31.0) |
| Mobile phone | 7 (0.5) | 8 (0.2) |
| Internet | 44 (3.2) | 37 (0.8) |
| Others | 78 (5.7) | 346 (7.8) |
| Youth savings goal | | |
| Emergencies | 509 (37.0) | 1,185 (26.6) |
| Business | 40 (2.9) | 78 (1.8) |
| Own education | 672 (48.8) | 2,947 (66.2) |
| Relatives' education | 13 (0.9) | 24 (0.5) |
| Day-to-day expenses | 91 (6.6) | 132 (3.0) |
| Trip/vacation | 28 (2.0) | 38 (0.8) |
| Job-related training | 12 (0.9) | 27 (0.6) |
| Other | 11 (0.8) | 22 (0.5) |
| | M (SD) | M (SD) |
| Age | 18.71 (2.07) | 15.24 (3.47) |

B.4.19. Nepal Demographics: Visa vs. Non-Visa

| | Account holders who have Visa-related transactions (N = 1,498) | Account holders who do not have Visa-related transactions (N = 4,331) |
|-------------------------------|--|---|
| | <i>n</i> (%) | <i>n</i> (%) |
| Gender | | |
| Male | 1,090 (72.8) | 2,330 (53.8) |
| Female | 408 (27.2) | 2,001 (46.2) |
| Age | | |
| Younger than 10 | 0 (0.0) | 28 (0.7) |
| 10–12 | 21 (1.4) | 1,398 (32.3) |
| 13–15 | 36 (2.4) | 1,326 (30.6) |
| 16–18 | 794 (53.0) | 733 (16.9) |
| 19–21 | 638 (42.6) | 832 (19.2) |
| 22–24 | 7 (0.5) | 12 (0.3) |
| 25–30 | 2 (0.1) | 1 (0.0) |
| Older than 30 | 0 (0.0) | 1 (0.0) |
| Currently in school | | |
| Yes | 1,329 (88.7) | 4,167 (96.2) |
| No | 169 (11.3) | 164 (3.8) |
| Education level | | |
| No formal education | 3 (0.2) | 25 (0.6) |
| Pre-school | 0 (0.0) | 41 (0.9) |
| Primary (1–5) | 28 (1.9) | 1,067 (24.6) |
| Secondary (6–10) | 537 (35.9) | 2,018 (46.6) |
| Higher secondary (11–12) | 782 (52.2) | 913 (21.1) |
| Technical school | 27 (1.8) | 30 (0.7) |
| College/university | 121 (8.1) | 237 (5.5) |
| Income in the past six months | | |
| Yes | 421 (28.1) | 636 (14.7) |
| No | 1,077 (71.9) | 3,695 (85.3) |
| Previous formal account | | |
| Yes | 338 (22.6) | 545 (12.6) |
| No | 1,141 (76.2) | 3,683 (85.0) |
| Don't know | 19 (1.3) | 103 (2.4) |
| Source of funds | | |
| Earned income | 355 (23.7) | 542 (12.5) |
| From family | 1,108 (74.0) | 3,706 (85.6) |
| Other | 35 (2.3) | 83 (1.9) |
| HOH previous bank account | | |
| Yes | 1,037 (69.2) | 2,653 (61.3) |
| No | 225 (15.0) | 1,050 (24.2) |
| Don't know | 236 (15.8) | 628 (14.5) |

| | Account holders who have Visa-related transactions (<i>N</i> = 1,498) | Account holders who do not have Visa-related transactions (<i>N</i> = 4,331) |
|----------------------------|--|---|
| | <i>n</i> (%) | <i>n</i> (%) |
| Cosignatory on account | | |
| Father | 153 (10.2) | 1,254 (28.9) |
| Mother | 59 (3.9) | 1,489 (34.4) |
| Other relative | 18 (1.2) | 133 (3.1) |
| Nonrelative | 195 (13.0) | 111 (2.6) |
| Self | 1,073 (71.6) | 1,344 (31.0) |
| Source of learning | | |
| Radio/TV/newspaper | 432 (28.8) | 559 (12.9) |
| Bank fair/rallies/campaign | 181 (12.1) | 861 (20.0) |
| FE workshop/youth club | 114 (7.6) | 671 (15.5) |
| School/college | 118 (7.9) | 427 (9.9) |
| Church/mosque/temple | 2 (0.1) | 4 (0.1) |
| Friend/family | 529 (35.3) | 1,411 (32.6) |
| Mobile phone | 4 (0.3) | 11 (0.3) |
| Internet | 44 (2.9) | 37 (0.9) |
| Others | 74 (4.9) | 350 (8.1) |
| Youth savings goal | | |
| Emergencies | 533 (35.6) | 1,161 (26.8) |
| Business | 41 (2.7) | 77 (1.8) |
| Own education | 734 (35.6) | 2,885 (66.6) |
| Relatives' education | 15 (1.0) | 22 (0.5) |
| Day-to-day expenses | 121 (8.1) | 102 (2.4) |
| Trip/vacation | 31 (2.1) | 35 (0.8) |
| Job-related training | 12 (0.8) | 27 (0.6) |
| Other | 11 (0.7) | 22 (0.5) |
| | M (SD) | M (SD) |
| Age | 18.64 (1.87) | 15.16 (3.51) |

B.4.20. Nepal Demographics: POS vs. Non-POS

| | Account holders who have POS-related transactions (<i>N</i> = 40) | Account holders who do not have POS-related transactions (<i>N</i> = 5,789) |
|-------------------------------|--|--|
| | <i>n</i> (%) | <i>n</i> (%) |
| Gender | | |
| Male | 28 (70.0) | 3,392 (58.6) |
| Female | 12 (30.0) | 2,397 (41.4) |
| Age | | |
| Younger than 10 | 0 (0.0) | 28 (0.6) |
| 10–12 | 3 (7.5) | 1,416 (24.5) |
| 13–15 | 0 (0.0) | 1,362 (23.5) |
| 16–18 | 27 (67.5) | 1,500 (25.9) |
| 19–21 | 10 (25.0) | 1,460 (25.2) |
| 22–24 | 0 (0.0) | 19 (0.3) |
| 25–30 | 0 (0.0) | 3 (0.1) |
| Older than 30 | 0 (0.0) | 1 (0.0) |
| Currently in school | | |
| Yes | 36 (90.0) | 5,460 (94.3) |
| No | 4 (10.0) | 329 (5.7) |
| Education level | | |
| No formal education | 0 (0.0) | 28 (0.5) |
| Pre-school | 0 (0.0) | 41 (0.7) |
| Primary (1–5) | 0 (0.0) | 1,095 (18.9) |
| Secondary (6–10) | 14 (35.0) | 2,541 (43.9) |
| Higher secondary (11–12) | 22 (55.0) | 1,673 (28.9) |
| Technical school | 0 (0.0) | 57 (1.0) |
| College/university | 4 (10.0) | 354 (6.1) |
| Income in the past six months | | |
| Yes | 5 (12.5) | 1,052 (18.2) |
| No | 35 (87.5) | 4,737 (81.8) |
| Previous formal account | | |
| Yes | 11 (27.5) | 872 (15.1) |
| No | 29 (72.5) | 4,795 (82.8) |
| Don't know | 0 (0.0) | 122 (2.1) |
| Source of funds | | |
| Earned income | 6 (15.0) | 891 (15.4) |
| From family | 33 (82.5) | 4,781 (82.6) |
| Other | 1 (2.5) | 117 (2.0) |

