



## **Developing an effective financial education strategy for peri-urban and rural savings and credit groups**

**21 June 2013**

Final Evaluation Report

**Prepared by**

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# EXECUTIVE SUMMARY

SaveAct provides a savings-led savings and credit model (SCG) to rural and peri-urban communities in KwaZulu-Natal and the Eastern Cape in South Africa with the aim of smoothing household consumption, building assets and providing members with the opportunity to escape the debt spiral. The SaveAct methodology is built on three pillars, namely the establishment and facilitation of SCGs, financial education (FE) and enterprise development training. The FE is provided to members by community-based promoters (CBPs) who also facilitate the SCG meetings. The goal of the FE component is to build the capacity of SCG members to be better financial planners and directly complements SaveAct's savings and credit model.

This study aimed to evaluate the current FE curriculum used by SaveAct and its delivery to SCG members to help SaveAct in identifying and adapting the programme to be more effective through a design and implementation evaluation.

This comprehensive report presents the consolidated findings gathered during field research and an assessment of SaveAct's FE against global best practices. These serve to inform comprehensive recommendations and an implementation plan for improvements to the organisation's FE efforts.

## METHODOLOGY

An initial desktop review of SaveAct's current FE material, as well as an interactive workshop with SaveAct staff helped us to identify critical questions which would need to be tested in the field relating to the relevance, impact, timing and delivery of the FE content.

Twelve focus group discussions were held during field research in communities in KwaZulu-Natal and the Eastern Cape. There was no baseline data relating to financial literacy, and thus no analysis of a time series nature. Some of the main findings of this field research are listed below:

## MAIN FINDINGS

**Table 1: Main Findings of Evaluation of SaveAct's Financial Education**

Criteria	Finding
<b>Relevance</b>	<ul style="list-style-type: none"><li>• Commonly cited financial challenges experienced by SCG members include coping with a small amount of money; the need for better planning and prioritisation; the need to better manage debt and to avoid borrowing to repay debt, especially from <i>mashonisas</i>; the need to learn to plan for children's education; to start accessing formal financial services and issues relating to crime and security; and the desire to learn about starting business enterprises.</li><li>• The systemic nature of financial challenges makes it difficult for the members to identify, disassociate and articulate independent challenges in a categorised manner. As a result, members are reliant on SaveAct to determine the content of the FE messaging.</li><li>• Mechanisms for ensuring that the right topics are being covered must be ongoing.</li></ul>
<b>Impact</b>	<ul style="list-style-type: none"><li>• No SCG has completed the intended FE curriculum – the most FE any group has received is four of a possible fourteen sessions, and the roll-out of these sessions has been irregular. It is therefore unlikely that the FE will have had any significant,</li></ul>

Criteria	Finding
	<p>measurable impact in terms of the programme's expected results.</p> <ul style="list-style-type: none"> <li>• Members felt that FE could have a significantly positive impact on their lives.</li> <li>• For most groups, it was very difficult for members to distinguish between the impact that their participation in the SCGs has had on their lives, versus the lessons learnt from FE. However, the ability to distinguish between the contribution of the SCGs and the contribution of the FE is immaterial. The potential for harmony and reinforcement between the two is maximised within the SCG model.</li> <li>• Indication that there is high potential for the FE component and the SCG model to positively reinforce one another very neatly.</li> </ul>
<b>Efficiency and Timing</b>	<ul style="list-style-type: none"> <li>• A very mixed response from members, both within and across SCGs, to questions relating to their preferred structure and timing of the FE component.</li> <li>• The varying dynamics of the different SCGs indicates the need for flexibility across groups in the structure of the delivery of FE.</li> <li>• Delivery structures should be easily adjustable to best suit each group's circumstances, while ensuring that FE is not considered optional.</li> <li>• Appropriate consideration for time commitment and timing of delivery requires commitment to the FE component from both trainers and members.</li> </ul>
<b>Effectiveness and Delivery</b>	<ul style="list-style-type: none"> <li>• Most members supported the use of stories in the sessions, and particularly liked the use of pictures.</li> <li>• The literacy of members varies substantially, and thus the FE programme cannot require members to be fully literate.</li> <li>• Groups confirmed the suitability of their current facilitators to deliver the FE as they know and trust them.</li> <li>• The attributes of facilitators that members prioritise include knowledge of the content, approachability, punctuality, ability to explain things clearly, to answer questions and to create an open and trusting environment.</li> <li>• There was a very mixed response from members to the idea of receiving FE messaging via SMS. Some members felt that it would be useful to be reminded to attend SCG meetings, and of upcoming repayments, others were not 100% comfortable with the use of cellphones.</li> </ul>
<b>Observations of FE sessions (limited)</b>	<ul style="list-style-type: none"> <li>• Contradictory to the members' impressions, observations of the delivery of the FE sessions indicated that facilitators were not satisfactorily equipped to answer questions or to encourage discussions that related the material to the realities of members' lives.</li> <li>• Facilitators' lack of confidence with the FE content, would be significantly improved through more structured and regular training - first to address their own financial wellbeing, and then in the delivery of the SaveAct FE programme.</li> </ul>

## THE WAY FORWARD

The overwhelming outcome of our research and collaborations with FinMark Trust and SaveAct staff is that the SCG model is excellently placed to improve the financial capability of its members by **leveraging the existing infrastructure and group processes and seamlessly integrating the savings and FE components**. To date, the implementation of SaveAct's FE has not been as extensive and consistent as it could have been and FE is still seen as a separate and secondary task to the savings and credit component. It is therefore critical that the concept of financial capability becomes fundamentally embedded in the SaveAct model.

- The delivery of FE messaging should be **viewed as a conversation** during the SCG meetings during which members and facilitators can share their own experiences. In some cases, the group facilitators could make themselves vulnerable by opening up some real stories that would help the members to explore their own situations. This particular methodology involves no longer treating the delivery of FE as an add-on to an SCG meeting – facilitators will instead begin discussing certain topics without making members aware that they have moved onto FE. This nuanced approach to delivering FE messages would require facilitators to have a specific skill and thus, training of facilitators will be the component that is most crucial in the successful roll-out of this revised methodology.
- **Training facilitators on their own financial wellbeing** is critical to future success as it will empower them to become better financial role models and give them the confidence to deliver FE messages through conversations and answer questions and provide solutions to everyday financial challenges members may be facing. Prior experience indicates that sharing financial wellness training with the ‘deliverers’ of FE has proved to be a turning point in FE programmes.
- **A single facilitator’s guide** should be developed that combines guidance on how to train the groups on the savings meetings and how to deliver FE messages through conversations.
- Integrating the savings and FE components will require a restructuring of how facilitators are **incentivised and remunerated** as they will likely need to spend more time at group meetings (anticipated to be developed at only 20 minutes), and are currently compensated for the number of group meetings they facilitate.
- **Monitoring processes should also be embedded** in the process as far as possible using impact indicators that measure behavioural change, while understanding that particular outcomes will be a combined result of both the SCG and the FE processes.

An important step in the process of further integrating SaveAct’s FE and savings components will be to **align the delivery of FE messaging with a group’s savings cycle and touchpoints with facilitators**. While this applies to new groups, an important point to consider in the redesign of the FE strategy is that different strategies will need to be adopted according to SCG type – these include new groups, on-going mentored groups and graduated groups. A suggestion on how to continue the delivery of FE after a group has graduated is to **introduce a new office bearer** to the groups, such as an Education/Advice officer.

A roadmap for the implementation of these recommendations was drafted during a strategy workshop with SaveAct staff and is included in this report.

# 1. INTRODUCTION

This report presents consolidated findings of a design and implementation evaluation of the Financial Education (FE) component of SaveAct's model by Genesis Analytics for FinMark Trust. It provides a summary of initial impressions based on a desktop review and conversations with SaveAct staff, a comprehensive report on findings gathered during field research, and an assessment of SaveAct's FE against best practices. These impressions are then consolidated to inform comprehensive recommendations for improvements to SaveAct's FE component. Finally, the outcomes of this research, as well as a final workshop with SaveAct staff, have been consolidated into a roadmap for improving SaveAct's FE over the next 12 months.

