



About YFS-Link

YFS-Link is an innovative, three-year capabilities building and training initiative which aims to expand exponentially the range and quality of financial services to youth. YFS-Link will expand the body of knowledge and connect practitioners within the youth-inclusive financial services space.



Training Manual

Savings Products for Young Clients

You are holding the Training Manual for *Savings Products for Young Clients*. Participants of this course will begin by defining types of existing savings products, and thinking critically about the adult segments that these products serve. They will then use example youth profiles to examine the appropriateness of these products for young people before identifying youth-inclusive adaptations. At the end of the module, participants have a chance to develop an action plan, which reinforces the learning objectives of this module.

This curriculum has been developed as part of a series of Youth-Inclusive Financial Services courses. The topics introduced in this module are expanded upon in other two or three day courses that provide participants with tools and skills to undertake market research, design youth-inclusive financial products, and learn to form and leverage partnerships.

Copyright © 2011 Making Cents International

Sections of this publication may be copied or adapted without permission from Making Cents International provided that the parts copied are distributed for free or at cost – not for profit.

Please credit Making Cents International Youth-Inclusive Financial Services Linkage Program for those sections excerpted.

For any commercial reproduction, please obtain permission from Making Cents International.

For additional information, contact:

Address:

Making Cents International
Youth-Inclusive Financial Services Linkage Program (YFS-Link)
1155 30th St. NW, Suite 300
Washington, DC 20007

Tel.:

202-783-4090 Fax: 202-783-4091

Email:

yfslink@makingcents.com

Web:

www.yfslink.org

Corporate:

www.makingcents.com

Skype:

makingcentsinfo



The MasterCard Foundation

MasterCard Foundation and Making Cents International believe that given the opportunity to learn and build their human and financial assets, young people have the potential to transform their lives and to improve the economic opportunities of their families and communities. Our strategic partnership focuses on expanding access to and increasing the scope of financial services for youth via the YFS-Link Program; sharing lessons learned, promising practices, and programmatic examples via the development and dissemination of the State of the Field in Youth Enterprise and Livelihoods Development publication and online portal dedicated to youth-inclusive financial services resources; and supporting youth as prominent participants in the Global Youth Economic Opportunities Conference.

INTRODUCTION TO TRAINING MANUAL.....	4
Background	4
Module Goal.....	4
Audience Description.....	5
Prerequisites	5
Length of Training	5
Training Environment.....	5
Instructional Techniques/Methodologies	5
Course Materials	5
Course Trainer Requirements	6
Instructions	6
 SESSION 1: INTRODUCTION TO SAVINGS FOR YOUNG PEOPLE	 8
Activity 1.1: Course Introduction.....	9
Activity 1.2: Why Youth Savings?	11
 SESSION 2: YOUTH-INCLUSIVE SAVINGS DESIGN	 12
Activity 2.1: Map of Savings Products.....	13
Activity: 2.2 Demands of and Barriers for Young People.....	18
Activity 2.3: Innovations in Delivery Models and Behavioral Barriers.....	21
 SESSION 3: THINKING AHEAD AND COURSE CONCLUSION	 23
Activity 3.1: Institutional Readiness	24
Activity 3.2: Future Plans	26
Activity 3.3: Course Conclusion	27

Introduction to Training Manual

Background

You are holding the Training Manual for the *Savings Products for Young Clients*. This curriculum has been developed as part of a series of Youth-Inclusive Financial Services courses. The topics introduced in this module are expanded upon in complementing two or three day courses that provide participants with tools and skills to undertake market research, design youth-inclusive financial products, and learn to form and leverage partnerships.

In this module, participants begin by defining types of existing savings products, and thinking critically about the adult segments that these products serve. Participants will then use example youth profiles to examine the appropriateness of these products for young people before identifying youth-inclusive adaptations. At the end of the module, participants have a chance to develop an action plan, which reinforces the learning objectives of this module. *Savings Products for Young Clients* draws on key lessons from two YFS modules- *Youth-Inclusive Market Research* and *Designing and Adapting Products for Young People*. Of particular importance is the ability to identify characteristics of young people and segment youth. Understanding the 8Ps of product design will also help participants think critically about savings product adaptations. Finally, concepts such as cross-selling and long term profit horizon are especially important for participants to consider in this course.

