



# Savings and Financial Education for Girls in Mongolia

Impact Assessment Baseline Study

Craig Tower and Elizabeth McGuinness with Jennefer  
Sebstad

June 2010



## ACKNOWLEDGMENTS

The research was designed and implemented by Elizabeth McGuinness; design support was provided by Jennefer Sebstad, and implementation assistance was provided by Craig Tower. Additional thanks to Jessica Bachay for support throughout the project.

The research could not have been conducted without the contribution of local consultants in Mongolia who conducted focus groups and individual interviews. Special thanks are due to Erdenechimeg Chimiddor and Tsetseglen Magsarjav, who implemented focus groups, and to Undraa Nergui, who provided interpretation.

We would like to thank the staff of XacBank and the Equal Step Center who facilitated the research. Special thanks to Densmaa T. Boroldoi, Tsenguun Bayarsaikhan, Gantuya Lut-Ochir, and Ari Tsent.

*This document is propriety information. Do not circulate.*

**MICROFINANCE OPPORTUNITIES**  
**1701 K STREET, NW • SUITE 650 • WASHINGTON, DC 20006**  
**202-721-0050 (TEL) • 202-721-0010 (FAX)**

## TABLE OF CONTENTS

ABBREVIATIONS.....	IV
EXECUTIVE SUMMARY.....	V
<b>1. INTRODUCTION AND THEORY OF CHANGE.....</b>	<b>1</b>
1.1. THEORY OF CHANGE.....	1
<b>2. PURPOSE AND DESIGN OF THE RESEARCH.....</b>	<b>4</b>
2.1. THE RESEARCH LOCATION AND CONTEXT .....	4
2.2. PROGRAM DESCRIPTION.....	8
2.4. RESEARCH DESIGN .....	13
<b>3. FINDINGS .....</b>	<b>20</b>
3.1. SAMPLE PROFILE AND UNIVERSAL INDICATORS .....	20
3.2. IMPACTS ON GIRLS .....	23
3.3. IMPACTS ON PARENTS.....	41
3.4. INSTITUTIONAL IMPACTS .....	44
<b>4. CONCLUSIONS .....</b>	<b>48</b>
<b>REFERENCES.....</b>	<b>50</b>
<b>ANNEX 1: THEORY OF CHANGE DIAGRAMS.....</b>	<b>52</b>
<b>ANNEX 2: TEMUULEL SAVINGS ACCOUNT INTAKE FORM, IN MONGOLIAN.....</b>	<b>54</b>

## TABLE OF TABLES

Table 1 - Temuulel promotional items.....	10
Table 2 - School-based model for roll out.....	12
Table 3 - Sampling based on program participation .....	16
Table 4 - School-based sample.....	16
Table 5 - Community-based sample .....	17
Table 6 – Sampling of parents.....	18
Table 7 - Profile and universal indicator data of sample, by district .....	20
Table 8 - Percentage of girl savers.....	32
Table 9 - Savings location.....	33
Table 10 - Percentage of girls who contribute to family.....	38
Table 11 - Average contribution to monthly budget for girls who contribute	38

## TABLE OF FIGURES

Figure 1 - Map of Mongolia.....	5
Figure 2 - A typical street in Bayanzurkh District. ....	6
Figure 3 - Map of Ulaanbaatar showing the Songino Khairkhan and Bayanzurkh districts.....	7
Figure 4 - Girl with term and demand accounts.....	9
Figure 5 - Temuulel promotional items.....	10
Figure 6 - Focus group at School No. 92. ....	14
Figure 7 - Exterior of School No. 92.....	21
Figure 8 - Interior of XacBank’s Songino Khairkhan Branch. ....	30
Figure 9 - Girl with piggy bank.....	34
Figure 10 - A Temuulel saver and her mother. ....	43

*This document is propriety information. Do not circulate.*

## ABBREVIATIONS

CMP	Child Money Program
FE	Financial Education
GDP	Gross Domestic Product
HDI	Human Development Index
KSA	Knowledge, Skills, Attitudes
MEA	Mongolian Education Alliance
MFO	Microfinance Opportunities
MNT	Mongolian Tugrik
PPP	Purchasing Power Parity
UB	Ulaanbaatar
WWB	Women's World Banking

## EXECUTIVE SUMMARY

The Savings Innovation and Expansion for Adolescent Girls and Young Women project in Mongolia is funded by the Nike Foundation, directed by Women's World Banking (WWB), and implemented by XacBank, a microfinance bank. It offers a combined program for adolescent girls including financial education (FE) classes designed by Microfinance Opportunities (MFO) and a savings product. It is believed that when girls are offered savings products and financial education tailored to their needs and tastes, they will be socially and economically empowered, and their families as well as implementing institutions will benefit over the long term. The ultimate objective of the program is to unleash the power of girls to create positive change in their families and communities. This is called the Girl Effect. This report presents the results of the baseline impact assessment of the girls' savings and FE program.

### The savings and FE program

XacBank and WWB designed the savings product for adolescent girls between the ages of 14-17 years old, who have never before been able to fully access and control a bank account in Mongolia. The savings product and FE program, named Temuulel ("Aspire") were marketed directly to the target audience through print and TV and through schools and community-based groups. WWB and XacBank collaborated with MFO and a local NGO, the Mongolian Education Alliance (MEA) to design and deliver the financial education training program. The program consists of eight core sessions covering general savings, budgeting, and saving at a bank, plus optional sessions on loans and debt management.

Two NGOs partnered with XacBank to deliver the program: MEA, and the Equal Step Center. MEA offered the eight-week FE program in schools, while the Equal Step Center offered the FE program to low-income girls in community-based clubs. Branch and head office-level XacBank staff in Mongolia's capital Ulaanbaatar (also known as UB) helped coordinate the FE program in 21 schools and the community-based NGO. During this phase, 855 girls received school-based FE and 80 girls received community-based FE.

### Location

Mongolia, with a population of 2.7 million, is a sparsely populated and land-locked country which ranks 115th out of 182 countries on the UNDP's Human Development Index. Forty percent of Mongolia's population now lives in UB, as low-income nomadic herders move to peri-urban *ger* districts with extremely limited infrastructure. Despite difficult rural and urban living conditions and a 36% national poverty rate, the population does have near universal access to education. Girls and women are actually more educated overall than men and are not expected to marry until they have completed high school.

