

CASE STUDY



CASH2GROW

**Strengthening financial and social
resilience through savings groups**

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THIS IS THE FOURTH OF A SERIES OF
CASE STUDIES ON FINANCIAL INCLUSION
THROUGH SAVINGS GROUPS.

ABOUT CASH2GROW

Cash2Grow is a NGO operating in different municipalities in the Netherlands. In 2018, Cash2Grow was initiated by Gabriëlle Athmer and Julie-Marthe Lehmann, its current directors. The aim of Cash2Grow is to support people with scarce financial resources by creating savings groups through which the members support each other to improve their financial household management, to expand their social networks and increase their self-confidence through mutual assistance and trust.

Gabriëlle has twenty-plus years of experience in the microfinance sector across Africa, and is an internationally recognized expert in savings groups. In her PhD research of savings groups in The Netherlands Julie observed a positive effect of savings groups on the wellbeing of their members. Both experiences inspired Gabriëlle and Julie to create Cash2Grow, collaborating with similar initiatives in Spain, Germany, Italy and Poland. Julie and Gabriëlle are supported by five active board members (chairperson, treasurer and secretary, plus two more members) and a group of volunteers and self-employed contracted for specific tasks (communication, bookkeeping, project management and networking). The savings groups are set up by a growing number of savings groups facilitators, both volunteers and professionals.



Savings Group "The Golden Ladies Bank" in Amsterdam

Cash2Grow's vision

Cash2Grow wants a sustainable and solidarity-based society, in which taking good care of yourself, others and our planet is essential. We pursue that by promoting and laying foundations for setting up savings groups for people with a tight budget - so they will become more socially and financially resilient.

CASH2GROW'S TARGET GROUP, GOALS AND STRATEGY



Target group

Cash2Grow's target group are people with a tight budget who want to have more control over their financial situation and who want to expand their social network. For example, people with low income such as people with part-time jobs, on-call workers and self-employed persons, recipients of the social benefit system, pensioners and women who are dependent on the low income of their husband or child. Members are mainly women and many of them have a migration background.



Goals

The goal that Cash2Grow wants to achieve in the long run is to increase people's resilience - from a financial as well as from a social perspective.

- Financial resilience: Members have the ability (skills, motivation and self-confidence) to make conscious and healthy financial choices.
- Social resilience: Members have the ability (skills, motivation and self-confidence) to build and maintain a supportive social network.



Strategy

To reach these goals, we:

- develop training materials, train, coach and certify savings groups facilitators, and partner with municipalities as well as welfare organizations to set up savings groups in our project regions;
- strive for savings groups as sustainable social networks, which continue to function after a period of training and coaching without guidance from outside;
- integrate financial education in the savings groups meetings and adopt a flexible approach taking into account the diversity of the savings group members;
- opt for a collective approach because we know that people who support each other, become more resilient;
- promote self-governance because it improves people's skills to take their destiny into their own hands;
- continuously evaluate our approach by monitoring, analyzing and further developing our results and working methods.

WHAT IS A SAVINGS GROUP?

Cash2Grow considers savings groups as financial self-help groups of 5-12 members in which each member saves for her own goal during savings cycles of maximum 12 months. They meet on a weekly, bi-weekly and in few cases monthly basis. Each member saves money which is deposited into a common cashbox. The group decides if loans can be provided from the savings fund. If so, the amount saved by each individual determines the loan amount they are entitled to. At the end of the savings cycle, each member gets his/her own savings back, possibly increased by interest income of internal lending and income from fines paid by latecomers or absentees. Members share responsibility and ownership from the first day onwards. Every group functions according to the same procedures but each sets its own rules and regulations.

THE MAIN ACTIVITIES OF CASH2GROW ARE:

- **Promoting savings groups among partner organizations**

Cash2Grow identifies organizations that are interested in the methodology of savings groups to increase the financial and social resilience of their target group and provides support and information to individuals and organizations interested in the concept for the creation and management of savings groups.