Module Goal

The goal of the *Savings for Young Clients* module is to expand the quality and range of savings options designed specifically for young clients. To support organizations in attaining this goal, participants will achieve the following objectives by the end of this course:

- Clarified how savings can play a role in the lives of young people.
- Clarified current argument for the savings business case.
- Defined existing savings products.
- Used a profiling tool in order to develop a profile for adult clients using a particular savings product.
- Compared and contrasted an adult profile with the profile of young people.
- Identified access and behavior barriers that young people face.
- Read about innovations in delivery mechanisms and incentives.
- Identified youth-inclusive savings adaptations.
- Identified aspects to consider in determining whether an institution is ready to design and/or implement youth savings services.
- Identified the objectives they consider most relevant to their institution, and developed an action plan to incorporate and/or communicate those lessons.

Through hands-on activities, case studies and facilitated discussions, this course provides microfinance practitioners, youth enterprise and livelihoods practitioners, and a range of other stakeholders with an

introduction to what is necessary to design and implement interventions to expand youth-inclusive financial services.

Audience Description

To cover the extensive information in this course, the ideal number of participants ranges from 12-15 and time should be considered in the selection of certain activities in the course. The module is primarily intended for senior or mid-level managers of youth-serving organizations and financial service providers. However, as a foundation course, it is also extremely valuable for technical assistance providers, funders, consultants, and others supporting or working in youth-inclusive financial services. Their customers and clients are youth that are interested in or already accessing youth-inclusive financial services.

Prerequisites

The *Saving Products for Young Clients* module builds on the knowledge and skills developed in the *Youth-Inclusive Market Research* and the *Adapting and Creating Products for Young Clients* modules. As such, before participating in this module (*Savings Products for Young Clients*), participants should have completed one or both of those modules.

Length of Training

This module includes approximately 4 hours of classroom training materials. This course is ideally delivered in half a day.

Training Environment

This is a classroom-based, instructor-led training session. Participants are guided by a trainer through a series of timed activities. Equipment consists primarily of tables and chairs for the participants (to be able to work in small groups or teams). Trainer access to a flip chart or board is desirable.

Instructional Techniques/Methodologies

The curriculum incorporates experiential-based, adult-learning methodologies. The various instructional techniques or methodologies that are used throughout the course include:

- Guided discussions on specific topics and use of probing questions to further understanding.
- Small group activities/discussions.
- Practical exercises.
- Action plans. At the end of the training, participants finalize individual action plans for determining next steps after the training.

Course Materials

The following items will help convey the content of the course:

- Training Manual. This includes guides and instructions for setting up and managing the training course, as well as trainer session notes, answer keys, and other background information for delivering the course.
- Participant USB and Handouts. This includes resources to supplement in-class training.
- Flip Charts. Some flip charts need to be prepared before sessions begin. They are indicated in the manual. Other sessions call for participant answers to be captured on flip charts.

Course Trainer Requirements

The curriculum design requires a certified trainer that has successfully completed the Youth-Inclusive Financial Services Linkage Program Certification process. Ideally, trainers will have a familiarity with youth, youth and financial services, as well as training expertise. The Training Manual provides instructions, specific questions, sample answers, and illustrations (where appropriate) to enable the trainer to set up and deliver the curriculum to the target audience.

Tips to the Trainer:

1. Consider options for delivery of the course where electricity may be problematic.
2. Learn about any interpretation or translation that may need to take place before or during the delivery of the course. A typical course delivery day will run for 8 hours including breaks and lunch. The trainer should be clear on the arrangements in order to organize the content delivery.
3. If interpretation is needed, the course may run longer than two days and adjustments should be made as necessary. It is suggested that the trainer plan for 2.5 days in that case.

Instructions

The following stylized elements indicate specific instructions to the trainer:

 = Prepare recommended flip chart

 = Use of PowerPoint Presentation

 = Use of video

Use of italics and quotation marks for suggested language:

“Italics and quotation marks for suggested language”

Italicized, bulleted represent specific questions to ask participants:

➔ *Arrow with italics represent specific questions to ask participants*

Bold, italicizes and bulleted represents expected answers.

➤ **Expected answer**

Tip to the Trainer is presented in a box—these might be used for likely trouble areas:

💡 **Tip to the Trainer**

...is presented in a box—these might be used for likely trouble areas

Session 1: Introduction to Savings for Young People

This first session begins with an ice-breaking activity and course introduction. Participants will then briefly discuss the rationale for youth savings from both a youth development perspective and a business perspective. The purpose is not to provide exhaustive reasoning to why youth savings matters, but to present participants with the principle current thinking on how savings can impact young people and help financial institutions grow in the long term. Following a discussion of the rationale behind youth savings, participants will explore types of existing savings products on offer by different institutions, and describe the characteristics of clients using these products and determine which characteristics may be similar to young clients.

