

## **A Review of Commitment Savings Products in Developing Countries**

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# A Review of Commitment Savings Products in Developing Countries\*

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## I. Introduction

Many financial institutions in developing countries offer savings products. Yet, little has been done to assess systematically and quantitatively the relative merits of different product designs. Savings is critical to households in developing countries. It allows households to smooth consumption in the face of volatile income and supports investments in human and physical capital. Savings mobilization typically is considered low in developing countries, but creating and implementing policies to raise it is difficult. Low savings might be a consequence merely of poor access to safe, flexible, convenient, and affordable savings products. Informal savings, such as rotating savings and credit associations (ROSCAs) and physical goods, such as livestock, are prominent methods of savings in developing countries.

This paper examines the design of formal savings products. Due to self-control or spousal control issues, some individuals need specific mechanisms that help them commit to save. In particular, a clear tension exists regarding liquidity. Many clients demand highly liquid savings products but also want help committing to a savings plan. These desires are often, but not always, at odds with each other. In this paper we discuss how products can be designed to help clients commit to save.

Traditional models of savings, such as the life-cycle hypothesis (Modigliani, 1966) and the permanent income hypothesis (Friedman, 1957) assume that individuals exponentially discount consumption to determine how much to save for future consumption versus current consumption. More recent theories use “hyperbolic discounting” and “mental accounting” to model this decision (O’Donahue and Rabin, 1999; Laibson, 1997; Thaler, 1992, 1990; Lowenstein and Thaler, 1989). Hyperbolic discounting models suggest that individuals would improve their welfare by seeking mechanisms that commit them to save in the future. Mental accounting theories suggest that individuals often behave as if money is not fungible, and hence savings levels can be affected by mere framing of decisions. Many financial institutions, particularly in developed countries, implicitly or explicitly incorporate these theories into their product designs.

Commitment savings devices are particularly plentiful in developed countries. For instance, pension plans, education savings accounts, medical savings accounts, automatic drafts from checking to investment accounts, and direct debits from paychecks are all forms of commitment savings products (some with tax incentives, others not). Some of these same products can be adapted for poor, underbanked populations in developing countries. In fact, many anecdotes exist in developing countries regarding the creation of such products (see Shipton, 1992; and Rutherford, 1999). Until recently, aside from many credit unions, most financial institutions in developing countries did not offer appropriate savings options for the poor. Then, some microfinance projects started offering low-cost, accessible savings products that incorporate some form of commitment. Many of these projects report success; hence, it is appropriate to ask what exactly makes these projects work.

The microfinance movement for the past several decades has focused on the credit side of “finance.” Many poor individuals who borrow repeatedly find themselves in a never-

ending cycle of debt, typically with extraordinarily high interest rates (Morduch, 1999). In response, some projects have started helping clients develop savings so that they no longer need the costly debt in order to manage their households and businesses. Many microfinance and small-scale banking organizations in developing countries are launching savings accounts with a commitment property. Surveys of clients indicate that many desire a savings plan with built-in illiquidity (Wright, 1998; Vonderlack and Schreiner, 2001; Matin, 2002).

Section II of this paper will review the basic theoretical literature on savings, with a focus on explanations from behavioral economics that suggest why commitment features might be successful. Section III will present different ideas and characteristics of savings products that can facilitate the commitment to save by clients. Section IV draws on a Web-based survey and a review of recent literature. Section V will conclude with implications for policy-makers and MFIs. The principal recommendation is that with proper piloting of savings innovations, much can be learned about the relative merit of different savings product features.

## II. Theories of Saving

Savings fundamentally is about choosing between current and future consumption. Savings theories traditionally predict that current consumption is related not to current income, but to a longer-term estimate of income. The life-cycle hypothesis (Modigliani, 1966) predicts that individuals hold their consumption constant over their lifetime; they save during their working years and draw down their savings during retirement. The permanent income hypothesis (Friedman, 1957) argues that consumption is proportional to a consumer's estimate of permanent income.

These theories of savings were developed with industrial economies in mind. Deaton (1989) suggests at least four reasons why these two theories might be of limited use in developing nations. First, households in developing countries are larger than in industrialized countries and are more likely to contain several generations. As a result there is less need to save for retirement or for intergenerational transfers. Second, income in many of these economies is uncertain and cyclical, making estimation of longer-term income flows difficult. Third, individuals are likely to be credit constrained, so that borrowing in early years will be difficult. Finally, these combined factors suggest that savings in developing economies often plays an important role in buffering between income and consumption. Individuals often save small amounts at frequent intervals to smooth income, rather than accumulate or save for retirement.

Economic theories of intertemporal choice generally assume exponential discounting that implies a constant marginal rate of substitution among future periods. In other words, deciding between consumption in one month versus two months from now should be no different than deciding between consumption in 20 months versus 21 months, all else equal. However, a long literature suggests that many individuals suffer from a time inconsistency problem and do not discount the future exponentially (O'Donahue and Rabin, 1999; Laibson, 1997; Thaler, 1992, 1990; Lowenstein and Thaler, 1989). Experimental evidence indicates that many individuals have preferences that reverse as the date of decision making nears. Psychological experiments suggest that preferences are roughly hyperbolic in shape, implying a high discount rate in the immediate future, and a relatively lower rate over periods that are further away (Ainslie, 1992; Lowenstein and Prelec, 1992). Commitment mechanisms that bind an individual to future actions or restrict individual choice in the future can overcome these inconsistencies.

How widespread is the problem of commitment? There is evidence that consumers are willing to pay to have their options limited, even in economies like the United States with developed financial markets and low transactions costs. Individuals often choose to save in ways that delay or limit their ability to access funds, what Laibson refers to as the "golden eggs" property of assets (Laibson, 1997). Over two-thirds of U.S. household assets in 1994 were held in illiquid assets such as pension funds, homes, and life insurance reserves. Many Americans also make use of the tax system to save by overwithholding on taxes to receive a lump sum (but non-interest bearing) refund at tax time (Neumark, 1995; Mullainathan and Thaler, 2000). Among poor and unbanked households in the United States a number of savings commitment strategies have been documented including choosing savings accounts that charge per withdrawal, postponing

the cashing of paychecks, giving money to a trusted individual to hold, opening an account at a branch that is inconveniently located, and choosing not to have an ATM card (Beverly et al., 2001). Benartzi and Thaler (2002) show that individuals who participate in an employee savings program that commits them (in a nonbinding way) to commit higher proportions of future earnings to retirement plans do in fact save more.

Behavioral economics also suggests that individuals do not treat the components of their wealth as fungible, as the life-cycle theory implies. Instead, individuals divide their wealth into broad mental accounts—such as current income, current assets, and future assets—with differing marginal propensities of consumption for each account (Shefrin and Thaler, 1988). For example, data from Japan show that the marginal propensity to consume out of income from predictable semi-annual bonuses is substantially lower than for regular income (Ishikawa and Ueda, 1984).

The use of savings commitment technologies or mental accounting heuristics is not limited to developed economies, but there is little systematic, empirical evidence on these effects in developing countries. Gugerty (2001) provides evidence that rotating savings and credit association (ROSCA) participants in Kenya explicitly design their ROSCAs to provide self-control. Shipton (1992) documents the use of lock boxes in the Gambia. Rutherford (1999) also cites several commitment devices that villagers in East Africa use to stick to savings plans, including buying a lock box and throwing away the key and the use of “money guards” in which individuals entrust their savings to someone else so that they cannot spend it. There is evidence that in Latin America and Africa, households use tree crops and tubers as a relatively illiquid store of savings (Godoy, Frank *et al.*, 1996).

The demand for savings commitment devices may also result from intrahousehold or intravillage allocation dilemmas. Some researchers have argued that ROSCAs are popular in developing economies because they provide “spouse control” devices, allowing individuals to hide money from their spouse, or otherwise remove it from the household economy (Anderson and Baland, 2002). Vonderlack and Schreiner (2001) suggest that women are in particular need of savings commitment devices. Households in developing countries are also part of a web of informal contracts that include credit, debt, and insurance (Udry, 1994; Townsend, 1995). If less cash is on hand, or savings are not easily accessed, then an individual is more empowered to turn down requests for withdrawals or loans from family or peers. This limited access, however, might also have the negative effect of reducing informal insurance mechanisms within families or villages.

### **III. Commitment Savings Product Features**

Many features can turn a normal savings product into a commitment savings product. Many of these features, in fact, can be described in other terms and might work for reasons entirely distinct from their ability to help clients commit to savings. Time deposits, for instance, are a form of commitment savings. However, they typically pay a higher interest rate. Hence, it is not accurate to claim that time deposits are popular merely as a means to commit to save.

For the sake of the analysis, we will discuss deposit-side features and then withdrawal-side features. Deposit-side features work by helping individuals make regular deposits into a savings account. Withdrawal-side features work by deterring withdrawals. Note that a product with a strong withdrawal-side feature might inspire more deposits by an individual self-aware enough to feel that the money will be safer from their future self. On the other hand, a strong withdrawal-side feature might deter deposits if a client fears the money will not be available when needed. A successful product must strike the right balance, ideally designed in such a way as to conform to the client's needs.

#### **Deposit-Side Features**

##### **Automatic transfers**

Automated transfers from one financial asset to another can facilitate long-term savings. This works because transaction costs are reduced since no action is required for transfers in subsequent months, but also because the status quo itself has tremendous power in influencing savings outcomes (see Madrian and Shea, 2001). This is common in the United States, where many people automatically transfer a set amount monthly from a checking account into an investment account. Since the transfers typically can be stopped, permanently or temporarily, at any time, this is a good example of a nonbinding commitment device. The mere fact that a nonbinding device still works suggests that the status quo bias is strong. Nonbinding devices have the lure of being reversible in the case of emergencies and hence easier to accept by savers.

##### **Automatic reductions from paychecks**

Automatic deductions from paychecks work for reasons similar to automatic transfers. In this case, the money is removed before it even enters a client's account, hence never being within easy access. Typically, one can stop the automatic deduction at any time. In reality, people do not. The transaction cost of stopping the transfer is typically very small, yet the status quo bias dominates, and individuals continue saving without effort. Again, this practice is common in the United States, and is even subsidized by the government in many cases via tax-advantaged retirement and medical savings programs. Some countries, such as South Africa, have the financial infrastructure to include this type of

policy, although the authors are unaware of this being used for a savings (i.e., non-credit) program<sup>1</sup>.

### **Deadline for bonuses**

Most people report wanting to save more than they do, but typically are unwilling to save now and instead plan to do it tomorrow. Deadlines are sometimes needed in order to inspire the savings to occur. The threat of losing the benefit must be sincere, and the consequence to missing the deadline must be significant enough to inspire one to make the savings payment.

Many financial institutions around the world implement lotteries to generate higher savings. Sometimes these are structured such that a ticket is awarded for every month in which somebody saves more than a certain minimum. Without the monthly deadline, an individual might prefer to postpone saving in hope of saving more later to make up for the immediate shortfall. The deadline keeps someone saving regularly, and this regularity arguably leads to higher overall savings.

### **Automatic increases**

Often individuals readily admit that they want to save more **tomorrow**, not **now**. Shlomo Bernatzi and Richard Thaler developed a plan in the United States called the Save More Tomorrow plan (SMarT). This plan can be implemented in developing countries under the right circumstances. SMarT relies heavily on two features: status quo bias and willingness to save when income increases. In short, this program targets individuals who expect a windfall or wage increase in the future, but gets them to commit now to save a certain percentage of that increase. The idea simply is that if one waits until the increase is realized to form a new savings plan, then the immediate urge to consume that increase will dominate and no additional savings will occur.