- **Training of professionals and volunteers as savings group facilitators**

Persons who want to become a facilitator for savings groups should follow a course developed by Cash2Grow in which the background and methodology of savings groups are explained as well as how to accompany members of a savings group. The course consists of a two-days classroom training and coaching of the facilitator during the first savings cycle of his or her group. Monthly, inspirational meetings are organized for facilitators, to exchange experiences and update their knowledge. After having followed the training, at least 3 inspirational meetings and having successfully accompanied a group, the trainee becomes a certified facilitator.

- **Evaluation and monitoring tools**

Cash2Grow has developed and adapted new monitoring tools for all phases i.e. during training and saving cycles. To do so, we developed a questionnaire and make use of a management information system. With the questionnaire we target the members at the beginning and at the end of the savings period with largely the same questions. This gives us a picture of the profile of the participants and of the changes that individual savings group members have gone through with regard to their social network and financial resilience. The savings and loan activities are registered in the SAVIX MIS, a management information system for savings groups.



On the job coaching of new facilitator in Groningen

CASH2GROW' SAVINGS GROUPS AT A GLANCE



FINANCIAL IMPACT

Total savings groups created as end of 2021:

21

Range in savings amount on avg per month per group (minimum to maximum amount):

**27 -
1,462€**

Range in savings amount on average per year per group (minimum to maximum amount):

**320 -
17,545€**



MEMBER PROFILE

Number of participants per group:

4 - 14

Age of beneficiaries:

25 - 82

Percentage of women:

98%

Nationalities represented:

Mostly Dutch nationalities, 95% with migration background: Turkey, Morocco, several African countries, Philippines, Suriname and other countries in Latin America, Syria.



SOURCES OF INCOME

- Social benefit (41%),
- Salary (26%),
- Income of partner (21%)
- Self-employed (12%).



“I've learned to pay the bills first and not to overdraw my account so that I have money to live with what's left. And with that money I will save.”

Savings group member



Savings Group "Pennywise" in Amsterdam

KEY RESULTS

- **Adapting the methodology of savings groups for the Dutch context**

Cash2Grow uses knowledge and experiences in The Netherlands and elsewhere and, on a continuous basis, analyses, improves and adapts the methodology for the Dutch context with input of the facilitators and members of the savings groups.

- **Developing training materials for facilitators and savings group members**

Cash2Grow works with two types of working materials: for savings group's facilitators to help them guide the savings groups meetings and for savings groups members, which explains the idea of the methodology and its use for the member. We constantly update the working materials to include information about how to manage money, collaboration in the savings group and working to realize one's dreams.

- **Wide network**

We are working with a wide network that is expanding on a continuous basis. Six municipalities and six locally based funding organizations are supporting us or have supported us financially to train new facilitators and expand the number of savings groups.

- **Research**

Cash2Grow considers research into the effects of savings groups on the wellbeing of its members as a core activity. Based on our extended evaluation and monitoring tools, we can improve the impact and evaluate our own performance at the same time. The positive results of the first seven saving groups were published in an internal evaluation report. In addition, we collaborated with an independent research institution (Movisie) that conducted a theory-based effect evaluation of Cash2Grow's savings groups in 2021. In this evaluation, the assumptions of Cash2Grow's stakeholders about the effects of the savings groups have been collected and tested in academic literature. Movisie concludes this study by advising Cash2Grow to continue the promotion of savings groups as the approach meets all aspects of behavioral science requirements for effective interventions aiming to change behavior. Such effective interventions must meet the following conditions: easy, attractive, time-bound and social.