Total Session Time	25 Minutes
Session Objectives	By the end of this session participants will have: <ul style="list-style-type: none">▪ Reviewed the objectives of the <i>Savings Products for Young Clients</i> module.▪ Heard three reasons why savings are important for young people from a youth development perspective.▪ Read the principle reasons that financial institutions site for offering saving services to young clients.

Overview of Activities

Activity Title	Duration	Materials Needed
1.1 Course Introduction	10 minutes	<ul style="list-style-type: none">▪ No materials are necessary for this activity.
1.2 Why Youth Savings?	20 minutes	<ul style="list-style-type: none">▪ PowerPoint: Why Youth Savings▪ Handout: Youth Savings Business Case

Activity 1.1: Course Introduction

During this activity participants will introduce themselves and review the objectives.

Total Activity Time	10 Minutes
Session Objectives	By the end of this session participants will have: <ul style="list-style-type: none">Reviewed the objectives of the <i>Savings Products for Young Clients</i> module.

Steps:

A. Why not savings?

- Ask and list on flip chart paper.

“Some people say that savings with young people may not work. So just to get those ideas surfaced at the beginning of this workshop, I’d like to ask you all, what are some reasons people may say that youth savings wouldn’t work?”

B. Personal Savings Experience (5 min.)

- Invite participants to recall a time when they first put something aside for safekeeping, for future use, or as part of a collection.

“I’d like to start the session by inviting all of you to recall a time when you first started putting something aside for safekeeping or for future use. Think of what you put aside and why.”

- Invite a couple of volunteers to share the items they put aside and their reasons for doing so.
- Summarize and connect the personal reflections:

“For many of us, like many young people today, putting things aside, whether money or other goods may have been our first experience in flexing our savings muscles. That is, such experiences laid the foundation for building future savings related skills like safeguarding, holding something for future use, or discipline and patience. We often forget that those early experiences preceded our formal savings practices. In this course we will endeavor to discover the types of savings accounts that can help young people make the leap from their early savings skills, to informal savings to formal savings in less time and with quicker success than their older counterparts.”

C. Course Introduction (5 min.)

- Share with participants that this half day course is delivered in complement to the other courses they have taken, particularly *Youth Inclusive Market Research* and *Adapting and Creating Products for Young Clients*. Introduce the course:

“This course is designed to provide you with an in-depth look at savings as one type of product recognized as important to supporting young people in building financial assets early in life. This course will provide

the group with an opportunity to analyze a sample of savings products in terms of how they could serve young clients. You will then be invited to develop your own plans for adapting existing savings products for youth including considerations such as minimum age requirements.”

- **Invite participants to ask any clarifying questions.**

Activity 1.2: Why Youth Savings?

In this activity, participants will learn about the impact of savings from a youth development perspective as well as learn about the principle reasons financial service providers are interested in offering savings products to young people. The purpose is not to provide exhaustive reasoning to why youth savings matters, but to present participants with the principle current thinking on how savings can impact young people and help financial institutions grow in the long term.

Total Activity Time	15 Minutes
Session Objectives	<p>By the end of this session participants will have:</p> <ul style="list-style-type: none">Heard three reasons why savings are important for young people from a youth development perspective.Read the principle reasons that financial institutions site for offering saving services to young clients.

A. Why Youth Savings: Business Case (10 minutes)

- Let participants know that they will be reading a short handout that summarizes the main reasons financial service providers have mentioned for wanting to provide savings accounts to young people.
- Pass out the handout: Youth Savings Business Case
- Ask participants which of the reasons most resonated with them.

B. Why Youth Savings PowerPoint (5 minutes)

-  Prepare the “Why Youth Savings” PowerPoint
- Let participants know that you will be looking at a couple of slides to understand why savings matters from a youth development perspective.
- Show the “Why Youth Savings” PowerPoint.

Tip to the Trainer

Consider linking to specific topics mentioned during the icebreaker when participants talked about their first experiences savings.

