

Swadhaar Finaccess

Project Finance Endline: Financial training impact evaluation



Barometer Research

25th August, 2011

Contents

- Background, Study Objectives and Design
- An overview
- Demographic profile of respondents
- Study Findings
 - Program achievements
- Feedback on the course
- Conclusions & Recommendations



Background

Background

- Swadhaar Finaccess (SF) is a non-profit organisation dedicated to the support of urban poor through financial literacy, savings, livelihood support and human resource development.
- In this context, Swadhaar has been conducting a Financial Education Programme among women in the slums of Mumbai and Baroda.
- The objective of this programme
 - To make her more aware of the options available to her
 - Make her aware that she has control over her life and finances
 - Help her save money wisely
- Swadhaar wished to assess the impact of the training.
 - Accordingly Baseline and Endline evaluation studies were carried out by Barometer Research.

Research Study Objectives

- The main objective of this research was to evaluate the impact of the Financial Literacy Program 2011.
- The secondary goal was to improve future programs through making appropriate changes
 - Assess impact and gaps in the same, to determine extent and direction of improvement needed.

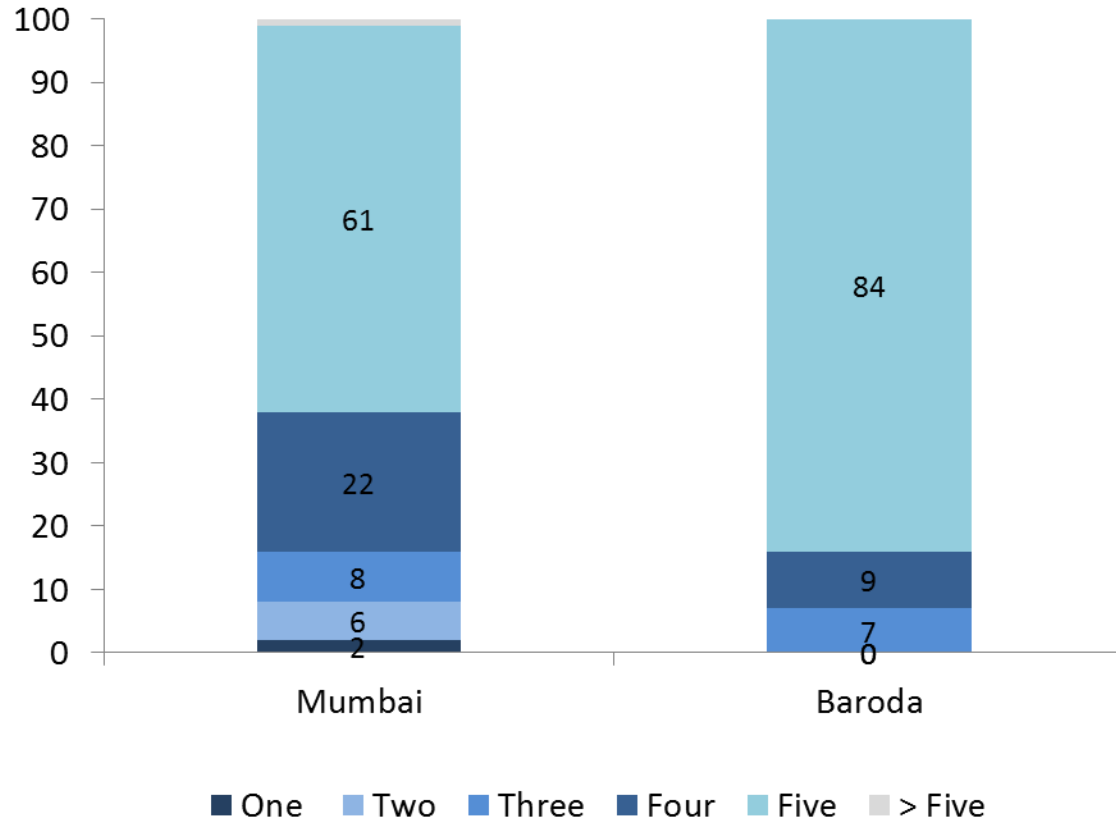
Recruitment Process and Fieldwork

- The client provided names and contact information of women
 - For the Baseline, these were women who had enrolled for the training program and paid the fees
 - For the Endline, these were women who had actually attended the classes
- A sample of 450 respondents was set for Mumbai and 150 for Baroda.
 - However during the Endline there were issues in finding sufficient numbers of respondents in Mumbai
 - Reasons were varied – upset at not being given loans, inaccessible after the summer holidays etc.
- Using the list of names available from the client, all women were contacted, until the time that (ideally) 50/57 appointments were made around each training centre.
- All interviews were carried out in person by trained and experienced field interviewers, under the guidance of a field supervisor.
- The entire field team had been briefed and trained by the Principal Researcher on the project.

Sample Size: Endline vs. Baseline Study

Centre	Baseline Sample Achieved	Endline Sample Achieved
Chembur-1	56	39
Chembur-2	53	44
Bhandup	53	43
Thane	66	50
Malad-1	65	50
Malad-2	45	41
Borivili	53	26
Ghatkopar	66	40
Total Mumbai	457	333
Fatehgunj	50	46
Raopura	50	63
Gotri	49	41
Total Baroda	149	150
GRAND Total	606	483

No. of training sessions attended



- 84% in Baroda had attended all training sessions compared to just 61% in Mumbai.
- Need to see what Baroda is doing differently; or how Mumbai's needs might be different.
 - Can this difference only be attributed to culture? Or a more hectic pace of life in Mumbai?

Base All: 483
Mumbai: 333
Baroda: 150

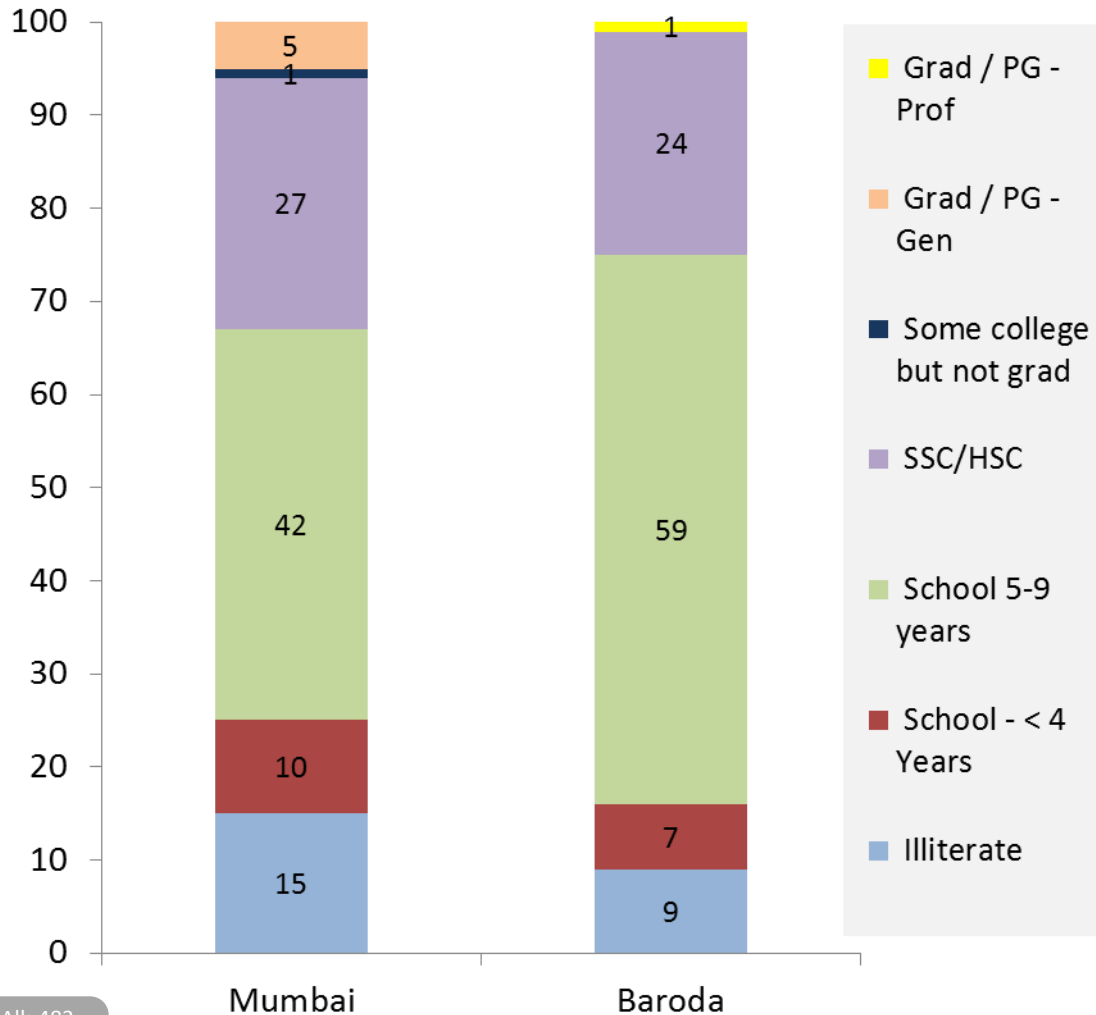


An Overview

An overview of the outcome of the Literacy Program

- Consistent pattern across almost all questions – ignorance has dropped and awareness has increased
 - “Don’t Know” responses have almost completely disappeared in the Endline
 - This shows an increased understanding of financial issues and an increased awareness of their own finances.
- The program has worked differently in Baroda and in Mumbai
 - Women in Baroda not only attended the program more regularly, but also filled their diaries more consistently, at significantly higher levels than women in Mumbai.
 - However, the women in Baroda showed a **reduction** in earlier confidence – almost as if the earlier certainty had been based on ignorance.
- Future training programs might need to include a heavier dose of practical training
 - The current program has **definitely** improved the knowledge levels and helped women understand details of their financial situation.
 - It now needs help them cope with their ground level financial realities.
 - A counselling service that would help translate the learning into action
 - How to work out actual loan burden, how to transact at a bank, how to save money
 - A financial advisor whom the women could consult as they find their feet
 - Need some **hand-holding** to build confidence as they start transacting with banks, lenders, etc.

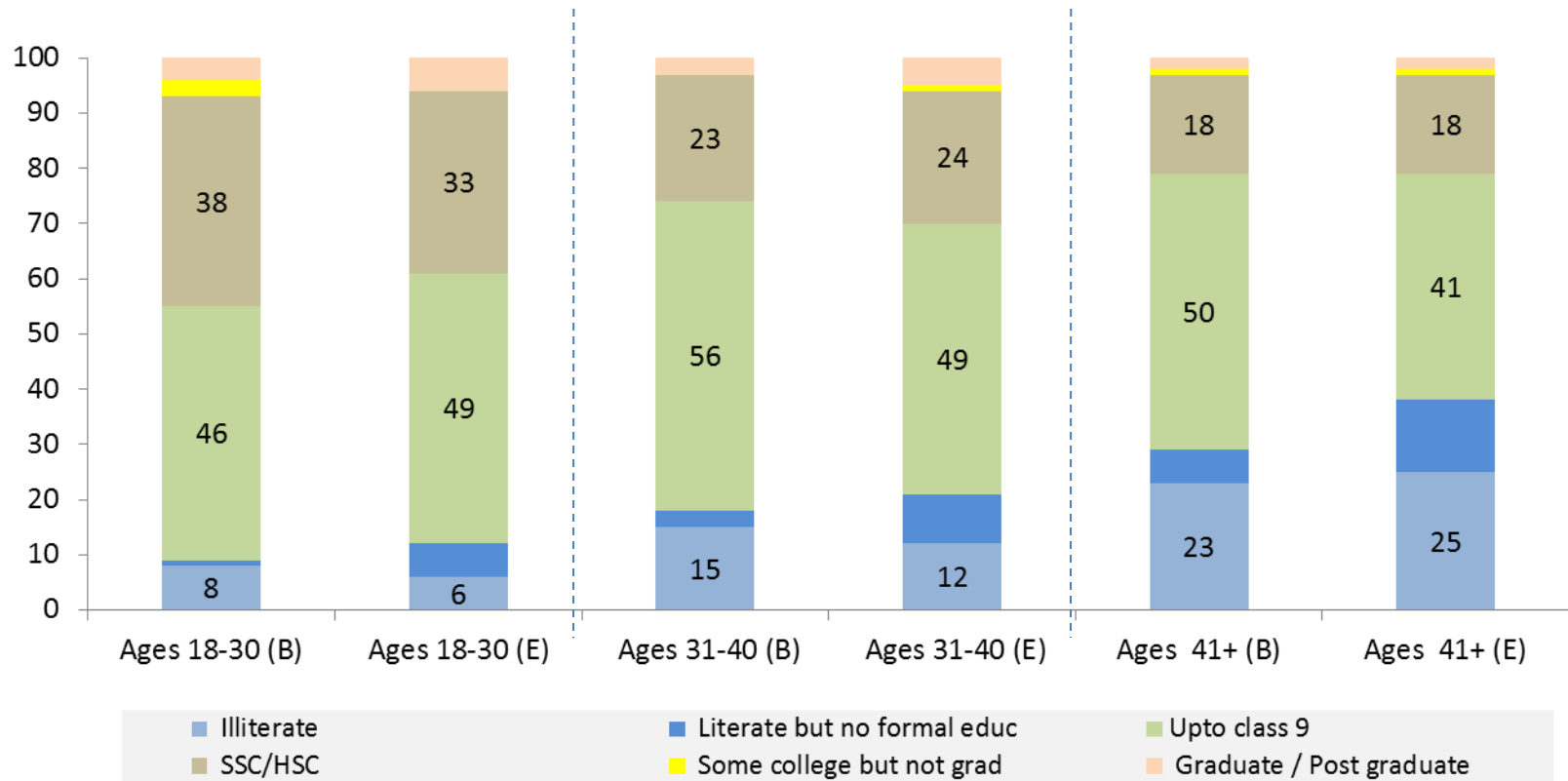
Education of the respondent



Base All: 483
Mumbai: 333
Baroda: 150

- A Baroda girl had a higher chance of going to school and getting basic education than a Mumbai girl.
- But chances were that a Baroda girl would stop studying after 8-10 years.
- If a Mumbai girl did get enrolled and stayed for 4 years or more, she would complete school,
 - Or even go beyond

Younger respondents were better educated

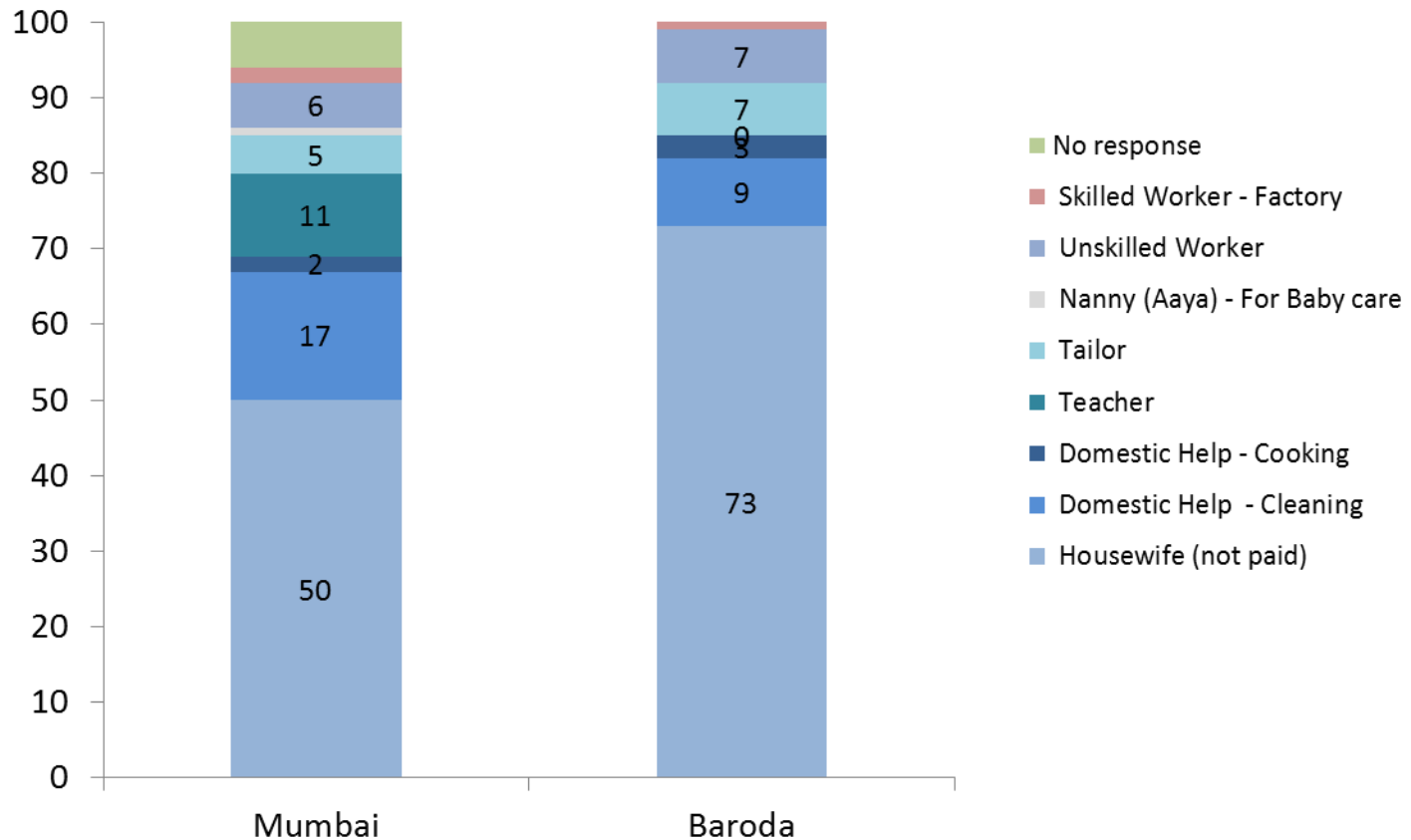


Base All (B): 606
 Ages 18-30: 220
 Ages 31-40: 254
 Ages 41+: 132

Base All (E): 483
 Ages 18-30: 161
 Ages 31-40: 219
 Ages 41+: 103

- There was a clear and direct link between **age and education seen in both phases**:
 - Illiteracy was higher among older respondents (aged 41 or more)
 - SSC/HSC level education was higher among younger respondents (18 to 30 years)

