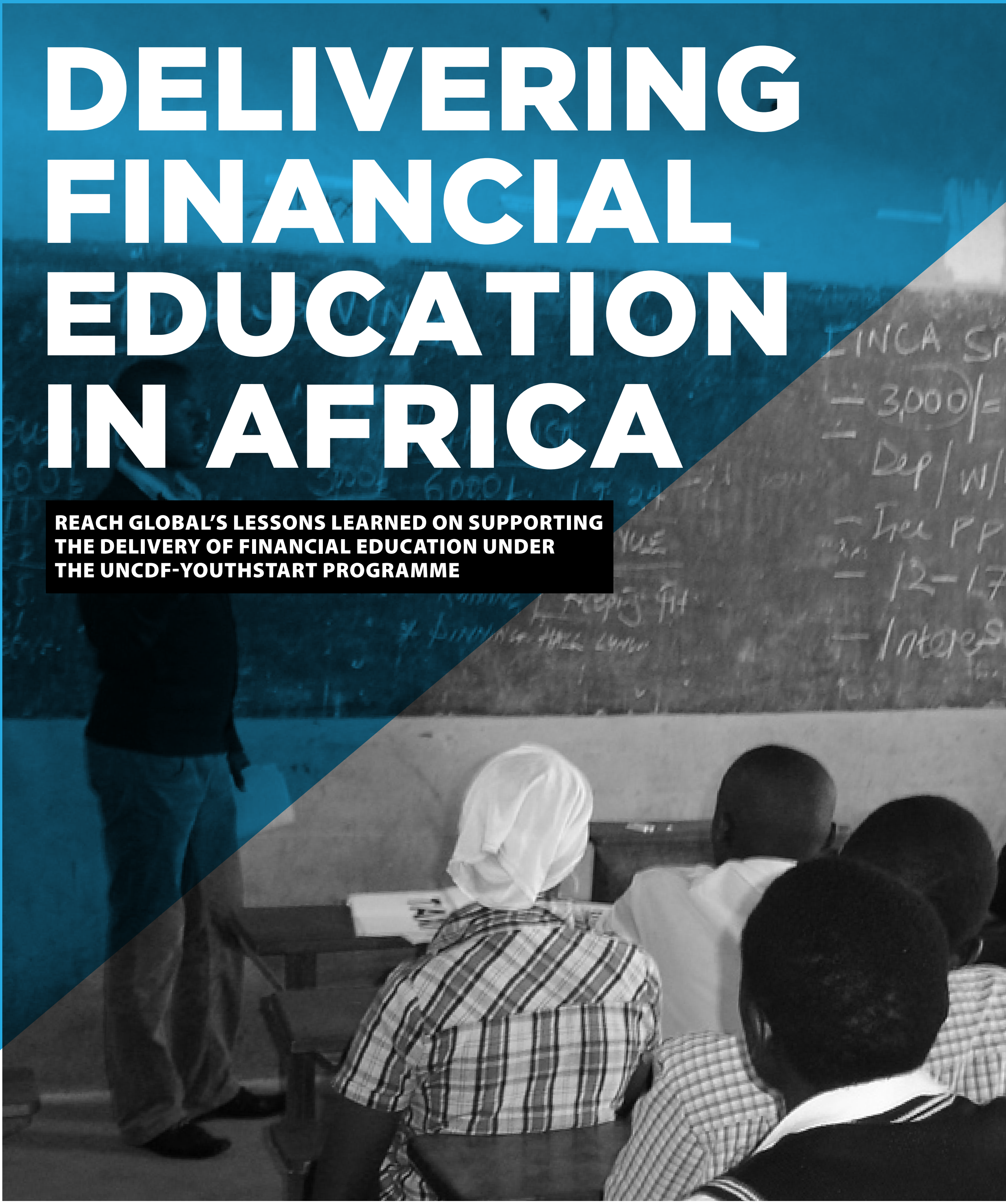
DELIVERING FINANCIAL EDUCATION IN AFRICA

REACH GLOBAL'S LESSONS LEARNED ON SUPPORTING THE DELIVERY OF FINANCIAL EDUCATION UNDER THE UNCDF-YOUTHSTART PROGRAMME



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PARTNERS AT A GLANCE

About UNCDF
UNCDF is the UN's capital investment agency for the world's 48 least developed countries (LDCs). With its capital mandate and instruments, UNCDF offers "last mile" finance models that unlock public and private resources, especially at the domestic level, to reduce poverty and support local economic development. This last mile is where available resources for development are scarcest; where market failures are most pronounced; and where benefits from national growth tend to leave people excluded.
For more information, see http://www.uncdf.org/.

About YouthStart
UNCDF in partnership with The MasterCard Foundation launched YouthStart in 2010, in response to the lack of economic opportunities for the growing population of young people around the world, especially in sub-Saharan Africa. For the past four years, YouthStart has supported 10 partner financial service providers in eight African countries to design, test and scale up sustainable services tailored to the needs of young people between the ages of 12 and 24. For more information, visit http://www.uncdf.org/YouthStart/.

About The MasterCard Foundation
The MasterCard Foundation works with visionary organizations to provide greater access to education, skills training and financial services for people living in poverty, primarily in sub-Saharan Africa. As one of the largest, independent foundations, its work is guided by its mission to advance learning and promote financial inclusion in order to alleviate poverty. Based in Toronto, Canada, its independence was established by MasterCard when the Foundation was created in 2006. For more information, please visit www.mastercardfdn.org or follow us on Twitter @MCFoundation.

About Reach Global
Reach Global equips millions of very poor girls and women with the knowledge and skills to activate their most powerful asset—themselves. Reach designs life-changing education on health, livelihoods, and family finance, and replicates its delivery in the world's poorest communities. To-date, Reach Global has supported more than two million women and youth, particularly girls, who come together regularly in groups to save and find solidarity and solutions to their daily problems. For more information, please go to www.reach-global.org.

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ACRONYMS

ACSI Amhara Credit and Savings Institution

FSP financial service provider

FTB Finance Trust Bank

FUCEC Faîtière des Unités Coopératives d'Epargne et de Crédit

FCPB Fédération des Caisses Populaires du Burkina

FTB Finance Trust Bank

LQAS lot quality assurance sampling

MOU memorandum of understanding

OIBM Opportunity International Bank of Malawi

PAMECAS Partenariat pour la Mobilisation de l'Epargne et le Crédit Au Sénégal

PEACE Poverty Eradication and Community Empowerment

TOT training of trainers

UFC Umutanguha Finance Company, Ltd.

UNCDF United Nations Capital Development Fund

YLPPs youth learning principles and practices

YSO youth serving organization

EXECUTIVE SUMMARY

From 2011 to 2014, Reach Global served as technical assistance provider in non-financial services and financial education to YouthStart's 10 financial service provider (FSP) partners in sub-Saharan Africa. This paper captures the primary challenges FSPs faced, their responses to these challenges, and lessons learned that may help other FSPs preparing to integrate financial and non-financial services for youth.

