



Making Financial Literacy and Savings Count

Witness for Sita Conklin, Youth in Action Program Director

With a rich history that includes the monolithic rock churches of Lalibela and a geography that includes Lake Tana (the source of the Blue Nile), the Semien Mountains, and very green highland farming fields, the Amhara region in Ethiopia is home to 17.2 million people. Agriculture is the primary source of household income in this region, including animal husbandry, farming and apiculture. Our excitement was high as our small Ethiopian Airlines plane descended into the mountains surrounding Lalibela – just 170km from Woldia, Save the Children’s area office in North Wollo, Amhara region.

We were visiting Amhara region to see the Youth in Action (YiA) program, a six-year partnership between Save the Children and The MasterCard Foundation. The program works with 12-18 year olds who are out-of-school in rural areas of Burkina Faso, Egypt, Ethiopia, Malawi and Uganda, to develop foundational skills (literacy, numeracy, and financial literacy), transferable life skills, and entrepreneurship skills.

PADet is implementing YIA project in North Wollo Amhara Regional state with save the children international by the found obtained from MasterCard. The program works with 12-18 year olds who are out-of-school in rural areas of Burkina Faso, Egypt, Ethiopia, Malawi and Uganda, to develop foundational skills (literacy, numeracy, and financial literacy), transferable life skills, and entrepreneurship skills. The YiA program is comprised of different phases of activity, and the participants have the option to select a pathway (vocational training, apprenticeship or enterprise) towards better livelihood opportunities after they learn a set of skills that enables them to make informed decisions. The program also supports them through small start-up funds, mentorship and peer-to-peer support.

In Ethiopia, YiA works with 14-18 year olds and focuses on the enterprise pathway. In this pathway, youth are mentored to identify viable local business ideas- that they choose themselves- develop their business plans, and use the start-up fund to start their businesses. This practical learning opportunity links youth to financial services in their community for additional resources in order to improve their livelihood opportunities.

We had the opportunity to visit several sites at different stages of the program: a learning centre where youth were at the beginning of the learning phase, a number of youth-led businesses in the action phase, and a graduation ceremony for youth who have completed the program.

It was amazing to see the skills and practices in financial literacy and savings in every young person participating in YiA that we met, no matter what stage of the program they were engaging in. In the Gosh Wuha, Habru District learning centre, around 30 girls and boys had recently learned about the importance of savings and planning as part of first module of the training. Even this early on in the program, many of them had already started to save and had savings accounts with the local microfinance partner, Amhara Credit & Savings Institute (CSI).

We met Woyneshet Seid, a 16-year old girl running a small shop where she sells shiro (chickpea) powder, dried lentils and other cereals that she has packaged. With a beautiful smile, she confidently articulated the importance of what she learned to buy, sell and price her goods, as well as manage her income and expenses. She plans to expand her shop with other kinds of goods, using money she has managed to save from her profits. The YiA program supported her with a start-up fund of 5000 birr (about \$200 USD) and her family contributed 11000 birr (494 USD), with support from her mother and brother. Like Woyneshet, many of the youth businesses that we visited such as sheep fattening, livestock rearing, camel transport, and small cereal trading shops, were grounded in the local community economy. In most cases, these youth-run businesses were connected or built in addition to the family's household livelihood activities.

We also observed a graduation ceremony of 31 young men and women who had finished the program in Ahun Tegene in Gubalafto Woreda. Parents shared that, through the course of the program, they recognized that the changes in attitudes and behaviour as well as the acquisition of literacy, business skills and using social networking were critical for their children's success. While many youth livelihood development programs focus on short training programs, YiA has a long-term vision that allows the participants to develop a holistic set of skills, knowledge and attitudes, and then linked to mentors as they begin the journey of implementing their business idea.

Also impressive were testimonies which demonstrated that the young people and their families were investing equal, if not more, amounts of savings into the young people's businesses on top of the 5000 birr (around 200 USD) provided by the YiA program.

While we could observe the financial literacy and savings knowledge and practices in all of the youth that we met, this is also supported through a recent study¹ that was done on youth financial literacy in YiA Ethiopia. The study found that 94 percent of youth who completed the program were saving, and that two out of three youth reported strong knowledge about budgeting and savings.

This visit allowed us to reflect on some of the emerging best practices in youth livelihood programming and how Youth in Action is building on these practices: 1 <http://youthinaction.savethechildren.ca/wp-content/uploads/2016/07/Documenting-Change-in-YouthFinancial-Literacy-Ethiopia-2015-Study-Brief.pdf>

Holistic and flexible programming: Allowing for non-formal learning and acquisition of critical transferable skills, which build human and social capital among girls and boys. This includes enhancing literacy, numeracy, and life skills, building positive relationships with peers and adults, and developing entrepreneurial skills to help youth navigate decisions, conflicts, and the labour market.

Building on existing assets and capabilities: Grounded in household and community livelihood strategies. This means taking advantage and building on resources that exist in the community, family or peer networks.

Integrating family, peers, and the community: Support youth in their participation in the program and achievement of their goals. Most families- and extended communities - are heavily involved in livelihood decisions that young people make, thus any program intervention needs to be seen as complementary versus stand-alone. Many young people in countries such as Ethiopia make decisions together with their family, with the priority of contributing to household economic stability versus economic independence.

Co-investment in livelihood activities by both youth participants and households: Is an important component of sustainability, and can be perceived as a success when viewed in the context that marginalized groups have limited resources and must make careful decisions about investments of time and money. YiA is offering youth opportunities to build human assets combined with access to mainstream services, through savings in a microfinance institutions, as well as key social assets through family and community support, peer-to-peer groups and mentorship. Many young people, such as those participating in YiA, need a certain amount of investment in livelihood readiness to take advantage of links to mainstream services that they can benefit from. Through building essential human, social and financial capabilities, the program is a stepping-stone for these young people on a pathway towards improved livelihoods, in the true sense of the word – not just to make a better living, but also to have a better life and future.