SAVING FOR CHANGE PROGRAM ASSESSMENT

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ACKNOWLEDGMENTS

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I. EXECUTIVE SUMMARY

Oxfam America’s Saving for Change (SfC) program has operated in the Chalatenango region of El Salvador since April 2007. Saving for Change brings savings-led financial services to rural communities that are not served by mainstream microfinance. The methodology recognizes that the primary need of the poor is consumption-smoothing in the form of savings rather than the assumption of additional risk through external credit sources. The program therefore starts by forming groups of about 20 women who pool their savings and then lend this fund to each other at a group-established interest rate. The interest paid on the loans accrues to the group, increasing the size of each member’s funds. Chalatenango’s rural location, high incidence of poverty, limited access to financial services, and its strong and well-respected local development organizations make the department well-suited for the implementation of the Saving for Change program.

As Oxfam plans to increase the size of the program in Chalatenango, reaching 6,600 women by 2011 — over 2,000 members per year — operations and program delivery mechanisms must be considered in detail. This study therefore focuses on these factors to evaluate the program’s potential for future expansion both within El Salvador and in other countries in the region. In addition, the study presents a preliminary analysis of the program’s impacts on participants and suggests future areas of research.

The research team used a representative sample of ten savings groups, and carried out both qualitative and quantitative interviews with 24 group members and 18 non-members. In addition, open-ended interviews with Oxfam staff, partners, promotoras (field staff), and local community leaders were instrumental in understanding their ideas for the present and future directions of the program.

The study found that Saving for Change is operating effectively and is well placed for future expansion. At the time of the study, the program was operational in 17 of the 33 municipalities in the Department of Chalatenango. Together, Oxfam’s partners are exceeding group formation targets of an additional 2,200 members for the year. Primary operational/delivery strengths include the commitment and experience of partner staff and promotoras and the expertise and involvement of the Oxfam America regional office.

Going forward, Saving for Change must build on these strengths but also address some limitations. Although SfC is reaching a wide range of people with different financial backgrounds, few women in each village have joined the program. These low saturation levels stem from disinterest in the group organizing efforts, mistrust of group activities, and a perceived inability to save. Program staff will be able to increase outreach by assessing the current practices of information dissemination and program promotion. In addition, Oxfam regional staff must encourage field staff (the “promotoras”) to graduate groups so that they may have more time to devote to recruiting and training new groups. Since the promotoras’ individual strengths differ, Oxfam should encourage, whenever appropriate, the division of responsibilities
among promotoras to capitalize on each individual's strengths. Additionally, because savings and lending levels are low in El Salvador, especially when compared with SfC's performance in other countries, Oxfam should consider offering business training to increase women's confidence in starting businesses and expanding their current economic activities.

To measure the social and economic gains of members, the study employs the USAID framework for *Assessing the Impact of Microenterprise Services (AIMS)*.¹ *AIMS* identifies four pathways to sustainable change — material, cognitive, perceptual, and relational.² Interestingly, although the program’s primary focus is economic, members did not report substantial *material* improvements. In fact there is no statistically significant difference between the financial status of members and non-members.³ Future research should focus on understanding the mechanisms that women use to generate income and more accurately measuring any changes in women’s economic status.

With regard to the other three pathways in the AIMS framework, the program is contributing to *perceptual* and *cognitive* changes. The women members overwhelmingly cite increased confidence in the future, improved self-worth, better friendships, greater ability to speak in front of others, and greater knowledge about financial and household management as benefits from joining the savings groups. Finally, gains along the AIMS *relational* pathway, which considers women’s relationships with others, are less evident than cognitive and perceptual changes, possibly because this pathway requires a transformation not only in the individual participating in the program, but also in her family and community. This type of change could thus entail a longer time horizon to manifest itself.

In conclusion, this study shows strong results with regard to program expansion in El Salvador. Poor rural women are successfully organizing and increasing their capacities in a social, economical and political context marked by a history of civil war and the unequal distribution of wealth.

### II. INTRODUCTION

**Program Methodology:** The Saving for Change (SfC) program developed by Oxfam America and its partner Freedom from Hunger was designed to bring small-scale, savings-led financial services to poor, rural communities. The SfC model recognizes that the poor benefit greatly from savings, which allows them to invest in business activities, take care of emergencies, and buy food and other basic necessities in spite of having irregular income flows and experiencing

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² These pathways are defined fully in Section V.

³ This lack of a major difference in the current situation of members and non-members combines two factors: (1) any difference in the initial status of members and non-members (for example, if poorer or richer women are more likely to join) and (2) any subsequent changes due to the program. In the absence of a baseline study from before SfC began in these communities, we cannot differentiate these two factors.
shocks such as illnesses. While credit can help in some cases, it always entails additional risk. On the other hand, savings decreases risks. The program forms groups of about 20 women and provides members with a safe, convenient place to save. Once members have elected officials and set by-laws, they begin to pool their savings into a self-managed group fund that they lend at interest to each other. The interest on the loans accrues to the group and increases sizes of the group fund. At a pre-determined time, the group may decide to either disburse the savings and interest to individual members (proportionate to what they saved) and start a new cycle, or to leave the fund intact so that it continues to grow. Saving for Change was first implemented in Mali in 2005 and has since expanded to Cambodia, Senegal, Burkina Faso and El Salvador.

Reaching scale through the low cost replication of savings groups is at the heart of the SfC program and has driven methodological considerations from the beginning. In Mali, where the program is currently growing at a rate of 5,000 members per month, expansion is largely driven by the villagers themselves, who spread the program at minimal additional cost to the implementing NGO. Oxfam America has followed a different operational model in El Salvador where the groups are trained exclusively by paid program staff, the promotoras. Since communities in Chalatenango tend to be small, averaging between 25 and 400 families, there is less opportunity for group members themselves to form new groups in their communities. Thus, villager-to-villager replication is not explicitly encouraged and the recent evaluation did not find any instances of group members independently training other groups.

The Microfinance Context in El Salvador: El Salvador has a broad range of financial institutions, from community banks, private banks, and MFIs to generalist NGOs providing savings-led services. Generally, credit-led institutions cannot easily access rural areas. Even institutions such as PROCREDIT, Banco de Fomento Agropecuario (BFA), and Las Melidas that aim to include a more rural population, seldom reach this market. This inability to reach rural populations is due mainly to the bureaucratic processes for lending, including the requirement of a “document of identification” (DUI) that many poor small farmers may not have. Furthermore, numerous microfinance institutions lack branch locations in rural areas.

Additional evidence of the low level of MFI penetration into rural areas comes from a sectoral breakdown in the use of microfinance loans: USAID notes that almost half of microfinance

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4 The model adopted in Mali represents a monitored and calculated approach to villager-to-villager replication and is referred to as the service provider model. In this model, one animator is assigned a thirty village zone. The first year he/she trains ten groups and from each group recruits at least one replicating agent. Each replicating agent undergoes three-day training and receives a pictorial manual to guide her in group formation. She forms one additional group in the remaining part of the first year, two more groups in the second year and one more group in the third year. During the second and third years, the animator will train groups in five more of the remaining villages and recruit at least five more replicating agents each year, which will follow the same pattern. At the end of three years, 1,600 members will have been organized into 80 groups in the thirty villages. Since the replicating agent receives no payment from the partner organization, this system leads to a downward trend in costs per new members with the addition of more people into the program. A pictorial manual and oral recordkeeping facilitate the formation and functioning of groups in this largely illiterate country.

5 Promotoras are local community leaders who receive a monthly salary from Oxfam’s partners for the formation and training of groups. Promotoras receive training on the SfC methodology from Oxfam and partner staff.


7 International NGOs currently providing savings-led services in the country include Oxfam America and Catholic Relief Services.

8 XForo Interamericano de la Microempresa. October 2007. USAID presentation.
loans in El Salvador are for commerce, industry, or services, while agriculture makes up only 5% of stated uses. In rural areas, those without access to MFIs tend to get credit through family members or money lenders. For example, in 1997, 8% of rural households had access to formal finance (banks or non-banks), another 12% had access to semiformal finance (nonfinancial cooperatives or NGO’s) and 22% had access to loans from moneylenders, family and friends. The remaining 58% of the rural population had no access to finance. Decentralized, savings-led microfinance initiatives such as Oxfam’s program therefore have the potential to reach these rural areas.

In July 2000, the Act Governing the Non-Banking Financial Intermediaries (LINB) took effect, strengthening the domestic development and regulation of non-banking financial intermediaries and allowing them to accept deposits from the general public. While the new regulations have had an impact on cooperatives, village banks and MFIs, the law has not affected the NGOs that train savings groups mainly because each group is considered a different entity and is therefore a small player in the field. Savings-led initiatives, therefore, may continue to operate under the regulatory radar, serving a market that is not reached by other financial efforts.

Background of El Salvador and the Chalatenango region: The Northern Salvadoran region of Chalatenango witnessed some of the most intense fighting during the civil war (1980-1992) between the right wing government and the leftist guerrilla groups organized under the Farabundo Marti Frente de Liberacion Nacional (FMLN). After fraudulent presidential elections in 1972 and 1977, leftist political groups organized demonstrations demanding improved social and economic conditions for the millions of peasants living almost in indentured servitude under a few rich landowners. The government responded to the unrest by suspending constitutional rights and creating paramilitary death squads to deal with government critics. In January 1981, the FMLN's first major attack established their control of most of Chalatenango for the duration of the war. Violence escalated in the mid-1980s, affecting mostly peasant workers. By the end of the war, more than 180,000 people across the country had been killed, including journalists, academics, clergy, students, and, of course, rural peasants, who were often considered by the government to be linked with the guerrilla opposition. About 25% of the total population of the country was displaced.

In Chalatenango, with a population of over 202,000, about 15-20% of the communities consist of formerly displaced people, or repoblados, who began to migrate back from Honduran refugee camps towards the end of the war. Many residents across Chalatenango are ex-combatants with a strong sense of pride and high levels of organization inherited from the war years.

Every community in Chalatenango has its own Directiva Comunal, a legal entity with relationships to the broader municipality. The Directiva Comunal is responsible for keeping the community informed and organized around issues that affect their daily lives, including the arrival of new development projects. The Directiva is comprised of different committees,

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charged with specific tasks, including a Youth Committee, Women’s Committee, Water Committee, Electricity Committee, Education Committee, etc. The work of these committees, which are composed entirely of volunteers, ensures the provision of basic services, such as water, electricity and health that are not provided by the central government due to the decentralized system of governance. Communities have long and well-established relationships with aid organizations, which played an instrumental role in the rebuilding efforts after the civil war. Today, many aid organizations continue to carry out projects in coordination with these community committees.

Since the 1990’s, the Salvadoran economy has shown a low capacity for generating employment and Chalatenango is no exception to this trend. In fact, the Northern region of the country, where Chalatenango is located, has the highest levels of underemployment in the country, at 63%. Because there is little opportunity for formal salaried work, economic activities in the region revolve around agriculture and animal-raising. Even within the agricultural sector, little variation exists and people’s food consumption consists mainly of a diet of staple crops, especially beans and corn. Since most families live at a subsistence level and have only modest land holdings, this homogeneity of agricultural activities likely reflects the pressing need to guarantee households’ basic needs.

The circulation and availability of cash is also limited in this subsistence economy. The most popular means of generating cash is to store agricultural surpluses from the previous harvest and sell these when the market price is high. Although women are often relegated to housework and raising children, some take advantage of town meetings, soccer games or other community events to sell food for income generation. As a natural extension of their household chores, women may raise and sell small animals such as chickens and hens. A few women are part of sewing and artesanias cooperatives, making colorful embroidered clothing/cloth and hammocks for export, mostly to American NGOs and fair trade organizations.

Although Chalatenango has lower levels of migration than other departments, remittances play as important a role as in the rest of the country in alleviating poverty, mitigating shocks and providing liquidity. According to the 2008 Human Development Report for El Salvador, one fourth of households in the country receive remittances, which are sometimes equivalent to a minimum monthly salary (averaging $81.60 in rural areas). In our study, few families reported regularly receiving a significant level of remittances. Yet it is important to highlight that people are generally not comfortable speaking openly on the subject, and as a result, the information gathered in this study may not reflect the full extent of remittances received by these communities.

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National average of underemployment is 43%, with this percentage increasing in rural areas to 54%.
13 Furthermore, the level of remittances reported in this study may reflect the realities of the present global economic situation, as interviewees expressed apprehension at a perceived decrease in remittances since the onset of the economic crisis.
Community Profile: San Antonio Los Ranchos

In 1988, San Antonio Los Ranchos was one of the first five communities to be repopulated in the region of Chalatenango. It now has a population of 1700 (257 households). Many families are not originally from Los Ranchos, but settled here only during the repopulation. Oxfam’s partner CCR categorizes this as an area of extreme poverty with 67% of households living in poverty according to its internal definition.

The civil war left the community with no infrastructure and humanitarian organizations have played an important role in reconstruction efforts. The community has worked hard to obtain all essential services which now include a primary and secondary school (up to 9th grade), an instituto (10th to 12th grades), a health clinic, electricity, and running potable water. The community is linked to Chalatenango by paved and unpaved roads and is fairly well served by local public transportation. It does not have a communal market and relies on the one in Chalatenango, about 40 minutes (20 km) away, for the sale and purchase of non-subsistence goods. The community has little experience with financial services aside from a program of rotating loans implemented by CCR through its Women's Committee. (This loan program has been running for 7 years with funding of $5000 from the SHARE Foundation. Women are selected by the CCR women’s committee based on their repayment record and recommendations from the women’s committee. They receive a loan of $300 for 12-18 months, and pay 5% interest. The loans are typically used to buy a cow, start a small store, or start another small business.)

As it is true of all the communities visited, unemployment is cited as the main problem. Aside from a few jobs in the mayor’s office and in the small health clinic and school, no other regular, salaried jobs exist. There are a few construction projects with the municipality but these tend to be of short-duration and available only at irregular intervals.

People make their living primarily through subsistence agriculture, especially by growing corn and beans. Commercial cultivation of vegetables is minimal. Women seldom work in the fields. Rather, a woman’s primary activities tend to include domestic chores, caring for children, and raising small animals near the house. Secondary economic activities might include sewing and embroidery as part of the community cooperative; selling food such as cakes, tortillas, pupusas, and fruits; or washing clothes for a small fee.

Unemployment poses a problem especially in regard to youth, as most have some degree of education and refuse to work the fields. Some youth migrate to the United States or to San Salvador in search of work, while others remain idle. This youth unemployment is a major concern, as the community lacks the resources to keep youth occupied and fears that crime will creep into what is otherwise a peaceful and tightly-knit community. The community exhibits a high level of social cohesion and mutual aid and has various committees including a women’s committee, a youth committee, and a committee for war veterans, among others.
III. HISTORY OF THE PROGRAM

The feasibility study: Oxfam America initially chose El Salvador to test the feasibility of the Saving for Change model in Latin America and explore the potential for future expansion to other countries. Within El Salvador, Oxfam chose the department of Chalatenango for its relatively remote and rural location with high levels of poverty (54% of people live in poverty\(^{14}\)), and for the presence of strong local organizations. The feasibility study, carried out in August 2006, identified low levels of formal employment contributing to the high incidence of poverty and limited liquidity resulting from a reliance on subsistence agriculture. The study also found that the region had very limited prior experience with formal financial institutions and no knowledge of traditional forms of rotating savings and credit groups (cuchibales). Women often ran micro-enterprises,\(^{15}\) but had little access to savings or credit services to carry out their activities.

The pilot phase: The results from the feasibility study were instrumental in moving forward with the pilot phase of the program, which ran from April 2007 until December 2007. For the pilot, Oxfam selected two partners: the Asociacion de Comunidades para el Desarrollo de Chalatenango, (CCR), a community development organization originally formed to resettle families displaced by the civil war, and Caritas, the Catholic Church’s social ministry office. These organizations hired three local community organizers or promotoras, who had strong contacts in many communities. These promotoras started twenty pilot savings groups, nineteen of which are still operating.

The pilot study found that group members, promotoras, and partner organizations had quickly internalized the SfC methodology and were enthusiastic about its success. The majority of women viewed their funds as a safety net for unforeseen emergencies, and about two-thirds of groups had also begun lending for income generating activities. Groups seemed confident that they could continue on their own without the ongoing support of the local partners and promotoras (an issue that came up as more problematic in the present study).

