



SAVINGS FOR YOUTH: A REVIEW OF EVIDENCE



This Executive Summary contains key findings from an in-depth review of 44 studies that examine the effects of a range of youth savings initiatives. This body of evidence illustrates the potential for these types of initiatives. However, the field as a whole would benefit from more documentation coupled with future innovations to ensure interventions meet the needs of youth and that youth interventions are appropriately targeted.



Savings Learning Lab

INTRODUCTION

This analysis is based on an in-depth review of 44 studies that examine the effects of a range of youth savings initiatives. The definition of youth in this sample of studies ranges from 5–36 years, with most savings interventions focusing on the 13–25 age range.

The 44 studies represent a subset of the recent Savings Evidence Map developed as part of the Mastercard Foundation Savings Learning Lab (See Box 1). The studies either document the outcomes of initiatives that focused on youth as the target market (34) or document the outcomes of general savings interventions that included youth-disaggregated information (10). Additional literature, such as learning briefs and research from the wider financial inclusion agenda, has also been reviewed to provide additional context and nuance to our findings.¹

This executive summary follows the same structure of the report, which first categorizes the evidence, describes the key findings by outcome level results, identifies remaining challenges, and reflects on learning priorities going forward.

The full report is available via the Itad website.

CATEGORIZATION OF EVIDENCE

The main report describes the key characteristics of 44 studies, as outlined below.

- **Type of intervention** – disaggregated by product type, design, and delivery channel.
- **Type of evidence** – case studies, impact evaluations, peer-reviewed articles.
- **Research methods** – disaggregated by qualitative, mixed, and quantitative methods.
- **Quality assessment** – based transparency, credibility, and cogency criteria.
- **Geography** – presented graphically by World Bank region.

Main findings from this include

- The evidence base includes 44 studies. This is a relatively small sample compared to some other sections of the map.
- The majority of studies focus on savings groups but there were some studies focused on the outcomes and impact of individual savings accounts.
- The savings accounts used a number of product design options to encourage savings.
- Three of the studies covered the use of mobile phone technology.



Note: The population of studies includes systematic reviews and six syntheses reports, which may include evidence from multiple other sources represented separately in the map. This may result in some double counting.

The Savings Evidence Map tagged studies according to the type of intervention documented in the study and the type of results they documented, such as client (or participant²), institution and ecosystem level results. We utilize this tagging system to support the analysis of the youth-focused studies and is summarized in the Figure below, which shows the type of results on the horizontal columns and the type of savings intervention on the vertical rows.³ Each cell indicates the actual number of studies documenting a specific type of intervention and its associated type of result.

It is important to mention that resources appear multiple times in the map where they contain evidence for multiple types of results. Therefore, adding up the figures across cells will exceed the total number of studies included in the map.

Intervention type

		Client	Ecosystem	Ecosystem	Target market – youth	Data disaggregated by youth
Product Type	Individual savings	14	7	1	13	1
	Savings groups	20	3	0	15	7
	Other	1	1	0	1	0
Product Design	Voluntary	3	1	0	2	1
	Commitment based	2	1	0	2	0
	Compulsory	1	0	0	0	1
	Embedded with other services	5	2	0	4	1
	Other	2	2	0	2	0
Delivery Channel	Physical branches	0	0	0	0	0
	Alternative delivery channels	3	2	0	2	1
	Other	0	0	0	0	0

Box 1: About the Savings Evidence Map

The Savings Evidence Map comprises 299 studies that document savings initiatives. It provides consolidated access to relevant evidence relating to savings-focused financial inclusion, enables a comprehensive synthesis of types and quality of available evidence, and identifies existing gaps in evidence. These studies were selected based on a predetermined set of quality and inclusion criteria. We invite readers to review the Savings Evidence Map report for more details on methodology, criteria, evidence, and findings. The evidence is updated annually as new research is published.

SYNTHESIS OF RESULTS

Type	Definition	Subcategories
Client	The outcomes of savings initiatives on clients/beneficiaries	Usage, income, assets, consumption, business, resilience and food security, financial capability, health, educational, social
Institution	The outcomes of savings initiatives identified at the institution level	Sustainability and replicability, marketing techniques, partnership models, institutional challenges
Ecosystem	The outcomes of savings initiatives on the broader financial inclusion ecosystem	Policy barriers, policy solutions

The current body of evidence on youth savings initiatives is small and while it doesn't support broad recommendations on what works and what doesn't, the evidence does demonstrate the concerted effort that a myriad of stakeholders have made to experiment with products and services appropriate for youth, and to document the outcomes. Our findings based on this emerging body of evidence are summarized below:

At the client level, we learned that

Access to and use of youth savings accounts and savings groups can lead to increases and improvements in accumulated savings, financial and productive assets, consumption, financial capability, food security, health outcomes, management of education expenses, and social outcomes such as social cohesion, social status, and social capital.