Session 2: Youth-Inclusive Savings Design

In this session participants will endeavor to design a youth-inclusive savings product. In this pursuit, they will first review types of savings products that are currently offered and create a profile of a typical user of those types of accounts. They will then read a profile of a young person, and design a product that is NOT youth-inclusive in order to determine the main access, behavior, and skill barriers that young people may face in using savings products. Next, participants have the opportunity to read case studies in order to explore delivery models and product attributes that practitioners are using in order to make savings products more youth-inclusive. Finally, participants develop a youth-inclusive product.

Total Session Time	90 Minutes
Session Objectives	<p>By the end of this session participants will have:</p> <ul style="list-style-type: none">▪ Read a map of types of savings products.▪ Described the segment of adult clients that a particular savings product would serve using a profile tool developed for financial products.▪ Compared a potential young client to the adult target segments.▪ Identified three demands that young people typically have for savings services.▪ Identified three barriers that young people typically encounter in accessing savings services.▪ Designed a product that is inaccessible for young people.▪ Read about three innovations in delivery mechanisms.▪ Read three innovations for overcoming behavioral barriers to savings.▪ Discussed key considerations in offering incentives.

Overview of Activities

Activity Title	Duration	Materials Needed
2.1 Map of Savings Products	20 minutes	<ul style="list-style-type: none">▪ Handout: "Existing Savings Products" Handout
2.2 Demands of and Barriers for Young People	40 minutes	<ul style="list-style-type: none">▪ Handout: Youth Profiles▪ Flip chart▪ Markers
2.3 Innovations in Delivery Models & Behavior Barriers	30 minutes	<ul style="list-style-type: none">▪ Handout: Delivery Mechanisms Behavior Barriers and Sole Account Holders

Activity 2.1: Map of Savings Products

During this activity the participants are introduced to a sample of savings products as well as the type of financial institution that provides each service. Participants will also describe the segments that each of these products serve in order to be able to examine how appropriate the products are for young clients.

Total Activity Time	20 Minutes
Activity Objectives	By the end of this session participants will have: <ul style="list-style-type: none">▪ Read a map of types of savings products.▪ Described the segment of adult clients that a particular savings product would serve using a profile tool developed for financial products.

Steps:

A. Map of Savings Products Handout (5 min)

- Share with participants:

"There is a growing consensus among service providers that savings is a good entry point for youth-inclusive financial services. This is reflected in the YFS sector data, presented earlier, which showed an increased demand from service providers for savings products. It is also supported by other sector studies that show that youth do save and are interested in safe places to save. In this activity we review some examples of savings products for youth but first let's quickly ensure that we have a shared understanding of various terms related to savings before we begin analyzing the examples. These products were described by a group of financial service practitioners. It is not an exhaustive list, and you may know of other savings products."

- Split participants into two groups and hand each member of the group a card containing savings terms. Give each participant in group two cards that define the savings terms (ensure there is a matching term card for each definition card.) Ask participants to match the terms with the definitions within a five minute time limit. (More than one set of cards may be needed for groups larger than 18 participants).

Compulsory / Mandatory Savings	Savings payments that are required as part of loan terms or as a requirement for membership, usually in a credit union, cooperative, microfinance institution, village bank or <u>savings group</u> . Compulsory savings are often required in place of collateral. The amount, timing, and level of access to these deposits are determined by the policies of the institution rather than by the client.
Contractual / Programmed Savings	Savings in which the client commits to regularly depositing a fixed amount for a specified period of time to reach a pre-determined goal. After the maturity date, the client can withdraw the entire amount plus the interest earned. Early withdrawal is prohibited or penalized. Contractual products help depositors accumulate funds to meet specific

