

FINAL REPORT: Banco ADOPEM / WWB Case Study-based Research Project

I. Introduction

Since 2008, Women's World Banking (WWB) has been supporting Banco ADOPEM and its affiliated NGO in the Dominican Republic (the "DR") to introduce savings products and financial education ("FE") programs targeting low-income girls and young women ages 7-24. The project, funded by the Nike Foundation as part of their Girl Effect campaign,¹ aims to promote girls empowerment and introduce a sustainable product line for the bank.

After conducting market research and designing prototypes in 2009, the joint WWB-ADOPEM project team began to pilot two savings products and a FE program run through schools under the brand name "Mía" in early 2010. In the spring of 2011, the pilot programs ended and the bank began to roll out the product across all of its branches.

In August, 2011, WWB initiated a "case study"-based research project in partnership with ADOPEM to explore what factors influence a girls' ability to save using a bank account. The research investigated cultural, household, and individual dynamics impacting girls and their households. The study also looks at how the findings could be used to more effectively design products, marketing, and financial education to positively influence girls and households to save more.

The specific areas that this study was designed to explore include:

- Girls' goals and motivation for saving.
- The influence of the household, including socioeconomic level, parents' education, occupation and parenting style, and parents' own savings behavior.
- The level of individual willpower and self-control exhibited by girls.
- The influence of savings behavior of peers.

II. Institutional Background

About Women's World Banking

Women's World Banking (WWB) seeks to expand the economic assets, participation and power of the poor, especially women. WWB is a global network of 39 microfinance providers and banks, working in 27 countries to bring financial services and information to low-income entrepreneurs. WWB's network members serve over 26 million clients, over 80% of them women. WWB's advisors and technical experts work hand in hand with network members to provide a range of technical and advisory services, to actively promote the exchange of best practices, and to conduct and make available to public industry-leading research and microfinance methodologies. During the past three decades, this global partnership has assisted many WWB network member institutions to evolve from donor-dependent, philanthropic initiatives to self-sustaining financial institutions offering credit, savings, insurance and other

¹ www.girleffect.org

important products and services. In this partnership, network members are free to make their own decisions and reach their own conclusions; WWB's philosophy is that self-determined, locally controlled organizations know their markets best and are the most effective agents of change.

Based in New York City, WWB's global team consists of microfinance professionals who deliver expertise in serving the women's market through product design, marketing and distribution, financial education, organizational effectiveness, and peer-to-peer learning.

ADOPEM

Asociacion Dominicana para el Desarrollo de la Mujer (ADOPEM) was founded in 1982 by a group of female professionals and began operations as a nongovernmental organization concerned with the living conditions of women in the Dominican Republic. ADOPEM transformed into a "Banco de Ahorro y Credito" (Savings and Credit Bank) in 2005, and now offers loans, remittances, insurance and savings products. Banco ADOPEM belongs to the Women's World Banking network, and has received the support of organizations such as the Inter-American Development Bank (IDB), the Consultative Group to Assist the Poor (CGAP), German International Development Agency (GTZ), and the International Financial Corporation (IFC), among others. By the end of 2010, ADOPEM was serving 131,000 borrowers and 155,775 savers, with a gross loan portfolio of over USD 57 million.

Banco ADOPEM's (hereafter, referred to as "ADOPEM") mission is to promote the development of the Dominican family by incorporating them into the formal financial system, especially those segments of society which are socially and economically disadvantaged.

III. Study Location and Context²

The Dominican Republic

The Dominican Republic is the second largest economy in the Caribbean. The country has a population of 9.9 million, and livelihoods primarily depend on agriculture, trade, and services, especially tourism.³ The economy is highly dependent upon the United States, the destination for nearly 60% of its exports. Remittances from the US account for about a tenth of Gross Domestic Product (GDP), equivalent to almost half of its exports and three-quarters of its tourism receipts. The country suffers from marked income inequality; the poorest half of the population receives less than one-fifth of the GDP, while the richest 10% enjoys nearly 40% of the GDP. High unemployment and underemployment remain an important long-term challenge. The DR's economy quickly rebounded in 2010 from the global recession, and remains one of the fastest growing economies in the region.⁴

The DR currently ranks 98th out of 187 countries on the UNDP's 2011 Human Development

² Otherwise uncited statistics from: <http://hdrstats.undp.org/en/countries/profiles/DOM.html>
http://www.indexmundi.com/dominican_republic/economy_profile.html
<https://www.cia.gov/library/publications/the-world-factbook/geos/dr.html>

³ <http://www.economywatch.com/economic-statistics/country/Dominican-Republic/>

⁴ http://www.indexmundi.com/dominican_republic/economy_profile.html

Index, and its GDP per capita (PPP⁵) in 2010 was estimated at USD 8,860 (International Monetary Fund). While access to schooling for Dominican children is high, the country ranks 118th out of 188 countries in education on the United Nations' 2011 Human Development Report.⁶ The DR's literacy rate is 90.1% (UNDP 2009). According to UNICEF, the population between the ages of 10- and 18-years-old amounts to 1,638,081 people, representing 19.1% of the total population. Poverty greatly affects this age group and, according to UN ECLAC⁷ estimates, of the 13- to 18-year-old age range alone, 49.1% are poor. UNICEF estimates that in the DR there are approximately 812,000 young girls in the country between the ages of 10 and 18 who are greatly affected by poverty, low levels of education, and poor health.

