

Saving for Change Turns 10!

10 Years of Women's Economic Empowerment

NOVEMBER 2015

2015 marks the 10 year anniversary of Saving for Change (SfC), Oxfam America's flagship savings-led microfinance program. SfC members – primarily women living in rural communities – meet regularly to save, lend, and pay dividends. They self-manage, electing leaders, setting their own bylaws, and deciding collectively how to achieve their goals.

Problem

Three-quarters of the world's poorest populations do not have access to a formal bank account. The reasons behind this alarming statistic are varied, but one thing is clear: there is a significant gap in financial services available to the poor, leaving them with few viable options to save.

Response

In 2005, in response to this global challenge, Oxfam America teamed up with Freedom from Hunger and the Strømme Foundation to launch Saving for Change (SfC). This grassroots approach to poverty alleviation and economic empowerment first began in Mali, and later that same year in Cambodia. In the last decade, SfC expanded to three more countries – Senegal, Guatemala, and El Salvador – and today reaches more than 730,000 members who have collectively saved \$55 million USD.

The basic methodology is simple, yet effective. SfC empowers groups of 20 to 25 members – typically women – to meet weekly and save small amounts of money in a metal lockbox, ranging from a few cents to a few dollars. With initial training provided by Oxfam and local partners, members learn to self-manage, collectively establishing group rules on savings, loans, fines, and repayment. When members meet, they also develop bonds of mutual assistance and solidarity, which builds social capital.

Effectiveness

In 2012, Oxfam conducted a large-scale Randomized Controlled Trial combined with in-depth qualitative research to measure the program's impacts in Mali. Results highlight an increase in savings, food security, investment in livestock, greater access to credit, and confirm an outreach to the poor. Further, groups were shown to function independently after one year of support. Seeing the inherent value in community-driven financial services, group leaders were inspired to create new groups based on local demand. Oxfam assisted them in their efforts by providing specialized trainings.

Expansion

SfC expanded quickly – and often organically – in its early years. Building on the initial success of the model, Oxfam looked for ways to improve the program. SfC groups now had a foundational understanding of how to manage their money, but how could they leverage their funds to further reduce food insecurity in their communities and support income generating activities? Oxfam began to address this question in 2012 through a suite of new services, trainings, and products requested by members themselves called “SfC +”, including *SfC + Agriculture*, *SfC + Business*, *SfC + Citizenship*, *SfC + Mobile*, *SfC + Health*, and integration with R4.

SfC in Action

- *SfC + Agriculture* provides group members with training on agricultural techniques, such as tree planting or intercropping. In El Salvador, such trainings have inspired thousands of women to create fruit and vegetable gardens. After Blanca Ruth Molina received her SfC + Agriculture training, she constructed a family garden. Over time, Blanca came to realize that her garden not only met her family's needs for fresh produce, but also generated a surplus of crops. Blanca is now selling her products to communities with a "farm to table" strategy that has enabled her to earn more income, save more in her savings group, and generate more interest from further loans made during saving cycles.



Blanca, SfC member in El Salvador, with her family garden.
Credit: Joel Martínez/Oxfam America.

- *SfC + Business* builds women’s capacity to launch and manage successful income generating activities. In Senegal, business trainings empowered Penda Ndiaye to pursue her family’s dream of opening a bakery. Penda used what she learned in training sessions to increase her family’s standard of living. She began by taking out a series of small loans from her savings group to set up a family bakery. Together with her husband, they built a wood-fired oven, invested in flour, and started selling bread in her community, filling a critical need. Prior to her business, the nearest bakery was more than four miles away – a long walk for many who had to go on foot. Not only has Penda’s new bakery put her family on a path towards prosperity, but it is also serving as a welcome addition for the 600 members of her community.



SfC member, Penda, with family and fresh bread from her bakery. Credit: Chris Hufstader/Oxfam America.

- *SfC + Citizenship* defines for members what it means to be a citizen (i.e. hold an ID card, pay taxes, have a birth certificate for children, vote, run for office, and hold officials accountable for local services). In Mali, one SfC group put their training to immediate action: they established a social fund to which all members contribute, and have used it to support the procurement of birth certificates for their children – boys and girls alike. These efforts have huge implications on a child’s future, as children in Mali are susceptible to becoming victims of early marriage and child labor if their age is not documented. Also, without birth certificates, children are not allowed to take their school exams.



SfC group meeting in Mali. Credit: Rebecca Blackwell/Oxfam America.

- *SfC + Mobile* is being piloted in Senegal and early results are encouraging. This program enables women to save and pay back loans directly on their cell phones instead of putting coins in the group savings box. This increases the safety of their savings and plugs them into a wider electronic payment system (mobile money, mobile transactions, and peer-to-peer transfers). This also increases their financial literacy and positions the more experienced and advanced groups to become clients of the formal banking sector.
- *SfC + Health* has ties to the earliest days of SfC, which included trainings on the causes and symptoms of malaria. In follow-up surveys (especially the RCT noted above) women demonstrated that they not only retained the knowledge they received about malaria, but were actively sharing it with others in their communities. Today, *SfC + Health* in the Banteay Meanchey Province of Cambodia has evolved to include training on reproductive health. As a result, over the last five years, local clinics have seen a significant increase in the number of women who visit for services linked to pregnancy and childbirth. Prior to *SfC + Health*, villagers typically practiced traditional health treatments, such as drinking homemade herbal medicines, to protect themselves and their babies during pregnancy.



SfC + Health training in Cambodia.
Credit: Savann Oeurn/Oxfam America.

- *R4 Integration* – The R4 Rural Resilience Initiative enables vulnerable rural households to increase their food and income security through a combination of four risk management strategies, including micro-insurance and savings. In Senegal, R4 engages with SfC groups to strengthen their savings and credit capacity. Since 2014, farmers participating in R4, including SfC group members, have had the option to purchase crop insurance with cash or labor. R4 is now testing the SfC methodology to organize men in savings groups and has already seen promising results, including evidence that, engaging with men has increased their support of women-led economic initiatives within the community.

Looking Ahead

Over the last 10 years, Saving for Change has proven to be highly effective at strengthening grassroots capacity to manage their money and leverage their group funds to reduce food insecurity and support income generating activities. SfC group members are proud of their accomplishments in their communities – and Oxfam is proud to have been part of it. After 10 years of implementing SfC, we are eager to take the program to the next level: evolving savings groups into platforms for women’s rights.

In the coming years, Oxfam and its partners will focus on transforming groups into women’s rights’ platforms, effectively challenging the social, cultural, religious, and economic norms that constrain women and girls and prevent them from thriving outside of their reproductive roles. In the future, we see more women voting and being elected, more women becoming decision makers on boards of local institutions, and more women influencing national policies that matter to them, their daughters, their families, and their communities. When women and girls thrive, the world thrives.



HEADQUARTERS
226 CAUSEWAY STREET, 5TH FLOOR
BOSTON, MA 02114-2206
(800) 77-OXFAM

www.oxfamamerica.org

POLICY & CAMPAIGNS OFFICE
1100 15TH STREET, NW, SUITE 600
WASHINGTON, DC 20005
(202) 496-1180