

DELIVERING FINANCIAL EDUCATION IN AFRICA

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

BRIEF



The MasterCard
Foundation



REACH
GLOBAL



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YouthStart, a United Nations Capital Development Fund (UNCDF) initiative established in partnership with [The MasterCard Foundation](#), aims to increase access to financial services for low-income youth in sub-Saharan Africa. The programme supports financial service providers (FSPs) to design, test and scale up sustainable services tailored to the needs of young people, while helping to create an enabling regulatory environment for young people to access the right financial and other services they need to make sound financial decisions, build a strong asset base, and create sustainable livelihoods for themselves. As of December 2014, over 514,000 youth (46 percent young women and girls) had saved close to \$14 million either in the form of an individual savings account or a group-based savings mechanism; close to 72,000 had received an individual or a group loan to start up or expand their own business; and over 502,000 had participated in financial education sessions.

YouthStart considers non-financial services, specifically financial education, an essential component of a programme for low-income youth who are new to formal financial services. Financial education can empower youth so that they are better equipped to make financial decisions concerning saving and borrowing, to evaluate and manage risk, to compare financial products and to be aware of their rights and responsibilities as consumers. Over time, it

will help youth build a strong asset base and create sustainable livelihoods for themselves. From 2011 to 2014, Reach Global (YouthStart's technical service provider) was tasked to work with 10 YouthStart FSP partners to design, test and scale up non-financial services tailored to the needs of young people.

Now that its regional pilot has come to an end, YouthStart is releasing several publications evaluating the programme's results and lessons on replicability and sustainability. This new paper 'Delivering Financial Education in Africa' presents challenges, institutional responses and potential solutions from YouthStart FSP partners in designing and rolling out their non-financial service offerings, linked to formal services, for youth. Looking more closely at these challenges and solutions is meant to be helpful for other FSPs and practitioners aiming to develop and deliver targeted financial education to low-income youth clients unfamiliar with formal financial services.

What follows is a high-level summary of the new research describing the key lessons learned from the work of Reach Global and the 10 YouthStart FSP partners related to their financial education programmes. For the complete publication, please visit our website and download the publication:

http://www.uncdf.org/programme/publications?field_program_tid=428

SUMMARY IN PICTURES

WHY?



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



Developing and sustaining successful partnerships with youth serving organizations



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 financial education services from all levels of FSP staff



Monitoring both the quality and quantity of financial education

CHALLENGES

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



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



Explore a volunteer peer educator model



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



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



Hire a youth champion dedicated to the programme



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

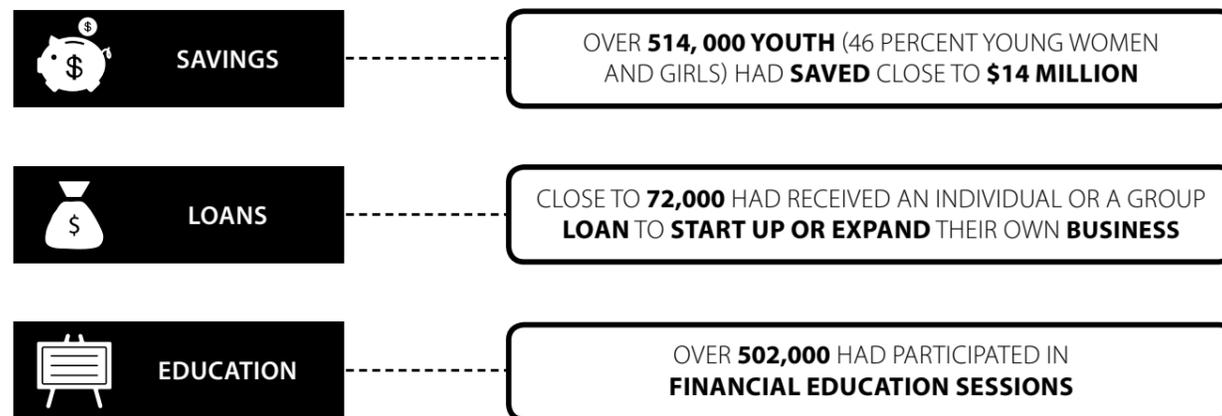
THE IMPORTANCE OF INCLUDING YOUTH

With almost 200 million people aged 15 to 24, Africa has the youngest population on the globe. Sub-Saharan Africa is also the only region of the world in which the number of young people continues to grow substantially,¹ predicted to double by 2045.² Youth unemployment rates are already double those of adult unemployment in most

African countries,³ and amongst employed youth, the proportion of underemployed is significantly higher than that of adults. The costs of inadequate employment are high. Poverty is the most obvious consequence. On average, 72 percent of African youth live on less than \$2 per day. Additionally, widespread unemployment in Africa's largest

population cohort can lead to social unrest. Financial inclusion can help youth build a strong asset base, create sustainable livelihoods, and be productive contributors to their families and communities. Focusing on how best to design and deliver youth financial and complementary non-financial services makes a lot of sense, in particular for sub-Saharan Africa.

YOUTHSTART PROGRAMME ACHIEVEMENTS (DECEMBER 2014)



For more information, visit <http://www.unCDF.org/en/youthstart>

CHALLENGES FACED IN IMPLEMENTING FINANCIAL EDUCATION PROGRAMMES



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

All FSP partners were greatly motivated by the knowledge and capability gaps they saw in youth in their societies. However, when designing their financial education

programmes, most FSPs were unable to prioritize the needs of youth that overlapped with their core business. As a result, they reached far outside their capacity to offer non-financial services.

The cost and time required to deliver all of the content became more than they could manage. FSPs then scaled the curriculum down and became more effective.