Santo Domingo

This research focused on the Dominican Republic's capital, Santo Domingo. Santo Domingo is not only the nation's capital but also the largest city in the country with a population estimated at 3,294,385 in 2010⁸. Most of the city's poor live outside the city center, in 16 *barrios* (neighborhoods) along the rivers Ozama and Haina. Despite not having official data about the exact number of slum dwellers living in Santo Domingo, it is estimated that around 500,000 of them live under the poverty line. The research focused on this area, targeting clients of the bank's branches in Sabana Perdida, La Rotonda, and Padre Castellanos and covering the neighborhoods of Los Frailes, Las Mina, Villa Faro, Tres Brazos, Las Enfermeras, Alma Rosa II, Villa Carmen, Katanga, Maria Auxiliadora, Los Mameyes, and Isabelita.

Mía Savings Product

ADOPEM's interest in launching a savings product for youth was realized through a partnership with WWB beginning in 2009. Prior to beginning to work with ADOPEM, WWB had assisted a bank in Mongolia, XacBank, to successfully pilot a girls' savings product. WWB and ADOPEM staff conducted market research to design the products, FE program and marketing, while project partner Microfinance Opportunities conducted research to assess the target market's financial literacy levels and design the FE content. WWB staff then worked with ADOPEM to create the marketing strategies, product prototypes and an FE program, the latter with input from Microfinance Opportunities. The product was named "Mía," which means "mine" in Spanish and has feminine connotations. After a one year pilot in Santo Domingo, ADOPEM began to roll the product out across its nationwide branch network in early 2011. It was decided not to roll out the FE program on a large scale due to concerns over cost and quality control. The "Mía" products have now become the first savings accounts targeting children and youth offered by a Caribbean microfinance institution.

Mía savings accounts target a broad group of girls and boys between the ages of 7 and 24, including children without their own national IDs (first available at age 16) who cannot legally

⁵ Purchasing power parity

⁶ <http://hdrstats.undp.org/en/indicators/103706.html>

⁷ Economic Commission of Latin America and the Caribbean

⁸ <http://censo2010.one.gob.do/index.php>

own their own accounts. Such children require at least one adult to act as the “sponsor” for the account, and cannot open an account or withdraw funds without that adult being present. The Mía account has a low initial deposit amount, few requirements to open, and no additional charges as long as a transaction is made at least once every six months. The Bank projects that it will reach 10,000 girls within two years of launching the product. The Mía product family includes two types of accounts – one for children ages 7 to 15, and another for youth ages 16 to 24. They have different minimum opening amounts: 100 pesos, or US\$2.60⁹ for younger children, and 200 pesos, or US\$5.20, for older youth. ADOPEM has created various personalizable, colorful passbooks and two incentive structures for each of the two age cohorts (7-15 and 16-24). Each account holder is presented with a passbook, matching savings can (called an “alcancia” in the DR, very similar to a “piggybank”) and a mini saving plan template when she opens her account.

After over 1.5 years of offering saving products to children, ADOPEM is on track to meet its target for accounts opened but has faced challenges in keeping accounts active. Most Mía account holders are under age 16, and through their own work with WWB they have discovered that most of these children depend on their parents to make all account transactions, including deposits, even though they can legally perform deposit transactions independently. The bank’s own research, consistent with findings in this study, has revealed that significant numbers of Mía clients and their families do not live within walking distance of bank branches, and lengthy, relatively expensive trips utilizing public transportation are often required to reach a branch. In order to address this challenge, ADOPEM and WWB are assessing options to bring transaction points closer to clients’ homes and thus increase the ability of girls to deposit without having to depend on their parents.

IV. Research Methodology

Scope

This study’s goal was to gain greater understanding of the personal and household-level determinants of good savings behavior among low-income adolescent Dominican girls. The research attempts to identify some of the key factors that affect the saving behavior of these young women, including individual attitudes and behaviors of the girls themselves, their family members, and family interactions and structure. In this research, the family is considered the immediate social environment for general psychological development during adolescence, and it is assumed that factors external to girls themselves have the potential to produce large effects on girls’ savings behavior. Due to resource constraints, the research was not able to include peers and others from various social environments which might also prove influential.

This study, modest in scope and resources as it was, does not attempt to definitively identify and delineate enabling or obstructing conditions for girls’ savings. Rather, the goal is to identify hypotheses and lines of inquiry about such conditions which can be explored in more depth in future work, while also suggesting promising and testable approaches to improving savings product design, marketing strategies and financial education programs. Along with this summary

⁹ 38 pesos = USD 1 as of September, 2011

report, six distinct case studies were produced as outputs of this research. Each provides a snapshot of a single household with descriptions of individual girls and their family members and examples of the relevant findings that can be drawn from each case.

Research Team

The research was led by Claudia Pompa, an independent consultant. The research was commissioned by Women's World Banking and supervised by Benjamin Shell. Analin Saturria, an independent consultant, assisted with the research implementation in the Dominican Republic.