| | Account holders who have POS-related transactions (<i>N</i> = 40) | Account holders who do not have POS-related transactions (<i>N</i> = 5,789) |
|----------------------------|--|--|
| | <i>n</i> (%) | <i>n</i> (%) |
| HOH previous bank account | | |
| Yes | 35 (87.5) | 3,655 (63.1) |
| No | 1 (2.5) | 1,274 (22.0) |
| Don't know | 4 (10.0) | 860 (14.9) |
| Cosignatory on account | | |
| Father | 5 (12.5) | 1,402 (24.2) |
| Mother | 1 (2.5) | 1,547 (26.7) |
| Other relative | 1 (2.5) | 150 (2.6) |
| Nonrelative | 2 (5.0) | 304 (5.2) |
| Self | 31 (77.5) | 2,386 (41.2) |
| Source of learning | | |
| Radio/TV/newspaper | 14 (35.0) | 977 (16.9) |
| Bank fair/rallies/campaign | 3 (7.5) | 1,039 (18.0) |
| FE workshop/youth club | 2 (5.0) | 783 (13.5) |
| School/college | 1 (2.5) | 544 (9.4) |
| Church/mosque/temple | 0 (0.0) | 6 (0.1) |
| Friend/family | 15 (37.5) | 1,925 (33.2) |
| Mobile phone | 0 (0.0) | 15 (0.3) |
| Internet | 2 (5.0) | 79 (1.4) |
| Others | 3 (7.5) | 421 (7.3) |
| Youth savings goal | | |
| Emergencies | 14 (35.0) | 1,680 (29.0) |
| Business | 1 (2.5) | 117 (2.0) |
| Own education | 22 (55.0) | 3,597 (62.1) |
| Relatives' education | 1 (2.5) | 36 (0.6) |
| Day-to-day expenses | 2 (5.0) | 221 (3.8) |
| Trip/vacation | 0 (0.0) | 66 (1.1) |
| Job-related training | 0 (0.0) | 39 (0.7) |
| Other | 0 (0.0) | 33 (0.6) |
| | M (SD) | M (SD) |
| Age | 17.71 (2.02) | 16.05 (3.52) |

POS, point-of-sale

B.4.21. Nepal Demographics: Salary vs. Non-Salary

| | Account holders who have salary deposits (N = 21) <i>n</i> (%) | Account holders who do not have salary deposits (N = 5,808) <i>n</i> (%) |
|-------------------------------|---|---|
| Gender | | |
| Male | 16 (76.2) | 3,404 (58.6) |
| Female | 5 (23.8) | 2,404 (41.4) |
| Age | | |
| Younger than 10 | 0 (0.0) | 28 (0.6) |
| 10–12 | 1 (4.8) | 1,418 (24.4) |
| 13–15 | 1 (4.8) | 1,361 (23.4) |
| 16–18 | 8 (38.1) | 1,519 (26.2) |
| 19–21 | 10 (47.6) | 1,460 (25.1) |
| 22–24 | 1 (4.8) | 18 (0.3) |
| 25–30 | 0 (0.0) | 3 (0.1) |
| Older than 30 | 0 (0.0) | 1 (0.0) |
| Currently in school | | |
| Yes | 16 (76.2) | 5,480 (94.4) |
| No | 5 (23.8) | 328 (5.6) |
| Education level | | |
| No formal education | 0 (0.0) | 28 (0.5) |
| Pre-school | 0 (0.0) | 41 (0.7) |
| Primary (1–5) | 1 (4.8) | 1,094 (18.8) |
| Secondary (6–10) | 8 (38.1) | 2,547 (43.9) |
| Higher secondary (11–12) | 10 (47.6) | 1,685 (29.0) |
| Technical school | 0 (0.0) | 57 (1.0) |
| College/university | 2 (9.5) | 356 (6.1) |
| Income in the past six months | | |
| Yes | 13 (61.9) | 1,044 (18.0) |
| No | 8 (38.1) | 4,764 (82.0) |
| Previous formal account | | |
| Yes | 6 (28.6) | 877 (15.1) |
| No | 15 (71.4) | 4,809 (82.8) |
| Don't know | 0 (0.0) | 122 (2.1) |
| Source of funds | | |
| Earned income | 11 (52.4) | 886 (15.2) |
| From family | 10 (47.6) | 4,804 (82.7) |
| Other | 0 (0.0) | 118 (2.0) |
| HOH Previous bank account | | |
| Yes | 16 (76.2) | 3,674 (63.3) |
| No | 3 (14.3) | 1,272 (21.9) |
| Don't know | 2 (9.5) | 862 (14.8) |
| Cosignatory on account | | |
| Father | 3 (14.3) | 1,404 (24.2) |
| Mother | 0 (0.0) | 1,548 (26.7) |
| Other relative | 0 (0.0) | 151 (2.6) |
| Nonrelative | 2 (9.5) | 304 (5.2) |
| Self | 16 (76.2) | 2,401 (41.3) |

| | Account holders who have salary deposits (<i>N</i> = 21) | Account holders who do not have salary deposits (<i>N</i> = 5,808) |
|----------------------------|---|---|
| | <i>n</i> (%) | <i>n</i> (%) |
| Source of learning | | |
| Radio/TV/newspaper | 7 (33.3) | 984 (16.9) |
| Bank fair/rallies/campaign | 2 (9.5) | 1,040 (17.9) |
| FE workshop/youth club | 0 (0.0) | 785 (13.5) |
| School/college | 1 (4.8) | 544 (9.4) |
| Church/mosque/temple | 1 (4.8) | 5 (0.1) |
| Friend/family | 5 (23.8) | 1,935 (33.3) |
| Mobile phone | 0 (0.0) | 15 (0.3) |
| Internet | 0 (0.0) | 81 (1.4) |
| Others | 5 (23.8) | 419 (7.2) |
| Youth savings goal | | |
| Emergencies | 9 (42.9) | 1,685 (29.0) |
| Business | 1 (4.8) | 117 (2.0) |
| Own education | 7 (33.3) | 3,612 (62.2) |
| Relatives' education | 1 (4.8) | 36 (0.6) |
| Day-to-day expenses | 2 (9.5) | 221 (3.8) |
| Trip/vacation | 0 (0.0) | 66 (1.1) |
| Job-related training | 0 (0.0) | 39 (0.7) |
| Other | 1 (4.8) | 32 (0.6) |
| | M (SD) | M (SD) |
| Age | 18.59 (2.27) | 16.05 (3.52) |