Celebrating the first certified facilitators

SUCCESS FACTORS



- **Integrate financial education to contribute to behavioral change**

In the savings groups promoted by Cash2Grow, financial education is part of the savings groups' meetings. Although saving in a savings group is per se a type of financial education, we think that the impact can be strengthened by a simple financial education curriculum. What has been learned during a savings group meeting, can be put in practice during the savings group cycle. Since savings cycles last between 6 and 12 months, the financial education is more effective than the more common training courses of 7 to 10 sessions. Financial education in the context of a savings group contributes to sustainable behavioral change. However, financial education only works out when people are open to it. Therefore, we make the financial education part optional; sometimes, the members prefer to relax and socialize after the savings group procedures. As a matter of fact, most of the groups prefer to include the financial education in the meetings. By joining a savings group, the members develop a positive attitude towards saving because they like the meetings, experience positive social pressure and notice that they are successful in saving. The participation therefore becomes a positive addition to regular forms of (financial) assistance, which often involve an individual approach to financial problems.

- **Support the development of social skills and social capital**



By conducting a savings group meeting, the members practice social skills: members are speaking up, listening to each other, performing roles, exchanging ideas. These acquired social skills contribute to people's self-confidence. The structured approach of the group meetings fosters success experiences which contributes to confidence in one's own abilities. This kind of self-management in a safe environment is an important factor for motivation to participate and contributes to self-confidence. To enhance the social skills of the members, exercises for social skills training are part of the training materials offered by Cash2Grow. In the end, durable contact in savings groups contributes to social capital as members become involved in each other's lives and are prepared to help each other in difficult times.

- **Successful cooperation with partner organizations to create savings groups**



Cash2Grow trains and coaches (welfare) organizations and individuals to reach the target group and to set up savings groups: that is not possible without close cooperation with others. We therefore maintain relationships with a diverse group of different partner organizations: larger welfare organizations, smaller volunteer organizations, migrant self-organizations and so forth. These cooperation partners function like a 'finding place' for our target group and form an 'anchorage' for savings groups once they continue on their own.

- **Being able to invest a lot of voluntary work in setting up an organization**



Setting up a new organization demands a lot of investment, money and time wise. The two directors were in the privileged position that they could invest a lot of time in the form of voluntary work to transform the organization into a sustainable social business. They were supported by other volunteers and a very active board. This process is by far not ended yet but without this investment of time in developing a savings groups methodology for the Dutch context and trainings material, the organization would not be there were it is right now.

CHALLENGES & LESSONS LEARNED

CHALLENGES

- **The Covid-19 crisis**

The consequences of the Covid-19 crisis have a serious effect on the development of savings groups, in number and in their internal development. For existing groups, it became impossible to come together. However, the seven savings groups from the pilot project have continued to save, even during lock-down periods. Each savings group found its own solution. Most savings groups continued saving with the help of a WhatsApp group. On the agreed time of the meeting, the members saved at home, with their own piggy bank or a piggy bank donated by our organization. The members put a picture of the money saved on WhatsApp and thus motivated each other to continue saving for their savings goal. Other groups opted for video call meetings or communicated by email. Saving tips were also exchanged in some groups. Like this, members kept in touch and continued to save.

- **Professionalization of Cash2Grow**

The organization of Cash2Grow - being a young organization - has grown rapidly in activities and in number of persons involved. The two directors are full-time involved, and Cash2Grow has contracted several persons for specific tasks. Therefore, the professionalization of Cash2Grow is a necessary development, which demands a lot of time. The organization needs to comply with new legislation regarding its governance and with regulations regarding the Dutch Anti-Money Laundering and Anti-Terrorist Financing Act, as well as with regulations with regard to safety at the workplace.

Savings Group "Precious pearls" in Amsterdam



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“The group members came together to have fun and to save money. We had conversations 'about life' and we are very involved with each other. The meetings were lively and felt like a warm bath.”