	expected needs, such as expenses associated with school, a festival, a new business, an equipment purchase, or a new house. They also help financial institutions better predict the volume and timing of deposits and withdrawals.
Demand / Sight Deposit Current account	These products are often the most popular product. Fully liquid accounts in which the saver may deposit and withdraw any amount at any time with no advance commitment. The saver must maintain a minimum required balance. Some institutions provide a 0% interest rate to offset the high administrative cost. Demand deposit transactions (deposits, withdrawals, transfers/payments) may be made using passbooks, debit cards and ATMs and/or POS devices, and, in current accounts, checks. If clients overdraw their demand deposit accounts, financial institutions generally charge penalties and/or high levels of interest if they do not reject the payment outright.
Informal Savings	Savings held outside of a formal financial institution. Informal savings mechanisms include saving at home – in cash or kind, savings groups, rotating savings and credit associations (ROSCAs), accumulating credit and savings associations (ASCAs), through reciprocal savings and lending with neighbors or relatives, and with money guards (friends or relatives willing to hold a saver's money for a period) or informal sector deposit collectors (people who charge a fee to hold a saver's money for a determined period). Informal savings devices are often highly convenient but may be unreliable, insecure and/or illiquid.
Term Deposit	A savings product in which a client makes a single deposit that cannot be withdrawn for a specified period of time. At the appointed time, the client withdraws the entire amount with interest. The financial institution offers a range of possible terms and usually pays a higher interest rate than on its demand deposit or contractual products. Because they tend to be larger than other types of deposits, have contracted withdrawal times, and involve fewer transactions, time deposits can provide a significant source of relatively low-cost funds that facilitate ALM. This is particularly true if an MFI can attract large and institutional depositors.
Accumulating Savings and Credit Associations (ASCAs)	Informal savings groups that resemble ROSCAs but are slightly more complex. In an ASCA, all members regularly save the same fixed amount while some participants borrow from the group. Interest is usually charged on loans. ASCAs require bookkeeping because the members do not all transact in the same way. Some members borrow while others are savers only, and borrowers may borrow different amounts on different dates for different periods. If members pay interest on their loans, the return to savings has to be individually calculated and fairly shared among the group.

Village Savings and Loan Associations	These are independent member-managed organizations that offer a sustainable and flexible range of financial services. They are self-selected groups of around 10 to 25 people who invest their savings in a loan fund, from which members can borrow. Interest-bearing loans are initially provided for 1-3 months but, over time, may increase to six months or more. Members can save in different amounts, varying their contributions according to their disposable cash, and may withdraw their savings whenever they wish. Loans are paid back in an agreed period of time, but at a rate of the members' choosing.
Self-Help Groups	Found everywhere, but especially in South Asia, these provide their members with a mandatory illiquid savings service coupled with access to loans. Composed of about five to twenty members, each group meets monthly or weekly close to members' homes. At each meeting all members save the same amount. The groups then lend these savings to members and store them in a lockbox or deposit.
Standard Savings	An account that allows an individual to accumulate financial assets. Maintenance fees may be charged and the account bears a minimum interest.
Investment Savings	Savings used to buy stocks and shares on the stock market, or buy into goods and services. Investment accounts entail significant risk, however potentially greater return.

- Once the term cards have found a matching definition answer any questions participants may have on savings products and methodologies
-
- Pass out the handout, “Map of Savings Products”

Map of Formal Savings Accounts

Characteristic	Current Account	Standard Savings Account	Term Deposits	Investment Savings
Definition	A typical transaction account. The volume of transactions is higher than a standard savings account. As a result, interest on it may be lower.	An account that allows an individual to accumulate financial assets. Maintenance fees may be charged and the account bears a minimum interest.	Also known as a time deposit, a bond or fixed deposit, a term deposit is a money deposit at a financial institution that cannot be withdrawn for a certain "term" or period of time. If the money is drawn early there is often a penalty. Generally speaking, the longer the term the better the yield on the money.	Savings used to buy stocks and shares on the stock market, or buy into goods and services. Investment accounts entail significant risk, however potentially greater return.
Where offered	Banks, cooperatives (in the form of shares)	Banks, cooperatives, and some MFIs	Banks	Banks, some MFIs
Common opening process	Go to financial institution, visit inquiry desk, present identification document, fill out required paperwork, provide minimum deposit, receive ATM card, passbook, or other material associated with account.	Go to financial institution, visit inquiry desk, present identification document, fill out required paperwork, provide minimum deposit, receive ATM card, passbook, or other material associated with account.	Go to financial institution, visit inquiry desk, present identification document, fill out required paperwork, provide required monetary amount, receive receipt.	Go to financial institution, visit inquiry desk, visit a financial planner, discuss options, present identification document, fill out required paperwork, provide required monetary amount, receive receipt.
Deposit & withdraw frequency	Frequent withdraws and deposits. Withdraws maybe more frequent than deposits. Deposits and withdraws can be accessed at a variety of points of service.	Deposits are more frequent than withdraws.	No withdraws until the account is mature. One deposit.	Very limited withdraws. Infrequent deposits- 2 times per year.
Critical Skill(s) for successful account use	Knowledge of financial institutions and their locations	+ Basis understanding of cash flow, savings goals	Advanced understanding of personal cash flow, accumulated savings	Understanding of risks involved, accumulated savings, relatively advanced financial experience

- Invite participants to take 2 minutes to read the chart.
- Connect to the next step by saying:

"We now have a range of savings product offerings available to clients. It's important to surface these products in talking about youth financial services because we realize that many products designed for young people start from already existing products. Now let's spend a couple of moments describing the types of clients that use these products."

