



The outcomes of opening or depositing in a savings account for low-income youth in the Ghana YouthSave Experiment

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 whether access to accounts for youth or usage (transacting with the bank, including deposits and withdrawals) matters for youth development outcomes.

In particular, critical knowledge gaps exist on whether only access to savings accounts, which may be a more attractive strategy for financial service providers, or encouraging deposits by youth, which will require more human and financial resources, will yield maximum benefits for youth. Until very recently, there has been emphasis on access and little attention given to the usage of accounts. However, opening accounts does not automatically translate into usage. The aim of the investigation in this brief was to understand how 1) youth who did not open accounts differed from 2) those who opened accounts (“openers”) and 3) those who went beyond opening and actually deposited in their accounts (“depositors”).¹ Answering this question has implications for how practitioners tailor their financial inclusion interventions to address youth financial needs.

Table 1 presents the proportion of youth who opened Enidaso accounts. Table 2 illustrates the proportion of youth who opened and deposited into their Enidaso accounts. Both tables list the proportion of youth “openers” and “depositors” by key characteristics, including age (quartiles), gender, residence, and living conditions (quartiles). Overall, “openers” were more likely to be urban youth from families with worse living conditions. “Depositors” were more likely to be girls from families across different living conditions, age and residence.

¹ Note, “openers”, “depositors”, and youth without accounts were not randomized within treatment youth; therefore, this analysis examines correlations only.

Table 1: (Proportion of Youth) who opened accounts in the accounts in Ghana YouthSave

	9 to 11 years old				12 to 14 years old				15 to 17 years old				18 years old & above			
	Boys		Girls		Boys		Girls		Boys		Girls		Boys		Girls	
	Ur	Ru	Ur	Ru	Ur	Ru	Ur	Ru	Ur	Ru	Ur	Ru	Ur	Ru	Ur	Ru
Worst LC	50	35	35	33	48	33	42	42	43	34	70	40	75	41	50	33
Poor LC	33	27	72	33	45	29	31	43	44	36	32	26	67	0	100	100
Good LC	68	0	62	33	48	47	41	41	46	18	41	18	44	0	33	0
Best LC	43	0	34	25	44	40	42	33	47	0	67	33	50	x	50	x

Notes: Ur = Urban, Ru = Rural; LC = Living Conditions; (x) = no treatment youth fit that particularly category

Table 2: (Proportion of Youth) Who Opened and Deposited into their Accounts in Ghana YouthSave

	9 to 11 years old				12 to 14 years old				15 to 17 years old				18 years old & above			
	Boys		Girls		Boys		Girls		Boys		Girls		Boys		Girls	
	Ur	Ru	Ur	Ru	Ur	Ru	Ur	Ru	Ur	Ru	Ur	Ru	Ur	Ru	Ur	Ru
Worst LC	29	17	25	17	50	39	50	16	40	27	50	25	67	71	100	100
Poor LC	44	33	38	0	30	38	50	23	31	22	55	40	25	x	100	0
Good LC	23	x	25	50	42	71	52	29	29	0	19	67	25	x	0	x
Best LC	22	x	50	0	21	25	23	33	11	x	39	0	0	x	0	x

Notes: Ur = Urban, Ru = Rural; LC = Living Conditions; (x) = no treatment youth fit that particularly category

What were the financial capability and youth development impacts of opening accounts versus depositing in the account in the Ghana YouthSave Experiment?

The findings from this analysis show that more positive outcomes are associated with usage (i.e., opening + depositing) than access alone (i.e., opening accounts only). These outcomes include financial capability outcomes (money that belongs to youth, savings amount) and youth development (orientation toward success, commitment to school, academic planned effort) outcomes. Only one outcome was positively associated with opening an account alone: lower uncertainty of the future.

Findings that relate to financial capability indicate that “openers” had less money that belonged to them (45 GHC less) at endline than youth without accounts ($p = .003$). However, “depositors” had more money that belonged to them (33 GHC more) at endline than openers ($p < .001$). In terms of savings, there was no statistically significant differences between youth without accounts and “openers,” as well as between “openers” and “depositors”.