Key challenges faced by YouthStart FSPs include the following:

- Providing the most essential content to support uptake and usage of financial services, given time and human resource constraints;
- Developing and sustaining successful partnerships with youth serving organizations (YSOs);
- Balancing essential information and actionable skills through simple, participatory methods and efficient delivery;
- Harmonizing key financial education messages with financial product and service attributes;
- Ensuring buy-in for non-financial services from all levels of FSP staff; and
- Monitoring both the quality and quantity of non-financial services.

Recommendations for integrating financial and non-financial services include:

- Focus on the most essential messages and experience-based learning;
- Align financial education content with the products and services being offered to youth;
- Design simple, picture-based toolkits that can be employed in multiple training contexts and delivery channels;
- Define and document primary roles and responsibilities through a clear memorandum of understanding (MOU) before entering into a partnership with a YSO;
- Explore a volunteer peer educator model;
- Prioritize development of staff facilitation skills to ensure effective communication with youth learners;
- Focus on the role of field staff in programme development and outreach;
- Hire a youth champion dedicated to the programme; and
- Build monitoring into the programme model to measure quality and track progress.

SUMMARY IN PICTURES

WHY?

CHALLENGES

- Providing the most essential content, given time and human resource constraints
- Developing and sustaining successful partnerships with YSOs
- Balancing essential information and actionable skills through simple but thoughtful methods and efficient delivery
- Harmonizing key financial education messages with key financial product and service attributes
- Ensuring buy-in for non-financial services from all levels of FSP staff
- Monitoring both the quality and quantity of non-financial services

PRACTICAL CONSIDERATIONS AND RECOMMENDATIONS

- Focus on the most essential educational messages and experience-based learning
- Align financial education with the products and services being offered to youth
- Design a simple, picture-based toolkit that can be employed in multiple training contexts and delivery channels
- Clearly define and document primary roles and responsibilities before entering into a partnership with a YSO
- Explore a volunteer peer educator model
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1 INTRODUCTION

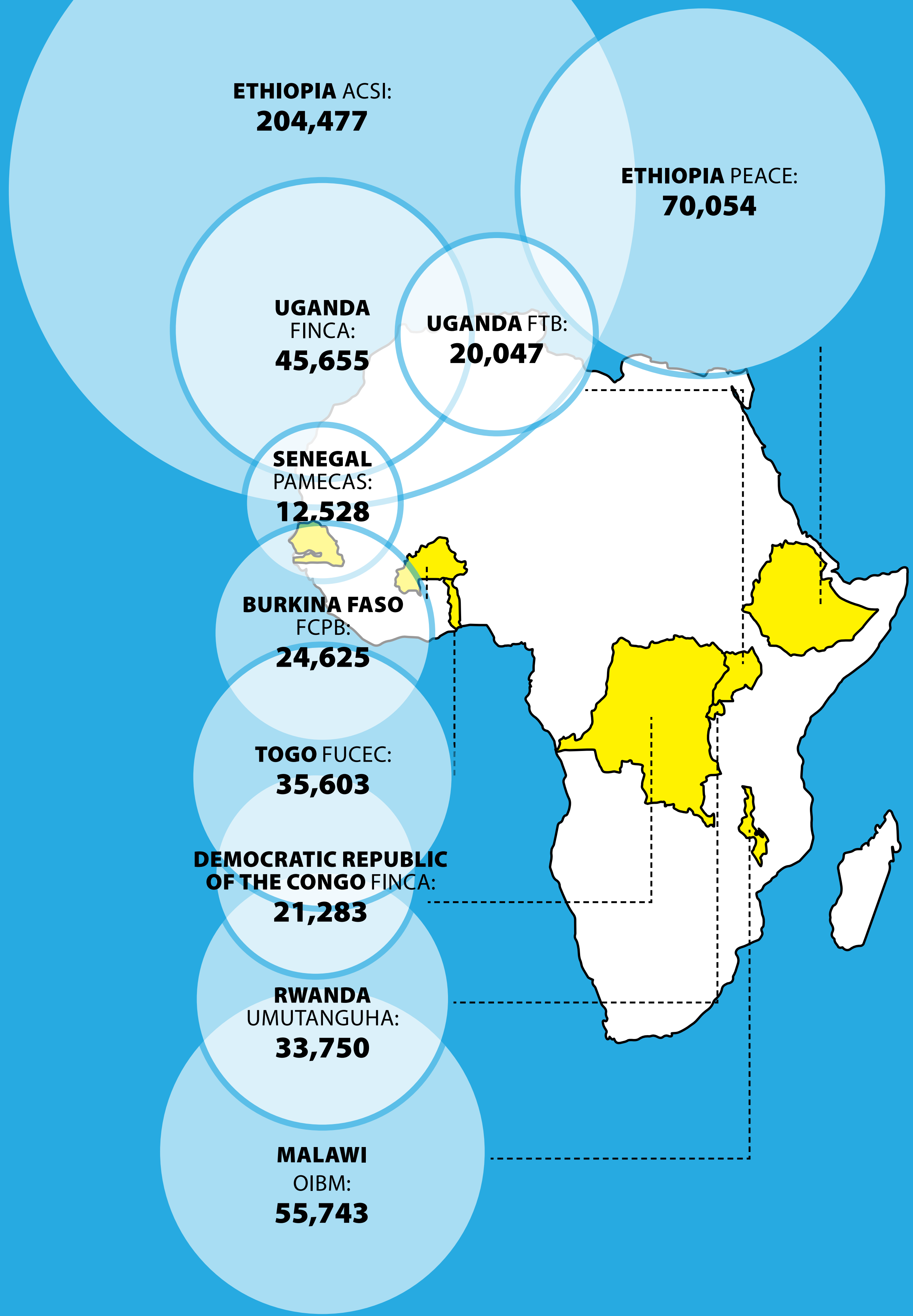
Sub-Saharan Africa's youth population[1] today totals nearly 200 million, almost 78 percent living on less than US$2 a day.[2] These young people are disproportionately unemployed, and less than 5 percent have access to formal financial services. While interest in providing financial services to young people in Africa is growing, many providers are not yet equipped to develop and offer products to low-income youth. Additionally, formal financial service providers (FSPs) are reticent to serve this population, given pervasive negative stereotypes about youth, the perceived cost of reaching them, and potentially low return on savings, loans and other products (Muñoz, Perdomo and Hopkins, 2013).