In a developing country, a similar mechanism can be set into place, particularly for farmers. For instance, a farmer might be willing to commit now to save a certain percentage of income from crop sales. Unless the transaction was prearranged, it will be difficult to get the farmer to save when cash is on hand from the crop sale. By incorporating the commitment to save with the payment, even if the commitment is nonbinding, one should find that savings increases. Such a structure could be arranged with cooperatives where the crop sales are centrally organized.

Even better, if a program worked with farmers to help them adopt more profitable agricultural technology or crops, a SMarT plan could be implemented simultaneously to help the farmers save some of the additional income generated from the improved technology. Such an approach has been tried on a pilot basis with success by an NGO, International Christian Supportfund, in coordination with two economists, Esther Duflo and Michael Kremer (see Duflo, 2003). The exact design of such an integrated

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<sup>1</sup> In fact, the credit companies that used this approach for repayment have come under much criticism as many individuals found themselves with little take-home pay after all the deductions were made.

agricultural and savings program requires further work, particularly in developing a methodology for bringing such an intervention to scale.

### **Deposit collectors**

Deposit collectors are a costly but effective approach to helping individuals make frequent small deposits. In informal settings, using a deposit collector typically implies a negative return on savings (see Rutherford, 2000). One might argue that deposit collectors work because they reduce transaction costs for savings. That is not quite right. Deposit collectors are cheaper for the client (all else equal) than going daily to the bank, but they are not cheaper than saving at home. As long as individuals have the option of savings in their pocket or jar at home, a deposit collector does not in fact lower transaction costs (except for perhaps the monthly visit to the bank).

However, individuals do not save successfully in their pocket or a jar. The reason the deposit collector works is because it is a daily reminder and pressure to save. There is almost a moral imperative to deposit with a deposit collector, since he or she is there to collect the money on the individual's behalf. Hence, signing up with a deposit collector program is indeed making a commitment, albeit nonbinding, to save in the future. The flexible aspect of the deposit is perfect, since in the case of an emergency an individual does not have to make the deposit. However, the status quo and the habit of regular deposits in fact helps individuals save more than they would using their own pocket.

### **Withdrawal-Side Features**

#### **Restricted use (or targeted savings)**

Perhaps the most common and straightforward commitment savings feature is the restriction on the use of funds. This is done in both developed and developing countries. Typically ties include education, health care, and old age. Fungibility of money suggests that such accounts should have no effect on savings decisions (assuming no interest rate difference). However, mental accounting principles suggest that indeed money saved for a particular purpose is likely to be spent on that purpose and hence will affect savings and consumption decisions. To the extent that individuals want to save for particular purposes but have difficulty doing so with their normal savings account, a specially labeled account for that purpose in fact has the necessary influence to inspire increased savings toward that purpose.

The method of tying savings to a particular use can take on many forms, both weak and strong. Mental accounting principles suggest that perhaps moral suasion alone might generate the desired effect. Some targeted savings programs in fact have little enforcement of the direct use of funds, whereas other programs monitor the use directly by only releasing money to the intended vendor (e.g., to the school for tuition, to the doctor for medical fees). The right balance for the extent of monitoring clearly depends on the cost of verification.

Many targeted savings programs pay a reward, through either a higher interest rate or even a matching. Some of this is compensation for the illiquidity of the savings, since these products tend to be for longer terms, such as time deposits. In many cases, however, the higher return comes from a state subsidy; hence the price effect is difficult to disentangle from the commitment feature of the savings. For instance, in the United States, the federal government subsidizes savings for old age with pensions and individual retirement accounts, for education with Coverdell savings accounts, and for health care with medical savings accounts.

### **Restricted timing of withdrawal**

Time deposits are the classic example of a commitment to save for a specified period of time. Because clients are compensated explicitly for this illiquidity, it is difficult to argue that clients opt for the illiquidity of the commitment feature itself. Rather, the higher interest rate, conditional on not expecting to need the money for a set period of time, inspires individuals to save in this form rather than a normal savings account. It might be difficult to offer a time deposit that does not offer additional interest, since a norm exists where time deposits do pay more. This norm would make clients feel that a time deposit without an increased interest rate is not fair.

Another option is to restrict the money not until a particular date, but until a particular amount of money is raised. If the account is properly labeled, it could use mental accounting principles to help individuals associate the account with, for example, a new roof for their home. The authors of this paper are currently working with a rural bank in the Philippines on such a product.

### **Lock box**

The lock box functions essentially as a difficult to break piggy bank for which the bank, but not the client, has a key. The lock box mechanism is already in use in many developing countries<sup>2</sup>, but the effectiveness of these products in mobilizing savings has never been tested in a controlled setting. On a regular basis (the exact frequency depends on vulnerability of the box to theft), a bank worker visits the client's home or place of business, or the box is brought to the bank. The money is removed and deposited into the savings account. This effectively clusters a series of small deposits into one larger one and prevents the client from renegeing on the commitment to save since funds are not removable once placed in the box<sup>3</sup>. The lock box product also has the advantage for the bank of reducing its transaction costs because it requires fewer tellers, entails less paper work, and generates shorter teller lines.

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<sup>2</sup> In the Philippines it is called a "lata box." The authors also have observed farmers in Kenya using such a device that they created themselves.

<sup>3</sup> In focus groups conducted in July 2002 in the Philippines, this product was particularly popular. Many clients were concerned about the boxes being easy to break, but agreed that a metal box should solve this problem. Another concern was the security of the box, both to protect from theft and from oneself; some clients wanted large boxes to keep in their house and be difficult to carry, whereas others wanted boxes sufficiently small to hide in their clothing.

The lock box works theoretically because it removes small amounts of cash from one's pocket exactly when the cash arrives. By physically removing the money from one's control, on a daily basis, the money is more likely to be saved than spent. Many proactive savings projects reduce transaction costs for clients while simultaneously embedding some form of commitment into the product. This makes disentangling lower transaction costs from commitment difficult. However, in this case, because the counter-factual behavior would be to collect the daily money in a small bag on one's own, this product does not in fact lower transaction costs for the client<sup>4</sup>. Hence, this product is a good test of hyperbolic discounting. However, family bargaining models make a similar prediction as hyperbolic discounting.

### **Withdrawal fee**

A withdrawal fee is an indirect and typically unintended method of creating a commitment product. If an individual has to pay for withdrawals (and ideally not for deposits), then it might be argued that this simply makes the product unattractive to clients, relative to a product without withdrawal fees. However, if a self-aware individual realizes that the withdrawal fee will in fact deter withdrawals, such a person might prefer this product in order to protect him or herself from impulsive withdrawals. Banks typically charge withdrawal fees and not deposit fees for the obvious reason: to provide incentives to deposit and disincentives to withdraw. Hence, this is not a purposeful commitment device. On the other hand, a withdrawal fee could have the exact opposite impact. If the fee is a flat fee, as it often is, then clients have an incentive to withdraw money less frequently, but in larger amounts. This causes clients to have more cash in their pocket, which earns no interest and is subject to self-control problems (cash in hand gets spent!).

It would be interesting to know if some clients prefer the withdrawal fee specifically for the future deterrence to withdraw. Not all clients, and probably not even a majority of clients, would opt for a withdrawal fee account over a no-withdrawal-fee account, all else equal. Individuals with few, if any, discretionary withdrawals would not like such a feature. Individuals who have many discretionary withdrawals, but who often regret their withdrawals after the fact, might prefer to have the fee in order to deter withdrawals.

### **Delayed withdrawals**

A delayed withdrawal feature is similar to the theoretical ideas developed in Laibson's golden eggs model (Laibson, 1997). Theory suggests that such delay is useful in helping individuals to avoid the temptation to spend funds on purchases they will later regret. Furthermore, knowing this money is safe from future impulse withdrawals, individuals are likely to make more deposits. The delay can be minimal, perhaps as small as two hours. In this case, it is no different than a withdrawal fee where the price is a little time, rather than money. A delay that is too long runs the risk that clients perceive the financial institution as unsound or illiquid, rather than merely acting in the client's best interest.

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<sup>4</sup> In fact, in existing implementations of the lock box, most clients paid \$1 for the box. Hence, the transaction costs are higher than accumulating the money in one's pocket.

## **Peer monitoring**

Peers can help people commit to savings. Much like social capital and group liability help lenders enforce contracts (Karlan, 2003), peers can join savings circles where their fates are bound. Programs such as these are far more common in developing countries than developed countries, both for savings as well as debt. The punishment for failing to save could be financial, or could be merely in terms of reputation since the one failing to fulfill the contract will have disappointed his or her peers in their attempt to save as well.

The social pressure to save works much like a ROSCA does, and evidence suggests that some individuals enter into such arrangements specifically for the commitment aspect. Many NGOs, particularly in South Asia, have started self-help groups that essentially formalize and provide structure to these informal arrangements (see Ashe, 2003; Ashe and Parrot, 2003; Allen and Grant, 2003; Wilson, 2003; Zapata, 2003; and Matthews and Ali, 2003).

Peer monitoring could be classified as both a deposit-side device as well as a withdrawal-side device, since peer pressure is exerted at both points in the contract.

#### IV. Scan of Savings Products: Results from A Micro-Savings Web Survey

In January, 2003, Princeton and Harvard Universities distributed a *Micro-Savings Web Survey* through microfinance listservers and networks, as well as directly to microfinance institutions that are authorized to mobilize deposits<sup>5</sup>. Given our focus on savings products that help people to save more, the survey asked for replies only from microfinance institutions (MFIs) offering *voluntary savings services that are not linked to loan access*. In other words, we do not include compulsory savings schemes or those where savings is a prerequisite for accessing credit. Survey responses have yielded basic information of over 130 savings products offered in 25 countries.

##### *General Description of Respondents*

MFIs that offer voluntary savings services unlinked to loans comprise a minority in the microfinance sector. These MFIs are most commonly financial cooperatives (credit unions) and banks, but also include non-governmental groups (NGOs) and other institutional arrangements such as self-help groups (SHGs). The majority of our survey respondents were financial cooperatives, followed by banks and non-governmental groups (NGOs). The majority operates in Africa, but is closely followed by MFIs operating in the Americas and Asia.

Table 1: Geographical Distribution of MFIs Reviewed

E.Europe	1	1%
Americas	37	33%
Africa	44	39%
Asia	31	27%
*TOTAL	113	100%
<b>* 80/113 correspond to self-reported data from 25 countries, which was collected by the <i>Micro-Savings Web Survey</i>.</b>		

In addition to legal barriers (many MFIs are not authorized to mobilize deposits), barriers rooted in institutional culture can also account for the difficulties in adding voluntary savings products to the financial services menu of the micro-“credit” dominated micro-finance industry. The experience of the Association for Social Advancement (ASA) in

<sup>5</sup> The survey was posted on the following listservers: Sharenet, PlanetFinance, Devfin, and MicroFinancePractice. Networks that distributed the survey include the World Savings Bank Institute, the Nepal Microfinance Network, the Zambia Microfinance Network. The survey was distributed to affiliates of international microfinance networks, including the MicroFinance Network, the Global Network on Banking Innovations, as well as microfinance institutions listed as deposit mobilizing on databases hosted by, CGAP, PlanetFinance, Cirad Gret. The survey was also distributed to participants that attended microsavings conferences/seminars, including the World Council of Credit Unions’ Savings Best Practices Conference, Nov.2003.