Lessons Learned

The implementation modality of the YouthSave Project has been the first of its kind in Nepal. Nepalese youth aged 10–22 years are encouraged to save through formal banking. The scheme is a departure from the traditional method of savings and is attractive for youth in general.

The provision of aggregation-point locations facilitated youth deposits. However, because of various constraints (e.g., limited human resources, discrepancies between FI working hours and schools), BOK could not provide the service on a consistent basis.

The lessons learned and recommendations presented in this section are based on the overall review of the YouthSave project and interviews conducted with those involved in implementation including SC and its community partners, BOK, and country advisory board members. Interviews provided overall impressions of the YouthSave project and the next steps to develop and refine youth financial products and services. Their views and recommendations are listed as follows:

- Targeting low-income youth to participate in formal banking has been a valuable contribution to youth financial inclusion. For product sustainability, all youth segments should be encouraged to open accounts.
- In Nepal, people normally have an impression that banks, especially private banks, are only for the elite class. Most private banks in Nepal are centered in urban areas. If the project had

linked to a government bank, such as Nepal Bank Limited, the initiative may have reached more rural, low-income, and marginalized populations.

- Mobilizing youth from their local communities to conduct financial education campaigns and other project-related activities could create stronger community interest and open more accounts.
- Future implementation should consider incentives to attract greater involvement from marginalized and poor populations to open youth savings accounts. For instance, providing a monetary incentive at account opening and at other key points in time could facilitate using the account for many years. The same method could be applied for increasing the participation of female youth.
- Savings demand assessment data analysis has been instrumental to understand who opens accounts and to refine product features and outreach services.
- Although financial education effects are not detectable, BOK views it as an important service for the youth as well as a corporate social responsibility.
- Increasing parental involvement may facilitate account uptake and usage. Finding ways to provide financial education to parents is equally important as providing financial education to the youth. If parents are supportive, youth are encouraged to save more in the future.
- Greater focus and effort on following up with youth account holders and the schools may accelerate account uptake and usage.
- Mobilizing school teachers to assist with financial education workshops could facilitate sustainability of the services and help to expand account uptake.
- Overall, *Chetanshil Yuva Bachat Yojana* (CYBY) features are attractive, but the Central Bank (NRB) documentation requirements complicate youth access to opening an account. To simplify the process, BOK should get special waivers or approvals from the NRB.
- Financial institutions need to increase staffing at the branch level to cater to the YouthSave account holders. For example, BOK needs one full-time staff at every branch to support the CYBY product and its clients. If there had been one responsible staff for CYBY at each branch, BOK could have properly and efficiently addressed the project's issues.
- If the YouthSave initiative is to continue, stakeholders should collaborate with government agencies like NRB, the Ministry of Finance, the Ministry of Education, and the National Planning Commission to have policy-level impact. Rigorous mobilization of schools, teachers, and youth clubs could also help achieve sustainable impact.

Appendix C – Summary Tables across Countries

Table C.1. Research Accounts Opened by Month

| Months | Number of Accounts Opened | | | |
|----------------|---------------------------|---------------|---------------|--------------|
| | Colombia | Ghana | Kenya | Nepal |
| March 2012 | 154 | 0 | 0 | 0 |
| April 2012 | 162 | 0 | 0 | 13 |
| May 2012 | 143 | 2 | 953 | 152 |
| June 2012 | 143 | 205 | 157 | 287 |
| July 2012 | 103 | 402 | 317 | 259 |
| August 2012 | 69 | 119 | 941 | 268 |
| September 2012 | 58 | 52 | 1,027 | 417 |
| October 2012 | 104 | 157 | 2,312 | 233 |
| November 2012 | 86 | 125 | 1,183 | 176 |
| December 2012 | 57 | 150 | 760 | 175 |
| January 2013 | 78 | 75 | 251 | 91 |
| February 2013 | 70 | 57 | 1,395 | 55 |
| March 2013 | 37 | 67 | 2,876 | 82 |
| April 2013 | 61 | 297 | 3,060 | 60 |
| May 2013 | 79 | 177 | 4,894 | 420 |
| June 2013 | 66 | 353 | 5,306 | 632 |
| July 2013 | 101 | 1,016 | 2,239 | 641 |
| August 2013 | 252 | 747 | 2,182 | 131 |
| September 2013 | 134 | 87 | 2,740 | 90 |
| October 2013 | 276 | 461 | 2,895 | 163 |
| November 2013 | 112 | 534 | 2,775 | 87 |
| December 2013 | 58 | 1,166 | 882 | 162 |
| January 2014 | 62 | 1,065 | 2,001 | 88 |
| February 2014 | 81 | 1,162 | 1,974 | 92 |
| March 2014 | 102 | 1,091 | 4,567 | 522 |
| April 2014 | 40 | 837 | 1,152 | 486 |
| May 2014 | 67 | 462 | 958 | 47 |
| <i>Total</i> | <i>2,755</i> | <i>10,866</i> | <i>49,797</i> | <i>5,829</i> |