### The baseline research study

The impact assessment will consist of baseline and endline research. The endline will take place approximately 18 months after the baseline. In evaluating the Temuulel program, the impact study seeks to assess short-term changes in knowledge, skills, and attitudes (KSAs) and longer term impacts including changes in behavior. The impact assessment will examine effects in two general areas: 1) impacts on girls and their families, and 2) impacts on partner institutions.

This baseline study establishes the initial levels of girls' KSAs and behavior in terms of saving money and using banks. Specifically, it looked at girls' knowledge of, comfort with, and ability to control banking products and services in their name, particularly savings. Social outcomes were assessed through indicators of girls' social networking behavior and self-esteem.

## Methods

Baseline research was undertaken from January 20 - February 11th, 2010 in UB. Qualitative data was collected from girls, their parents and guardians, and key informants from the institutions involved in the project. Limited demographic data was collected from all of the girl research participants.

Sampling was conducted in *ger* districts in order to draw on a largely low-income population of girls. The girls sample consisted of three categories: girls who had a Temuulel account; girls who will soon start the FE program and have no accounts, but who may open one during the training; and girls who do not have an account and will not receive FE. At the endline, comparisons will be made between girls who have a savings account and received FE, girls with savings accounts only, and girls with neither. Girls in MEA's school-based program will also be compared to girls who participated in Equal Step Center's community-based program. This sampling frame was selected to measure the effects of the provision of savings accounts against the effects of providing savings accounts and FE, based on changes in the KSAs and behaviors of girls.

## Findings

Findings established baseline measures for the impacts on girls, including universal indicators of well-being, knowledge, skills, and attitudes and behaviors around financial services and money management, as well as measures of social empowerment. Baseline measures of parents' financial KSAs and behaviors and the institutional impacts were also sought, though in less detail than data on girls.

The average age of girls in the sample was 15.1 years old. On average, girls began school when they were 7.3 years old, had been in school for 8.25 years, and were about to begin the ninth year of school. Girls in one of the sampled districts lived slightly more comfortably than girls in the other one, based on the distribution of residence type and the number of female-headed households in each group.

### *Universal indicators*

Universal indicators for the girls will permit comparison to girls in other countries. Girls in the study uniformly reported that they were never married or pregnant, and none had had children. This reflects the generally positive position of women and girls in Mongolia compared to other countries with similar socioeconomic profiles.

### *Knowledge*

Based on market research and pilot reports, it was believed that the girl participants would not be very well informed about financial services. The baseline research confirmed that girls'

overall knowledge of banks was minimal, though some girls from slightly higher socio-economic levels tended to have a limited knowledge of basic transactions such as savings deposits and transfers. The desired outcome of the program would be an increase in girls' knowledge on these and other topics related to saving and basic money management, which would help equip them with the information they would need to open and use a formal savings account.

### *Skills*

Information was gathered from girls regarding their financial acumen and their power to manage money. These results suggest that girls are given enough financial autonomy to develop basic money management skills. However, girls' money management skills are developed inconsistently, and depend in part on family background and the level of explicit parental support. This support is usually lacking, although when it does come, comes from mothers, who themselves often control the family budget. Furthermore, that fact that girls have access to only small amounts of money could mean that even girls who take FE might not see enough value in exercising their newly acquired money management and savings skills or opening a formal account. Overall, the baseline study revealed that despite somewhat favorable conditions, most girls still have a ways to go to be considered economically empowered.

### *Attitudes*

Girls were asked their opinion about the importance of saving and their comfort level in discussing financial matters with parents or guardians. Over half of girls in the baseline reported that savings was important, and those varied widely in type and duration of their savings goals. Some even mentioned that saving made them feel more mature, especially when done in a bank. Differences emerged in how girls felt about discussing money matters with fathers and mothers – while none had any negative feelings associated with fathers, a minority felt guilty when talking with, or being scolded by, mothers. Girls were also asked about their experience with and their comfort level in banks. Because girls are unfamiliar with banks, the treatment they receive when they do visit creates a lasting impression and can significantly affect girls' attitudes. Negative experiences when girls visited banks alone had a greater impact on girls than visits to banks with adults. For a small number of girls, successful bank interactions provided a sense of social empowerment and maturity. The project seeks to increase girls' comfort with banks, thereby removing one barrier to using the knowledge and skills they learn in the program. Ultimately, they would then be better equipped to utilize bank services to benefit themselves and their families.

### *Behaviors*

The data offers a snapshot of how girls earn and spend money, how and where they save it, and what they contribute to family development. Girls revealed that most had access to small sums of money (up to US \$1), given to them by their parents on a regular basis for their daily expenses. No girls worked for pay during the school year, but about one out of five worked for pay during the summer. Saving money was generally viewed as difficult. None had a written savings plan, although nearly half the girls overall reported saving some money, often by tucking it into a wallet, book, or piggy bank. While roughly one third of girls surveyed in the non-XacBank account holder groups had bank accounts, virtually all who reported saving reported

doing so at home, suggesting that most were not using these bank accounts. Very few girls mentioned contributing to their families' well-being, other than occasionally giving money to siblings. It is projected that girls with savings accounts and/ or those who have received financial education will ultimately be prepared to save and contribute more. These are long-term effects that may not be measurable by the time of the endline study, particularly since girls have access to only small amounts of money.

### *Social empowerment*

Social empowerment refers to the ability of girls to set and achieve goals and to build effective personal networks. The baseline showed that girls generally have active social networks, and as is typical of UB girls, they participate in many extracurricular activities. At the same time, their goals at this age are generally directed towards college admission and tuition, but they do not have significant financial resources to devote to that goal. Even without financial resources, girls may register improvements in their ability to set goals and realistically work towards them.

### *Impacts on parents*

Parents in the baseline study were interviewed to better understand how they relate to their daughters concerning money matters. Mothers in Mongolia usually expose their children to financial management ideas and strategies, because there are few other sources for financial education available there. However, many parents had very tight budgets and found their daughters' requests for money to be stressful. In some cases, they avoided discussions of money with their daughters for this reason. The endline study will assess whether parents of savers and financial education participants have more financial discussions with their daughters, view their daughters as more capable and hear about XacBank products from them.