Bangladesh should serve as a valuable lesson to the microfinance community (see text box below).

#### **Association for Social Advancement (ASA) in Bangladesh<sup>6</sup>**

ASA entered the MFI industry in 1992 and quickly evolved into a microfinance success story, particularly in its ability to achieve scale in outreach and financial sustainability. Until 1997, ASA's only savings services were limited to the weekly compulsory savings that were only accessible when the client terminated his/her membership.

In 1997 and 1998 ASA added three voluntary savings products, all of which have been recently discontinued. The unsuccessful efforts by a successful microcredit institution to introduce voluntary savings services highlight the difficulties of evolving from a compulsory savings regime to a voluntary savings regime.

The size of MFIs reviewed here varied greatly; the total client outreach ranged from a total of 128 clients to 750,000 clients. Over half are located in all areas (rural, peri-urban and urban). One-third reports an urban focus, followed by approximately one-fifth reporting a rural focus.

Of the 80 MFIs reviewed<sup>7</sup>, approximately 60 percent receive some form of regulation, of which 20 percent are regulated by a formal financial regulator. Of the 80 MFIs reviewed, 60 report that savings comprise one of the principal products, followed by 10 MFIs reporting that savings are important but not as important as other financial products. This focus on savings no doubt should be a result of the selection bias of those who responded to the survey, and hence should not be considered representative of financial institutions as a whole.

Survey results suggest that the most widely used savings products are passbook savings accounts and demand deposit accounts, which is confirmed by much of the literature reviewed here. Time deposits and programmed savings accounts are used on a smaller scale.

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<sup>6</sup> Matin, Feb.2002

<sup>7</sup> Although a higher number of MFIs replied to the Micro-Savings Web Survey, some could not be included either because they do not mobilize deposits, or they do so as a prerequisite for access to credit.

Table 2: Types of Savings Products Reviewed

Regular Savings	85
Programmed Savings	10
Term Deposits	21
Group Savings	3
Other	3
Not enough info.	2
<b>TOTAL</b>	<b>124</b>

### *Growth of Accounts*

Not surprisingly, growth in passbook savings and demand deposit accounts is marked by a steady increase (see appendix 1). Products that witnessed an extremely high growth rate are a result of a small number of accounts one year ago. For example, Iaguei Credit Union has a one year 1,093% growth rate in its youth savings accounts, which were first introduced in 1999. In Jan. 2002 (one year ago from the distribution of the survey) it had approximately 41 youth savings accounts, which increased to 489 in approximately one year.

Term deposit accounts also exhibit positive growth (see appendix 2). As seen in regular savings accounts, cases of extreme growth are attributed to a small number of accounts one year ago. For example, Finantel Credit Union had a one-year growth rate of over 1,000% for its term deposit accounts. This extremely high growth rate reflects an estimated 25 term deposit accounts held in Jan. 2002, when the product was first introduced. The number of accounts grew to approximately 300 by the end of 2002.

Programmed savings accounts present an ambiguous picture-the few cases showing positive growth are cancelled out by those that show negative growth (see appendix 3). The descriptions of the Pasanaku and Women's Programmed Savings Accounts suggest that introducing and managing programmed savings accounts is relatively more complex than regular savings accounts and term deposits (Section V, p.15).

The Rwandan *banques populaires* (credit unions) convey a different growth pattern in savings accounts. They have witnessed an overall increase in total volume of savings fueled by an increase in the number of term deposit accounts and housing savings accounts, whereas growth in demand deposit accounts decreased.

### *Product Design*

Commitment mechanisms are important features for individuals that aspire to meet their savings goals while resisting the temptations of daily life. The savings products described below illustrate the diversity of commitment mechanisms, which can range from the product's fee structure to the required frequency of deposits.

Of the 124 savings products reviewed by means of the web survey (see appendix 7), 75 had at least one deposit-side commitment feature<sup>8</sup>, with a maximum of two features per single product (see Appendix 4). Of this group, approximately 40% (58 products) had a bonus deadline. The bonus deadline feature refers to lotteries and raffles that are open to deposit account holders. Lotteries and raffles are relatively easy strategies for MFIs to implement and are reported to be popular among clients. They help clients save more by providing incentives (prizes) to save more by a specified time (deadline). The deadline may be linked to accumulating tickets for the lottery, for example one can only increase her chances for winning by making a regular minimum deposit.

The second most common deposit-side commitment feature was personalized deposit collection. Approximately 26% (35 products) employed deposit collectors. Although this is a costly means for an MFI to collect deposits from its clients, it is very effective because it offers the client convenience and encourages discipline to save consistently.

The least common deposit-side commitment feature was the automatic transfer (1 product). This may reflect a lack of technical know-how and/or infrastructure accessible to MFIs.

Of the 124 savings products reviewed by means of the web survey (see appendix 7), 20 had at least one type of withdrawal-side commitment feature<sup>9</sup>, ranging from as little as one feature to as many as three features per product (see Appendix 5). The most common feature is the withdrawal fee, which is contained by a little less than 30% (39 products). Withdrawal fees are commonly employed by MFIs as a means to cover their costs of opening and servicing the account. Withdrawal fees may serve as an effective commitment feature for individuals who have many discretionary expenditures and benefit from deterring withdrawals to resist the temptation of superfluous spending. However, for individuals with few discretionary expenditures and/or if the withdrawal fee is a flat fee, withdrawal fees may serve as an incentive to withdraw money less frequently, but in larger amounts. Thus, contrary to the desired effect of a commitment feature, clients will have more cash in their pocket, which earns no interest and is subject to self-control problems.

Another common withdrawal-side commitment feature is the restricted timing feature, which is found in approximately 20% (25 products). These are standard features of term deposits and programmed savings accounts, in which clients agree to save for a specified period of time.

The less common features include restricted use (7 products), lock boxes (5 products) and peer monitoring (3 products). The low occurrence of the “restricted use of deposits” feature is difficult and costly for MFIs to implement monitor. The low occurrence of peer monitoring results from the low number of voluntary group savings programs that replied to our survey.

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<sup>8</sup> Please see Section III for a list and description of deposit-side commitment features.

<sup>9</sup> Please see Section III for a list and description of withdrawal-side commitment features.

## V. Savings Products with Commitment Features: Some Examples

The information presented here is based on the Harvard/Princeton Microsavings Web Survey (appendix 7) distributed in January 2003, interviews and a literature review.

- **Pasanaku by FFP F.I.E. in Bolivia<sup>10</sup>**

FFP FIE is a private financing fund (fondo financiero privado) that serves 7,262 clients in peri-urban and urban parts of Bolivia. FIE conducted a marketing study that revealed an interest among their clients for a programmed savings account. In 2000 they launched their first programmed savings account *Pasanaku*, which has witnessed a great decrease over the last year.

However, the product is continuing. The decrease in number of accounts is believed to stem from the product's delivery rather than lack of demand for the product. FFP FIE will be re-launching this product at the end of this year. Among other things, they will be experimenting with **deposit collectors** and/or establishing small points of service in areas with a high concentration of clients, like in market places. This will facilitate the required frequent deposits, especially among a majority of their clients that are female market vendors who may not be able to leave their good so that they can go to make a deposit at FIE. Further focus points in the product re-launch include staff training; in particular ensuring that staff provides a careful and detailed explanation of the product. They noticed that a careful explanation of the product is essential in order to convince clients to open an account.

- **Women's Savings Account (*Cuenta Feminina*) by Guayacan Credit Union (*Cooperativa de Ahorro y Crédito Guayacán*) in Guatemala<sup>11</sup>**

The Guayacán Credit Union has a total of 11 points of service serving approximately 41,000 clients in both rural and urban areas of Guatemala. It is legally authorized to mobilize savings.

The Women's Savings Account is targeted to women who are perceived to save for birthdays, Christmas and other family-oriented events. Interested women define an amount they want to save each month and they define a length of time during which they want to save. If they are successful in meeting the self-defined goals, they receive interest on their savings and can roll-over the account. Interest on this account is one percentage point higher than passbook savings accounts. **Deposit collectors** are available to collect funds every month.

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<sup>10</sup> Harvard/Princeton Microsavings Web Survey; interview.

<sup>11</sup> Harvard/Princeton Microsavings Web Survey; interview.

The Women's Savings Account has witnessed a decrease over the last year. Guayacan staff highlighted that the product is most successful in areas where women are earning income.

- ***Om Sap Thawisin Savings Card Deposits by Bank for Agriculture and Agricultural Cooperatives (BAAC) in Thailand***<sup>12</sup>

BAAC's lottery savings cards is a type of deposit that is payable at sight upon request. A client may purchase as many cards as s/he chooses, each for a price of 500 baht. The cards mature after three years. At the end of the maturity period a client may withdraw his/her savings and interest earned. I

BAAC's lottery savings cards can act as a **deadline for bonuses**. Clients have a chance to win prizes once every 3 months (12 times during the life of the card). Awards are based on two draws from the last three digits of the card serial numbers\*so the more cards the higher one's chance at winning.

- ***Passbook Savings, Youth Savings, Term Deposits by SANASA Thrift and Credit Cooperative Societies in Sri Lanka***<sup>13</sup>

SANASA Thrift and Credit Cooperative Societies is a federation representing affiliated credit unions that serve approximately 10 million clients in rural, peri-urban and urban areas of Sri Lanka.

Common savings products offered by SANASA's affiliates include Passbook Savings Term Deposits and Children's & Youth Savings.

**Deposit collectors** are available to all clients regardless of the type of savings product they have chosen. Term deposit accounts have an additional commitment feature since this product design has **restricts the timing of withdrawals** until the account has matured by imposing a fee to early withdrawals.

- ***Savings and Loan Account by SafeSave in Bangladesh***<sup>14</sup>

SafeSave is a cooperative serving approximately 6,800 clients in urban Bangladesh. Central to SafeSaves's Savings and Loan Account is a daily door-to-door collection from clients. From the perspective of savings, the frequent visits by **deposit collectors** can facilitate clients to commit to saving more today. In particular daily deposit collection provides discipline without the obligation and compulsion that goes with the established fixed instalment model (Matin, 2002, p21). In our web-survey the Savings and Loan Account is reported as their only savings product.

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<sup>12</sup> Harvard/Princeton Microsavings Web Survey; BAAC's website: [www.baac.or.th](http://www.baac.or.th)

<sup>13</sup> Harvard/Princeton Microsavings Web Survey

<sup>14</sup> Harvard/Princeton Microsavings Web Survey; Matin, Feb.2002.

- **SIMPEDES, SIMASKOT, DEPOSITO by Bank Rakyat Indonesia (BRI) in Indonesia<sup>15</sup>**

Bank Rakyat Indonesia is a state bank that has received widespread recognition for its ability to achieve scale in micro-savings mobilization- close to 3 billion in voluntary savings through 6.1 million savings accounts in the late 1990's.

Its most popular savings products are SIMPEDES and SIMASKOT which are targeted to small rural and urban savers respectively. These savings products are characterized by flexibility: clients are able to access unlimited withdrawals instantly. There is no minimum balance and clients earn a positive interest rate.

SIMPEDES and SIMASKOT account holders participate in a lottery that holds a prize drawing every six months, which may serve as a **deadline for bonuses** since the account's amount determines the issuing of lottery coupons.

DEPOSITO is a fixed deposit instrument which, like all fixed deposit products, is governed by the **restricted timing of withdrawals**.