Table C.2. Research Accounts Closed by Month

| Months | Number of Accounts Closed | | | |
|----------------|---------------------------|----------|-----------|-----------|
| | Colombia | Ghana | Kenya | Nepal |
| March 2012 | 0 | 0 | 0 | 0 |
| April 2012 | 2 | 0 | 0 | 0 |
| May 2012 | 6 | 0 | 0 | 0 |
| June 2012 | 10 | 0 | 0 | 2 |
| July 2012 | 3 | 0 | 0 | 2 |
| August 2012 | 6 | 0 | 0 | 0 |
| September 2012 | 4 | 0 | 0 | 1 |
| October 2012 | 8 | 0 | 0 | 0 |
| November 2012 | 16 | 0 | 0 | 0 |
| December 2012 | 11 | 0 | 0 | 0 |
| January 2013 | 13 | 0 | 0 | 0 |
| February 2013 | 11 | 0 | 0 | 0 |
| March 2013 | 14 | 0 | 0 | 0 |
| April 2013 | 28 | 0 | 0 | 1 |
| May 2013 | 24 | 0 | 0 | 2 |
| June 2013 | 19 | 0 | 2 | 2 |
| July 2013 | 16 | 0 | 1 | 2 |
| August 2013 | 19 | 1 | 0 | 2 |
| September 2013 | 14 | 2 | 0 | 0 |
| October 2013 | 14 | 1 | 1 | 2 |
| November 2013 | 16 | 1 | 0 | 1 |
| December 2013 | 20 | 0 | 1 | 1 |
| January 2014 | 25 | 0 | 0 | 3 |
| February 2014 | 87 | 0 | 1 | 1 |
| March 2014 | 20 | 0 | 2 | 4 |
| April 2014 | 23 | 0 | 0 | 6 |
| May 2014 | 18 | 1 | 3 | 0 |
| <i>Total</i> | <i>447</i> | <i>6</i> | <i>11</i> | <i>32</i> |

Table C.3. Average Balance per Account by Month in National Currencies (PPP-Converted USD)

| Month | Colombia | Ghana | Kenya | Nepal |
|----------------|------------------|---------------|----------------|----------------|
| March 2012 | 143,912 (116.40) | 0 | 0 | 0 |
| April 2012 | 128,902 (104.26) | 0 | 0 | 1,385 (40.98) |
| May 2012 | 162,551 (131.47) | 11.00 (13.75) | 9.49 (0.24) | 1,654 (48.95) |
| June 2012 | 185,039 (149.66) | 7.66 (9.57) | 778.07 (19.61) | 2,499 (73.96) |
| July 2012 | 206,358 (166.91) | 8.97 (11.21) | 651.29 (16.42) | 4,077 (120.68) |
| August 2012 | 239,273 (193.53) | 12.99 (16.24) | 531.50 (13.40) | 3,624 (107.28) |
| September 2012 | 269,989 (218.37) | 16.08 (20.10) | 492.11 (12.40) | 2,466 (73.00) |
| October 2012 | 277,184 (224.19) | 21.14 (26.42) | 376.21 (9.48) | 2,581 (76.39) |
| November 2012 | 285,881 (231.23) | 22.46 (28.08) | 353.46 (8.91) | 2,832 (83.82) |
| December 2012 | 307,900 (249.04) | 24.35 (30.43) | 500.42 (12.61) | 2,882 (85.30) |
| January 2013 | 311,840 (252.22) | 27.39 (34.24) | 630.71 (15.90) | 2,952 (87.37) |
| February 2013 | 303,436 (245.42) | 28.40 (35.49) | 584.26 (14.73) | 3,089 (91.42) |
| March 2013 | 325,493 (263.27) | 29.29 (36.61) | 484.79 (12.22) | 3,170 (93.82) |
| April 2013 | 292,252 (236.38) | 29.35 (36.68) | 419.16 (10.57) | 3,372 (99.80) |
| May 2013 | 302,773 (244.89) | 31.39 (39.24) | 375.33 (9.46) | 3,337 (98.78) |
| June 2013 | 306,148 (247.62) | 31.06 (38.83) | 339.93 (8.57) | 3,147 (93.15) |
| July 2013 | 317,727 (256.98) | 26.29 (32.87) | 366.46 (9.24) | 3,272 (96.86) |
| August 2013 | 306,701 (248.07) | 24.02 (30.02) | 359.47 (9.06) | 3,038 (89.91) |
| September 2013 | 318,446 (257.56) | 27.16 (33.95) | 351.04 (8.85) | 3,092 (91.52) |
| October 2013 | 320,852 (259.51) | 29.46 (36.83) | 351.96 (8.87) | 3,442 (101.87) |
| November 2013 | 316,655 (256.12) | 29.15 (36.44) | 331.23 (8.35) | 3,779 (111.87) |
| December 2013 | 324,674 (262.60) | 27.31 (34.14) | 338.65 (8.54) | 3,772 (111.65) |
| January 2014 | 318,980 (258.00) | 27.27 (34.09) | 327.29 (8.25) | 3,774 (111.72) |
| February 2014 | 315,082 (254.84) | 25.12 (31.40) | 323.30 (8.15) | 3,617 (107.06) |
| March 2014 | 321,629 (260.14) | 24.95 (31.18) | 317.82 (8.01) | 3,549 (105.05) |
| April 2014 | 327,803 (265.13) | 26.44 (33.04) | 327.63 (8.26) | 3,789 (112.14) |
| May 2014 | 323,879 (261.96) | 26.67 (33.34) | 349.36 (8.81) | 3,855 (114.12) |

Table C.4. Account Activity

| | Colombia* | Ghana | Kenya* | Nepal | Total |
|---|--------------------|---------------------|---------------------|--------------------|---------------------|
| | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) | <i>n</i> (%) |
| Number of active accounts | 707 (43) | 7,003 (64) | 15,036 (31) | 3,009 (52) | 25,755 (39) |
| Number of inactive accounts (past 6 months) | 589 (36) | 3,857 (36) | 33,223 (69) | 2,788 (48) | 40,457 (61) |
| Number of closed accounts | 345 (21) | 6 (0.06) | 11 (0.02) | 32 (0.5) | 394 (0.6) |
| <i>Total</i> | <i>1,641 (100)</i> | <i>10,866 (100)</i> | <i>48,270 (100)</i> | <i>5,829 (100)</i> | <i>66,606 (100)</i> |

*For Kenya, 1,527 accounts without any transactions are excluded. For Colombia, 1,114 accounts without any transactions are excluded.