Findings from youth development outcomes analysis indicate that “depositors” scored 1.14 points higher on their endline orientation toward success scores in comparison with “openers” ($p = .06$,

approached statistical significance), and “openers” scored .74 points better than youth without accounts.² “Openers” also scored 1.17 points lower on endline uncertainty of the future scores ($p=.03$) and 1.32 points higher on the commitment to school scale ($p<.10$) compared to youth without accounts; however, they scored lower on parental connection and parental monitoring. On the other hand, “depositors” scored slightly better on parental connection than “openers”. They also scored 3.65 points higher on the commitment to school scale than “openers” ($p = .001$) and 3.37 points higher on the academic self-efficacy scale ($p = .002$); they planned to spend more time on school work (1.66 hours more per week, $p=.01$); and they exhibited marginally more parental school involvement. “Openers” showed no improvements relative to youth without accounts on any of these four dimensions.

Table 3: Effects of YouthSave by Access and Usage of Enidaso Accounts

	Adjusted mean difference (youth without accounts versus “openers”) ¹	Adjusted mean difference (“openers” versus “depositors”) ²
<i>Outcomes</i>		
Financial Capability		
Amount of money that belongs to youth (in GHC)	-45.00**	33.00***
Amount of money that youth saved (in GHC)	-8.00	26.00†
Development Outcomes		
Orientation toward success	0.74†	1.14†
Uncertainty of the future	-1.17*	0.01
Parental connection	-0.79**	0.74†
Parental monitoring	-0.86***	0.44
Commitment to school	1.32†	3.65**
Academic self-efficacy	-0.13	3.37**
Academic planned effort (in hours)	-0.08	1.66*
Motivation to engage in sex	-0.22	-0.90*
Parental school involvement	-0.04	0.63†

¹ Reference group = youth without accounts.

² Reference group = openers

Notes: † $p < .10$, * $p < .05$, ** $p < .01$, *** $p < .001$. Results were controlled for baseline values and the following covariates: age, gender, geographic residence, and household living conditions.

Conclusion

Overall, our findings suggest the importance of uptake (i.e., opening an account) and actual use of the account (i.e., depositing) in facilitating positive youth outcomes among youth in the treatment

² The ranges of possible scores for youth development outcomes were as follows: 1) zero to 66 for orientation toward success; 2) zero to 55 for uncertainty of the future; 3) zero to 20 for parental connection; 4) zero to 15 for parental monitoring; 5) 0 to 99 for commitment to school; and 6) 0 to 88 for academic self-efficacy.

schools in the Ghana YouthSave experiment. Opening an account and depositing into the account were both associated with higher orientation towards success, while opening was associated with lower uncertainty of the future, and depositing with stronger parental connection. These psychosocial outcomes are critical given their association with a wide-range of desirable behaviors, including higher academic achievement, lower risk of alcohol and drug abuse, and better money management, among others (for a review of the literature see Chowa et al., 2010; 2015).

In addition, results indicate that opening *and* depositing was more beneficial for youth than opening alone when it came to school-related indicators and motivation to engage in sex. Although it is plausible that opening accounts unlock initial positive outcomes for youth, actual use of the account develops and sustains these positive outcomes. Youth might view opening the account as one step toward achieving their goals by having access to a safe and secure savings mechanism. However, depositing money into the account gives them the opportunity to make their goals a reality through the process of saving money. In other words, it is possible that opening accounts raise youths' future aspirations, whereas depositing into the accounts improves their future expectations because they realize that the accumulation of savings in their accounts can be used to achieve their goals.

In sum, the use of the account should be encouraged beyond opening an account to yield positive results. One way to increase the use of savings accounts among youth is to use evidence-based nudges that incentivize regular savings, remind them of their goals, and create an expectation that saving for the future is a desirable behavior.

Acknowledgements

This study is a product of YouthSave. Created in partnership with The MasterCard Foundation, YouthSave investigated the potential of savings accounts as a tool for youth development and financial inclusion in developing countries. The project was an initiative of the YouthSave Consortium, led by Save the Children in partnership with the Center for Social Development at Washington University in St. Louis, the New America Foundation, and the Consultative Group to Assist the Poor (CGAP).

The MasterCard Foundation did not take part in the design, collection, analysis, or interpretation of data in this study or in the writing or submission of this manuscript. The authors thank the YouthSave research participants for their time and involvement in the project, headmasters and teachers in the project schools for allowing their institutions to be part of the research, and field interviewers at the Institute of Statistical, Social and Economic Research (ISSER) at the University of Ghana for their data collection support. The authors also thank Susan White at the University of North Carolina at Chapel Hill and Tiffany Trautwein at the Center for Social Development for their editorial assistance.



**The MasterCard
Foundation**