CHALLENGE 2: Developing and sustaining successful partnerships with YSOs

Although it seems like a natural choice for FSPs to collaborate with YSOs for client education, a number of FSP partners experienced unexpected obstacles in their search for mutually beneficial partnerships. In certain cases, the YSOs had their

own priorities and product marketing was not one. Other YSOs delivered financial education far away from FSP partner branches and sometimes to a different target group. In some cases, the FSPs decided it was easier to keep the financial education

programme in-house, and in other cases, the FSPs improved their collaboration with the YSO by strengthening the 'youth champion' role and allowing the youth champion more oversight of partnerships.



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

The 'critical minimum' approach endorsed by UNCDF and Reach Global requires that financial education content be simple and straightforward, while the emphasis on using youth learning principles and practices

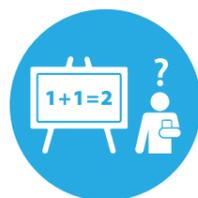
ensures that education is participatory and engaging, with clearly formulated key messages. In a number of instances, it was observed that some of the substance meant to encourage behaviour change or even uptake of

financial services was missing from delivery of the financial education. This finding underlined the need to train trainers to go beyond discussion and focus on a clear and actionable message related to desirable behaviour.

¹ 'The power of 1.8 billion: Adolescents, youth and the transformation of the future' (E.14.III.H.1-E/9,500/2014).

² The Brookings Institution, 'Foresight Africa: Top Priorities for the Continent in 2013,' January 2013. Available from <http://www.brookings.edu/research/reports/2013/01/foresight-africa-2013>

³ Alexandra Hervish and Donna Clifton, Status Report on Adolescents and Young People in Sub-Saharan Africa: Opportunities and Challenges, The State of World Population 2014 (Johannesburg, South Africa, UNFPA, 2012) p. 12. Available from <http://www.prb.org/pdf12/status-report-youth-sub-Saharan-Africa.pdf>



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

In several cases, it was seen that the financial education had moved in another direction from the products being offered and their

terms and conditions. This deviation affected the ability of the financial education to work in harmony with the financial services.



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

A difference was observed between those FSP partners with management who were on board with youth services and those whose management did not consider them

a core part of their offerings. Also, those FSPs whose field staff were not involved in the youth programme from early on had more difficulty reaching targets.



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

In most cases, it was difficult to gather information from FSP partners on non-financial services beyond the number of youth trained by date and location. This data gap rendered it impossible to get an idea of any relationship between

financial education and account uptake or usage, and to answer questions about whether such a relationship could exist. UNCDF-YouthStart took the step to adopt the use of the low-cost monitoring tool called lot quality assurance sampling.

PRACTICAL CONSIDERATIONS AND RECOMMENDATIONS



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

By prioritizing the most important learning objectives, specifically those that link to behaviours needed to effectively build financial capabilities, an FSP can offer financial education that reinforces basic behaviours.

An in-depth financial education programme that requires a great deal of effort by the FSP in terms of delivery and administration will effect no behaviour change at all if it is not properly used.



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

For many FSP partners, aligning financial education with account opening was the most efficient way to deliver non-financial services. An added benefit of aligning these activities

is that youth opening accounts will have the opportunity to immediately apply their new knowledge and skills, increasing the potential that these new competencies may 'stick.'



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

It is important to develop a simple and targeted educational tool that relates directly to product offerings before considering more expensive alternative delivery mechanisms. Alternative delivery mechanisms, such as videos, audio clips or posters, should build upon a solid foundation and reinforce messages conveyed face-

to-face. Another benefit of simplicity in programme materials and delivery model is that it is more likely that quality will be conserved over time and through the different levels of the programme. The more complicated the materials and model, the more difficult it will be for new staff to pick up a module and deliver it well.



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

Key takeaways from establishing a fruitful partnership are the following: i) the request for proposals issued by the FSP must be extremely clear; ii) the memorandum of understanding must clearly outline actionable

objectives and responsibilities of each party; and iii) the FSP must monitor progress closely (at least in the beginning) to ensure that their objectives, not just the partner's, are being met.



Explore a volunteer peer educator model

Several FSP partners implemented a peer volunteer delivery model. Under this model, the FSPs recruited and trained youth in the communities they served to work with their branch staff to conduct marketing

and financial education. An additional advantage is that the youth volunteers live in their communities and can interact with their peers during the training and afterwards.



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

The manner in which information is presented and discussed is just as important as the message itself.



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

If field staff is not convinced of the manner in which the youth programme is designed, it is unlikely that training will take place as planned or effect the

changes desired. To achieve buy-in, an FSP should make sure to get the input of field staff from the beginning stages, giving them a sense of ownership.



Hire a youth champion dedicated to the programme

Especially in cases where the FSP is offering youth products for the first time, the youth champion will perform better when allowed to focus solely on the youth programme.



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

At the beginning of a programme, an FSP should examine its own capacity for ongoing monitoring, and decide how monitoring and evaluation will occur from start to

finish. If not properly monitored from the beginning, it will be difficult to distil relevant lessons related to behavioural change brought on by financial education.

This paper, which builds on over four years of experience delivering non-financial services with YouthStart FSP partners, provides important lessons for FSPs and practitioners aiming to develop and deliver targeted

financial education to low-income youth clients. For other recent YouthStart publications examining best practices for developing a long-term youth strategy, please see 'Building the Business Case

for Youth Services: Further Insights from the YouthStart Programme'⁴ and 'Recommended Practices and Lessons Learned in Providing Financial and Non-financial Services to Youth: Insights from the YouthStart Programme.'⁵



⁴ http://www.uncdf.org/programme/publications?field_program_tid=428

⁵ Ibid

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