Table C.5. Multivariate Analysis Results (Branch-Level Fixed Effects Model): Account Holding Six Months or More

| | Ghana EST (SE) | Kenya EST (SE) | Nepal EST (SE) |
|------------------------------------|-----------------------------|-------------------|---------------------------|
| Male | -0.04 (0.07) | 0.01 (0.01) | -0.26 (0.08)** |
| Currently enrolled in school | 0.02 (0.52) | -0.05 (0.04) | 0.22 (0.20) |
| Education level | | | |
| (Primary or below) | | | |
| Secondary | 0.19 (0.10) [†] | -0.06 (0.02)** | -0.01 (0.12) |
| Higher secondary or above | 0.54 (0.15)*** | -0.06 (0.02)** | 0.30 (0.17) |
| Age | | | |
| (Younger than 13) | | | |
| 13–15 | -0.31 (0.10)** | -0.10 (0.02)*** | -0.05 (0.12) |
| 16–18 | -0.20 (0.12) | -0.15 (0.02)*** | -0.31 (0.21) |
| 19 or above | -0.28 (0.21) | -0.14 (0.03)*** | -0.48 (0.23)* |
| Past income | -0.05 (0.12) | -0.03 (0.02) | -0.07 (0.14) |
| Past account | 0.10 (0.14) | 0.04 (0.02)* | -0.02 (0.11) |
| Source of fund | | | |
| (Earned income) | | | |
| From parents | -0.09 (0.16) | -0.01 (0.02) | -0.08 (0.16) |
| Other source | -0.23 (0.23) | 0.01 (0.03) | -0.37 (0.36) |
| HOH | | | |
| (Father) | | | |
| Mother | 0.32 (0.13)* | 0.02 (0.02) | 0.07 (0.13) |
| Other | 0.87 (0.69) | 0.03 (0.06) | -0.20 (0.51) |
| Poverty likelihood at USD 2.50/day | -0.006 (0.003) [†] | -0.0001 (0.0005) | -0.006 (0.005) |
| Number of household members | | | |
| (1–3) | | | |
| 4–5 | -0.01 (0.11) | -0.01 (0.02) | -0.18 (0.17) |
| 6 or above | 0.12 (0.13) | -0.01 (0.02) | -0.25 (0.21) |
| HOH previous formal bank account | 0.02 (0.09) | 0.02 (0.02) | 0.19 (0.10) [†] |
| HOH education level | | | |
| (No formal education) | | | |
| Primary | -0.15 (0.15) | 0.02 (0.03) | 0.08 (0.14) |
| Secondary | -0.22 (0.15) | 0.03 (0.03) | -0.06 (0.14) |
| College | -0.13 (0.17) | 0.03 (0.03) | -0.32 (0.38) |
| University | -0.04 (0.17) | 0.01 (0.03) | 0.22 (0.18) |
| HOH employment in agriculture | -0.02 (0.11) | -0.002 (0.01) | -0.12 (0.10) |
| HOH employment | | | |
| (Employed) | | | |
| Self-employed | -0.01 (0.08) | -0.03 (0.01)* | -0.04 (0.10) |
| No employment | 0.02 (0.22) | -0.05 (0.02)* | -0.08 (0.14) |
| Other | -0.03 (0.15) | -0.05 (0.02)* | -0.16 (0.13) |
| Mode of transportation owned | | | |
| (None) | | | |
| Nonmotorized | 0.01 (0.12) | -0.02 (0.02) | -0.26 (0.14) [†] |
| Motorized | 0.10 (0.08) | -0.0005 (0.03) | 0.10 (0.13) |
| Both | 0.37 (0.12)** | -0.03 (0.03) | 0.13 (0.24) |

| | Ghana EST (SE) | Kenya EST (SE) | Nepal EST (SE) |
|--|--------------------------|-------------------|-------------------|
| Cosignatory (Others) | | | |
| Parents | 0.62 (0.09)*** | 0.10 (0.01)*** | -0.09 (0.17) |
| Savings goal (Emergency) | | | |
| Business | 0.01 (0.23) | 0.01 (0.02) | 0.41 (0.30) |
| Education | 0.15 (0.11) | 0.03 (0.01)* | 0.06 (0.10) |
| Day-to-day expense | -0.08 (0.28) | 0.0003 (0.01) | -0.19 (0.22) |
| Other | 0.48 (0.25) [†] | 0.03 (0.02) | 0.29 (0.26) |
| Source for learning about account (Bank campaign) | | | |
| Radio/TV/news/Internet | 0.43 (0.19)* | 0.04 (0.02) | 0.51 (0.14)*** |
| FE workshop/youth club | -0.24 (0.19) | -0.03 (0.02) | 0.18 (0.15) |
| School/college | -0.30 (0.12)* | -0.03 (0.01)* | 0.14 (0.17) |
| Friend/family | 0.72 (0.25)** | 0.18 (0.02)*** | 0.28 (0.14)* |
| Other | 0.80 (0.28)** | -0.04 (0.03) | 0.72 (0.19)*** |

EST, parameter estimates; *SE*, standard error; *HOH*, head of household

[†] $p < .10$, * $p < .05$, ** $p < .01$, *** $p < .001$.

Note: Branch-level fixed effects are added to the model (i.e., the analysis controls for unobserved characteristics associated with the branches); dependent variable is transformed using a square-root transformation due to non-normal distributions.

Table C.6. Colombia Multivariate Analysis Results (Branch-Level Fixed Effects Model): Account Holding Six Months or More

| | Colombia EST (SE) |
|---------------------------------------|----------------------|
| Male | -0.19 (0.22) |
| Education level (Primary or below) | |
| Secondary | -0.04 (0.29) |
| Higher secondary or above | 0.95 (0.83) |
| Age (Younger than 10) | |
| 10–12 | -0.47 (0.32) |
| 13–15 | -0.44 (0.37) |
| 16–18 | -1.26 (0.45)** |
| Poverty likelihood at USD 2.50/day | 0.003 (0.02) |

EST, parameter estimates; *SE*, standard error

Note: Branch-level fixed effects are added to the model (i.e., the analysis controls for unobserved characteristics associated with the branches); dependent variable is transformed using a square-root transformation due to non-normal distributions.

Table C.7. Multivariate Analysis Results (Branch-Level Fixed Effects Model): Account Holding 12 Months or More