- **Gold Savings by Jigsaw Development in Thailand<sup>16</sup>**

"Cash savings is only for the few. They cannot control the presence of cash. It's a new but promising product for us." -J. Melhede, Jigsaw Development

Jigsaw Development is a private limited company with limited outreach in peri-urban areas of Thailand. The quote above highlights the demand perceived by Jigsaw's president that people look for savings facilities with commitment features.

Jigsaw Development's *Gold Savings* account, targeted to microentrepreneurs, was introduced in 2003 and numbers 50 accounts to date. "Clients use gold as a means of savings." Clients buy gold with a 20% downpayment, and Jigsaw lends them the remaining 80%. They pay back with daily payment over a period of 35-70 days. Jigsaw charges an interest rate of approx. 20% for a gold loan. Jigsaw has **deposit collectors**.

- **Savings for Old Age, Children Education, Housing and Religious Ceremony by Bank Dagang Bali (BDB) in Indonesia<sup>17</sup>**

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<sup>15</sup> BRI website; Maurer 1999.

<sup>16</sup> Harvard/Princeton Microsavings Web Survey

<sup>17</sup> Harvard/Princeton Microsavings Web Survey; interview.

Bank Dagang Bali is a regulated bank that operates in rural, peri-urban and urban areas of Bali, Indonesia. Savings account for 70% of their capital base.

In addition to passbook savings accounts and time deposits, Bank Dagang Bali has several long-term savings products that appeal to savers who seek to commit to long-term savings goals:

1. Savings for Old Age
2. Savings for Children Education
3. Savings for Housing
4. Savings for Religious Ceremony

These products have an interest rate that is higher than a passbook account and lower than a time deposit. These accounts require monthly deposits, have a lower minimum balance than time deposits and have a floating interest rate.

Although it is not possible for BDB to verify that the money saved in these accounts is indeed used for the expressed purpose (**restricted use**), it is encouraged by the product's design. For example the Savings for Children Education account has a **restricted timing of withdrawal** feature that only allows withdrawals when the client's child is 19 years old.

The long-term nature of these products, which are often marketed together, requires effective marketing strategies. BDB has segmented their market into the informal and formal sectors. Clients employed in the informal sector receive **monthly door-to-door deposit collection** whereas clients employed in the formal sector can benefit from **a BDB visit to their paymaster every month**.

- ***Passbook Savings, Fixed Deposits, Savings Certificates, Children's Accounts, Savings Lottery Campaign by Hatton National Bank (HNB), Gami Pubuduwa (village reawakening) Program in Sri Lanka***<sup>18</sup>

In the late 1990's HNB was the largest privately-owned Sri-Lankan commercial bank. In mid-1989 HNB opened 13 GP units at village locations to be serviced by their *Gami Pubuduwa Upadeshakas*, or barefoot bankers.

By 1997 the GP program has generated deposit levels that were much higher than loans outstanding. The deposit facilities offered comprises a range of features suitable for microsavers, such as low amounts to open accounts and earn interest. It also offers convenience and thus helps build commitment by its use of **deposit collectors**.

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<sup>18</sup> Worldbank 1997.

- ***Daily Deposit Plan, Monthly Deposit Plan* by Vivekananda Sevakendra O Sishu Uddyon (VSSU) in India<sup>19</sup>**

VSSU is an NGO based in West Bengal, India which served approximately 6,990 clients in 2002. VSSU's main products are contract savings plans with regular daily or monthly deposit amounts:

Daily Deposit Plan: is the most popular account. It has regular daily deposits in fixed amounts collected at the client's doorstep by **deposit collectors**. Withdrawals are permitted but incur a fee to the client.

Monthly Deposit Plan: consists of regular monthly deposits for fixed periods collected at the client's doorstep by **deposit collectors**. Withdrawals are not permitted.

Clients also receive incentives including cash gifts on successful maturity and some insurance cover.

- ***Super Savings (Superahorros)* by Banefe - Banco Santander in Chile<sup>20</sup>**

Banefe- Banco Santander is a commercial bank operating in Chile's urban areas serving approximately 750,000 total clients.

Its *Superahorros* account allows the client to save without noticing due to its **automatic transfer** feature. The client can specify a fixed monthly amount that is then deducted from his/her credit card or checking account, wherever his/her salary is deposited. These monthly deductions are placed in the SUPERAHORROS account.

The *Superahorros* account is one of Banefe's most popular accounts, serving approximately 90,000 clients. The product is targeted to microentrepreneurs and salaried employees but does include a variation that is targeted to children, which has a lower monthly deposit requirement.

- ***Passbook Savings, Term Deposits, and Children's & Youth Savings Account* by Financial Institution: Iaguei Credit Union (Cooperativa de Ahorro y Crédito Iaguei) in Nicaragua<sup>21</sup>**

Iaguei is a credit union in Nicaragua serving approximately 2,460 in rural, peri-urban and urban areas. It offers three different types of savings products:

1. *Passbook Savings*
2. *Term Deposits*

<sup>19</sup> Rutherford and Staehle, 2002.

<sup>20</sup> Harvard/Princeton Microsavings Web Survey; interview.

<sup>21</sup> Harvard/Princeton Microsavings Web Survey

### 3. *Children's & Youth Savings*

**Deadline for bonuses (lotteries) and deposit collectors** are features of all savings products. Term deposit accounts have an additional commitment feature since this product design has **restricts the timing of withdrawals** until the account has matured by imposing a fee to early withdrawals.

- **Individual Development Account by First State Community Loan Fund in Delaware, USA<sup>22</sup>**

First State Community Loan Fund is a non profit organization that manages the matches of Individual Development Accounts (IDAs) in 3 counties of Delaware, USA, covering urban, tourist and agricultural areas. The program has 450 IDA accounts allocated to them, of which 143 are used to date. This IDA program started in November 2001 and witnessed a growth in accounts in June 2002.

IDA are savings accounts that are matched 1:1 or 1.5:1, depending upon the population served. They require minimum monthly deposits of \$25 to a maximum of \$1,500 that will be matched. The minimum savings term is 6 months.

Furthermore, IDA contracts are governed by **restricted use**; savers must commit to save for a specific goal, which has been defined by this program to be:

- 1) post-secondary education
- 2) homeownership for first time home-owners
- 3) small business start-up or expansion

IDA accounts are joint accounts between the saver and First State Community Loan Fund. These accounts are held in commercial banks. When the account matures a check with the account's money is made out to the provider of one of the three allowable savings goals. For example, a check is made out to a post secondary educational institution.

- **Education Savings Account (Cuenta de Educación) by Bandesarrollo Microempresas in Chile<sup>23</sup>**

Bandesarrollo Microempresas is a bank serving approximately 36,000 clients in urban, peri-urban and rural areas of Chile.

Its *Cuenta de Educación* offers clients a long-term savings plan to meet the future expenses of their children's educational fees. The account has **restricted withdrawals** ( a maximum of 6 per year). It also assists with devising an appropriate savings plan for the client by calculating how much one has to save to meet the future educational expenses.

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<sup>22</sup> Harvard/Princeton Microsavings Web Survey; interview.

<sup>23</sup> Harvard/Princeton Microsavings Web Survey; interview, website: [www.bancodeldesarrollo.cl](http://www.bancodeldesarrollo.cl)

## **VI. Implications for Policy Makers and MFIs**

The principal recommendation is that with proper piloting of savings innovations, much can be learned about the relative merit of different savings product features. In Matin's comparative study of ASA, Gono Bima and SafeSave he noted that the former two - both unsuccessful in their long-term ability to offer new savings services - had failed to conduct careful piloting of their new products (Matin, 2002, p27).

To answer these questions, some microfinance organizations must take the lead and pilot these products under a careful and scientific randomized launch. This is not the type of study that all organizations can or should do, but if a few do so, then the masses can learn from those experiences and the industry as a whole can leap ahead in its ability to provide effective savings products for the poor.

This paper is part of a larger project to undergo such rigorous and quantitative pilots of innovative savings products. From a policy perspective, it is important to examine the full range of impacts from the product. The first outcome of interest should be the balance held in the financial institution itself. These data reveal the impact the program will have on the financial institution and the overall level of savings mobilization for the country as a whole. However, just because a household saves more in one account does not mean that household savings have risen. The household might be substituting from one form of savings (perhaps inferior, such as an informal mechanism, hence preferable) to another. Such substitution only can be observed through a detailed household survey. Lastly, depending on who controls the savings account, a commitments savings product might alter the relative power and decision-making within a household, and hence a detailed household survey should include information about decision-making dynamics within the household.

The authors currently are working with a rural bank in the Philippines to test a new product, called the SEED product, which uses several of the ideas discussed in this paper to try to help individuals commit to a savings plan. The pilot is being conducted through a rigorous randomized evaluation pilot, so that quantitative impacts can be measured.

## VII. Conclusion

*Savings products with commitment mechanisms are a valuable complement to flexible savings products.* While the latter aims to offer low-income and poor communities safe and convenient access to their funds to meet non-discretionary spending needs, savings products with commitment mechanisms can be more suitable to meet long-term goals and anticipated events, such as purchasing a house or paying school fees.

Products can explicitly be designed to encourage savings, such as term deposits and programmed savings accounts that restrict access to one's deposits and can require consistent savings over time. Savings products also can harbor lesser degrees of commitment. For example, collecting deposits via a deposit collector can instill a sense of obligation in the client. Of the 134 savings products reviewed here, 35 involved a deposit collector. Savings boxes can also be regarded as a commitment device, yet only about 1 percent of savings products reviewed here offered deposit boxes.

This survey paper demonstrates a variety of innovative strategies being employed to try to help individuals commit to save according to plan, rather than impulse. It also indicates that there is an interest in expanding savings product innovations: 74 of the 80 survey respondents are interested in developing new savings products and marketing strategies. The microfinance industry is now in need of serious, rigorous and quantitative testing to unravel what works and what does not. The single most critical question that must be asked is whether these programs actually help individuals save more, or whether they just force individuals to transfer money from other sources into these commitment products. In other words, does aggregate household or personal savings actually rise? Second, if it does, how do the additional savings alter the life of the savers? Do they save more for health and education, or does it merely cause less spending on daily consumption, and more spending on a party? Lastly, how do commitment products alter the bargaining dynamics within the household? Do such products empower women by giving them access to savings that is safe from others in their household?

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## Appendix 1: Estimated Growth of Regular Savings Accounts<sup>24</sup>

### Region: Africa

Institution Name	Savings Product Name	First Offered in:	Est. 1 yr. Growth
TCHUMA Cooperativa de Crédito e Poupança	Current account	2001	39%
WOCCU- SACCO NET UGANDA	Passbook Savings	1990	25%
Teba Bank	Teba Cash	1975	6%
Peoples Bank	Peoples Club	1998	5%
Peoples Bank	PowerSave	1998	-22%
Teba Bank	Grow With Us	2002	-98%

### Region: Asia

Institution Name	Savings Product Name	First Offered in:	Est. 1 yr. Growth
Kashf Foundation	Client Savings	1996	152%
Panabo Multi-Purpose Cooperative	Youth Savings Club	2000	67%
Rudramadevi Macts	DPS	1997	43%
Baitul Mal wa ttamwil (BMT) Citra hasanah	tabungan Mudharabah	1995	33%
Participatory Development Action Program	Pass Book and Savings report format	1996	33%
Bansalan Cooperative Society	Savings and Credit with Education	1998	21%
Mindanao Development Bank	Regular Savings Account	1986	8%
SafeSave	savings and loan account	1997	5%

### Region: E. Europe

Institution Name	Savings Product Name	First Offered in:	Est. 1 yr. Growth
Rousse Popular Cooperative	Current Account	1994	33%

<sup>24</sup> <sup>24</sup> This appendix refers to the results of the Harvard/Princeton Microsavings Web Survey distributed in January 2003. Although a higher number of MFIs replied that what is reported here, some respondents could not be included because they do not mobilize voluntary deposits, or they do so as a prerequisite for access to credit.