# 2. CONTEXT

SaveAct is a South African organisation that uses a savings-led savings and credit model in rural and peri-urban areas of KwaZulu-Natal and Eastern Cape. Through approximately 850 savings and credit groups (SCGs) 20 000 members benefit from the model which has shown to smooth household consumption, build assets and provide members with the opportunity to escape the debt spiral. The SaveAct SCG methodology is complemented by a financial education (FE) component, the overall goal of which is to build the capacity of SCG members to be better financial planners. The FE is delivered to SCG members by community-based promoters (CBPs) who also facilitate the establishment and management of SCGs.

Financial education is a critical driver in improving financial capability and economic participation. Good savings behaviour and appropriate borrowing for needs such as small businesses, improved housing or children's education are critical skills for all people to be able to manage household and income-generation requirements. Without financial capability, people often find themselves stuck in an indefinite cycle of poverty and inequality.

# 3. OBJECTIVES OF THE STUDY

Previous research has shown that people's ability to make wise financial decisions and level of financial wellbeing improve with their level of financial literacy, thus FinMark Trust felt this to be an opportune moment to evaluate the current FE curriculum used by SaveAct and its delivery to SCG members. The findings from the study will be used to assist SaveAct in identifying and adapting the curriculum to be more effective while providing learnings for implementing effective FE programmes in community-based financial services groups throughout the SADC region.

This study aimed to evaluate the current financial education material and delivery strategy of the SaveAct FE component and comprises the following aspects:

- To understand the specific needs for FE content and whether the current material is suitable to meet these needs.
- To explore whether the current delivery strategy is the most suitable given the context, and its effectiveness in terms of behaviour change.
- The study will help SaveAct to develop a list of indicators and tools to be used for monitoring the quality of the training and its impact on people's lives.

- Where found to be needed, make recommendations with respect to improvements to the curriculum and the delivery strategy.

It is important to note that this is a design and implementation evaluation, rather than an impact evaluation. While SaveAct has developed a set of expected results/change of behaviours<sup>1</sup> for its FE component, no indicators have been specified against which progress in achieving these can be measured. As such, there is no baseline data. It would also be premature to conduct an impact evaluation at this stage in the SaveAct FE programme, as no SCG has completed the intended FE curriculum – the most FE any group has received is four of a possible fourteen sessions, and the roll-out of these sessions has been irregular. It is therefore unlikely that the FE will have had any significant, measurable impact in terms of the programme’s expected results, particularly in terms of behavioural change.

## **4. RESEARCH IMPLEMENTATION**

### **4.1. METHODOLOGY**

This design and implementation evaluation consists entirely of qualitative research and analysis. Research included:

- Desktop review of global financial education programmes,
- Desktop review of current SaveAct FE content and training material,
- An interactive workshop and in-depth interviews with SaveAct staff members,
- Focus group discussions (FGDs) with SCG members; and,
- On-site observations of SCG group meetings and specifically FE sessions.

### **4.2. DESKTOP REVIEW**

In order to gain an understanding of current best practices in financial education (FE), Genesis reviewed over 60 FE programmes from across 30 developed and developing countries. The ten identified best practices were then used to assess SaveAct’s programme based on a desktop review of training material and field research.

### **4.3. INTERACTIVE WORKSHOP WITH SAVEACT**

An interactive workshop held with representatives from SaveAct, FinMark Trust, and the research team early in the project, served three purposes:

- Share the desktop review and best practices with SaveAct;
- Gain greater understanding of the SaveAct model in practice; and,
- Coordinate the logistics for the field research.

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<sup>1</sup> Existing SaveAct FE objectives and expected behavioural changes given in Appendix 10.1

The workshop was held with representatives from SaveAct (Eastern Cape and KwaZulu-Natal offices), FinMark Trust, and the research team. The presentation of the best practices to the SaveAct team was a useful opportunity for them to reflect on how their current practices relate to global best practices.

In addition, SaveAct presented the SaveAct savings and credit model to the research team in great detail. This process was extremely helpful as it allowed the research team to develop a comprehensive understanding of the model in a holistic way, as well as identify how FE is currently intended to be implemented throughout the various processes, and potential adaptations for improvement.

#### 4.4. INITIAL IMPRESSIONS AND RESEARCH QUESTIONS

Through the desktop research and the workshop with the SaveAct team, initial impressions began to emerge. Based on the information gathered through these processes, a preliminary comparison of the FE programme against current best practices was conducted. This served to identify specific areas to be investigated in more detail and informed the final research questions for the field research.

The development of these questions was also informed by the OECD’s Development Assistance Committee (DAC) Criteria for Evaluating Development Assistance<sup>2</sup>, which provides best practice criteria for evaluation design. The criteria recommend investigation into five core aspects of a programme’s performance: relevance; effectiveness; efficiency; impact; and sustainability. Each of these aspects was explored so as to ensure thorough insight into the successes and challenges of SaveAct’s FE component.

Tables 2 and 3 present the guiding research questions that were used to elicit information from the focus group discussions.

**Table 2: Focus group questions for members who have had FE training**

<b>Relevance of the content</b>	<ol style="list-style-type: none"> <li>1. What are the most important financial issues/challenges in your daily lives? – Exercise to establish four most important areas for education.</li> <li>2. Which lessons/modules have you received?</li> <li>3. Was the content relevant? Is there anything you want to add or remove?</li> </ol>
<b>Impact</b>	<ol style="list-style-type: none"> <li>1. Have you changed your behaviour because of what you have learnt through the financial education? – Useful to get examples of ways that people have changed their behaviour</li> <li>2. Has the education had a positive impact on your life?</li> <li>3. Do you feel like you can pass on this information to other members of your community?</li> </ol>
<b>Efficiency: Timing</b>	<ol style="list-style-type: none"> <li>1. Do you have the FE sessions before or after your SCG meetings?</li> <li>2. How do you feel about the length of the sessions?</li> <li>3. Does it suit you best to have the education sessions at the same time as the SCG meetings, or would you prefer to have them conducted separately and if so when?</li> </ol>
<b>Effectiveness: Delivery</b>	<ol style="list-style-type: none"> <li>1. Do you like the way that the lessons are told through stories?</li> <li>2. Do you feel that there could be additional ways of helping you to learn the content (e.g. interactive exercises; pictures)?</li> <li>3. Would it help you to receive text messages to teach you more information</li> </ol>

<sup>2</sup> The DAC Principles for the Evaluation of Development Assistance, OECD (1991), Glossary of Terms Used in Evaluation, in 'Methods and Procedures in Aid Evaluation', OECD (1986), and the Glossary of Evaluation and Results Based Management (RBM) Terms, OECD (2000).

	throughout the month? 4. How do you feel about the trainers – are they the right people to deliver this messaging to you (e.g. are they financial role models; are they able to answer your questions and demonstrate the behaviour they are teaching etc.)?
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**Table 3: Focus group questions for members who have not had FE training**

<b>Relevance of the content</b>	<ol style="list-style-type: none"> <li>1. Would you like to receive training on personal financial management?</li> <li>2. What are the most important financial issues/challenges in your daily lives? – Exercise to establish four most important areas for education.</li> </ol>
<b>Efficiency: Timing</b>	<ol style="list-style-type: none"> <li>1. Does it suit you best to have the education sessions at the same time as the SCG meetings, or would you prefer to have them conducted separately, and if so, when?</li> <li>2. Would you prefer to have the FE sessions before or after your SCG meetings?</li> <li>3. What would be an appropriate length for a training session?</li> </ol>
<b>Effectiveness: Delivery</b>	<ol style="list-style-type: none"> <li>1. Would it help you to receive text messages to teach you more information throughout the month?</li> <li>2. How would you feel about your Field Officer or CBP being the trainer – are they the right person to deliver this messaging to you (e.g. are they a financial role model; are they able to answer your questions and demonstrate the behaviour they teach etc.)?</li> </ol>

The research team produced an Inception report and a Phase I report, detailing the early stages of the evaluation.

## 4.5. FIELD RESEARCH IN EASTERN CAPE AND KWAZULU-NATAL

Field research was conducted in communities in KwaZulu-Natal and the Eastern Cape by two teams of three members each, consisting of a Genesis researcher, a local language field researcher (recruited from UKZN), and a SaveAct Field Officer (FO). The teams conducted 12 FGDs with SCG groups, guided by a set of key questions (see section 4.4).

A training workshop was held in order to prepare the researchers in terms of the key research questions to be posed to SCG members as part of the FGDs. The field researchers were introduced to SaveAct and the SCG model, as well as the FE component and the objectives of the research project. They were also coached on best practices for conducting focus group discussions, and taken through translation and role play exercises to prepare them for the field, while allowing for input from the SaveAct FOs on their approach.