### *Institutional impacts*

Institutional representatives were interviewed to understand in what ways the program is positively changing attitudes about providing financial services to girls and about the value of financial education. The baseline study showed that institutional representatives find FE to be valuable for girls, but some XacBank staff are not convinced of the value proposition to their bank. By the time of the endline study, some evidence about perceptions of the value of the program to the bank should be available, and the prospects for the continuation of FE programming and savings products for girls will be assessed then.

## **Conclusions**

The findings show that girls are starting with a relatively low level of knowledge about financial services, and there is great potential for improvement in the KSAs by the endline study. The baseline also suggests that even with improved KSAs, low-income girls might not see significant value in immediately beginning to save and in opening accounts, given the small amount of money they currently control. Even with more significant resources, behavioral change generally takes time to develop, and may not be apparent until well after the end of the study.

Because many girls in UB are active in after-school courses and groups, where they meet new friends and are exposed to adult role models other than their teachers, the training classes may be of more benefit to girls in schools where free after-school programming is minimal.

On the other hand, because women tend to manage household finances, the baseline research suggests that parents will be receptive to girls' financial education and willing to discuss the content of the FE training that their daughters have learned.

The impact of the project on institutions should be much clearer by the endline. There is doubt within XacBank about the value of the financial education program in contributing to the uptake of Temuulel accounts. The conclusion from the endline report will provide findings to assist XacBank in assessing any connections between financial education training and product uptake.



# 1. INTRODUCTION AND THEORY OF CHANGE

This report presents the results of baseline impact assessment research on the Savings Innovation and Expansion for Adolescent Girls and Young Women project which is being implemented by XacBank, a Mongolian microfinance bank. The project offers a financial education (FE) program and a savings product to adolescent girls, presenting girls paths to empowerment that would not otherwise be available to them. The ultimate objective is to unleash the power of girls to create positive change in their families and communities, which is known as the Girl Effect.

The current research was commissioned by Women's World Banking and undertaken from January 20 - February 11<sup>th</sup>, 2010 in Ulaanbaatar (UB), the capital of Mongolia. Its purpose was twofold: to assess the baseline financial and social empowerment of Mongolian girls, and to assess the institutional impacts on XacBank and its NGO partners, the Mongolian Education Alliance (MEA) and the Equal Step Center.

The project, funded by the Nike Foundation, was directed by Women's World Banking and implemented by XacBank. XacBank designed, marketed, and launched a savings product which targets girls from the ages of 14 to 17 years of age. XacBank partnered with two local NGOs, the Mongolian Education Alliance and the Equal Step Center, for the delivery of the financial education training, which was designed by Microfinance Opportunities.

## 1.1. THEORY OF CHANGE

The model of change for the project assumes that investments in girls and young women will have both positive effects on individual girls - Girl Impacts – and a multiplier effect on girls' families and communities – the Girl Effect. As adolescents, girls stand at a crossroads where their future ability to reinvest in their communities is decided by their degree of economic empowerment, which is determined by their financial management capabilities and their social assets. Based on knowledge of the critical role that women play in enabling their family and community members to thrive, the model predicts that investments in girls will pay dividends for many years. As girls mature, move into the workforce and begin to earn incomes, integrate into and lead their communities, they will assume greater caretaker roles as they have their own children and parents age. At the household level, financial power can help a woman rescue her family from the cycle of poverty. At the community level, women can make significant contributions that spur growth, diversity and innovation and ultimately help build strong national economies.

In Mongolia, the project focuses on changing the savings behavior of low-income girls. The hypothesis is that when girls aged 14-17 are offered savings products, financial education programs, and marketing tailored to their needs and tastes, the result will be significant social and economic empowerment of the girls, and important indirect economic impacts on their families. It is expected that in the process, girls will achieve improvements in knowledge, skills,

attitudes, and behaviors around savings, including: understanding the importance of savings and considering it desirable; learning saving strategies; opening formal savings accounts which they control; and developing the habit of saving. A key aspect of this hypothesis is that through practice, girls will adopt the positive behaviors of asset accumulation, goal setting, and planning for the future.

The project also hypothesizes that partner institutions will benefit from the introduction of such a program. It is expected that financial institutions, in this case XacBank, will nurture future adult customers who are both more loyal and financially sophisticated, and therefore better savers and lower credit risks. The program should also enhance XacBank's brand as an institution dedicated to national social and economic development through investments in children. Paired with direct marketing to girls, this will assist XacBank in promoting products to girls' family members and other adults.

The research is designed to understand the impact of the project in two ways. The first is to measure The Girl Effect, or the theory that programs promoting the accumulation of social assets and financial capabilities for girls will not only result in positive changes in girls' economic and social conditions, but will result in positive social and economic change for the girls' families and communities. The second is to assess the success, sustainability, and scalability of business model innovations used in the project by XacBank and its partners. This report provides information on the baseline conditions for girls and the partner institutions as of December 2009/January 2010. The baseline results will be compared to the endline results to be gathered at the conclusion of the project in 2011.

In assessing the Temuulel ("Aspire" in Mongolian) savings product and associated financial education program, this assessment seeks to capture short-term outcomes as well as longer term life of grant impacts. The data will inform analysis on the two learning objectives for the grant: 1) the impact on girls and their families, and 2) the impact of the project on the partner institutions. Outcomes will be measured through short-term changes in knowledge, skills, and attitudes, and impacts will be measured through signs of longer-term changes in behavior.

This study assesses the outcomes of the project on girls through measures of girls' knowledge, skills and attitudes, including girls' knowledge of, comfort with, and ability to control banking products and services in their name, particularly savings. Social outcomes to be assessed include girls' gaining new friends through financial education trainings and gaining comfort discussing savings with their parents or guardians. The impact of the project will be assessed through measures of girls' self-esteem, their power to plan for the future, their ability to make decisions about the use of their assets, and their comfort in discussing finances with their parents or guardians.

Outcomes of the Girl Effect on communities will be assessed through parents' attitudes about the importance of girls' participation in financial education training and their exposure to financial education concepts through their daughters. Furthermore, the impact of the Girl Effect will be sought through behavioral measures of girls' increased use of savings for education of family members and positive changes in attitude towards girls' financial activities by their families.