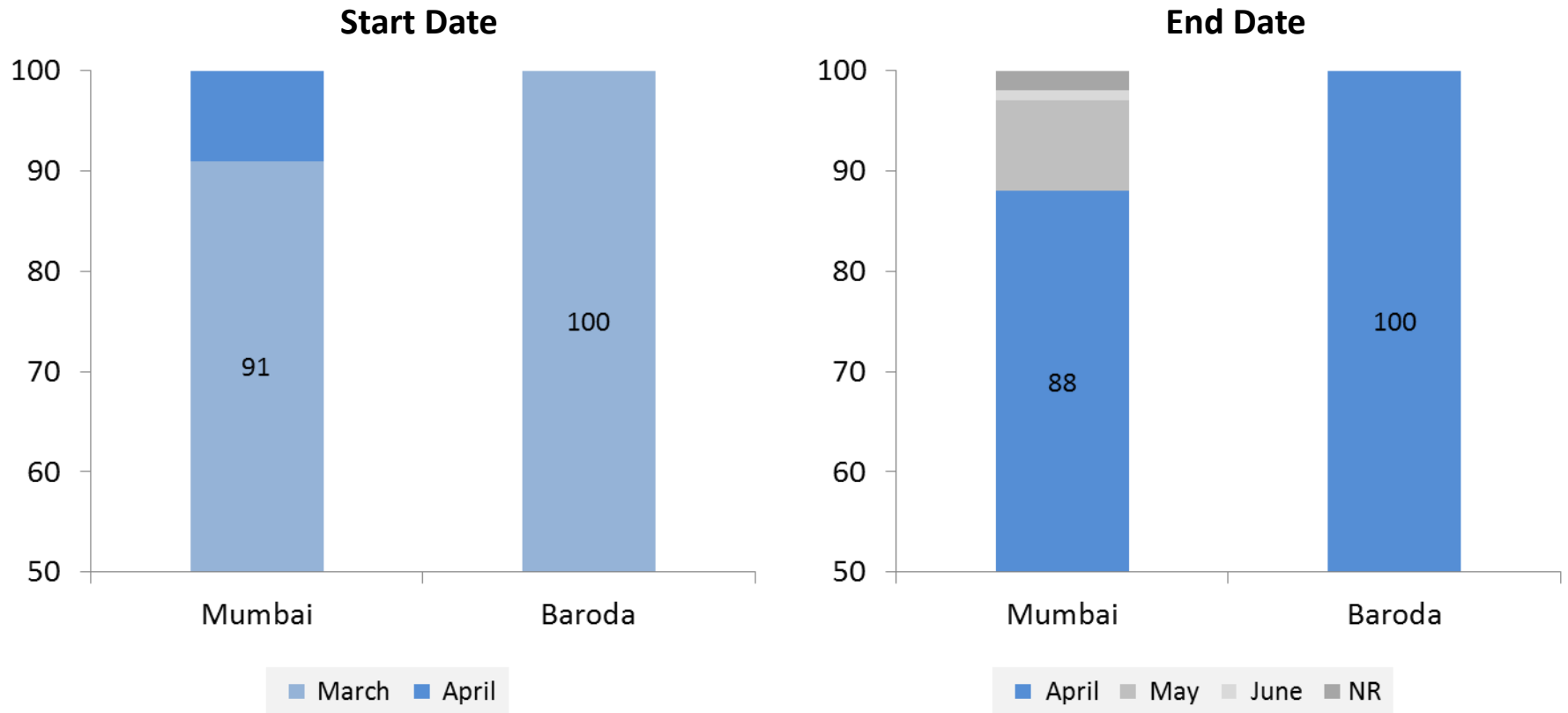
Occupation of the Respondent



- Significantly more housewives in Baroda vs. Mumbai
- No teachers in Baroda vs. 11% in Mumbai; none in baby care either

Base All: 483
Mumbai: 333
Baroda: 150

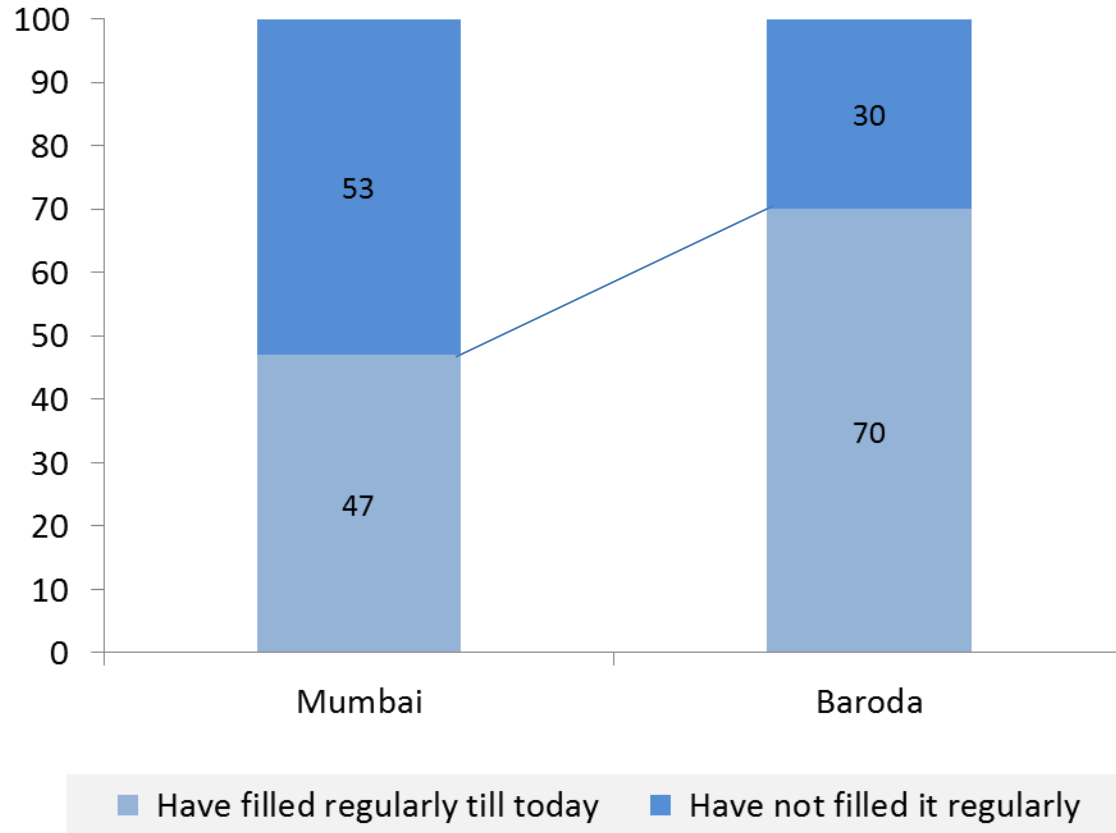
Dates Program Attended



- Over 90% of all respondents started the training program in March 2011 and completed it in April 2011
 - All in Baroda matched these dates, slight overlap with Apr-May dates in Mumbai
 - It must be noted that these dates were as recollected by the respondent

Base All: 483
Mumbai: 333
Baroda: 150

Regularity of filling diary



- Respondents in Baroda filled their diaries significantly more regularly than those in Mumbai
- Again there is a need to understand the reason for this difference

Base All: 483
Mumbai: 333
Baroda: 150

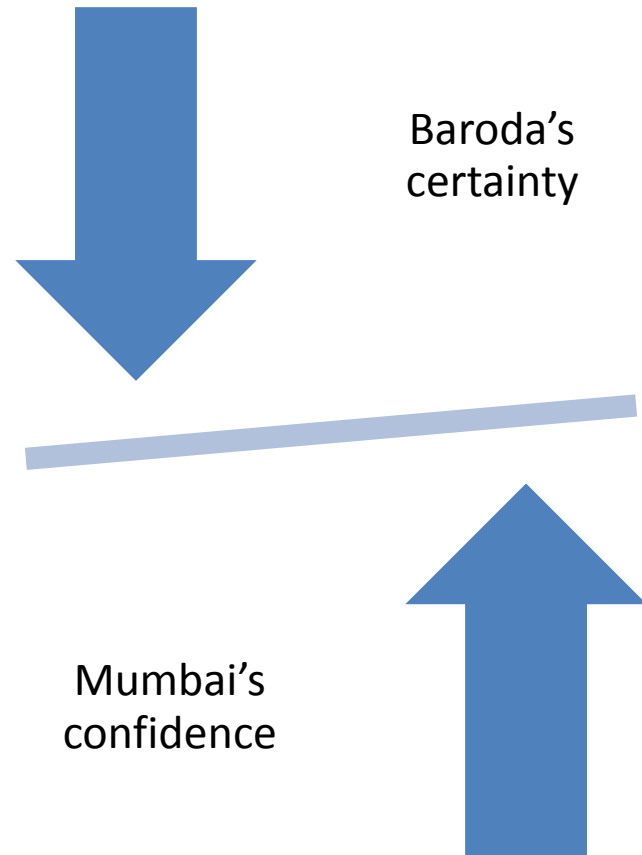


Study Findings

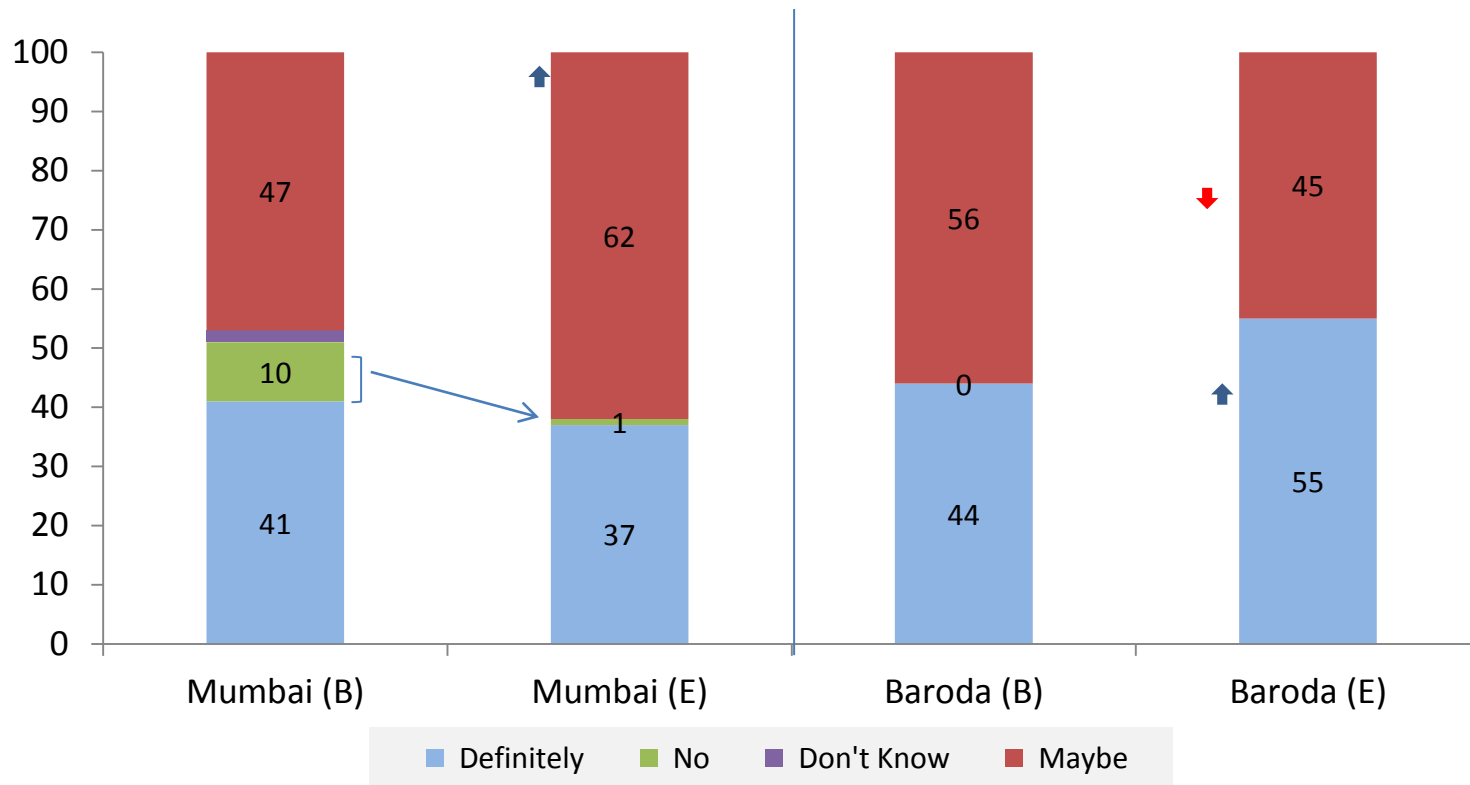
- Program achievements

The program had led to a recognition of the complexities of household finance

- Clear indications of the impact of increased awareness
 - Mumbai respondents now more sure of their household financial situation
 - Baroda respondents less sure than they had been earlier



Increased recognition of monthly expense items



- The non-awareness of monthly expense items seen at the Baseline in Mumbai had disappeared
 - More Mumbai women now had some idea, although not a sure idea, of monthly expenses.
- Baroda women had been aware from the start; after the literacy classes, many more were 'definitely' aware of their monthly expense items

Mumbai (B): 457
Baroda: (B) 149

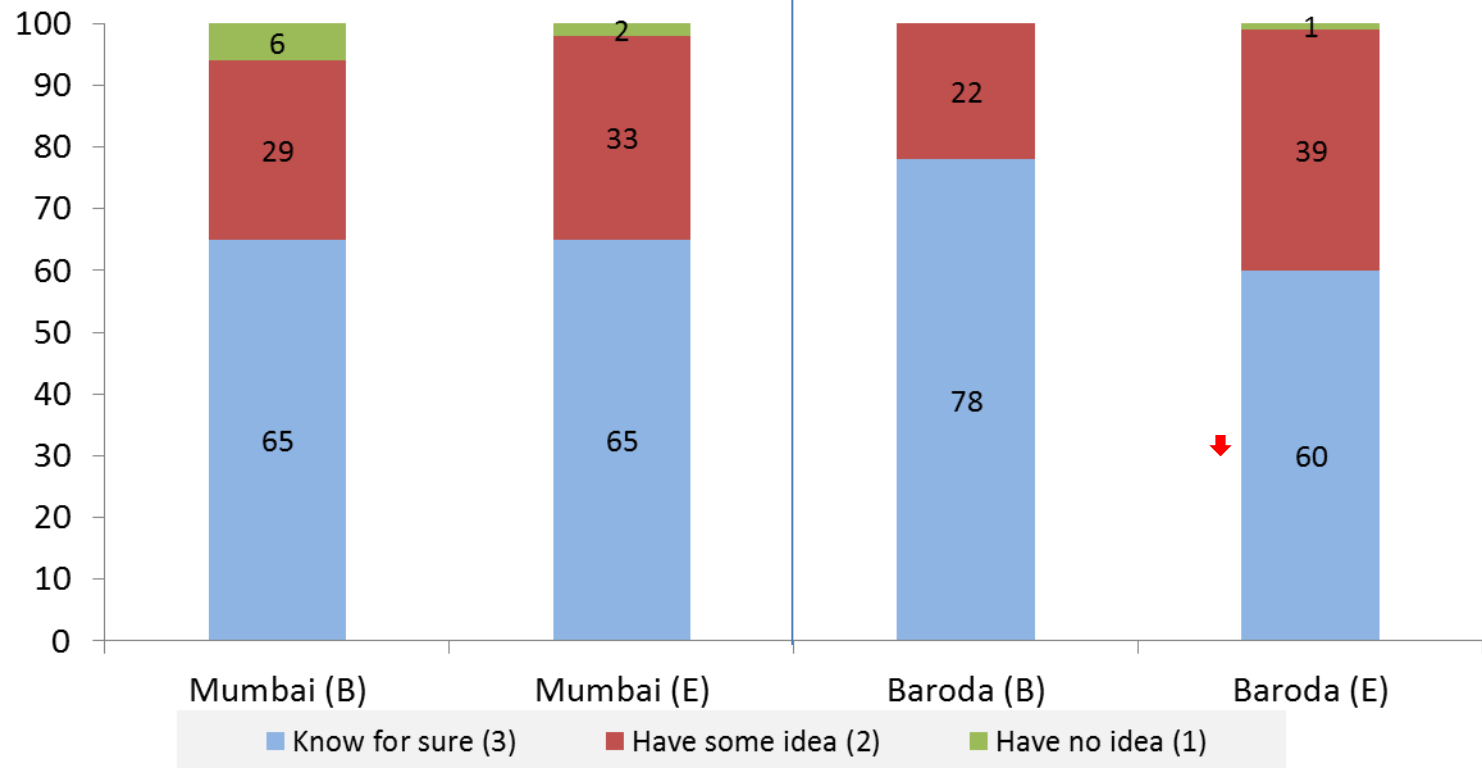
Mumbai (E): 333
Baroda: (E) 150

↓ Sig. decrease vs. baseline

↑ Sig. Increase vs. baseline

Q7. In any month, would you know which are your major expense items?

Monthly household expenses – Mumbai’s ‘don’t know’ responses reduced; Baroda’s high confidence reduced

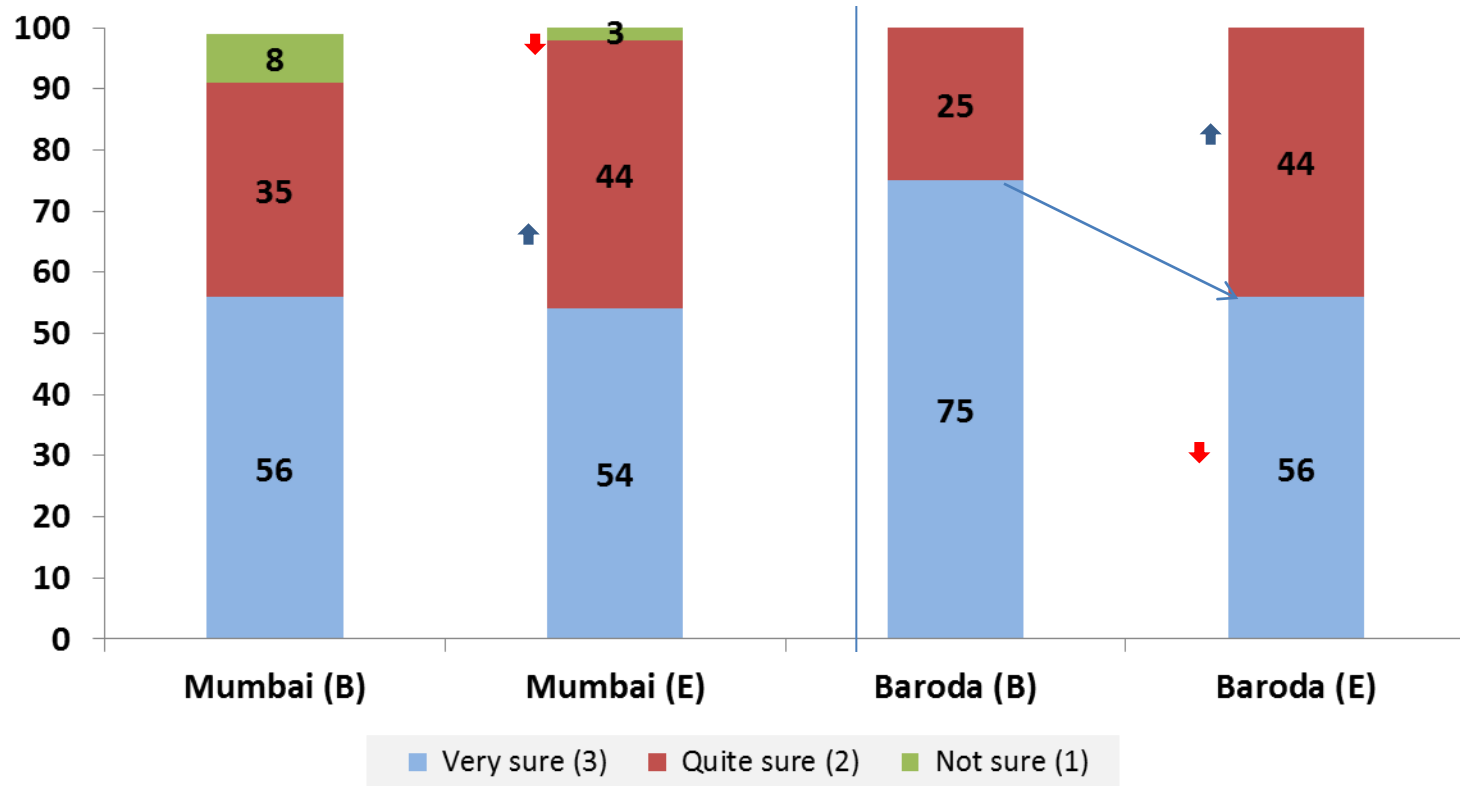


- Baroda respondents had been very sure of their household’s monthly finance requirements earlier; now they seemed to not be as sure
 - Probably a recognition of the complexity and detail involved
- Significant decline in average level of confidence (mean score) only in Baroda (**2.78 to 2.60** from Baseline to Endline).
 - In Mumbai the means were effectively unchanged at 2.59 and 2.62.