One field research team was deployed in KwaZulu-Natal, visiting groups in both the Richmond and Bergville areas, while the second team visited SCGs in the Eastern Cape, using Matatiele as their base. Focus group discussions were held with SCGs that had received FE as well as some that had not.

The initially envisaged sample size of 240 individuals was reduced to 189 due to unexpected circumstances. This sample size is still considered a representative sample size<sup>3</sup> and there is no reason to believe that the information gathered is limited by this particular challenge. Table 4 below describes the sample of SCG members that were reached over the duration of the fieldwork.

<sup>3</sup> A representative sample of 20,000 members would be 187 people given a 90% confidence level, a 6% margin for error and a 50% response distribution rate.

**Table 4: Details of the Focus Group Discussion Sample**

Date visited	Area and province	Name of SCGs	Date SCG started	FE status	# of members present at FGD
Tuesday 5 <sup>th</sup> 2013	Mehloloaneng, EC	Sinalo lthemba Khula Ugqame Masiphumele	January 2012	At session 3 with CBP	25
	Richmond, KZN	Abangomi	Jan 2012	None	15
		Sizonqoba	Jan 2012	None	6
Wednesday 6 <sup>th</sup> 2013	Matatiele New Stands, EC	Zakheni 1 Zakheni 2	August 2011	Observed session 3	20
Thursday 7 <sup>th</sup> 2013	Hebron, EC	Siyaphambili	November 2012	None	12
		Bopanang	December 2012	None	9
		Good Hope	January 2013	None	11
	Reserve B, Bergville, KZN	Khulekani	Dec 2011	None	32
		Siyazenzela	Jan 2012	Observed session 1	33
Friday 8 <sup>th</sup> 2013	Pontseng, EC	Thuthukani Phakamani	Dec 2012	Observed session 2	15
	Potshini, KZN	Zaminthuthuko	May 2009	At session 3 with CBP	6
		Phakamani	Oct 2008	At session 4 with CBP	5
<b>Total # members reached</b>					189

While SCG members were less communicative on certain questions than others (see Findings below), participants were, on the whole, very keen to share their views during the FGDs.

## 4.6. LIMITATIONS OF THE RESEARCH

Limitations of the research include:

- A limited number of FE sessions were observed
- The size of focus groups ranged quite significantly which had the effect of allowing those in smaller groups to have a greater opportunity to discuss than those in the larger groups.
- The sample size was not as large as was proposed, due to unforeseen circumstances.
- Only one in-depth interview with a CBP was conducted due to time constraints and limited one-on-one interactions with CBPs. In most cases, the main interaction was with an FO, not a CBP.

The research team did not feel that the acknowledged limitations in any way affect the findings and analysis thereof.

## 5. FINDINGS

### 5.1. RELEVANCE OF CONTENT

SCG members were asked to think about the financial issues that they face in their daily lives. The responses to this question were not as distinct as one would imagine they would be, possibly because the systemic nature of members' financial challenges makes it difficult for people to identify and articulate them in a categorised or independent manner. This becomes an overarching finding in itself, as it suggests that members will be reliant on SaveAct to determine and influence the content of the FE. This also means that SaveAct must be proactive at ensuring that appropriate topics are constantly being incorporated and renewed, very little of which has been done thus far. This places a lot of emphasis on monitoring and evaluation functions, as they will be the main channel through which SaveAct will be able to determine the suitability of the content and required adaptations over time.

Nonetheless, the challenge of **coping with a small amount of money** came up often. Many members described the struggle they face with their expenses being larger than their income. They described a need for **better planning and prioritisation**, and a strategy for working towards specific goals.

Another recurring theme was the need to **better manage debt** and to avoid borrowing to repay debt, especially from *mashonisas* (local loan sharks). Many members spoke about their desire to become less reliant on debt, and to learn how to get out of the debt they are currently in. An important point to note is that, although members describe a move away from relying on *mashonisas*, this is mainly because they have shifted their debt to the SCGs, and are now borrowing from within the group, rather than outside it. Although this is a much healthier way to borrow, members are not immune to over-indebtedness, even within the SCGs.

Many members also cited issues with respect to the **payment of school fees** and the need to learn to **plan for their children's further education**. They explained that they often found it difficult to pay school fees because they are due in January, and December is a month of high expenses due to the holidays. They also said they were aware that they needed to be more

disciplined about planning sooner for higher education, and wanted more information about how to finance this.

Two related issues that came up a number of times were a desire to better understand and to start **accessing formal financial services**, especially bank accounts; and issues relating to **crime and security**.<sup>4</sup> The two issues are interconnected as inclusion in the formal financial market is one strategy for addressing vulnerability to crime due to 'cash on hand'. There are obvious barriers to entry into the formal market for people in rural areas, most notably physical barriers; however, SaveAct is currently in discussion with Absa Bank and the retailer, PEP Stores around the design of a suitable and accessible product for rural SCGs. This link to formal financial services is an important focus area for the FE curriculum to explore, and its exact content should be shaped by strategic discussions, both within SaveAct, and with partners such as Absa Bank and PEP Stores, and others. However; it is not intended that the members' interest in formal financial products replace the SCG model.

Other issues that came up less frequently were the need to understand emergency funds, mostly for death, illness and job loss; issues relating to retirement: pension funds, provident funds, and investment; the need to understand hire purchase agreements and other contracts; family conflicts around finances, and disagreements about how money should be spent.

A large number of members expressed a keen desire to learn about **starting business enterprises** so that they could increase or supplement their incomes. Some said they wanted to learn about agriculture, some about sewing groups, and some wanted to learn about how to use natural resources productively to earn money. There is obvious overlap here with the *Isiqalo* (enterprise development) training that SaveAct offers at a small fee; however, there are some issues that can be preliminarily explored in an FE context, before members are given the opportunity to commit to the *Isiqalo* training. One woman spoke of how she had started a small business selling chickens, but that it had folded because she was unable to keep her business and household finances separate. This suggests that an FE module on *starting* small enterprises could give members an idea of some of the issues and strategies involved in starting a small business, and introduce them to some of the core principles, benefits and risks of this process. Members who then take an interest in actually starting their own small enterprises can choose to take up the *Isiqalo* training with more insight into what such a venture would entail.

## 5.2. IMPACT

Given that no SCG has completed the intended FE curriculum – the most FE any group has received is four of a possible fourteen sessions, and the roll-out of these sessions has been irregular. It is therefore unlikely that the FE will have had any significant, measurable impact in terms of the programme's expected results. For this reason, the focus group discussions with members were designed to test the members' perception of the potential impact that FE could have on their wellbeing, and to test their appetite for FE.

This hypothesis was, however, not entirely correct as there were some accounts of the impact of FE on behaviour already. For example, one respondent spoke of how she had started using a budget at home, and is sticking to it. Another said he used to make a budget and allocate all

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<sup>4</sup> Reference to issues of crime and security came mostly from KZN and may have been inflated by the recent attack on a SaveAct member in Bergville just weeks before the FGDs were conducted. Nonetheless, security is still a priority issue for SaveAct, and it retains relevance in the context of growing savings in communities.

his money to expenses, even if some of them were not necessities, but now he has learnt that he should save the money for non-necessities instead.

The overwhelming response from participants was that they felt that **FE could have a significantly positive impact on their lives**. Members who had received some level of FE argued that the sessions had been eye-openers for them, and some members mentioned small behavioural changes they had made in light of what they had learnt. Members who had not received any FE were very enthusiastic that they could benefit substantially from sessions that would help them better manage their money. It is important to note that SaveAct receives little feedback about FE in CBPs' monthly reports and so head office-based staff members often have the perception that there is little interest or demand for FE among SCG members. In reality this might be because the benefits of FE are not correctly introduced to members from the outset and/or members are not actively encouraged to attend and participate in FE, as well as the conflict for CBPs between delivering FE and continuously establishing new SCGs.

For most groups, it was very difficult for members to distinguish between the impact that their membership of the SCGs has had on their lives, and the impact of FE. Given the irregularity of the FE roll-out, it is unlikely that this confusion is due to the seamless integration of the two components, and more plausible that the current impact of FE has been very small. Nonetheless, the behavioural changes that were described to us by the participants were very closely linked with the intended outcomes of an FE programme, which indicates that there is **high potential for the FE component and the SCG model to positively reinforce one another** very neatly. Ultimately, the members' ability to distinguish between the contribution of the SCGs and the contribution of the FE is immaterial. What is critical is that the potential for harmony and reinforcement between the two is maximised.