The study also assesses the impact of the program on Mongolian institutions - XacBank, MEA, and Equal Step - and their ability and interest in sustaining, scaling up, and enhancing the program. This will be assessed primarily through the attitudes and behavior of the institutions towards providing services and products for girls, but it will also be seen in their efforts and success in seeking other funding and partners for the savings product and financial education program. The outcomes will be assessed through evidence of increases in girl-focused training and financial education capacity in MEA and the Equal Step Center.

## 2. PURPOSE AND DESIGN OF THE RESEARCH

The purpose of this study was to gather baseline data on girls' financial capabilities in areas of UB where financial education training has been made available. Temuuel savings accounts were rolled out in all 74 XacBank branches throughout Mongolia in October of 2009. While monthly financial education and marketing seminars are being conducted at rural and urban schools, eight-week extracurricular financial education classes are currently being offered only in secondary schools in UB. For this reason, the research was limited to the capital. The results of this study will be compared to endline data from comparable samples of girls.

### 2.1. THE RESEARCH LOCATION AND CONTEXT

#### Mongolia

Mongolia is a land-locked country bordered by Russia on the north and China on the south. With a total area of 1.5 million square kilometers and a population of just over 3 million, it is the least densely populated country on earth. Mongolia currently ranks 115th out of 182 countries on the UNDP's Human Development Index (UNDP, 2009), and its GDP per capita (PPP) in 2009 was estimated at \$3,236 (UNDP, 2009).

Mongolia's economy is driven by livestock rearing and mining, but services are occupying an increasingly important role in the country's 9% annual GDP growth. Currently, services are responsible for 42.7% of GDP, industry for 38.5%, and agriculture for 18.8%, but employees find 61% of jobs in the service sector, 34% in agriculture and only 5% in industry.

Agriculture has become less economically important at a time when the population is urbanizing - as of 2007, 61% of the population lived in cities (UN Statistics Division, 2009). Forty percent of all urbanites are in the capital (NSO, 2009), Ulaanbaatar, which receives a steady stream of rural migrants. Ulaanbaatar also receives spurts when weather conditions produce a dry summer followed by a bitterly cold and snowy winter. Such a condition, called a *zuud*, occurred in the winter of 2009-10 while the research was being conducted. As of January, the *zuud* was estimated to have killed nearly 2 million out of a total of 44 million animals and driven tens of thousands of rural pastoralists into poverty and into cities (NSO, 2010).

The percentage of the population in poverty is reported at 36.1%, but that figure has not been updated since 2003. The percent of population living below \$1.00 (2005 PPP) a day was reported at 22.4% (UN Statistics Division, 2009). While a significant portion of Mongolia's population faces poverty, access to schooling remains nearly universal. Mongolia's literacy rate is an impressive 97%, including roughly as many women (98%) as men (97%) (UN Statistical Division, 2007). Secondary school attendance is actually higher for girls than it is for boys: 97% and 87%, respectively (UNICEF, 2010).



**Figure 1 - Map of Mongolia**

Source: (Perry Castañeda Map Collection, 2010).

Gender equality in literacy should not be read as an indication of gender equality in all areas of Mongolian social life. The percentage of women to men in the workforce stands at 67% (ESCAP, 2009), for instance, and women in manufacturing jobs earn wages equivalent to only 71% of their male counterparts (UN Statistics Division, 2009). At the same time, women represent 60% of university students in Mongolia (NSO, 2010), and for every 100 male employers in the country 113 are female (ESCAP, 2009). Rural students generally face far greater challenges than urban ones in accessing educational resources (The World Bank, 2006). These statistics give the impression that the prospects for Mongolian girls are radically different depending on the socioeconomic position of their families and whether they live in rural or urban locations. Overall, women and girls from the middle and upper classes tend to have opportunities that one would not expect given the country’s medium HDI score.

## Ulaanbaatar

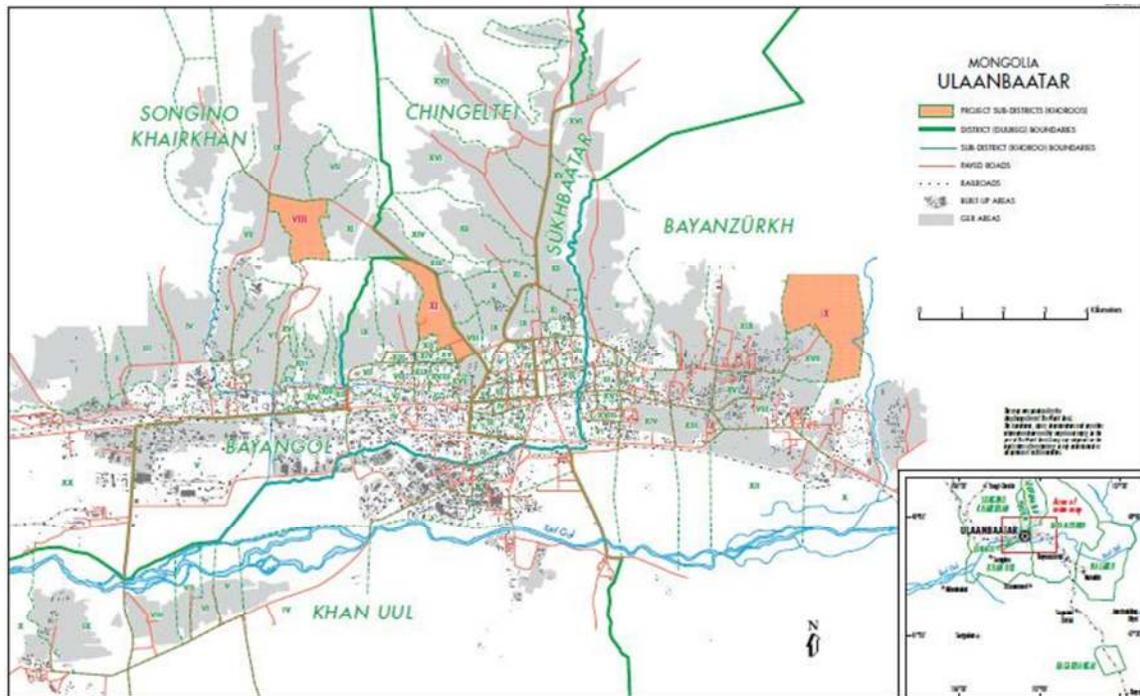
This research focused on the capital, Ulaanbaatar. While XacBank made the decision to offer the Temuulel savings product through all of its branches nationwide, and offers financial education seminars at both rural and urban schools, the full financial education training program was only implemented through schools and NGOs in the capital. Conditions in the capital are therefore part of the context of the project.