Mumbai (B): 457
Baroda: (B) 149

Mumbai (E): 333
Baroda: (E) 150

The same pattern was seen in women's beliefs about their ability to manage household expense



- In Mumbai, those who had not been sure earlier were now more sure about their ability to manage household expenses.
 - Significantly more respondents were sure in Mumbai compared to before.
- In Baroda, the high confidence seen at the baseline had become muted.
- Significant **decline in average level of confidence (mean score)** only in Baroda (**2.75 to 2.56**)
 - Could this be a result of a better understanding of the intricacies involved?

Mumbai (B): 457
Baroda (B): 149

Mumbai (E): 333
Baroda (E): 150

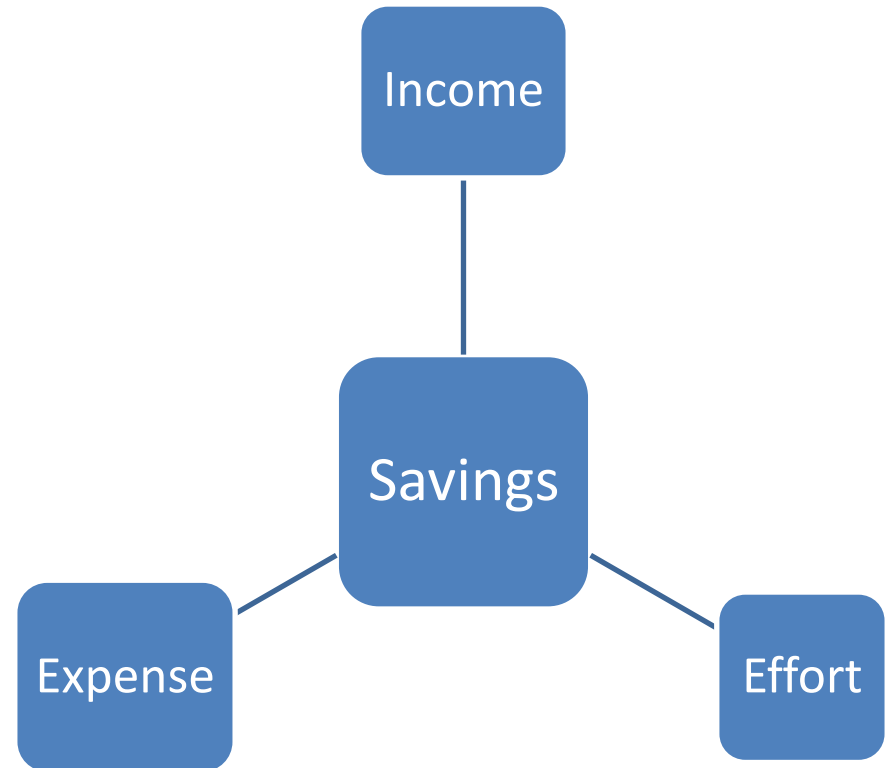
↓ Sig. decrease vs. baseline

↑ Sig. Increase vs. baseline

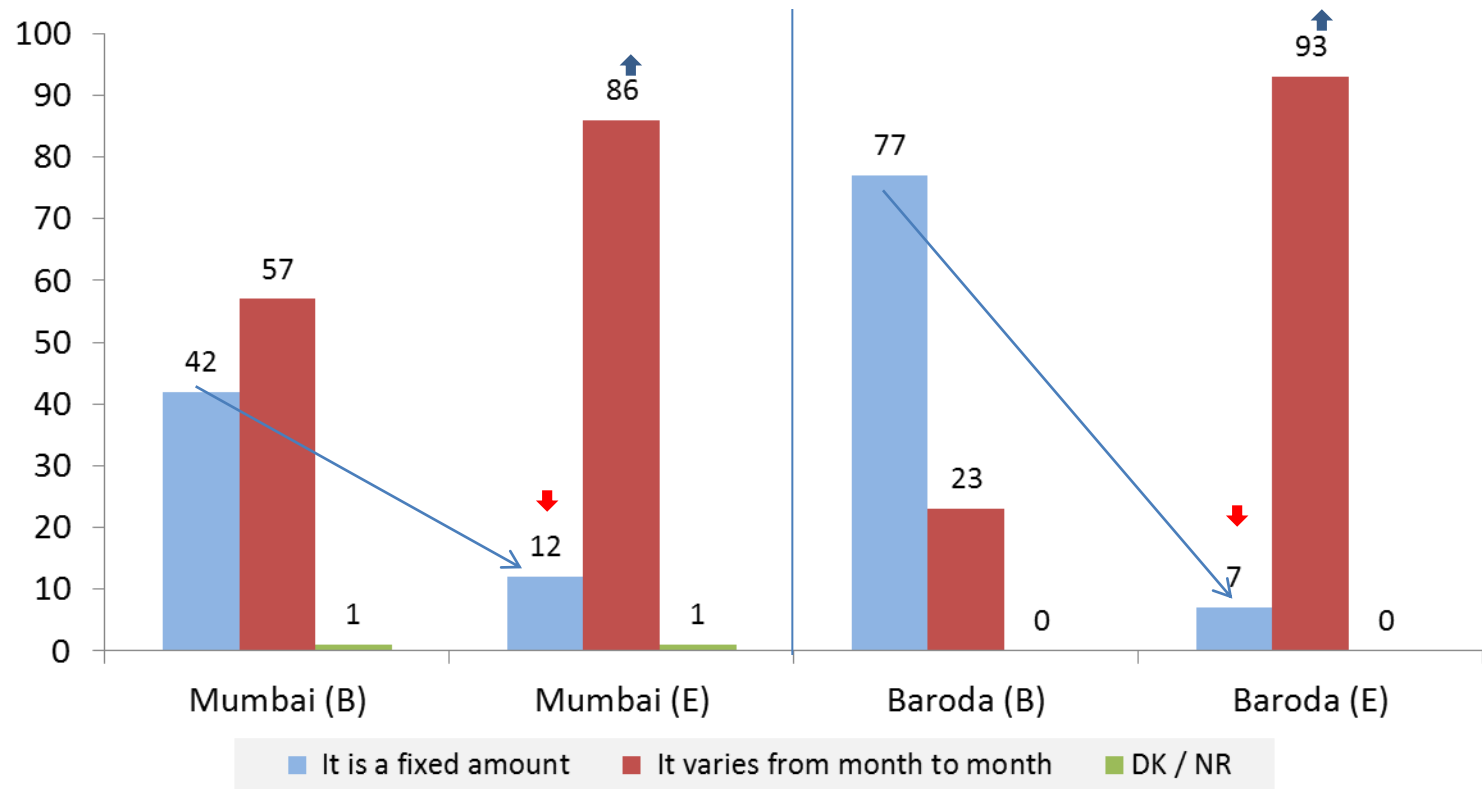
Q7. How sure are you that you can manage your household expenses well?

The need for conscious effort to save money was understood

- Significantly more women in both cities recognized the variability of household expenses.
- In both cities, there was a recognition that savings were not as high as had been assumed.



Women in both cities recognized now that household expenses were not fixed



- Large and significant changes in both cities – there was an increased realization that HH monthly expenses vary from month to month
- This is possibly a result of classroom learning as well as experience leading to heightened awareness.

Base All (B): 606
Mumbai (B): 457
Baroda: (B) 149

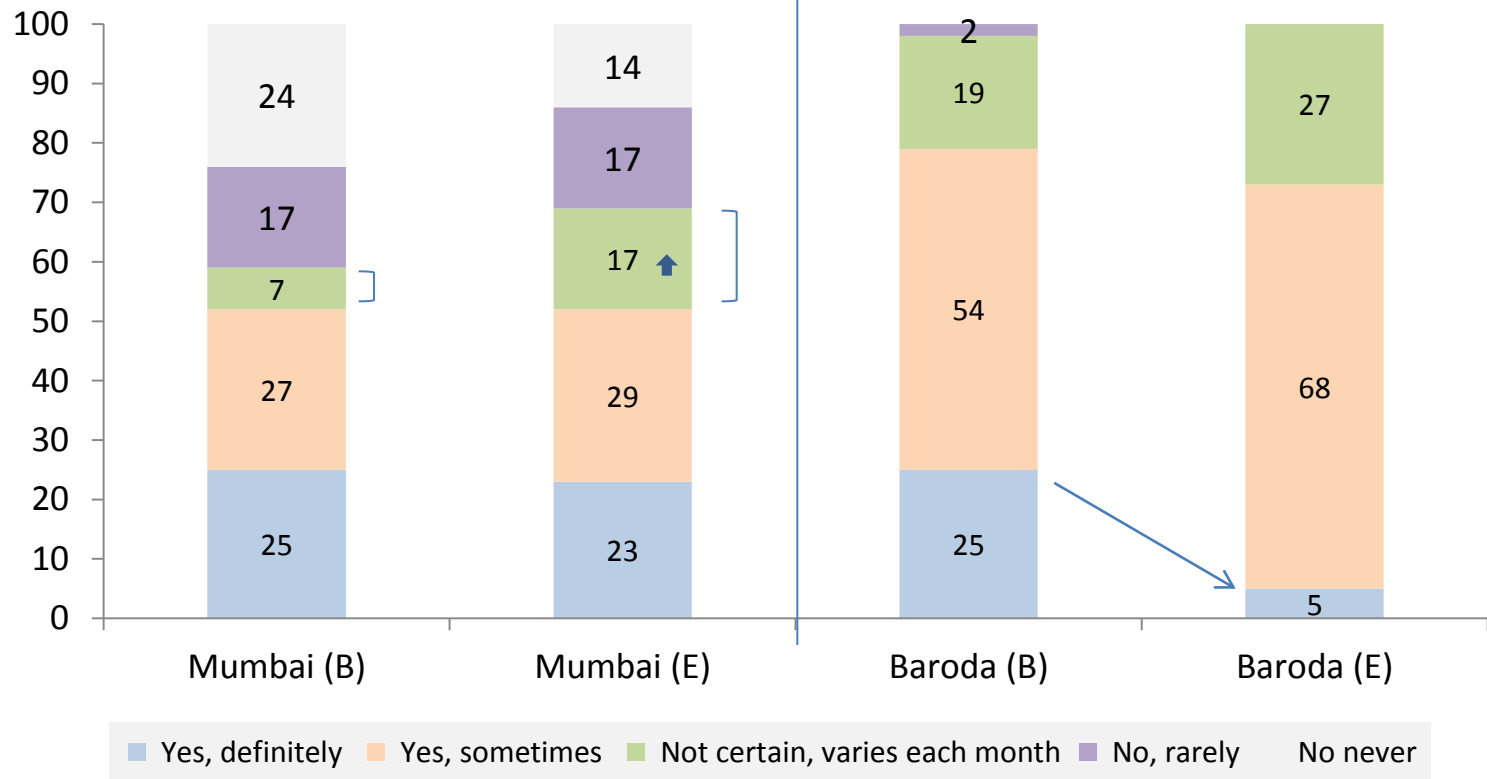
Base All (E): 483
Mumbai (E): 333
Baroda: (E) 150

↓ Sig. decrease vs. baseline

↑ Sig. Increase vs. baseline

Q9. Are HH expenses each month fixed or do they vary from month to month

Mumbai respondents recognized that there could be savings while Baroda respondents recognized that these were not definite



- In Baroda the certainty seen in the Baseline had diminished.
 - Significant **decline in average level of confidence (mean score)** only in Baroda (**4.02 to 3.79**)
 - However, at the overall level those who felt they could save money had not fallen (79% vs. 73%)

Mumbai (B): 457
Baroda: (B) 149

Mumbai (E): 333
Baroda: (E) 150

↓ Sig. decrease vs. baseline

↑ Sig. Increase vs. baseline

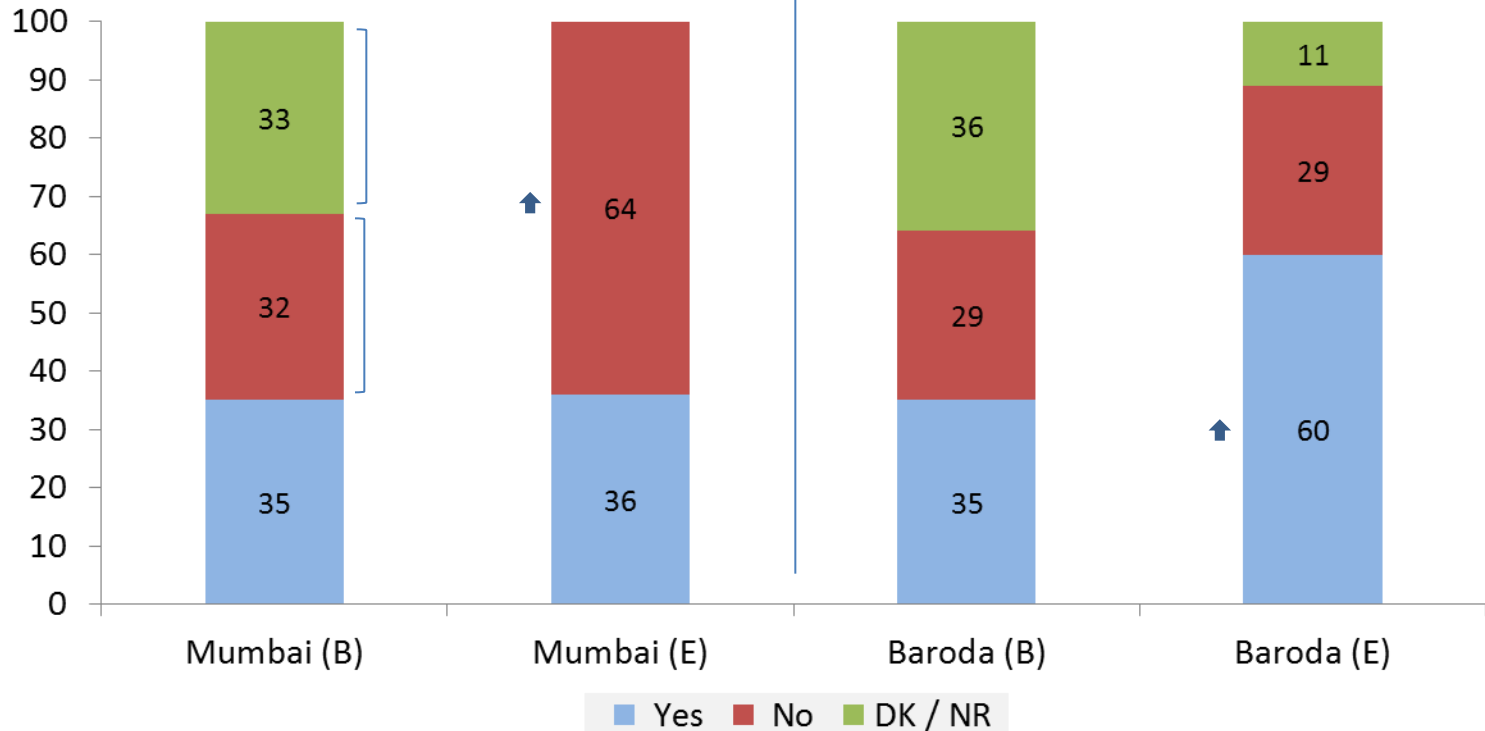
Q13. Does your total household income on an average leave you with any money to spare at the end of the month?

Yet, the desired behaviour change was not evident



- Some evidence that participants had learned to distinguish between safe and unsafe ways of saving money.
 - However, immediate practice was not directed towards bank accounts
 - Despite more bank accounts in Baroda – could be linked to summer migration?
- The actual practice of transacting with banks was still very low

Significantly more respondents in Baroda had a savings account in their own name



- Dramatic **decrease** in respondents saying “**don’t know**” across both cities
 - In Mumbai the classes led to a heightened awareness that they did **not** have a/c’s in their name
 - Need qualitative research to understand reason for not having an account.

Mumbai (B): 457
Baroda: (B) 149

Mumbai (E): 333
Baroda: (E) 150

↓ Sig. decrease vs. baseline

↑ Sig. Increase vs. baseline

Q15. Do you have a savings account in your own name?

Increased awareness of **ways to save money**

	Mum (B)	Mum (E)	Bar (B)	Bar (E)
<i>Base</i>	457	333	149	150
Bank savings deposit	0	68	0	40
Bank Fixed deposit	5	9	50	3
Bank recurring deposits	8	9	18	23
Regular deposits in the bank/ Monthly / Term Deposit	50	20	2	15
Buy gold	17	11	5	11
Postal Savings/ Certificate (Kisan Vikas Patra etc.)	9	3	2	1
Mutual Funds	2	5	0	0
Insurance Policy (For Higher Education)	0	2	0	0
Some saving scheme	11	40	15	10
Bhishi fund	6	2	0	0
NR	23	1	40	0

- Vocabulary around bank deposits changed - in both cities. Overall, awareness of this option **increased**.
- In Mumbai small but significant increases in awareness of MFs and insurance policies and significant decreases for Bhishi funds
- The No Response slot was negligible in the Endline in both cities (though high in the Baseline).