### Region: Latin America

Institution Name	Savings Product Name	First Offered in:	Est. 1 yr. Growth
CAC Iaguei	Cuenta de Ahorro Infanto- Juvenil	1999	1093%
FFP-FIE.	Caja de Ahorro "Confie AHORRO CONFIABLE"	2001	921%
Sistema de Credito Cooperativo SICREDI	SICREDINVEST	1983	360%
Banco del Desarrollo (Bandesarrollo Microempresas)	Libreta de ahorro	1982	202%
Banco del Desarrollo (Bandesarrollo Microempresas)	Cuenta de ahorro a la vista, con tarjeta que opera en la red de cajeroa	1996	200%
Cooperativa de Ahorro y Crédito Abierta "San José de Punata" Ltda.	Ahorro Infantil	2001	175%
Coop. De Ahorro y Crédito Dinámica	AHORRO RETIRABLE	1998	156%
Coop. De Ahorro y Crédito Económica	Cuenta de Ahorro Infanto- Juvenil	2000	125%
Coop. De Ahorro y Crédito QUILLACOLLO	Ahorro Infantil	2001	77%
ACECENTA	A la Vista Y a Plazo	1996	74%
Coop. De Ahorro y Profesional	cuenta de ahorro en libreta máxima	1999	69%
Caja Municipal de Arequipa	CTS (MN".-ME)	1992	57%
BANEFE-BANCO SANTANDER CHILE	SUPERAHORRO	1994	50%
Caja Municipal de Sullana		1986	50%
Coop. De Ahorro y Crédito Chorotega	Ahorros Retirables	1988	47%
Coop. De Ahorro y Crédito Financiera Iaguei	Cuenta Máxima	2001	43%
Coop. De Ahorro y Crédito TRINIDAD	Ahorro Infantil	2000	41%
Coop. De Ahorro y Crédito Integral	Ahorro Infanto juvenil	2000	40%
Coop. De Ahorro y Crédito Integral	Ahorro Corriente	1999	40%
Caja Municipal de Arequipa	Depósitos de Ahorro – Ordenes de Pago (Moneda nacional y Extranjera)	1986	40%
Coop. De Ahorro y Crédito Profesional	cuentas infantil y juvenil	1999	32%
Cooperativa de Ahorro y Crédito Chorotega	Ahorro de Menores	1992	29%
ACODJAR	Ahorro a plazo	1992	29%
Caja Los Andes	CAJA DE AHORRO	1996	25%
CMAC PIURA SAC	Ordenes de pago	1992	25%
Coop. De Ahorro y Crédito Economica	cuenta ahorro máxima	2000	24%
Cooperativa de Ahorro y Crédito Abierta "San José de Punata" Ltda.	Caja de ahorros	1964	23%
Coop. De Ahorro y Crédito Avances	cuenta ahorro máxima	1996	23%
COFINCAFE	Ahorro a la vista	1989	18%
ACOADESCOAMA	Ahorro a la Vista	1996	16%
COOPROGRESO	Cuenta de Ahorros	1970	14%

ACOPUS	Ahorro Infantil	2000	13%
Cooperativa de Ahorro y crédito Abierta Trinidad CACTRI LTDA	CAJA DE AHORRO	1963	11%
Caja Libertad, Cooperativa de Ahorro y Préstamo	AHORRO NORMAL	1960	9%
ACOPUS	Ahorro a la Vista	1998	8%
Coop. De Ahorro y Crédito Central	AHORRO RETIRABLE	1999	8%
Coop. De Ahorro y Crédito Guayacan	Cuenta Impulso	1966	4%
COOPERATIVA DE AHORRO Y CREDITO ABIERTA QUILLACOLLO LTDA.	CAJA DE AHORRO	1962	2%
Coop. De Ahorro y Crédito San Martín de Porres	CAJA DE AHORRO moneda extranjera	1985	-1%
Coop. De Ahorro y Crédito Central	Cuenta de Ahorro Infantil	2002	-18%

## Appendix 2: Estimated Growth of Term Deposit Accounts<sup>25</sup>

### Region: Africa

Institution Name	Savings Product Name	First Offered in:	Est. 1 yr. Growth
Teba Bank	Teba Fixed deposit	2000	100%

### Region: Asia

Institution Name	Savings Product Name	First Offered in:	Est. 1 yr. Growth
The First MicroFinanceBank Ltd.	Term Deposits of various maturities	2002	n/a

### Region: E. Europe

Institution Name	Savings Product Name	First Offered in:	Est. 1 yr. Growth
Rousse Popular Cooperative	Term Deposits	1994	14%

### Region: N. America

Institution Name	Savings Product Name	First Offered in:	Est. 1 yr. Growth
Chalmers Center for Economic Development	Time-Bound ASCA	2001	0%

### Region: Latin America

Institution Name	Savings Product Name	First Offered in:	Est. 1 yr. Growth
Cooperativa de Ahorro y Crédito "LA PORTUARIA"	AHORRO DEPOSITOS A PLAZO Y C.T.S. (compensación laboral)	2001	2326%
Cooperativa de Ahorro y Crédito FINANTEL	Depósitos a plazo fijo	2002	1100%

<sup>25</sup> <sup>25</sup> This appendix refers to the results of the Harvard/Princeton Microsavings Web Survey distributed in January 2003. Although a higher number of MFIs replied that what is reported here, some respondents could not be included because they do not mobilize voluntary deposits, or they do so as a prerequisite for access to credit.

Coop. De Ahorro y Crédito Económica	Depósitos a Plazo Fijo	2000	400%
Coop. De Ahorro y Crédito Profesional	certificados a plazo fijos	1999	300%
Coop. De Ahorro y Crédito Integral	Depósitos a Plazo Fijo	1999	170%
Coop. De Ahorro y Crédito Dinámica	AHORRO PLAZO FIJO	1999	165%
ACACESPSA	AHORRO PLAZO FIJO		100%
Coop. De Ahorro y Crédito Avances	AHORRO PLAZO FIJO	1997	71%
Caja Municipal de Sullana	Depósitos a Plazo Fijo	1986	47%
ACODJAR	Ahorro a Plazo	1992	29%
CMAC PIURA SAC	DEPOSITOS A PLAZO	1985	26%
Cooperativa de Ahorro y Crédito Financiera Iaguei, R. L.	Depósitos a Plazo Fijo	1998	18%
Caja Municipal de Arequipa	Depositos a plazo fijo (MN y ME)	1988	16%
Coop. De Ahorro y Crédito San Martín de Porres	Depositos a plazo		12%
COFINCAFE	CDAT (Certificado de Ahorro a Terminó)	1989	10%
Coop. De Ahorro y Crédito Central	AHORRO PLAZO FIJO	2000	-42%

### Appendix 3: Estimated Growth of Programmed Savings Accounts<sup>26</sup>

#### Region: Africa

Institution	Product	First Offered in:	Est.1 Year Growth
ASSOCIATION DES AGRICULTEURS SANS FRONTIERES	ARGENT. KIT AGRICOLE	2000	0%

#### Region: Asia

Institution	Product	First Offered in:	Est.1 Year Growth
Bank Dagang Bali	Savings for Old Age, Savings for Children Educ	1970	5%
Nabunturan Integrated Cooperative (NICO)	Savings Millenuim	1999	-13%

#### Region: Latin America

Institution	Product	First Offered in:	Est.1 Year Growth
ACODJAR	Christmas Savings (Ahorro Navideno)	1993	20%
ACECENTA	Programmed Savings (Ahorro Programado)	1996	19%
Lourdes Codeza de RL	Programmed Savings : Education and Christmas (Ahorro Programado: Escolar Y Navideno)	1998	-30%
CAC Guayacan	Women's Savings (Cuenta Feminina)	1999	-31%
FFP-FIE S.A.	Programmed Savings Pasanaku (Ahorro Programado "Pasanaku")	2000	-64%
ACACESPSA	Education Savings (Ahorro Programado Escolar)		
ACACSEMERSA	Programmed Savings (Ahorro Programado)		

<sup>26</sup> <sup>26</sup> This appendix refers to the results of the Harvard/Princeton Microsavings Web Survey distributed in January 2003. Although a higher number of MFIs replied that what is reported here, some respondents could not be included because they do not mobilize voluntary deposits, or they do so as a prerequisite for access to credit.

## Appendix 4: Voluntary Savings Products with Deposit-Side Commitment Features<sup>27</sup>

Region: Africa

Name of institution	Product Name	Auto. Transfers	Auto. Paycheck Reduction	Deadline for Bonuses	Auto. Increases	Deposit Collectors
ASSOCIATION DES AGRICULTEURS SANS FRONTIERES	ARGENT. KIT AGRICOLE					x
Banque Populaire de GAKENKE	demand deposit					
Banque Populaire de GIKONDO	demand deposit					
Banque Populaire de GITESI	demand deposit					
Banque Populaire de KACYIRU	demand deposit					
Banque Populaire de KAMEMBE	demand deposit					
Banque Populaire de KIBALI	demand deposit					
Banque Populaire de KIBUNGO	demand deposit					
Banque Populaire de KIGALI	demand deposit					
Banque Populaire de KIGOMBE	demand deposit					
Banque Populaire de MUHIMA	demand deposit					
Banque Populaire de NGOMA	demand deposit					
Banque Populaire de NYAMABUYE	demand deposit					
Banque Populaire de NYAMAGABE	demand deposit					
Banque Populaire de NYAMATA	demand deposit					
Banque Populaire de NYAMIRAMBO	demand deposit					
Banque Populaire de REMERA	demand deposit					
Banque Populaire de RUBAVU	demand deposit					
Banque Populaire pour la promotion de la Femme	Copte a Vue					
Peoples Bank	Peoples Club			x		
Peoples Bank	PowerSave			x		
TCHUMA Cooperativa de Crédito e Poupança	Current account					x
Teba Bank	Grow With Us					
Teba Bank	Teba Cash					
Teba Bank	Teba Fixed deposit					
WOCCU/SACCO NET UGANDA (currently working with 16 Credit Unions)	Passbook Savings					

<sup>27</sup> This appendix refers to the results of the Harvard/Princeton Microsavings Web Survey distributed in January 2003. Although a higher number of MFIs replied that what is reported here, some respondents could not be included because they do not mobilize voluntary deposits, or they do so as a prerequisite for access to credit.

Please see Part III for a list and description of deposit-side commitment features.