Ulaanbaatar's population at the end of 2009 was just over 1 million people. A minority of that population lives in apartment buildings and other permanent structures, but about 60% of the city's residents, particularly migrants from the countryside, live in peri-urban informal settlements, or *ger* districts. *Ger* districts are sorely lacking in permanent infrastructure such as water and sewer lines, paved roads, and public transportation, and 85% of *ger* area residents heat their homes with wood and/or coal-fired stoves. *Ger* area household incomes are 43 percent lower than those of apartment area households (Kamata, Reichart, Tsevegmid, Kim, & Sedgewick, 2010). Forty-five percent of *ger* area residents are estimated to be underemployed, and 27% of *ger* residents are fully unemployed (Herro, 2003). For this reason, residence in a *ger* area is often used as a proxy for low-income status.



**Figure 2 - A typical street in Bayanzurkh District.**

This study focused on two of the nine urban districts of Ulaanbaatar which are known to have a high proportion of *ger* households: Bayanzurkh in the east and Songino Khairkhan in the west. The population of Bayanzurkh in 2009 was 250,000, and that of Songino Khairkhan was 232,000, making them the two largest districts by population in UB. As of 2003, 63% of Bayanzurkh's residents and 65% of Songino Khairkhan's residents lived in *ger* dwellings. The two districts also were estimated to have the highest unemployment of all city districts, at 36% and 29% respectively (Herro, 2003). Twenty-two percent of the households in Songino Khairkhan were judged to be poor in 2008, but similar figures were not available for Bayanzurkh.



**Figure 3 - Map of Ulaanbaatar showing the Songino Khaikhan and Bayanzurkh districts**

Source: (Kamata, Reichart, Tsevegmid, Kim, & Sedgewick, 2010).

## XacBank

XacBank, established in 2001, has experienced rapid growth during the past decade. It currently stands as the fourth largest bank in Mongolia, is the largest institution to market itself as a "microfinance" institution (Fin Corp). The bank has 77 service points throughout the country, including branches in each of the provincial capitals (*aimags*), though it has not been as successful in penetrating the rural districts (*soums*) as its chief competitor, Khaan Bank.

At the end of 2009, XacBank reported having 189,207 depositors holding an average balance of \$549. The bank also had 73,121 total borrowers, 47% of whom were women. The gross loan portfolio was \$138.5 million, and assets stood at \$233.3 million. (Mix Market, 2010). Data on the gender breakdown of depositors were not available at the time of writing.

XacBank is perceived as a young and dynamic institution, and the staff and marketing tend to reflect that dynamism. XacBank rebranded in 2009 to market itself as an "eco-bank." Where before XacBank emphasized "profit and people," it now underscores "profit, people, and the planet," and proudly mentions on its homepage that in 2009 it became the first financial institution in the Northern Hemisphere to receive a carbon credit. Additionally, the bank makes itself visible through its advertising but also through sponsorship of Olympics telecasts and youth-oriented projects such as an upcoming soccer tournament to coincide with the World Cup competition. (XacBank, 2010).

XacBank's effort to promote financial education to girls is another component of the corporation's overall social responsibility efforts. In this project, XacBank was responsible for developing, marketing, and implementing a savings product for girls between the ages of 14-17,

and for finding and supervising NGOs to adapt and implement financial education trainings for girls through the school system and community centers.

### **Mongolian Education Alliance (MEA)**

The Mongolian Education Alliance is an NGO which was established in 2004 to ensure accountability and accessibility in the educational sector. Its staff of twelve is currently based in the Sukhbaatar district of UB. MEA's primary activities are organizing teacher trainings, promoting youth and early childhood development initiatives, and conducting research on education. Prior to the implementation of the financial education trainings, MEA's main program for adolescents was the Karl Popper Debate program for high school students.

MEA recruited and trained university-enrolled peer educators and community-based trainers, and supervised the eight-week training sessions in the schools.

### **Equal Step Center**

The Equal Step Center is a small, community-based NGO which was founded in 2002, and is dedicated to providing equal rights to all children, especially vulnerable children such as those at risk to enter the sex trade, street children, the disabled, rural children, and minorities. They currently are working on projects to protect children when using the internet; summer programs to train girls in farming and sustainable activities; and heritage education camps for the children of expatriate Mongolians.

Equal Step Center recruited girls participating in informal education training<sup>1</sup>, provided community-based trainers who attended MEA's TOT, and implemented the eight-week training sessions in community centers in UB.

## **2.2. PROGRAM DESCRIPTION**

### **Design and implementation of the savings product**

Prior to the pilot of this program, no Mongolian bank offered savings accounts that could be opened and accessed directly by children. Since 2001, XacBank has offered a long term savings account, called "Future Millionaire" targeted at parents who wish to save for their children, but children are not allowed to establish these accounts, nor withdraw money from them. Research found that while some banks were offering payment cards to children when they turned 16, it was actually not illegal for children over the age of 14 to open and hold savings accounts. Based on that finding, and on primary research showing that adolescent girls were not attracted to long term saving products, XacBank and WWB designed the girls' savings product to be attractive to girls from 14-17 years old. This category of banking product has not been offered in Mongolia before. The name itself, Temuulel, was selected through an internal competition among XacBank employees. "Temuulel" means "aspire" in Mongolian. The logo and design concepts were developed by a local design agency.

---

<sup>1</sup> Originally, Equal Step was to recruit girls who were not attending school but who were working full time. They had difficulty finding such girls in Bayanzurkh, and instead recruited girls who were participating in Equal Step's informal education program.