Research Tools

This research used a qualitative approach, employing semi-structured interviews and focus group discussions to collect substantive and relevant data. A qualitative approach produces more in-depth, comprehensive information, a context for behavior, and opportunities for the participants to guide the research by allowing the researcher to follow up on previously unanticipated lines of inquiry. The qualitative approach not only helps uncover complex phenomena, but is also helpful in creating hypotheses to explain how and why revealed phenomena occur. The research team felt that this approach was most appropriate given the lack of existing research on the topic being studied, as well as the resource constraints.

The data collection tools used during this research were:

- Semi-structured individual interviews with selected young female clients from a sample provided by the bank
- Semi-structured individual interviews with other influential family members of the selected clients
- Interviews with key members of the ADOPEM staff involved in the project
- Focus group discussions with girls who saved and with their parents

Semi-structured individual interviews with girls who saved in Mía accounts and with girls who did not save were conducted in order to gain a better understanding of their knowledge, attitudes, and behaviors towards saving and how their families influence this behavior. Individual interviews with parents and other influential family members were used to explore the attitudes of the family towards savings and how savings-related knowledge and skills is transmitted or acquired in the family. The interviews were also used to gather some socio-demographic data about the account holders, such as age, education, occupation, work status and financial situation of those family members living with the girls. All the interviews were conducted in the homes of the girls.

Interviews with a handful of key ADOPEM staff were used to gather primary information about the institution, product characteristics, and institutional goals and challenges for the Mía savings accounts. Interviews with staff members were conducted at ADOPEM headquarters and also in two of the bank branches. The research team also took the opportunity to participate in a "Mía Day", a special day in which the branch promotes the opening of the Mía savings accounts. This experience helped further the understanding of the practice and process of opening an account, the marketing techniques employed, and the client profile for Mía products.

Focus group discussions were held at the end of the research period in order to gather more detailed information on trends and patterns identified during the interviews with girls and their family members. The focus groups were also used to clarify doubts that remained after the end of the interview period.

Informed Consent

Informed consent was required of all participants in the research as a way to protect the rights of minors. Before each interview and before the focus group discussions, parents or guardians signed consent forms that described the research, its purpose, and techniques to be used. Consent forms that would allow the use of visual images were also presented to the parents or guardians of the minors.

Sample

The research sample of Mía clients was formed from two groups of households in the Santo Domingo area containing girls for whom Mía accounts had been opened: households where girls were successfully saving in their accounts and households where they were not. This was done to uncover key differences between the groups, which would in turn indicate conditions that could act as enablers for, or barriers to, girls successfully saving in the bank.

The research was limited to the capital city and surrounding areas in order to provide the research team with the largest possible pool of participants – the vast majority of the bank's Mía accounts which had been open for more than six months at the time the research was conducted came from this region. It was also done to minimize variation within the sample that might occur due to urban and rural differences, and to minimize the travel expenses incurred by the research team.

To create the sample, Banco ADOPEM provided the research team with a pre-screened list of accounts from branches in Santo Domingo that were associated with girls ages 10-15 and had balances which had never exceeded 2,500 pesos, or roughly USD 65. The latter condition was put into place to as a first step to excluding more wealthy households and also parents of any income level who might be using Mía accounts as their own. To recruit participants for the “successful bank saver” group, accounts that showed transactions in two or more months in 2011 were identified. The adult “sponsor” associated with these accounts was then contacted by telephone and asked about their willingness to personally participate in the study, and also agree to the participation of the girl associated with the account. The girls themselves were also asked about their savings balance and their use of the savings account. Only families where the girls showed knowledge of the account and account balance were selected for this group.

To recruit participants for the unsuccessful bank saver group, adult “sponsors” and girls who had opened accounts but performed no transactions in 2011 were contacted by telephone and asked about their willingness to participate in the study.

Table 1 - Girls who save

Total number of	Number of girls	Number of girls	Number of family
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girls provided in the sample	successfully contacted	interviewed	members interviewed
107	45	8	15

Table 2 – Girls who don't save

Total number of girls provided in the sample	Number of girls successfully contacted	Number of girls interviewed	Number of family members interviewed
133	108	4	5

The main challenges encountered during the screening process were related to contact information and gaining the trust of parents in order to undertake the study. A large portion of the clients had changed phone numbers since opening their accounts, making it difficult or impossible to reach them. As expected, some girls contacted for the “successful bank saver” group were not aware of balances or transactions related to Mía accounts that had been opened in their name. Accounts associated with these girls were then moved over to the unsuccessful bank saver group in the sample.

Parents of the account holders also showed a certain level of skepticism when contacted to participate in the research. Many of them explained that they feared this was some type of scam (either to get information about the family or to offer them loans), as this had apparently happened on occasion in the months leading up to the research.

Research Implementation

The pre-screening interviews began September 5, 2011. Interviews, focus groups and visits to the ADOPEM head office and branches were conducted from September 13 – 30, 2011. Analysis and write-up of the findings began immediately after this period using notes taken during the research and recordings of interviews and focus group discussions.