There have been positive examples of impact for youth in the aforementioned areas. However it should be recognized that there have been mixed results for impact in some areas, such as business outcomes where the results are inconclusive.

Methodologically, disentangling results for youth from household level results can be challenging. In addition, many studies either provide no definition of youth or use a broad age range, making it difficult to understand the impact of savings products and services for different age groups.

Questions remain in understanding entrepreneurship-employment investments, the welfare impact of additional services combined with savings, and how to better address the needs of youth at different life stages

More research is needed to build our understanding of the varying needs of youth as a heterogeneous group.

At institutional and ecosystem levels, we learned that

Providing youth savings products is full of challenges for financial services providers (FSPs): youth demand may not differ from that of low-wage adults; youth save less, use fewer products, and transact less frequently; and there are high costs associated with offering accounts with small savings balances.

Nevertheless, marketing techniques, product design, and delivery channels can help lower costs. Youth may be attracted to products in different ways than other low-income markets. There is potential to decrease costs and drive uptake through the use of technology, attracting youth through schools, providing incentives, making products more inclusive, and engaging parents. Youth can also become long-term clients and bring in other customers via family and friends.

Flexible regulatory policies on age restrictions and account ownership can increase youth access to accounts.

There is more to learn about offering effective products for different age groups, the impact of additional trainings on uptake and use of accounts, approaches that decrease costs of serving youth, and means to promote and expand more flexible regulatory policies to increase youth access to savings accounts.

1 See Annex 1 for the list of all the studies reviewed for this synthesis report with full citation, information on the intervention type, data source, research method, and geography.
 2 "Client level" is a term more commonly found in initiatives involving profit-making entities, such as FSPs, whereas "participant level" is more common for programs originating from non-profit entities. Both terms indicate the individual level.
 3 See Annex 2 of this report: Evidence criteria table during the screening process for the Savings Evidence Map

RECOMMENDATIONS

The current body of evidence on youth savings initiatives illustrates the potential for these types of initiatives. However, the field as a whole would benefit from more documentation coupled with future innovations. Based on this small body of evidence some tentative recommendations include:

Practitioners

FSPs, fintechs, and other institutions offering financial products and services should:

- Continue to explore ways to drive down costs, experiment with technology and other delivery mechanisms, identify incentives for youth to save, and understand further the difference in demand of adult youth and other low-income adults.
- Build their understandings of the varying needs of youth as a heterogeneous group.
- Look to attract youth through targeted promotion of appropriate products.
- Continue experimenting with combinations of savings services and additional services as a way to help youth finance other activities, as well as work with governments to provide subsidies for matched savings and other programs to incentivize youth to save.

Researchers and those commissioning research

- All stakeholders, specifically researchers, should support research efforts to document business models, cost-benefit analyses, the effects of trainings such as financial education, and conduct impact analysis, and all the while keeping in mind rigor, exploring unintended consequences, and long-term effects.
- Researchers should make a concerted effort to be more nuanced in their definitions of youth to build a greater understanding of different needs.

Policymakers and influencers:

- Consider how to contribute to the effort to break down regulatory barriers.

FSPs, non-governmental organizations (NGOs), donors, government, and other policymakers have expressed a clear interest in, and ability to, serve youth, and the growing global population presents a need to continue this work. As organizations innovate with their practices, observational and impact evidence can fill the remaining gaps in knowledge and create a robust body of knowledge in youth financial services.

Acknowledgments

This report was developed as part of the Mastercard Foundation Savings Learning Lab. The report draws on contributions from Jenny Morgan, Megan Gash, Aurelie Larquemin, Diana Dezso, James Robinson and Helen Bailey.

Itad

Itad's purpose is to provide insight and ideas to drive more effective use of resources in international development through monitoring and evaluating what works, where and why. Itad provides independent, professional advice to organizations looking to scrutinize their aid programs. Itad's work provides accountability to the ultimate funders of the programs, whether they are taxpayers or philanthropists, as well as learning for the broader international community to improve the way that development is done.

The Mastercard Foundation Savings Learning Lab

The Mastercard Foundation Savings Learning Lab is a six-year initiative implemented by Itad, in partnership with the SEEP Network. The Lab's aim is to support learning among the Foundation's savings sector portfolio programs through increased alignment and effectiveness of monitoring and evaluation, and through the generation, synthesis, curation and dissemination of knowledge. Itad, as the Learning Partner, works across and with the Foundation's partners, Foundation staff, and with the wider savings sector, to support actionable learning by synthesizing and aggregating learning across the portfolio and sector, conducting complementary research, and facilitating learning and knowledge sharing with key audiences.