As with the feasibility study, the pilot study observed that women had difficulty accessing capital from MFI’s and that they were concerned about their own ability to save. The pilot study also identified remittances as a sensitive yet important issue for the targeted communities, with the potential to invest these remittances in the group. Recommendations centered around clarifying the division of responsibilities among Oxfam and partner staff, addressing barriers to borrowing, and encouraging collective and individual economic activities among group members. Additional comparisons between the current study and these two prior studies can be found in Appendix H.

\(^{14}\) UNDP Human Development Report, 2004
\(^{15}\) Women’s activities for micro-enterprises revolve around the selling of food such as tamales, cakes, or pupusas, or the selling of agricultural outputs such as chickens.
IV. THE PRESENT STUDY

Overview of the present study: The program finished its piloting phase with the formation of the last pilot groups in December 2007 and became fully operational in January 2008. The table below shows the growth of the pilot phase and full program to date.

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<th>TABLE 1: PROGRAM PERFORMANCE TO DATE</th>
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<tr>
<td>Groups</td>
</tr>
<tr>
<td>Members</td>
</tr>
<tr>
<td>Group Funds</td>
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<tr>
<td>Group Funds per Member</td>
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<tr>
<td># of Loans Outstanding</td>
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<tr>
<td>Value of Loans Outstanding</td>
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<tr>
<td>Average loan size</td>
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<tr>
<td>% of funds allocated to loans</td>
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<tr>
<td>% of members with loans</td>
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The program is now in its second year of funding and had reached 2,300 women by December 2008, with a projected reach of 4,400 total members in the next year. Oxfam plans to expand the program to 6,600 women by 2010, an increase of over 2000 women each year. Because of this interest in expansion, the present study focused particularly on operational and program delivery issues that may affect program growth. The present study also tried to answer questions of impact, but, because of the small sample size and lack of baseline data, findings will necessitate further research.

Research Methods. Of the 144 Saving for Change groups in existence as of October 2008, the study focused on a randomized representative sample of five groups in five communities. Additionally the research team carried out interviews with five groups outside of the randomized sample, for a total of ten groups.

¹⁶ The target for the end of 2008 was 2,200 members.
SFC groups were divided into five categories using data supplied by the Program Officer. One SFC group from each category was randomly selected for the study.\footnote{Older groups are those which were at least 8 months old at the time of the study – with their first meeting in April 2008 or earlier. Newer groups are those in operation for 5-7 months, with their first meetings in May, June or July 2008. Group ID numbers for the selected groups are 3, 78, 6, 83, and 26, respectively.}

<table>
<thead>
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<th>TABLE 2: Categories of communities visited:</th>
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<tr>
<td>• Savings groups in <strong>major towns</strong></td>
</tr>
<tr>
<td>o La Laguna, population 3,923</td>
</tr>
<tr>
<td>• <strong>Newer</strong> savings groups in <strong>remote</strong>, small communities</td>
</tr>
<tr>
<td>o Los Alas, population 181</td>
</tr>
<tr>
<td>• <strong>Older</strong> savings groups in <strong>remote</strong>, small communities</td>
</tr>
<tr>
<td>o Carasque, population 300</td>
</tr>
<tr>
<td>• <strong>Newer</strong> savings groups in <strong>less-remote</strong>, small communities</td>
</tr>
<tr>
<td>o Los Ranchos, population 1700</td>
</tr>
<tr>
<td>• <strong>Older</strong> savings groups in <strong>less-remote</strong>, small communities</td>
</tr>
<tr>
<td>o El Jicaro, population not available</td>
</tr>
</tbody>
</table>

The research team spent two to three days in each of five communities and met with members of the five selected study groups, as well as members of additional groups in the communities visited. Table 4 shows the performance of groups in the study sample as compared to similar groups in El Salvador.

Research methods included **group** interviews with members of the savings groups, local leaders, promotoras, and partners. The research team also conducted **individual** interviews with savings group members (24), non-members (14 women and 4 men), promotoras, partners, and Oxfam SIC staff.

In general, interview questions for members and groups were open-ended, but some more quantitative questions were included in the individual interviews to compare factors such as income and assets. Individual interview topics included the financial situation of the interviewee – assets, savings, loans, income, etc – businesses activities, any membership in other community groups, indications of the level of empowerment and self-esteem, changes in health and education, and opinions of Saving for Change. All the questionnaires and interview guides were revised after work in the first two communities, so that questionnaires in the last three communities could more closely target the relevant issues in the Salvadoran context.

The team did not follow any specific criteria for the selection of individual interviewees. Based on local knowledge and connections, **promotoras** selected in advance some members and non-members for interviews, while others were selected once the team was in the field, most often by coincidence or availability. In a few cases, the research team used a system of semi-
randomized selection\textsuperscript{18} where members were asked to draw pieces of paper for a possible interview.

TABLE 3: LIST OF FORMAL INTERVIEWS AND FOCUS GROUP DISCUSSIONS

<table>
<thead>
<tr>
<th>Interviews with BOTH Qualitative and Quantitative Questions</th>
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<tbody>
<tr>
<td>Person or persons interviewed</td>
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<tr>
<td>Focus SfC group</td>
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<tr>
<td>Other SfC group</td>
</tr>
<tr>
<td>SfC group members</td>
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<tr>
<td>Non-members (including dropouts &amp; members’ families)</td>
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<thead>
<tr>
<th>Interviews with ONLY Open-ended Qualitative Questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Person or persons interviewed</td>
</tr>
<tr>
<td>Local leaders</td>
</tr>
<tr>
<td>Promotoras and/or partners</td>
</tr>
<tr>
<td>Promotoras &amp; supervisors</td>
</tr>
<tr>
<td>Partner staff (Caritas)</td>
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<tr>
<td>Oxfam America SfC staff</td>
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Themes Identified and Organization of the Study. The study is organized into themes of interest for the assessment of future program expansion, including operational/program delivery themes and impact themes. Since the study’s primary focus is the potential for program growth, most of the themes identified are operational.

This study found that Saving for Change is operationally fit to expand, especially because of the strength and commitment of the partner organizations, promotoras, supervisoras, and Oxfam regional staff. Challenges for the program include the low number of graduated groups and the low fraction of women in each community who have joined the groups. The major program delivery findings were the following:

1. Oxfam’s partners, Caritas and CCR, are strong organizations devoted to SfC and committed to program expansion. Their organizational structures and objectives, however, differ widely, with implications for program implementation and expansion.
2. Oxfam regional staff is more involved in the El Salvador program than in other countries of SfC operation. This leadership and on-going monitoring has been instrumental in

\textsuperscript{18} Randomized and semi-randomized exercises for individual member selection were conducted in La Laguna, El Jicaro, Carasque and Huizúcar,
building a strong program and also strong relationships with the partner organizations through the mutual respect of each other’s objectives.

3. Supervisoras and promotoras are integral for program expansion, yet their skill sets differ widely, with implications for both recruitment and group quality.

4. Recruitment is the most difficult part of program promotion. Promotoras have devised a number of tactics to help them with group formation, but this issue could benefit from additional focus.

5. Although saturation levels remain low in any given community, Saving for Change is reaching a wide range of people with varying financial backgrounds, with some indications that it is reaching the poorest.

6. Although members are comfortable with the savings and lending rates in their groups, comparisons among other countries of SfC operation reveal that lending levels may be too low. Interestingly, remote communities exhibit higher levels of economic activity than non-remote communities.

7. Future program sustainability is hindered by the ongoing involvement of the promotoras in their groups. Because of their continued assistance to groups, no groups have graduated.

The research team found that the program is contributing to changes in women’s self esteem, perceptions of their own self-worth, and confidence in the future. Economic changes were less evident, although SfC is encouraging women to think about business activities as a result of their greater financial literacy and access to loans. Specifically, the major impact themes are the following:

8. Economic and material change—specifically changes in economic opportunities, income levels, access and control over material resources, and the satisfaction of basic needs—has been limited.

9. Social Change, as measured by gains along the perceptual, cognitive and relational pathways is present in SfC, but to varying degrees. Because the program targets women, gains along these pathways also give insight into the program’s gender dimensions.

Overview of the studied groups. Nine of the ten groups studied are listed in Table 4, along with basic information for each group. The tenth group was only two months old at the time of the study and had little activity to report. The chart also includes the average information for groups of the same age as each studied group (since groups tend to grow stronger over time) and the same time spent in the current cycle of saving (since group funds grow over the course of a savings cycle). This average information is listed below each group, in bold.
TABLE 4: PERFORMANCE OF STUDY GROUPS COMPARED TO SIMILAR GROUPS

<table>
<thead>
<tr>
<th>Group Location</th>
<th>Group type</th>
<th>Group formation date</th>
<th>Months in Operation since the last cycle</th>
<th>Members</th>
<th>Savings</th>
<th>Number of loans outstanding</th>
<th>Amount of loans outstanding</th>
<th>$ in cash box</th>
<th>Savings per member</th>
<th>Savings per member per month</th>
</tr>
</thead>
<tbody>
<tr>
<td>La Laguna*</td>
<td>Pilot</td>
<td>May 2007</td>
<td>1</td>
<td>20</td>
<td>$333</td>
<td>3</td>
<td>$155</td>
<td>$178</td>
<td>$17</td>
<td>$16.65</td>
</tr>
<tr>
<td>Average for pilot groups with current cycle of one month</td>
<td>Average of 3 groups</td>
<td>n/a</td>
<td>1</td>
<td>12.6</td>
<td>$430</td>
<td>4</td>
<td>$317</td>
<td>$112</td>
<td>$41</td>
<td>$40.94</td>
</tr>
<tr>
<td>Carasque*</td>
<td>Pilot</td>
<td>May 2007</td>
<td>5</td>
<td>18</td>
<td>$868</td>
<td>7</td>
<td>$850</td>
<td>$17</td>
<td>$48</td>
<td>$9.64</td>
</tr>
<tr>
<td>Huizucar</td>
<td>Pilot</td>
<td>Dec 2007</td>
<td>5</td>
<td>15</td>
<td>$572</td>
<td>6</td>
<td>$290</td>
<td>$282</td>
<td>$44</td>
<td>$8.80</td>
</tr>
<tr>
<td>Las Lajitas</td>
<td>Pilot</td>
<td>Dec 2007</td>
<td>5</td>
<td>9</td>
<td>$140</td>
<td>0</td>
<td>$0</td>
<td>$140</td>
<td>$16</td>
<td>$3.11</td>
</tr>
<tr>
<td>Average for pilot groups with current cycle of 4 to 6 months</td>
<td>Average of 13 groups</td>
<td>n/a</td>
<td>4 to 6</td>
<td>13</td>
<td>$746</td>
<td>3.8</td>
<td>$325</td>
<td>$421</td>
<td>$54</td>
<td>$11.61</td>
</tr>
<tr>
<td>El Jicaro*</td>
<td>Early</td>
<td>Jan 2008</td>
<td>3</td>
<td>14</td>
<td>$22</td>
<td>0</td>
<td>$0</td>
<td>$22</td>
<td>$1.57</td>
<td>$0.52</td>
</tr>
<tr>
<td>Average for early and pilot groups with current cycle of 3 to 4 months</td>
<td>Average of 2 groups</td>
<td>n/a</td>
<td>3 to 4</td>
<td>14.4</td>
<td>$731</td>
<td>3.2</td>
<td>$366</td>
<td>$396</td>
<td>$45</td>
<td>$11.36</td>
</tr>
<tr>
<td>Los Alas*</td>
<td>Recent</td>
<td>May 2008</td>
<td>5</td>
<td>17</td>
<td>$105</td>
<td>0</td>
<td>$0</td>
<td>$105</td>
<td>$6</td>
<td>$1.24</td>
</tr>
<tr>
<td>Los Ranchos*</td>
<td>Recent</td>
<td>May 2008</td>
<td>5</td>
<td>16</td>
<td>$170</td>
<td>4</td>
<td>$170</td>
<td>$0</td>
<td>$11</td>
<td>$2.13</td>
</tr>
<tr>
<td>Average for recent groups with current cycle of 4 to 6 months</td>
<td>Average of 24 groups</td>
<td>n/a</td>
<td>4 to 6</td>
<td>14.4</td>
<td>$221</td>
<td>2</td>
<td>$90</td>
<td>$137</td>
<td>$15</td>
<td>$3.18</td>
</tr>
<tr>
<td>La Laguna-Los Guevara</td>
<td>Recent</td>
<td>July 2008</td>
<td>3</td>
<td>10</td>
<td>$77</td>
<td>1</td>
<td>$10</td>
<td>$67</td>
<td>$8</td>
<td>$2.33</td>
</tr>
<tr>
<td>Jovenes Soñadores</td>
<td>Recent</td>
<td>July 2008</td>
<td>4</td>
<td>16</td>
<td>$25</td>
<td>0</td>
<td>$0</td>
<td>$25</td>
<td>$2</td>
<td>$0.52</td>
</tr>
<tr>
<td>Average for recent groups with current cycle of 1 to 3 months</td>
<td>Average of 29 groups</td>
<td>n/a</td>
<td>1 to 3</td>
<td>13.6</td>
<td>$178</td>
<td>1.5</td>
<td>$59</td>
<td>$120</td>
<td>$12</td>
<td>$3.20</td>
</tr>
</tbody>
</table>

This table lists the study groups as compared to similar groups in terms of ‘formation date’ and ‘time in the current cycle’. Formation date is the date that the group was formed. Groups are classified as ‘pilot’, ‘early’, and ‘recent’ according to their formation date. Months in operation since last cycle denotes the number of months that a group has been saving and lending since the last time they disbursed the fund (or since the group started, for newer groups). Groups determine the length of the cycle, which usually ranges about 8 months. Groups marked with * are the five groups selected randomly.

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19 Only 9 groups are reported. The tenth group interviewed was very recently formed and had little activity
20 Includes one very high performing group
COMMENTARY ON TABLE 4

All pilot groups interviewed are performing well.

- The sole exception is the group in Las Lajitas whose savings and lending levels are well below the average for groups of the same age and at the same stage in their savings cycle. The advanced age of the members and their perceived lack of economic opportunities in the area may account for the low performance. Furthermore, the women in this group treat their weekly contributions as a safety net for emergencies and not as an opportunity to generate income. The lack of lending activity, and consequently the lack of interest accrued on their savings, is not an important consideration for this group.

- By contrast, the pilot group in Carasque compares favorably to savings groups of its same age and cycle stage. This group has more than double the average in value of loans outstanding, with only $17 in left in the box! This was one of the first groups formed in the program and members continue to exhibit high motivation. Ages of members vary widely, yet all are enthusiastic about the group activities and raffles, which they use to increase the size of the group fund. Because one of the *promotoras* is also part of this group, group members might be more confident in this group and have higher expectations for the program.

Two of the three “recent” groups visited—Los Alas and Los Ranchos—have below-average savings and lending when compared to similar groups.

- Interviews with members did not reveal any worrying patterns. Members understood the methodology and did not lack motivation. Lower savings and lending activity in these groups might be due to lower mandatory savings rates to accommodate poorer members. This trend should be studied further.

- The group in Los Guevara also exhibits lower than average savings, but it has its entire fund on loan. This group enjoys a high level of cohesion and organization; and members, encouraged by the promotora, undertake both group and personal activities for the growth of the fund.
V. THEMES IDENTIFIED

OPERATIONS/ PROGRAM DELIVERY

1. Oxfam’s partners, Caritas and CCR, are strong organizations devoted to SfC and committed to program expansion. Their organizational structures and objectives, however, differ widely, with implications for program implementation and expansion.

Partner organizations play several roles in the Saving for Change program, including identification, selection, hiring and supervision of promotoras, and decision-making on program expansion areas. Oxfam looks for partners with a solid institutional structure, significant existing resources, well-defined goals, a respected and recognizable presence in the communities where they work, and a willingness to undertake a long-term collaboration. Oxfam considers these to be important elements for building a lasting relationship. Since both Caritas and CCR have a long history of service and organizing in Chalatenango, they have a deep knowledge of the region and a strong credibility that enables them to establish strong roots for SfC. Since the SfC methodology works through local NGOs and does not require sophisticated financial institutions, neither partner is a specialized financial organization. On the contrary, both organizations view SfC through a social lens, bringing this additional perspective to the program.

