



Savings for Transformation

ECONOMIC EMPOWERMENT AND RESILIENCE

THE ISSUE

A staggering **1.7 billion people around the world still do not have a bank account**ⁱ – the majority of them living in poverty- and conflict-affected countries. Women are disproportionately affected, accounting for **56 per cent of unbanked adults (980 million women)**ⁱⁱ who are financially excluded and have no access to banking services. These unbanked adults cannot safely put money aside to provide the very basic needs for their families and children such as food, health care and education. If they slip into poverty, that also increases the risk of violence against children such as child labour and child marriage.

About **1.2 billion children globally are multidimensionally poor**ⁱⁱⁱ, meaning they lack the food, sanitation, shelter, health care and education that they need to survive and thrive. Girls and boys who grow up in poverty experience lifelong effects on their health, nutrition, education, safety and future earnings.

Financial inclusion is a key element of social inclusion, a crucial step towards economic empowerment to overcome poverty and income inequality. In line with the UN Sustainable Development Goals, World Vision is working to end poverty and hunger by 2030 so that every child can survive and thrive. Our global reach and focus on sustainable livelihoods is enabling families to create lasting change in their own lives.

OUR APPROACH

A savings group is a voluntary group of people, predominantly women, who save together in a safe and convenient way. Savings groups are resilient and resourceful. World Vision's model for savings groups is called Savings for Transformation (S4T). Through S4T groups, men and women in poor communities set up their own groups that save money together in small amounts and lend to each other when needs arise, such as a family member's illness, children's education and falling income due to droughts.

The S4T group is a key building block for World Vision's sustainable livelihoods interventions, contributing especially to women's social and economic empowerment, household resilience, and social cohesion.

As **digitisation** is becoming increasingly important in this modern world, World Vision is also working to address multiple gaps and inequalities in our society, including financial, digital and gender gaps. One recent example of digitisation has been our collaboration with **DreamSave** (a digital savings group app). We were able to digitise an entire savings group through a single shared smart phone, making rapid delivery of life-saving alerts, information and resources possible.

Our unique collaboration with **VisionFund** (World Vision's microfinance network) makes S4T groups sustainable. VisionFund is supporting savings groups by supplying lines of credit and savings accounts that allow members to manage their money. VisionFund's **FAST programme (Finance Accelerating Savings group Transformation)** provides credit into the cashbox of the group, to boost their own internal savings so that they can grow their businesses and livelihoods.

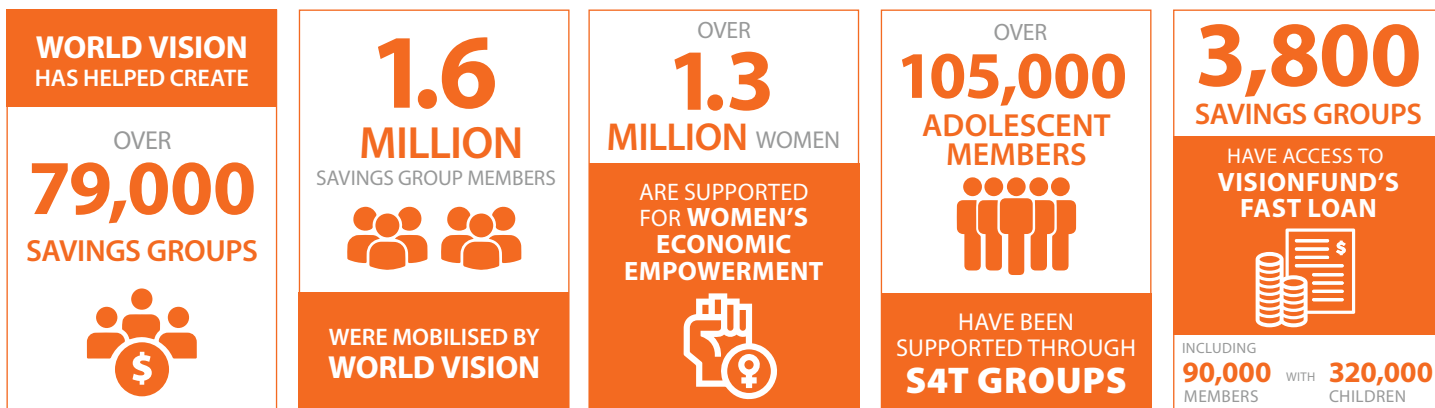
OUR IMPACT

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ⁱ World Bank (2017), 'Global Findex Database', <https://globalfindex.worldbank.org/>

ⁱⁱ Ibid.

ⁱⁱⁱ global Coalition to End Child Poverty, <http://www.endchildhoodpoverty.org/news-and-updates-1/2021/3/16/infographic-children-living-monetary-and-multidimensional-poverty>



KEY CHARACTERISTICS

- Basics:** Group size should be large enough to accumulate a useful amount into the fund but small enough for social cohesion (15–25 people), with a weekly cycle of saving very small amounts.
- Insurance and social fund:** Groups offer a form of insurance by providing access to emergency loans in times of need or funds for community projects. Small loans can be borrowed by group members on flexible terms, for investment, consumption or emergencies.
- Personal development and empowerment:** The groups provide unique opportunities to develop leadership, confidence, and a sense of self-respect that often flows over into the home and wider community.
- Sustainable and scalable:** Because groups are member-owned and run, they aren't reliant on World Vision's presence. Members often share their knowledge, encouraging others to form groups too.
- Low cost and time bound:** Start-up and maintenance costs are very minimal with no asset transfers given to groups. Nine- to twelve-month cycles simplify management of the fund. The cycles provide easy exit and entry points for new members and an opportunity to elect a different management committee.
- Share out at the end of each cycle:** All or part of the accumulated savings and loan profits are shared out to the members.
- Gender equality, disability and social inclusion:** S4T groups can be adapted to act as platforms for improving women's economic status, decision-making power and ability to control productive resources for their well-being and that of their households. World Vision also prioritises people with disabilities to be part of S4T groups.
- Child protection training module:** As a child-focused organisation, we encourage S4T group members to learn more about the importance of child protection to increase child well-being. Download all four illustrative [lesson plans](#) for S4T facilitators to teach this alongside their corresponding [flip charts](#).
- Empowerment through adolescent S4T groups:** A growing number of S4T groups have adolescent members. The purpose of adolescent groups depends on the context but benefits include adolescent access to savings, providing financial access to out-of-school adolescents, life skills development, and learning on child rights and protection issues.

CONTRIBUTING TO THE SUSTAINABLE DEVELOPMENT GOALS (SDG)

- SDG 1 and 2 – Ending Poverty and Zero Hunger:** World Vision is providing the most vulnerable families with loans and savings that can be used to increase their resilience and income-generating abilities, enabling parents and caregivers to meet the basic needs of their children, including food and nutrition.
- SDG 5 – Gender Equality:** S4T groups promote women's economic empowerment and allow them equal access to the power and resources to shape their own lives and contribute to their families and communities.
- SDG 8 – Decent Work and Economic Growth:** Savings groups provide skills training so that members can invest in their own income-generation activities while also contributing to ending child labour (SDG 8.7).
- SDG Target 16.2 – End abuse, exploitation, trafficking and all forms of violence against and torture of children:** S4T groups contribute to this target through child protection training and economic empowerment of poor households.

For more information, we invite you to download World Vision's Savings for Transformation (S4T) [Design Guide](#) and [Implementation Guide](#).