To overcome this challenge, the United Nations Capital Development Fund (UNCDF), in partnership with The MasterCard Foundation, launched the YouthStart programme in 2010. The intention was to respond to the lack of economic opportunities for the growing population of young people

1 Defined here as aged 15 to 24
2 International Labour Organization, 2014

FIGURE I

Youth trained by YouthStart financial service providers



"THE 'CRITICAL MINIMUM' IN FINANCIAL EDUCATION REFERS TO THE SMALLEST AND SIMPLEST INPUT NECESSARY TO PRODUCE THE DESIRED CHANGE IN FINANCIAL KNOWLEDGE, SKILLS AND BEHAVIOUR"

– MARIA PERDOMO, UNCDF YOUTHSTART PROGRAMME MANAGER

around the world and especially to increase young people's access to financial and non-financial services in sub-Saharan Africa, with an emphasis on savings and financial education. Between 2010 and 2014, YouthStart supported 10 financial service provider partners across eight African countries in the design, test and scale up sustainable services tailored to the needs of young people between the ages of 15 and 24. These FSPs included Amhara Credit and Saving Institution (ACSI) in Ethiopia, Faîtière des Unités Coopératives d'Epargne et de Crédit (FUCEC) in Togo, Fédération des Caisses Populaires du Burkina (FCPB) in Burkina Faso, Finance Trust Bank (FTB) in Uganda, FINCA in the Democratic Republic of the Congo, FINCA in Uganda, Opportunity International Bank of Malawi (OIBM), Partenariat pour la Mobilisation de l'Epargne et le Crédit au Sénégal (PAMECAS) in Senegal, Poverty Eradication and Community Empowerment (PEACE) in Ethiopia, and Umutanguha Finance Company, Ltd. (UFC) in Rwanda.

Between 2011 and 2014, Reach Global served as YouthStart's technical assistance partner, supporting the 10 FSPs to design, test and scale up non-financial services tailored to the needs of young people. The aim was to help youth make sound financial decisions, build assets and create sustainable livelihoods for themselves. As of March 2015, over 559,000 youth had participated in financial education sessions (see figure I).

Under YouthStart, Reach Global and UNCDF gained a deeper understanding of how FSPs can integrate financial education into their service offerings in a variety of ways. Through the process of drafting, testing, adapting and modifying simple, picture-based education products on saving, borrowing and entrepreneurship, Reach Global identified some of the most prominent challenges YouthStart FSPs faced and potential solutions.[3] Reach Global's goal was to define the simplest, most effective methodology—referred to as the 'critical minimum'—for delivering financial education.

This paper is intended to highlight these challenges and solutions for FSPs and other practitioners seeking to develop and deliver financial education to low-income youth accessing formal financial services for the first time.

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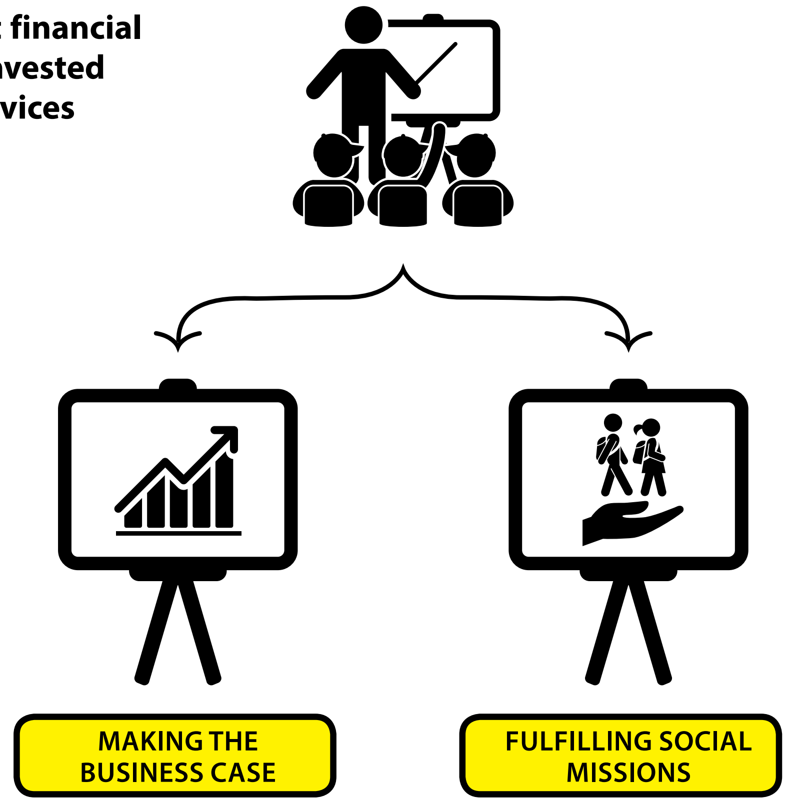
[3] Reach Global's package of financial education products can be obtained through UNCDF-YouthStart. Additional training of trainers (TOT) products by Reach Global and other partners, as well as other YouthStart resources, can be found at http://www.uncdf.org/en/programme/publications.

2

MOTIVATIONS FOR INTEGRATING FINANCIAL AND NON-FINANCIAL SERVICES

FIGURE II

Reasons YouthStart financial service providers invested in non-financial services



UNCDF is committed to responsible finance, including financial education designed to help users of financial services make sound decisions. Though evidence regarding the efficacy and business case for financial education is still being researched (see Deb and Kubzansky, 2012; Miller, 2013; The World Bank, 2013; Xu and Zia, 2012), YouthStart was designed based on the assumption that financial education has the potential to equip young people to make beneficial financial decisions and, in turn, reduce their vulnerability (Muñoz, Perdomo and Hopkins, 2013).

As partners of YouthStart, all 10 FSPs agreed to integrate financial and non-financial services for youth. Some, such as OIBM and UFC, had previous experience offering general financial education, while others, such as FTB and FINCA Uganda, had experience offering financial education specifically targeting youth. Financial education linked to products and services was understood to be an important programme component, and in initial discussions between Reach Global and individual YouthStart FSPs, all FSPs expressed optimism about the potential of financial education to meet two objectives (see figure II):

1. **Making the business case for improving product uptake and usage**
A number of YouthStart FSPs indicated that youth who have little or no prior experience managing money or using a formal institution need guidance and practice to become responsible and profitable clients.

2. **Fulfilling social objectives**
Many YouthStart FSPs shared that participation in YouthStart was not only about accessing an untapped youth market, but also about contributing to a better future for their country's youth. These FSPs recognized young people's need to manage money: save regularly, spend wisely, become informed borrowers, seize economic opportunities, and establish positive financial habits.

To achieve these objectives, YouthStart FSPs developed non-financial services to complement their new, youth-focused financial services (See process outlined in Section III).