V. Findings and Implications

General Profile of Participants

As planned, all girls participating in the research were between 10- and 15-years-old and lived in the metropolitan area of Santo Domingo. Nine of the twelve girls came from low-income households, while the remaining three from middle-income families. Each family's socioeconomic status was determined based on annual income estimates, observations of the family's housing situation, and other household data gathered from the interviews. At the time research was conducted all of the girls were attending school; eight of them were in primary school and the remaining four were in high school.

At the time research was conducted all girls were living at home with their families, but in seven

of the twelve cases the mother was the head of the household. In eleven of the twelve cases, the girls were interviewed along with their mothers (in only one case did the mother decline to be interviewed, preferring to have her husband answer all questions). In many cases, the research team was also able to interview other influential members of the family like fathers, sisters, grandmothers or aunts.

Mothers interviewed generally tended to have low levels of education. In only one of the twelve cases did a mother have a university degree. In another case, a mother was still pursuing a university degree, while most of the mothers interviewed stated they had dropped out of school during high school. Despite low levels of education among the mothers, women interviewed generally reported having more years of school attendance than fathers. In nine of the cases, mothers ran their own business, conducting one or several income generating activities to help support the household.

All the girls, including the non-saving girls, came from families which very actively managed their finances – All mothers mentioned using one or several financial products including savings accounts, loans, credit cards and debit cards. In most cases families had savings accounts in at least one bank as well as loans from multiple institutions.

Table 3 - Girls who save in their Mía account

	Age	Level of savings	Family structure	Socioeconomic situation	Subject of case study?	ADOPEM loan client?
Girl 1	13	High	Two-parent	Low	No	Yes
Girl 2	10	High	Single-parent, female head	Low	Yes	Yes
Girl 3	14	High	Single-parent, female head	Low	Yes	Yes
Girl 4	13	High	Single-parent, female head	Low	Yes	Yes
Girl 5	12	High	Single-parent, female head	Medium	No	Yes
Girl 6	12	Low	Single-parent, female head	Low	No	Yes
Girl 7	13	Medium	Two-parent	Medium	No	Yes
Girl 8	11	High	Single-parent, female head	Low	Yes	Yes

Table 4 - Girls who don't save in their Mía account

	Age	Level of savings	Family structure	Socioeconomic situation	Subject of case study?	ADOPEM loan client?
Girl 1	15	Not saving	Two-parent	Low	Yes	Yes
Girl 2	12	Medium	Two-parent	Low	No	Yes

Girl 3	11	Low	Two-parent	Medium	Yes	No
Girl 4	14	Low	Single-parent, female head	Low	No	No

Overview of Reported Girls' Savings Behavior

Girls are saving, and usually have several savings mechanisms

Almost every girl who participated in the research was not only saving, but saving in multiple ways or through various mechanisms. Those who saved at the bank also saved informally using several methods. Most girls had a piggybank (“alcancia”) to collect coins, which some wished could be smaller than the standard size offered in the DR so that they could fill it up more easily. Girls also reported storing money in hidden locations around the home, away from the attention of their family. Sometimes girls gave money to a friend or their mothers to put away. Most girls understood the risks of saving money at home, where it could be easily reached and spent by themselves or members of their family, and choose to diversify the methods they use to save.

Girls have diverse reasons for saving

When asked about their motivations to save, almost all girls reported saving “for the future.” Many also reported saving for emergencies and to help their families, and only some reported saving for shorter-term consumption. However, it did appear that most girls were saving money for short term consumption, though they used different words to refer to this money (see below on the difference between “ahorrar” and guardar”). The research also shows that younger girls (ages 10 to 12) reported more specific and longer-term savings goals and generally felt they have the ability to save more. On the other hand, girls ages 12 to 15 from this sample tended to have an expectation of financial responsibility within the household, and to save more for shorter-term consumption, such as clothing or other items they wanted but which their parents refused to buy for them.

For girls whose motivation was to save for the future, saving to pay for university expenses was the most common answer, followed by buying a car and then buying a house. Most of the girls had a very clear idea of what they wanted to be when they grew up and the professions they might want to pursue (especially popular were medicine, law, accounting, engineering, architecture, and tourism). Girls strongly associated a professional career with a better future and higher standard of living, which seemed to be their primary aspirations.

Pursuing a university career in the Dominican Republic is expensive, and putting together enough financing would most likely be very difficult for all the research participants. When asked how much university tuition costs, some of them provided very detailed answers while others did not know the cost. For those who mentioned that they wanted to buy a car, it was generally for commuting to and from university. When asked about the price of a car, they all responded “*it depends*.” Those who answered they were saving to buy a house gave the same answer when asked about the price.

For girls who reported saving for emergencies and their families, their main concern was the

welfare of their parents and siblings. One girl was explicit about wanting her mother to use the money saved in her account if it was needed to deal with a family emergency, while another spoke about helping her parents support her older brother to attend university. When talking about emergencies, girls would usually refer to “*saving in case of need*.” When asked about what type of “need”, the most common answer was sickness of a family member or payment for basic necessities such as food. One mother mentioned how she had asked her daughter to borrow part of her savings to buy food for dinner one day because the family had no other money to pay for it.

Emerging Hypotheses for Determinants of Girls’ Savings Behavior and Preliminary Implications

The following hypotheses emerged from analysis of the data collected during the research. They are presented along with potential implications for financial service providers and financial educators.