| | Ghana EST (SE) | Kenya EST (SE) | Nepal EST (SE) |
|------------------------------------|---------------------------|---------------------------|-------------------|
| Male | -0.07 (0.10) | 0.01 (0.01) | -0.28 (0.10)** |
| Currently enrolled in school | -0.17 (1.56) | -0.06 (0.06) | 0.08 (0.23) |
| Education level | | | |
| (Primary or below) | | | |
| Secondary | 0.19 (0.15) | -0.06 (0.02)** | -0.05 (0.15) |
| Higher secondary or above | 0.24 (0.24) | -0.05 (0.03)* | 0.09 (0.21) |
| Age | | | |
| (Younger than 13) | | | |
| 13–15 | -0.26 (0.15) [†] | -0.10 (0.03)*** | -0.17 (0.15) |
| 16–18 | -0.07 (0.19) | -0.14 (0.03)*** | -0.26 (0.25) |
| 19 or above | -0.15 (0.34) | -0.13 (0.03)*** | -0.41 (0.27) |
| Past income | -0.10 (0.18) | -0.02 (0.02) | -0.20 (0.17) |
| Past account | 0.09 (0.22) | 0.04 (0.02)* | -0.10 (0.13) |
| Source of fund | | | |
| (Earned income) | | | |
| From parents | 0.13 (0.26) | 0.01 (0.03) | -0.27 (0.19) |
| Other source | 0.19 (0.38) | 0.03 (0.03) | -0.27 (0.42) |
| HOH | | | |
| (Father) | | | |
| Mother | 0.27 (0.20) | 0.001 (0.02) | 0.19 (0.16) |
| Other | - | -0.04 (0.08) | -0.17 (0.61) |
| Poverty likelihood at USD 2.50/day | -0.001 (0.005) | 0.0004 (0.0007) | -0.0002 (0.006) |
| Number of household members | | | |
| (1–3) | | | |
| 4–5 | -0.38 (0.16)* | 0.003 (0.02) | -0.25 (0.20) |
| 6 or above | -0.16 (0.19) | -0.03 (0.03) | -0.40 (0.25) |
| HOH previous formal bank account | 0.01 (0.14) | 0.03 (0.02) | 0.08 (0.13) |
| HOH education level | | | |
| (No formal education) | | | |
| Primary | -0.05 (0.23) | 0.03 (0.04) | 0.07 (0.17) |
| Secondary | 0.04 (0.24)* | 0.04 (0.04) | 0.04 (0.17) |
| College | 0.23 (0.26) | 0.03 (0.04) | -0.14 (0.43) |
| University | 0.19 (0.28) | -0.0002 (0.04) | 0.27 (0.21) |
| HOH employment in agriculture | -0.06 (0.17) | 0.01 (0.01) | -0.08 (0.12) |
| HOH employment | | | |
| (Employed) | | | |
| Self-employed | -0.02 (0.13) | -0.02 (0.01) | -0.02 (0.13) |
| No employment | 0.10 (0.70) | -0.05 (0.03) [†] | -0.10 (0.18) |
| Other | 0.01 (0.22) | -0.04 (0.03) | -0.33 (0.15)* |
| Mode of transportation owned | | | |
| (None) | | | |
| Nonmotorized | -0.19 (0.18) | -0.02 (0.02) | -0.18 (0.17) |
| Motorized | 0.30 (0.13)* | 0.03 (0.04) | 0.12 (0.16) |
| Both | 0.10 (0.19) | -0.01 (0.04) | 0.39 (0.29) |

| | Ghana EST (SE) | Kenya EST (SE) | Nepal EST (SE) |
|--|--------------------------|-------------------|-------------------|
| Cosignatory (Others) | | | |
| Parents | 0.41 (0.18)** | 0.11 (0.01)*** | -0.10 (0.19) |
| Savings goal (Emergency) | | | |
| Business | 0.01 (0.32) | 0.01 (0.02) | 0.24 (0.38) |
| Education | 0.13 (0.15) | 0.02 (0.02) | 0.13 (0.12) |
| Day-to-day expense | 0.17 (0.34) | -0.002 (0.02) | 0.04 (0.24) |
| Other | 0.51 (0.32) | 0.02 (0.02) | 0.49 (0.29) |
| Source for learning about account (Bank campaign) | | | |
| Radio/TV/news/Internet | 1.09 (0.23)*** | 0.02 (0.03) | 0.40 (0.17)* |
| FE workshop/youth club | -0.26 (0.43) | -0.03 (0.03) | 0.25 (0.19) |
| School/college | -0.23 (0.15) | -0.05 (0.02)** | 0.20 (0.22) |
| Friend/family | 0.80 (0.28)** | 0.07 (0.03)* | 0.11 (0.17) |
| Other | 0.56 (0.31) [†] | -0.04 (0.03) | 0.67 (0.22)** |

EST, parameter estimates; *SE*, standard error; *HOH*, head of household

[†] $p < .10$, * $p < .05$, ** $p < .01$, *** $p < .001$.

Note: Branch-level fixed effects are added to the model (i.e., the analysis controls for unobserved characteristics associated with the branches); dependent variable is transformed using a square-root transformation due to non-normal distributions.

Table C.8. Colombia Multivariate Analysis Results (Branch-Level Fixed Effects Model): Account Holding 12 Months or More

| | Colombia EST (SE) |
|---------------------------------------|----------------------|
| Male | -0.09 (0.25) |
| Education level (Primary or below) | |
| Secondary | 0.16 (0.32) |
| Higher secondary or above | 0.62 (1.01) |
| Age (Younger than 10) | |
| 10–12 | -0.34 (0.35) |
| 13–15 | -0.42 (0.42) |
| 16–18 | -1.51 (0.52)** |
| Poverty likelihood at USD 2.50/day | 0.005 (0.02) |

EST, parameter estimates; *SE*, standard error

Note: Branch-level fixed effects are added to the model (i.e., the analysis controls for unobserved characteristics associated with the branches); dependent variable is transformed using a square-root transformation due to non-normal distributions.

Table C.9. Characteristics Associated with High, Medium, and Low savers: Multinomial Logistic Regression for Ghana