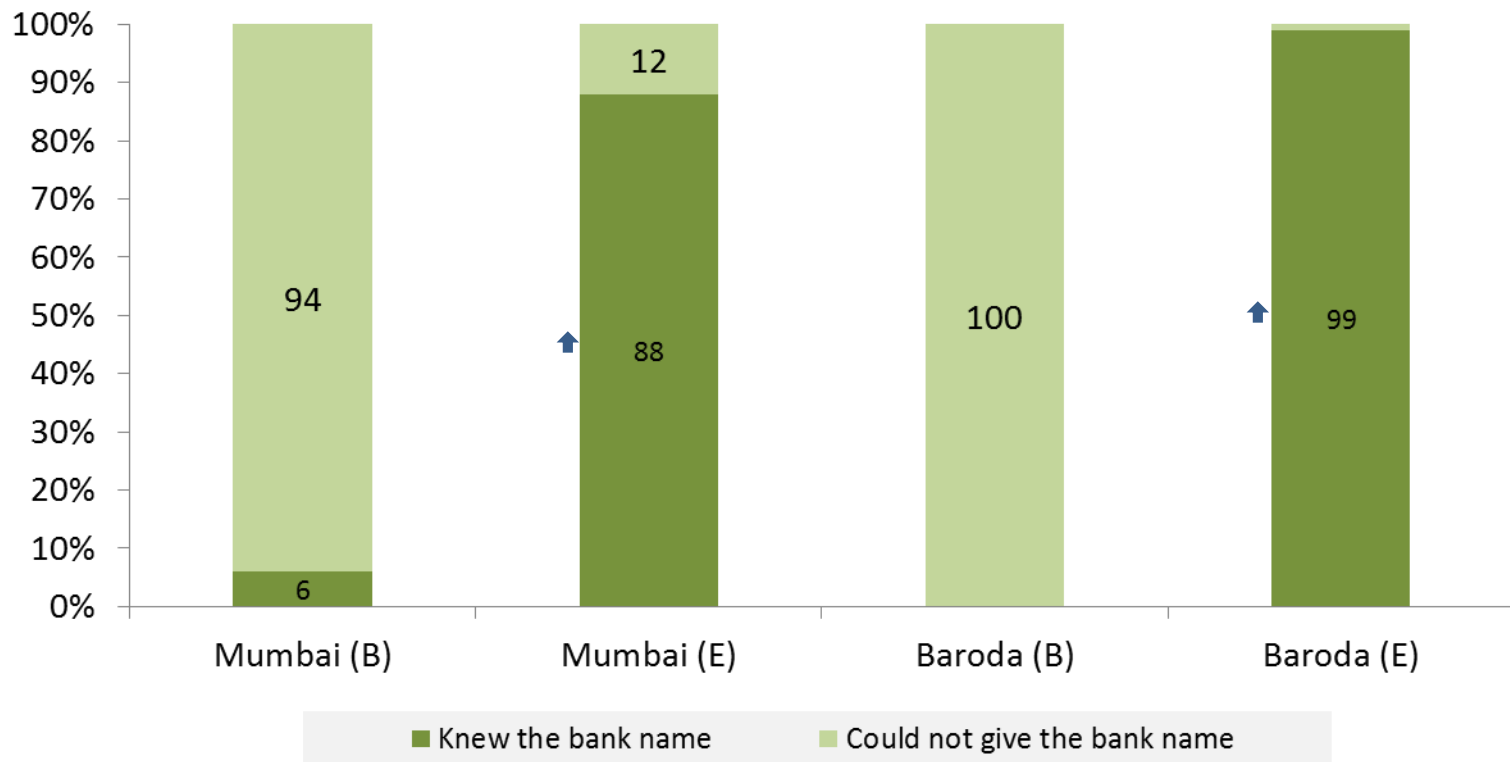
Mumbai (B): 457

Baroda: (B) 149

Mumbai (E): 333

Baroda: (E) 150

Heightened awareness of bank names in both cities



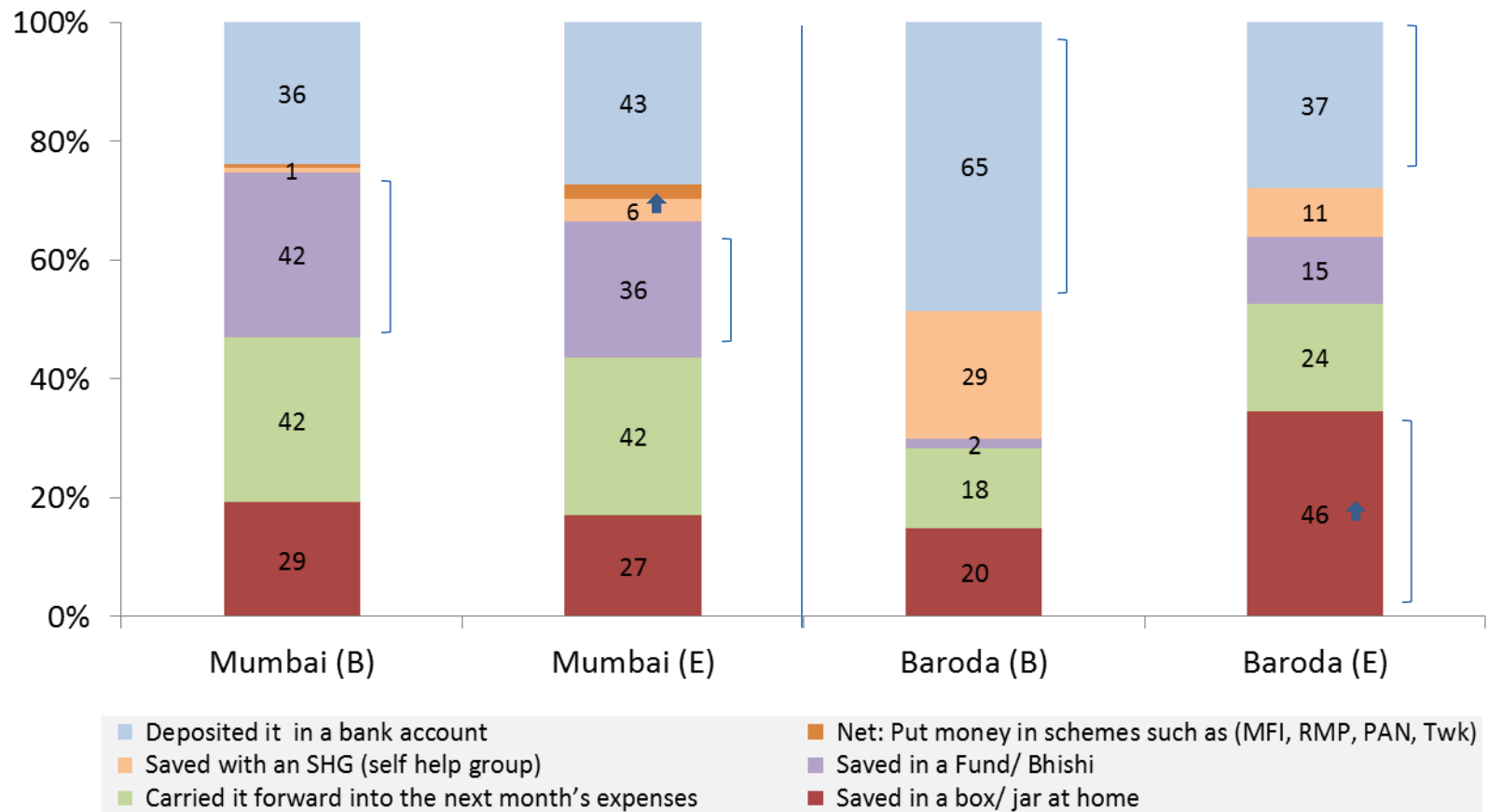
- At the Baseline, (almost) none of those who had a saving account in their own name could give the name of the bank in which this account existed.
- This changed significantly in the Endline
 - Not only had the number of respondents with a bank account in their own name gone up (in Baroda), but they also knew the names of their accounts.

Mumbai (B): 161
 Baroda: (B) 53
 Mumbai (E): 119
 Baroda: (E) 90

↓ Sig. decrease vs. baseline
 ↑ Sig. Increase vs. baseline

IF YES TO: Do you have a savings account in your own name?
 THEN Q15b What is the name of the bank in which you have your account?

What was done with money saved last month?



- Significant increases in Baroda for saving in box/jar/at home as well as in fund / bhishi
 - Surprising – sig. decline in bank a/c deposits in Baroda ? Other dynamic at this time of year?
- Significant increase in Mumbai in saving with SHGs and schemes.

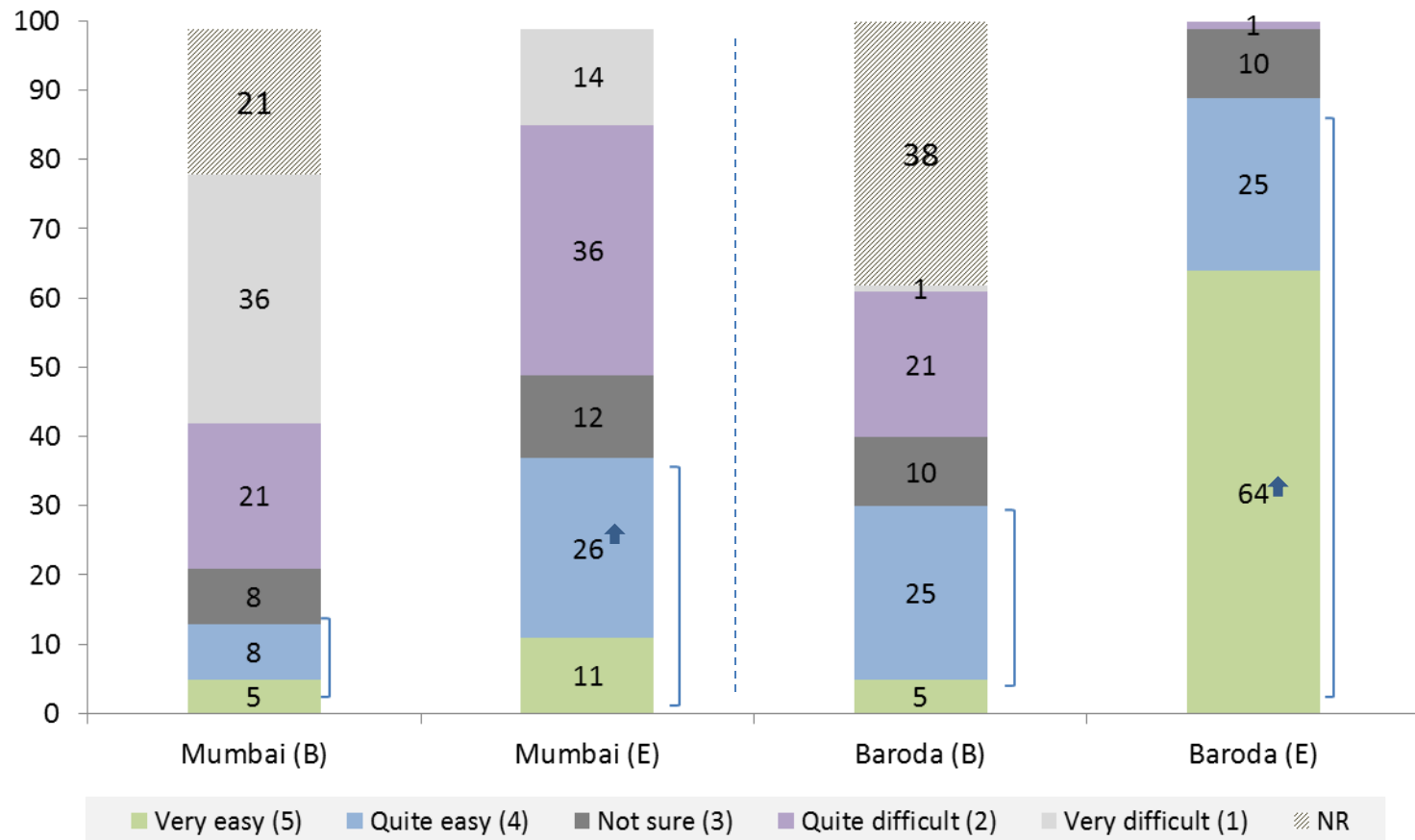
Mumbai (B): 269
Baroda: (B) 146

Mumbai (E): 227
Baroda: (E) 150

↓ Sig. decrease vs. baseline

↑ Sig. Increase vs. baseline

Increased confidence in both centres that money could be raised



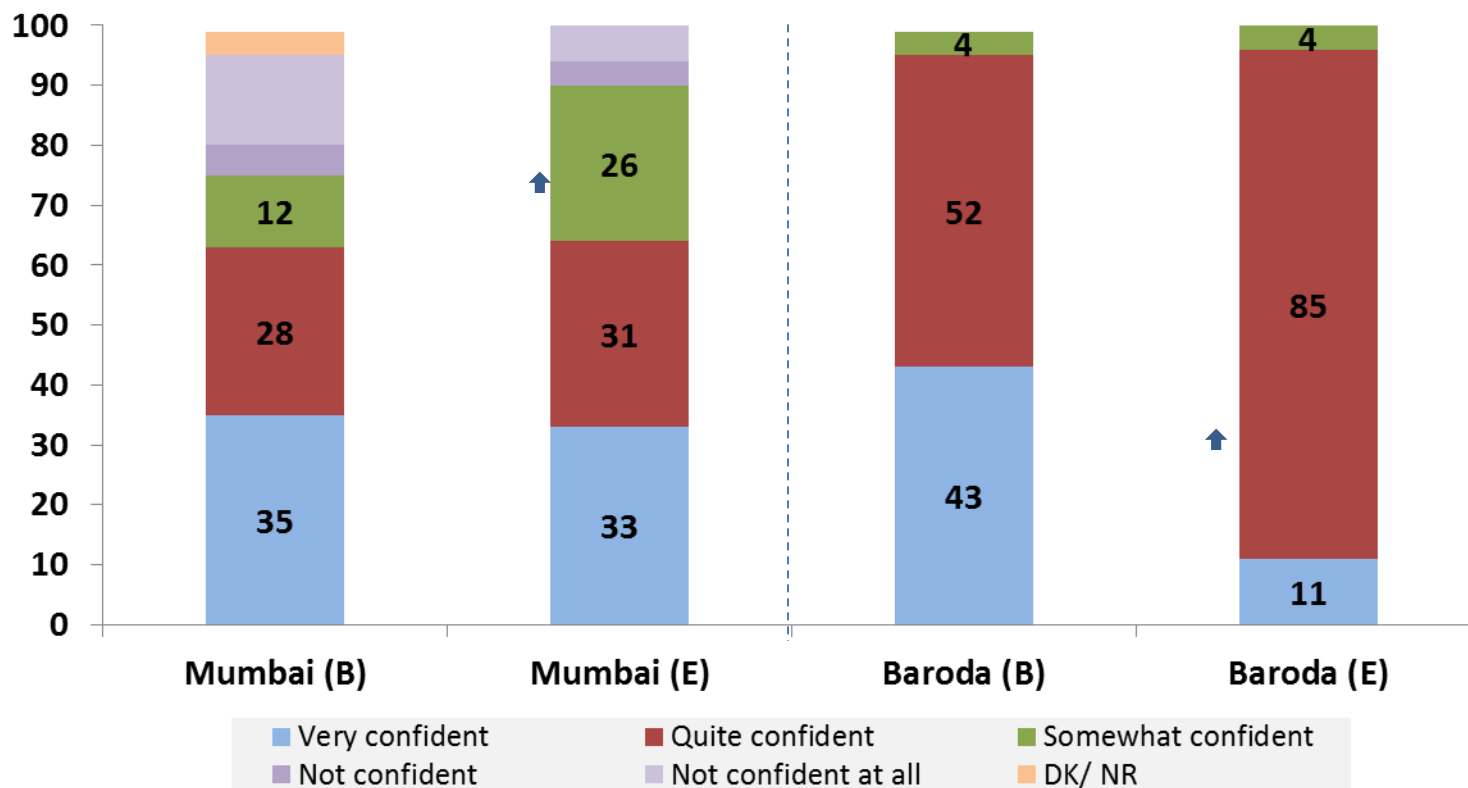
- Significant increases in 'Very Easy' and 'Quite Easy' in both cities. **Significantly higher mean scores at the Endline in both cities**
 - Mumbai: 2.04 (B) to 2.84 (E); Baroda: 3.22 (B) to 4.51 (E).
- On an average, Baroda respondents found raising money significantly easier than Mumbai respondents; also non-response was absent in the Endline in both centres.

↓ Sig. decrease vs. baseline

↑ Sig. Increase vs. baseline

Q18. Would you say it is easy or difficult to save money?

