

Key Features of World Vision's Savings for Transformation

About World Vision's Savings for Transformation groups

Approximately 2 billion people – more than half of all the world's adults – have no access to banking services,¹ and 1.45 billion people are considered to be in vulnerable employment.² This makes it difficult for parents and caregivers to generate income and save for their children's basic needs such as education, nutrition, clothing and health. As a result, children living in poverty are the most exposed to different forms of violence, including early marriages, neglect and child labour. The World Health Organization's INSPIRE Framework identifies income and economic strengthening as one of the solutions to end violence against children, in all its forms, resulting from extreme poverty.³



Savings groups make up one of the best economic empowerment methodologies identified by international non-governmental organisations such as CARE International, Catholic Relief Services, Plan International and the Aga Khan Foundation as capable of lifting the most vulnerable children and their families out of extreme poverty and building resilience to shocks and stresses.

A savings group is a member-owned institution composed of a small number of people who save together in a safe, convenient and flexible way. Savings groups are owned, managed and operated by the members, using a simple, transparent method whereby groups accumulate and convert small amounts of cash into savings. The group's savings can be lent to members as credit. A service or loan application fee can be charged as a way for the group to earn additional income and increase the return on savings, but this is optional.

How organisations implement savings groups differs in procedures and methodologies

World Vision's model is referred to as **Savings for Transformation**. To date, World Vision has established over **21,928 savings groups** with approximately **394,209 members** with over **US\$12,423,025** in savings. The data is reported and made available on a global monitoring system called Savings Groups Information Exchange,⁴ which provides standardisation in measurement, monitoring, robust group tracking and comparisons.

'I am grateful for all the trainings and knowledge that World Vision has imparted to me on savings for transformation. Savings helped me to provide [for] and educate my children. Now, they are all working and have ended cycles of poverty in my family. We no longer rely on support from anyone.'

—Theresa, member of a Zambian savings group

1 World Bank, 'Global Findex Index 2014: Measuring Financial Inclusion Around the World,' (2014), 2, 59.

2 United Nations, 'Millennium Development Goals Report 2015,' (2015), 19.

3 World Health Organization, 'INSPIRE: Seven Strategies for Ending Violence against Children' (2016), http://www.who.int/violence_injury_prevention/violence/inspire/en/.

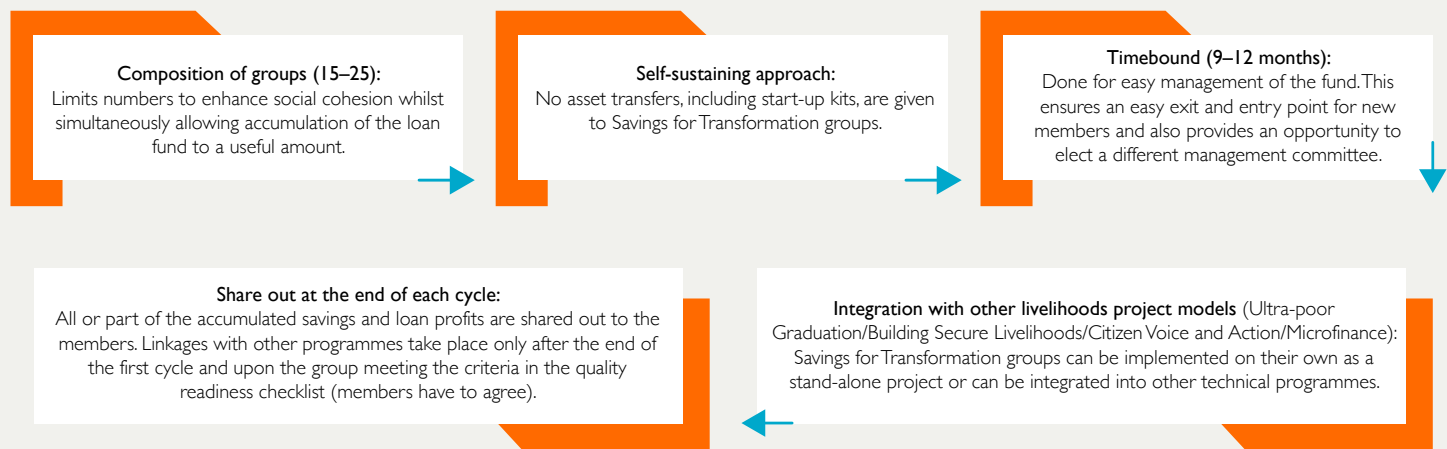
4 Savings Groups Information Exchange, <http://www.thesavix.org/>.

Key features of Savings for Transformation groups

World Vision's Saving for Transformation groups apply an enhanced version of **Village Savings and Loans Associations** to reach the most vulnerable groups (especially women and persons with disabilities) and often most marginalised children, living in different contexts (all faiths, rural, urban or semi-urban).

The diagram below highlights the key features of Savings for Transformation groups

Low cost but high returns on investments: Only require facilitation staff and a small operating budget.



Contributions to achieving Sustainable Development Goals



Goal 1: Ending poverty: Savings for Transformation groups provide the most vulnerable families with loans and savings that can be used to increase their income-generating abilities. This enables parents and caregivers to provide well for their children.



Goal 2: Ending hunger: Savings may help families to buy food during lean periods.



Goal 3: Good health and well-being: Savings for Transformation groups may be leveraged as platforms for trainings on health, water and sanitation, food security, and nutrition.



Goal 5:2 (SDG 16:2): Eliminate all forms of violence against women and girls such as early marriages, child labour and neglect: Financial security reduces exposure of girls to early marriages and the need for parents or caregivers to rely on child labour. As a result, children have more time for play and development, can remain in school and have access to better health care. Parents also have more time and energy for nurturing positive relationships with their children.



Goal 8: Decent work and economic growth: Savings for Transformation groups can serve as platforms for social accountability as well as agriculture, business, financial and marketing skills training that can help members to invest in their own income-generation activities, tap into government services and eventually qualify for microfinance or employment in local businesses.