When asked if they felt they could pass what they had learnt in the FE sessions on to other members of their families or communities, participants gave mixed responses. Some felt that they were not able to, but mostly cited reasons relating to a lack of receptiveness from other community members, or a need to keep matters relating to their SCGs private. Others said that they were able to, but we got the sense that this was more about their willingness and receptiveness, rather than the extent to which the members had absorbed the information and were confident and able to pass it on.

### **5.3. EFFICIENCY: APPROPRIATE TIMING FOR DELIVERY OF FE**

There was a very mixed response from members, both within and across SCGs, to questions relating to structure and timing of the FE component. The preferred length for an FE session ranged from one hour to three hours. Shorter sessions are preferred for reasons relating to concentration span but primarily due to time constraints on members' domestic and work commitments. The preference for longer sessions was usually based on a desire to have time to have meaningful discussions, to ask questions and to workshop ideas.

There was equal variation in preferences for the timing of FE sessions. Many members expressed a **preference for the sessions to be conducted before their SCG meetings so that they could internalise the learnings and put them into practice in the meeting**. This, they said, would help them plan how they would 'play' at the SCG meeting, including numbers of shares to buy and amounts borrowed. Other members said that having the FE on the same day as an SCG meeting would make their meetings very long, and it would be difficult to concentrate or to stay away from their other commitments for that length of time.

Members who expressed a preference for having FE on the same day as the SCG meetings explained that it was easier to just take one day off from their other commitments and to get everything done on the same day. It emerged through the course of our fieldwork that transportation in the villages is often very scarce, with bus and taxi services to certain areas sometimes only running twice a day. This makes it difficult for members to go to and from meetings at specific times, and often means they have to take a whole day off just to get to a one hour meeting.

Most groups felt that monthly training was appropriate, and would work well in the context of their monthly SCG meetings. Only one group expressed a preference for FE sessions to be held every second month.

This range in preference for the length, timing and frequency of FE sessions suggests that there is a **need for flexibility across groups in the structure of the delivery of FE**. Members all gave valid reasons for their preferences, and with some discussion, consensus was often reached within groups. On the other hand, however, the current degree of flexibility in the frequency and length of sessions does not seem to be conducive to the rollout of FE and has led to a lack of structure and ultimately, minimal implementation. Groups do not seem to be demanding sessions from their facilitators, and we did not get the sense that facilitators are actively encouraging groups to attend sessions regularly. This is potentially a result of a combination of a lack of understanding from the members with respect to the potential benefit of the FE, the facilitators' lack of confidence with the material, as well as the overwhelming demand for, and resultant focus for CBPs on, the establishment of new groups, rather than FE. One CBP also indicated that the impetus for delivery of FE sessions often comes from SaveAct in response to their reporting requirements. This suggests that there is too much scope for procrastination, which has contributed to a low level of FE being delivered.

Delivery structures should be easily adjustable to best suit each group's circumstances, while emphasising that FE is a critical component of the savings meetings, rather than a secondary and optional add-on. This could be illustrated with, for example, a story that highlights the central importance of good money management. This will assist in obtaining commitment to the FE component from both trainers and members.

One suggestion is that during a group's inception, the group should discuss and agree on a delivery structure for their FE curriculum best suited to their circumstances, and then commit to it. In the same way that groups discuss and design the structure and content of their SCG constitution, they can decide on the frequency, length and timing of their FE sessions, and then commit to it. This allows for both flexibility and structure and increases the likelihood that SCG members will attend FE training. A pilot training session, or discussion with an established group member that has benefited from FE, are potential ways to demonstrate the value and content of the FE sessions and will further encourage members' commitment from the outset.

## **5.4. EFFECTIVENESS OF FE**

Generally, FE has not been implemented with the expected rate and consistency as originally conceived. Fourteen modules were developed, but to date, the maximum any group has received is only four sessions, with the average being only one or two sessions very irregularly. This is an immediate concern - while SaveAct has the FE programme as a core component to reach overarching objectives; it is simply not being delivered.

### 5.4.1. Appropriateness of delivery

Members were asked about the mode of delivery of FE - what works and what alternatives they might suggest. **Most members supported the use of stories in the sessions**, as it helped them to understand the lessons and relate them to their lives. A few members said that the stories needed **more contextualisation, and the learnings should be supported by broader discussion**. One member said she liked the stories, but not when they were about animals, as she found these more difficult to relate to than stories about people.

Some members said they **particularly liked the use of pictures**, as they helped them to understand, relate to, and remember the lessons. Many members said that they would like to receive handouts that they could take home with them after an FE session, which would help them to remember and apply the information they had learnt. The suggestion of using a board or flipchart also came up in several groups, and was met with general support.

Some groups were also asked if they felt they would like to be able to include other family members in the FE lessons. They said this would help them address financial issues at home, and would assist them in getting their children to understand the constraints on the family finances. Others felt that they would not like to include family members, as they did not want to discuss financial matters more broadly than the group.<sup>5</sup> In the same way that groups discuss and design the structure and content of their SCG constitution, this is possibly another issue that groups should agree on together during the inception phase of their SCGs while also agreeing on an FE structure.

Without exception, **groups confirmed the suitability of their current facilitators to deliver the FE**, whether a CBP or an FO. On the whole, members did express that they would like the facilitator to be somebody that they know, but they did not require that they be from the same community. Members do not place much importance on the facilitator's own financial behavior, mostly because it is usually not observed. Instead, they prioritise attributes such as knowledge of the content, approachability, punctuality, ability to explain things clearly, to answer questions and to create an open and trusting environment. However, several members expressed the importance of the facilitator's ability to teach using his or her own experience as an example. This highlights the benefit of facilitators internalising and taking on the behaviour that they teach, so that they are able to express to members the benefits that the tools and lessons have had on their own lives.

There was one group, however, that felt they would like the FE to be delivered by somebody they didn't know, as this would give the facilitator the opportunity to generate original ideas, and would liberate the lessons from the influence of community issues. This is a valid perspective, and the occasional introduction of outside trainers may, in theory, be beneficial. However, the cost implications of this means it is unlikely to be something worth exploring.

There was a very mixed response from members to the idea of receiving FE messaging via SMS. Some members felt that it would be useful to be reminded to attend SCG meetings, or repayments that needed to be made at the next meeting, or the date of the next FE session. There was a strong sense that this service would only be desirable if it was free and in their local language.

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<sup>5</sup> We suspect that these cautions arise from and are inflated by members' reservations about talking about the internal affairs of their SCGs, which has implications for the group's privacy and safety.

Some members noted that they couldn't read, or that their children tampered with their phones, and therefore receiving FE messaging via SMS would not be beneficial. We also encountered a significant level of apprehension that stemmed from stories of bad experiences with scams, and a mistrust of the technology in general. This is an important finding for SaveAct beyond the FE.

## 5.4.2. Observations of FE in practice

During our field research, we observed the delivery of the following FE sessions:

**Table 5: FE Sessions Observed**

Date visited	Area and province	Name of SCGs	Date SCG started	FE status	# of members present at FGD
Wednesday 6 <sup>th</sup>	Matatiele New Stands, EC	Zakheni 1 Zakheni 2	August 2011	Observed session 3	20
Thursday 7 <sup>th</sup>	Reserve B, Bergville, KZN	Siyazenzela	Jan 2012	Observed session 1	33
Friday 8 <sup>th</sup>	Pontseng, EC	Thuthukani Phakamani	Dec 2012	Observed session 2	15

The sessions that we observed were between 20 and 40 minutes long and generally began with the facilitator asking members to recall what they had learnt in the previous session. In general, members recalled some basic points from previous sessions, but were not able to provide much detail or give the impression that they had grasped the previous session, which is probably a result of the irregularity with which the sessions are held. Recalling previous sessions is a good way to start an FE session, as modules often overlap and relate to lessons learnt in previous sessions. It captures the attention of the participants, ensures that they are focused and engaged, and reinforces knowledge through repetition. The facilitator then explained the transition into the present session, and proceeded with the lesson.

In general the facilitators seemed prepared and familiar with the content of the modules they presented. Lessons followed the written content of the facilitators guide very closely. In two out of three observed sessions, however, very little discussion was held, and participants were not encouraged to think about how the lessons related to their own lives. This is the crucial step required to make the content relevant to the lives of the members and to encourage them to think about how they can apply the lesson to their own situations.

