

# Implementing effective financial education programmes

## Learning's from a rural and peri-urban case study

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 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, which is provided to members by community-based facilitators. The goal of the FE component is to build the capacity of savings-and-credit group members to be better financial planners and complement SaveAct's savings and credit model.

FinMark Trust conducted a study which aimed to evaluate the current FE curriculum used by SaveAct and its delivery to SCG members to help SaveAct identify areas for improvement and adapting the programme to be more effective.

## Research methodology

An initial desktop review of SaveAct's current FE material, as well as a workshop with SaveAct staff, helped to identify critical questions to be explored in the field relating to the relevance, impact, timing and delivery of the FE content.

These questions were tested during field research, which included 12 focus group discussions in communities in KwaZulu-Natal and the Eastern Cape. Some of the main findings of this field research are listed below:



## Main findings

### Relevance of the FE content

- Commonly cited financial challenges facing 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 mashonisas; the need to learn to plan for their children's further education; to start accessing formal financial services and issues relating to crime and security; and the desire to learn about starting business enterprises.
- The systemic nature of financial challenges makes it difficult for the members to identify and articulate them in a categorised way.
- Members are reliant on SaveAct to determine the content of the FE – the mechanism for ensuring that the right topics are being covered in the curriculum and must be on-going.

### Potential impact of FE for members

- Due to the limited delivery to date, it is unlikely that the FE will have had any significant, measurable impact.
- Members felt that FE could have a significantly positive impact on their lives.
- 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 influence of FE. However, the ability to distinguish between the contribution of the SCGs and the contribution of the FE is immaterial. What matters is that the potential for harmony and reinforcement between the two is maximised.

### Implementation efficiency

- SCGs have received very little FE to date – the most any group has had is four of the possible fourteen sessions, and the roll-out of these sessions has been irregular and inconsistent. This is a result of the pressure on field officers and community based promoters to work with established new groups in the communities, thus taking up a lot of their time.

#### Delivery:

- Most members supported the use of stories in the sessions, and particularly liked the use of pictures.
- 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.
- There were 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, of repayments that needed to be made at the next meeting, or of when the next FE session was.

## Main findings

### Implementation efficiency continued

#### Timing:

- There were mixed responses from members, both within and across SCGs, to questions relating to the structure and timing of the FE component.
- This suggests that delivery structures should be easily adjustable to best suit each group's circumstances, while ensuring that FE is not considered optional. This will assist in obtaining commitment to the FE component from both trainers and members.
- There is therefore a need for flexibility across groups in the structure of the delivery of FE.

### Observations of FE sessions

- Contradictory to the members' impressions, our observations of the delivery of the FE sessions indicated that not all facilitators were satisfactorily equipped to answer questions or to encourage discussions that related the material to the realities of members' lives.
- One possible explanation for this is the facilitators' lack of confidence with the FE content, which will 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.

## The way forward

The overwhelming outcome of the research and collaborations with the 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, for a variety of reasons, 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 critical that the concept of financial capability becomes fundamentally embedded in the SaveAct model. Subsequent to the research, a strategy workshop was held between SaveAct staff, the research team and FinMark Trust with a view to prioritising the critical tasks to improve the FE pillar. The following points reflect the outcomes of that workshop:

- 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 messages means that the ability and training of facilitators will be the component that is most significant to the successful roll-out of this revised methodology
- Training facilitators on their own financial wellbeing is therefore 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
- 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
- Monitoring processes should also be embedded in the process as far as possible, using impact indicators that measure behavioural change
- 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 issue 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. For mature groups who have very limited support from facilitators, a suggestion for ensuring the on-going delivery of FE after a group has graduated is to introduce a new office bearer to the group, such as an Education/Advice officer who will be responsible for maintaining the groups discussion with respect to money management, and support material could be made available from SaveAct.