3

YOUTHSTART CURRICULUM DEVELOPMENT PROCESS

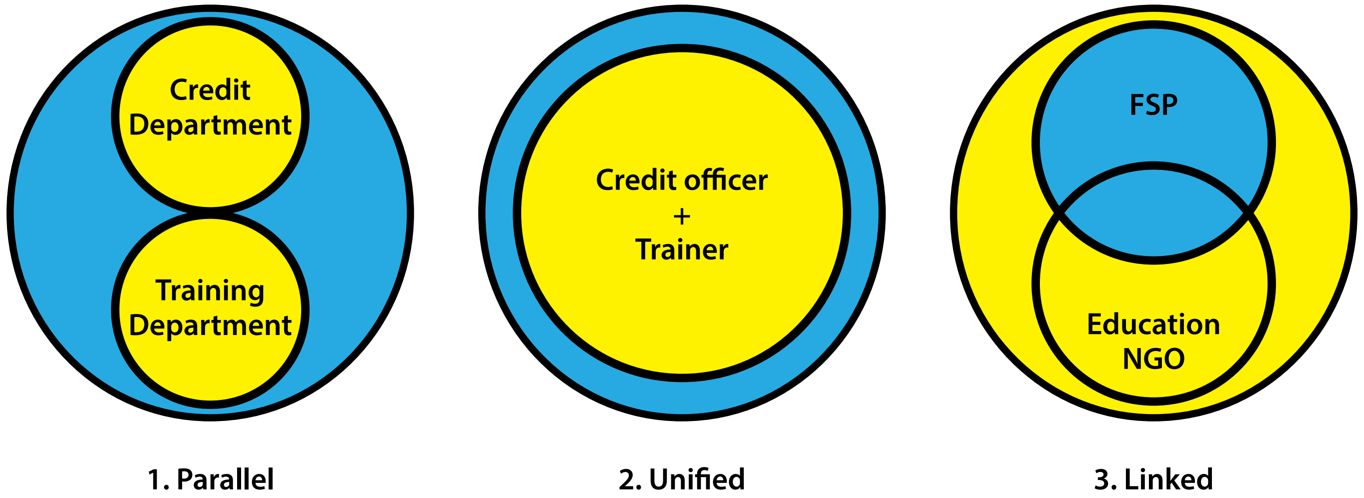
In 2011, all 10 YouthStart FSPs participated in a workshop in Dakar, Senegal, that included a training workshop designed by Reach Global on integrating financial and non-financial services. In this workshop, FSPs followed a well-defined process to achieve the following objectives:

- Identify and define target youth segments;
- Examine youth learning principles and practices;
- Explore traditional and alternative delivery channels for non-financial services;
- Analyse internal capacity to deliver non-financial services;
- Practice partnership skills;
- Examine monitoring tools and methods for tracking quality and quantity of education delivered; and
- Develop an action plan for integrating financial and non-financial services.

Following this training, Reach Global provided follow-up technical assistance to all 10 FSPs on the development and roll-out of their programmes. First, Reach Global conducted an intake interview with each FSP, followed by a review of any market research or needs assessment undertaken prior to the start of the programme. Second, Reach Global assisted each FSP to create a preliminary action plan. As part of this process, FSPs analysed their organizational capacity to determine which type of integrated service delivery model they would use to deliver financial education (see figure III).

FIGURE III

Integrated service delivery models



Source: Figure from J. Massie and others, *Offering Youth Financial and Non-financial Services—Module III: Integration of Youth Financial and Non-financial Services* (Dakar, Senegal: UNCDF). Copyright 2013 by UNCDF. The figure was originally borrowed from FINCA and based on work by Freedom from Hunger. See the following specifically: C. Dunford, 'Building Better Lives: Sustainable Integration of Microfinance in Health, Family Planning, and HIV Prevention for the Poorest Entrepreneurs' (Washington, DC: Microcredit Summit Campaign, 2001).

Under YouthStart, each FSP received at least one technical assistance visit from Reach Global's Africa-based staff; most received multiple visits. The objective of these visits was to support YouthStart FSPs to design, test, refine, use alternative (non-classroom-based) channels to deliver, and monitor financial education.

In all cases, Reach Global engaged FSPs in an iterative planning process to develop individual FSP strategies for integrating financial and non-financial services. At the start of this process, YouthStart FSPs reported a very low level of financial literacy among their potential youth clientele. To meet this need for financial education, nearly all the FSPs initially proposed a large number of face-to-face education sessions containing significant technical content (e.g., savings, budgeting, borrowing, and starting and managing a business), coupled with intensive partnerships with youth serving organizations. A number of YouthStart FSPs were also interested in developing costly supporting materials, such as videos, colourful flyers, radio shows and television programmes.

However, over time, YouthStart FSPs recognized the limits of their capacity and resources. They also began to recognize the value of focusing on the most essential—or critical minimum—needs youth have. As a result, FSPs streamlined and simplified their programmes, focusing modules about savings, credit and entrepreneurship on the most salient knowledge, skills and behaviours youth need.

4 PARTNER CHALLENGES AND INSTITUTIONAL RESPONSES

"EXTENDING FINANCIAL EDUCATION TO CONSUMERS IS VITAL IN EMPOWERING THEM TO MAKE INFORMED DECISIONS ABOUT THE FINANCIAL SERVICES THEY USE AND HOW THEY USE THEM, INCLUDING AVOIDING OVER-INDEBTEDNESS AND SIGNING UP FOR ACCOUNTS THEY NEVER USE. BUT REACHING THE MASSIVE NUMBER OF CLIENTS IN NEED OF FE IN A WAY THAT IS ACCESSIBLE AND PRACTICAL IS A TALL ORDER"

– STUART, 2014

As noted earlier, while the rationale for delivering non-financial services to youth was clear to the FSPs from the start of the YouthStart programme, the effective integration of financial education was the primary obstacle they faced (Linder and others, 2012). In fact, FSPs' implementation plans and curriculum changed as challenges emerged, priorities evolved and FSPs began to question the resources required to deliver financial education. Though most YouthStart FSPs recognized the importance of building youth's financial capabilities, these institutions had finite time, personnel and in-house expertise to design and deliver a comprehensive education programme. Furthermore, FSPs began to recognize the challenge of managing a large, complex program designed for impact, given their equally important imperatives of achieving scale and maintaining sustainability. Even if FSPs had unlimited resources, there is little evidence to suggest that an extensive, classroom-based programme would help spur product uptake and usage (see Cole, Sampson and Zia, 2009; Stuart, 2014; Women's World Banking, 2013).

This section discusses specific challenges YouthStart FSPs faced planning, implementing and rolling-out of financial education programmes. Practical considerations and general recommendations are outlined in Section V.

CHALLENGE 1:
Providing the most essential content, given time and human resource constraints

From the start of the programme, YouthStart FSPs were motivated to address gaps in knowledge and skills youth demonstrated. However, only two of the 10 YouthStart FSPs initially agreed with the need to focus only on the most essential financial education needs of youth. The two exceptions were FSPs that had prior experience offering financial education to youth. The other partners chose to pursue more comprehensive programs, which demanded more complex partnership arrangements and greater cost. These FSPs struggled to prioritize the needs of youth that aligned with their core business, and consequently, they reached far beyond their capacity to offer financial education broadly and sustainably.