The minimum balance that a girl needs to start and maintain a Temuulel account is 3,000 MNT (USD \$2)<sup>2</sup>. Both term and demand deposit accounts are available, with demand deposit accounts paying 8.2% interest in January 2010. Term deposit accounts pay the same interest rates as regular adult savings accounts, between 12 - 17%, depending on how much time the money remains in the account<sup>3</sup>.

**A small number of girls, such as this one holding up her savings books, open both term and demand Temuulel accounts.**



**Figure 4 - Girl with term and demand accounts.**

In order to open an account, a girl must go to a XacBank branch with a national identification card (available after a child turns 16) or a birth certificate, two photos, and the minimum deposit amount in cash. She also is required to fill out a one page intake form (reproduced in the Annex Two) which requests information about the girls' phone number, grade, school name and how they heard about the Temuulel program.

---

<sup>2</sup> The January 31, 2010 conversion rate of 1450 MNT to US \$1 is used for this report.

<sup>3</sup> Varied information was received by the research team from XacBank employees on the interest rate of Temuulel accounts. At XacBank headquarters, the product officer for savings accounts indicated that the rate on demand deposit accounts was intentionally kept static, to avoid confusing the girls. Additionally, a Temuulel representative on staff at one of the branches was not aware of what the rate was when interviewed.

**Table 1 - Temuulel promotional items**

Amount (MNT)	Amount (\$US)	Promotional gift
10,000 MNT	\$6.90	Pen
25,000 MNT	\$17.24	Logo hanger (plastic cell phone charm)
50,000 MNT	\$34.48	Analog watch
75,000 MNT	\$51.72	Drawstring bag
100,000 MNT	\$68.96	Flash drive

**Top row: charity bracelet, student banker name badge, ATM card (a fee-based item); middle row: purse-shaped flash drives, watch, cell phone charm; Bottom row: savings booklet (given to all account holders), notebook and wallet (offered to student bankers).**



**Figure 5 - Temuulel promotional items.**

Upon opening her account, a girl receives a pink wallet-sized passbook with the Temuulel logo for her use. The passbook was specifically designed to be half the size of a regular passbook in order to appeal to girls. Additionally, if two or more girls come together to open Temuulel accounts, they each receive, at no extra cost, a popular pink "charity bracelet" modeled after

those sold by the Lance Armstrong Foundation. One XacBank employee related that even his 19 year old sister, who is now too old to open a Temuulel account, asked him about their availability.

XacBank also offered promotional gifts through the end of February 2010 to girls who achieved certain savings balance levels. These were intended to encourage girls to increase the deposits levels in their account, which XacBank anticipated would be low relative to adult and even Future Millionaire savings accounts.

The promotional items were reportedly extremely attractive and popular with girls. XacBank also designed debit cards for the Temuulel program, again in pink with the logo prominently displayed. These cards are only available upon payment of a 6,000 MNT (\$4.13) fee, however.

Student bankers, whose role is described as part of the financial education program, are also given Temuulel wallets and nametags in exchange for their participation in the program.

### ***Marketing***

Design of the marketing materials began on August 1st, 2009 with the assistance of WWB. Market research was conducted to guide decisions regarding the message and channel for the campaign, which utilized in-branch signage, television commercials and interviews, and public relations products such as press releases.

### ***Implementation of the savings product***

The full rollout was originally scheduled for September 2009, but delays pushed that date back to October, when Temuulel accounts were offered in all XacBank branches. However, in October the Mongolian government, fearing an outbreak of H1N1 virus, closed all schools and forbade large public gatherings for over a month, further delaying the roll out of the financial education and direct marketing activities in schools. According to XacBank employees, uptake was greater in rural branches than in urban ones, though the reasons for this were unclear. In all, 2,400 accounts had been opened by the end of December, short of the bank's goal of 5,000 accounts but before the first cycle financial education had been completed.

## **2.3. Design and implementation of the Financial Education Program**

Women's World Banking and XacBank collaborated with Microfinance Opportunities and the Mongolian Education Alliance to design the financial education training program. Market research conducted in September 2008 and February 2009 by WWB and MFO guided the decision to use classroom-based training and the selection of content for the curriculum. MFO subsequently developed an eight-session financial education training program and adapted its youth curriculum to address the gaps in financial knowledge, skills, attitudes and behavior of girls identified in the market research. MFO provided eight sessions on three topics: general savings, budgeting, and saving at a bank. It also provided two optional sessions on loans and debt management. MEA provided input on local modifications to the curriculum and translated the curriculum into Mongolian.

MFO then led a training of trainers workshop on financial education for MEA, which introduced the trainers to the principles of financial education, the savings product, and the curriculum, and it also presented pedagogical methodologies for adolescent education. The MEA participants took turns team-teaching the curriculum, providing them with practice using the materials. After receiving training, MEA recruited female university students to be financial education trainers. MEA then trained both the university students and female trainers from a community-based organization to deliver financial education to girls.

Because of low uptake of savings accounts during the pilot, WWB altered the model for school-based financial education for the rollout to further integrate the educational and marketing channels. The altered model included promotional visits by XacBank staff to schools. In each participating school, three schoolgirls were also designated as "student bankers" to promote Temuulel savings accounts to their peers.

Additionally, three levels of educational and marketing were planned in participating schools. Table 2 describes the program involvement at each partnership level, with Level 1 designate as "Bronze," Level 2 as "Silver," and Level 3 as "Gold."

**Table 2 - School-based model for roll out**

Type of Partnership	Key Components
Bronze	A formal partnership agreement with participating schools. Monthly seminar series by XacBank coordinator on basic FE concepts for girls and teachers. Monthly product promotion presentations (following the FE seminar). Develop "Aspire" student bankers as XacBank ambassadors and product champions in schools- 3-4 bankers per school (i.e., 2 from the 10 <sup>th</sup> grade, 1-2 from the 11 <sup>th</sup> grade)
Silver	Same as level 1. Conduct an 8-session FE program per semester for two savings clubs
Gold	Same as level 1. Conduct five savings clubs per semester. Set up a XacBank classroom that would serve as a meeting place for savings clubs and a venue for promotional events for girls, teachers, parents (cross-selling). Identify 1-2 teachers to work closely with, and who will supervise the FE program and product promotion events.