Region: Asia

Name of institution	Product Name	Auto. Transfers	Auto. Paycheck Reduction	Deadline for Bonuses	Auto. Increases	Deposit Collectors
Bank Dagang Bali	Savings for Old Age, Savings for Children Educ			x		
Banque Populaire pour la promotion de la Femme	Copte a Vue					
Bansalan Cooperative Society	Savings and Credit with Education (SCWE)			x		x
BMT (Baitul Mal wa ttamwil) Citra hasanah	tabungan Mudharabah					
BPR Gunung Talang	TAMI			x		x
Community Development Society	Small Savings					x
Jigsaw Development	Gold Savings					x
Kashf Foundation	Client Savings					x
Mindanao Development Bank	Regular Savings Account			x		
Nabunturan Integrated Cooperative (NICO)	Savings Millennium					
Panabo Multi-Purpose Cooperative	Youth Savings Club			x		x
Participatory Development Action Program (PDAP)	Pass Book and Savings report format					x
Rudramadevi Macts	DPS					x
SafeSave	savings and loan account					x
SANASA	Children's Deposit			x		x
SANASA	Fixed Deposit			x		x
SILANGAN MULTI PURPOSE COOPERATIVE						
Swayam Krishi Sangam	Group Fund Savings					
The First MicroFinanceBank Ltd.	Current Account					
The First MicroFinanceBank Ltd.	Profit & Loss Sharing Account					
The First MicroFinanceBank Ltd.	Term Deposits					

Region: Eastern Europe

Name of institution	Product Name	Auto. Transfers	Auto. Paycheck Reduction	Deadline for Bonuses	Auto. Increases	Deposit Collectors
Rousse Popular Cooperative	Current Account			x		

Rousse Popular Cooperative	Term Deposits			x		
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Region: the Americas

Name of institution	Product Name	Auto. Transfers	Auto. Paycheck Reduction	Deadline for Bonuses	Auto. Increases	Deposit Collectors
ACACCESPRO	Ahorro					
ACACESPSA	Term Deposit					X
ACACESPSA	Ahorro Programado Escolar			x		X
ACACSEMERSA	Ahorro a la Vista			x		X

Region: the Americas (continued)

Name of institution	Product Name	Auto. Transfers	Auto. Paycheck Reduction	Deadline for Bonuses	Auto. Increases	Deposit Collectors
ACACSEMERSA	Ahorro Programado					
ACAYCCOMAC	Ahorro a la Vista					
ACECENTA	A la Vista Y a Plazo			x		x
ACECENTA	Ahorro Programado					x
ACOADESCOAMA	Ahorro a la Vista					x
ACODJAR	Ahorro a la Vista			x		
ACODJAR	Ahorro a plazo			x		
ACODJAR	Ahorro Navideno			x		x
ACOPUS	Ahorro a la Vista			x		
ACOPUS	Ahorro Infantil			x		
Banco del Desarrollo (Bandesarrollo Microempresas)	Ahorro a la vista					
Banco del Desarrollo (Bandesarrollo Microempresas)	Libreta de ahorro					
BANEFE "-" BANCO SANTANDER CHILE	SUPERAHORRO	x	x			
CAC ACACESPSA	Cuenta al la Vista			x		x
CAC Avances	Term Deposit					x
CAC Avances	cuenta ahorro máxima			x		
CAC Central	Term Deposit			x		
CAC Central	AHORRO RETIRABLE			x		
CAC Central	Cuenta de Ahorro Infantil			x		
CAC Dinamica	Term Deposit			x		
CAC Dinamica	AHORRO RETIRABLE			x		
CAC Dinamica	Cuenta de Ahorro Juvenil			x		
CAC Economica	cuenta ahorro máxima			x		x
CAC Economica	Term Deposit			x		x
CAC Economico	Cuenta de Ahorro Infanto- Juvenil			x		x
CAC Guayacan	Cuenta Feminina			x		x
CAC Guayacán	Cuenta Impulso			x		x

CAC Integral	Ahorro Corriente			x		
CAC Integral	Ahorro Infante juvenil			x		
CAC Integral	Term Deposit			x		
CAC Profesional	Term Deposit			x		
CAC Profesional	cuenta de ahorro en libreta máxima			x		
CAC Profesional	cuentas infantil y juvenil			x		
CAC San Martin de Porres	CAJA DE AHORRO moneda extranjera			x		
CAC San Martin de Porres	Depositos a plazo			x		
Caja Libertad, Cooperativa de Ahorro y Préstamo	AHORRO NORMAL					
Caja Libertad, Cooperativa de Ahorro y Préstamo	INVERSIÓN PATRIMONIAL_					
Caja Municipal de Arequipa	CTS					
Caja Municipal de Arequipa	Term Deposit			x		
Caja Municipal de Arequipa	Depósitos de Ahorro – Ordenes de Pago					
Caja Municipal de Sullana	Term Deposit					
Caja Municipal de Sullana						
Caja Rural San Martin	Ahorros Clásica					
Caja Rural San Martin	Libreta Dorada			x		
Caja Rural San Martin	Libreta Platinum			x		
Chalmers Center for Economic Development at Covenant College	Time-Bound ASCA					
CMAC PIURA SAC	DEPOSITOS A PLAZO			x		
CMAC PIURA SAC	Ordenes de pago					
COFINCAFE	Ahorro a la vista					
COFINCAFE	CDAT (Certificado de Ahorro a Terminio)					
Coop. de Ahorro y Crédito La Portuaria	AHORRO DEPOSITOS A PLAZO Y C.T.S. (compensación laboral)					x
Coop. de Ahorro y Crédito San José de Punata	Ahorro Infantil					
Coop. de Ahorro y Crédito San José de Punata	Caja de ahorros			x		
Coop. De Ahorro y Credito QUILLACOLLO	Ahorro Infantil			x		
Coop. De Ahorro y Credito QUILLACOLLO	CAJA DE AHORRO			x		
Coop. de Ahorro y Crédito Trinidad	Ahorro Infantil			x		
Coop. de Ahorro y Crédito Trinidad	CAJA DE AHORRO			x		
Coop. de Ahorro y Crédito Trinidad	MICROCAJA			x		
Coop. de Ahorro y Crédito FINANTEL	Depósitos a plazo fijo			x		
Coop. de Ahorro y Crédito Financiera Iaguei	Cuenta Máxima			x		x
Coop. de Ahorro y Crédito Financiera Iaguei	Depósitos a Plazo Fijo			x		x
Coop. de Ahorro y Crédito Financiera Iaguei.	Cuenta de Ahorro Infante- Juvenil					x
Coop. de Ahorro y Credito Chorotega	Ahorro de Menores			x		
Coop. de Ahorro y Credito Chorotega	Ahorros Retirables			x		
COOPROGRESO	Cuenta de Ahorros					
CRS_Peru	Ahorro en Cuenta Interna de Bancos Comunales					
FFP"- "FIE S.A.	Programmed Savings "PASANAKU"					x

FFP"-FIE S.A.	Caja de Ahorro "Confie AHORRO CONFIALE"					<b>x</b>
First State Community Loan Fund	Delawareans Save! Individual Development Accounts					
Los Andes S.A. FFP	CAJA DE AHORRO			<b>x</b>		
Lourdes Codeza de RL	Programmed Savings: Schooling & Christmas			<b>x</b>		<b>x</b>
Sistema de Credito Cooperativo -Sicredi	SICREDINVEST			<b>x</b>		<b>x</b>

Appendix 5: Voluntary Savings Products with Withdrawal-Side Commitment Features <sup>28</sup>

Name of institution:	Product Name	Restricted Use	Restricted Timing	Lock Box	Withdrawal Fee	Peer Monitoring
<b>Region : Africa</b>						
ASSOCIATION DES AGRICULTEURS SANS FRONTIERES	ARGENT. KIT AGRICOLE.					
B.P. de GAKENKE	Demand Deposit					
B.P. de GIKONDO	Demand Deposit					
B.P. de GITESI	Demand Deposit					
B.P. de KACYIRU	Demand Deposit					
B.P. de KAMEMBE	Demand Deposit					
B.P. de KIBALI	Demand Deposit					
B.P. de KIBUNGO	Demand Deposit					
B.P. de KIGALI	Demand Deposit					
B.P. de KIGOMBE	Demand Deposit					
B.P. de MUHIMA	Demand Deposit					
B.P. de NGOMA	Demand Deposit					
B.P. de NYAMABUYE	Demand Deposit					
B.P. de NYAMAGABE	Demand Deposit					
B.P. de NYAMATA	Demand Deposit					
B.P. de NYAMIRAMBO	Demand Deposit					
B.P. de REMERA	Demand Deposit					
B.P. de RUBAVU	Demand Deposit					
Banque Populaire pour la promotion de la Femme	Copte a Vue					
Peoples Bank	Peoples Club					

<sup>28</sup> This appendix refers to the results of the Harvard/Princeton Microsavings Web Survey distributed in January 2003. Although a higher number of MFIs replied that what is reported here, some respondents could not be included because they do not mobilize voluntary deposits, or they do so as a prerequisite for access to credit.

Please see Part III for a list and description of withdrawal-side commitment features.

Peoples Bank	PowerSave				x	
TCHUMA Cooperativa de Crédito e Poupança	Current account					
Teba Bank	Grow With Us					
Teba Bank	Teba Cash					
Teba Bank	Teba Fixed deposit		x			
WOCCU/SACCO NET UGANDA	Passbook Savings					
<b>Region: Asia</b>						
Bank Dagang Bali	Savings for Old Age, Savings for Children Education		x			
Bansalan Cooperative Society	Savings and Credit with Education (SCWE)					
BMT (Baitul Mal wa ttamwil) Citra hasanah	tabungan Mudharabah				x	
BPR Gunung Talang	TAMI					
Community Development Society	Small Savings				x	X
Jigsaw Development	Gold savings				x	
Kashf Foundation	Client Savings					
Mindanao Development Bank	Regular Savings Account					
Nabunturan Integrated Cooperative (NICO)	Savings Millenuim			x	x	
PANABO MULTI"-PURPOSE COOPERATIVE	Youth Savings Club		x			
Participatory Development Action Program (PDAP)	Pass Book and Savings report format				x	
Rudramadevi Maets	DPS					
SafeSave	savings and loan account				x	
SANASA	Children's Deposit			x	x	
SANASA	Fixed Deposit		x			
SILANGAN MULTI PURPOSE COOPERATIVE						
Swayam Krishi Sangam	Group Fund Savings					x
The First MicroFinanceBank Ltd.	Current Account					
The First MicroFinanceBank Ltd.	Profit & Loss Sharing Account					
The First MicroFinanceBank Ltd.	Term Deposits of various maturities		x			
<b>Region: E. Europe</b>						
Rousse Popular Cooperative	Current Account					
Rousse Popular Cooperative	Term Deposits		x			
<b>Region: the Americas</b>						
ACACESPRO	Ahorro				x	
ACACESPSA	AHORRO PLAZO FIJO				x	
ACACESPSA	Ahorro Programado Escolar	x	x		x	
ACACSEMERSA	Ahorro a la Vista					
ACACSEMERSA	Ahorro Programado	x	x		x	
ACAYCCOMAC	Ahorro a la Vista					
ACECENTA	A la Vista Y a Plazo				x	
ACECENTA	Ahorro Programado	x	x		x	
ACOADESCOAMA	Ahorro a la Vista					
ACODJAR	Ahorro a la Vista					