- 1. The ability to save in the bank and to make deposits can be limited by the distance between the bank branch and the house, and the girl’s dependence on parents to make transactions*
- 2. Girls’ ability to save in a bank could depend on at least one parent having an account in the same bank and using it regularly*

The primary question of the research had to do with what factors influence girls’ ability to save in a bank, whether or not they were exhibiting saving behavior more generally.

For most families, there appeared to be a cost/benefit calculation involved when going to the bank: the amount of money they had to deposit versus the cost of transportation plus the opportunity cost of the time they would spend in transit. Indeed, all girls who were successfully saving in the bank mentioned that they depended on their parents to make bank deposits; some of them knew where the bank was and how to get there but still did not go to the bank by themselves. When they wanted to make a deposit, girls needed to either wait for their parents to go to the bank to make their monthly loan repayments or for a parent to be willing to take a separate trip for their deposit.

The most interesting observed difference between savers who were using their account and savers who were not is related to their parents’ own bank usage patterns. Those girls who had made deposits into their accounts generally had parents who regularly visited ADOPEM several times each month, both for loan repayments and to transact with their own savings accounts. While not all girls who used their Mía accounts actually went to the bank themselves to make deposits, most did. Of those, all lived relatively close to a bank branch. Distance between the house and the bank could therefore be an important factor as well. Most girls who were not saving in their account had parents who reported that they also were not, at that time, saving in any bank.

Implication: The cost of traveling to often distant bank branches and willingness of adult household members to make deposits on behalf of girls seem to have limited girls’ opportunities

to save in their accounts. As mentioned above, ADOPEM has already noted this and is taking steps to bring transaction points closer to where many of its customers live so both children and adults are able to transact more conveniently. The correlation between adult bank non-savers and girl Mía non-savers also suggests that either parents were somehow influencing their children not to save or there was some overarching issue, such as a cash shortage, influencing both adults and girls.

3. *Women are teaching girls to save, especially in single-parent, female-headed households*
4. *Lower-income households where significant income comes from entrepreneurial activities tend to produce better savers than middle-income households with more predictable income flows*

The research revealed the strong potential positive influence that older female household members can have on girls' savings behavior. Almost every girl in the research sample, including good savers and bad savers, reported learning to save from an older female household member. This was corroborated by the women themselves, especially mothers, who reported making explicit attempts to instill a savings culture in girls.

In fact, among good savers, most girls were members of single-parent, female-headed households, while most non-successful bank savers were part of households where male figures shared at least some responsibility. The former type also tended to be lower-income, and parents in these households tended to expect children to contribute more to household expenses. One reason for better savings behavior observed among these girls could be the higher value such households place on money, while still earning sufficient income to save (it should be noted that no households in the research sample were destitute or extremely poor). Both women and girls in many of these households expressed the importance of reducing “*unnecessary expenses*” and carefully considering how they spend money.

All such single-parent, female-headed households in the research sample also relied heavily on one or more entrepreneurial income sources, which usually have more uncertain income flows. Savings could be a skill necessary for survival in such an environment – indeed, most women in such households reported having saved for decades, and many were adamant about the importance of doing so. These women seemed to see savings as a way to measure the integrity or value of a person, not simply a smart action that could have positive financial consequences. Some characterized savings as a key means to maintaining a healthy and responsible lifestyle. Most girls in these households also seemed to have embraced this attitude, calling savings a means to a better future.

Girls in such families could not only have learned from their mother's active teaching, as mentioned above, but also simply through observation, imitating behaviors and attitudes they have been exposed to on a daily basis since they were born. They also likely feel the financial stress present in their household and know that their family might rely on them for money in case of an emergency, as some parents reported doing.

These single mothers appeared to exhibit a more “authoritative” parenting style, which could be conducive to the development of positive savings behavior in daughters as well (see below for

more discussion of this issue).

The findings did not suggest any independent relationship between parents' level of education and girls' savings behavior.

Implication: Hypotheses two, three and four all imply that the “low-hanging fruit” in the market for girls' savings accounts can be identified by first finding parents who are good bank savers, particularly mothers who are entrepreneurs and heads of low-income households.

Influencing mothers could be one of the most effective ways to influence their daughters to save. Assuming that parents want the best for their children and recognize the importance of their children learning to save, mothers could be motivated to become better savers if they knew children were so likely to learn this particular habit from a mother's example. In less vulnerable households, children might need to be provided with clear financial incentives to save if they are to learn to do so.

Girls who are motivated to save only out of a sense of vulnerability, as small number were, may need to be encouraged to consider additional, goal-based reasons to save. Otherwise, if they are fortunate enough to achieve some level of financial security in the future, they could be less inclined to save, which could in turn be detrimental to the development of a savings culture in any children they might have.

5. Good savers tend to come from households with appropriately high levels of parental regulation and responsiveness

Good savers in the research sample mostly came from single-mother households where mothers set clear rules for their daughters, but did not seem to tightly govern every aspect of their lives. Many mothers and daughters reported that homework and chores had to be completed before girls could play, watch TV or go out with friends. These daughters also reported good relationships with their mothers, which appeared to be fairly collaborative (in contrast, fathers, if mentioned at all, were usually seen more as aloof figures mainly in charge of earning money and giving orders). Given this combination of rules and responsiveness, it appears these mothers fit the “authoritative” style of parenting as defined by psychologist Diana Baumrind.¹⁰ This style of parenting is associated with children developing self-regulation skills and self-confidence, both potentially important drivers of good savings behavior (see below for more discussion of these issues).