In some cases, where questions were asked, the facilitators appeared to not provide satisfactory answers. In one of the sessions, for example, a participant asked the CBP what she could do to help her fulfill her dreams and prepare for the future. It was another member that responded, saying that being a member of the SCG is a first step because all the members have goals that they want to reach. This presented a good opportunity for the CBP to ask for more information about the member's specific goals and to equip her with appropriate tools and plans to help her achieve them. However, she did not step in and the session ended on this note.

In another session, the facilitator was engaging and presented the material in an appealing way, but she provided some incorrect information, and was also not able to answer questions adequately. In addition, the main point of her lesson was that members should make a spending plan each time they go to the shop, compare it with the money they have, and then if there was anything left over; spend it. In contrast, we would prefer to advise that members build savings into their budgets up front so as to prioritise saving.

Our observations of the delivery of the FE sessions indicated that **facilitators were not satisfactorily equipped** to answer questions or to encourage discussions that related the material to the realities of members' lives. This will be a critical area to address in improving the impact of the FE component of the SaveAct model. Facilitators need to feel empowered to answer questions and need to be confident enough to take the content beyond what is in their facilitators' guides and to relate it to individuals' situations.

### 5.4.3. Perceived weaknesses of the existing content

A thorough review of the existing FE content was undertaken by the research team, as the foundation material is a critical element for success of the programme. The following issues were identified in the material review<sup>6</sup>.

- The introductory boxes at the top of each session vary in layout and content. This needs to be standardised or rather redesigned to make it facilitator friendly.
- The depths of the experience or learnings appear to be compromised due to the time constraints.
- The layout is not conducive to easy facilitation.
- It appears that the guide has not been edited as there are numerous errors in spelling and grammar.
- Some of the expressions and idioms are quite complicated and it is questionable if they are understood and/or lost in translation.
- The order of the modules does not reflect any continuity except for the wise use of 5 minutes of reflection at the beginning of each section. This is possibly due to the model where facilitators and participants can choose what module they would like to do next. This then satisfies, at some level, the needs for FE felt by members, but does not cater for the elements of 'not knowing what you need to know' because members are unaware of the necessity of certain FE lessons.
- There is value in the stand-alone modules in the present format but if FE sessions were made compulsory the structure of the process could change to be able to construct cumulative impact by building one learning onto the previous ensuring learnings.
- Experiential learning is one of the most effective processes of changing behaviour. While there is a lot of opportunity for group discussion there is not much allowance for members' personal reflection or practice of what is taught.
- The characters used in the FE content, Bongzi and Thandi should preferably be used as regular players in the dialogue and be at the core of the teaching. The story about 'Bongzi and Thandi' has been very effective - it has become part of the conversation and people are typecast with these names in the communities. The personal identification with these characters would be a strong element of reinforcing the lessons learned.

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<sup>6</sup> It is important to note that the FE content development and roll-out was done on a small budget and with the help of a foreign volunteer whose first language is not English

- Encouragingly, the training makes extensive use of case studies involving typical experiences of people living in circumstances similar to SCG members. These examples are used as a basis for encouraging discussion and reflection on ways of improving money management.

## 6. RECOMMENDATIONS FOR SAVEACT TO ALIGN TO BEST PRACTICES

A set of best practices were established through a global review of over 60 FE programmes from across 30 developed and developing countries. In applying the best practice concepts to the SaveAct programme and feedback from the focus group discussions, specific areas of improvement have been identified.

### 6.1. DEFINING OBJECTIVES AND EXPECTED OUTCOMES

Targeted definition of objectives and expected outcomes is essential for the success of any intervention. It is recommended that, before redesigning any content, SaveAct should conduct a strategy session to develop clear objectives and expected outcomes for the FE component<sup>7</sup>. This will provide direction for the development of new content, and will inform the design of structured M&E functions which can directly test the programme's progress in achieving those outcomes. The inclusion of as many FOs and CBPs as possible in this process (preferably after they have received their own personal FE training so that they have a broader concept of what may be possible and available) will also enhance the implementing team's effectiveness in achieving these objectives, as they will better understand and take ownership of the intended outcome of the programme.

The outcomes and objectives that are developed should directly inform the FE content. These should, in turn, inform the selection of directly measurable indicators, on which the programme's ability to achieve its objectives is measured. A logical framework should be developed to ensure that all resources and activities, outputs and outcomes, and indicators are aligned. Appendix 10.2 is an illustration of what the current programme's logical framework would look like, based on the current facilitators' guide and rollout structure.

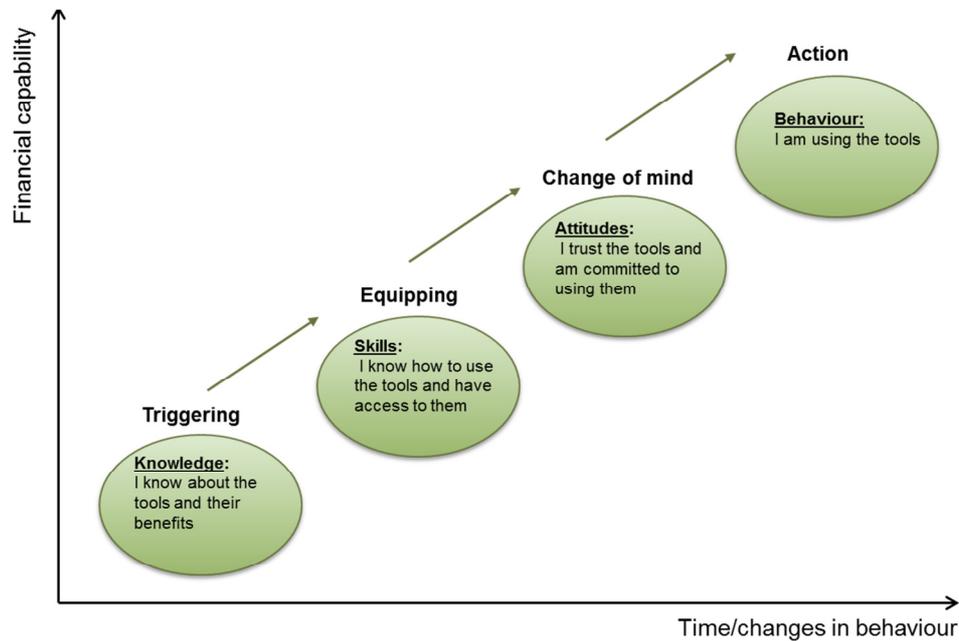
The recommended strategy session should explore a new proposed logical framework which articulates more targeted and measurable outcomes, with revisions made as appropriate. Figure 1 illustrates the different levels of outcomes that an FE programme can have. The current outcomes that have been specified in the SaveAct FE facilitators' guide address outcomes at the level of *knowledge*; triggering awareness about available tools and their benefits. For example, the "expected results" for Training Session 1 are to move members "from a fixed view of their money management with no, or very little, possibility of change, to one open to hearing and thinking about other options". It is advised that the expected results of the SaveAct FE component be rephrased with the aim of achieving changes at the level of *behaviour*, where members actually put their knowledge and skills to use. It is only here that changes in financial wellbeing will occur. In order to do this, outcomes, and hence content, need to be designed to move through all proceeding levels and ultimately achieve results at the behavioural level.

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<sup>7</sup> An initial workshop was held in April 2013 in Pietermaritzburg with SaveAct staff, the Genesis team and FinMark Trust

A particular advantage of SaveAct is that good financial behaviour is already embedded in the SCG model and so the FE component should be able to leverage off this very easily in terms of improved financial capability through outcomes at the behavioural level.

**Figure 1: The components of financial capability for M&E purposes**



Below are some illustrative targeted outcomes which were identified and which are based on the current programme content and feedback from SaveAct staff and SCG members. These are the kind of outcomes that should be identified during the strategy session and will also be easier to identify potential indicators for ongoing measurement. Note that these all refer to changes at the level of *behaviour*.

- Members plan ahead for expenditures and make and use budgets to manage their money
- Members have a savings plan and save regularly (as demonstrated in the SCG activities)
- Members pay fees, bills and loans on time throughout the year without borrowing from a loan shark
- Members spend less than they earn
- Members maintain an emergency savings account
- Members draw up wills
- Members save for funeral costs
- Family members openly communicate with each other around their income and expenses

## 6.2. SECURING TRUST AND MEETING EXPECTATIONS

The field research indicates that many groups are not aware of SaveAct's FE offering, or of the benefits of FE in general, and therefore they do not take the initiative to request FE sessions with their facilitators. It will be important for SaveAct to establish the understanding among SCGs that FE is a mandatory component of SCG meetings and can deliver a number of

benefits to members. The process of agreeing upfront to a set structure and schedule for the delivery of FE will assist with affirming expectations.