ACODJAR	Ahorro a plazo					
ACODJAR	Ahorro Navideño	x	x		x	
ACOPUS	Ahorro a la Vista					
ACOPUS	Ahorro Infantil					
Banco del Desarrollo (Bandesarrollo Microempresas)	Cuenta de ahorro a la vista				x	
Banco del Desarrollo (Bandesarrollo Microempresas)	Libreta de ahorro					
BANEFEBANCO SANTANDER CHILE	SUPERAHORRO				x	
CAC ACACESPSA	Cuenta al la Vista					
CAC Avances	AHORRO PLAZO FIJO				x	
CAC Avances	cuenta ahorro máxima					
CAC Central	AHORRO PLAZO FIJO				x	
CAC Central	AHORRO RETIRABLE					
CAC Central	Cuenta de Ahorro Infantil					
CAC Dinamica	AHORRO PLAZO FIJO				x	
CAC Dinamica	AHORRO RETIRABLE					
CAC Dinamica	Cuenta de Ahorro Juvenil					
CAC Economica	cuenta ahorro máxima					
CAC Economica	Depósitos a Plazo Fijo		x		x	
CAC Economica	Cuenta de Ahorro Infanto- Juvenil					
CAC Guayacan	Cuenta Feminina		x		x	
CAC Guayacan	Cuenta Impulso					
CAC Integral	Ahorro Corriente					
CAC Integral	Ahorro Infanto juvenil					
CAC Integral	Depósitos a Plazo Fijo		x		x	
CAC Profesional	certificados a plazo fijos		x		x	
CAC Profesional	cuenta de ahorro en libreta máxima					
CAC Profesional	cuentas infantil y juvenil					
CAC San Martin de Porres	CAJA DE AHORRO moneda extranjera				x	
CAC San Martin de Porres	Depositos a plazo		x		x	

CAC Iaguei	Cuenta de Ahorro Infanto- Juvenil					
Caja Libertad, Cooperativa de Ahorro y Préstamo	AHORRO NORMAL					
Caja Libertad, Cooperativa de Ahorro y Préstamo	INVERSIÓN PATRIMONIAL_				x	
Caja Municipal de Arequipa	CTS (MN)-"ME)					
Caja Municipal de Arequipa	Depositos a plazo fijo (MN y ME)		x		x	
Caja Municipal de Arequipa	Depósitos de Ahorro – Ordenes de Pago (Moneda nacional y Extranjera)					
Caja Municipal de Sullana	Depósitos a Plazo Fijo		x	x	x	
Caja Municipal de Sullana				x		
Caja Rural San Martin	Ahorros Clásica					
Caja Rural San Martin	Libreta Dorada				x	
Caja Rural San Martin	Libreta Platinum				x	
Chalmers Center for Economic Development at Covenant College	Time"-Bound ASCA		x		x	
CMAC PIURA SAC	DEPOSITOS A PLAZO		x			
CMAC PIURA SAC	Ordenes de pago					
COFINCAFE	Ahorro a la vista				x	
COFINCAFE	CDAT (Certificado de Ahorro a Terminio)					
Cooperativa de Ahorro y Crédito "LA PORTUARIA"	AHORRO DEPOSITOS A PLAZO Y C.T.S.		x		x	
Cooperativa de Ahorro y Crédito Abierta "San José de Punata" Ltda.	Ahorro Infantil					
Cooperativa de Ahorro y Crédito Abierta "San José de Punata" Ltda.	Caja de ahorros					
COOPERATIVA DE AHORRO Y CREDITO ABIERTA QUILLACOLLO LTDA.	Ahorro Infantil					
COOPERATIVA DE AHORRO Y CREDITO ABIERTA QUILLACOLLO LTDA.	CAJA DE AHORRO					
Cooperativa de Ahorro y crédito Abierta Trinidad CACTRI LTDA	Ahorro Infantil					
Cooperativa de Ahorro y crédito Abierta Trinidad CACTRI LTDA	CAJA DE AHORRO					
Cooperativa de Ahorro y crédito Abierta Trinidad CACTRI LTDA	MICROCAJA					
Coop. de Ahorro y Crédito FINANTEL	Depósitos a plazo fijo		x			
Coop. de Ahorro y Crédito Financiera Iaguei	Cuenta Máxima					
Coop. de Ahorro y Crédito Financiera Iaguei	Depósitos a Plazo Fijo		x		x	
Coop. de Ahorro y Crédito Chorotega	Ahorro de Menores			x		
Coop. de Ahorro y Crédito Chorotega	Ahorros Retirables					
COOPROGRESO	Cuenta de Ahorros					
CRS_Peru	Ahorro en Cuenta Interna de Bancos Comunales				x	x
FFP-FIE	AHORRO PROGRAMADO "PASANAKU"	x	x		x	
FFP-FIE	Caja de Ahorro "Confie AHORRO CONFIABLE"					
First State Community Loan Fund	Delawareans Save! Individual	x	x		x	

	Development Accounts					
Los Andes S.A. FFP	CAJA DE AHORRO					
Lourdes Codeza de RL	Ahorro Programado: Escolar Y Navideno	x	x		x	
Sistema de Credito Cooperativo "-" Sicredi	SICREDINVEST					

## Appendix 6: Savings Products Ranked by Degree of Commitment<sup>29</sup>

Savings Products with 3-4 Commitment Features	
Institution, Country	Product
ACECENTA, El Salvador	Programmed Savings
CAC Economica, Nicaragua	Term Deposit
CAC Guayacan, Guatemala	Women's Savings (Cuenta Feminina)
FFP-FIE S.A., Bolivia	Caja de Ahorro "Confie AHORRO CONFIABLE"
Los Andes S.A. FFP, Bolivia	CAJA DE AHORRO
SANASA, Sri Lanka	Children's Deposit
ACACESPSA, El Salvador	Programmed Savings: Education (Escolar)
ACODJAR, El Savador	Programmed Savings: Christmas
Total Savings Products with 3-4 Commitment Features= 8	

Savings Products with 1-2 Commitment Features	
Institution, Country	Product
<b>Region: Asia</b>	
Jigsaw Development, Thailand	Gold savings
Kashf Foundation, Pakistan	Client Savings
Nabunturan Integrated Cooperative (NICO), Philippines	Savings Millenuim
Participatory Development Action Program (PDAP), India	Pass Book and Savings report format
Rudramadevi Macts, India	DPS
The First MicroFinanceBank Ltd., Pakistan	Profit & Loss Sharing Account
Bank Dagang Bali, Indonesia	Savings for Old Age, Savings for Children Educ
Bansalan Cooperative Society, Philippines	Savings and Credit with Education (SCWE)
BPR Gunung Talang, Indonesia	TAMI
Community Development Society, India	Small Savings
Mindanao Development Bank, Philippines	Regular Savings Account
PANABO MULTI-PURPOSE COOPERATIVE, Philippines	Youth Savings Club
SafeSave, Bangladesh	savings and loan account
SANASA, Sri Lanka	Fixed Deposit
<b>Region: Africa</b>	
Association Des Agriculteurs Sans Frontières, Congo	ARGENT. KIT AGRICOLE
Peoples Bank, South Africa	Peoples Club
Peoples Bank, South Africa	PowerSave
TCHUMA Cooperativa de Crédito e Poupança, Mozambique	Current account
Teba Bank, South Africa	Teba Cash

<sup>29</sup> This appendix refers to the results of the Harvard/Princeton Microsavings Web Survey distributed in January 2003. Although a higher number of MFIs replied that what is reported here, some respondents could not be included because they do not mobilize voluntary deposits, or they do so as a prerequisite for access to credit.

<b>Region: E. Europe</b>	
Rousse Popular Cooperative, Bulgaria	Term Deposits
Rousse Popular Cooperative, Bulgaria	Current Account

<b>Savings Products with 1-2 Commitment Features (cont.)</b>	
<b>Institution, Country</b>	<b>Product</b>
<b>Region: the Americas</b>	
ACOADESCOAMA, El Salvador	Ahorro a la Vista
ACODJAR, El Salvador	Ahorro a la Vista
ACODJAR, El Salvador	Ahorro a plazo
ACOPUS, El Salvador	Ahorro a la Vista
ACOPUS, El Salvador	Ahorro Infantil
CAC Avances, Nicaragua	Term Deposit
CAC Avances, Nicaragua	cuenta ahorro máxima
CAC Central, Nicaragua	Term Deposit
CAC Central, Nicaragua	AHORRO RETIRABLE
CAC Central, Nicaragua	Cuenta de Ahorro Infantil
CAC Avances, Nicaragua	cuenta ahorro máxima
CAC Central, Nicaragua	Term Deposit
CAC Central, Nicaragua	AHORRO RETIRABLE
CAC Central, Nicaragua	Cuenta de Ahorro Infantil
CAC Dinamica, Nicaragua	Term Deposit
CAC Dinamica, Nicaragua	AHORRO RETIRABLE
CAC Avances, Nicaragua	cuenta ahorro máxima
CAC Central, Nicaragua	Term Deposit
CAC Central, Nicaragua	AHORRO RETIRABLE
CAC Central, Nicaragua	Cuenta de Ahorro Infantil
CAC Dinamica, Nicaragua	Term Deposit
CAC Dinamica, Nicaragua	AHORRO RETIRABLE
CAC Integral, Nicaragua	Ahorro Corriente
CAC Integral, Nicaragua	Ahorro Infanto juvenil
CAC Profesional, Nicaragua	Term Deposit
CAC Profesional, Nicaragua	cuentas infantil y juvenil
CAC San Martin de Porres, Bolivia	CAJA DE AHORRO
CAC San Martin de Porres, Bolivia	Term Deposit
Caja Municipal de Arequipa, Peru	Term Deposit
Caja Municipal de Arequipa, Peru	Depósitos de Ahorro – Ordenes de Pago (Moneda nacional y Extranjera)
Caja Rural San Martin, Peru	Libreta Dorada
Caja Rural San Martin, Peru	Libreta Platinum
Chalmers Center for Economic Development at Covenant College	Time-Bound ASCA
Cooperativa de Ahorro y Crédito Abierta “San José de Punata” Ltda., Bolivia	Caja de ahorros
Cooperativa de Ahorro y crédito Abierta Trinidad, Bolivia	Ahorro Infantil
Cooperativa de Ahorro y crédito Abierta Trinidad, Bolivia	CAJA DE AHORRO

Cooperativa de Ahorro y crédito Abierta Trinidad, Bolivia	MICROCAJA
Cooperativa de Ahorro y Crédito de los Trabajadores de Telecomunicaciones Ltda.(FINANTEL), Peru	Depósitos a plazo fijo
Cooperativa de Ahorro y Crédito Financiera Iaguei, Nicaragua	Cuenta de Ahorro Infanto- Juvenil
Cooperativa de Ahorro y Credito"Chorotega", El Salvador	Ahorros Retirables
COOPROGRESO, Ecuador	Cuenta de Ahorros
FFP-FIE S.A., Bolivia	Programmed Savings "PASANAKU"
ACACSEMERSA, El Salvador	Ahorro a la Vista
ACACSEMERSA, El Salvador	Ahorro Programado
ACECENTA. El Salvador	A la Vista Y a Plazo
BANEFE- BANCO SANTANDER, Chile	SUPERAHORRO
CAC ACACESPSA, El Salvador	Cuenta a la Vista
CAC Economica, Nicaragua	cuenta ahorro máxima
CAC Economica, Nicaragua	Cuenta de Ahorro Infanto- Juvenil
CAC Guayacan, Guatemala	Cuenta Impulso
CAC Integral, Nicaragua	Term Deposit
CAC Profesional, Nicaragua	cuenta de ahorro en libreta máxima
CAC Iaguei, Nicaragua	Cuenta de Ahorro Infanto- Juvenil
Caja Municipal de Sullana, Peru	
CMAC PIURA SAC, Peru	DEPOSITOS A PLAZO
Cooperativa de Ahorro y Crédito "LA PORTUARIA", Peru	AHORRO DEPOSITOS A PLAZO Y C.T.S. (compensación laboral)
COOPERATIVA DE AHORRO Y CREDITO ABIERTA QUILLACOLLO, Bolivia	Ahorro Infantil
COOPERATIVA DE AHORRO Y CREDITO ABIERTA QUILLACOLLO, Bolivia	CAJA DE AHORRO
Cooperativa de Ahorro y Crédito Financiera Iaguei, Nicaragua	Cuenta Máxima
Cooperativa de Ahorro y Crédito Financiera Iaguei, Nicaragua	Depósitos a Plazo Fijo
Cooperativa de Ahorro y Credito"Chorotega", Limitada, Honduras	Ahorro de Menores
CRS_Peru	Ahorro en Cuenta Interna de Bancos Comunales
Lourdes Codeza de RL, EL Salvador	Programmed Savings: Schooling & Christmas
Sistema de Credito Cooperativo- SICREDI, Brazil	SICREDINVEST
ACACESPSA, El Salvador	AHORRO PLAZO FIJO
<b>Total Savings Products with 1-2 Commitment Features= 77</b>	