For example, the approach of one FSP was to adapt a financial education programme that included 15 sessions on both life skills and finance. The first draft was comprised of modules for three separate age groups and included take-home journals and trainer's guides, the longest of which required more than 14 hours of instruction. While this FSP did a thorough job of testing and contextualizing the modules, the cost of printing journals and the time required to deliver all of the content was more than the organization could manage, forcing the FSP to return to the drawing board to simplify the content, design and delivery.

Institutional response

Specifically, the FSP engaged Reach Global to help reprioritize its financial education learning objectives, and in turn, scale back its curriculum to two carefully designed sessions addressing savings and credit. Additionally, it distilled the separate modules for three age groups into a single, shorter supplementary module addressing savings, credit and small-project management. These steps, coupled with a new YSO partner, put the FSP on a new track focused, on one hand, on the most essential needs of youth, and, on the other, its institutional capacity.

Research and practice in behaviour change education is increasingly demonstrating that 'less is more' (Schoar and Datta, 2014), provided the approach incorporates applied learning and affirms good decision-making. Although other YouthStart FSPs did not initially introduce financial education in as expansive a manner as the FSP in this example, all FSPs undertook a process of simplifying their educational offerings. And in all cases, partners indicated that they planned to continue offering streamlined financial education.

CHALLENGE 2:
Developing and sustaining successful partnerships with YSOs

After analysing their capacity to deliver financial education, many FSPs felt the most intuitive approach was to pursue the linked model involving partnership with a YSO (see figure III, Integrated service delivery models, earlier in this paper). In fact, practitioners often assume that because the core competence of FSPs is in delivery of financial services, while the core competence of YSOs is in providing youth services, collaboration between these two types of institutions makes the most sense to achieve the goals of building youth's financial capabilities.

However, many YouthStart FSPs faced unanticipated obstacles in their search for mutually beneficial partnerships with YSOs. Several FSPs formed partnerships and signed memorandums of understanding (MOUs), but found the YSOs to be uncomfortable endorsing and marketing the FSPs' financial products, or promoting the FSPs. For example, YSO partners often omitted portions of the financial education that referenced products or FSPs, even where MOUs stipulated that YSOs were to cover all financial education content.

In two other, separate cases, FSPs discovered upon monitoring that their YSO partners were delivering financial education outside of the FSPs' branch areas, sometimes to the wrong target groups. As a result, participants in the financial education did not necessarily become savers with the YouthStart FSPs. These cases demonstrated a lack of communication between partners, which jeopardized the ability of either to meet their YouthStart objectives.

In yet other cases, partners had difficulty identifying suitable YSOs with which to partner Several FSPs received expensive, complex partnership proposals in response to their requests for proposals to prospective YSOs. One proposal presented a budget of US$100,000 for a one-year partnership, while another requested the FSP to buy the YSO a new van. These terms were well beyond what FSPs expected, highlighting that requests for proposals needed to be much clearer, with actionable objectives and responsibilities of each party clearly outlined. They also highlighted the need for FSPs to monitor YSO progress closely to ensure they were meeting their YouthStart objectives.

Institutional response

In the case of the two FSPs whose YSO partners were delivering financial education outside of the agreed-upon locations and to the wrong target groups, the problem was solved by strengthening the role of the FSP's internal youth champions, including giving the champion more oversight of partnerships.[4] For instance, the youth champion at one FSP was able to reverse a partnership in which neither party was satisfied with performance during the pilot. To achieve this end, she revisited the MOU between the FSP and YSO and renegotiated the terms. This champion also scheduled a training workshop that included trainers from the YSO and staff from the FSP, which focused on developing a shared understanding and action plan to achieve project objectives. Finally, she set measurable training and account-opening targets for the YSO, and put in place a reporting system and timeline that enhanced accountability for shared performance. Through these actions, the youth champion was able to take what had become an unworkable relationship and turn it into a mutually beneficial partnership. In other cases, YouthStart FSPs that had originally planned to work with YSOs under the linked model decided instead to pursue the unified model of delivery, which provided more in-house control over education delivery.

[4] A youth champion leads day-to-day planning, execution and monitoring youth financial and non-financial services.

CHALLENGE 3:
Balancing essential information and actionable skills through simple but thoughtful methods and efficient delivery

YouthStart and Reach Global's "critical minimum" approach to financial education, focusing on delivery of the most essential information and emphasizing streamlined delivery, simplified procedures, highly focused content, and consistent application of youth learning principles and practices (YLPPs, see table 1) ensures that education is participatory, engaging, relevant and practical.

This focus is not meant to imply that education should simply entertain, but rather that education should both engage and equip youth to adopt and practice the most essential behaviours in the time they and the FSP have planned for. For example, on one mission Reach Global observed two sessions: one in which students chose between three reasons to save (i.e., personal/family, investment or emergencies) and another in which they stated reasons to save in a bank versus at home. Both activities successfully engaged students in an interactive conversation and encouraged them to share their views. However, these sessions took over 90 minutes each to complete, in part because the trainer asked more than 20 youth to share their opinion with the full group.

These sessions underlined the need to train trainers to facilitate beyond large group discussions. In this case, when prompted, youth gave many reasons to save in a bank versus at home, but the trainer did not follow up on their ideas to highlight those most common to most youth. Some youth's opinions were based on inaccurate information, but rather than correcting the misinformation, the trainer simply congratulated these youth for their input. Consequently, the youth left the session engaged but without a clear and actionable idea of why it might be desirable to have a bank account.

It was later determined that the trainer, who worked with the YSO partner of the YouthStart FSP, had little specific knowledge about saving and financial services, and therefore lacked the confidence to answer students' questions or guide them towards correct responses. This observation led the YouthStart FSP and Reach Global to refine the training to include more useful information for the trainer on the topics covered.

In other cases, it was difficult for new trainers to translate YLPP theory into practice, particularly when it came to encouraging active participation and discussion. This difficulty often resulted in trainers presenting too much information to youth as monologue rather than engaging youth in a dialogue about the topic.

Institutional response

In response, YouthStart FSPs, with technical assistance from Reach Global, took several steps to improve the quality of education by strengthening their trainers' ability to facilitate in a participatory way. First, Reach Global adapted a set of sessions focused on core training competencies with the input of YouthStart FSPs.[5] Using the critical minimum approach, Reach Global designed sessions focused on giving clear instructions, practicing dialogue rather than monologue, defining key terms, posing open questions, and directing participants to engage in group and pair work. Each short session led trainers to identify a specific practice, learn and apply it. Next, Reach Global provided each FSP with an easy-to-follow observation checklist aligned with the YLPPs to monitor quality of education delivery. Finally, Reach Global worked with the partners to revise their education modules, ensuring that YLPPs were integrated throughout. Each YouthStart FSP had the chance to review and refine their contextualized modules during trainers' workshops to ensure activities were appropriate for their target groups.