B. Client Profile (15 min)

 Prepare a Client Profile flip chart that looks as follows. Leave the right column blank for now and be sure to remind participants to leave a blank column.

- Divide the participants into four groups and assign each group a different type of savings product.

Characteristic	Savings Client	
Income- source & predictability		
Typical family status		
Can provide needed requirements with little or no challenge		
Goals for account use		

- Invite each group to create a flip chart that describes the information sought in the flip chart above and post it in the room.
- Then invite participants to develop a “Client Profile” chart for their product. Invite them to imagine that they are writing a study about the savings account that they have been assigned. Part of their study is describing the kind of person that uses that account.
- Allow 10 minutes for the groups to develop flip charts and post them.
- Invite the groups to “take a tour” of the flip charts posted around the room. As they go on the tour, ask them to consider:
 - ➔ *What characteristics do you consider most important about a client when designing a savings product?*
 - ➔ *What if anything surprised you?*
 - ➔ *What other client characteristics may be important to consider in designing a savings product?*

Activity: 2.2 Demands of and Barriers for Young People

Total Activity Time	40 minutes
Activity Objectives	<p>By the end of this activity participants will have:</p> <ul style="list-style-type: none"> ▪ Compared a potential young client to the adult target segments. ▪ Identified three demands that young people typically have for savings services. ▪ Identified three barriers that young people typically encounter in accessing savings services. ▪ Designed a product that is inaccessible for young people.

Steps

A. Youth Profile (25 min)

- Link to previous activity and introduce this one:

“Now that we looked at typical types of savings products and the people who use them, let’s examine profiles of young clients. Being able to profile a client is important in terms of being able to design a product that is attractive and accessible to them. In fact, we are learning that savvy profiling through market research is one of the key in designing innovative products for financially excluded populations. We are going to use the profile tool in order to profile two young clients. This will be our starting point for identifying the demands and barriers that young clients face.”

- Assign two groups to read the profile of Gift and two groups to read the profile of Wisdom. Handout the appropriate profile to each group.
- Let the groups know that these profiles have been developed by compiling market research findings in several different places.
- Each group should then use the same flip chart as before (savings client profile) to fill in the information based on the case study they read. Remind participants to fill in the right column with the name of the young person they are profiling.

Characteristic	Savings Client	Gift/Wisdom
Income- source & predictability		
Typical family status		
Can provide needed requirements with little or no challenge		
Goals for account use		

- As participants are developing circulate around the room and listen for points of discussion.

- Invite one of the groups working on Wisdom's profile. Then ask if the other "Wisdom" group has anything to add. Do the same for the Gift group.
- Prepare a flip chart for "Youth Demand for Savings" that looks as follows:



Youth Demand for Savings

- Ask what are young people look for in a savings account

- Security
- Flexibility- Ability to make deposits that are irregular. Requirements that deposits be regular and fixed can push young people to exploitative adults or activities to get funds when their regular income is insufficient.
- Convenience- Services that are nearby and available during hours that are convenient for them.
- Financially accessible- Low or no minimum balances and fees, accept small deposits
- Liquidity- Ability to access savings in case of an emergency

- Prepare a flip chart for "Behavior Barriers to Savings" that looks as follows:



Behavioral Barriers to Savings

- Ask:

- ➔ *What are some of the behaviors that may make young people poor savers? (if the following expected answers do not naturally come from the group, explain to them that behavioral economists point to a couple of behaviors that can prevent savings behaviors.*

- Behavior of status quo: "Why change?", tendency of individuals to remain in their current situations because they are adverse to switching
- Availability: "Out of sight, out of mind", the tendency to make decisions based on the frequency that the mind can retrieve examples or information

- Hyperbolic discounting: “Instant gratification”, the preference for small-sooner rewards over larger-later rewards; get immediate value for money since cash flow is irregular

- **Ask:**

- ➔ *Based on what you have done, which of the products would be most appropriate for Gift and Wisdom?*

B. Youth Inaccessible Product (15 min)

- **Link to this step:**

Each of the groups has a sense of the target client, and how they would use this account. Now I would like for each group to design an account that is inaccessible.