<b>Savings Products with No Commitment Features</b>	
<b>Institution</b>	<b>Product</b>
<b>Region: Asia</b>	
SILANGAN MULTI PURPOSE COOPERATIVE	
Swayam Krishi Sangam	Group Fund Savings
BMT (Baitul Mal wa ttamwil) Citra hasanah	tabungan Mudharabah
The First MicroFinanceBank Ltd.	Current Account

The First MicroFinanceBank Ltd.	Term Deposits
<b>Region: Africa</b>	
B.P. de GAKENKE	demand deposit
B.P. de GIKONDO	demand deposit
B.P. de GITESI	demand deposit
B.P. de KACYIRU	demand deposit
B.P. de KAMEMBE	demand deposit
B.P. de KIBALI	demand deposit
B.P. de KIBUNGO	demand deposit
B.P. de KIGALI	demand deposit
B.P. de KIGOMBE	demand deposit
B.P. de MUHIMA	demand deposit
B.P. de NGOMA	demand deposit
B.P. de NYAMABUYE	demand deposit
B.P. de NYAMAGABE	demand deposit
B.P. de NYAMATA	demand deposit
B.P. de NYAMIRAMBO	demand deposit
B.P. de REMERA	demand deposit
B.P. de RUBAVU	demand deposit
Banque Populaire pour la promotion de la Femme	Copte a Vue
Teba Bank	Grow With Us
Teba Bank	Teba Fixed deposit
WOCCU"/"SACCO NET UGANDA (currently working with 16 Credit Unions)	Passbook Savings
<b>Region: the Americas</b>	
ACAYCCOMAC	Ahorro a la Vista
Banco del Desarrollo (Bandesarrollo Microempresas)	Ahorro a la vista
Banco del Desarrollo (Bandesarrollo Microempresas)	Libreta de ahorro
Caja Libertad, Cooperativa de Ahorro y Préstamo	AHORRO NORMAL
Caja Libertad, Cooperativa de Ahorro y Préstamo	INVERSIÓN PATRIMONIAL
Caja Municipal de Arequipa	CTS
Caja Municipal de Sullana	Term Deposit
Caja Rural San Martin	Ahorros Clásica
CMAC PIURA SAC	Ordenes de pago
COFINCAFE	Ahorro a la vista
COFINCAFE	CDAT (Certificado de Ahorro a Termino)
Cooperativa de Ahorro y Crédito Abierta "San José de Punata" Ltda.	Ahorro Infantil
First State Community Loan Fund	Delawareans Save! Individual Development Accounts
ACACCESPRO	Ahorro
<b>Total Savings Products with No Commitment Features = 40</b>	

## Appendix 7: Microsavings Web Survey

### Microsavings 5 Minute Survey

Please send completed surveys to Nathalie Gons, Research Assistant to professor Dean Karlan,

email: [ngons@princeton.edu](mailto:ngons@princeton.edu), fax: (609) 258-5974.

Name of Institution:	
Country:	
Contact Person:	
E-mail:	Telephone:

Type of institution:  bank  cooperative  NGO  self-help group  
 other: \_\_\_\_\_

Total number of clients: \_\_\_\_\_

Location of the program: (mark all that apply)  rural  peri-urban  urban

**Please answer the following questions about one of your savings products.**

- 1) Product Name \_\_\_\_\_
- 2) Target Market:  farmers  micro-entrepreneurs  salaried employees  children  
 other
- 3) Is there a group nature to the savings program, or is the savings program entirely individualized?  
 group  individual
- 4) Number of accounts currently (approximate is fine): \_\_\_\_\_
- 5) Number of accounts 1 year ago (approximate is fine): \_\_\_\_\_
- 6) Total current volume of savings: \_\_\_\_\_ Currency:  local  US\$  
 other: \_\_\_\_\_
- 7) In what year was the product first offered? \_\_\_\_\_
- 8) What is the min. balance required to open an account? \_\_\_\_\_ Currency:  local  
 US\$  other: \_\_\_\_\_
- 9) What is the min. balance required to earn interest? \_\_\_\_\_ Currency:  local  US\$  
 other: \_\_\_\_\_
- 10) What is the account's min. term? \_\_\_\_\_ weeks \_\_\_\_\_ months max. term? \_\_\_\_\_  
\_\_\_\_\_ weeks \_\_\_\_\_ months  
 not applicable
- 11) What is the interest rate? \_\_\_\_\_ monthly  annual  other
- 12) Are there restrictions on withdrawals?  yes  no

If **yes**, please mark all that apply:

withdrawal fee

part or all of the interest is forfeited if withdrawn before term of savings is complete

money can be withdrawn only for a specific purpose, such as:

education  health  other: \_\_\_\_\_

This is:  strictly enforced  loosely enforced  not enforced

13) Are deposits made in person at the institution's or organization's office?  Yes  No

14) Are deposits made via deposit collectors?  Yes  No

15) Do you offer savings boxes for clients to collect change and bills in the household?  Yes  No

16) Do you offer debit cards?  Yes  No

17) Have you ever used a lottery of some form to encourage deposits or balances?  Yes  No

If **yes**, please describe how the lottery worked. If it was stopped, please describe why.

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18) How else does the program encourage deposits or balances?

a. Additional services at preferential rates?  life insurance  health insurance

b. Other: \_\_\_\_\_

19) Please list below any other product characteristics that are not mentioned above.

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20) How important are savings to your institution? (please mark one)

One of our main products offered to clients

Important, but not as encouraged as our other products

Not something we focus on heavily

21) What percentage of your capital base is composed of savings? \_\_\_\_\_%

22) Do you offer training for clients interested in learning how to save more?  Yes  No

23) Overall, how satisfied are you with client savings?  very satisfied  satisfied  not satisfied

24) Would you be interested in developing new products or marketing strategies in order to mobilize more savings?  Yes  No

25) Please name the government institution that regulates your institution, if applicable:

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26) Do you have another savings product?  Yes  No

If **no**, we thank you for your participation!

**If yes, please continue to answer the following questions about your second savings product.**

- 1) Product Name \_\_\_\_\_
- 2) Target Market:  farmers  micro-entrepreneurs  salaried employees  children  
 other
- 3) Is there a group nature to the savings program, or is the savings program entirely individual?  
 group  individual
- 4) Number of accounts currently (approximate is fine): \_\_\_\_\_
- 5) Number of accounts 1 year ago (approximate is fine): \_\_\_\_\_
- 6) Total current volume of savings: \_\_\_\_\_ Currency:  local  US\$  
 other: \_\_\_\_\_
- 7) In what year was the product first offered? \_\_\_\_\_
- 8) What is the min. balance required to open an account? \_\_\_\_\_ Currency:  local  
 US\$  other: \_\_\_\_\_
- 9) What is the min. balance required to earn interest? \_\_\_\_\_ Currency:  local  US\$  
 other: \_\_\_\_\_
- 10) What is the account's min. term? \_\_\_\_\_ weeks \_\_\_\_\_ months max. term? \_\_\_\_\_  
\_\_\_\_\_ weeks \_\_\_\_\_ months  
 not applicable
- 11) What is the interest rate? \_\_\_\_\_  monthly  annual  other
- 12) Are there restrictions on withdrawals?  yes  no  
If **yes**, please mark all that apply:  
 withdrawal fee  
 part or all of the interest is forfeited if withdrawn before term of savings is complete  
 money can be withdrawn only for a specific purpose, such as:  
 education  health  other: \_\_\_\_\_  
This is:  strictly enforced  loosely enforced  not enforced
- 13) Are deposits made in person at the institution's or organization's office?  Yes  
 No
- 14) Are deposits made via deposit collectors?  Yes  No
- 15) Do you offer savings boxes for clients to collect change and bills in the household?  
 Yes  No
- 16) Do you offer debit cards?  Yes  No
- 17) Have you ever used a lottery of some form to encourage deposits or balances?  
 Yes  No  
If **yes**, please describe how the lottery worked. If it was stopped, please describe why:  
\_\_\_\_\_

18) How else does the program encourage deposits or balances?

a. Additional services at preferential rates?  life insurance  health insurance  
 other: \_\_\_\_\_

b. Other: \_\_\_\_\_

19) Please list any other product characteristics that are not mentioned above.

\_\_\_\_\_

\_\_\_\_\_

20) Do you have another savings product?  Yes  No

If **no**, we thank you for your participation!

**If yes, please continue to answer the following questions about your third savings product.**

- 1) Product Name \_\_\_\_\_
- 2) Target Market:  farmers  micro-entrepreneurs  salaried employees  children  
 other
- 3) Is there a group nature to the savings program, or is the savings program entirely individual?  
 group  individual
- 4) Number of accounts currently (approximate is fine): \_\_\_\_\_
- 5) Number of accounts 1 year ago (approximate is fine): \_\_\_\_\_
- 6) Total current volume of savings: \_\_\_\_\_ Currency:  local  US\$  
 other: \_\_\_\_\_
- 7) In what year was the product first offered? \_\_\_\_\_
- 8) What is the min. balance required to open an account? \_\_\_\_\_ Currency:  local  
 US\$  other: \_\_\_\_\_
- 9) What is the min. balance required to earn interest? \_\_\_\_\_ Currency:  local  US\$  
 other: \_\_\_\_\_
- 10) What is the account's min. term? \_\_\_\_\_ weeks \_\_\_\_\_ months max. term? \_\_\_\_\_  
\_\_\_\_\_ weeks \_\_\_\_\_ months  
 not applicable
- 11) What is the interest rate? \_\_\_\_\_  monthly  annual  other
- 12) Are there restrictions on withdrawals?  yes  no  
If **yes**, please mark all that apply:  
 withdrawal fee  
 part or all of the interest is forfeited if withdrawn before term of savings is complete  
 money can be withdrawn only for a specific purpose, such as:  
 education  health  other: \_\_\_\_\_  
This is:  strictly enforced  loosely enforced  not enforced
- 13) Are deposits made in person at the institution's or organization's office?  Yes  
 No
- 14) Are deposits made via deposit collectors?  Yes  No
- 15) Do you offer savings boxes for clients to collect change and bills in the household?  
 Yes  No
- 16) Do you offer debit cards?  Yes  No
- 17) Have you ever used a lottery of some form to encourage deposits or balances?  
 Yes  No  
If **yes**, please describe how the lottery worked. If it was stopped, please describe why.  
\_\_\_\_\_  
\_\_\_\_\_
- 18) How else does the program encourage deposits or balances?  
a. Additional services at preferential rates?  life insurance  health insurance  
 other: \_\_\_\_\_

b. Other: \_\_\_\_\_  
19) Please list any other product characteristics that are not mentioned above.

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Thank you for your participation!