All the groups interviewed indicated that they trust their CBP or FO to facilitate the delivery of FE. In this sense, SaveAct is well positioned to ensure that members are able to openly discuss their financial challenges and are likely to trust the information they are given in the lessons.

However, observation of FE sessions in the field revealed that facilitators will benefit hugely from thorough and even on-going training<sup>8</sup>. It is recommended that a process begins with a **workshop to address facilitators' own financial wellbeing; allowing them to reflect on and learn about managing their own financial lives**, before seeking to assist others in doing the same. This process serves both to empower facilitators and increase their confidence in effectively delivering FE. It will also give them a firm base from which to share their own experiences, which will assist in the process of making members aware of the benefits of FE and encouraging members to commit to regular training.

### 6.3. LANGUAGE AND LITERACY

It appears that there are mixed levels of literacy among members in any given group. There was clear support for the use of stories and pictures in the training and many members expressed a desire for the incorporation of flipcharts and take-home materials to supplement their learning.

It was clear that FE should continue to be delivered in members' mother tongues. It is also suggested that SaveAct investigate with the facilitators whether it would be beneficial to fully translate the trainer guides into the various languages in which the programme is taught. It was noted that some facilitators had made notes on their English trainer guides in the language of delivery. Translating FE content into other languages is known to be quite difficult, as certain terms and concepts do not exist in some languages and need careful explanation. In light of this, it might be worth testing the appetite for translated guides, so that facilitators are equipped with effective ways of discussing specific topics.

### 6.4. TRAINING ARRANGEMENTS

Current training arrangements were found to be flexible and vague, which is not conducive to the roll-out of FE. Groups and facilitators must decide on and commit to a delivery structure that suits them. If this is done inclusively, at the outset of the formation of the SCG, in the same way that the groups agree on their own unique constitution, this will emphasise the importance of the FE as an integral part of the SaveAct model. A pilot training session, or discussion with an established group member that has benefited from FE, are potential ways to demonstrate the value and content of the FE sessions and will further encourage members' commitment from the outset.

### 6.5. LEVERAGING EXISTING STRUCTURES

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<sup>8</sup> Currently, after an initial training session with the content developer, facilitators receive training about three times a year where they revise sessions and then choose a session each to present to others. This could be enhanced by greater focus on FE topics and how they relate to the facilitators' lives.

The SCGs provide an ideal platform from which to leverage FE as good financial behaviour is already embedded in the SCG model. Members were clearly able to draw the link between the context of the SCGs and the concept of increasing their financial wellbeing through FE. SaveAct should definitely take advantage of this platform by fundamentally embedding the concept of financial capability into its model.

## **6.6. LIFECYCLE INTERVENTIONS**

The field research tried to uncover the lifecycle moments that members are experiencing, and which the FE should therefore address. This proved to be more complex than expected, but some insights were noted, in particular, the trends suggest that respondents would benefit from content that addresses the following issues:

- The dilemma of low incomes and large expenses
- Debt management and responsible borrowing
- Planning for education
- Accessing formal banking services
- Issues around crime and security
- Planning for the unexpected
- Information on small enterprise development

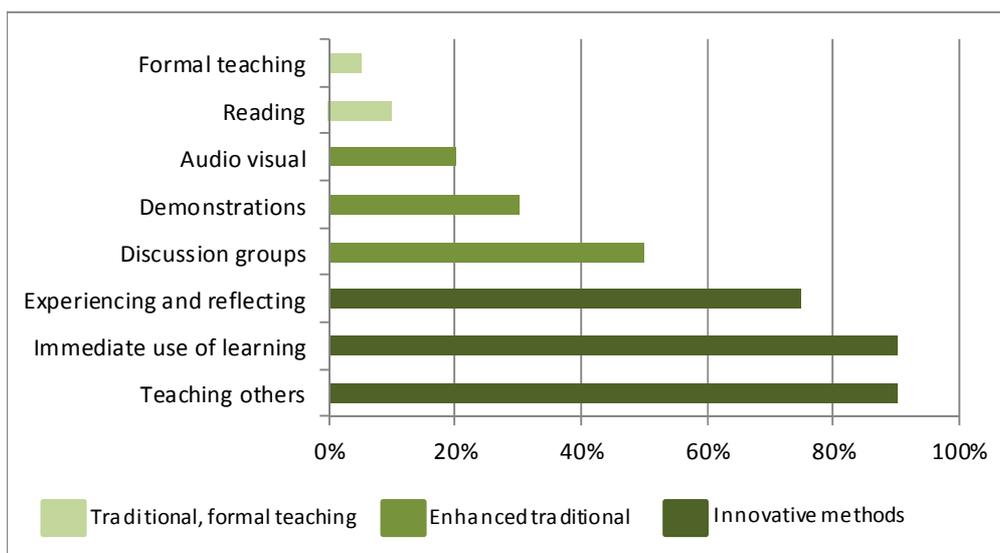
This list is not exhaustive, as it is difficult for individuals with low levels of financial literacy to identify areas where they could improve their financial knowledge and behaviour. The content should therefore be revised in such a way so as to ensure the incorporation of these issues, but not to remove any topics from the existing content.

Given the difficulties associated with understanding the FE needs of the members, new content should be seen as work-in-progress, and its appropriateness be tested among members on an on-going basis. Participants, as well as facilitators, should be given the opportunity to provide feedback on the content as it is rolled out among groups. Continuous M&E should also seek to uncover the relevance of the content among members, and should carefully measure the extent to which it is being absorbed and implemented.

## **6.7. APPLICABILITY AND PRACTICE**

At present, FE sessions do not contain any interactive exercises or provide members with opportunities to participate beyond discussion. The USA National Learning Laboratory categorised eight different teaching methods and identified the most effective methods to encourage retention by learners. These were identified as teaching others; immediate use of learning; and experiencing and reflecting. This is illustrated in Figure 2 below.

**Figure 2: Effectiveness of different teaching methodologies**



Source: USA National Learning Laboratory

The suggestion that flipcharts and handouts be incorporated into the delivery mechanism indicates that members would be receptive to more interactive modes of learning. It is suggested that SaveAct look to incorporate these types of exercises and delivery tools which will allow members to engage more with the content.

Furthermore, in addition to being relevant to the lives of the members, content needs to be made applicable to individuals' unique situations. This relies on the facilitators' ability to allow for and create discussion around people's own financial lives. The immediate contextualisation of the content enhances the likelihood that members will internalise the learning and implement it in their own lives. It also provides an opportunity for members to discuss factors that might prevent them from taking on certain practices, and for facilitators to assist them in finding ways of overcoming those barriers. This again emphasises the importance of empowering facilitators and improving their confidence with the FE content and messages.

## 6.8. UNDERSTANDING CONTEXT DIVERSITIES

The fieldwork confirmed that SaveAct, as an organisation, is well positioned to understand and respond to the intricacies of the diversities across the communities in which it operates. The primary reason for this is that the facilitators are community members themselves, and interact regularly with the group members. For this reason, it is recommended that FOs and CBPs be included in the process of developing and reviewing new FE content, as well as defining the expected outcomes of the programme, with a view to ensuring that these insights are incorporated into the material.

## 6.9. CONSTANT INNOVATION

Innovation should consider two particular elements:

- Innovation in content and messaging particularly considering new developments in the financial space.

- Innovation using new teaching and learning techniques including information and communications technology (ICT).

Content should be continuously monitored and updated to ensure that it is covering the relevant and contemporary topics for the members; specifically, SaveAct's exploration of the prospect of introducing a formal banking product suited to the SCG model (understanding the need for improving the security of SCGs' money which will increase their financial security as well as an increase in members' exposure to formal banking services in general). Once this offering has been developed, additional FE content will need to be incorporated to address the management of these particular accounts.

There are constant developments with respect to new technologies available for educational purposes. This was specifically explored with the SCG members, however; they were not particularly inspired by the possible use of mobile technology to disseminate the information.