| | High vs. Low | Med vs. Low |
|------------------------------------|-----------------|-----------------|
| | EST (SE) | EST (SE) |
| Male | 0.02 (0.08) | -0.05 (0.07) |
| Currently enrolled in school | -0.85 (0.63) | -0.07 (0.65) |
| Education level | | |
| (Primary or below) | | |
| Secondary (JHS) | 0.27 (0.13)* | -0.15 (0.11) |
| Higher secondary (SHS) or above | 0.84 (0.17)*** | 0.30 (0.15)* |
| Age | | |
| (Younger than 13) | | |
| 13–15 | -0.63 (0.13)*** | -0.24 (0.12)* |
| 16–18 | -0.51 (0.15)** | -0.23 (0.14)† |
| 19 or above | -0.42 (0.23)† | -0.45 (0.21)* |
| Past income | -0.07 (0.15) | -0.31 (0.14)* |
| Past account | 0.22 (0.17) | -0.07 (0.16) |
| Source of fund | | |
| (Earned income) | | |
| From parents | 0.34 (0.20) | 0.09 (0.17) |
| Other source | -0.08 (0.29) | -0.27 (0.25) |
| HOH | | |
| (Father) | | |
| Mother | 0.21 (0.16) | -0.06 (0.13) |
| Other | 0.49 (0.70) | -0.19 (0.67) |
| Poverty likelihood at USD 2.50/day | -0.001 (0.004) | 0.002 (0.004) |
| Number of household members | | |
| (1–3) | | |
| 4–5 | -0.06 (0.13) | -0.05 (0.12) |
| 6 or above | -0.06 (0.15) | -0.09 (0.14) |
| HOH previous formal bank account | 0.18 (0.11)† | 0.25 (0.09)** |
| HOH education level | | |
| (No formal education) | | |
| Primary | -0.03 (0.17) | 0.41 (0.14)** |
| Secondary | -0.04 (0.18) | 0.39 (0.16)* |
| Technical school | -0.005 (0.20) | 0.22 (0.18) |
| University | -0.03 (0.21) | 0.18 (0.18) |
| HOH employment in agriculture | -0.01 (0.13) | 0.17 (0.11) |
| HOH employment | | |
| (Employed) | | |
| Self-employed | -0.11 (0.09) | 0.10 (0.09) |
| Not employed | 0.43 (0.28) | 0.70 (0.24)** |
| Other | -0.38 (0.19)* | -0.06 (0.16) |
| Mode of transportation owned | | |
| (None) | | |
| Nonmotorized | -0.31 (0.14)* | -0.37 (0.12)** |
| Motorized | -0.02 (0.09) | -0.13 (0.08) |
| Both | 0.03 (0.14) | -0.47 (0.13)*** |
| Cosignatory | | |
| (Others) | | |
| Parents | 0.70 (0.09)*** | -0.04 (0.13) |

| | High vs. Low | Med vs. Low |
|-----------------------------------|-----------------|---------------------------|
| | EST (SE) | EST (SE) |
| Savings goal | | |
| (Emergency) | | |
| Business | -0.33 (0.26) | -0.64 (0.25)* |
| Education | -0.38 (0.12)** | -0.20 (0.11) [†] |
| Day-to-day expense | -0.32 (0.31) | -0.07 (0.28) |
| Other | -0.21 (0.28) | -0.73 (0.28)* |
| Source for learning about account | | |
| (Bank campaign) | | |
| Radio/TV/newspaper | 0.28 (0.26) | -0.22 (0.25) |
| Financial education/youth club | -1.13 (0.23)*** | -1.26 (0.20)*** |
| School/college | -0.87 (0.12)*** | -0.76 (0.10)*** |
| Friend/family | 0.64 (0.32)* | -0.01 (0.33) |
| Others | -0.07 (0.33) | -1.73 (0.46)*** |

EST, parameter estimates; *SE*, standard error; *HOH*, head of household

[†] $p < .10$, * $p < .05$, ** $p < .01$, *** $p < .001$.

Table C.10. Characteristics Associated with High, Medium, and Low savers: Multinomial Logistic Regression for Kenya

| | High vs Low | Med vs Low |
|------------------------------------|---------------------------|-----------------------------|
| | EST (SE) | EST (SE) |
| Male | 0.09 (0.04)* | 0.17 (0.04)*** |
| Currently enrolled in school | -0.23 (0.16) | 0.01 (0.15) |
| Education level | | |
| (Primary or below) | | |
| Secondary | 0.18 (0.07)** | 0.31 (0.06)*** |
| Higher secondary or above | 0.10 (0.07) | 0.14 (0.06)* |
| Age | | |
| (Younger than 13) | | |
| 13–15 | -0.58 (0.08)*** | 0.09 (0.08) |
| 16–18 | -0.72 (0.08)*** | 0.05 (0.08) |
| 19 or above | -0.89 (0.10)*** | 0.05 (0.09) |
| Past income | -0.14 (0.07)* | -0.09 (0.06) |
| Past account | 0.16 (0.07)* | 0.07 (0.07) |
| Source of fund | | |
| (Earned income) | | |
| From parents | 0.09 (0.08) | 0.08 (0.07) |
| Other source | -0.14 (0.11) | -0.09 (0.09) |
| HOH | | |
| (Father) | | |
| Mother | 0.25 (0.07)*** | 0.01 (0.06) |
| Other | 1.16 (0.27)*** | 0.40 (0.26) |
| Poverty likelihood at USD 2.50/day | -0.01 (0.002)*** | -0.004 (0.002) [†] |
| Number of household members | | |
| (1–3) | | |
| 4–5 | 0.01 (0.07) | -0.03 (0.07) |
| 6 or above | -0.0003 (0.10) | -0.01 (0.08) |
| HOH previous formal bank account | 0.28 (0.07)*** | 0.18 (0.06)** |
| HOH education level | | |
| (No formal education) | | |
| Primary | -0.18 (0.12) | -0.13 (0.10) |
| Secondary | -0.28 (0.12)* | -0.27 (0.10)** |
| Technical school | -0.22 (0.12) [†] | -0.31 (0.10)** |
| University | -0.27 (0.13)* | -0.18 (0.11) [†] |
| HOH employment in agriculture | -0.02 (0.04) | -0.01 (0.04) |
| HOH employment | | |
| (Employed) | | |
| Self-employed | -0.05 (0.04) | 0.06 (0.04) |
| Not employed | -0.27 (0.08)** | -0.06 (0.07) |
| Other | -0.04 (0.09) | -0.08 (0.08) |
| Mode of transportation owned | | |
| (None) | | |
| Nonmotorized | -0.30 (0.06)*** | -0.27 (0.05)*** |
| Motorized | -0.45 (0.12)*** | -0.26 (0.10)* |
| Both | -0.56 (0.13)*** | -0.38 (0.11)** |
| Cosignatory | | |
| (Others) | | |
| Parents | 0.48 (0.04)*** | -0.01 (0.04) |

| | High vs Low | Med vs Low |
|-----------------------------------|-----------------|--------------------------|
| | EST (SE) | EST (SE) |
| Savings goal | | |
| (Emergency) | | |
| Business | -0.17 (0.07)* | -0.25 (0.07)*** |
| Education | -0.23 (0.05)*** | -0.22 (0.04)*** |
| Day-to-day expense | -0.18 (0.06)** | -0.20 (0.05)*** |
| Other | 0.35 (0.07)*** | 0.16 (0.07)* |
| Source for learning about account | | |
| (Bank campaign) | | |
| Radio/TV/newspaper | 0.38 (0.10)*** | 0.17 (0.09) [†] |
| Financial education/youth club | 0.43 (0.09)*** | 0.45 (0.08)*** |
| School/college | 0.21 (0.05)*** | 0.22 (0.04)*** |
| Friend/family | 0.64 (0.09)*** | 0.14 (0.08) |
| Others | 0.08 (0.10) | -0.24 (0.09)** |

EST, parameter estimates; *SE*, standard error; *HOH*, head of household

[†] $p < .10$, * $p < .05$, ** $p < .01$, *** $p < .001$.