## Implementation of the financial education program and school-based direct marketing

XacBank worked through all of its branches to conduct Temuulel financial education activities with local schools and community groups during the first cycle. These activities were coordinated by branch-level Temuulel coordinators from November 2009 through January 2010. Two four-day trainings were conducted by XacBank headquarters to train branch-level coordinators. Nine bank branches in UB selected schools to participate in the Level 2 program, and worked with MEA to deliver the financial education training there.

School-based activities were implemented in 109 schools. A total of 88 Level 1 schools were designated, with 45 in UB and 43 in rural areas. Twenty one schools, all in UB, were designated

as Level 2 according to MEA; the schools that were selected by XacBank branches to participate tended to be ones whose principals were more cooperative and organized. No schools were designated as Level 3 during the first cycle.

Additionally, 350 student bankers were designated during the first cycle. In order to encourage their marketing efforts, XacBank organized a competition among these girls which rewarded the 12 who collected the most deposits from the schools nationwide, with three coming from each region (east, west, center, and UB). These twelve will each receive a one-time award of 200,000 MNT (\$137.93US) toward payment of their university fees.

MEA selected and trained 35 peer educators from its pool of university student applicants, and also selected 11 of the pilot test trainers to become monitors who served as resources for new trainers and reported back to MEA. A total of 855 girls received training during the first cycle, according to MEA.

The Equal Step Center conducted cycle 1 trainings in UB through one club in the Chingeltei district and three clubs in the Bayanzurkh district. The target for participation in the Equal Step training program was 80 girls in the first cycle. In all, 80 girls participated and 27 opened Temuulel accounts, though approximately 16 received assistance from XAC NGO, a charitable organization funded by donations from all XacBank employees, in the form of the minimum deposit amount in order to open accounts.

## **2.4. RESEARCH DESIGN**

This baseline study primarily used qualitative research techniques such as focus group discussions and individual interviews to collect data. While quantitative data, when collected and analyzed properly, can provide accurate measures of social phenomena, it is harder for researchers to mine for insights into the processes driving social phenomena - how and why observed changes take place. Qualitative research provides a great deal of social context that will offer a better understanding of how and why investments in girls' financial futures pay dividends. Furthermore, qualitative research permits effective monitoring of programs, because the contextual data it generates can be used diagnostically while the program is still in operation, without compromising the validity of the final project assessment.

The majority of research tools were therefore qualitative, though socio-demographic data including the universal indicators on the focus group participants was collected using a survey questionnaire.

### **Research tools**

The tools used in conducting the baseline assessment research included focus group discussions with selected samples of girls, a socio-demographic survey questionnaire of all focus group participants, structured individual interviews with girls' parents and guardians, and structured individual interviews with key informants from the Mongolian institutions involved in the project.

Focus groups were used to elicit data about girls' knowledge, skills, attitudes and behavior around finances, savings, and banks, as well as pertinent contextual information about family and social activities. Socio-demographic data was gathered using questionnaires either before

or after the focus group discussions; the data collected included information about the ages, professions, and education of those living with the girl, as well as information on her educational achievements and aspirations, her work status, earnings, savings, and personal data about marriage and pregnancy; this tool not only elicited quantitative data, but in many cases served to triangulate information gathered in focus groups. Individual interviews with parents and guardians served to gauge the attitudes of family members towards girls and their activities, particularly financial activities. Interviews with key informants sought primary data on the institutions and their projects, and their expectations for and attitudes towards the girls' savings product and the financial education training.



**Figure 6 - Focus group at School No. 92.**

### **Informed consent**

In order to protect the rights of minors in the study, informed consent was sought for all research participants. For focus groups with girls, consent forms describing the research purpose and procedures were sent to parents, one of whom was required to give their written consent prior to their daughter's participation. Before each focus group, the roster of girls was cross-checked against the received consent forms to ensure that each girl's parents had agreed to her participation. At the beginning of each focus group, the moderator described the research orally to girls, and they then consented orally to participate. Key informants were read the consent form describing the research prior to their interviews and gave verbal consent to participate.

## Key Research Questions

The key research questions drove the development of the specific indicators being used in this study. Most of the questions about outcomes and impacts on girls were addressed in focus group discussions, and relate to girls' financial knowledge, skills, attitudes, and behaviors. Questions about social empowerment were also included in the focus group discussion guide.

- What are the social and economic aspirations of girls who participate in the savings product and the financial education program as compared to those girls who only have the savings product and to those who do not participate in the program at all?
- How do parents' attitudes and behaviors toward their girls change over time with participation in the savings and/or financial education programs?
- How do girls' knowledge, skills and attitudes (KSAs) toward savings, money management and use of banks change after acquiring savings and financial education, in comparison to only savings?
- How do changes in girls' KSAs towards savings, money management and banking lead to changes in their behavior?
- How effective are the different financial education delivery channels in improving the outcomes for girls?
- Have additional resources been mobilized to deliver or expand the savings products and financial education for girls?
- Can the girls' savings product be implemented sustainably by XacBank?
- What is the potential for scaling up or replicating the girls' savings product?
- What is the potential for scaling up or replicating the financial education program?
- How has the public image of XacBank changed and why?  
How do institutions' attitudes and behaviors toward providing products and services for girls change?

## Sampling Process

Sampling was conducted in *ger* districts in order to draw on a largely low-income population of girls. Two groups of girls were selected: those who recently opened a Temuulel savings account, and those who will participate in the eight-week financial education program. A distinction was also made between girls who lived in Bayanzurkh, where eight-week financial education training was offered in schools, and girls who lived in Songino Khaikhhan, where eight-week financial education training was scheduled to be offered through community-based organizations. One school-based and one community-based comparison group were also sampled. The girls in these two groups had not opened Temuulel accounts and did not have plans to participate in financial education.

**Table 3 - Sampling based on program participation**

Sample name	Financial education in district	Financial education participants	Savings product participation
Bayanzurkh Financial Education	School-based	Cycle Two	No Temuulel account
Bayanzurkh Savers	School-based	No participation	Temuulel account
Bayanzurkh Comparison	School-based	No participation	No Temuulel account
Songjino Khairkhan Savers	Community-based organization	No participation	Temuulel account
Songjino Khairkhan Comparison	Community-based organization	No participation	No Temuulel account

### ***School-based samples***

All school-based samples were selected from the Bayanzurkh District, and included girls who will receive FE in the second cycle, girls who have opened Temuulel savings accounts but no financial education, and a comparison sample of girls with no anticipated intervention.