Both Caritas and CCR recognize the benefits that SfC brings to their organizations in terms of strengthened teams, greater program diversity, wider exposure, and expanded constituencies in the communities where they work. Initially, however, both Caritas and CCR were skeptical of a program that broke with the locally-accepted development practice of providing cash or in-kind handouts to project participants. Nevertheless, over time they have come to recognize that the SfC program is not only feasible in spite of the lack of handouts, but that it promotes important values of solidarity and self-initiative. Neither organization has used the program to expand into new geographic areas, but SfC has enabled them to reach people who were not initially a part of their networks. For CCR especially, the program represents its largest source of funding and presents a viable mechanism for expanding its base. CCR notes that around 60% of saving group members are women who previously had no links to the organization. As Caritas’ only program with a gender focus, SfC provides this organization with a targeted approach for meeting women’s needs, which in turn allows Caritas to reach out to more women than before.

21 Oxfam’s ROPE II document on long-term, rights-based development discusses the importance of strong partnerships for building the long-term relationships that are needed to pursue long term impact.
Partner Profile: CCR

The Asociacion de Comunidades para el Desarrollo de Chalatenango, CCR was born in 1988 with the objective of defending the rights of those repopulating the Chalatenango area during and after the civil conflict (1980-1992). At this time, CCR’s mandate was to protect people against military violence and to coordinate the efforts of communities to rebuild their lives in a dignified and just manner. Today, CCR continues to provide communities with basic necessities, such as water and electricity, and to organize against private and public initiatives that may harm their environment. CCR is now the largest organization in the department of Chalatenango and works in 103 communities and 22 municipalities.

CCR is run by a Junta Directiva composed of nine community-elected members each serving a two year term. CCR’s Junta Directiva presides over numerous committees for youth, education, women, cultural exchanges, etc, which are also composed of community-elected members. Because of its historical linkages with the communities in which it operates, the structure of CCR mirrors the structure of these communities. Each CCR committee coordinates with each community’s Directiva Comunal and with community committees arranged along the same themes as the CCR committees. This parallel structure allows the organization to respond in a focused manner to the needs of the community, while its decentralization facilitates program expansion.

Some funding for CCR comes from the “Sister Cities” or “Hermanementos” program, via collaboration between churches and solidarity groups, principally in Germany and United States. This group is in direct communication with CCR and with the ADESCOs (Asociaciones de Desarrollo Comunitario). The donations, which are in cash or in kind, are to support women and also for campaigning work. The CCR Junta Directiva has a person responsible for coordinating the visiting delegations from Germany and the USA.

The majority of CCR staff do not receive a formal wage, although they may receive a stipend for transport and other expenses, from the different projects that they handle or through small contributions.
Although both organizations are enthusiastic and committed to SfC, their level of performance in reaching expansion targets has differed. While CCR surpassed its annual targets, thus making it possible for the SfC program to achieve its overall expansion goals, Caritas acknowledges missing their targets by 50% and admits to a lack of coordination in the initial phases of the expansion. Caritas has resisted setting more ambitious expansion targets for the promotoras, because the organization thinks of them as contracted staff — not community leaders — and is cautious about diverting too many duties to them. In addition, Caritas has been hindered by overall understaffing of promotoras, and by the heavy workload of the Caritas coordinator, who is responsible for seven development programs in addition to SfC.

Caritas’ program implementation has been further complicated by its need to respond to the structure of the church. Whereas CCR has the freedom to implement its programs even without the full support of the village leaders, Caritas must respect the wishes of priests in the particular communities where it wishes to expand. Although the structure of the church could in theory help to promote and legitimize the program by enhancing its profile, parishes have not played an active role in program promotion and at times have even hindered its expansion.

Still, Caritas seems to be strongly engaged and committed to SfC. Since the field work of this study was conducted, Caritas has met with Oxfam staff to devise a strategy for proceeding with the program expansion and providing the promotoras with well-defined targets. The plan also builds on earlier ideas of promoting the program through church volunteers, thus increasing reach at almost no cost. Each church volunteer would attend training, and would form and train their own group.

22 CCR thinks of its promotoras as community leaders, expects much from them in terms of motivation and leadership, and is ready to promote them to higher levels of responsibility. Although Caritas has been encouraged to promote some of its promotoras to the position of supervisor, the organization believes that its promotoras currently lack the necessary skills for this post. Since few pre-requisites were established when the promotoras were hired, Caritas is uncomfortable promoting them to higher positions of responsibility. However, the Oxfam CAMEXCA office has discussed this issue with Caritas and it may soon promote its star promotora to this post.
one group per year in exchange for incentives such as school supplies, invitations to gatherings, and, most importantly, the chance to serve the church in its ministry. Caritas hopes to move forward with this plan once they achieve their 2008 targets, which they committed to do by April 2009.\textsuperscript{23}

Going forward, both organizations voiced an interest in strengthening the now stand-alone savings groups by linking them to other initiatives. From the beginning, Caritas’ idea was to link Saving for Change to its agriculture program and to a complete services package in a more restricted number of communities. This idea, however, has not yet materialized due to the infancy of the SfC program, and a lack of time on the part of the coordinator. CCR is also interested in using the groups as platforms for other initiatives through coordination with its youth and women’s committees.

Both organizations have asked for greater technical support from Oxfam, especially for the technical methodological aspects of the program such as accounting and recordkeeping. Furthermore, both organizations agree that the program would benefit if promotoras had better training in business and gender-equity issues. Both partners would like to see Oxfam America leverage its expertise to carry out these trainings.

\begin{quote}
	\textit{“The relationship with the organizations (partners) requires negotiation and common agreement. Imposition doesn’t work. It is also a relationship by which trust and confidence are built as part of the process. In this process, there are elements that can be negotiated and others that cannot.”}

\textit{– Program Officer}
\end{quote}

\textbf{2. Oxfam regional staff is more involved in the El Salvador program than in other countries of SfC operation.} This leadership and on-going monitoring has been instrumental in building a strong program and also strong relationships with the partner organizations through the mutual respect of each other’s objectives.

The model in the CAMEXCA regional office differs from SfC programs in other countries of operation. Because partners, community leaders and group members are all unfamiliar with the SfC methodology, and especially with the self-financing approach to develop that it promotes, the program requires closer involvement by Oxfam staff to guarantee adequate implementation. Oxfam therefore currently provides not only the principal leadership, funding, and training on the methodology, but also offers ongoing technical support and assistance in the field through regular meetings with partner staff and promotoras. Oxfam staff also hopes that the experience in Chalatenango will provide useful guidelines as to the ideal level of involvement for the program’s expansion into other departments in El Salvador and countries within the region.

The Program Officer is the principal person responsible for the El Salvador SfC program and keeps up-to-date with the operations by traveling to Chalatenango at least twice a month. Her

\textsuperscript{23} Caritas did meet this target of 700 members by April 2009. They had approximately 780 members by this point.
contact with all actors, including promotoras, supervisoras and partner staff, is fluid and enables her to handle current issues and reflect on plans for the future. Her specific responsibilities include maintaining and building on the existing relationships with partners, developing the training and support guidelines for the promotoras, and resolving operational issues that arise. The Program Officer’s optimism, openness to change, and flexibility in negotiating with partners have brought added benefits in securing strong, lasting relationships with these implementing organizations.

The work of the Program Coordinator complements that of the Program Officer. The coordinator focuses on the daily administrative and logistical program details. Since she is currently based in Chalatenango, she can respond rapidly and effectively to immediate needs in the field. She also meets regularly with the promotoras, reviews their achievement on expansion targets, and accompanies them on visits to groups to resolve particular challenges. The coordinator’s involvement with the promotoras strengthens the message to villagers that Oxfam is fully invested in the program and that the promotoras have Oxfam’s full institutional support as they expand into new regions.

The research team found that the Oxfam CAMEXCA staff makes solid decisions that balance the need for program stability with the potential opportunities for adding new complimentary elements, such as trainings or links to other projects. The relationship between the Oxfam and partner staff is based on mutual respect for each other’s objectives, open communication, and the sharing of ideas. The Oxfam staff takes the partners’ objectives into consideration in their decisions, while maintaining clear expectations and accountability. The Oxfam staff stresses that it is in the interest of the program to allow the partners to internalize the savings group methodology and adopt it as their own moving forward, even integrating it to a certain extent with their other programs, while maintaining the core SfC principles.

3. Supervisoras and promotoras are integral for program expansion, yet their skill sets differ widely, with implications for both recruitment and group quality.

At the time of this study, CCR had seventeen promotoras and Caritas had five. The promotoras and supervisoras are the key actors in the operation of Saving for Change in El Salvador. The quality of the program depends heavily on their commitment, responsibility, and experience, as well as on the trust that local people place in them. All promotoras and supervisoras are local, have close ties to their groups, and are held in high regard by group members because of their confidence and knowledge of the program.

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Quote: “We have broken a scheme: We no longer give the money [to our partners] and come back six months later. In this case, we share the responsibility of executing the program. Oxfam finds the organizations, invites them to meet, and engages in teaching the methodology.”

- Coordinator
Promotora Profile

Ana* has worked as a _promotora_ for over six months. She is well recognized in her community mainly because she was a popular teacher for 6 years. Her organizing experience is similar to that of other promotoras.

Ana is very motivated and tries hard to impart this motivation to the groups she forms by providing ideas for savings generation and group activities. She has high hopes both for herself and for her groups and believes that no one is too poor to build a better future. She stresses that all women can succeed and that material poverty can be a less important factor than “poverty of the mind.”

Ana has encountered some resistance from her friends and family, as her line of work breaks with the traditional roles assigned to women.

“They would prefer I stay at home and watch TV. If I stay closed in the house, I feel sick. This is a good job. If I haven’t organized or helped women that day, it feels like I have not done anything.”

To reach some of her groups, Ana must walk 2 hours in each direction, which leaves her little time to spend with her husband and son. She, like the other promotoras, has asked for transportation assistance. However she understands that being away from home is part of the job and is grateful about the opportunity to earn a salary while helping her community.

*Names have been changed to protect privacy.

The role of the promotora involves introducing the Saving for Change program to new communities, organizing groups, training members, and continuing to guide the groups as they develop their ability to work independently. Each promotora is responsible for between 5 and 1324 groups, who normally meet every two weeks.

The position of the _supervisora_ is a fairly new position that was implemented to provide closer support to the promotoras. All supervisoras were originally promotoras who stood out for their knowledge of the program, experience in organizing, and general ability. Each supervisora is assigned a geographical area of focus and a number of promotoras to oversee. Supervisoras offer support and guidance to the promotoras for resolving specific challenges in group formation and training. Promotoras are very appreciative of the supervisoras, but they mention needing additional support from them. Supervisoras often manage multiple, overlapping responsibilities, as they have not fully transitioned to their new role.

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24 The difference in the number of groups is generally correlated with the amount of time the promotora has been a part of the program.
Promotoras and supervisoras are not a homogeneous group and vary in terms of their age, schooling, professional background, and level of recognition in the communities where they work. The research team observed trends in the skill sets of promotoras. With some exceptions, younger promotoras are more likely to have had formal education and thus learn the technical aspects of the methodology more easily, but may they lack recognition in the community — a key strength of older promotoras that greatly facilitates group formation.

Older promotoras (some of them supervisoras) sometimes have small difficulties with the technical aspects of the job, particularly the record-keeping and the monthly reporting for the Management Information System (MIS) used at headquarters for program monitoring. However, older promotoras usually generate more confidence among group members and, as a result, may be able to form groups more rapidly. In one case, for example, an older promotora, who had built recognition during the civil war years as a reputable leader, reported having such high interest in her groups that she ran out of chairs to accommodate members at group meetings! Recognizing their own limitations and complimentary skill sets, promotoras often help each other with aspects of the work that they find difficult. For example, two promotoras have devised a system whereby one forms the groups and the other trains them. However, the lack of a complete set of skills among some promotoras may have potentially negative implications for program expansion, group quality and sustainability.

A major factor for the quality and sustainability of the groups is the ability of the promotoras to teach group members the necessary skills and habits so that each group can function autonomously and effectively. Many promotoras do not fully grasp the accounting and bookkeeping, and may have difficulty passing on these skills to their groups. In fact, although group members reported generally trusting the bookkeeping, one promotora gave her opinion that many groups may not fully understand the StC methodology, possibly because the promotoras themselves are inexperienced in bookkeeping. This promotora believes that if other promotoras and their groups more fully understood the implication of different financial principles (different interest levels, the accrual of fines, savings quotas, etc), the groups would make better strategic decisions that would increase the size of the group fund. She attributes the relatively high savings rates in her own groups to a better understanding of financial principles which she was able to convey to group members.

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25 Only one member showed concerns about her savings not being safe.
26 This promotora had one group with a mandatory rate of only $0.50; the rest of her groups had higher mandatory rates, typically $1.
### TABLE 5: PROMOTORAS’ PERFORMANCE

<table>
<thead>
<tr>
<th>Partner</th>
<th>Promotora</th>
<th>Number of Groups</th>
<th>Average Attendance Rate</th>
<th>Average Value of Loans Outstanding</th>
<th>Average Return on Savings to Date</th>
<th>Average Savings per Member</th>
<th>Average Savings per Member per Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Caritas</td>
<td>A</td>
<td>7</td>
<td>100%</td>
<td>$30</td>
<td>0.0%</td>
<td>$4.97</td>
<td>$1.03</td>
</tr>
<tr>
<td></td>
<td>B</td>
<td>4</td>
<td>82%</td>
<td>$0</td>
<td>8.4%</td>
<td>$3.14</td>
<td>$1.55</td>
</tr>
<tr>
<td></td>
<td>C</td>
<td>10</td>
<td>100%</td>
<td>$53</td>
<td>0.0%</td>
<td>$5.45</td>
<td>$1.57</td>
</tr>
<tr>
<td></td>
<td>D</td>
<td>10</td>
<td>92%</td>
<td>$175</td>
<td>0.0%</td>
<td>$27.87</td>
<td>$7.72</td>
</tr>
<tr>
<td></td>
<td>E</td>
<td>8</td>
<td>88%</td>
<td>$91</td>
<td>1.2%</td>
<td>$14.20</td>
<td>$2.21</td>
</tr>
<tr>
<td>Caritas Total</td>
<td>39</td>
<td>94%</td>
<td>$82</td>
<td>1.1%</td>
<td>$12.67</td>
<td>$3.10</td>
<td></td>
</tr>
<tr>
<td>CCR</td>
<td>F</td>
<td>14</td>
<td>100%</td>
<td>$32</td>
<td>0.0%</td>
<td>$7.72</td>
<td>$1.34</td>
</tr>
<tr>
<td></td>
<td>G</td>
<td>6</td>
<td>74%</td>
<td>$30</td>
<td>13.4%</td>
<td>$2.13</td>
<td>$1.94</td>
</tr>
<tr>
<td></td>
<td>H</td>
<td>6</td>
<td>97%</td>
<td>$17</td>
<td>0.0%</td>
<td>$31.56</td>
<td>$4.06</td>
</tr>
<tr>
<td></td>
<td>I</td>
<td>11</td>
<td>96%</td>
<td>$161</td>
<td>3.4%</td>
<td>$22.00</td>
<td>$3.37</td>
</tr>
<tr>
<td></td>
<td>J</td>
<td>10</td>
<td>73%</td>
<td>$17</td>
<td>0.7%</td>
<td>$7.44</td>
<td>$1.28</td>
</tr>
<tr>
<td></td>
<td>K</td>
<td>7</td>
<td>87%</td>
<td>$136</td>
<td>0.0%</td>
<td>$17.37</td>
<td>$14.93</td>
</tr>
<tr>
<td></td>
<td>L</td>
<td>13</td>
<td>95%</td>
<td>$30</td>
<td>0.0%</td>
<td>$8.17</td>
<td>$1.35</td>
</tr>
<tr>
<td></td>
<td>M</td>
<td>12</td>
<td>77%</td>
<td>$127</td>
<td>1.9%</td>
<td>$21.93</td>
<td>$4.69</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>14</td>
<td>96%</td>
<td>$108</td>
<td>0.0%</td>
<td>$31.89</td>
<td>$5.24</td>
</tr>
<tr>
<td></td>
<td>O</td>
<td>13</td>
<td>87%</td>
<td>$61</td>
<td>2.7%</td>
<td>$8.49</td>
<td>$1.60</td>
</tr>
<tr>
<td></td>
<td>P</td>
<td>6</td>
<td>100%</td>
<td>$37</td>
<td>1.1%</td>
<td>$5.15</td>
<td>$0.79</td>
</tr>
<tr>
<td></td>
<td>Q</td>
<td>12</td>
<td>92%</td>
<td>$21</td>
<td>0.0%</td>
<td>$15.41</td>
<td>$7.06</td>
</tr>
<tr>
<td>CCR Total</td>
<td>124</td>
<td>90%</td>
<td>$67</td>
<td>1.6%</td>
<td>$15.24</td>
<td>$3.72</td>
<td></td>
</tr>
<tr>
<td>Grand Total</td>
<td>163</td>
<td>91%</td>
<td>$71</td>
<td>1.5%</td>
<td>$14.63</td>
<td>$3.57</td>
<td></td>
</tr>
</tbody>
</table>

1 Averages are taken across all groups for each promotora, for the current savings cycle of each group. Some values are rounded to the nearest dollar.