Savings group member

For savings group facilitators and savings groups:

- The advantage of savings group facilitators who are associated with an organization as volunteers or professionals is that the savings group activity becomes part of the program of a (welfare) organization. This makes it easier to start up new savings groups or to expand existing savings by asking new members to join.
- The time investment to coach savings group facilitators differs from one person to the other. The basic coaching trajectory has provisionally been established on 'on the job' training at the first two or three meetings of the savings group, after which the coach also attends the three evaluation moments (after three months, after six months and the last meeting).
- We have reduced the minimum group size of a savings group from 8 members to 5 members. In the pilot period, we discovered that small savings groups also function very well. Small groups also have it easier to meet as long as we have to take into account Covid-19 protection measures. At the same time, a minimum number of members is required to continue motivating and inspiring each other. A disadvantage of a small group size is that the training and coaching requires relatively more time and effort from the savings group facilitator per participant.

For our organization:

- **The development of a business plan:** The development of a business plan is a necessary step to increase the financial sustainability of Cash2Grow. Some donor organizations demand more income generating activities by the organization in order to continue providing support on more specific items. That means the development of a thorough business plan which includes the analysis of the demand in the Dutch society for our products, our targets for scaling up savings groups and the intended collaboration of municipalities and civil society organizations.

SUCCESS STORIES



“I think it's important to ensure that people gain insight into the way they manage their money. I get excited to find out together with others what you can do to change things for yourself. In the Netherlands you don't really talk about money that easily. It's nice to see that saving together breaks this taboo and connects people! I like not only guiding a savings group, but I also love training new savings group facilitators. I transfer my enthusiasm to these facilitators, so that they also can train and coach savings groups. Due to Covid-19, it was a big step to start working online, when we are no longer physically together. We have noticed that online saving and online training are going quite well. Also online you can connect with people but it is important that the group has met before. With surprise I saw that the goodbye at the last online training session was just as difficult as at a last physical training session! Covid-19 also makes people inventive. In my savings group, two people did not have a smartphone. We wanted to continue, so we decided to communicate via e-mail. And that worked very well, even exchanging about specific themes. And if there had been group members who didn't have access to email? Well, then we would have reinvented the post services. However, for new groups, meeting face to face is essential for building up trust and a positive attitude towards savings.”

Rianne,
trainer at Cash2Grow and savings group facilitator

CASH2GROW'S OUTLOOK

Cash2Grow plans to expand its activities and also include training activities on entrepreneurial skills for members of the savings groups. In order not to depend entirely on donations, subsidies and grants, Cash2Grow has started to develop a business plan. With the support of an external organization, we have analyzed markets, growth strategies, financing and earning models. Our ambition for 2025 is to be present in an increasing number of Dutch cities and regions having about 180 savings groups with approximately 1,200 members of which the majority will continue for at least 3 years and beyond without accompaniment of Cash2Grow.

We aim to progressively finance our activities from the sales of our services and products, decrease our dependency from donations, and also building our own equity of our own generated income.

To achieve these goals, Cash2Grow plans to sell a license package with training & coaching, training material and inspirational meetings. A partnership agreement/license with a partner organization is signed after employees/volunteers as savings group facilitators are certified. Partner organizations will retain their license if the certified employee participates in an inspirational meeting once a year.



**“Together we develop the discipline to save.
I saved a lot more than I thought I would be able to!”**

Savings group member

GET IN TOUCH



Name of Organization: Cash2Grow
Location: Amsterdam, Netherlands
Website: www.cash2grow.nl
Email: info@cash2grow.org
Facebook: <https://www.facebook.com/cash2grow>
Photos by: Cash2Grow team members & Huub Zeeman

ABOUT THIS CASE STUDY

The case studies are one of the deliverables of the Erasmus Plus funded project “LETS SAVEE” (LEarning, Teaming up and Saving- SAVING groups for Employability and Empowerment). The project aims at developing an innovative methodology for a hands-on-experience training opportunity for adults from vulnerable groups to develop their skills. It is implemented by seven partners organizations based in different countries across Europe: ACAF – Asociación de Comunidades Autofinanciadas (Spain), Cash2Grow (The Netherlands), Fundació Servei Solidari (Spain), LAB.IN.S Società Cooperativa Impresa Sociale (Italy), MFC - Microfinance Centre (Poland), The Hague University of Applied Sciences) and SavingBuddies (Germany).