Two thirds in Mumbai and almost all in Baroda were confident of being able to raise Rs 10,000 immediately

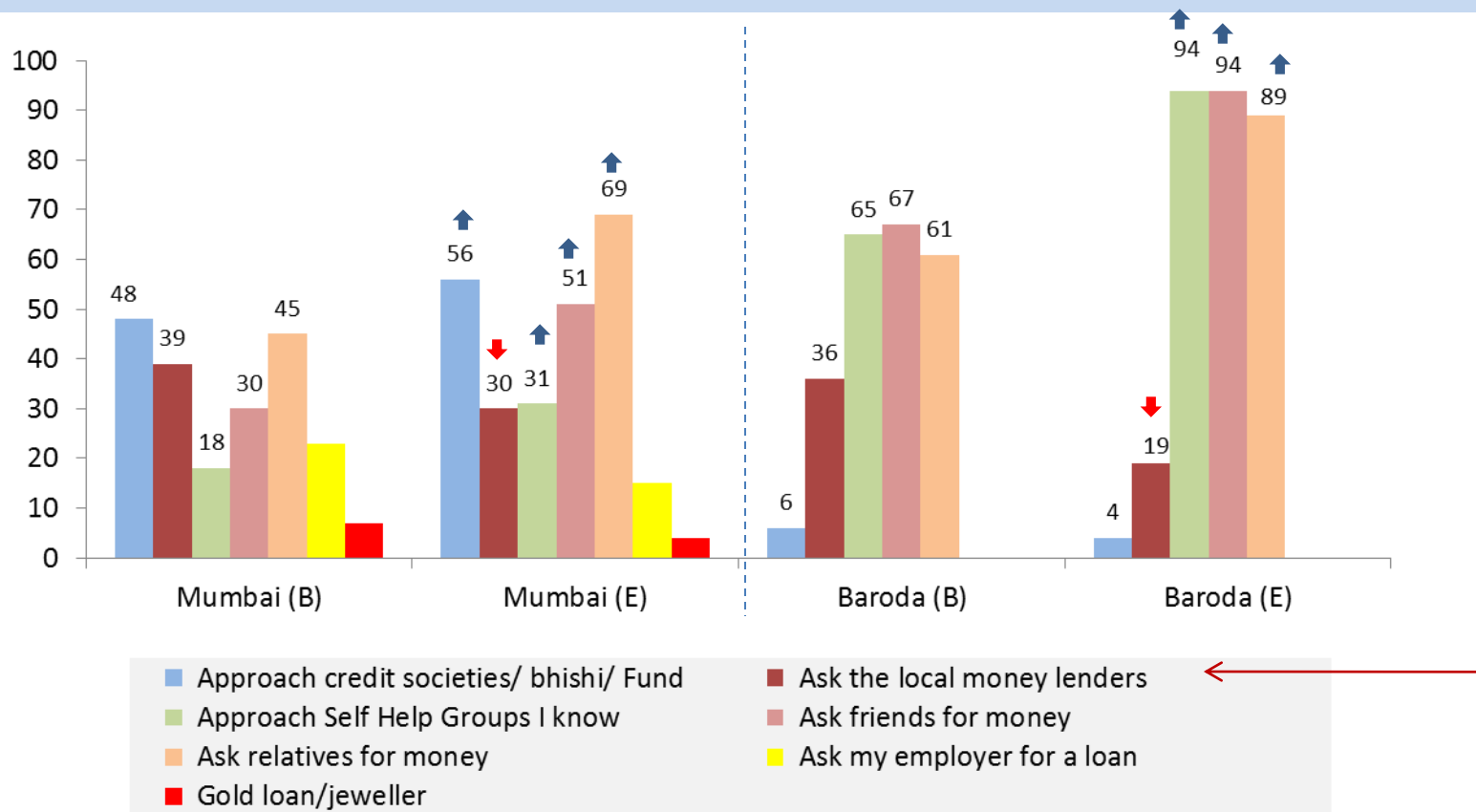


- Mumbai respondents who had not been confident earlier about raising these funds were slightly more confident now
 - The proportions of those who were ‘very’ or ‘quite’ confident remained unchanged.
- Those in Baroda who had been “very confident” earlier were more muted, moving to saying that they were ‘quite confident’.
- Significant decline in average level of confidence (mean score) only in Baroda (**4.39 to 4.07**)

↓ Sig. decrease vs. baseline

↑ Sig. Increase vs. baseline

Methods that could be tried to raise money



- The training program had hit the mark on the issue of moneylenders
 - Significant decline in mention of money-lenders as a source in both cities in the Endline
- Respondents in both cities would now approach SHGs, friends and relatives for loans.

Mumbai (B): 457
Baroda (B): 149

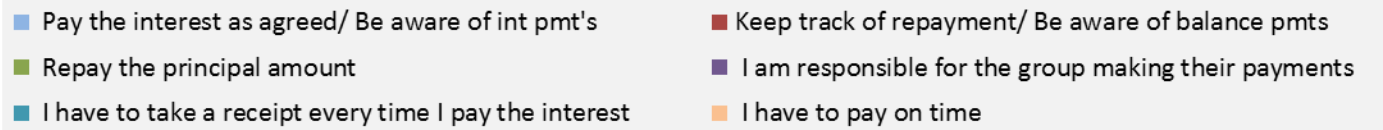
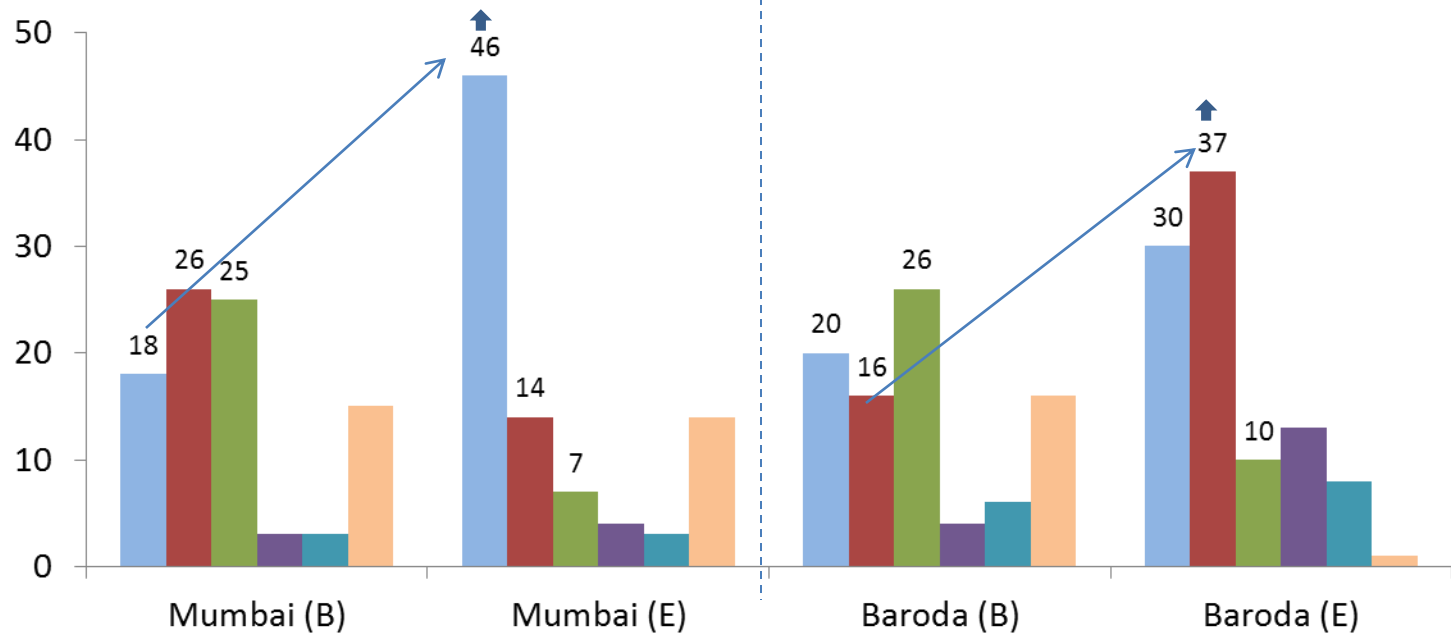
Mumbai (E): 333
Baroda (E): 150

↓ Sig. decrease vs. baseline

↑ Sig. Increase vs. baseline

Q8. How confident would you be of being able to manage to raise RS 10,000 immediately
What would be the first method you would try to raise the money? (DO NOT PROMPT)
And if that did not work, what would you try next?

Awareness of responsibilities of loan-taker



RESPONDENTS
 Mumbai (B): 457
 Baroda: (B) 149
 Mumbai (E): 333
 Baroda: (E) 150

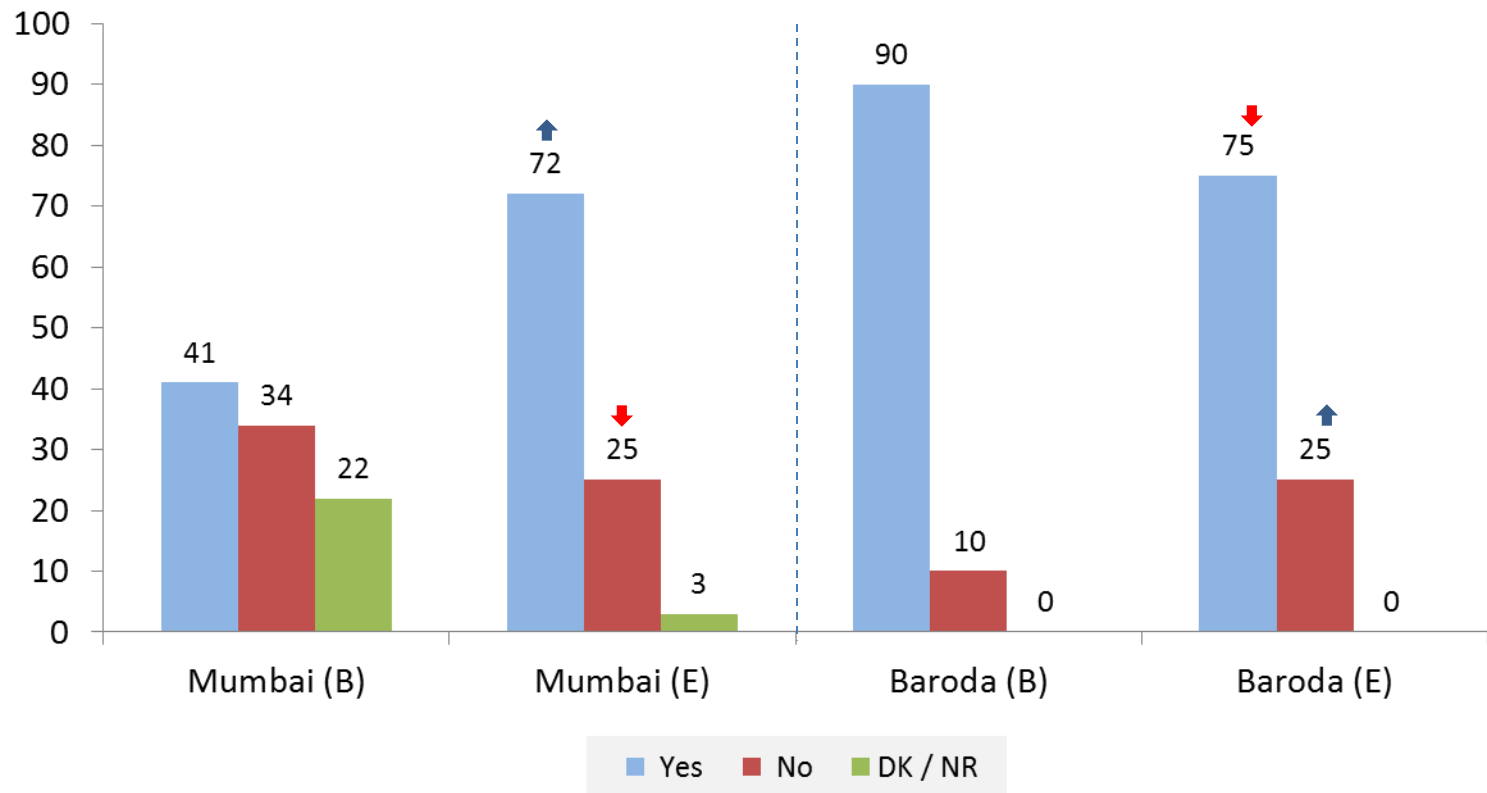
RESPONDENSES
 Mumbai (B): 846
 Baroda: (B) 300
 Mumbai (E): 975
 Baroda: (E) 245

- In both cities respondents had learnt, quite clearly, that paying the interest as agreed was a key responsibility of the loan taker.
- In Baroda a key learning was the need to track balance payments.

↓ Sig. decrease vs. baseline
 ↑ Sig. Increase vs. baseline

Q20. When a person takes a loan, what responsibility does she have regarding that loan?

Significantly more respondents in Mumbai recognised that there could be problems in taking loans from many sources



- A significant increase in those responding in the affirmative in Mumbai, but a significant decline in Baroda
- The inverse response in Baroda needs to be understood.

Mumbai (B): 457
Baroda: (B) 149

Mumbai (E): 333
Baroda: (E) 150

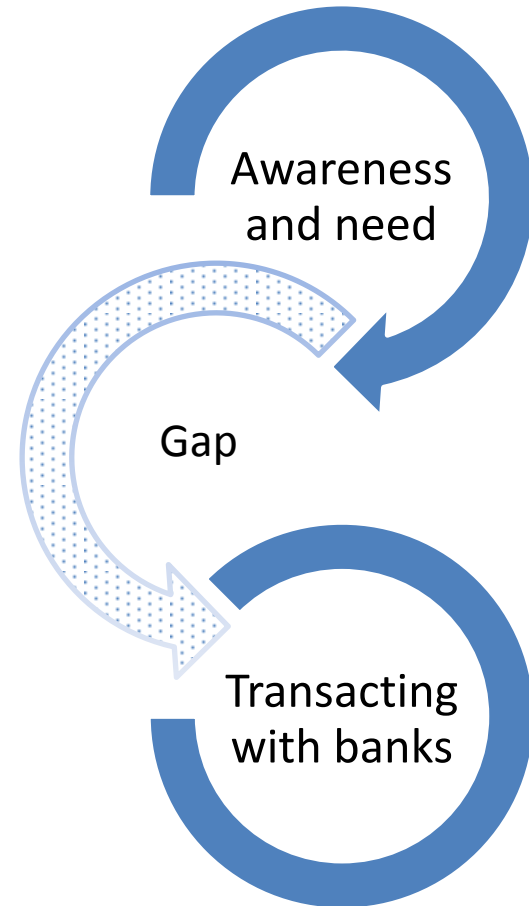
↓ Sig. decrease vs. baseline

↑ Sig. Increase vs. baseline

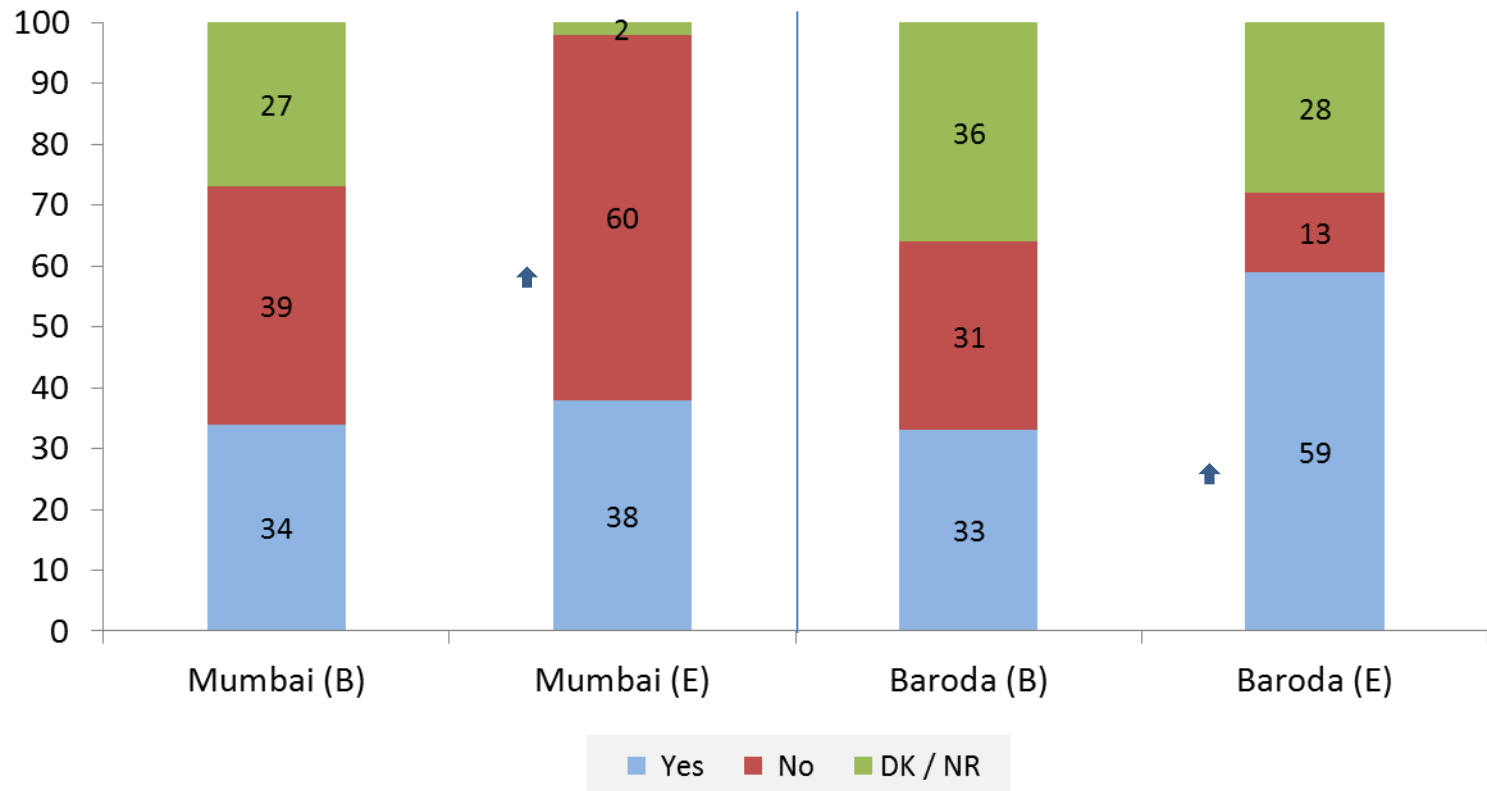
Q21a. Are there likely to be any problems with taking loans from more than one source?