- **Invite each group to develop youth-INaccessible products**
- **Invite each group to present their product on a flip chart**
- **Prepare a flip chart on barriers that looks as follows:**
- **After all the groups have presented de-brief by asking:**

- ➔ *What kind of access related issues made these accounts inaccessible?*

- Physical inaccessibility- for savers who wish to make a small deposit, services may not be useful if they require more than a few kilometers of travel, involve a significant wait, or are not available at convenient hour. Technology is changing that reality.
- Financial barriers- fees, opening balances, minimum balances may not be feasible for young savers.
- Fear of the bank or a sense that they are for the rich
- Identification requirements, proof of residence
- Age restrictions on account holding
- Lack of control over savings
- Information- youth may not know where they can save; youth are more cutoff than adults from information unless promotion is specifically geared towards them

- ➔ *What were some of the emotional barriers that may exist?*

- **Link to the next activity by saying:**

We have talked about the access and behavior-related issues that make savings inaccessible for young people. Now let's look at a couple of examples of how institutions have addressed both access and behavioral barriers to make savings products more youth-inclusive.

Activity 2.3: Innovations in Delivery Models and Behavioral Barriers

Total Activity Time	30 minutes
Activity Objectives	By the end of this activity participants will have: <ul style="list-style-type: none">▪ Read about three innovations in delivery mechanisms.▪ Read three innovations for overcoming behavioral barriers to savings.▪ Discussed key considerations in offering incentives.

Steps

A. Case Studies (30 minutes)

- Divide participants into groups of 4.
- Let the groups know that 1 person (in the group) will be assigned to read the case of Hatton National Bank, one person will read on rural banking in the Philippines, one person will read on SafeSave and innovations in behavioral barriers, and one person will read the piece on youth as sole account holder.
- Invite the groups to assign the reading.
- Handout one of each reading per group.
- Once they have read groups should answer:
 - ➔ *What substitutes exist for relying on bank staff?*
 - ➔ *How are financial institutions making the physical location of the banking hall more accessible?*
 - ➔ *Are there any game changers, that once available may change the landscape of financial services?*
 - ➔ *How are groups used?*
 - ➔ *What kinds of innovations help in overcoming status quo (why change? And availability (out of site out of mind) barriers?*
 - ➔ *What kinds of innovations help in overcoming hyperbolic discounting (instant gratification) barriers?*
 - ➔ *Why would client targeting be important in considering these delivery mechanisms and nudges to overcome behavioral barriers?*
- De-brief by asking:
 - ➔ *What are the roles of groups in youth savings?*
 - ➔ *What is a key consideration in offering incentives?*

➤ Do not over incentivize because this may lead to harmful behaviors.

 - ➔ *What are some key considerations in youth as sole account holders?*

➔ *Where do you think the greatest investment is in these delivery mechanisms and ways to overcome behavior challenges?*

- **Link to next activity by saying:**

"You have now explored what young demand and the barriers they face. You even created a youth Inaccessible product that serves as a guide for what NOT to do. We have also discussed some of the ways that practitioners are currently meeting those demands and overcoming the barriers. Now it's time to focus on what it takes to successfully create and implement a youth savings product."

Session 3: Thinking Ahead and Course Conclusion

In this session participants will be invited to apply the knowledge, skills, and attitudes they have acquired in solving a critical problem- whether an institution is ready to design and/or implement youth savings services and thinking of concrete actions for their own institutions. Session 3 is the most complex of the sessions in terms of the critical thinking skills that are required. As such, the trainer must be especially in tune with the results in order to ensure that participants are applying what they have learned.

Total Session Time	110 minutes
Session Objectives	<p>By the end of this session participants will have:</p> <ul style="list-style-type: none">▪ Identified three aspects to consider in determining whether a financial institution is ready to design and/or implement youth savings services.▪ Identified three signs that an institution is ready to design and/or implement youth savings services.▪ Reviewed the tools, concepts and approaches that they learned during the half-day <i>Savings for Young People</i> module.▪ Determined actions to consider and steps to take as related to the key learning objectives delivered throughout the course.▪ Written an evaluation for the <i>Saving for Young People</i> module.▪ Received a course certificate.