Table C.11. Characteristics Associated with High, Medium, and Low Savers: Multinomial Logistic Regression for Nepal

| | High vs Low | Med vs Low |
|------------------------------------|---------------------------|---------------------------|
| | EST (SE) | EST (SE) |
| Male | -0.49 (0.09)*** | -0.34 (0.08)*** |
| Currently enrolled in school | 0.54 (0.21)* | 0.83 (0.17)*** |
| Education level | | |
| (Primary or below) | | |
| Secondary | 0.27 (0.14) [†] | 0.24 (0.13) [†] |
| Higher secondary or above | 0.25 (0.19) | 0.43 (0.16)** |
| Age | | |
| (Younger than 13) | | |
| 13–15 | -0.57 (0.15)*** | -0.31 (0.14)* |
| 16–18 | -1.81 (0.23)*** | -1.39 (0.20)*** |
| 19 or above | -2.09 (0.26)*** | -1.37 (0.22)*** |
| Past income | -0.01 (0.16) | 0.08 (0.14) |
| Past account | -0.18 (0.12) | -0.15 (0.11) |
| Source of fund | | |
| (Earned income) | | |
| From parents | -0.24 (0.18) | -0.22 (0.15) |
| Other source | 0.19 (0.35) | -0.55 (0.34) [†] |
| HOH | | |
| (Father) | | |
| Mother | 0.14 (0.15) | 0.19 (0.13) |
| Other | -0.03 (0.69) | 0.40 (0.52) |
| Poverty likelihood at USD 2.50/day | -0.005 (0.006) | 0.01 (0.005) [†] |
| Number of household members | | |
| (1–3) | | |
| 4–5 | -0.09 (0.19) | -0.05 (0.17) |
| 6 or above | -0.20 (0.23) | -0.26 (0.21) |
| HOH previous formal bank account | 0.18 (0.12) | -0.26 (0.10)* |
| HOH education level | | |
| (No formal education) | | |
| Primary | 0.03 (0.16) | -0.26 (0.14) [†] |
| Secondary | 0.05 (0.17) | -0.09 (0.14) |
| Technical school | 0.26 (0.44) | 0.40 (0.37) |
| University | 0.23 (0.20) | -0.09 (0.17) |
| HOH employment in agriculture | -0.12 (0.11) | 0.08 (0.09) |
| HOH employment | | |
| (Employed) | | |
| Self-employed | -0.04 (0.12) | 0.08 (0.10) |
| Not employed | -0.002 (0.16) | -0.24 (0.14) [†] |
| Other | -0.37 (0.15)* | -0.33 (0.13)** |
| Mode of transportation owned | | |
| (None) | | |
| Nonmotorized | -0.11 (0.14) | 0.19 (0.12) |
| Motorized | 0.03 (0.14) | 0.05 (0.12) |
| Both | 0.41 (0.26) | 0.39 (0.24) |
| Cosignatory | | |
| (Others) | | |
| Parents | -0.31 (0.18) [†] | -0.18 (0.15) |

| | High vs Low | Med vs Low |
|-----------------------------------|--------------------------|-----------------|
| | EST (SE) | EST (SE) |
| Savings goal | | |
| (Emergency) | | |
| Business | 0.61 (0.35) [†] | 0.61 (0.30)* |
| Education | -0.03 (0.11) | -0.11 (0.09) |
| Day-to-day expense | -0.56 (0.23)* | -0.82 (0.20)*** |
| Other | -0.14 (0.29) | -0.27 (0.26) |
| Source for learning about account | | |
| (Bank campaign) | | |
| Radio/TV/newspaper | -0.09 (0.15) | -0.77 (0.14)*** |
| Financial education/youth club | -0.43 (0.17)* | -0.36 (0.14)* |
| School/college | -0.03 (0.19) | 0.02 (0.16) |
| Friend/family | 0.36 (0.15)* | 0.18 (0.12) |
| Others | 0.56 (0.19)** | 0.08 (0.18) |

EST, parameter estimates; *SE*, standard error; *HOH*, head of household

[†] $p < .10$, * $p < .05$, ** $p < .01$, *** $p < .001$.

Table C.12. Characteristics Associated with High, Medium, and Low savers: Multinomial Logistic Regression for Colombia

| | High vs. Low | Med vs. Low |
|------------------------------------|---------------------------|---------------------------|
| | EST (SE) | EST (SE) |
| Male | 0.09 (0.15) | -0.06 (0.13) |
| Education level | | |
| (Primary or below) | | |
| Secondary | -0.48 (0.19)* | -0.38 (0.17)* |
| Technical school/university | -0.91 (0.53) [†] | -0.67 (0.39) [†] |
| Age | | |
| (Younger than 10) | | |
| 10–12 | -0.23 (0.24) | -0.04 (0.22) |
| 13–15 | -0.45 (0.26) [†] | -0.22 (0.23) |
| 16–18 | -0.85 (0.30)** | -0.65 (0.26)* |
| Poverty likelihood at USD 2.50/day | 0.01 (0.01)* | 0.01 (0.01) |

EST, parameter estimates; *SE*, standard error

[†] $p < .10$, * $p < .05$, ** $p < .01$, *** $p < .001$.

Appendix D – Research Instruments

YouthSave Savings Demand Assessment – Colombia Extracted Questions from the Banco Caja Social Account Application

| Description of the variable | Response options |
|---|--|
| Type of account | 1 = <i>Cuentamiga</i> 2 = <i>Taticuenta</i> |
| Branch where account was opened | Branch name |
| Date account opened | Date |
| Gender | 1 = Male 2 = Female |
| Date of birth | Date |
| Place of birth (town) | Town name |
| Marital status | 1 = single 2 = married 3 = domestic partnership 4 = other |
| Occupation | |
| Profession | |
| Type of housing | Owned by youth Rent Family-owned |
| Level of education | Primary Secondary Technical school University |
| Number of children | Number |
| Number of people in charge of household | |
| City of residence | City name |
| Neighborhood of residence | Neighborhood name |
| Does the youth have an email account? | 1 = Yes 2 = No |
| Does the youth have a cell phone? | 1 = Yes 2 = No |
| Stratum (socioeconomic level) | 1, 2, 3, 4, 5, 6 |



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