### 4. Recruitment is the most difficult part of program promotion. Promotoras have devised a number of tactics to help them with group formation but this issue could benefit from additional focus.

Promotoras point to program promotion and recruitment as the most difficult and labor intensive part of the methodology. Initial mistrust of group associations from years of civil war, the association of groups with partisan political interests, machismo, and women's lack of experience with financial services all pose high barriers to the formation of groups in the context of El Salvador. Also, both partners and promotoras stressed that a culture of dependency brought by years of NGO presence in the region means that community members expect capital or in-kind assistance for joining a development program.

Overall, non-members have a good understanding of the program, but they give a variety of reasons for not joining the savings groups or for dropping out. The most frequently cited reason is an inability to save, followed by lack of time, and concern about the safety of the group.
funds. A few non-members cited irresponsibility on the part of group members or a lack of organization during the meetings as reasons for their dropping out. Promotoras and some group members mentioned husbands discouraging or not allowing certain women to join. They also described instances in which some non-members discouraged other women who would otherwise have been interested in the program. Finally, promotoras report a general level of disinterest among non-members in all communities.

Promotoras must address all the concerns listed above when forming groups and, with time, they have devised a number of tactics for program promotion and group formation. Initially promotoras hold informational meetings in the communities where they wish to expand the program, usually in coordination with the town leaders and the women's committee. The promotoras report that some women may attend the initial promotional meetings, but later walk away saying that the program does not provide them with anything they need (mostly because the SfC does not offer any start-up capital or in-kind assistance). One promotora described making 8 visits to the same community before she finally convinced members to join. These promotional meetings might be followed by a series of one-on-one, door-to-door visits by the promotoras to personally motivate people. Once women do join the groups, however, they are glad to be a part of the program and their enthusiasm encourages the promotoras as they form new groups.

Additionally, the example of the first group in any community is also important for encouraging new members to join the program. Some promotoras have capitalized on this idea by encouraging group exchanges to disseminate information to new areas. In fact, over 30% of current group members interviewed had joined the group after it had been operating for some time. Women tend to join existing groups rather than forming new ones, perhaps because they do not have extensive networks from which to form new groups or because they find it easier to join a group that is already functioning. Promotoras also say that it is much easier to convince women to join once they have witnessed the enthusiasm of others. In group and individual interviews, women overwhelmingly said they had talked to non-members about the groups and had convinced others to join existing groups, but no group members had tried to start a brand new group.

5. Although saturation levels remain low in any given community, Saving for Change is reaching a wide range of people with varying financial backgrounds, with some indications that it is reaching the poorest.

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27 Interestingly the safety of the group fund is not a concern among group members—only non-members.
Understanding participation patterns is central to on-going program development and expansion. Only by mapping the profiles of members can we know who is joining the program and who is being left out. The assessment of inclusion/exclusion, however, is complicated by a number of factors including the small sample size of the study, diverging view points of interviewees, and a possible large margin of error in the data collected due to some interviewees’ reservations about discussing their financial situations.

Since no calibrated poverty score map exists for El Salvador, the research team adapted a country-specific poverty scoring chart to determine the economic status of each member interviewed. The poverty score mapping ranked answers to questions of dwelling ownership, dwelling type, type of sanitary services, etc, and assigned an overall poverty score for each person interviewed. Since animals are an important asset in El Salvador, and this was not included in the poverty scoring system, the research team also estimated the value of the livestock owned by each person interviewed.

The poverty score questions revealed that, of the 40 members and non-members interviewed, the person with the lowest and the highest score were both members of Saving for Change groups, highlighting that the program does reach people from a range of economic backgrounds. Also, the set of members and the set of non-members received similar average scores from the poverty scoring chart, indicating, that in terms of housing quality and assets, the two groups are comparable. There was no statistically significant difference between the value of the livestock of members and non-members. Interestingly, livestock wealth varied substantially within each category, with many people owning less than $50 in livestock wealth and others owning several hundred or several thousand dollars worth of livestock.

Anecdotal information from community leaders and promotoras is an important complement to the poverty score ranking for determining participation patterns. The information gathered does not lead to any definitive conclusions, but does give insight into the perceptions of key actors. While some local leaders are confident that the program is serving a majority of women who need it most, others stress that those who are “too poor” to save are being left out. Many promotoras seem to agree that some people are too poor to join, although some promotoras point out that sometimes inability to save is linked not to real poverty, but to what they call “poverty of the mind.” In other words, these promotoras point to the individual’s disinterest in bettering her life and lack of self-confidence.

The influence of remittances on participation remains a major topic of debate. Some promotoras mention that remittances may be a deterrent for joining if women feel too rich for the groups to be worth their time. However, the percentage of group members receiving remittances is higher than that of non-members. 58% of group members report receiving remittances, although only 25% of these receive significant amounts on a regular basis, with the rest receiving remittances only on special occasions or for emergencies.29

28 Las Melidas, Manual Para Proceder A La Puntuacion De La Encuesta De Verificacion De Medios.
29 A significant amount is considered anything above $50 and with a frequency of at least once every two months. The highest amount of remittances reported was $200/month. Among non-members, only 38% reported remittances, (of which 16%
Partners feel that the project is reaching those who need it, yet would like to see more inclusion, since, in any given community, saturation levels are low and a large number of people of different financial backgrounds remain outside the program. Although the contextual realities of El Salvador — such as the infancy of the program, the limited funding, the disinterest from community members, and the heterogeneity of their economic profiles — affect saturation levels, these levels are still too low, especially when compared to Mali and Cambodia. Because it simplifies their promotion work, promotoras often work within their social networks, but this reliance on personal connections may be decreasing the program’s potential for expansion. Still, when compared to MFI’s in El Salvador, SfC is succeeding in reaching a much poorer and more rural constituency.

TABLE 6: SATURATION PER COMMUNITY

<table>
<thead>
<tr>
<th>Community</th>
<th>Saturation level of SfC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arcatao</td>
<td>6.0%</td>
</tr>
<tr>
<td>Chalatenango</td>
<td>1.2%</td>
</tr>
<tr>
<td>Comalapa</td>
<td>0.6%</td>
</tr>
<tr>
<td>Concepcion</td>
<td>0.3%</td>
</tr>
<tr>
<td>La Laguna</td>
<td>3.1%</td>
</tr>
<tr>
<td>La Nueva Concepcion</td>
<td>0.5%</td>
</tr>
<tr>
<td>Las Vueltas</td>
<td>14.0%</td>
</tr>
<tr>
<td>Nombre de Jesus</td>
<td>7.2%</td>
</tr>
<tr>
<td>Nueva Trinidad</td>
<td>10.9%</td>
</tr>
<tr>
<td>Ojo de Agua</td>
<td>1.58%</td>
</tr>
<tr>
<td>S. Fco. Morazan</td>
<td>2.1%</td>
</tr>
<tr>
<td>San Isidro</td>
<td>1.4%</td>
</tr>
<tr>
<td>San Jose Las Flores</td>
<td>4.2%</td>
</tr>
<tr>
<td>San Miguel de Mercedes</td>
<td>2.0%</td>
</tr>
<tr>
<td>Tejutla</td>
<td>0.5%</td>
</tr>
</tbody>
</table>

received remittances with any regular frequency). Among group members, only 25% say they invest their remittances in the group. In Mali saturation reaches 90% in some villages while in Cambodia it averages about of 20% of households in a village.
Profile of a Well-Performing Group

*Women of Hope*, as members named their group, is composed of 11 women who live in the same caserio (housing compound) and who have known each other for years. Although this group does have the best savings and lending performance, members are enthusiastic about group activities, which, at the suggestion of their promotora, they carry out regularly. In fact, three of the four loans taken by group members were collective loans for the preparation and selling of tamales, cakes, and pupusas that they sold around their community. These activities are a crucial source of savings for members.

The group functions well and has internalized the methodology. But because it is a newer group, the secretary still needs the support of the promotora for her bookkeeping responsibilities. The group enforces fines and members are especially strict about missed meetings or a bad attendance record. Each member saves $1 per month and although members are not required to make up a missed savings contribution at the following meeting, members encourage each other not to skip savings and help one another in case of need.

The women emphasized that they like to be a part of the group and value their teamwork above all. They also enjoy the space for sharing ideas almost as much as the opportunity to save. To improve their group, they would like to encourage more women to join and to increase their savings fund.

6. Although members are comfortable with the savings and lending rates in their groups, comparisons among other countries of SfC operation reveal that lending levels may be too low. Interestingly, remote communities exhibit higher levels of economic activity than non-remote communities.

For the most part, groups report that their savings contributions are set at the appropriate level (with the exception of some non-members who say they can’t join a group because the savings requirements are too high). Savings rates are also in line with ratios in other SfC program countries.31 Members typically contribute between 50 cents and $2 every two weeks, with about three quarters of members also contributing voluntary savings. The voluntary savings averages $1.20 per person per biweekly meeting32.

31 Women in Mali typically contribute $1 per month. In El Salvador, based on our sample of 22 members, those who save only the mandatory amount save about $2.50 per month, while those who also save voluntarily typically save a total of about $5 per month. GDP per capita is about five times as high in El Salvador ($6,200) as in Mali ($1200). Source: CIA Factbook 2008 estimates.

32 The program has since moved away from voluntary savings and has instituted a system where members contribute their savings in increments of a group-established base amount.
Although the **savings** rates are similar to rates in other SfC programs, **lending** rates in El Salvador are lower. Across the program, groups have a total of $13,964 in loans outstanding, representing 33% of accumulated savings. By comparison, typically 96% of the funds in Cambodia are on loan at any point in time, as are 80% of the funds in Mali. In our sample, only 7 of the 24 members interviewed have taken out a loan from the group, ranging in value from $7.50 to $100.

Interest rates range from 1% to 4%, although at least one group charges a fixed interest payment on loans within a certain range (e.g. 50 cents on a loan of $51-$100). All members interviewed are on time with their payments and women are pleased with the amount of money they have available to borrow and with the opportunity to take out a loan with a rapid turnaround time. In only one case, a member reported that the available loan fund was not enough for her to set up a small store.

Several factors may affect savings and lending performance, including the age of the group, the level of trust among members, the personal need for loans, confidence in repayment ability, the existence of other financial services in the community, the motivation for undertaking income-generating activities, and the location of the group. Promotoras identify certain typical characteristics of well-functioning, high-saving groups, including regular meeting sessions and organized group activities, such as raffles and sales. In some cases, the money raised from these group activities is more important for increasing the size of the group fund than are the members’ personal contributions. A key factor that may negatively affect group functioning and lending levels is women’s reluctance to take out loans. Some members say they are reluctant to take loans because they lack experience in starting and running a successful business and they fear they will be unable to repay the loan. Many members and promotoras point to business education as an important method for eventually increasing the lending rates of groups.

The existence of other financial opportunities in some of the same communities where Saving for Change operates, also deserves a closer look. Although it is not clear whether these other financial services compliment or compete with SfC, they nonetheless offer community members choices. Only four women in the study sample reported saving in a bank or cooperative before joining the savings group, so access to these other financial services is not wide-spread. Only five of the twenty members interviewed reported saving before they joined the group. Aside from the four women who reported saving in a bank or cooperative, one woman saves in her house, and one saves in both the bank and her house. Three women reported saving in animals, although this number may be highly underestimated, as women generally do not consider animals to be a form of savings.

> "There are a lot of business possibilities that women could make some money doing. There are fiestas and football games where people are looking for something to eat and drink but there is no one selling. Some people are lazy. I even say I will lend them the money if they will at least try to sell something but they don’t want to take the initiative."
> - promotora
has provided loans to five women in the sample. In addition, the existence of a village bank in La Laguna might have some influence on members lending needs, although this appears to be minimal. A member of both the savings group and the village bank explained that the village bank does allow for access to bigger loans, but because of the large amount of paperwork and the requirement of a fiduciary to grantee the transaction, these loans are not readily available. She prefers using the savings group for a majority of her needs and only goes to the village bank for larger loans.

Of special interest are the savings and lending dynamics of remote villages, which must be explored in more detail. Promotoras, members, Oxfam staff and even field observations suggest that the remoteness of a community may negatively influence savings and lending levels and account for under-performance of some groups by reducing the economic possibilities available to members. But data from the MIS system reveals quite a different trend. On average, “early” groups (started between January 2008 and April 2008)\(^ {34}\) in small, remote communities have 32% higher savings per member per month than comparable groups in small, non-remote communities. The same groups also have doubled the number and value of loans compared to groups in non-remote communities. This trend becomes even more evident when including the recent groups into the analysis of the data. Please refer to the table below for further information.

\(^{34}\) We also compared remote and non-remote communities within the group of “pilot” plus “early” groups. Here the remote communities had even stronger groups, probably mostly due to the high fraction of pilot groups who were in remote communities. Pilot groups do better than younger groups.
### TABLE 7. AVERAGE PERFORMANCE BY LOCATION AND AGE OF GROUP

#### Savings per person *per month* since start of last cycle

<table>
<thead>
<tr>
<th>Location:</th>
<th>Pilot (May07 – Dec07)</th>
<th>Early (Jan08 – Apr08)</th>
<th>Recent (May08 – July08)</th>
<th>Very Recent (Aug08)</th>
<th>ALL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Remote</td>
<td>($2.10)</td>
<td>$1.90</td>
<td>$2.35</td>
<td>$0.66</td>
<td>$1.96</td>
</tr>
<tr>
<td>Remote</td>
<td>$3.73</td>
<td>$2.52</td>
<td>$4.27</td>
<td>($1.50)</td>
<td>$3.56</td>
</tr>
<tr>
<td>ALL</td>
<td>$3.56</td>
<td>$2.15</td>
<td>$3.45</td>
<td>$0.80</td>
<td>$2.83</td>
</tr>
</tbody>
</table>

#### Savings per person since start of last cycle

<table>
<thead>
<tr>
<th>Location:</th>
<th>Pilot (May07 – Dec07)</th>
<th>Early (Jan08 – Apr08)</th>
<th>Recent (May08 – July08)</th>
<th>Very Recent (Aug08)</th>
<th>ALL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Remote</td>
<td>($24)</td>
<td>$14</td>
<td>$9</td>
<td>$1</td>
<td>$11</td>
</tr>
<tr>
<td>Remote</td>
<td>$52</td>
<td>$19</td>
<td>$15</td>
<td>($3)</td>
<td>$26</td>
</tr>
<tr>
<td>ALL</td>
<td>$49</td>
<td>$16</td>
<td>$13</td>
<td>$2</td>
<td>$19</td>
</tr>
</tbody>
</table>

#### Value of loans outstanding per group

<table>
<thead>
<tr>
<th>Location:</th>
<th>Pilot (May07 – Dec07)</th>
<th>Early (Jan08 – Apr08)</th>
<th>Recent (May08 – July08)</th>
<th>Very Recent (Aug08)</th>
<th>ALL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Remote</td>
<td>($378)</td>
<td>$62</td>
<td>$40</td>
<td>$6</td>
<td>$60</td>
</tr>
<tr>
<td>Remote</td>
<td>$297</td>
<td>$151</td>
<td>$89</td>
<td>($0)</td>
<td>$163</td>
</tr>
<tr>
<td>ALL</td>
<td>$305</td>
<td>$99</td>
<td>$68</td>
<td>$5</td>
<td>$117</td>
</tr>
</tbody>
</table>

#### Fraction of group fund on loan

<table>
<thead>
<tr>
<th>Location:</th>
<th>Pilot (May07 – Dec07)</th>
<th>Early (Jan08 – Apr08)</th>
<th>Recent (May08 – July08)</th>
<th>Very Recent (Aug08)</th>
<th>ALL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Remote</td>
<td>(75%)</td>
<td>29%</td>
<td>33%</td>
<td>36%</td>
<td>35%</td>
</tr>
<tr>
<td>Remote</td>
<td>46%</td>
<td>57%</td>
<td>40%</td>
<td>(0%)</td>
<td>47%</td>
</tr>
<tr>
<td>ALL</td>
<td>48%</td>
<td>42%</td>
<td>38%</td>
<td>27%</td>
<td>43%</td>
</tr>
</tbody>
</table>

#### Number of groups

<table>
<thead>
<tr>
<th>Location:</th>
<th>Pilot (May07 – Dec07)</th>
<th>Early (Jan08 – Apr08)</th>
<th>Recent (May08 – July08)</th>
<th>Very Recent (Aug08)</th>
<th>ALL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Remote</td>
<td>2</td>
<td>27</td>
<td>20</td>
<td>5</td>
<td>54</td>
</tr>
<tr>
<td>Remote</td>
<td>18</td>
<td>19</td>
<td>27</td>
<td>1</td>
<td>65</td>
</tr>
<tr>
<td>ALL</td>
<td>20</td>
<td>46</td>
<td>47</td>
<td>6</td>
<td>119</td>
</tr>
</tbody>
</table>

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1 There are only two pilot groups in non-remote areas and one very recent group in a remote area, so conclusions should not be based on comparisons with these two sets of groups. These figures are put in parenthesis above.
7. **Future program sustainability is hindered by the ongoing involvement of the promotoras in their groups. Because of their continued assistance to groups, no groups have graduated.**

Currently no groups in El Salvador have fully graduated\(^{35}\) from the program. Although the program is fairly young and at the time of the study only a few groups were potentially ready to graduate, the research team noted that several factors may impede future progress.