TABLE 1

Youth learning principles and practices

Education design principles	Effective facilitation practices
■ **Dynamic**: Engage emotions and senses (touch, see, hear) through a variety of activities that are enjoyable and fun ■ **Relevant**: Ensure information is useful and relevant and reflects day-to-day realities of the lives of youth–incorporate current media, songs and leisure activities that youth know and enjoy ■ **Promote self-awareness**: Ensure activities help youth develop a sense of self, which they can explore through conversations and questions ■ **Immediate**: Include tasks that connect new content to existing experience and allow youth to practice new skills and apply new knowledge in a hands-on way ■ **Include families**: Ensure family members have the opportunity to connect with programme and understand its content ■ **Youth-driven**: Give youth a say in how teaching and learning happens and the opportunity to participate in the design and evaluation of their programme ■ **Life skills-oriented**: Ensure activities emphasize problem-solving, decision-making and assertiveness	■ **Respectful**: Treat youth with respect and concern for their individuality ■ **Supportive**: Create a supportive environment in which youth are guided, praised and rewarded for their participation ■ **Safe**: Value ideas and contributions of youth–do not ridicule or belittle them ■ **Cooperative**: Provide opportunities for belonging and connecting to others in the group ■ **Responsive**: Give frequent and direct feedback to youth on what they are doing ■ **Don't steal the learning**: Let youth engage with the content and materials and reach their own conclusions–don't tell them what they were supposed to have learned

Source: Figure from Reach Global, *Offering Youth Financial and Non-financial Services—Module III: Integration of Youth Financial and Non-financial Services* (Dakar, Senegal: UNCDF). Copyright 2013 by UNCDF.

[5] These sessions were adapted from Freedom from Hunger and Microfinance Opportunities' training of trainers (TOT) manuals created under the Global Financial Education Program. See www.microfinanceopportunities.org for more information.

CHALLENGE 4:
Harmonizing key financial education messages with key financial product and service attributes

In some cases, education meant to spur new financial behaviours and take-up of financial services was missing from the financial education. When talking with youth in several countries, Reach Global found that with several of the FSPs, there was a mismatch between the information given to youth during financial education and/or product orientation sessions and what was actually on offer. For example, one FSP provided a detailed description of the documentation that would be given to youth clients to show account ownership upon opening an account. Yet, youth clients reported never receiving the documentation described. At another YouthStart FSP, access cards were promised during a learning session's step on account opening, but many youth reported not receiving these cards even several months into the programme.

In addition to ensuring that products and serves education address are actually available, financial education is most effective when youth participants have the opportunity to actually apply their new knowledge and skills in a real life setting (Gray and others, 2009). If participants learn about a set of terms and conditions, or about advantages of opening an account, and then find that the reality is different from the message they received, they will not be able to apply their new knowledge and skills.

Institutional response
Eventually, YouthStart FSPs that found the messages they were conveying did not match their products and services took steps to correct their financial education content. This case highlights the importance of identifying a strong internal youth champion and supporting her to monitor the harmonization of financial and non-financial services, and listen carefully to clients' experience to identify opportunities to make corrections and improvements.

CHALLENGE 5:
Ensuring buy-in for non-financial services from all levels of FSP staff

It is difficult to persuade a busy CEO that a new product with little short-term gain, and potentially significant short-term cost, is worth her support if she did not believe in the product from the start. Nonetheless, to ensure institutional support, field staff, and middle and senior management must understand and be persuaded of the importance of youth segments and their long-term success.

Despite designating a youth champion dedicated to youth services, some YouthStart FSPs still faced the challenge of securing staff buy-in for youth services at all levels of their institution. This highlighted the critical role of a youth champion to involve staff early, soliciting their feedback in the design of the financial education.

Reach Global noted a marked difference between those FSPs whose leadership were fully supportive of their institution's YouthStart programme and those who did not consider it a core part of their business. In the latter case, senior staff tended to neglect the programme, prioritizing other activities. Reach Global also saw that those FSPs whose field staff were not involved in YouthStart from early on had more difficulty meeting their targets and completing their financial education programme.

Institutional response
Some FSPs recognized the challenges of introducing something new and the need to plan for this challenge. As a consequence, these FSPs began engaging field staff in education design, field-testing and modification early in the programme. Other FSPs learned the need to secure buy-in the hard way. For example, one YouthStart FSP that had not involved an array of staff early on struggled to gain the support it needed for the program. This experience convinced the institution to adjust its approach by bringing all field staff involved in youth outreach to a training of trainers workshop before finalizing the programme. In evaluations of the training, field staff remarked that the financial education was much simpler and easier to deliver than they had originally imagined. They also appreciated that their views were considered in the finalization of the programme. Following the training, the FSP's youth staff saw a difference in the field staff's attitude towards delivery of financial education and reported greater outreach to youth.

CHALLENGE 6:
Monitoring both the quality and quantity of non-financial services

In training and technical service visits, Reach Global emphasized among FSPs the importance of monitoring the quality and quantity of their financial education programmes to understand the degree to which they were reaching youth, equipping youth to adopt positive new behaviours and increasing take up and usage of appropriate financial services. Monitoring delivery of financial education was one of the primary challenges FSPs faced because it required a new approach and, in most cases, was not captured in their existing management information system (MIS). In some cases, FSPs could use their MIS to track youth trained by date and location, but such limited data made it difficult for FSPs to understand the relationship between financial education, behaviour change, and account uptake or usage. Thus, it was difficult for FSPs to gain more than an anecdotal idea of the youth's responses to financial education, based on periodic interviews by YouthStart staff and other technical service providers.

Institutional response
YouthStart recognized that FSPs needed to monitor both the financial and non-financial services in a simple, cost-effective way that would give managers practical tools they needed to make programmatic decisions and track their progress. To support FSPs, YouthStart engaged Reach Global to train FSPs to use a method called lot quality assurance sampling (LQAS) to monitor the short- to medium-term outcomes among youth who had participated in of financial education. LQAS is a low-cost management tool that relies on small, randomly selected samples to assess performance of key indicators, as well as high and low performance across program units (e.g., trainers, field staff, branches, products, services, districts, states, etc.) that collectively make up a programme or programme area. Developed for quality control in the manufacturing sector more than 75 years ago, LQAS is now widely used in the public health sector, and has been employed more recently in microfinance.

In addition to training FSPs on the use of LQAS, Reach Global provided FSPs with a one-page observation checklist for managers to use to assess the degree to which field staff followed participatory methodology and presented financial education content as designed.

5 PRACTICAL CONSIDERATIONS AND RECOMMENDATIONS

> **"FINANCIAL EDUCATION IS THE GLUE BETWEEN SAVINGS AND SOCIAL SUPPORT, AND IS A CRITICAL PILLAR OF ASSET-BUILDING PROGRAMS. OUTCOMES EXTEND BEYOND PROMOTING SAVINGS AND BEYOND THE ADOLESCENT YEARS. SIMPLE FINANCIAL EDUCATION MESSAGES AT AN EARLY AGE CAN INFLUENCE KEY LIFE-CYCLE DECISIONS AND PROTECT AND SUPPORT GIRLS IN AS THEY ENTER THE FINANCIAL WORLD"**
>
> – SEBSTAD, 2013

Based on the YouthStart experience, Reach Global identified a number of practical considerations and recommendations to guide FSPs in integrating financial and non-financial services for youth, including financial education.