Participants were not significantly enthusiastic about FE content being communicated via SMS. However, a number of members expressed an interest in an SMS functionality geared more toward reminding them of upcoming meetings or FE sessions as well as repayment responsibilities. Perhaps if an SMS platform is designed and framed in this way, members will become more receptive to receiving FE content in this way once they have built more trust in the system.

Recent research suggests that the mobile-platform is not a silver bullet for education in all contexts, and that careful consideration should be given to its ability to achieve efficiency as a vehicle for education.<sup>9</sup> Raftree and Martin advise that "powerful mobile learning experiences require 1) engaging content, 2) a social platform, and 3) relevant facilitation."<sup>10</sup> In light of this, SaveAct should weigh up the costs of administrating this platform and overcoming members' skepticism and lack of enthusiasm for SMS-based training with the anticipated value addition that such an offering would create. There was a strong sense from members that face-to-face learning was a priority for them, and since members are able to meet for training anyway, it may not add sufficient value to the training programme to justify its implementation as a training tool.

While many opportunities may exist, it is important that SaveAct not embark on a huge mobile-based campaign without further exploring the members' actual comfort and interest in mobile-based communication.

## 6.10. MONITORING AND EVALUATION (M&E)

As mentioned above, comprehensive M&E processes should be put in place to keep track of the programme's performance against clearly defined objectives. Two types of monitoring are recommended. These two approaches should be employed concurrently in order to track both the on-going functioning of the programme, as well as its overall ability to achieve its objectives.

1. **Process monitoring**, which is designed to extract a constant stream of feedback on the on-going performance of the programme. This allows for immediate action to resolve challenges as they arise, and to constantly improve the programme on the

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<sup>9</sup> Raftree, L. and Martin, N. 2013. What's Holding Back Mobile Phones for Education? Stanford Social Innovation Review. [http://www.ssireview.org/blog/entry/whats\\_holding\\_back\\_mobile\\_phones\\_for\\_education](http://www.ssireview.org/blog/entry/whats_holding_back_mobile_phones_for_education)

<sup>10</sup> *ibid*

basis of the feedback received. This function will be particularly important in terms of assessing the appropriateness of the programme's content for SCG members.

2. **Impact monitoring**, which constitutes a thorough investigation into the programme's performance on targeted indicators over a period of time. This type of evaluation typically involves baseline and endline measurement of these indicators, after which analysis is conducted to establish the programme's impact.

In order to implement effective M&E, realistic and measurable indicators need to be developed. Illustrative indicators based on the current content have been listed below, where members report that they:

- Are making use of budgets regularly
- Are managing to pay their bills and expenses on time
- That they have a savings plan
- That they have not borrowed from a *mashonisa* or other informal lenders in the past 6 months
- That they are saving money regularly
- That they maintain an emergency savings account
- That they have drawn up a will
- That they save for funeral costs
- That they are able to communicate more openly with their families around financial matters

## 7. EMERGING CONSIDERATIONS AND PRIORITIES

The research findings indicate that the SaveAct model provides a highly conducive platform off which to leverage FE, particularly as good financial behaviour is already embedded in the SCG model. The field research revealed that there is significant demand for the knowledge and skills that can be gained through FE training. There is potential for the FE component to have a meaningful impact on the financial wellbeing of the SaveAct members in conjunction with the SaveAct savings and credit model. In order to do this and to therefore unlock the potential of the FE component, initial recommendations include several key actions:

1. A focused strategy session should be conducted among SaveAct staff to develop an implementation plan for the improvement of SaveAct's FE component, and to review and update the initial logframe developed (Appendix 10.2), which defines clear and targeted programme objectives and outcomes, targeted at the behavioural change level, as well as indicators on which performance can be measured.
2. FE facilitators need to be given thorough training, first to address their own financial wellbeing, and then in the delivery of the SaveAct FE programme. Training facilitators is critical to future success as it will empower them to become better financial role models, give them the confidence to train members on all aspects of the FE programme, encourage members' commitment to the programme and be able to answer questions and provide solutions to everyday financial challenges members' may be facing. This is a major priority and would perhaps provide the greatest value for money invested.

3. SaveAct should investigate with the facilitators whether it would be beneficial to fully translate the trainer guides into the various languages in which the programme is taught.
4. SaveAct should incorporate a process through which groups decide on and commit to an FE delivery structure (timing, length, frequency) that suits them. This must be done inclusively, at the outset of the formation of the SCG (in the same way that the groups agree on their own unique constitution) to emphasise the importance of the FE as an integral and embedded part of the SaveAct model. A pilot training session, or discussion with an established group member that has benefited from FE, are potential ways to demonstrate the value and content of the FE sessions and will further encourage members' commitment from the outset. The introduction of greater structure for FE training is fundamental to its successful rollout and its ultimate impact.
5. The content should be redesigned in consultation with facilitators to incorporate improvements to the weaknesses identified. New content should be seen as work-in-progress, and its appropriateness should be tested among members and facilitators on an on-going basis.
6. Interactive teaching methodologies should be incorporated into the new curriculum and content must be actively related back to the lives of the members so as to enhance learning.
7. SaveAct should continue to investigate the practicalities and potential value addition of incorporating a mobile platform into the SaveAct model. If pursued, this should be provided as an administrative tool to begin with and then, based on members' receptiveness, the potential to use the platform for supplementary FE messaging can be explored.
8. SaveAct should continue to collaborate on the development of a formal financial product suited to the SCGs. Once this offering is made available, FE content needs to be developed to facilitate the effective uptake and use of this and other formal products.
9. Both process monitoring and impact evaluations need to be designed and implemented in order to ensure the on-going improvement of the FE component.

## **8. OUTPUTS OF STRATEGY SESSION**

Following the field research and the analysis of the data, a strategy session was held with the relevant stakeholders. The objective of this session was three-fold:

- Revision of objectives and expected changes and the development of an indicative list of indicators
- Prioritisation of recommendations as proposed in the evaluation report
- Roadmap for SaveAct to follow over the next 6 months towards improving the FE component

## 8.1. IMPORTANT CONSIDERATIONS

The overwhelming outcome of the research and collaborations with SaveAct staff is that SaveAct is excellently placed to improve the financial capability of its members by **leveraging its existing infrastructure and seamlessly integrating the savings and FE components**. To date, the implementation of SaveAct's FE has not been as extensive and consistent as it could have been and FE is still seen as a separate and secondary entity to the savings and credit component. It is therefore critical that the concept of financial capability becomes fundamentally embedded in the SaveAct model.

Additional important considerations that emerged during the strategy workshop include:

- The delivery of FE messaging should be **viewed as a conversation** where members and facilitators can share their own experiences and, in some cases, make themselves vulnerable. This involves no longer treating the delivery of FE as an add-on to an SCG meeting – facilitators will instead begin discussing certain topics without making members aware that they have moved onto FE. This nuanced approach to delivering FE content means that the ability and training of facilitators will be the component that is most critical to the successful roll-out of this revised methodology
- **Training facilitators on their own financial wellbeing** is critical to future success. Prior experience indicates that sharing financial wellness training with the 'deliverers' of FE has proved to be a turning point in FE programmes
- **A single facilitator's guide** should be developed that combines training the groups on the savings meetings and the delivery of FE messaging through conversations
- The delivery of FE messaging should **maximise short moments/touch-points** between facilitators and members
- Members demonstrate significant excitement at forming a SaveAct SCG - the integration of FE into the savings model should **harness this excitement** and direct it towards learning how to better manage one's money while saving regularly and borrowing responsibly
- Most financial challenges facing members relate to the hardship involved in making **day-to-day financial choices**
- Integrating the savings and FE components will require a restructuring of how facilitators are **incentivised and remunerated** as they will likely need to spend slightly longer at the group meetings (anticipated to be developed at only 20 minutes), and are currently compensated for the number of group meetings they facilitate.
- **Monitoring processes should also be embedded** in the process as far as possible, while understanding that particular outcomes will be a combined result of both the SCG and the FE processes.

## 8.2. AVERAGE SCG CYCLE

An important step in the process of further integrating SaveAct's FE and savings components will be to **align the delivery of FE messaging with a group's savings cycle and touch-points with facilitators**. The existing average 18 month cycle (from group inception to graduation) is detailed below.