First, all the groups are personally attached to their promotoras and wish to maintain contact with them in the future. The promotora is seen as a guide, role model and friend. Likewise, the groups value the connection to CCR and Caritas, and would be happy to continue that connection indefinitely. Since attending all group meetings requires a big time commitment, the graduation of well-performing groups would decrease the promotoras’ workload and ensure that they have adequate time to form new groups.

Second, since collection of data for the MIS system takes place on a monthly basis, the promotoras are required to visit all groups regularly. With this high frequency of visits, groups and promotoras will find it difficult to explicitly move to a graduated status.\(^{36}\) The rate of data collection in El Salvador differs from that of other countries of SfC operation where data is collected once every three months, allowing promotors to visit much less frequently once the group has graduated.

Finally, and most importantly, the ability to graduate depends on the capabilities that the groups have acquired during training. Although all group members emphasized they would find a way to keep their group functioning regardless of the support received, the majority of groups are dependent on the continuing help of the promotoras. Only three groups of the ten interviewed (including the youth group) reported having the confidence to carry out the bookkeeping without ongoing assistance. The ability of the promotora to teach key concepts, and the educational level of the group members, especially the secretary, are crucial elements in the groups’ ability to function autonomously. For example, one group composed almost entirely of older women showed concern that if their secretary, the only literate member, ever decided to leave the group, the group would find it difficult to continue. Furthermore, because of the lack of other literate members capable of carrying out the

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\(^{35}\) The SfC methodology expects groups to graduate after the first cycle. At this point, groups should be saving and lending at an adequate level (90% of members saving and 80% of the fund on loan at any time) and managing repayments in a timely manner. Few groups in El Salvador have reached these criteria, especially in lending activity.

\(^{36}\) Groups in El Salvador usually meet once every two weeks and while in training, the promotora attends every meeting. Although some groups have completed the training, the promotora continues to visit them regularly to ensure that the group is running its operations appropriately.
bookkeeping, this group is unable to rotate leadership positions. Although this example is extreme, such concerns exist among other groups and must be taken into consideration for group graduation.

IMPACT THEMES

Oxfam defines impact as significant, sustainable changes in power relations that enable excluded and marginalized people to assert and realize their rights to the access, control and management of resources, institutions, decision making processes and knowledge, leading to improved well being for those involved. Programs are expected to require a 10 to 15 year timeframe to achieve impact.37

Because Saving for Change has been operating in El Salvador for only a year and a half, impact of this nature is not yet discernable. Nonetheless, it is possible and desirable to measure the more immediate social and economic gains resulting from the program's operations. These gains may be considered as pathways to sustainable change38 that enable participants to incrementally gain social and financial power, helping them secure their rights in the future. To assess progress along this pathway, the study utilizes the Guide for Assessing the Impact39 of Microenterprise Services (AIMS) at the Individual level, developed by the Microenterprise Impact Project of USAID's Office of Microenterprise Development.40 This framework sets out hypotheses of change that may be reasonably expected from microfinance programs and focuses on both short and long term change at the individual level, with a particular focus on the gender dimensions.

The framework notes four pathways through which individuals experience change. The first is the material pathway which assesses changes in the level of income, control over material resources, earning capacity, and satisfaction of basic needs. Second is the cognitive pathway, which captures changes in levels of participants' knowledge, skills, and awareness of the wider environment. The third pathway is the perceptual pathway, through which individuals experience changes in self-esteem, self-confidence, recognition within the community, and in their ideas of their future. The relational pathway is the fourth and final pathway, through which members experience changes in decision-making authority, bargaining power, participation in non-family groups, and mobility. Although this framework postulates a sequence of change via the different pathways, moving from the material to the relational, the gains observed from the Saving for Change program do not seem to follow any specific order or hierarchy of pathways. In fact, changes along the first pathway—the material—appear to be limited, but perceptual and cognitive changes are more obvious, with the program also showing some limited influence over

37 Rights Oriented Programming for Effectiveness. Learning, Evaluation and Accountability Department, Oxfam America (December, 2008)
38 Because of the small sample size and the lack of a baseline for comparison, all changes identified are tentative and require further study.
39 The AIMS framework does not specify a definition of impact, but sets out variables and hypothesis that measure change both in the short and long term.
relational changes. An in-depth assessment of the program’s limitations and achievements along these four pathways to date can define possible areas of desired future interventions.

**NOTE**: Because of the small sample size, the lack of a baseline, the reliance on participants’ recall of information, and the study’s deliberate focus on operational and delivery issues, any impact findings reported in this section are to be read as provisional. These potential impacts should be explored further as part of future research.

8. The Material Pathway: Economic and material change—specifically changes in economic opportunities, income levels, access and control over material resources, and the satisfaction of basic needs—has been limited.

Any assessment of material changes at the individual level is difficult because property in El Salvador is owned by the family, not by the individual. Generally, women did not report earning their own income; rather, they contribute their earnings to the needs of the household. In addition, because the survey relied on self-reported changes in income and assets, the data collected is dependent on members’ ability and willingness to recall their past economic situations—an exercise that may not always be accurate. A study involving the baseline collection of data prior to the arrival of Saving for Change in the studied communities would have led to an improved assessment. When combined with follow-up data of the same women several years later, this research would more accurately represent any gains ensuing from Saving for Change. Nonetheless, insights may be obtained regarding progress made along the four pathways even with just a snapshot in time.

The first hypothesis proposed by the AIMS framework along the material pathway is that participation in microfinance programs may lead to increased income generation, income security and subsequently, growth in assets. Saving for Change is unequivocally contributing to improved income security as emphasized by many women (18 out of 22) who value their savings as a safety net and who are confident in their newly-acquired ability to withstand shocks or unforeseen difficulties thanks to the program.

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**Quote**: I felt a big help because when I had children in school, I did not know where to get money for them. “My god!” I would say, who will I ask? Two years ago I was knocking on doors and could find no one to help. Now I have a place to go. It is a huge help. I was the first to take a loan out of the group.

-Women’s committee member and group member

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41 Without a randomly assigned control group, it is difficult to assess if changes in women who joined SfC and those who did not join were due to self-selection or to the effects of the program itself. A baseline study in an area that has not yet received SfC would eliminate the problems of reliance on recall data. A similar baseline and follow-up survey with a control group of women would also be beneficial.
Currently, however, Saving for Change appears to do little for income generation. Possible explanations for low income generation are many. First, members tend to focus their activities on the need to generate savings to contribute to the group fund, and not on the long-run income generating possibilities that may come from building an enterprise. Second, activities undertaken as a result of a loan often compliment or expand an existing business or household activity, rather than lead to a new activity. Third, changes in income might be minimal because women have little financial literacy and may not be setting the prices, sizes, quantities and varieties of a product at the optimal level, even for small activities such as food preparation and sale. This lack of experience and the lack of confidence that accompanies limited financial literacy can also prevent women from starting a new business. Finally loan sizes may be too small to undertake the kind of activities that would bring significant growth in household assets.

In fact, members report no difference in the quantity of their possessions, including animals, before and after joining the groups. The data also shows no difference between the current level of assets of members and non-members. Assuming members and non-members had similar levels of assets before the program (a big assumption), evidence shows that the program has not yet increased the assets of members. Although the lack of a reported positive change in the level of household assets is currently no reason for concern as the program is still in its initial phases, this emerging trend must be closely monitored as the program matures. On a positive note, however, the lack of a reported decrease in members’ assets may dispel the common assumption that some members could be selling their assets to meet their financial responsibilities to the group.

A second hypothesis set out by the AIMS framework’s material pathway is that participation in a microfinance program may lead to the satisfaction of basic needs, in the form of improved healthcare, childcare, nutrition, education, sanitation and the like. Although the study did not directly measure improvements along these variables, three women reported using their savings payouts or loans for health services and another four used savings payouts or loans for their children’s schooling. Frequently the problem with accessing health services lies with the unpredictability of the timing of such expenses. By providing almost immediate access to loans, the program is likely enabling members to pay for services that they might otherwise have been unable to access. In addition, although El Salvador is not a food-insecure country, the research shows that a total of five payouts were used for food or animal purchases, showing that Saving for Change is possibly contributing to increased food stability and more stable consumption. (See Table 8)

A third hypothesis along the material pathway is that participation in microfinance programs will lead to increased earning capacity, and employment opportunities. Employment generation has occurred as a result of program operation. Six of the 24 members interviewed reported increased participation in businesses activities. In two cases, the activity could be directly traced to Saving for Change, as the women specifically mentioned that they had started to sell pupusas and tamales in order to generate savings for the group fund. In the other four cases, it

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42 A savings “payout” occurs when a group closes the cycle of savings and distributes the savings and interest earned to the members. This typically occurs once a year.
is not clear whether the women increased their business activity level as a result of the program or whether they would have done so regardless. However, fewer non-members started businesses in the same period (2 out of 13 non-members or 15%, versus 25% of members).

Although the above paragraphs describe only partial increases in economic activity, the program is undeniably generating interest among women to explore new possibilities for income generation that they might have dismissed in the absence of a ready source of loans. Of the sample of 24 members, three more women are considering starting a business, and a majority of groups are interested in starting collective activities like raffles and food preparation. Four of the ten groups have already undertaken collective activities with group loans. Many members have embraced these collective activities as a risk minimizing business mechanism.

The tables below show the different uses of the program’s savings payout and loans. There is some bias towards consumption activities, which represent 61% of the total activities portfolio for the savings payout. Activities undertaken with the loans, on the other hand, are more focused on income generation, possibly because of the need for repayment.
TABLE 8: USE OF SAVINGS PAYOUT

<table>
<thead>
<tr>
<th>USE OF SAVINGS PAYOUT</th>
<th>MEMBERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leave funds with group</td>
<td>6</td>
</tr>
<tr>
<td>Preparation and sale of food</td>
<td>5</td>
</tr>
<tr>
<td>School</td>
<td>4</td>
</tr>
<tr>
<td>Food for their family</td>
<td>3</td>
</tr>
<tr>
<td>Celebrations/funerals/weddings</td>
<td>3</td>
</tr>
<tr>
<td>Buying/selling animals</td>
<td>2</td>
</tr>
<tr>
<td>Small store</td>
<td>1</td>
</tr>
<tr>
<td>Processing agriculture</td>
<td>1</td>
</tr>
<tr>
<td>Handicrafts business</td>
<td>1</td>
</tr>
<tr>
<td>Home repairs</td>
<td>1</td>
</tr>
<tr>
<td>Paying other debts</td>
<td>1</td>
</tr>
<tr>
<td>Health</td>
<td>1</td>
</tr>
<tr>
<td>Buying clothes for family</td>
<td>0</td>
</tr>
<tr>
<td>Home articles</td>
<td>0</td>
</tr>
<tr>
<td>Giving it to someone: spouse or family</td>
<td>0</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
</tr>
</tbody>
</table>

Women may use their disbursement for more than one activity. Stated activities include actual uses of previous savings payouts and also planned uses of future savings payouts.

TABLE 9: USE OF INDIVIDUAL LOANS

<table>
<thead>
<tr>
<th>COMMUNITY</th>
<th>USE OF LOAN</th>
<th>NUMBER OF LOANS</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Los Alas</td>
<td>Education</td>
<td>1</td>
<td>$50</td>
</tr>
<tr>
<td>Carasque</td>
<td>Raising animals</td>
<td>1</td>
<td>$100</td>
</tr>
<tr>
<td>La Laguna</td>
<td>Preparation and selling of food to raise money for the church</td>
<td>1</td>
<td>Unknown</td>
</tr>
<tr>
<td>Huizucar-Carasque and El Jicaro</td>
<td>Health</td>
<td>2</td>
<td>$7.5 and $15</td>
</tr>
<tr>
<td>La Laguna</td>
<td>Bread-making</td>
<td>5 (same person)</td>
<td>Multiple loans of $50 - $100</td>
</tr>
<tr>
<td>La Laguna</td>
<td>Buying and selling vegetable</td>
<td>3 (Same person)</td>
<td>3 loans of $100</td>
</tr>
</tbody>
</table>

In the sample, loans are concentrated in the larger towns and within the older groups. Since it takes some time for the group to build its fund, it is not surprising that younger groups have not taken out loans.

The activities that the women have undertaken or plan to undertake with the savings payout and the loans are diverse and are proof of increased opportunities. Yet they are also typical of the Salvadorian context and are related to traditional gender roles. Preparation and sale of food is the most popular activity, possibly because this represents a natural extension of a woman’s chores and daily responsibilities. Buying, selling, and raising animals, especially chickens and hens, is also a traditional responsibility of women and so a high percentage of members chose to invest their savings payout in this activity. No women have used (or said they would use) their payout for agriculture, traditionally a male dominated area.
Profile of a poor member

Maria* is a 30-year-old single mother with a third grade education. Her daughter is 11 years old. She lives in a house made of gray brick, with a shingled roof, and cement floor. She has no sanitary services and no running water. She has been fighting a battle to register her house, but because she cannot afford a lawyer, the process has stalled. This situation has been a source of great frustration and grief for her.

Maria’s sources of income are restricted, as she owns no land or animals. She has tried to sell handicrafts, but complains that there is not enough demand. Her sole sources of income is washing clothes for her neighbors and the $20 she receives in remittances every month or so. In the past year, there have been times when she and her daughter have not had enough to eat.

Maria’s involvement in the community is limited, as she does not belong to any community groups, committees, or directives.

Maria joined the savings group one month after its formation and this has been her only experience with financial services. She is happy with her participation, yet she is critical of the benefits it can bring her. She reported seeing no improvement in her economic situation and is pessimistic about the help the group can offer in her struggle to register her home. She tries to contribute $1 every fifteen days to the fund, the mandatory savings level decided by the group, but she has fallen behind in her savings payments. She feels that because she cannot contribute at every meeting, the other members think less of her.

She thinks of the money she contributes to the fund as a safety net to be used in case of emergencies and has not taken out a loan. Maria is not part of the leadership of the group. She has no interest in having a higher level of responsibility because she believes the task is too complicated.

*Names have been changed to protect privacy.

9. Social Change, as measured by gains along the perceptual, cognitive and relational pathways, is present within SfC but to varying degrees. Because the program targets women, gains along these social pathways also give insight into the program’s gender dimensions.