Actual transactions with a bank remained persistently static

- There was little difference in Mumbai in the woman's own interaction with the bank.
- Some difference seen in Baroda
- The crossover from knowledge to practice was clearly not easy
 - There is a need for help at this stage
 - Different forms of help needed in the two cities



Significantly more women in Baroda had deposited money in a bank account



- In Baroda, the number of women making bank deposits had gone up significantly.
- In Mumbai, there was no difference in the actual fact of women making bank deposits
 - However, ignorance had definitely come down
 - Those who had not made a deposit in the bank now knew that they had not done so

Mumbai (B): 457

Baroda (B): 149

Mumbai (E): 333

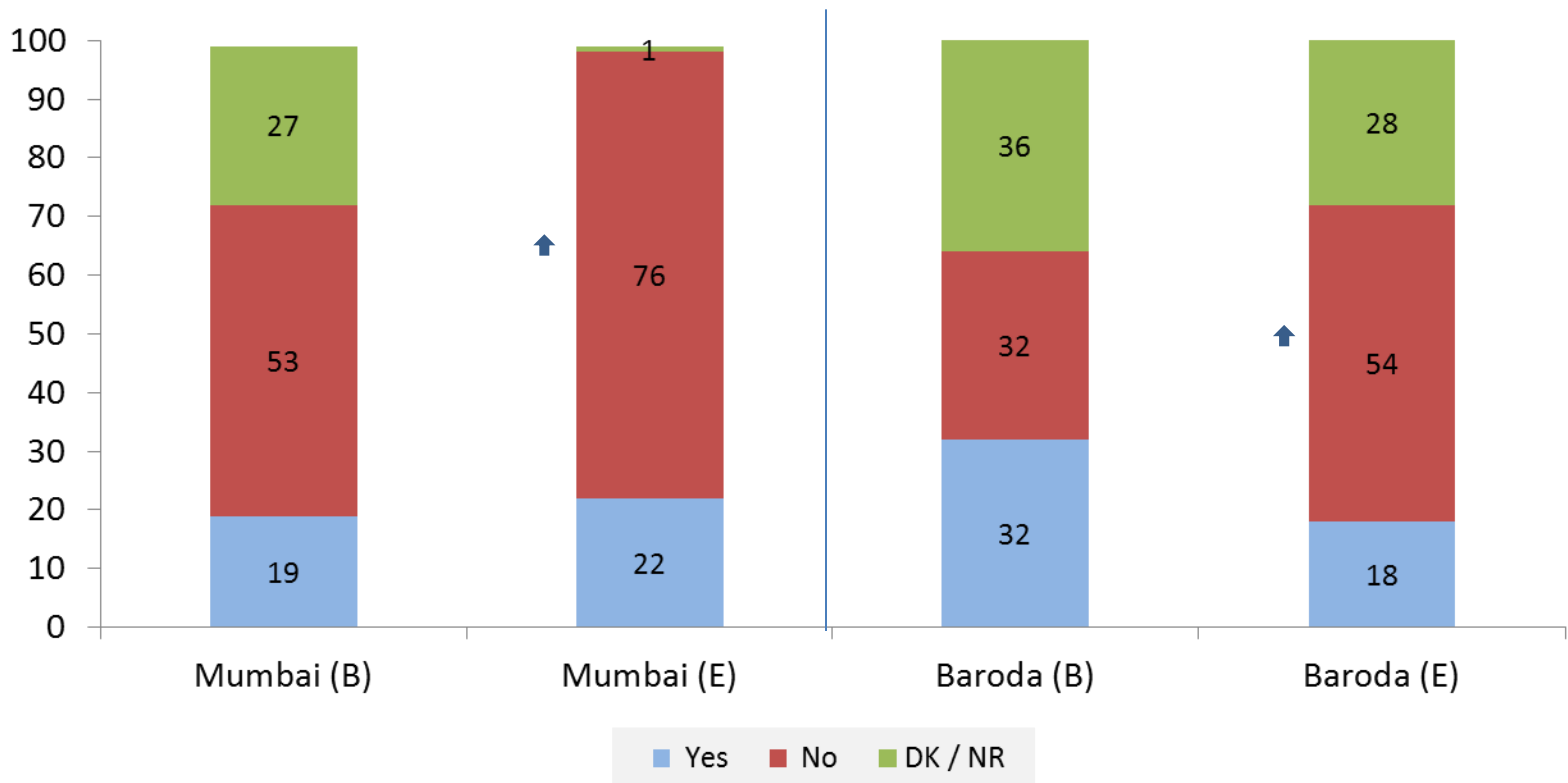
Baroda (E): 150

↓ Sig. decrease vs. baseline

↑ Sig. Increase vs. baseline

Q16. Have you personally conducted any transactions with the bank? Deposited money in the last three months.

In Mumbai, one in five had withdrawn money, as before; in Baroda, significantly fewer had done so than before.



- In both cities, women were more aware now than they had been earlier, that they had **not** withdrawn money from ATMs in the last three months
- There **had not** been an increase in the practice in Mumbai
 - In Baroda, almost twice as many women had used an ATM at the Baseline but **not** done so now.
 - The time gap between the two phases was not enough to account for the difference – so this needs inquiry.

Mumbai (B): 457

Baroda: (B) 149

Mumbai (E): 333

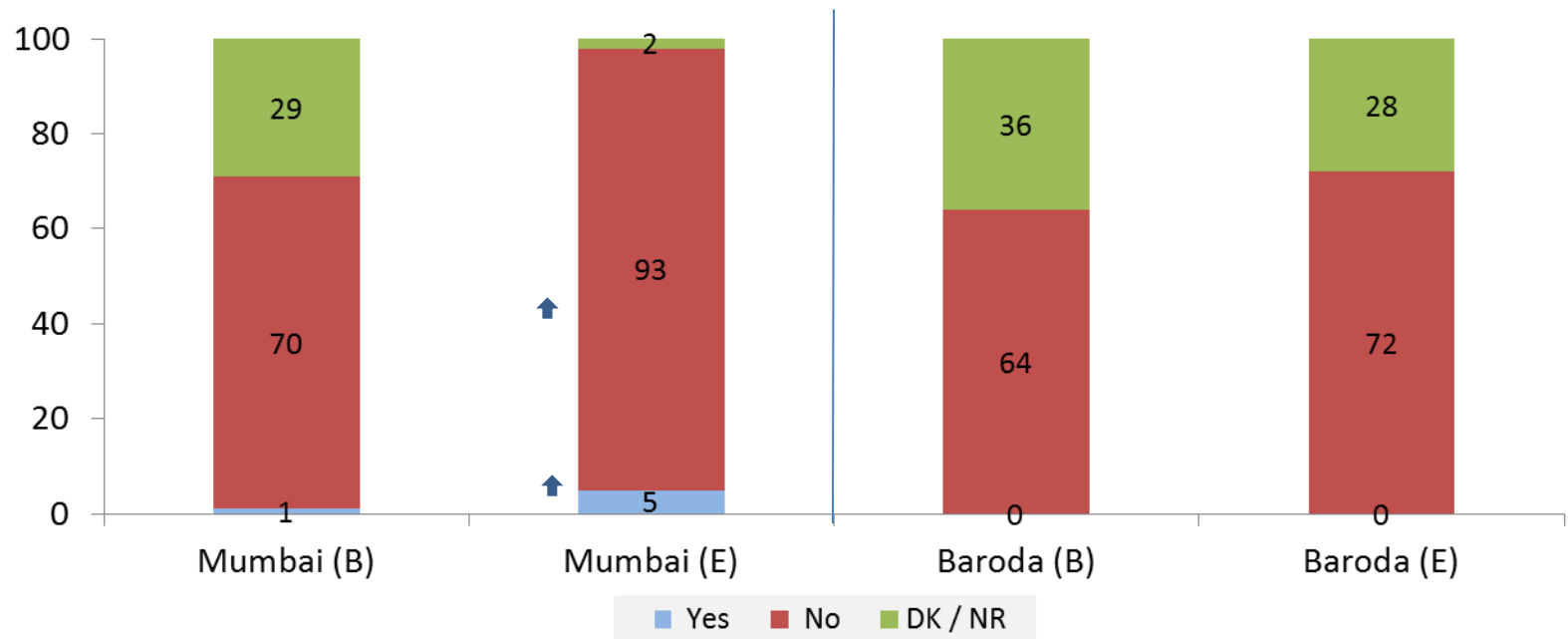
Baroda: (E) 150

↓ Sig. decrease vs. baseline

↑ Sig. Increase vs. baseline

Q16. Have you personally conducted any transactions with the bank? Withdrawn money from bank/ ATM in the last 3 months

Significantly more women in Mumbai had applied for a loan



- Though small, the proportion of women who had applied for a loan had gone up from 1% to 5%, a statistically significant difference.
- None of the women in Baroda had applied to a bank for a loan
- Significantly more women in Mumbai had applied to private banks as well as cooperative banks as compared to the baseline
- Significantly fewer Baroda women (compared to the Baseline) had approached money lenders or family for a loan

Mumbai (B): 457
Baroda (B): 149

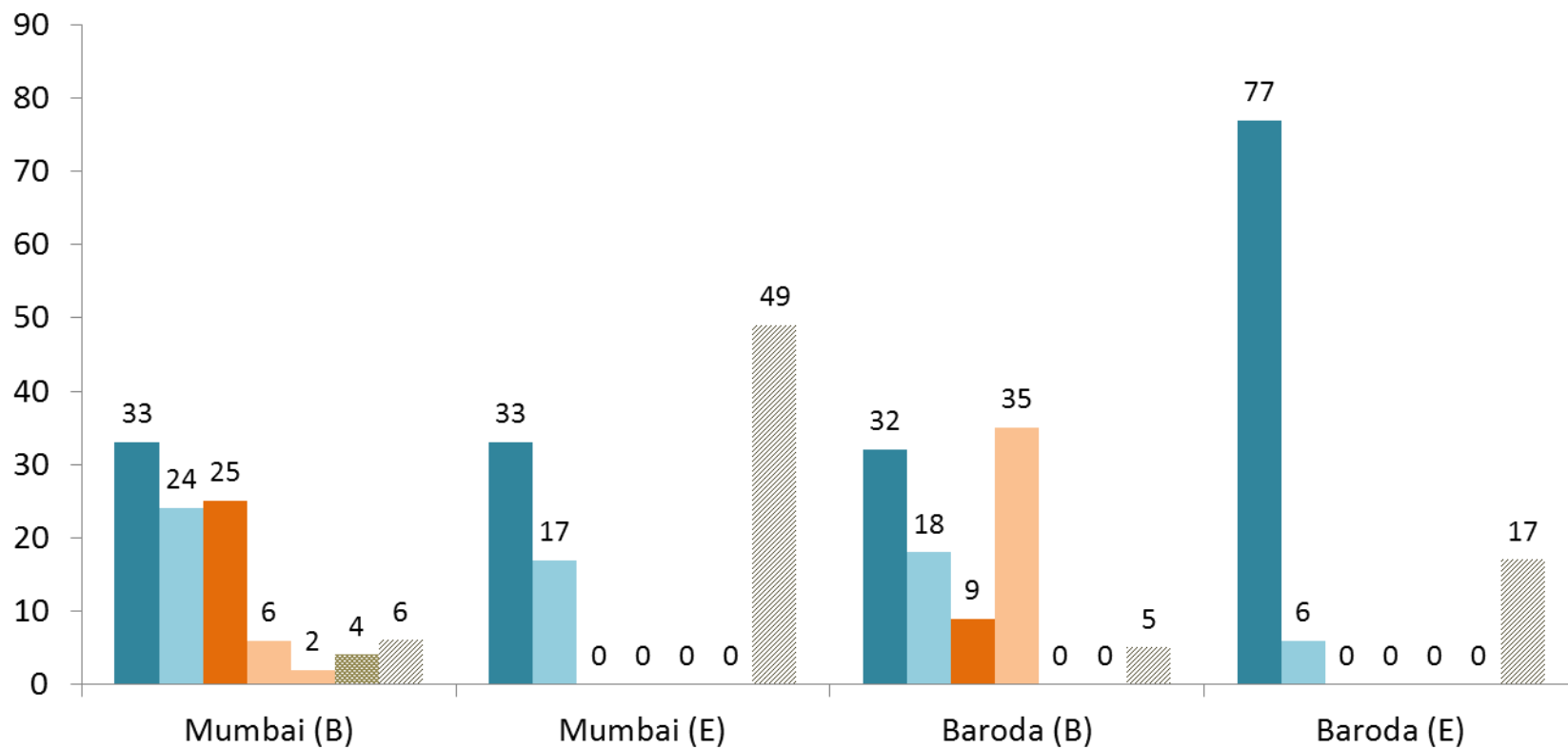
Mumbai (E): 333
Baroda (E): 150

↓ Sig. decrease vs. baseline

↑ Sig. Increase vs. baseline

Q16. Have you personally conducted any transactions with the bank? Applied for a loan in the last 3 months

If not personally conducted transactions then, whether visited bank in last 3 months, and why



RESPONDENTS

Mumbai (B): 163
 Baroda: (B) 48
 Mumbai (E): 132
 Baroda: (E) 89

RESPONDENSES

Mumbai (B): 391
 Baroda: (B) 96
 Mumbai (E): 371
 Baroda: (E) 108

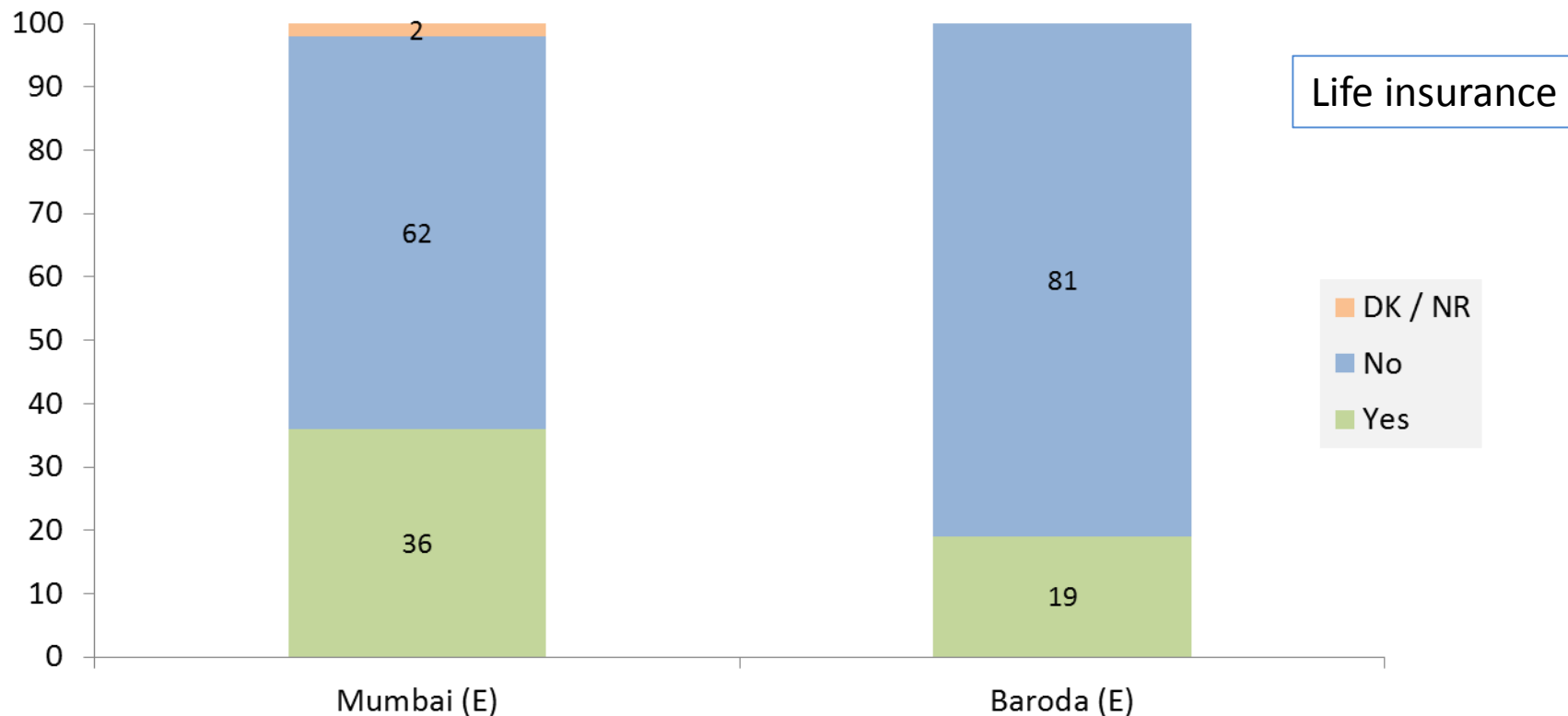
- Yes, to deposit money
- Yes, to withdraw money
- No, others handle it
- No, I don't have a bank account
- No, other reasons
- DK
- ▨ NR

↓ Sig. decrease vs. baseline

↑ Sig. increase vs. baseline

IF NOT CONDUCTED ANY TRANSACTIONS, I.E. IF '2' CODED FOR ALL THREE OPTIONS IN Q16, THEN ASK:
 Q16a. Have you been to the bank either often or sometimes?
 Q16b. What purpose have you been to the bank?

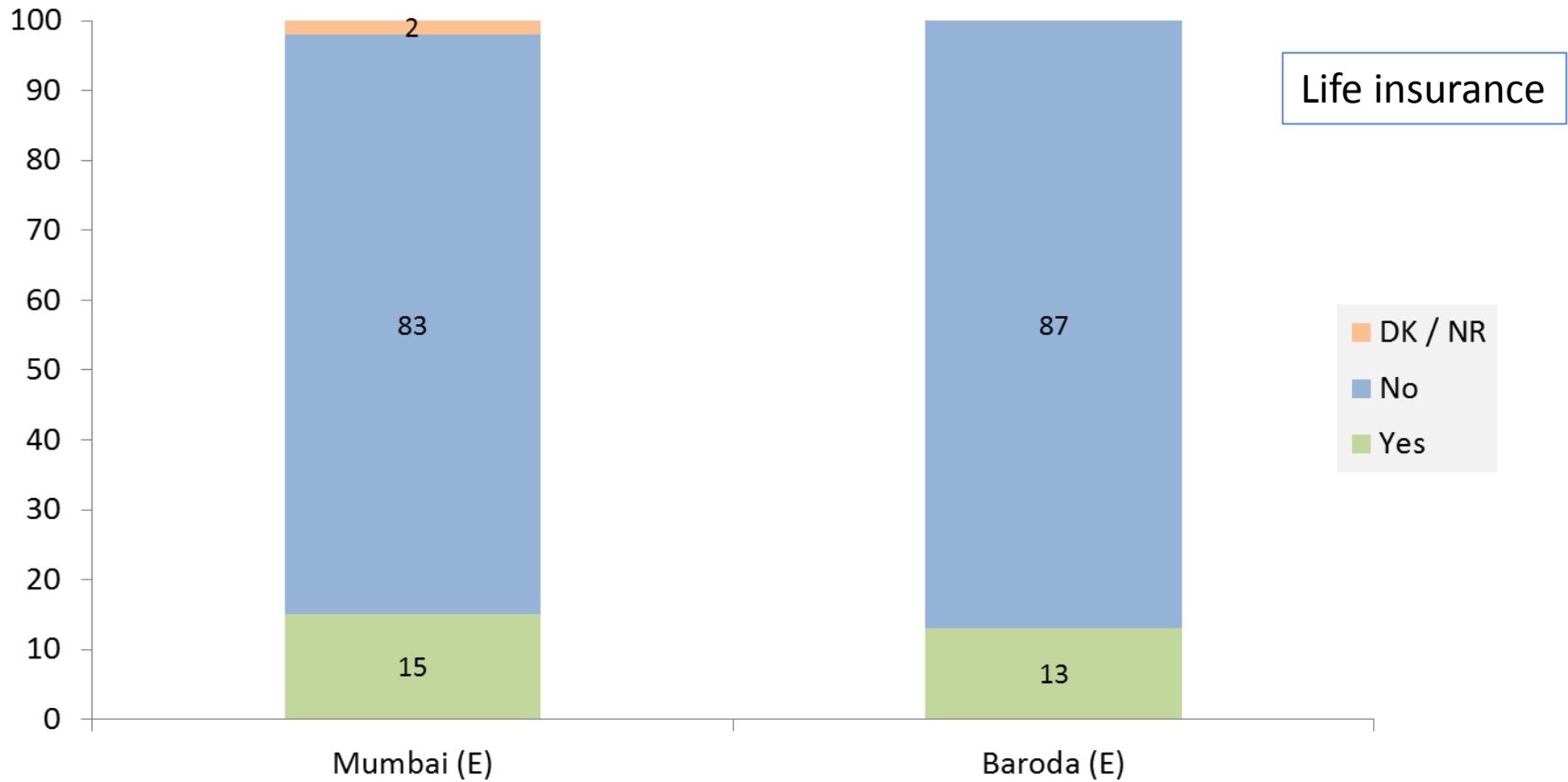
Almost a third of all respondents in Mumbai had a family member with life insurance



