

# MINDFUL SAVING

## Exploring the Power of Savings for Women

A safe, efficient, and reliable mobile savings platform to grow women's businesses



Rose Kibona, a 59-year-old woman entrepreneur in Mbeya, Tanzania, has a stall in an open market where she sells soft drinks and prepared meals. She recently took a business training course administered by TechnoServe that included instruction on accessing M-Pawa, a new Vodafone mobile savings platform. She had been saving informally for years, relying on insecure containers like jars and bags. She planned to buy a car with the money saved in a large bag, and had a lockbox to save for emergencies. She exemplified the mindful saving behavior of many women micro and small entrepreneurs in developing countries, using mental discipline and making money less fungible by mentally allocating savings for a purpose. But M-Pawa gave her a safe, efficient, and reliable platform to grow her business and transform her livelihood.

### Women face obstacles related to their gender that impair their economic performance

These obstacles include those that stem from women's subordinate position in the family and lower decision making-power that affect business investment decisions negatively; women's traditional household and care responsibilities that impose time and travel restrictions; and traditional social norms that restrict women's access to productive resources and services. A database of more than 230 rigorous program evaluations, show that smart designs (including access to reliable savings) that address these constraints head-on can bring substantial benefits to women and be relatively simple to implement.

### Mobile savings hold great promise for empowering women entrepreneurs

Women are often disproportionately burdened by high transaction costs to access savings accounts.

- More than 1 billion women lack access to basic financial services like bank accounts, loan services, and savings products.
- Despite a half billion rise in the number of formal bank accounts in 2014–2017, a stubborn 7 point gender gap in access remains worldwide—and 9 points in developing countries.

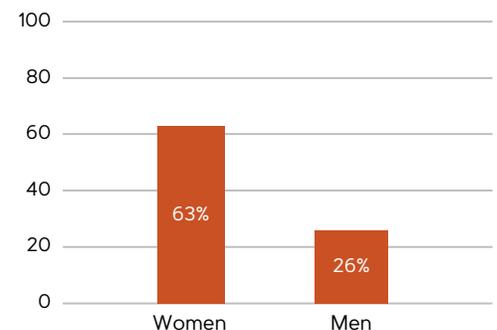
“Smart design” has the potential to address gender constraints and benefit women.

- Access to savings accounts can change the economic equation for women in many parts of the world.
- Women differ from one another, however, and very poor women need more than a single intervention to improve their incomes.

When it comes to saving money, women are far ahead of their male counterparts.

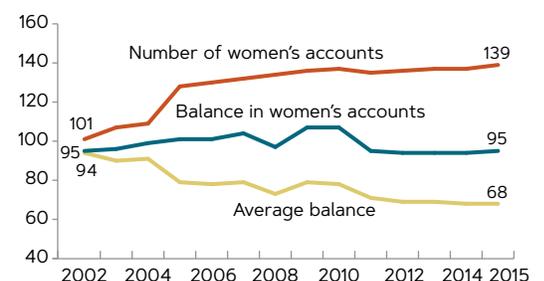
- Across different countries and populations, for every 100 women, 63 will want to open a basic savings account, compared with only 26 men.
- Data collected from all banks in Chile reveal that women want savings accounts more than men do. Women held 101 savings accounts for every 100 accounts held by men in 2002; by 2015 women held 139 (or around 11.4 million of 20 million accounts in 2015).

### More women than men are interested in opening a savings account with minimal or no transaction costs across countries



### Women's savings accounts outnumbered men's in Chile in every year from 2002 to 2015

Female values as a percentage of male values



## New evidence from Indonesia and Tanzania explores the effectiveness of mobile savings

Knowing all this the Center for Global Development, with support from the ExxonMobil Foundation and in collaboration with research and implementing partners, further tested the power of mobile savings and business training. It launched two randomized controlled trials in 2015, in Indonesia and in Tanzania, to assess the power of mobile savings and training for women entrepreneurs.

### Indonesia—testing supply

Financial service providers received financial incentives to promote a new mobile savings product to women entrepreneurs. The women received training to increase uptake of mobile savings.

### Tanzania—testing demand

Women microentrepreneurs in two cities received access to an interest-bearing mobile savings platform, M-Pawa. Some women also received 12 weekly training sessions on business skills.

### Short-term results for Tanzania show that mobile savings increase savings and empower women—and quality business training bolsters savings and improves business practices

Results from Tanzania suggest that women’s access to the M-Pawa mobile savings platform had a significant impact on women’s savings and that adding business training enhanced the economic outcomes.

- Both the amounts deposited and the amounts withdrawn increased significantly.
- On average, women in the M-Pawa group saved three times more money weekly than women in the control group, while those in the M-Pawa plus business training group saved almost five times more.
- Business training significantly increased use of record keeping by 32% and financial planning by 25%.

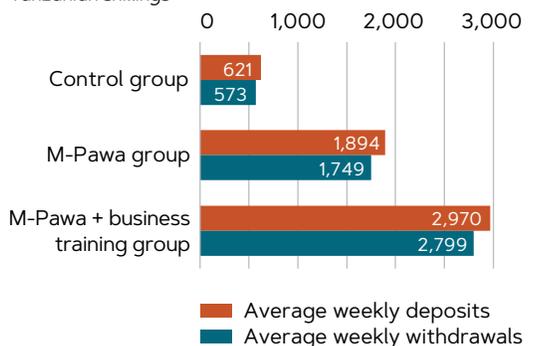
- Relative to women in the control group, women who had access to M-Pawa *and* received business training were 4.6 percentage points more likely to operate a second business and, as a result, generated approximately \$2 in additional monthly profits.

The mobile savings platform also had a positive subjective impact on women’s economic empowerment and well-being.

- The M-Pawa intervention significantly raised women’s satisfaction with their lives.
- These women were 5.0 percentage points more likely to report being very happy and 4.8 percentage points more likely to report that their lives have improved.

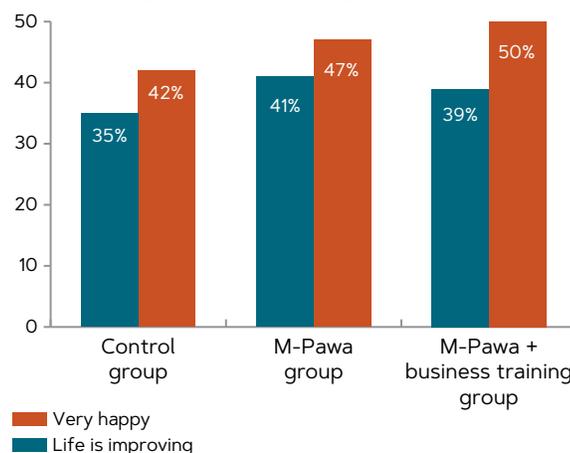
### Savings were higher after access to mobile savings—and even higher after added business training

Tanzanian shillings



### M-Pawa increased women’s happiness and optimism

Percent of study participants answering “yes”



### Stay tuned

A follow-up evaluation is now under way, and findings from Indonesia are forthcoming. Connect with us at <http://www.shecounts.com/> to receive updates on the pilot study.

For more information, see *Mindful Saving: Exploring the Power of Savings for Women. Report 1, Evidence-based Report Series on Women’s Economic Empowerment*. Washington, DC: Center for Global Development.

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