El Salvador ranks 101st on the Human Development Index and 96th in the Gender Development Index, which compares variables such as women’s education, life expectancy, literacy and
income level to that of men.\textsuperscript{43} Only Guatemala, Honduras and Nicaragua score lower on this Index in the whole Latin America region. The department of Chalatenango ranks 10\textsuperscript{th} among the country’s 14 departments according to the Gender Development Index. Social and gender-specific improvements are therefore crucial to the region.

\textbf{Quote:} “One feels more empowered because you start realizing a lot of things, like women’s rights. One leaves the house and becomes less shy. I have also noticed changes in other women”.

- Group member

To assess social change, the research team used mostly open-ended qualitative questions that asked women to share their feelings and personal stories since the start of the program in their communities. These were, therefore, self-reported changes relying on women’s recollection of the past and their own assessment of the present.

As mentioned in the previous section, microfinance activities are believed to bring change along material indicators, which in turn, may affect the perceptual, cognitive and relational pathways. However, Saving for Change appears to generate strong cognitive and perceptual changes even in the absence of solid improvements in the material pathway. Relational changes, because they involve not only the individual member of a savings group, but also the family and community, are limited at this stage.

\textbf{Cognitive change} begins with giving women a forum for the exchange of ideas where they may discuss each other’s problems and successes and learn from one another. Members emphasized that the group had taught them to better express themselves and voice their opinions. In addition, the financial training provided by the promotoras ensures that members are learning important lessons for the future. Motivated women who hold leadership positions within the group also have the opportunity to further refine their numerical, accounting and leadership skills. For youth groups in particular, OA staff is providing gender-equity training to self-selected individuals through the well-respected local organization Las Melidas with the goal of improving youth’s awareness of issues of gender and masculinity.

Although cognitive changes were reported by an overwhelming majority of members, it is unclear how women are using their new skills. No one has shared her knowledge by training another group, and only a restricted number of women have undertaken business activities that utilize their new skills. On the contrary, many mention needing more training on bookkeeping and business literacy, so that they may confidently undertake new activities. Present improvements along the cognitive pathway should therefore be considered as a first step toward sustainable change, with greater support needed in the near future. Greater understanding by women and improved planning for the future may also lead to concrete changes in the long run.

\textsuperscript{43} UNDP Human Development reports, 2008 statistical update.
http://hdrstats.undp.org/2008/countries/country_fact_sheets/cty_fs_SLV.html
The program is strongest with regard to **perceptual changes**, supporting the AIMS hypothesis that participation in microfinance programs may lead to increased self-esteem and self-confidence, a more positive vision of the future, and increased appreciation of one’s contributions to the family and community. In fact, sixteen out of twenty-four members said their lives were better as a result of Saving for Change and cited almost unanimously an enhanced perception of their own individuality, an increased ability to express themselves, and greater confidence in the future because of the opportunity to save for unforeseen emergencies, earn income, and rely on a support system within the group. The realization that women could do more than just stay at home seemed to be the most valued outcome of group membership.

Oxfam staff recognizes the undeniable progress women have made in terms of increase self-worth, yet they stress that women are still thinking of their achievements and opportunities as related to the family. Oxfam staff believes the program must help women to move away from thinking of their self-worth in terms of their family and children, and to start dreaming for themselves.

To assess changes in the fourth and final pathway, the **relational pathway**, the AIMS framework sets forth the hypothesis that participation in microfinance programs may lead to increased decision-making within the household and community; increased participation in non-family groups, local institutions and political processes; and decreased dependence on intermediation by others. In addition, if the microfinance program makes a conscious attempt to organize members for social efforts, participation in these initiatives may lead to increased involvement in other local organizations and local leadership positions.

Decision-making power within the household is important not only for measuring gains along the relational pathway, but also for understanding the dynamics of program participation. In fact, a woman’s initial household decision-making power may influence her ability to participate in the program. The research team found that, compared to some non-members, members had a higher level of decision-making autonomy over their own actions even before joining the program (although many did not discuss the program with their husbands, possibly because of partner’s disinterest, lack of communication in the home, or an absent spouse) and enjoyed the support of their family. Interviews with promotoras, community leaders, OA staff, and a few savings groups revealed that a number of women are unable to join the program or subsequently drop out because of their husbands’ disapproval. The magnitude of this
phenomenon is not known, but is likely to be more prevalent than present findings suggest, with implications for the program’s approach to expansion (which presently does not directly address this type of problem).

Among members, six women reported feeling that they had more authority within their families as a result of program participation. The specific issues over which this increased authority manifested itself (possibly children’s education, financial choices, etc.) are unknown and require additional exploration.

In addition, seven members reported progress along the relational pathway in terms of higher recognition in their communities because of the visibility the group has given them. The program, however, has not significantly increased women’s involvement in additional community activities, partly because many members are already involved in community groups such as church councils and women’s committees. In a number of cases they even hold leadership positions. Because the program does not explicitly encourage social efforts, women have not undertaken advocacy activities to influence local politics. This type of action has been reported in India and Nepal even in the absence of a conscious promotional effort by the implementing NGO and may occur in the Salvadorian context in the future.

The research did not identify any negative repercussions along the three pathways, although it might be too early to assess changes of this sort. Potential unintended consequences include increased violence from male relatives (who might fear losing status) and increased workload for the women themselves or other female members of households (who must manage new responsibilities for activities linked to the program, on top of their original chores). Because most women members reported either being single or having understanding or disengaged husbands, gender violence does not seem to be a concern, but, this warrants further research. Furthermore, the fact that there has been no decrease in participation in community groups is partial evidence that Saving for Change does not require a disproportionate time commitment and allows women to continue their activities as before. Also, since the program has not seen a large increase in women’s economic activity, women’s work likely remains manageable. As the program progresses, however, and the level of economic activity and social engagement are projected to increase, the effects of groups’ membership on women’s work load should be revisited.

Quote: My husband comes home at 2 and would get upset if I am not in the house.
- Non-member
Profile of a well-to-do member

Cecilia* is a 36-year-old, married woman with a fifth-grade education. She has two children, a boy of eight and a girl of four. She lives in La Laguna in a house which she has just finished building. The house is made of brick with ceramic floors, running water, and a flushable toilet.

Her main source of income is agriculture, and the harvest is mostly consumed by her household. Whenever she has a surplus, she sells it in the market. She owns 10 chickens and receives about $200 in remittances per month from her husband in the United States.

Aside from being the president of her savings group, Cecilia participates in community assemblies and in a church group.

Cecilia is optimistic about the group and sees the value of Saving for Change, not only as a safety net and a means of generating income, but also as an educational opportunity to learn how to manage her money. She is appreciative of the work of the promotora and of the potential benefits of her participation in the future:

**Quote:** “If one does not make sacrifices to save a little, what will she do tomorrow? One must think about tomorrow. Thank God there are people who have enlightened us [the promotoras], because a lot of the time, alone, one does not accomplish anything.”

Cecilia saves $1 every two weeks and is on schedule with her savings payments. Group activities, such as selling tamales at community events or making fruit and vegetable bags, are the main source for her savings contributions. The money that she contributes to the group is her own, although she is saving with her children’s future in mind.

The savings group is not Cecilia’s first experience with financial services. She has had an account in a commercial bank for a few years to facilitate the receipt of remittances, but she has never taken a loan from the bank. She likes to contribute her savings to the group because of the communal aspect and because of the interest generated on savings, but she is comfortable leaving her remittances in the bank.

*Names have been changed to protect privacy.*
VI. RECOMMENDATIONS

Recommendations are organized by theme. Under each theme, the relevant issues and opportunities are identified and recommendations given.

THEME 1: Oxfam's partners, Caritas and CCR, are strong organizations devoted to SfC and committed to program expansion. Their organizational structures and objectives, however, differ widely, with implications for program implementation and expansion.

Because both Caritas and CCR have similar interests in integrating SfC into their existing programs, Oxfam should encourage these organizations to communicate with each other and to exchange ideas on best practices moving forward. Improved communication on best practices will facilitate integration of Saving for Change and lead to better quality groups—a needed focus in the second stage of expansion. Since both partners have asked for increased support as they expand the program, Oxfam America must continue to assist them in their efforts and leverage its expertise in the technical and methodological aspects. Responding to partners' needs, regional office staff have begun implementing refresher training for promotoras on topics of interest, such as bookkeeping, and should consider giving these refresher trainings a permanent space.

Since partner organizations have different strengths, limitations and approaches, Oxfam America must be patient, yet firm about any shortcomings or disagreements on methodological and logistical aspects for program expansion. For example, Oxfam CAMEXCA staff has, since the time of the study, liaised with Caritas to devise a plan for the attainment of its expansion targets from the previous year. Furthermore, Oxfam has encouraged Caritas to consider the promotion of its lead promotora to the position of supervisora, so that Caritas promotoras may receive the same level of support as those of the CCR.

THEME 2: Oxfam regional staff is more involved in the El Salvador program than in other countries of SfC operation. This leadership and on-going monitoring has been instrumental in building a strong program and also strong relationships with the partner organizations through the mutual respect of each other's objectives.

In other countries of SfC operation, partner organizations take on a larger role in the supervision of SfC program staff than is the case in El Salvador. Although decreasing their role may not be desirable in the short term, regional staff should examine if their level of involvement in the direct supervision of partner staff (promotoras and supervisoras) is appropriate and whether these monitoring roles would, in the long run, be better served by the partner organizations themselves. More specifically, as the program grows, the Program Officer and Coordinator should revisit the practice of holding regular bi-weekly meetings with the promotoras. Perhaps Oxfam regional staff could meet with the promotoras only once a month and leave more of the frequent monitoring to the partner organizations. In doing so, regional staff would have more
time to focus on aspects of program expansion and refining the methodology for the particular regional context.

**THEME 3:** *Supervisoras and promotoras are integral for program expansion, yet their skill sets differ widely, with implications for both recruitment and group quality.*

Because of the promotoras’ different skill sets, Oxfam regional staff should consider encouraging the division of responsibilities to capitalize on each promotora’s strengths. Older promotoras who are well known and respected in the community could have the sole responsibility of promoting the program and forming groups, while younger, better educated promotoras could be responsible for training these same groups. This division of responsibilities could lead to more efficient group formation and better quality groups. As mentioned above, to address present limitations in bookkeeping and accounting skills of some promotoras/supervisoras, Oxfam should provide refresher bookkeeping and accounting training. Although Oxfam regional staff recently offered refresher training in response to requests from the partners and promotoras, these trainings should be standardized to ensure ongoing partner staff development.

Since promotoras identified needing more support from their supervisoras, Oxfam should carefully examine this new position and ensure that the supervisoras have fully transitioned to their new role, so that their work load is manageable and they are able to provide promotoras with the appropriate assistance. Oxfam should offer additional training to supervisoras to improve their skills on the topics of prioritization of tasks, coordination, and leadership. Depending on the level of available financial and human resources, the role of the supervisora could be expanded to take on greater responsibility as the program matures. Also, although the regional office considers the current number of supervisoras appropriate, the hiring of additional supervisoras should be considered for the future, especially if the regional office decreases its involvement in the daily program operations.

Finally, many promotoras and supervisoras identified transportation as a major problem, with many walking one to two hours each way to attend each group meeting. Oxfam and its partners should continue to consider all feasible transportation options.

**THEME 4:** *Recruitment is the most difficult part of program promotion. Promotoras have devised a number of tactics to help them with group formation but this issue could benefit from additional focus.*

Oxfam, the partner staff, and the promotoras should focus on identifying and sharing successful approaches for group formation. This could involve, for example, providing new learning spaces where promotoras may formally exchange ideas and techniques. Furthermore, promotoras and partner staff should be encouraged to liaise more effectively with community leaders and take advantage of public spaces to organize exchanges among groups and inform the general public. Finally, as the regional staff suggests, expansion would benefit from a coordinated effort to assess the spread of information about the program in any given community. Regional office
staff should assess the approaches that promotoras use for generating interest in community members and sharing information, and should ensure that all in a community are familiar with the program.

Since promotoras may travel up to four hours round-trip by foot to visit a group, Oxfam headquarters staff also suggested hiring more promotoras, so that each promotora could focus in a more in-depth fashion on fewer communities and thus increase participation in each village. However, this idea must be vetted regarding the interest levels for joining the program in each community. If the assessment of the spread of information about the program reveals that all eligible community members know about the program in detail and have simply chosen not to join because of disinterest, then increasing the number of local promotoras will do little for program expansion. However, if the assessment of information spread reveals that a number of community members are not well-informed about SfC operations, perhaps increasing the number of promotoras would help spread the word and attract a higher proportion of people to the savings groups. This would also increase local capacity as a greater number of women would be trained in the methodology and groups would have closer relations with their promotora. Transportation problems could be mitigated if each promotora worked in fewer villages.

**THEME 5:** Although saturation levels remain low in any given community, Saving for Change is reaching a wide range of people with varying financial backgrounds, with some indications that it is reaching the poorest.

Oxfam should devise a plan to understand why saturation levels remain low. At present, promotoras report a wide sense of disinterest from community members, but regional staff should ensure that promotoras are in fact disseminating information to all areas and all people. Furthermore, since saturation in other countries of SfC operation is improved by the process of villager-to-villager replication where group members train other interested groups, the program in El Salvador might consider implementing this approach in the future. Caritas has suggested a similar idea with the school for promotoras and should be encouraged to take it forward. However, the differences among the regional contexts must be kept in mind and the possibility of this approach must be vetted against the cultural realities of the region.

In addition, further assessments on participation, possibly involving baseline data, should be carried out to determine the percentage of poor and very poor joining the savings groups. Although the recent data shows promising results, the findings are not conclusive and require further exploration.

**THEME 6:** Although members are comfortable with the savings and lending rates in their groups, comparisons among other countries of SfC operation reveal that lending levels may be too low. Interestingly, remote communities exhibit higher levels of economic activity than non-remote communities.
Because lending levels are lower in El Salvador than in other areas of SfC operation, OA should promote business training so that women will feel comfortable taking out a loan to finance a new business. 91% of members and female non-members interviewed reported interest in additional training\(^{44}\), focusing mostly on business training, price setting and accounting. Oxfam staff agrees with the promotoras' assessment that business training would be an excellent complement to Saving for Change, particularly teaching women how to calculate the costs and revenues associated with all aspects of their business.

Aside from training, exchanges among women who have undertaken a business activity as a result of the program could be organized. These women should be encouraged to share their business expertise with other interested members. Most women interviewed said they would be willing to share their business ideas and knowledge with others.

**THEME 7:** *Future program sustainability is hindered by the ongoing involvement of the promotoras in their groups. Because of their continued assistance to groups, no groups have graduated.*

Oxfam staff must determine which groups have been functioning for more than a year and must devise a plan to ensure that at least 80% of these groups have graduated\(^{45}\) to a lower level of assistance – to be determined by regional staff – within six months (by November 2009). Group graduation also requires addressing the desire of groups to maintain a connection to CCR and Caritas.

Furthermore, regional staff must consider switching from the current monthly reporting schedule to a quarterly schedule. This would limit the promotoras visits to graduated groups and decrease group dependence. It would also allow promotoras to devote more time to the formation and training of new groups.

**THEME 8:** *The Material Pathway: Economic and material change—specifically changes in economic opportunities, income levels, access and control over material resources, and the satisfaction of basic needs—has been limited.*

Further exploration of the changes in wealth indicators due to SfC is needed, possibly with a baseline study for comparison so that future findings do not rely on recall data but are grounded in concrete comparisons. The program would also benefit from an assessment into the different economic opportunities in each community, with a special focus on the differences between remote and non-remote communities so as to understand why savings groups in remote communities have a higher level of economic activity than savings groups in non-remote communities. As previously mentioned, groups would benefit from business and price setting.

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\(^{44}\) Answers by male relatives of members were omitted since, at the moment, they are not potential candidates of saving groups. However female and youth non-members responses were included. Other common requests for training aside from business included sewing, embroidery, bread making and cosmetology.

\(^{45}\) A graduated group is one that has stopped receiving any support from the promotora and is able to operate autonomously. Aside from monitoring visits to collect data, the promotora does not visit the group on any regular basis.
training to more confidently undertake business activities. (Please refer to the recommendations for Theme 6).

