WomenSave

Frequently Asked Questions (FAQs)

1. Where does WomenSave work?

WomenSave targets poor (<$2 a day) women in underserved areas of developing economies, and we are piloting our program in western Uganda. 76% of Ugandan adults live in rural areas, and nearly 5 million Ugandan women lack access to bank accounts. WomenSave has conducted a comprehensive literature review, substantial field and market research, and is currently developing contacts and building relationships in the region to prepare for our launch.

2. How does the WomenSave program work?

WomenSave first holds community meetings to introduce the program. Interested women are placed into training groups (when available, we work within existing women's groups). After successfully completing financial literacy and mobile banking training, women meet individually with WomenSave's Saving Officers to develop individualized commitment savings plans. Savings officers and women co-create realistic and attainable deposit schedules designed to enable women to meet their financial goals.

3. Why doesn't WomenSave offer loans?

Traditionally, the majority of financial inclusion interventions have focused on loans. While loans are useful and appropriate under the right circumstances, poor, rural women need money for a variety of things. When their savings goals aren't financially profitable, e.g., paying for school fees for their children or transport to a health clinic to have a baby, savings provide a more appropriate and effective financial tool.

4. What is wrong with the informal savings groups that already exist?

Without a doubt, savings groups have greatly benefited large numbers of women across Sub-Saharan Africa. The problem, however, is that savings groups do not take into consideration the varying savings goals and abilities between women in a group. In a savings group, all women are expected to save the same amount at the same time, and women do not have access to individual bank accounts. WomenSave treats every woman as a unique individual while still incorporating the peer support from savings groups.

5. Why don't women just save in a bank or through mobile money on their own?

Most rural areas in developing economies don't have banks, and people living in remote areas tend not to trust banks. A number of financial institutions have recently targeted the unbanked through the use of banking agents and their own mobile apps, but data shows that their efforts are largely failing to reach poor, rural women.

Mobile banking has disrupted the traditional financial industry, providing millions of previously unbanked individuals with access to bank accounts. Poor, rural women have not, for the most part, benefited from this progress. WomenSave's market research revealed that these women require additional education and direct engagement.

6. Why does WomenSave promote mobile banking?

Mobile money is rapidly gaining ground in East Africa. Mobile bank accounts reduce transaction costs, leveling the playing field between rural and urban areas. In Kenya, mobile money has lifted 194,000 households out of extreme poverty and has enabled 185,000 women to move out of subsistence farming and into business or sales occupations. In Uganda, mobile money increases the likelihood of using savings to deal with a shock by 11.1%.

WomenSave's program uses MoKash, a mobile-based banking service offered by MTN Uganda (the largest telecom company in Uganda) and the Commercial Bank of Africa. Women only need a basic cell phone to use the service, no minimum balance is required, and funds begin earning interest after only three months.

7. If women generate small amounts of cash, how will they use mobile banking?

Although banks are scarce in rural areas, mobile banking agents are plentiful. Women need only to visit a local agent to deposit cash into their mobile money accounts. From there, women can transfer money to savings using MoKash at no charge. A small fee is incurred when withdrawing funds from the mobile account, but this fee is negated by the interest earned on the savings.

8. What if women don't have cell phones?

WomenSave acknowledges that not every woman has a cell phone and that women's cell phone ownership in developing economies lags behind that of men. Cell phone ownership in Africa, however, has grown and continues to grow exponentially. Women who don't own cell phones may choose to obtain SIM cards (required for mobile banking) and borrow phones from trusted family members or friends or can alternatively save using the account of another group member and maintain a ledger.

9. Can illiterate women participate in the program?

Yes! We provide comprehensive guidance and support to women of varying abilities and also provide visual materials. In addition, more educated group members are encouraged to support and assist their peers.

10. Why does WomenSave focus on commitment, or targeted, savings?

Commitment accounts have been found to dramatically increase the amount of funds saved. They allow women to set aside money for a predefined goal and have positive impacts on female decision-making power. We recognize that women both need and desire to save for predictable life events, household goods, and other future expenses, but they often lack the education and tools to do so.

11. How does WomenSave encourage women to meet their savings goals?

While “hard commitment” accounts that restrict or impose fees on withdrawals can discourage women from saving, “soft commitments” help women meet their goals. The WomenSave program aims to teach women self-control and how to ultimately solve their financial problems on their own. As such, we believe severe restrictions are unnecessary and instead incorporate the follow soft commitments into savings plans:

- Peer support through a social networking
- Commitment certificates labeling savings goals
- Opportunity to demonstrate public commitment by sharing goals with the group
- SMS reminders from both Savings Officers and fellow group members
- Savings calendars with spaces to note deposit dates

12. What about men?

While financial inclusion is important regardless of gender, significantly more women in developing economies remain outside the formal financial system. WomenSave recognizes that the empowerment of women and economic progress go hand in hand and believes that our program will contribute to gender equality and poverty reduction. We plan to initially engage entire communities and encourage men to support and advocate for women. Depending on the local context and cultural attitudes, WomenSave may include men in the financial literacy training program or a portion of it to ensure their commitment to economic empowerment of women.

13. Will women need to use their savings in an emergency?

We recognize that emergencies happen and women may need to withdraw funds prematurely from their accounts. To counteract this, clients either pay a small amount of extra money into their commitment savings plans and/or into a group welfare fund. When a woman needs cash for an emergency, she may either withdraw her personal flexible emergency funds and/or she may apply for funds from her group’s fund.

14. Wouldn't it be more cost-effective to just give women the money WomenSave is spending on the program and allow them to save it or otherwise use it as they want?

In the short-run, yes. We, however, are equipping women with lifelong knowledge, tools, and confidence. WomenSave will test the appropriate number of cycles it must accompany a client before she masters the concepts well enough to continue setting goals and saving independently. We anticipate approximately two to three cycles. Following this period, WomenSave continues to provide support but our role diminishes. At the same time, we train group leaders to not only step in and support their cohort but to also bring their newly acquired skills to neighboring areas, creating scalable impact by lifting new women and families out of poverty.