CRITICAL MINIMUM

Focus on the most essential educational messages and experience-based learning

Making significant changes in behaviour is not easy. Thus, it is important to equip youth with the knowledge and skills to make small, incremental changes over time, along with opportunities to practice these changes. The YouthStart experience suggests that FSPs are not well-equipped to develop and deliver a comprehensive financial education programme that demands significant time of FSP staff or youth. However, FSPs can offer financial education that reinforces basic behaviours by prioritizing the most important learning and linking this learning to behaviours that build financial capabilities. Box 1 outlines the most basic topics identified to motivate youth to save and lead them towards saving in a formal institution.

This introductory session can be delivered in one or two meetings of 30-60 minutes, depending on the availability of youth participants and trainer. It is accompanied by a short trainer's guide with information for the trainer and a flip-book for participants containing new information, activities and discussion questions.

Learning topics can be further strengthened by using 'rules of thumb'—short phrases or ideas that can be easily adopted. The benefits of these rules of thumb are that they reduce complex information to simple, manageable choices, and helping learners turn their intention into action.[6] For example, a rule of thumb for someone with a small business who would benefit from saving regularly might be 'save profit from your first sale of the day.'

A TRAINER AT A TRAINING OF TRAINERS AT FCPB USES THE FLIP BOOK
(Photo by Jessica Massie)

BOX 1

Learning topics for savings module

1. **Set your own savings goals**
2. **Create a savings plan to reach your goals**
3. **Identify ways to save more money by increasing income and/or decreasing expenses**
4. **Understand the difference between necessary and unnecessary expenses**
5. **Compare different places to save, based on the criteria: safety, access, cost and return**
6. **Link different types of savings goals with places to save and types of accounts**
7. **Discuss reasons to save in a formal institution**
8. **Choose a savings account that works for you**
9. **Learn about the terms and conditions of your specific youth savings account**

[6] Schoar and Datta (2014)

Align financial education with the products and services being offered to youth

One way to scale up delivery of financial education in a cost-effective way is to embed education[6] in an FSP's existing delivery channels. For example, many YouthStart FSPs found that delivering financial education at the time of account opening was efficient and effective. In this case, youth have the opportunity to immediately apply the new knowledge and skills they have learned. Another set of FSPs conducted their initial outreach visit to youth using a one-time session that combined key financial education messages with an orientation to their youth savings product. This FSP found that this approach helped youth think critically about finance and apply their learning immediately.

TOOLKIT

Design a simple, picture-based toolkit that can be employed in multiple training contexts and delivery channels

PEACE, a YouthStart FSP in Ethiopia, worked with Women's World Banking and Reach Global to develop a short, picture-based flip-book module on savings as its initial financial education tool before developing modules on credit, entrepreneurship and cooperative membership (see figure IV).

As PEACE learned, it is important to develop a simple and targeted educational tool that relates directly to its product offerings, and to train staff and roll it out successfully before expanding to posters, videos, comic books and other, more complex materials. These alternative delivery mechanisms are often attractive to curriculum developers because they can be creative, entertaining and fun. However, they also tend to be costlier to develop and can be difficult to scale up over time.[7] Thus, such entertainment-focused materials need to be balanced against their cost, effectiveness, durability and scalability. In general, these materials are most effective in reinforcing messages conveyed face-to-face, whether in trainings, orientations or one-on-one counselling.

PEACE found that, as youth officers became familiar with core content and comfortable delivering short participatory sessions using the picture-based toolkit, they could innovate to make the material even more engaging, relevant and useful. For example, PEACE staff used the flip- book when training students at schools, as well as when they met youth at the bank, or when they visited youth or family members one-on-one.

Once a basic toolkit is developed, an FSP can identify opportunities to create other materials that reinforce and build on core messages introduced in the toolkit. For example, Figure V shows an English translation of the PEACE savings goal card. PEACE teaches youth the process of setting and achieveing a savings goal during a financial education session. The card is attached to a younth clients' passbooks so they can monitor progress towards their specific savings goal. Figure VI shows a page of the FINCA Uganda flyer that promotes its youth savings account and reinforces financial education messages from its product orientation for youth.

Keeping programme materials and delivery simple also helps maintain education quality, which in turn, helps ensure the education's learning objectives are met. The more complicated the materials and delivery model, the more difficult it is for new staff to deliver the education as designed.

[7] See Perlman (2013)

FIGURE IV

Illustration on customer service from projects module

PEACE, a YouthStart FSP partner in Ethiopia, worked with Women's World Banking and Reach Global to develop a short, image-based flip-book module on savings as their initial financial education tool.

Clearly define and document primary roles and responsibilities before entering into a partnership with a YSO

At the start of the YouthStart programme, a number of FSPs considered engaging a YSO partner to deliver financial education. To the FSPs, such a partnership seemed ideal for FSPs,YSOs and youth. However, as FSPs learned, it is critical to define partnership roles and responsibilities clearly, and find a YSO willing and able to fulfil its partner role. In fact, for FSPs seeking to integrate financial education into their financial service provision, it is important to recognize that YSOs have their own programmatic goals for youth, and that product marketing may not be among them. Once an agreement is signed with a YSO, an FSP must commit staff time and effort to monitoring and managing the partnership. Clear and ongoing communication is key. An FSP must have an internal plan to manage the relationship and ensure that agreed-upon deliverables are achieved.[8]

FIGURE V

PEACE savings goal card

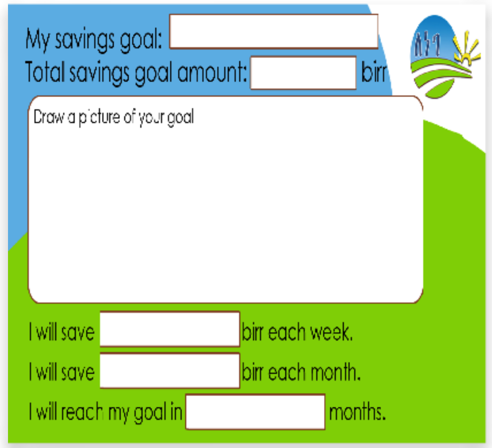


FIGURE VI

FINCA Uganda savings flyer

[8] See: http://www.uncdf.org/en/youthstart/resources

Explore a volunteer peer educator model

Sometimes an FSP does not have the human and financial resources to deliver financial education to large numbers of youth. One solution that YouthStart FSPs UFC in Rwanda and FTB in Uganda pursued to expand their reach and ensure sustainability was to adopt a volunteer peer educator delivery model. Under this model, the FSPs recruited and trained youth in the communities they served to work with their branch staff to deliver financial education. In some cases, volunteers also assisted in monitoring. In most cases, these volunteers received a small honorarium and transportation allowance for their support, as well as training on the education content and delivery.