**THEME 9:** Social Change, as measured by gains along the perceptual, cognitive and relational pathways, is present within SfC but to varying degrees. Because the program targets women, gains along these social pathways also give insight into the program’s gender dimensions.

As with economic changes, any assessment of social change would benefit from further exploration of the topics discussed in the report. A baseline study to ground findings in fact and not on recall data by participants should be considered. Specifically, since relational changes appear to be weakest, research should concentrate on examining gains in decision-making power at the household and community level and changes in relationships within family and community. Furthermore, the Oxfam staff should consider incorporating a more direct gender empowerment component with measurable and time-bound results. Gender trainings like those already being implemented for youth could be amplified for the whole program.

**VII. ACTIONS TAKEN TO DATE AS FOLLOW UP TO RECOMMENDATIONS AND REGIONAL OFFICE IDENTIFICATION OF NEEDS**

Because the program is constantly evolving and new needs emerge on a regular basis, Oxfam staff has implemented certain actions to address suggestions from earlier drafts of this report and in response to the ongoing needs partners, promotoras and group members. The main actions undertaken are listed below.

- To address bookkeeping weaknesses which were identified even prior to the present study, the regional office, in coordination with headquarters and Freedom from Hunger, revisited the training manuals and devised a simpler system to track members’ savings contributions. The new manual eliminated voluntary savings and instituted a system whereby members may contribute their savings in increments of a base amount, up to five times that amount. For example, if the group chooses a base amount of $.25 per meeting to accommodate for poorer members, better-off members may contribute up to $1.25 in increments of $.25. This new system has reduced misunderstandings regarding the handling of voluntary savings, ensured that all contributions are being lent out, and simplified the bookkeeping.

- To further address bookkeeping problems, the regional office is considering an evaluation of promotoras to determine what types of refresher courses are needed. The regional office is also open to the idea of the division of responsibilities among promotoras, but not without a

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46 The research team observed that some groups lent their voluntary savings, as described in the SfC methodology, while others did not. Those groups that did not lend the voluntary savings did not accrue any interest on this money, thus effectively decreasing their return. However, these groups pointed out that they considered their voluntary savings as a safety net and liked to have the freedom to withdraw this savings at any time in the event of need.
thorough revision of their individual skills, the implications for transportation and workload, and any impacts that this division might have on group confidence.

- Because recruitment has been a challenge from the onset of the program, regional staff has recently encouraged CCR representatives to attend the mayors’ monthly meeting in SfC communities and share information about the program. Regional staff is currently also encouraging its promotoras to organize more events for group promotion. For example, in April, promotoras in the community of Guarjila took advantage of a communal celebration and brought together savings groups to exchange information with the community. Finally, the regional office is aware that a revision of planned saturation levels and diffusion of program information must be prioritized. They plan to ask promotoras to submit a write-up of their approaches to group formation and document any responses they received by community members and leaders.

- The regional office is undertaking initiatives for business training with the help of members of Las Melidas, who will train selected savings group members in soap-making for clothes washing, and product price-setting. Other trainings will include the making of paper flowers, piñatas and jams. The criteria for participation in these activities requires that a member take out a loan and grow a business with the training received.

- To ensure group sustainability, the regional office has been working with CCR to incorporate the SfC program into the women’s and youth secretariat. They have also held talks with Caritas, but with less success.

- The regional office has started to transition promotoras towards supplying MIS data every two to three months and has encouraged them to start to withdrawing their support from the older groups and work toward group graduation targets.

- Since the regional office has great interest in giving the program a gender focus, it is currently developing a curriculum for training promotoras in gender-equity themes in coordination with Las Melidas. Promotoras will then present these learning to the groups both during the initial training period and in subsequent group monitoring visits for the collection of MIS data. In addition, the regional office is providing gender equity training for youth. The regional office is well-positioned to improve the gender component of the program and will continue in its efforts, possibly with the support of the Oxfam headquarters gender-lead.

- The regional office considers the proposed baseline study important and proposes the municipalities of La Reina, San Francisco Lempa, Azacualpa and San Luis del Carmen as these communities have only very recently been introduced to SfC.
VIII. CONCLUSION

The program was found to be operating at a high level and has the organizational and staff capacity to expand. Oxfam’s partners are strong organizations, committed to SfC and to expanding the program. Overall, the program has met the expansion targets with varied performance from partner organizations. Oxfam regional staff is knowledgeable and committed to the program and, although they are more involved with the daily program operations than is typical of other regions, this involvement is considered appropriate given the smaller size of the program and the challenges of operating in El Salvador.

Recruiting new members is a big challenge, as people as skeptical of the program, yet women who join the groups are very positive about the experience. While poor women are joining the program, outreach is still a challenge for potential members of all income levels. Further research involving the collection of baseline data (prior to SfC’s arrival in a village) and possibly a control group would be helpful.

Promotoras and their supervisors are extremely dedicated to the program. Their skills can vary by age or other experience, but the program management is adapting to this challenge. Additional training in bookkeeping for promotoras and groups is suggested and has already been carried out by the Oxfam regional staff based on an earlier suggestion of the draft report.

Savings levels are essentially in line with SfC in other countries, but lending levels are low. Women are afraid to take loans because they feel they don’t have the experience to successfully start or expand a business and if they fail, they would not be able to repay the loan. The study recommends adding business training. Graduation of groups is difficult as, even if they are capable of running their group by themselves, group members are attached to their promotora and want to maintain an ongoing relationship with the partner organizations.

A majority of members said their lives were better as a result of Saving for Change and cited almost unanimously an enhanced perception of their own individuality, an increased ability to express themselves, and greater confidence in the future because of the opportunity to save for unforeseen emergencies, earn income, and rely on a support system within the group. The realization that women could do more than just stay at home seemed to be the most valued outcome of group membership. Economic impacts are more difficult to detect with no significant differences between the current status of members and non-members and with few improvements reported by members. Several women in the study stated that they have started a new business because of SfC and others are interested in starting businesses in the future.

Future research areas should focus on the impact of the program by using this information as a baseline to build upon and generate measurable variables for economic and social impact.

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47 However, without a baseline this comparison of current members and non-members confounds to factors: (a) difference in the poverty level of who joins the groups initially and (b) any changes in the economic status of group members. So in theory the program could have attracted particularly poor members and made them as rich as non-members, but we can’t determine this.
Future studies should also focus more closely on the sensitive issues of gender and remittances.
APPENDICES

APPENDIX A: COMPARISON OF MEMBER AND NON-MEMBER PROFILES

Members and non-members have similar economic and social backgrounds. As with members, the economic activities of non-members revolve around subsistence agriculture. Some non-members also engage in petty trading or sell agricultural products such as chicken and maize, especially when they have a surplus. In terms of their financial situation, non-members are as a group comparable to members (although only 16% of them receive regular remittances, as compared to 25% of members.). Non-members’ level of involvement in the community is also similar to that of members with most participating in at least one community group.48

Non-members’ experience with financial services is limited and but does not differ substantially from that of members (aside from the fact that non-members don't save in Saving for Change groups). Only three non-members reported saving: one saves in a bank or cooperative and the other two in their house. A young girl reported saving up to $10/month in her house. (She has not joined the group because she is in school outside of the community and cannot make the meetings.) Only one out of fourteen of the non-members currently has a loan for a small store. She received the loan from a friend and she is repaying it little by little to the extent that she can. By comparison, five of the twenty-four members interviewed said they had saved even before joining the group and five had taken out a loan prior to joining the group, three from family, one from the CCR and one from a women’s committee.

APPENDIX B: GROUP LEADERS

About two-thirds of the members interviewed are part of the groups’ leadership committees. Overall, group leaders are slightly better off financially than regular members, possibly pointing to a correlation with financial status, education, and recognition in the community. Although only the positions of secretary and treasurer require writing and arithmetic skills, members must ensure that all those appointed to posts are able to lead the group and keep their savings safe. Groups are aware that leadership positions can rotate every cycle, yet no groups in their second or third cycle have changed leadership committees. Absence of rotation in leadership positions may decrease the potential for personal growth of members (and even put the sustainability of the group at risk by discouraging an overlap of skills, which is necessary in the event of a committee member dropping-out). However, the absence of rotation may also be responding to the reality that management and accounting skills are concentrated in a few individuals. This is certainly the case in some of the groups interviewed, where few members felt they had the necessary education to carry out the bookkeeping. The level of interest in holding leadership positions varies, with a few members citing lack of time as a reason for not taking a larger role in the group.

Leaders, for the most part, are comfortable in their posts, yet two older women serving as presidents voiced concerns over their inability to read and write. None of the treasurers

48 Members participate in 1.2 groups on average, while non-members participate in 0.9 groups on average.
mentioned feeling at risk for keeping the box, highlighting that violence and outside theft are not major problems in these communities.

APPENDIX C: GROUP DYNAMICS

A high level of cohesion and mutual help is common to all groups, highlighting a strong commitment to keeping the program and the groups functioning into the future. In one group, women reported helping a member brainstorm on sources of savings when she had decided to drop out due to her perceived inability to generate money to save. The group members helped her sell eggs and now tease her about being the one with the most savings.

Elite capture appears not to be a concern; all the women reported feeling welcomed and respected. One exception was a group in which members expressed frustration that the ideas of the majority were not always respected and that, for example, the decision to change the group meeting site was made by one person in a non-transparent manner. The group has since talked to the promotora to clarify the matter. Aside from this small incident, no groups reported misunderstandings among members or problems with leadership. In youth groups, which are of mixed gender, women and men report participating to the same degree and the leadership roles are generally split evenly among men and women.

Groups are very interested in exchanges, yet few have had the opportunity. Only four groups have either visited or been visited by another group, mostly at the stage of group formation to increase their motivation. Most groups learn about each other’s experiences through their promotora’s stories of challenges and successes. Newer groups expressed interest in meeting older groups in order to learn from their experiences.

Of course, groups have also experienced challenges. Yet these seem to be of little concern to most group members, as in many cases they had to be prompted to think about the aspects of the program that could be improved. The most frequently cited problems are drop-out rates, mentioned by four groups (although the MIS data shows no overall alarming pattern), unpunctuality, mentioned by four of the groups, and missed meetings, mentioned by two of the groups.

APPENDIX D: YOUTH GROUPS

Promotoras are actively encouraging the formation of youth groups across their target communities. Youth groups are mixed gender groups with members varying in age from seven to thirty years (most are between fifteen and twenty-one). The great variety in ages overall raises the question of whether there should be an age limit placed on participation in youth
Youth groups operate along the same mechanisms of women’s groups, but face different challenges and opportunities.

The youth group members interviewed are highly motivated and place great importance on the social and relationship-building aspects of the group. Members enjoy coming together with others of their own age and hold dances, raffles and other group activities.

Oxfam America, in partnership with Las Melidas, a well respected, gender-focused local organization, is encouraging youth group members to attend gender training to spark discussions about their roles in the savings groups and in society as a whole. Youth groups are therefore being used as a platform for gender sensitization work that is crucial in the context of El Salvador. Furthermore, to ensure equal participation, some promotoras strongly suggest that the four group leadership roles be divided evenly among males and females, even if equal participation has not yet been much of a problem.

Youth group members often have a higher level of schooling than many members in traditional women’s savings groups, and so they grasp financial concepts more rapidly. Promotoras also mentioned that they need to offer themes during the training that are more pertinent to the age of members in order to keep their attention.

With one exception, none of the youth group members saved before joining the group, highlighting that fact that Saving for Change is bringing an important service to this segment of the population. Savings amounts of youth groups are comparable to regular groups with mandatory savings levels ranging between 0.50 and $1 for every 15 days. Youth group members get their money for savings from a variety of sources. Some save from their weekly allowance, and some contribute a percentage of what they receive from Red Solidaria. Others get money from their parents specifically for the group savings, and still others save whatever they can from their work in agriculture, in crochet cooperatives, in day labor, and similar activities. Group activities are also an important way of raising money for the group fund.

Because of the great variety in age, members’ plans for the utilization of savings and loans vary widely. Some of the older members report that they are saving for family needs, while other youth group members save for education, quinceañera parties, or outings.

Parents and family are supportive of their children’s participation in the groups and mothers show interest in having their children learn financial responsibility.

**APPENDIX E: PERCEPTIONS AND UNDERSTANDING OF SFC BY COMMUNITY LEADERS**

All community leaders interviewed appreciated Saving for Change. However those that were not group members themselves had limited knowledge of the program. This was true even when a family member or a colleague was part of an SFC savings groups, highlighting communication gaps not only in the initial outreach carried out by the promotoras, but also within families.
Particularly in the community of Los Alas/Cicaguìtes, leaders expressed frustration at their limited knowledge of Saving for Change, and their exclusion from program promotion meetings. Leaders were anxious to participate in and assist with the promotion of Saving for Change.

Generally, community leaders understood Saving for Change to be a gender-focused program in which women form groups to meet their immediate savings and credit needs. Since some of the more motivated groups are usually involved in group activities that increase their visibility in the community, leaders also tend to be aware of the social aspects of groups and their function as a solidarity network for women members. Thus, leaders were informed about the main aspects of the Saving for Change methodology. However no leaders knew the particulars of the program. In Cicahuites, which was perhaps the least informed community, leaders had to be corrected on their false assumption that outside capital was flowing to the groups.

Leaders appreciated the program on several dimensions, citing most frequently the benefits of wealth accumulation to the community, and members’ education in financial aspects which allows them to better manage their households and set an example for their children. Although a majority of leaders are interested in extending Saving for Change to men, they welcome a program that is tailored specifically to women and which engages them outside their homes.

Program independence (because of the SfC policy of no outside credit) did not emerge immediately as an obvious benefit. Yet once the conversation turned to this topic, community leaders seemed to respect the innovative approach of a program that tries to break with the prevalent culture of dependence due to years of NGO efforts in the region. Only in one community did some members of the Directiva insist that outside capital flows would strengthen the groups and the program. Interestingly, however, they maintained that the outside economic stimulus should come only at the end of a saving cycle, once the group had familiarized itself with best practices and could more wisely utilize the hand-out.

In all cases, communities expressed interest in supporting and promoting the program, although some leaders worried about a lack of resources to allow them to do so. So far, the program has been introduced to local leaders in a variety of ways, including one-on-one visits and meetings by promotoras with community members, meetings with women’s committees, and other community events. In Los Ranchos, the local radio station even briefly broadcasted SfC. All leaders, however, expressed a need for additional promotion to both expand the program and reduce misconceptions.

Discussions with promotoras revealed that a few people are skeptical about getting involved in the program because they have a strong association of group organizing with armed conflict, resulting from their experiences in twelve years of civil war. Broader program promotion in community-wide meetings would, as leaders suggest, strengthen and validate the program in the eyes of community members and help dispel the idea of the groups being associated with armed conflict. Increased efforts and representation from the implementing NGOs, Caritas and CCR, would also likely help formalize the program in the eyes of the community. Promotion
efforts could also take place through the Red Solidaria meetings in some communities, although special care should be taken so that the groups do not become politicized.

Across the board, leaders are interested in formally linking Saving for Change to the municipality to provide the groups with more support and access to resources, and strengthen the program. However, due to the importance of the independent nature of groups in the Saving for Change model, this option should be carefully examined. The ideal balance of support from the municipality versus independence should be determined by Oxfam America and by partner staff.

Interestingly, although leaders state that they value the program, when asked about the best programs for poverty eradication, they seldom mentioned financial services. Rather their responses centered on education, capacity building, stimulation of local production and, most importantly, job creation. Saving for Change touches on all of these needs, yet it does so only indirectly.

Leaders’ suggestions for how to improve the program were many, some that resonate with the objectives of Saving for Change and others that run counter to its core principles. Of foremost importance was increased communication and promotion through the channels mentioned above. In all cases, leaders were also interested in having the program provide secondary services over and above the savings and lending components, especially capacity-building linked to a particular trade, gender sensitization, and small business training. Leaders also pointed to linkages with agriculture as a natural extension of the program, recognizing that agriculture represents the only means of livelihoods for most families.

