



## FROM SURVIVING TO THRIVING

Savings groups: Helping families develop healthy financial habits in community

To date, World Vision has helped form over **53,000 savings groups** with more than **1.25 million members** who have saved over **\$27.5 million** in 36 countries.



### Laying the foundation for stronger futures

A key element in World Vision's approaches to building improved and resilient livelihoods is the promotion of community-based savings groups. Also known as Saving for Transformation groups, these consist of community members—such as smallholder farmers—who decide to save money together. This format empowers people to fight poverty using their own resources, build cash buffers for unexpected emergencies, and recognize and develop their God-given talents.

### How savings groups work

While World Vision teaches about and helps support savings groups in their early stages, community members are entirely responsible for running them. World Vision doesn't contribute any money or other incentives to get people to join—at most we'll pay for the lockbox to store cash. This means that group members are self-selected and have joined out of a personal desire to improve their finances. Most members are women, who find opportunities to practice leadership skills in a group setting.

## PROTECTION THROUGH THE STORMS OF LIFE



In Zambia, the Shangila Savings Group is offering families the support and motivation to save and plan for things that were out of reach before. For example, several members have been able to replace thatched roofs with metal sheets. “I don’t have to ask my grandchildren to move this way or that way [because rain is coming into the house],” one says. “This is what I’m grateful about for the savings group that World Vision has helped us with.”

Savings groups range in size from 10 to 25 members, with an average of 20.

They agree on how often to meet, elect a management committee, and officially establish interest rates and other guidelines to abide by. Members can not only save but also borrow money which they pay interest on. This way, the money stays within the group. At the end of a predetermined period of time, each member receives their payout: their original savings plus interest and fees earned.

### How savings groups change lives

For families living in poverty, saving money can seem unrealistic. Savings groups demonstrate that it is possible and empower families to take the first step. By offering support and accountability, savings groups also equip people to work together economically—a foundational element of the THRIVE model as well as democracy and a market economy.

When members receive their payout, it’s typically the largest amount of money they’ve had at once. This empowers them to cover the cost of things like school fees, home improvements, and small business investments.

Many savings groups also have a social fund, a type of insurance or support pool. The group decides together where this money should go, whether to help a member in crisis or to care for others in the community who need educational, health, or other assistance. This fosters values of service and unity and gives the group a practical way to bless others.

In addition to the financial benefits, savings groups also empower members to build human and social capital. They help members learn wise financial practices to make smarter choices in the future. Savings groups also naturally strengthen social bonds between group members. In some cases, this leads to members working together in other ways, like commercial producer groups or farm supply buying cooperatives that offer even greater economic empowerment.



## TURBOCHARGING SAVINGS GROUPS

World Vision is experimenting with making small loans to savings groups from our microfinance subsidiary, VisionFund International. Preliminary evidence from Malawi, Rwanda, and Zambia shows that these loans help mature groups grow savings rapidly and improve their farms and businesses.

**Help community members build stronger futures through savings groups.** For more information, contact your World Vision representative.