Overview of Activities

Activity Title	Duration	Materials Needed
3.1 Institutional Readiness	60 minutes	<ul style="list-style-type: none">▪ Markers▪ Flip chart
3.2 Thinking Ahead	35 Minutes	<ul style="list-style-type: none">▪ Handout: Thinking Ahead
3.3 Course Conclusion	15 minutes	<ul style="list-style-type: none">▪ Course evaluations▪ Certificates

Activity 3.1: Institutional Readiness

In this activity, participants will role play a product development firm and financial institution in order to draw out topics that are important to take into consideration when making a decision about whether an institution is willing to design and or implement youth savings products.

Total Activity Time	60 minutes
Activity Objectives	<p>By the end of this activity participants will have:</p> <ul style="list-style-type: none">▪ Identified three aspects to consider in determining whether a financial institution is ready to design and/or implement youth savings services.▪ Identified three signs that an institution is ready to design and/or implement youth savings services.

Steps

A. Case study on youth product development (10 min)

B. Role Play (45 minutes)

- Explain:

Each of your teams is a product design firm or financial institution. The product design firm has been hired by the financial institution to create a savings account for young people. As a firm, you know youth savings products involve high levels of innovation and dedication so part of your initial assessment is to see to what extent the financial institution is able to offer something attractive to young clients. Using what you know of designing and delivering youth savings products, your team will come up with a list of questions to help determine the level of readiness in serving young clients. As a financial institution you want to serve a youth market, but you don't really have expertise in working with young clients. So you have hired a firm to help you in that process. The firm has requested a session to get to know you better and you have accepted. Before you go, you meet with your team of senior managers in order to discuss the team's thoughts on developing a youth savings product.

- Assign each group the role of the product development firm or the financial institution.
- Allow each group to prepare for 10 minutes.
- Invite 2 groups to do the role play in front of the rest of the group.
- As the groups are role playing, make a list on a sheet of paper of the important aspects to consider in determining whether an institution is ready to design and/or implement youth savings products.

- Long-term commitment
- Buy-in at all levels
- Ability to overcome ID requirements

- Ability to overcome behavior barriers
- Innovations to allow young people to manage their account as sole account holders or open with others
- Ability to form partnerships

C. De-Brief (15 min)

- De-brief by asking the groups that role played:
 - ➔ *What did you do well?*
 - ➔ *What would you do differently if you had to do it again?*
- Ask the entire group and write answers on a flip chart:
 - ➔ *What were some signs that the institution is ready to take on a youth savings product?*
 - ➔ *What were some signs that the institution is not ready to take on a youth savings product?*

Activity 3.2: Future Plans

In this activity participants will apply the knowledge, skills, and attitudes they have learned throughout the course to their own institutions. They will be invited to write considerations and actions that are linked to the key learning objectives of the course.

Total Activity Time	35 minutes
Activity Objectives	By the end of this activity participants will have: <ul style="list-style-type: none">Reviewed the tools, concepts and approaches that they learned during the half-day <i>Savings for Young People</i> module.Determined actions to consider and steps to take as related to the key learning objectives delivered throughout the course.

Steps

A. De-brief module learning (15 min)

- Ask participants the following:
 - *Which of the tools, concepts and approaches explored during this course are of particular interest to you? Why?*

👉 Tip to the Trainer

You may wish to use a “facilitation de-brief kit” to de-brief the half day of learning.

B. Apply Learning Objectives (20 min)

- Pass out the handout: Thinking Ahead
- Explain that the handout summarizes the topics covered in the half day savings module. Participants should review each of the topics and write down something to consider and something to do. A consideration maybe something they found interesting or surprising. It is a thought worth keeping for immediate future use. “To do” is a concrete step that you will take after this course. Nothing is too small to write down. Write something that is realistic, concrete and doable within a limited time frame.
- Allow participants 15 minutes to work in their institutions to use the handout to guide their current thinking on youth savings products.

C. Sharing (Optional) (10 min)

- Invite volunteers to share any of their insights or plans.

Activity 3.3: Course Conclusion

In this final activity, participants will be asked to evaluate the course and receive related documents.

Total Activity Time	15 min
Activity Objectives	By the end of this activity participants will have: <ul style="list-style-type: none">▪ Written an evaluation for the <i>Saving for Young People</i> module.▪ Received a course certificate.

Steps

A. Course Evaluation (10 min)

- Hand out the course evaluation and ask participants to fill it out.

B. Course Certificates (5 min)