



## Implications for youth livelihoods programming: Evidence from YouthSave Ghana

Gina Chowa and Rainier Masa

The YouthSave Ghana Experiment attempted to gauge the impact of the opportunity to open savings accounts on youth development outcomes and financial capability of junior high school students (key experimental findings can be found in Chowa et al., 2015). In doing so, data were collected from 6200 youth; 3100 youth in treatment schools and 3100 youth in control schools. This research brief presents findings from analysis that focuses on treatment youth, who were either exposed to savings account marketing or could actually transact in their accounts at schools. The aim of the investigation was to understand, in the context of an opportunity to open/transact in a savings account, what factors facilitate better psychosocial, educational, and financial capability outcomes for treatment youth – factors including youth characteristics such as age, gender, and grade level, or environmental characteristics such as location, household living conditions, and household wealth. The investigation seeks to identify factors that increase resiliency among youth in the face of challenging intra-personal, household, and societal risks.

Although occurring in the context of an experiment, variations among treatment youth were not randomized; therefore this analysis deals in correlations only. Two relationships emerged with particularly important implications for youth livelihoods programming: better living conditions and having more money<sup>1</sup> positively influence youth development and financial capability outcomes. These relationships underscore the critical importance of the material resources a child or young person grows up with in determining their development outcomes – and, by extension, where programs that seek to increase those resources ought to focus in order to increase youths' positive outcomes.

### **Better household living conditions are associated with positive youth development outcomes.**

Household living conditions are important for youth development outcomes. Youth from households with better living conditions had better outcomes than youth from households with poorer living conditions on a range of dimensions including commitment to school, future orientation, and parental connection. The positive associations between better living conditions and youth development outcomes were consistent across age, gender, geographical location and asset ownership.

These outcomes, in turn, may influence desirable behaviors (such as higher educational attainment and lower proclivity to engage in risky health behaviors) that contribute to positive life trajectory (see Chowa & Masa, 2016, Segmentation Report for details). Youth from households with more resources may be

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<sup>1</sup> This variable was defined as the amount of money in a youth's possession, regardless of where the money was stored or whether or not it was considered savings. The research instrument also asked a separate question about how much in savings the youth had, but total money belonging to youth emerged as more significantly correlated with financial capability and youth development outcomes.

better able to envision a clear pathway to higher levels of education, which in turn, motivates them to be more engaged in school. In addition, youth who come from households with better living conditions may live in an environment that encourages youth to be more committed to school. Examples of these conditions include space to read or write, lights to complete homework, books to do extra work at home, and parental involvement with homework and school-related activities.

### **Youth with more money that belonged to them at baseline had more positive outcomes than youth with less money**

Across age groups, living conditions, and geographical locations, having more money at the outset was associated with better financial capability and youth development outcomes. Youth with more money had higher savings, and were more likely to open a savings account, to make deposits in their accounts, to save regularly, and to have savings goals than youth with less money. Similarly, having more money was associated with desirable youth development outcomes, such as higher level of future orientation and healthier parent-youth relationships. These outcomes, in turn, may provide an early and secure foundation for a positive life trajectory (see Chowa & Masa, 2016, Segmentation Report for details).

These findings are informative but not necessarily surprising. When youth have more money that belongs to them, they have more opportunities to engage in decision-making for themselves and to become more responsible with their money. Our findings are consistent with prior research that has found that when youth own money, the impact on their financial capability outcomes is greater than when their parents have the money and manage it on behalf of the youth (Elliott & Beverly, 2011; Elliott, Destin, & Friedline, 2011). In the Ghana YouthSave experiment, we asked youth how much money belonged to them, in addition to asking how much money they have. The addition of the word “belong” indicates some form of ownership and control. Youth who had more money that belonged to them, gained more money at endline compared with youth who had less money that belonged to them. This positive performance of youth with more money that belonged to them also suggests some form of independence in handling finances and better money management that allowed these youth to gain even more money at the end of the experiment.

### **Implications for youth development and financial inclusion programs and policies**

These findings are central to answering the questions of how interventions and policies could begin to identify alterable facilitators of youth development and how to include these facilitators in program and policy design to yield optimal results. At a program level, in addition to providing valuable information and encouraging youth to engage in desirable behaviors, youth livelihood interventions should offer opportunities that allow youth to access resources (such as money) and build strategies (both tangible and intangible) to use the knowledge they have and translate their motivation into real actions. In other words, a multi-level approach that provides new knowledge, increases motivation, and builds tangible resources (e.g., money and living conditions) may lead to more meaningful and sustainable impacts on youth financial capability and development.

Livelihood programs for youth and their families could address living conditions at home, which might be based on a cumulative model of accumulating wealth congruent with the graduation model originated by BRAC and replicated through the CGAP-Ford pilots. This approach might be targeted at working with parents to accumulate important household possessions that will be important for educational progress for their children.

At a policy level child-directed cash transfers that will increase money that belong to youth would be a direction to take. This could provide access to tangible resources that the youth would have and control which would translate to changes in behavior in a range of youth development areas. Another way to address the issue of money ownership by youth at a policy level is through matched savings or other financial incentives, such as incentivizing regular attendance at school or good grades for low-income youth. Matches can also be structured progressively such that poorer households receive higher match rates than less poor households. A matched savings model would provide poor youth with money and added financial resources that may influence positive outcomes. Designing financial inclusion programs that address youths' money ownership could begin to address the inequalities that are perpetuated in society today due to lack of opportunities, living conditions, and household wealth.

## **Conclusion**

While specific causal pathways are still unclear, our findings add to the evidence base suggesting that a household's material circumstances are critically important to child-level outcomes. Unfortunately, child-level impacts of household economic strengthening programs are not always visible in typical evaluation time frames. Nevertheless, the linkages illustrated in our results underscore the need to invest further in understanding those causal pathways over time, as well as in continuing to experiment with and document lessons from programming that seeks to support household economic welfare and individual youths' economic resources in support of child and youth development impacts.

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