

# MINDFUL SAVING

## HIGHLIGHTS



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### Exploring the Power of Savings for Women

Evidence-based Report  
Series on Women's Economic  
Empowerment

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# HIGHLIGHTS

## 1. What Works and How to Measure It

A database of around 230 rigorous program evaluations underpins the messages on what works to empower women economically and how to measure it.

**Smart designs providing stipends for travel and childcare and adjusting training schedules and delivery systems can better address women's time burdens**

**Women differ from one another, and very poor, rural women need more than a single intervention to improve their incomes**

**Both objective and subjective dimensions of economic empowerment are important for lasting economic gains and should be measured**

**Direct, intermediate, and final outcomes need to be documented and measured**

## 2. Exploring the Power of Savings Accounts

A unique data set from Chile and a meta-analysis of 13 experimental studies in various country contexts on savings accounts support the conclusion that women prefer savings more than men do for business development or expansion.

**Women want savings accounts more than men do**

- Of more than 20 million savings accounts from all banks in Chile in 2015, women held 139 savings accounts for every 100 held by men.
- Of 6.6 million individual borrowers in Chile, there were 92 women for every 100 men in 2015.
- In a meta-analysis of 13 savings experiments across various country contexts, if a savings account with low or no transaction costs were offered to adults, 63% of women are predicted to accept, against 26% of men.

**Despite the half billion rise in the number of formal bank accounts between 2014 and 2017, the 7 percentage point gender gap in access has not budged—and 9 points in developing countries**

- In South Asia, the gap stuck at 18 points, and among the poor it's wider still.

## 3. New Evidence on Savings Accounts for Women

**Savings accounts have multiple benefits for women**

Access to savings accounts that women can use privately and securely decreases the pressure on them to share income or to spend it right away—and increases their decisionmaking power and economic independence.

**Access to savings accounts especially helps less empowered women**

- Even just mentally labeling the use of money as savings makes it less available for other uses, including sharing with relatives—women feel more pressure to share than men, especially less empowered women (Kenya and Chile).
- In Kenya, women, but not men, did not use ATM cards, even with lower fees, because the cards reduced security since husbands could also use them.
- Soft commitments, such as labeling savings for particular uses, help women save.
- Mobile savings provides women with privacy and control over their income, which boost their likelihood of saving and reduce rates of poverty.

**Savings accounts may not work for the very poor or in very traditional settings**

**Women's preference for relying on savings over investments and insurance may lead them to more conservative, less profitable business choices**

**To help very poor rural women, savings may need to be part of a package of productively oriented interventions**

**The subjective empowerment effects of savings interventions may not last, may be context specific, or may be slow to emerge**

#### **4. New Evidence on Business Training**

Women have less access than men to business information and networks that can increase their productivity and income

High-quality business management training can improve economic outcomes for women entrepreneurs

High-quality programs change business practices first

- Informal firms with better business practices had better business performance, as measured by higher rates of firm survival and sales growth.
- The average training program increased the use of good business practices by only about 6–7 percentage points. The effects of high-quality training programs on business profits emerge slowly.
- High-quality training programs should include measures to increase female trainees' confidence and self-affirmation.

#### **5. Exploring the Power of Mobile Saving in Tanzania**

Access to the M-Pawa mobile savings platform had a substantial impact on women's savings, and business training enhanced that impact

- Average weekly savings were TS1,900 (\$0.90) in the M-Pawa group and TS3,000 (\$1.40) in the M-Pawa plus business training group, compared with TS600 (\$0.30) in the control group,
- 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 close to five times more.
- Women shifted savings from alternative sources to M-Pawa: there was a 4.6 percentage point reduction in the likelihood that women would save at home or through a bank or microfinance.

Access to M-Pawa also increased borrowing from the mobile platform

- M-Pawa increased the probability of receiving a loan by 14 percentage points and increased the probability of loan repayment by 11 percentage points.

Business training increased good business practices

- Business training significantly increased use of record keeping by 32% and financial planning by 25%.

The short-term impacts on business survival or profits were not significant

But women who had access to the M-Pawa mobile savings platform plus business training expanded their business activities by operating a second business, increasing their profits

- Women in the M-Pawa plus business training group were 4.6 percentage points more likely to operate a second business and, as a result, generated about \$2 more in monthly profits.

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

- Women assigned to M-Pawa 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.

It may take time for gains from mobile savings, business practices, and increased subjective empowerment to materialize—or the program may not have adequately eased business constraints

So, stay tuned

A follow-up evaluation is now under way, and findings from Indonesia are forthcoming. These should offer a more definitive answer to the questions whether improved access to mobile savings increases business investments and profits and whether business training enhances the effect. It will also yield information to evaluate the cost-effectiveness of these interventions.

Connect with us at <http://www.shecounts.com> to receive updates on the pilot study.

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For more information, see Mayra Buvinic and Tanvi Jaluka, 2018, *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. <https://www.cgdev.org/publication/mindful-saving-exploring-power-savings-women>.

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