- **Preparatory phase:** This provides general information to prospective SCG members.
- **Intensive phase (4 months):** Each new SCG is monitored by a FO or CBP at **each monthly meeting** for the first 4 months.
- **Development phase (8 months):** **Four visits**, arranged such that SCGs can manage four meetings on their own. During the last month in the phase, the FO/CBP should be preparing the group for share out.
- **Maturity phase (6 months):** **Three visits**; the first two visits are immediately after the SCG's share out to ensure the constitution is reviewed for new members. FO/CBP makes sure new members understand the SC methodology and that they sign the constitution. The last visit is to verify that the SCG is ready to 'graduate' and operate independently.

Figure 3: SCG training and supervision schedule

Prep		Intensive phase				Development Phase						Maturity Phase								
A	B	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	
1 - 2 wks		1 week – 1st		2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th	16th	17th	18th
Legend																				
<b>A</b>	Introduce SCG concept to community					<b>2</b>	Day 2: Role and development of constitution Form: Attendance register					<b>7</b>	Form: MIS							
<b>B</b>	1st meeting with new SCGs					<b>3</b>	Day 3: Savings meeting procedures and first savings meeting (savings and loans) Forms: Attendance register, baseline, MIS, contract between CBP and group FE: Module 1					<b>8</b>	Share out meeting Forms: Share out form, change of phase, reflection on previous cycle. If group starts new cycle, then do MIS.							
	Supervised visit to SCG					<b>4</b>	FE: Module 2						Unsupervised SCG mtg, group manages meetings on their own							
<b>PC</b>	Phase Change					<b>5</b>	FE: Module 3					<b>9</b>	Form: MIS							
<b>1</b>	Day 1: SaveAct's three-pillar mode, Non-negotiables, leadership role, elections, social fund Form: Attendance register					<b>6</b>	FE: Module 4 Form: MIS, Change of Phase					<b>Grad</b>	Form: MIS and change of phase							

Note: The red circles indicate a supervisor's attendance at: the first savings meeting; the two phase changes; share-out.

Note: The FO/CBP may increase the frequency of visits in the Intensive or Development phase and may also prolong these phases if additional time is needed to get the SCG to a position that it can confidently manage its meetings unaided.

Given the structured development of the SCGs, it was discussed that FE 'conversations' could be aligned to a similar developmental path. Preliminary ideas for the FE messages to be covered at different points along this cycle include:

**Table 6: FE messages along SCG cycle**

Month	FE message
1	What are we saving for?
2	How are we going to get there?
3	Reducing costs
4	How do we decide between saving and paying back loans each month?
8	What is our plan for the share-out?
10	Speaking to family members about our plan for the share-out
13	Did we manage to meet our goals?

While this applies to new groups, an important point to consider in the redesign of the FE strategy is that different strategies will need to be adopted according to SCG type – these include new groups, on-going mentored groups and graduated groups.

A suggestion that was made during the strategy workshop on how to continue the delivery of FE after a group has graduated was **to introduce a new office bearer to the groups**. This could be an Education/Advice officer who would be tasked with continuing the conversation around financial issues, as well as have access to referral information on who members can contact when faced with particular problems.

A facilitator's guide will need to be developed that will provide the required guidance for the CBPs/FOs to facilitate the structured group FE conversations. This will be the primary source of FE content, but it is suggested that a supplemental set of FE topics also be available as needed and requested.

### 8.3. OBJECTIVES AND INDICATORS

Indicative indicators that are easy to measure, track and embed in the savings process are given below. These are particularly useful as they help to catalyse particular FE conversations, and also serve to encourage the fundamental principles of the SaveAct SCG model. Indicators

such as the ones suggested below will mitigate significant additional burden from the CBPs as they should be working with their members on these items regardless, and the structured approach will only serve to enhance the model in its entirety.

- Members draft long-term plans and goals
- Members draft priority plans for share-out
- Groups have follow up meetings after share-out
- Members make grocery lists before going to the shops
- Members buy with cash, not hire purchase
- Number of emergency loans taken
- Groups have a social fund
- Number of times each member accesses the social fund

## 9. A ROADMAP FOR THE NEXT 6 MONTHS

A roadmap for the implementation of the above recommendations was drafted during the strategy workshop and is given below:

**Table 7: Implementation plan for the next 6 months**

Month 1	<ul style="list-style-type: none"> <li>• Facilitators' personal financial wellness training – can spill over onto all interactions with groups</li> <li>• Monitoring indicators/reporting processes (end May)</li> <li>• Align FE 'themes' to group cycle (end May)</li> </ul>
Month 2 – 3	<ul style="list-style-type: none"> <li>• Redesign curriculum/methodology</li> <li>• Development of learning messages</li> <li>• Development of materials:               <ul style="list-style-type: none"> <li>○ Laminated cartoons, posters</li> <li>○ Participants worksheets/hand outs to take home</li> <li>○ Reference guides for SCGs/Education Officers/CBPs</li> </ul> </li> </ul>
Month 3 - 4	<ul style="list-style-type: none"> <li>• Facilitator's guide</li> <li>• Look into establishing Office Bearer: Education Officer, Advice Officer</li> <li>• Capturing and sharing stories of successes and challenges of other members – with respect to changing broad financial behaviour</li> <li>• Pre-pilot – before translation</li> <li>• Explore integrated FE Mobile platform – smart targeting – who needs a message when?               <ul style="list-style-type: none"> <li>○ During training - Using gamification of SMS – newsflash, audio messages</li> </ul> </li> </ul>
Month 5	<ul style="list-style-type: none"> <li>• Translation?</li> <li>• Remuneration of CBPs (behavioural economic architecture)</li> <li>• Look at the constitution – try to incorporate 'financial capability'</li> <li>• Facilitators' preparation for roll-out</li> </ul>
Month 6 (October)	<ul style="list-style-type: none"> <li>• Pilot process</li> </ul>

## 10. APPENDICES

### 10.1. EXISTING SAVEACT OBJECTIVES

Table 8: Existing SaveAct FE objectives and expected behavioural changes

Overall goal	Expected results/change of behaviours
Build the capacity of SCG members and their communities to be better financial planners	1. From a fixed view respect of their money management with no, or very little possibility of change, to one open to hear and think about other options.
	2. From thinking how to make ends meet from one day to the next, to forward planning, saving for the future and saving for unexpected events
	3. From getting into unmanageable debt without understanding the conditions of their loans to controlling their debt and making better decisions regarding amounts, use and sources
	4. From the behaviour of spending as income is available and having no track of how much is spent or what it is for, to adopting some reduction of expenses or increase in income behaviour
	5. From not knowing why they should get insurance and which suits them to knowing which steps to take towards having what is best for their family
	6. From being unsure of what to do when a person dies to getting a clear picture of it
	7. From being unsure of how to make a will to getting a clear picture of it

## 10.2. INDICATIVE LOGFRAME BASED ON CURRENT PROGRAMME

Inputs	Activities	Outputs	Outcomes
<ul style="list-style-type: none"> <li>Facilitators (CBPs)</li> <li>Field Officers</li> <li>Money</li> <li>Time</li> <li>Training manual and training resources</li> <li>Meeting locations</li> <li>Members</li> </ul>	Facilitator training	<ul style="list-style-type: none"> <li>CBPs and FOs understand and are able to facilitate training</li> </ul>	
	Financial education training	<ul style="list-style-type: none"> <li>Regular attendance as a group</li> </ul>	<ul style="list-style-type: none"> <li>Community cohesion and social capital increased</li> </ul>
		<ol style="list-style-type: none"> <li>Members understand training</li> <li>View of money management changed</li> <li>Understand forward planning and saving</li> <li>Understand debt management</li> <li>Reduction of expenses, increase in income behaviour</li> <li>Knowledge of insurance strategies</li> <li>Financial procedures regarding death</li> <li>Knowledge of wills</li> </ol>	<ul style="list-style-type: none"> <li>Empowerment of women (and sensitivity of men) [all]</li> <li>Regular household finances better managed [1-5]</li> <li>Financial shocks better managed [2,4,5]</li> <li>Savings reinvested [2,4]</li> <li>Prepared for financial implications of death [6,7]</li> </ul>
	Regular Monitoring	<ul style="list-style-type: none"> <li>Continuous feedback</li> </ul>	<ul style="list-style-type: none"> <li>Improved programme</li> </ul>



<p>Assumptions:</p> <ul style="list-style-type: none"> <li>Facilitator training is effective</li> <li>CBPs are effective</li> <li>Members attend sessions and are willing to learn</li> <li>Training covers all topics effectively</li> </ul>
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<p>Assumptions:</p> <ul style="list-style-type: none"> <li>Individuals apply training</li> </ul>
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