Households with girls who were not good savers tended to exhibit characteristics consistent with a more “permissive” parenting style, again using Diana Baumrind's classification. A “permissive” style is indicated by parents not making as many demands on children and being more lenient. As one girl said, the rules in her household “*are not so clear; sometimes you need to follow them, and other times we can do what we want.*” These girls tended to report saving

¹⁰ A much larger study performed on English schoolchildren also finds correlation between “authoritative” parenting styles and good savings behavior in children. See “The Economic Psychology of Adolescent Saving” retrieved from <https://eric.exeter.ac.uk/repository/handle/10036/83873>

money for a few days at most before spending it, often on “wants” such as discretionary clothing and sweets.

At the intersection of the permissive and authoritative parenting styles is the issue of children’s independence. One mother of a bad saver commented that she did not “like” her daughter managing money, and tried to limit this. Yet she also opened a Mía account for her daughter and wanted her to save. As girls become adolescents and more independent, efforts to teach them to save might not have any effect without giving or expecting any real responsibility for more broadly managing money, such as choosing where to put it and how to spend it. Daughters might need an increasing level of independence with their money in order to be motivated to manage it, and actually learn how to do so through some degree of trial and error.

Implications: As mentioned above, influencing parents could be an important way to influence girls, especially so that they can develop the skills and confidence that seem to enhance their ability to save. Girls’ financial education efforts attempting to include parents might be more effective when targeting parents who are in, or have completed, parenting classes which promote the “authoritative” style. It could be important to emphasize to parents that girls need to eventually gain some

6. Successful savers employ specific strategies to limit their own access to their money, exhibiting potentially higher levels of self-control, self-awareness and planning skills

In order to reduce spending and increase savings, most successful savers’ reported employing strategies to limit the availability of their own money or “forget” about it. Such strategies included giving money to parents or friends to hold, making deposits in a bank account and, when shopping, taking only the amount of money they needed for what they planned to buy. These girls explained that, in order to save, they needed ways to resist future temptation. It also seemed that for many of them, “out of sight” really did mean “out of mind.” These strategies most likely help reduce the need for self-control in the actual moment of temptation to spend, since there seems to be no money available to do so. Most girls who were not good savers did not report using any strategies to limit access to their own money.

Implementing these strategies appears to be very important for girls to achieve good savings outcomes. They also seem to imply the existence of self-control (or self-regulation, exercising of willpower) and planning skills. The fact that most girls also demonstrated an understanding of at least some of the mechanisms for why these strategies were effective indicates self-awareness (or metacognition) in good savers.

Implication: Teaching girls to employ these strategies, and providing tools and incentives to help them do so, could improve girls’ savings outcomes. This could be most likely be done in both product marketing and financial education contexts.

7. Girls who saved had a strong belief in their ability to successfully do so

Saving only becomes possible as a self-determined act if girls think it is possible and manageable to save. While the majority of girls with positive saving behavior in the study recognized the difficulties of saving, they all exhibited confidence and optimism about their ability to do so and

cited past experiences where they had benefited from saving.

Implication: self-confidence can be an important driver of savings behavior and seems to correlate with positive past experience. To inspire girls to save or use a new savings tool (such as a bank account), it might be important for them to actually quickly experience benefits as they experiment with this new behavior.

8. *The linguistic and conceptual difference between saving money in the bank, “ahorrar”, and saving money at home, “guardar”*

Girls who were good savers clearly differentiated between actions signified by the verb “ahorrar” and those signified by “guardar.” While both can be translated into English as “to save,” “ahorrar” was generally used when referring to bank savings, which girls usually associated with greater security, as well as protection from their own temptation and the reach of family members. But girls also clearly recognized that if they put their money in the bank it would not be easily accessible, not only because they needed the approval and presence of a parent to withdraw the money, but also because withdrawals need to be made during bank working hours.

The verb “guardar” was used to refer to informal saving, which girls said implied that the money was less secure and more prone to be used in the short-term and for family expenditures. Indeed, many parents saw their daughter’s savings as part of the family savings and research participants recounted occasions when those savings were used to overcome emergencies, with or without the approval of the girl: *“I took the 2,000 pesos (about USD 50) my daughter had saved, all her savings, because I needed it. Despite this, she still saves,”* the father of one girl revealed during an interview. However, money saved at home also implied easier access, which girls reported being important to them, mainly in case of emergency.

Implication: As noted above, all girls who saved in the bank also saved informally as well. Introducing girls who are not using bank accounts to the distinction between these two types of saving and candidly discussing the advantages and drawbacks of each could help create a desire in them to add a bank account to their “portfolio” of savings mechanisms.