- Significantly fewer respondents in Baroda had family members with life insurance, compared to Mumbai
- Of the minority with life insurance, the husband was typically the one insured – the chief wage earner

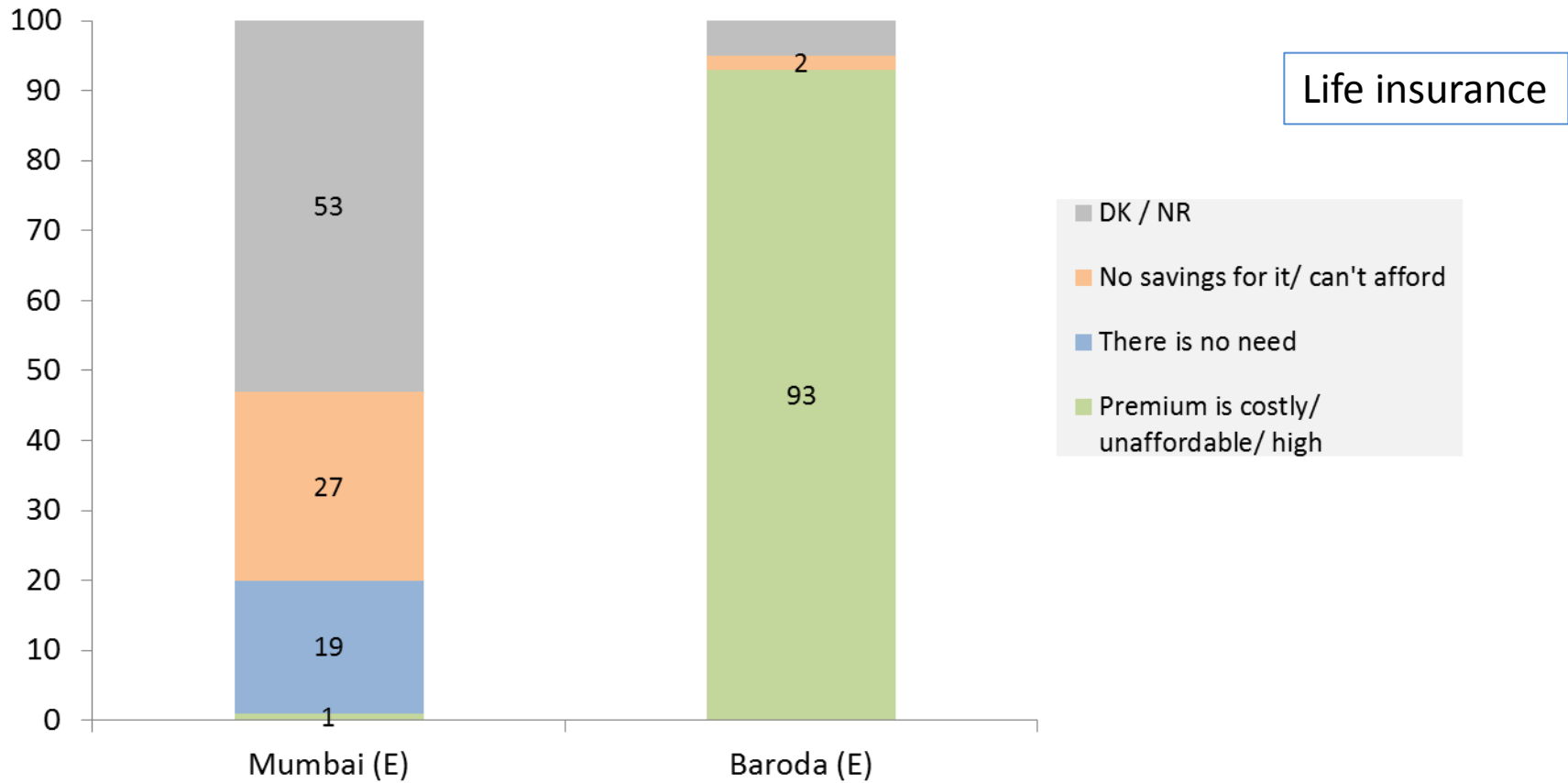
Mumbai (E): 333
Baroda: (E) 150

Nevertheless, there was almost no interest in taking life insurance



Mumbai (E): 205
Baroda: (E) 121

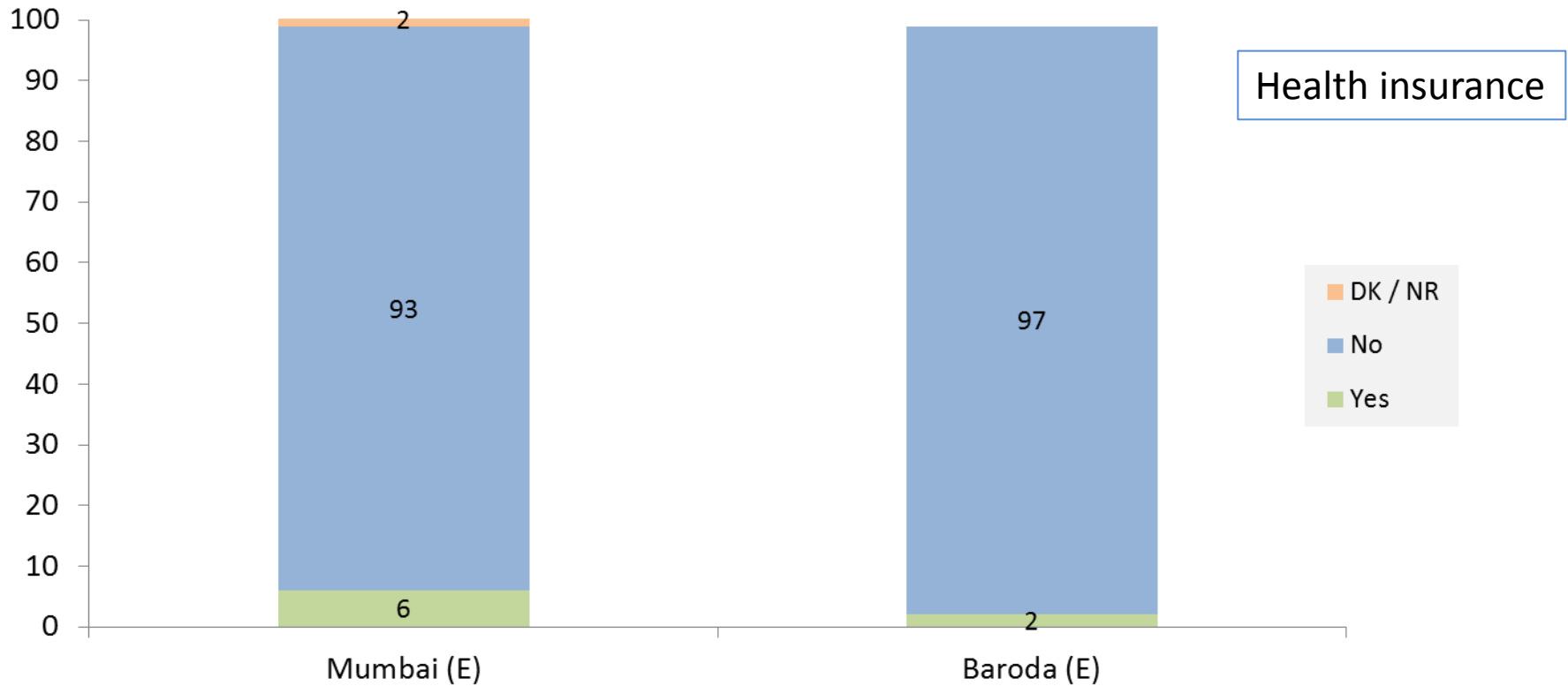
The cost of insurance was the main deterrent



- Stress caused by / fear of unaffordable high premiums or installments was the main reason

Mumbai (E): 205
Baroda: (E) 121

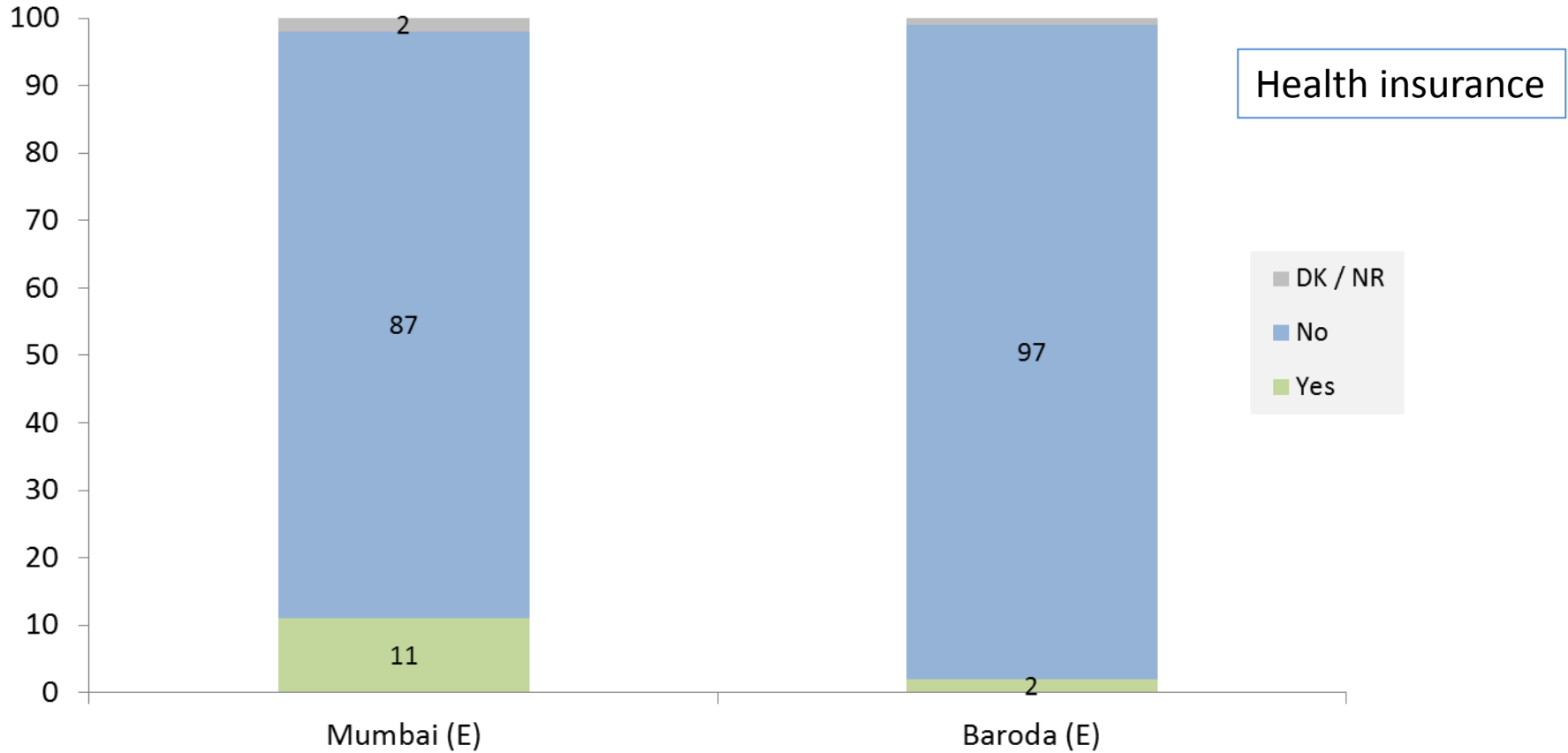
Health insurance was almost non-existent



- Unlike life insurance that saw some takers in both cities, respondents reporting family members with health insurance were negligible

Mumbai (E): 333
Baroda: (E) 150

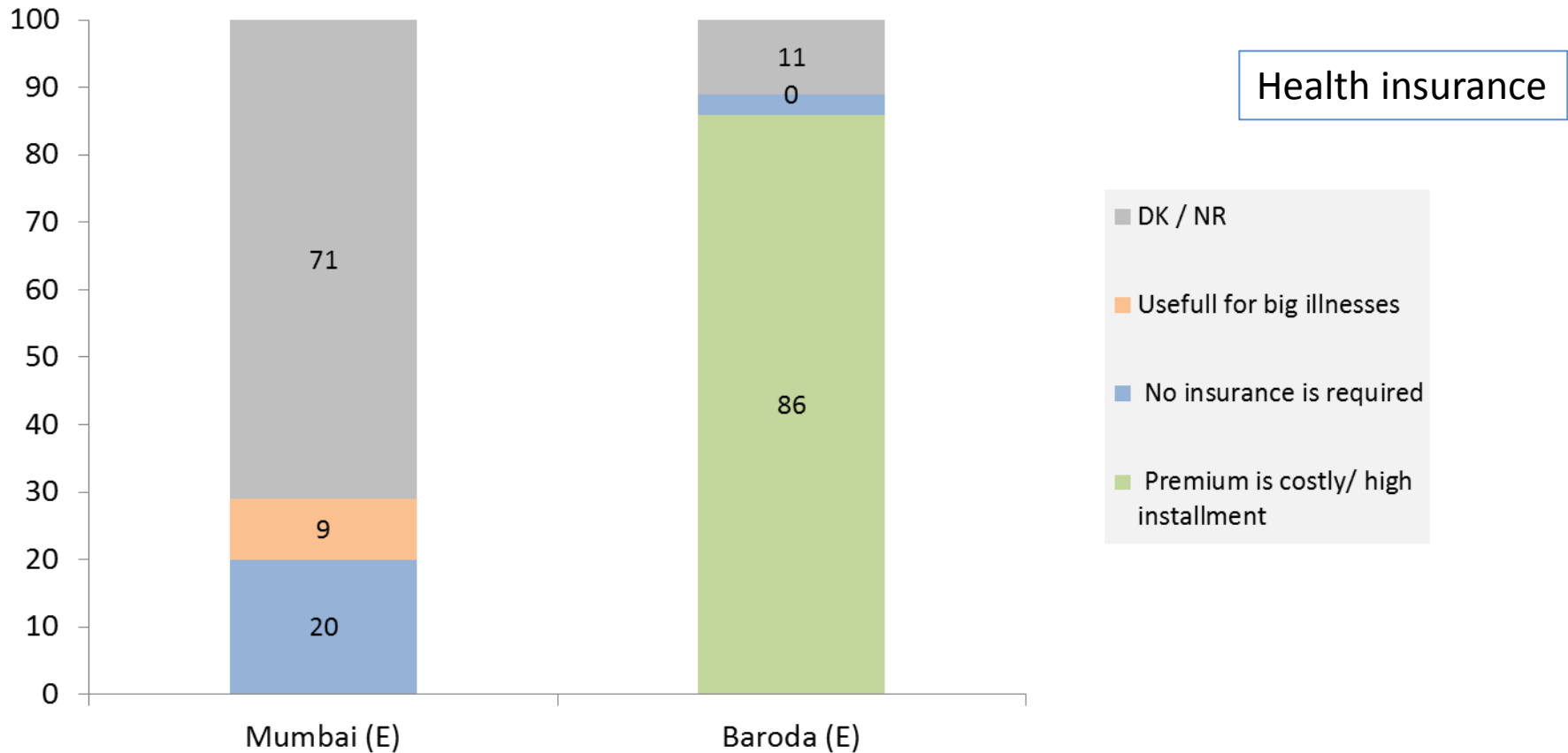
Interest in taking health insurance was also very low



- Interest in taking health insurance was practically non-existent in Baroda.

Mumbai (E): 309
Baroda: (E) 145

The reasons for low interest were cost and lack of felt need



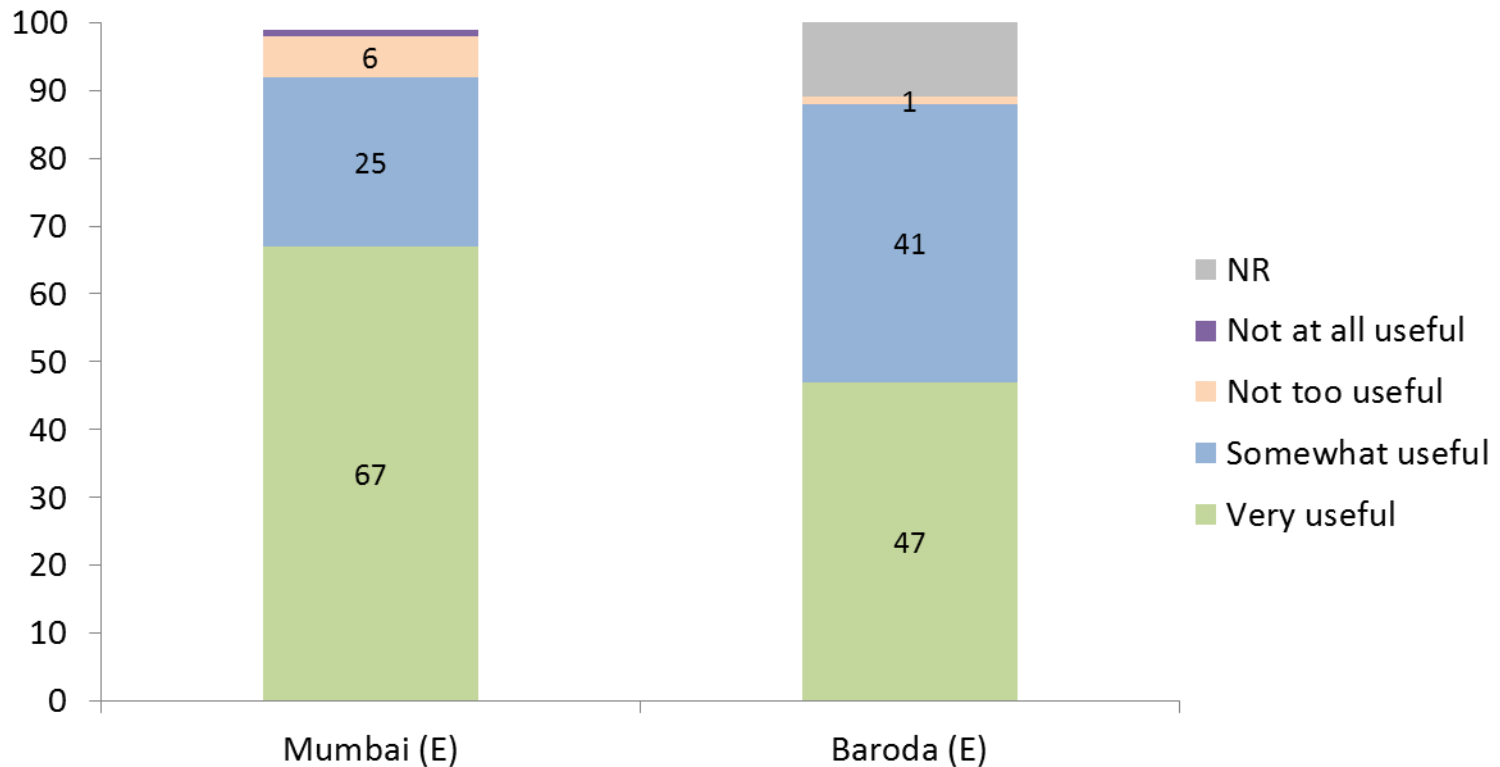
- In addition to costly premiums there was a sense in Mumbai (1/5th of all responses) that health insurance was **not required**