Since the critical minimum approach suggests the use of few materials, volunteers and the FSP do not have to spend a great deal of time or resources to reach youth. An additional advantage is that youth volunteers typically live in target communities where they can engage their peers during and after financial education sessions. Once volunteers' capacity is developed, they can serve as resource persons in the community beyond the reach of the FSP.

ACSI in Ethiopia trained "youth ambassadors" to deliver marketing and financial education, targeting youth in in secondary schools, technical institutions and universities.

Prioritize development of staff facilitation skills to ensure effective communication with youth learners

In addition to a focusing on simple, clear content, it is critical to develop the facilitation skills of field officers, YSO staff and peer volunteers. Reach Global's experience, along with others in the field of behaviour change education and communications, confirms that the way in which learners engage new information is as important as the messages (see YLPP in table 1 earlier in this paper for specific facilitation skills).

Facilitation skills necessary for participatory training are often transferable to marketing and other presentations. Therefore, staff who receive training in participatory facilitation skills are generally equipped to market products, as well as facilitate education. Once trained, supervisors can monitor the quality of field staff's facilitation of education using the observation checklist referred to in Section IV.

Focus on the role of field staff in programme development and outreach

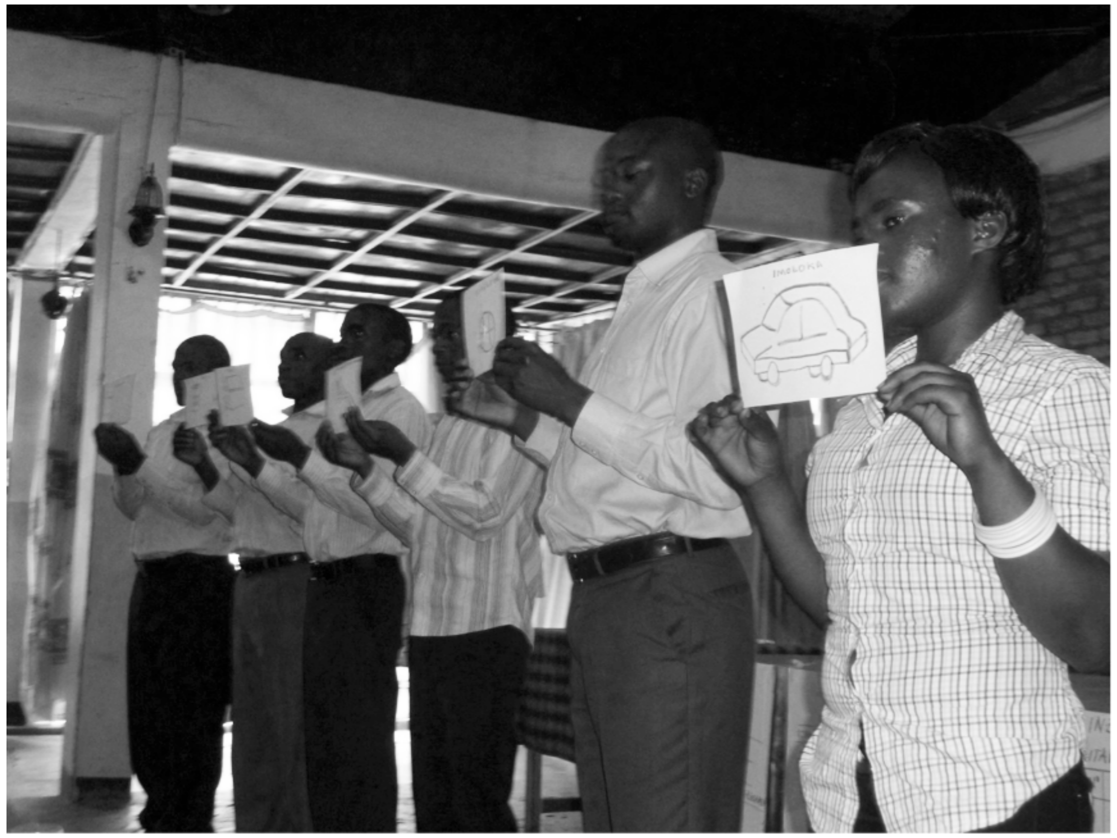
FSPs' success required their field staff to understand and appreciate the importance of financial education. If they are not convinced, it is unlikely that education will happen as planned or support changes in behavior among youth. An important step in securing buy-in is seeking field staff's input at the start of the programme. In addition to bringing staff along and garnering their support, this input will help ensure the curriculum is appropriate for the target group. Addressing the importance of financial education early on will also help staff understand that serving and supporting changes among youth is a long-term strategy. Later, promoting field officers who excel delivering financial education can signal the importance of the programme to other staff. As they progress, such high-performing trainers can be promoted to master trainers or evaluators of programme quality.

Hire a youth champion dedicated to the programme

Just as strong and committed field staff are necessary to programme success, dedicating a youth champion to focus solely on the youth programme will help ensure the program receives the attention it needs. Challenges are more likely when a youth champion is asked to wear too many hats and does not have sufficient time to focus on the youth products and services their role is meant to support. This is especially true in cases where an FSP is offering youth products for the first time. In this case, youth champions will perform better when allowed to focus solely on the youth programme.

Build monitoring into the programme model to measure quality and track progress

If something is worth teaching, it is worth finding out if participants learned what was presented to them. The best way for an FSP to determine how best to monitor its education delivery is to first assess its capacity and resources, including its MIS, staffing and budget. A clear understanding of its capacity will help an FSP decide what resources it has to monitor delivery and outcomes of financial education.



UMUTANGUHA PEER TRAINERS (Photo by Jessica Massie)

6 CONCLUSION

> **"A YOUTH STRATEGY SHOULD NOT ONLY INCREASE ACCESS TO FINANCIAL SERVICES BUT ALSO BUILD FINANCIAL CAPABILITY AND THUS BE SAVINGS-LED WITH INTEGRATED, ACTION-ORIENTED FINANCIAL EDUCATION. INTEGRATING FINANCIAL EDUCATION IS CRITICAL TO EQUIP YOUNG PEOPLE WITH THE RESOURCES AND KNOWLEDGE TO MEET THE CHALLENGES OF ADULTHOOD"**
>
> – WOMEN'S WORLD BANKING, 2014

The YouthStart programme experience suggests financial education is an essential component of any programme supporting low-income youth new to formal financial services. YouthStart's experience also suggests that a simple approach that imbeds financial education in an FSP's existing delivery model is an efficient and effective way to build young people's ability to make sound financial choices and strengthen their financial capability, and increase uptake of appropriate financial products and services.

The YouthStart experience suggests that refining and streamlining financial education, focusing it on the most essential information and skills youth need, and providing it when youth can apply it directly and immediately can strengthen their decision making and financial capability. This approach also offers the potential to spur stronger account uptake and usage.

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