9. *While good savers articulated savings goals, no girls had specific plans for how they would achieve these goals*

Girls with positive and disciplined savings behavior generally demonstrated a clear articulation of future goals in life as well as specific saving goals. The ability to save was also associated with the ability to have a clear vision of the future. *“Those who can envision a better future and set goals can save more than those who only think about today,”* remarked one mother. People who didn’t think about their future, their plans, and didn’t save were often characterized as “irresponsible” and “not thoughtful.”

Despite these goals many still lacked a clear idea of the costs associated with realizing their goals. In fact, no girls combined measurable, time-bound savings goals with specific plans for how to achieve them.

Implications: Goal-setting for savings and the longer-term future could be important in

motivating girls to save in the present, although some savers reported saving primarily for emergencies. It is possible that girls could save more effectively if they attached values and deadlines to their goals and created specific plans for how to achieve them.

10. Girls' orientation towards savings changes quickly as they mature

Younger girls, between 10- and 12-years-old, tended to have a clearer vision of the future relative to girls between the ages of 12 and 15. Younger girls also tended to have more specific and longer-term savings goals and generally felt they had the ability to save more – indeed, they did report having few financial responsibilities to their households. In addition, they tended to differentiate between “ahorrar” and “guardar” more clearly. On the other hand, girls aged 12 to 15 years tended to save more for shorter-term consumption and have an expectation of financial responsibility within the household.

Implication: The research suggests that conditions are more conducive to girls developing a savings habit at younger ages, particularly before age 12. Therefore marketing and financial education efforts to instill such habits and positive attitudes about savings would do well to focus on girls under 12 year-old. But as girls grow older, any savings habits learned at an earlier age are in danger of being overwritten by potentially stronger influences to spend. Efforts directed at teenage girls should therefore include strategies to help them maintain and bolster any habits learned earlier.

11. Girls are reportedly more culturally inclined to save than boys

In several participant households parents mentioned they have taught both sons and daughters how to save but that the girls was the only ones actively saving. When asked about this issue, girls themselves said, “Boys don’t save. They don’t care,” and “they only want to spend money; they don’t care about saving.”

The parents explained this behavior as a cultural phenomenon. One parent remarked that “boys are always in the streets and they spend their money... Women are more controlled; they stay at home more and think more about the needs of the house. They take the burden of the house and learn how to save.” It should be noted that the research did not directly investigate the drivers and barriers to boys’ savings, nor did sample include any boys.

Implication: It seems that in at least some parts of the DR, culture plays an important role in influencing girls to save more and boys to save less. Efforts to encourage girls to save could either embrace this cultural narrative, or, if they find it counterproductive for other reasons, attempt to create alternative narratives with similar effect. Efforts to encourage boys to save must be sensitive to this cultural context and find ways to overcome it.

12. Good savers try to influence their peers to save as well

While not a potential determinant of savings behavior, it is worth noting that many good savers reported trying to influence their peers to save as well, including both friends and family members.

Implication: While the effectiveness of these efforts is uncertain, they could be leveraged by

training girls on how to best influence their peers and providing them support to do so, such as simple tools and refer-a-friend initiatives. This could be done in both product marketing and financial education contexts.

Summary Implications for Offering Savings Products and Financial Education Programs

A family's overall cash flow might be the ultimate determinant of whether and how much girls' save. However, the findings suggest that the following tactics deserve consideration from organizations offering savings accounts and financial education programs to households doing well enough to have at least some cash available to save. Depending on the resources available and the timing, such organizations could test some of the tactics mentioned below to measure how effective they are in promoting savings product uptake and usage and more generally financial behavioral change.

For banks and other financial service providers

1. To open more accounts that remain active, the findings suggest that banks would be well served by identifying entrepreneurial women among their list of active clients and marketing girls savings products to the ones with daughters of appropriate age. They also might look into soliciting graduates of parenting classes promoting the "authoritative" style of parenting.
2. Opening transaction points in locations which are more convenient for clients (for instance, partnering with local shops to be bank agents or offering doorstep deposit collection), and ensuring they are youth-friendly environments, could make it much simpler for girls and parents to use bank accounts, in turn leading to increased levels of account activity and even customer acquisition.¹¹
3. Banks would also be well-served to directly address mothers in all promotional or other efforts to open girls' savings accounts and encourage their regular usage.
4. For younger girls who are just opening an account, banks might want to consider a starter program designed to provide easily achievable rewards for setting goals and practicing good savings behavior. These would build the confidence and positive experience that seem important for girls to save. Such rewards need not be costly or extravagant as long as they are somehow meaningful to girls.
5. As girls get older and face more demands on their money, banks could support development and maintenance of important self-control and planning skills by disincentivizing frequent withdrawals and implementing simple incentive systems for regular deposits. They could also motivate girls by helping them keep their goals in mind through inexpensive communication channels such as SMS.
6. In order to take advantage of the considerable amount of peer influence being exerted, banks could consider offering "recommend-a-friend" incentives. Banks could also institute a promotional program that works with motivated girls to be ambassadors to their peers if this could be done cost-effectively.

¹¹ The example of the Sri Lankan market is particularly striking. For over twenty years, commercial and public banks, especially Hatton National Bank and the National Savings Bank, have competed with each other to open and operate "student banking centers" in schools, allowing children to deposit money frequently and conveniently.