Mumbai (E): 309
Baroda: (E) 145



Feedback on the course

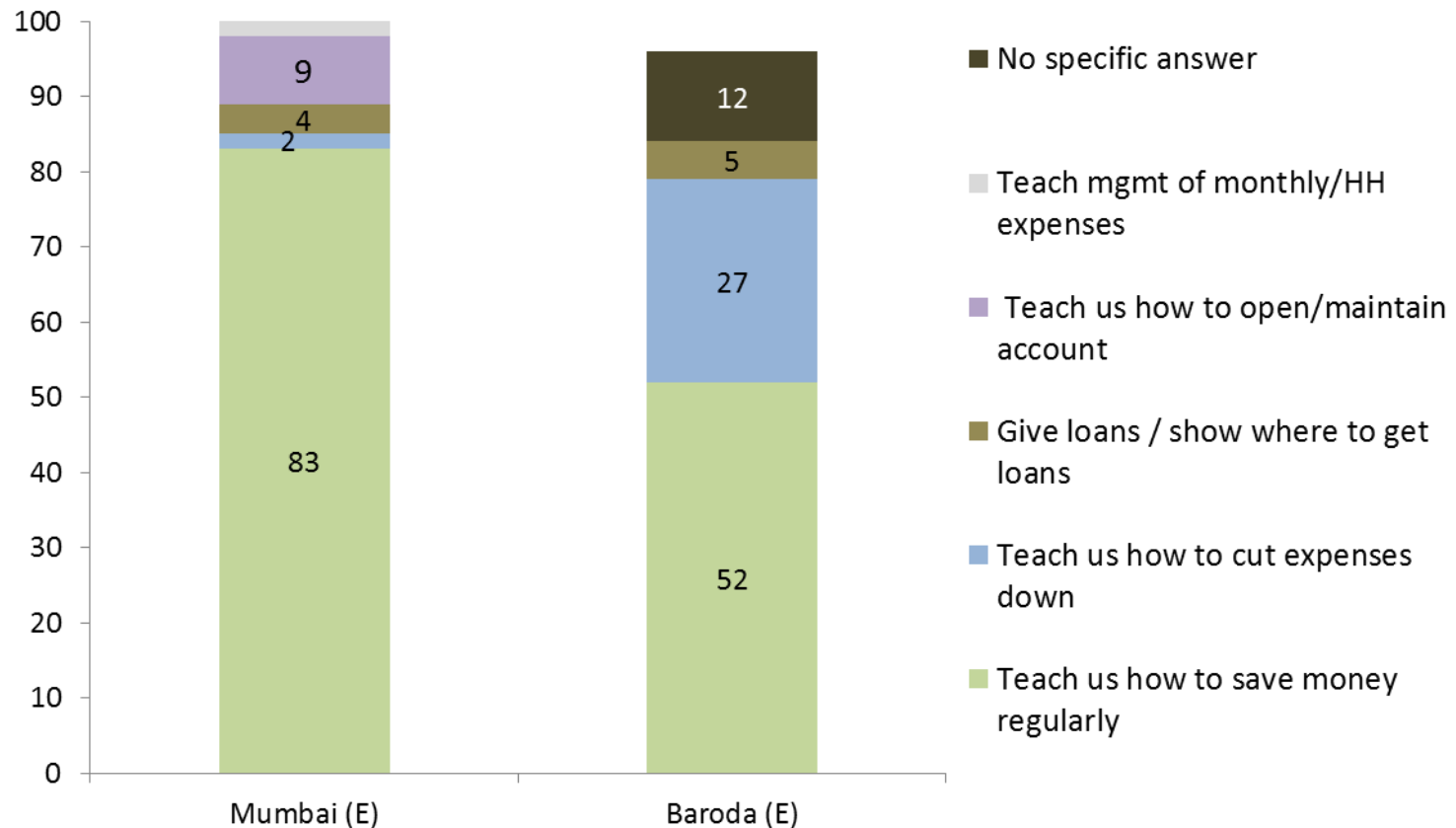
Majority of respondents found the course very useful



- 92% of Mumbai respondents and 88% of Baroda respondents said that they found the course by Swadhaar either very or somewhat useful

Mumbai (E): 333
Baroda: (E) 150

Learning how to save was the biggest benefit



- Learning about how to save money regularly was the main reason for finding the course useful in both cities, more so in Mumbai.
- Being taught how to cut expenses down was the second most important benefit from the course in Baroda
- Opening / maintaining an account was an important benefit identified by a tenth of all Mumbai respondents

Mumbai (E): 333
Baroda: (E) 150

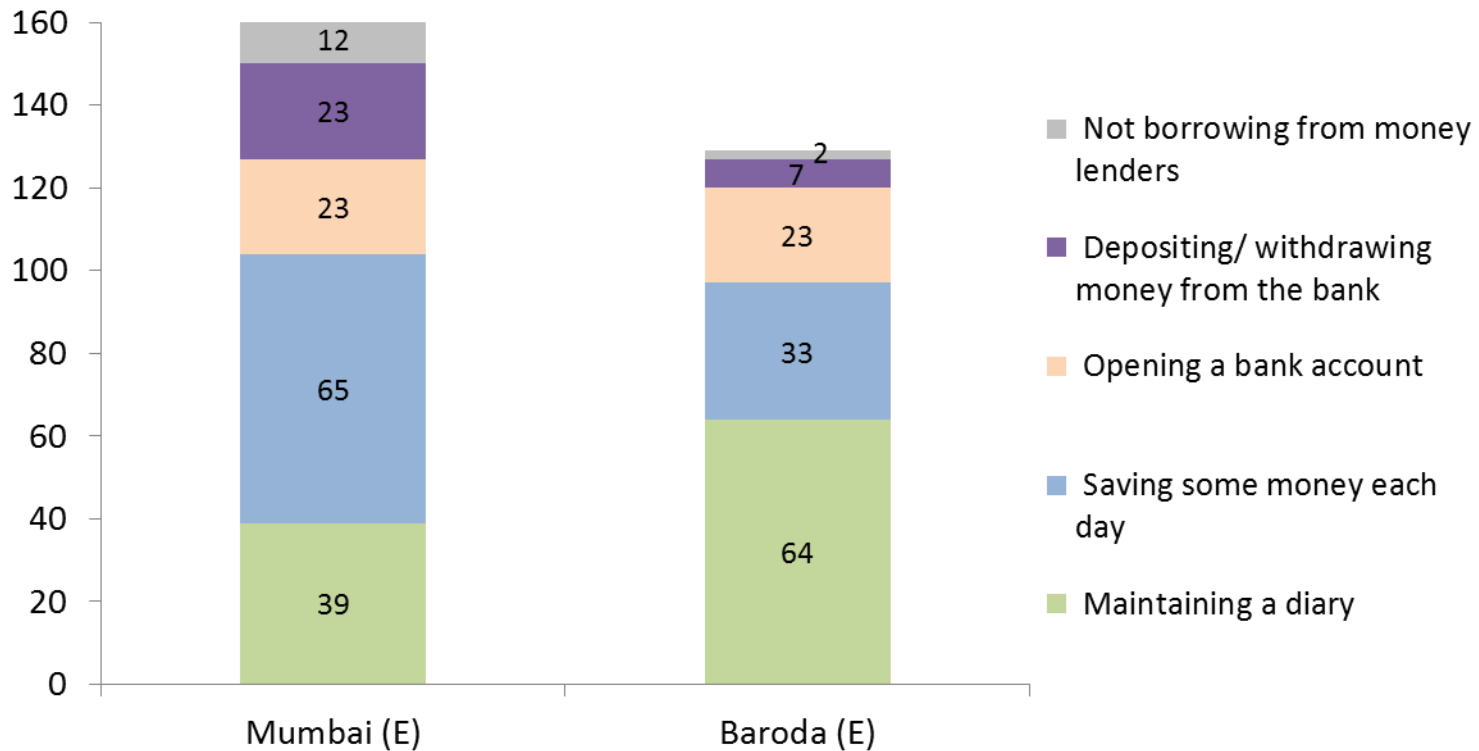
Most respondents had started some money management activities



- More respondents in Baroda claimed to have started practicing money management than in Mumbai

Mumbai (E): 333
Baroda: (E) 150

These were: regular savings and maintaining diaries

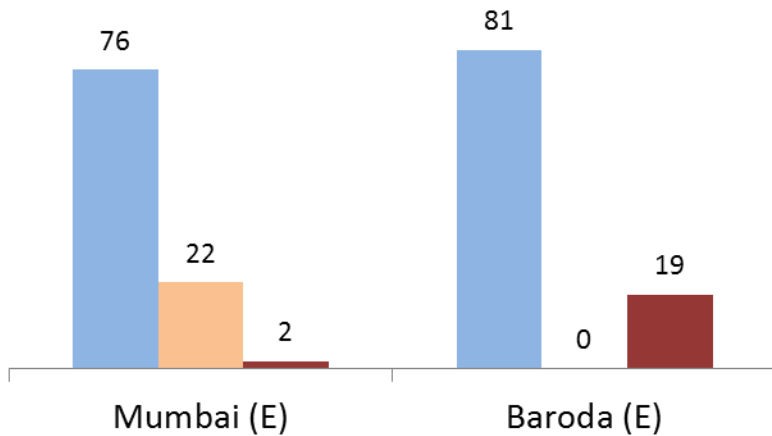


- At the **spontaneous** level, maintaining a diary was most frequently mentioned activity started by Baroda respondents, followed by saving some money every day
- In Mumbai the top two most spontaneously mentioned activities were the reverse of Baroda
 - Two thirds spoke of saving some money each day, only a third maintained the diary
- In both cities opening a bank account was the 3rd most mentioned activity

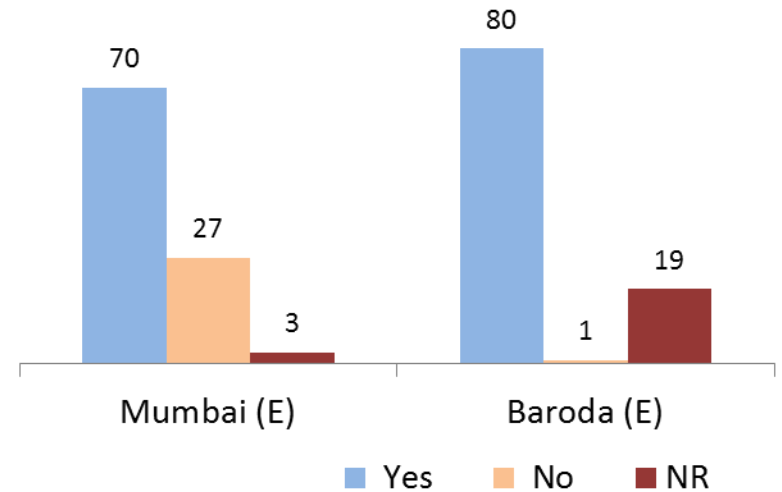
Mumbai (E): 234
Baroda: (E) 121

Changes observed within the respondent's family

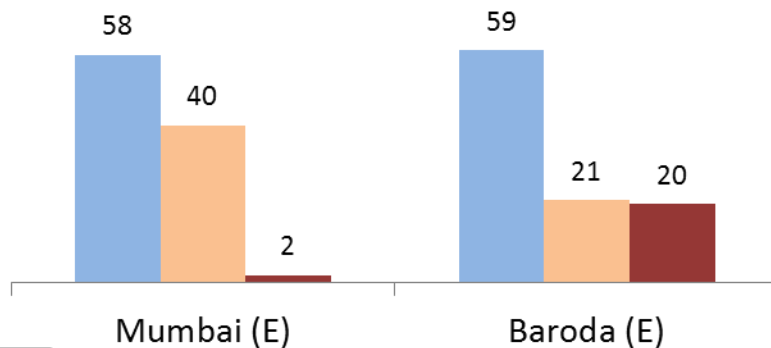
Listen to respondent's views about money



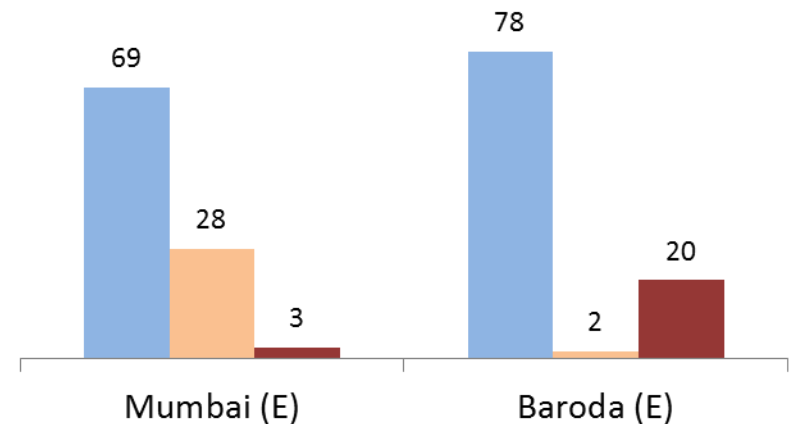
Trust respondents more to manage money



Ask for respondent's advice on money issues



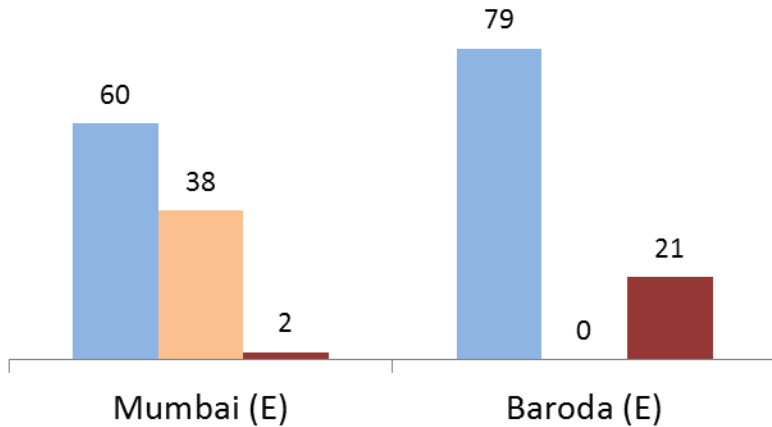
Talk to respondent about loans/borrowing money



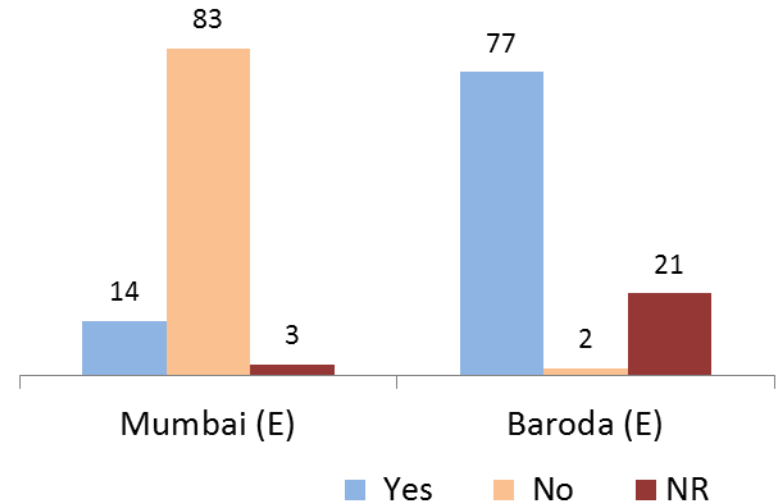
Mumbai (E): 333
Baroda: (E) 150

Changes observed within the respondent's family

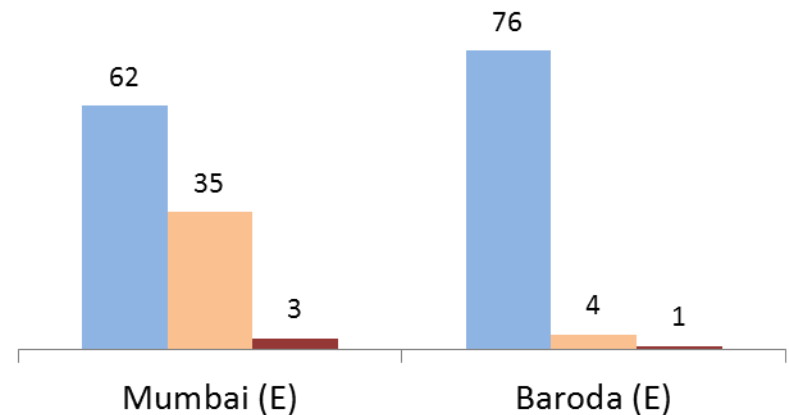
Help respondents in attempt to save money



Make fun of respondents new knowledge



Show no change towards respondent & money issues



Mumbai (E): 333
Baroda (E): 150



Conclusions & Recommendations

Conclusions and Recommendations

- The Financial Literacy program has been successful in achieving the goals at one level, yet not at another level.
- The goals were:
 - To make her aware that she has control over her life and finances
 - To make her more aware of the options available to her
 - Help her save money wisely
- The program has clearly made her recognize that money management is complex but doable.
 - It has given the participant a glimpse into the possibilities – of tracking income and expenses and of saving money
- Thus far, it is within her circle of influence



Conclusions and Recommendations

- To take the next steps – of saving in a secure way, insuring against downturns and leveraging for progress –she needs help
- Theoretical knowledge is not enough
 - The outside world is complex and intimidating
 - The processes and requirements seem like major hurdles
 - Societal and family pressures dampen enthusiasm further
- She might not be able to make the transition without help
- A counseling center by Swadhaar would make all the difference.



Conclusions and Recommendations

- The issues of depth versus width of coverage come to the fore
- Reach out to more women with basic literacy or invest in building the confidence and capabilities of the same women?
- We hypothesize that both can be done:
 - Swadhaar as the R&D laboratory
 - Provide the know-how that has already been mastered to a wider list of capable NGOs
 - The Financial Literacy course and materials
 - Incubate the counselling centre concept
 - Try it in a few locations
 - Learn through doing, document the process
 - Nurture the counselling centre to a healthy, replicable model
 - Once mastered, provide the know-how to a wider list of capable NGOs



Thank You

Barometer Research

C-107, Ashok Towers,
Dr. S. S. Rao Road, Parel,
Mumbai 400 012.

Phone: +91.22.4004.1002

www.barometerresearch.com