Other ideas from leaders aimed at ensuring that the groups gained legal assistance and became formal entities. In one community, a member of the Directiva Communal proposed that the groups lend to non-members with a loan repayment guarantee from a lawyer paid for by each non-member loan-taker. However, other members of the same Directiva Communal, who are also savings group members, strongly opposed the idea citing the loss of trust and control as being detrimental to the group dynamics. One extreme suggestion for formalizing the groups is to merge them into a type of credit association with legal standing and by-laws, which could provide loans to the municipality itself. The municipality would borrow from these group associations and pay interest directly to the group fund in an effort to increase capital accumulation in the community. Many of these suggestions in particular contradict the Saving for Change principle of no outside credit to the groups and no pooling of group funds into larger associations. So, while these suggestions were well meant, we don’t recommend that Saving for Change staff follow up on them. However, whether or not aligned with the current SfC program methodology, these ideas from local leaders reflect a keen interest on the part of community leaders to move the program forward.
APPENDIX F: LINKS TO THE CAMEXCA PSP

In the future, members want to increase the size of their group funds and membership, refine their group rules, and continue to have a space to share ideas. A few women hope for more independence from their husbands, more recognition in the community or a chance to buy land or start a small store.

To ensure this kind of sustainable change in women’s lives, coordination with the regional office Program Strategy Plan (PSP) is important. The PSP is a long-range planning effort currently being undertaken across Oxfam America. Much of this section is based on discussions in November 2008 with the Saving for Change Program Officer. Work on the PSP has progressed extensively since the research team was in the field in November, so we will briefly outline a few crucial ideas but leave further interactions between this report’s findings and the PSP to future correspondence among Oxfam staff.

Rural Livelihoods and Women’s Empowerment is one name under consideration for the overarching program that will include Saving for Change. A strong possibility is to link Saving for Change to an agricultural theme, such as “food security” or “food sovereignty”, or possibly a health theme. “Food security” is the more likely since it is an issue where women can make a contribution. “Food sovereignty” would possibly imply a greater emphasis on the productive use of land, which could be difficult for two reasons. First, women are not the owners of the land, so they have less control over agricultural activities. Secondly, women are looking for activities that keep them close to their house so they have enough time to feed their family and can ensure the safety and education of their children.

Still, agriculture is a crucial part of most households’ livelihoods, and the cyclical need for agricultural financing over the year means that the savings groups could complement this training by supplying credit for agricultural projects. Caritas also has an existing agricultural program, which could potentially help Oxfam make this connection. At CCR, the women’s and youth committees could have important suggestions along these lines.

There is also the possibility of tying Saving for Change work to a gender initiative because of the natural link to women’s empowerment common of savings-led initiatives. Oxfam’s CAMEXCA office has extensive experience and contacts in this field. For example, OA has partnered for many years with Las Melidas, one of the few organizations in El Salvador that combines micro finances and gender-equity training. Looking to the future, Oxfam has many options for additional programs to build on the strength of Saving for Change.
APPENDIX G: WEAKNESSES & STRENGTHS OF THE RESEARCH METHODOLOGY

WEAKNESSES OF THE RESEARCH METHODOLOGY

Lengthier Planning Process. Unfortunately, the planning process for this study was too short, which meant that regional staff and partners had little opportunity to shape the research program to best address their needs. In the future, we plan to incorporate a lengthier planning process that would take into account the needs of donors, Boston and CAMEXCA Oxfam staff, partners, promotoras, group members, and other key players. Additional background research on the context in Chalatenango prior to starting the field work would have been helpful as well, particularly regarding poverty levels, use of remittances, and gender issues.

Inclusion of Oxfam America Staff. Another critical decision was the degree to which Oxfam and partner staff was involved in the group discussions. We committed to preserve confidentiality for the groups interviewed, so group discussions took place for the most part without the presence of promotoras or CAMEXCA Oxfam staff. However in retrospect, anonymity is not something we could have guaranteed in a group setting, since other participants were in theory able to report on what was said. In future studies, we plan to include Oxfam and partner staff in all group discussions, interviews and focus groups, so that their insights and knowledge can add to the discussion. Individual interviews with promotoras, group members and non-members should continue to be held without Oxfam or partner staff (even Oxfam Boston staff) present, with the understanding that all responses will be confidential and only reported in an anonymous and untraceable manner.

In addition, a consistent method of randomly selecting which members and non-members to interview individually should be used. For example, we found that 2/3 of our group member interviews were with members who were also committee officers for their group, of whom there are normally four per group of ten to twenty women. This was partly chance, since members were randomly selected in the last three communities, however a consistent approach could avoid this problem.

Interviews with Promotoras. A few additional minor issues were apparent. In the future, we recommend interviewing individual promotoras apart from their supervisor. In one case we interviewed a promotora and her supervisor together and the supervisor dominated the conversation. This may have occurred because the promotora deferred to the status of the supervisor, or because of the relative personalities of the two women. We also found that

49 For members, the group interview can happen first and during this group interview, members’ names can be pulled randomly from a hat that includes the names of all active members (not just those present at the meeting). Then, the research team can make arrangements to interview those members individually at a later time that day or the next day. For non-members, a similar method can be used. For each non-member to be interviewed, one member’s name can be randomly selected. That member can then be asked to (a) introduce us to their spouse or son, (b) introduce us to another family member, or (c) introduce us to their second-closest (or third-closest) neighbor to their house. Which type of non-member interview is chosen (types a, b, or c) can also be selected randomly so that a sample of non-members is obtained, some of whom are family members and some of whom are not.
meetings with large numbers of promotoras were less productive than smaller meetings, so we would recommend meeting with no more than 4-6 promotoras at a time.

**STRENGTHS OF THE RESEARCH METHODOLOGY**

Several aspects of the research methodology were particularly successful and should be repeated in future work.

**Selection of Groups.** Random selection of groups from within group type categories (remote, non-remote, new, old, big city, small village) led to an excellent variety of groups and communities which represented the range of experiences across the SfC program.

**Interview and Questionnaire Methods.** By design, we combined carefully-worded quantitative questions, which allowed us to get a consistent picture across many respondents, with open-ended qualitative questions that allowed us to explore each individual or group’s experience. This combination of techniques presented a full picture of the situation. The first two of the five communities served as a quasi-pilot which allowed us to test all our questions for their relevance and effectiveness. Although we gathered valuable information in these first two communities using the original survey instruments, we also made extensive revisions to all the questionnaires and interview guides before visiting the third community. These revisions helped us to gain an even clearer picture of the situation in the last three communities.

We also feel that there was a good balance between the number of group discussions and the number of individual interviews. Both group and individual respondents were appreciative of the research work and of the respect and anonymity offered by the survey team. They were very interested in participating and appeared to be honest and open in their responses, with a few exceptions on sensitive topics such as remittances and gender issues. Several methods were used to encourage the participation of everyone in the larger group interviews. This included directing a question to a subset of people, asking if there were additional responses to the initial response, and asking each person in turn about the most important issues.

Finally, we had excellent interactions and interviews with all project staff, which provided crucial information about context, operations, successes and challenges. In the future, we recommend holding additional interviews with SfC staff at all levels.

**Data Analysis.** Subsequent to the field research, the research team recorded their initial reactions from the field work. Quantitative data was then entered into electronic form and analyzed along with information from the numerous qualitative interviews and informal conversations. The final report combined analysis of the data collected as well as the initial impressions of the research team.
APPENDIX H - COMPARISONS WITH EARLIER STUDIES

THEMES FROM THE FEASIBILITY STUDY
As a first step towards starting the program in El Salvador, a feasibility study was undertaken by Aimee Sostowski and Milagro Maravilla in August 2006, “Saving for Change: Estudio de Factibilidad para el Desarrollo de un Programa de Ahorro y Presamo en El Salvador.” This study identified crucial factors for starting a Saving for Change program in El Salvador. While some factors have changed since this feasibility study and other factors turned out to not be as important as originally projected, many of the issues identified in the feasibility study are still relevant for the program today. We first outline the factors from the feasibility study which are still relevant today and then follow with the factors that seem to be no longer relevant.

The history of civil war in the Chalatenango region has had a lasting impact on the organization and goals of the communities, including a familiarity with group organizations but also a dependence on outside funds for any development work. This meant that women during the feasibility study, as well as today, were surprised to hear that SfC would ask them to only rely on their own funding. Another factor that is still partially relevant today is the level of crime and violence in El Salvador. Although this violence may have been less in Chalatenango than in other departments in the country, it was and is a factor. A continuing theme is the caution regarding amassing large amounts of funds in one location. Bank accounts were considered as an option during the feasibility study and are still discussed as an option for some very wealthy groups today. (Bank accounts can be problematic, though since only one or two people control the account, lessening the accountability in the group.)

Another still-relevant factor from the pilot study is the wide variety of communities in the area, large and small, remote and non-remote. Areas further from Chalatenango have less business activity. Interestingly, in this current study, everyone told us that these remote communities had few business opportunities and therefore struggled with savings and lending. But we found that among “early” groups, those in the remote communities were actually doing better.

The background economic situation in the area hasn’t changed much from when the feasibility study was completed. People’s livelihoods center on subsistence agriculture. There is little experimentation in agriculture because subsistence farmers can’t afford the risks. Also, people consume most of the vegetables that they grow and selling surplus is difficult because of a lack of markets. People live by growing basic grains, and selling when the price is high or when they need the cash. Agriculture is a big part of the local economy and women are involved, though more so with raising chickens and other activities that allow them to stay close to home.

There is and was little MFI activity in the area. There are no savings organizations other than SfC in these villages and no knowledge of ROSCAs or “cuchubals.” Migration and remittances are a big factor, but, as was the case for the feasibility study, it is difficult to talk to people about this issue for several reasons. Remittances can reflect the success or failure of a migrant and also the nature and strength of relationships within a family, which are both private matters. Also, while most people are essentially equal as subsistence farmers, remittances can vary
widely and lead to tensions if these different amounts are widely known. People are willing to speak about the effect of remittances on their community but not about their own experiences.

The feasibility study mentioned poor, rural women as the target for SfC, which is still true today. Micro enterprises are important for the local economy and women are disproportionately involved in them. Many businesses run by women are extensions of their normal household duties such as cooking and selling food, or raising chickens to sell. Women still have trouble getting loans from banks, which are focused on larger enterprises. Lack of credit was given as a reason for women not being able to start or expand businesses. Today, SfC members do value the opportunity to receive loans to start or expand businesses. However, the issue of lack of markets for their goods seems to be a bigger factor for women in this current study than it was during the feasibility study.

As was true during the feasibility study, some women have had experience with organized groups, but others have not. Women tend to be shy about speaking in public and expressing their opinions. One idea mentioned in the feasibility study was to start with more prosperous women and those with more experience with groups, and then gradually expand the program to poorer women. While this is not an explicit method of the program today, in practice women who join early are likely to have been connected to CCR or Caritas groups. It is also still true today that women often say that they cannot save and thus do not want to join the group.

Finally, the feasibility study mentioned that communities can be small, only 25-400 families, which would hinder the expansion of the program. While 400 families seems large to us, it is true that the lower end of this range is a small number of families within which to spread SfC. Rather than the small size of communities, a bigger factor today seems to be the ability of promotoras to spread the program to other parts of the community, outside their personal networks and the partners’ networks.

A few issues mentioned in the feasibility study appear to have not been as important as originally predicted. There was mention of the fact that the economy is a barter/exchange system. While this may be true, even in smaller communities there is a cash economy and women have been able to save. Also, cattle-raising was mentioned as an important activity but was not mentioned by many in the current study. Finally, there were worries that the level of crime in El Salvador would be a hindrance to the program. However, aside from some precautions taken by groups with large amounts in their cash boxes, and also precautions by promotoras to not walk after dark between villages, this level of crime does not seem to have severely impacted the program.

THEMES FROM THE PILOT PROJECT EVALUATION

After the pilot phase of Saving for Change from April 2007 to December 2008, Jane Martha Oslin produced an evaluation: “Saving for Change in El Salvador: Pilot Project Evaluation.” Many of the background factors described in the feasibility study were still true for the pilot
study: women being unable to access capital from MFI’s due to lack of collateral; women thinking initially that they can't save; remittances being a sensitive topic; and security issues for the cash box when it is full. Since the pilot evaluation was able to actually look at Saving for Change in action, many findings and recommendations related to the program itself. The current study found many of these issues to still be true, while a few others are less relevant today.

Issues that are still valid in the present study:

- Many successes and challenges identified in the pilot project evaluation are still a factor today. The pilot evaluation noted that the strengths of the program include the empowerment of women, the fact that women are surprised to learn that the CAN save, and the community ownership of the projects, meaning that women expect the groups to continue even without the promotoras.

- As is the case now, at the time of the pilot evaluation local leaders were aware of SfC but had varying degrees of information about the program. At the time, a recommendation was given that SfC groups or the presence of SfC in the village be formally presented to local governments.

- Barriers to participation are similar to what they were at the time of the pilot, including women initially thinking they can't save, the sense that meetings are too big a time commitment, and opposition by controlling husbands. One solution mentioned in the pilot program but not mentioned in this current study was to explain to husbands exactly what happens at a meeting so that they are reassured. As is the case now, monitoring the degree to which groups are reaching the poorest women is important.

- Regarding the financial aspect of the groups, the pilot study reported that there was good complementarily between the women’s banks which can offer larger loans, and the SfC groups. Some women had withdrawn form women’s banks because SfC better fits their needs. And SfC groups were seen as good training for women who later joined women’s banks. While these themes were not strongly identified in the current study, there is still a sense that SfC fulfills many needs of members and complements existing financial options such as women’s banks.

- As is still true now, at the time of the pilot loans ranged from $5 to $100, and were used for production, consumption, health crises and educational expenses. At the time, SfC was seen as primarily a resource for saving and emergency loans. Now, more women are seeing this as a chance to make productive loans, though these loans are still few in number.

- There was interest at the time, and also now, in collective businesses because the risk for each individual is thought to be less and there is often enough market for only one store in a particular community. But Oxfam staff knows that it’s tough to run a collective business and give everyone incentives to work as hard as they would if it were their own business.
• Similar to now, women also requested small business training and gender training. Regarding the business training, it was also suggested that group members with particular expertise could train each other. Also there was great interest in exchanges among groups.

• Transportation was an issue, then as now, with promotoras reporting trips of 3-4 hours round trip on foot. Promotoras said they preferred to have a shared vehicle and were reluctant to use motorcycles. Also, record-keeping was an issue during the pilot evaluation and is still an issue now (though Oxfam did give recent trainings to promotoras).

• There was also tension regarding being able to provide enough support to the promotoras. At the time of the pilot this was reflected in the view that Carmen’s visits to the groups were extremely helpful but her time was limited. Today this is reflected in the requests by promotoras for more support from both the supervisoras and Carmen. Other structural issue concerned the coordination of work between Oxfam and partner staff. At the time, Caritas was concerned that Oxfam had too much influence on its promotoras. While this tension was not evident now, there are still problems with Caritas providing enough support and feedback to its promotoras.

• Finally, the issue of whether to transition to the partners providing more support and supervision was also raised during the pilot evaluation. The research team for the current study feels that this is an important question to consider but that there seem to be solid reasons for the current structure in which the Program Officer and Program Coordinator are deeply involved in the support and oversight of promotoras.

Issues that are no longer a concern in the present study

• Other factors raised during the pilot study were not important during the current study. Regarding the financial aspects of women’s lives, the pilot study mentioned helping women to develop local markets and eliminating the middlemen in the hammock market. Also, with regard to remittances, it was mentioned that some women with family members abroad hadn’t told the migrants that they had joined SfC. Severe security issues - such as the case during the pilot evaluation of the women who held a cash box and received a threat that her daughter would be kidnapped and held to ransom for the cashbox - did not seem to be an issue in the current study.

• The pilot study questioned if Caritas’ promotoras were only reaching Catholic women. This did not seem to be as extreme an issue in the current study, although there was some concern than promotoras were not recruiting enough outside their personal networks. Suggestions were made in the pilot study for having a consistent recruitment strategy. On the operations side, there was concern that one of the promotoras had too many duties. The current study showed that, while as a supervisor, this promotora still had a large workload, her duties seemed to be more clearly defined.
The groups also voiced concern about children (who were not group members) being disruptive at meetings. This was not voiced as a particular problem now. Children who are group members can still be at a disadvantage when it comes to participating in group decision-making.

Youth groups had not been formed at the time of the study and seem to have been a very successful addition. Concerns at the time included the fact that youth would want to be able to save for their education so that longer cycles should be an option for them.