7. Marketing materials and staff communications should reflect the reality that most girls will only put some of their money in the bank, but not all. At the explicit request of girls, piggybanks in the DR should be made smaller.
8. Consider how to position marketing messages and the product within the savings-related cultural context for girls and boys, as well as their mothers and fathers, given the bank's brand, image and mission.

For financial educators

1. The findings suggest that mothers could be a significant external influence on girls' savings behavior, possibly the most important (assuming that such external influence is possible). FE programs might best achieve the behavioral change they seek through mothers. The following might be effective ways to influence girls through their mothers:
 - a. Start FE efforts with mothers soon after girls are born so they have as much time as possible to grow up in household environments conducive to saving.
 - b. Motivate them to be better examples for their daughters by explain the research finding that mothers' own behavior seems to have such a strong influence on girls savings.
 - c. Encourage mothers, especially those in less vulnerable households, to provide clear incentives for girls to save money such as requiring them to contribute to certain types of purchases.
 - d. To be more effective, coordinate FE efforts for mothers with any more general parenting classes that are promoting "authoritative"-style parenting, or target graduates of such classes.
2. FE programs might be most effective if they focus initial efforts on younger girls, who could be more receptive to FE messages and able to act on what they are learning. These efforts could include showing girls how to achieve quick wins when they are first learning to save so they build confidence and positive associations.
3. If resources allow, programs could follow the same participants for years with occasional FE experiences as they grow older in order to ensure good habits are not lost during teen years.
4. Programs might do well to candidly discuss the benefits and drawbacks of informal versus formal saving in order to be sensitive to the current situations and level of sophistication of girls.
5. Savings for goals as well as emergencies appear to be important and realistic for girls, and having girls set real savings goals for themselves could be a fundamental goal of any FE program. Programs could also test out how willing girls are to set goals with monetary values and deadlines and create specific plans to achieve them, and then how effective this is in achieving better savings outcomes.
6. For those participants who are or become good savers, FE programs could consider a peer education initiative with tools and incentives for the peer educators.
7. Consider how to position FE messages within the savings-related cultural context for girls and boys, as well as their mothers and fathers.

VI. Conclusion

The case-study approach provides a fascinating peek into how some low-income adolescent girls

aged 10-15 and their family members think and feel about savings, and how this relates to their savings behavior. The findings offer preliminary indications as to the household and cultural dynamics that impact girls, as well as girls' individual attitudes and characteristics important to saving. This study also provides a useful baseline for future research on saving behavior among young girls in the DR and beyond.

Study Limitations

The study's largest limitation was its small sample size. Including more households could provide more nuanced and widely applicable findings. Most adult "sponsors" of Mía accounts were also ADOPEM loan clients (including all successful bank savers), so the sample reflects ADOPEM's borrowers more generally, who are mostly low-income women engaged in entrepreneurial activities, many of whom are single heads of household. One parent in all households included in the research had already gone to the trouble of opening a Mía account for his or her daughter, implying a significant pro-savings orientation. Therefore these findings cannot be applied to all low-income or female-headed households in Santo Domingo, much less the DR.

For most interviews with girls, mothers were also present in the room, and thus girls' responses might be somewhat skewed towards what they wanted their mothers to hear. It should be noted that all savings behavior referred to in this study was reported, not observed, with the exception of transactions in Mía accounts.

Recommendations for Further Research

The study reveals a wealth of promising directions for future research for those interested in gaining more understanding of how and why girls do and do not save, as well as designing more effective programs to promote savings behavior. Qualitative and quantitative methods could both prove useful in further research.

To better understand external influences on girls in the DR, other potentially influential social environments could be included, such as local communities, schools and perhaps churches. Within the household, including fathers and siblings could provide a fuller picture. The positive and negative influence of "passive" learning that girls do through observations also warrants further attention. Given the small sample size, this study could not indicate which combination of the observed variables co-occurring in most families of good savers were significant. Future research could attempt, through larger and carefully designed samples, to tease out the likely individual and combined influence of single mother-headed households, the level of entrepreneurial activity, income level, and parenting style, as take more nuanced measurements of levels or durations of occurrence of each of these variables. How these factors influence parents' interactions with daughters, and then daughters' own attitudes, states and actions, deserves more focus. Exploring cases where girls or young women seemed to "unlearn" savings habits previously developed could also provide useful insights.

Diversifying the geographic location of girls' households would make results more widely applicable. Quantitative surveys could investigate how characteristics identified in qualitative studies apply to populations at large, while longitudinal studies that follow specific households

could provide very interesting insights into how the most interesting variables develop and change over time.

As part of such a longitudinal effort, a “financial diaries” -type of study, focusing on savings, would ensure much more accuracy in measuring actual behavior. Hopefully enough trust could be built up with participants so that researchers could speak with girls alone, away from other household members.

To explore the effect of culture, it would be useful to begin by including boys and fathers in samples, since ideas about femininity and masculinity seem to be so relational to each other.

The effectiveness of the strategies suggested above for banks and financial educators could be measured on different types of households and girls, using a mixture of qualitative methods and quantitative methods with comparison groups. Finally, as girls grow older and progress from adolescence into adulthood, it would also be interesting to see if having a bank account at all affected their savings habits and financial situations as well as other important life outcomes.