**Table 4 - School-based sample**

Sample Category	Schools	Number of FGDs	Number of Girls
Girls who will receive FE	School No. 68	3	23
Girls who have a Temuulel savings account	Mixed group from School No. 14 and School No. 53	1	6
Comparison group	School No. 92	3	24

The girls who will receive financial education were selected and invited by School No. 68 social worker based on their activity level in the school and knowledge of their interests. Three focus groups were conducted at School 68.

The girls with savings accounts were selected based on a list of all girls who had opened Temuulel savings accounts since October, which the Research Team received from XacBank’s Bayanzurkh Branch. Girls who attended schools with a Level 1 Financial Education program were selected to participate. Due to the limited number of girls in this group, only one focus group was held. It was conducted at XacBank’s Bayanzurkh Branch.

The girls with no intervention were selected after the financial education coordinator at XacBank’s Bayanzurkh Branch confirmed that School No. 92 had no prior participation in the financial education program. Three focus groups were conducted at School No. 92.

### **Community-based organization samples**

The community-based organization samples were drawn from the Songino Khaikhan district of UB, where Equal Step was set to begin collaboration with a local NGO, the Mongolian Women Farmers Association.

**Table 5 - Community-based sample**

<b>Sample Category</b>	<b>Equal Step</b>	<b>Number of FGDs</b>	<b>Number of Girls</b>
Comparison group	Mongolian Women Farmers Association/Khoroo 25	6	34
Girls who have a savings account		2 individual interviews	2

Equal Step organized 6 focus groups in collaboration with local government leaders. The focus groups were composed of girls whose mothers were members of the NGO, and those invited by government leaders. There was no distinction made between the two samples within focus groups. No distinction was made between girls who were interested in and would have access to financial education and those who would not. Therefore, the sample is composed of girls with no previous financial education training or exposure to program marketing, who may or may not opt to take financial education training in the future, should it become available.

In order to replicate the sample in Bayanzurkh, the Research Team also sampled girls in Songino Khaikhan who had opened Temuulel accounts since October 2009. The girls with savings accounts were selected from lists of girls from XacBank’s Songino Khaikhan Branch. They were selected based on attendance at a Level 1 school. Slow response on the part of staff at the Songino Khaikhan Branch and school officials in organizing the focus group discussions led the team to invite two girls to individual interviews using the focus group discussion guide. This afforded the opportunity to also conduct individual interviews with their parents simultaneously by other Research Team members.

### **Parents of girls**

Parents were asked on the consent form for focus group participation if they would agree to individual interviews. Others consented to interviews when they accompanied their daughters to focus group discussions. Eleven parents were eventually interviewed, including five from Bayanzurkh and six from Songino Khaikhan, as shown in Table 6.

**Table 6 – Sampling of parents**

<b>Sample</b>	<b>Number of parents</b>
Bayanzurkh FE	2
Bayanzurkh saver	1
Bayanzurkh comparison	2
Songino Khairkhan comparison	4
Songino Khairkhan Saver	2

## **Research Team**

The research team was led by Liz McGuinness, Consumer Research Director at Microfinance Opportunities. She was assisted in the design by Senior Advisor Jennefer Sebstad, and in the implementation by Research Officer Craig Tower. In UB, three local researchers were selected based on their experience and past work with children to conduct focus groups and interviews with the girls. The moderator, Erdenechimeg Chimiddorj, is a linguist who has worked for over twenty years in various positions including camp leader at the Nairamdal International Children's Center. The assistant moderator, Tsetseglen Magsarjav, is a social scientist who taught in a secondary school in UB for ten years. The interpreter, Undraa Nergui, is a young economist with excellent English skills who was also selected because her proximity in age to the girls was thought to reduce the sense of age difference between the focus groups sample and the research team.

## **Limitations of the study**

The first and major limitation of this study stems from the potential lack of correlation between the baseline and endline samples due to instability of the financial education program at the time of the research. This is particularly true for the community-based program administered by Equal Step. The community-based organization sample was to be drawn from girls scheduled to participate in Equal Step financial education training in the Bayanzurkh district, where the Equal Step Center implemented Cycle 1 trainings. Drawing a sample of girls from the same district would also have ensured geographic uniformity across school-based and community organization samples.

However, the Research Team learned in Mongolia that Equal Step had ceased their program in Bayanzurkh district due to low numbers of working girls who were originally their target population, and had plans to conduct Second Cycle trainings in Songino Khairkhan and Nalaikh districts. XacBank stated to the Research Team that they were unwilling to support Equal Step trainings in Nalaikh district. Therefore, the Equal Step sample was drawn from the Songino Khairkhan district, though Equal Step and XacBank had not yet definitively decided on the program area for the Second Cycle of financial education implementation.

The sample was therefore drawn from a population which may not be offered financial education before the endline research. If Equal Step does implement the program in Songino Khairkhan as the director predicted, the baseline sample may still prove to be the basis of valid comparison to the endline sample.

A second, related limitation alluded to in the sampling discussion was the lack of distinction between samples in the Songino Khairkhan focus groups. The sampling plan called for Equal Step to organize six focus groups. They were to organize 3 focus groups with girls who would receive financial education in collaboration with their partner, the Mongolian Women Farmers Association, and 3 focus groups with girls who no intervention, recruited by local government leaders in Khoroo 25 based on their age and low household income. The girls recruited via both channels were commingled, and therefore no distinction can be made between focus groups of girls who will take financial education and comparison focus groups. One girl in the Songino Khairkhan Comparison sample had already opened a Temuulel account, and her knowledge slightly skewed the results for questions probing girls' experience of using banks. This is duly noted in that section of the findings. However, her responses did not alter the focus group results for other questions, including knowledge of XacBank and general bank services.

A third limitation is the relatively low number of girls and focus groups in the savings sample. These girls were identified with the assistance of XacBank's branch staff, which had their contact information on file. However, informed consent procedures required the Research Team to contact girls' parents for permission prior to contacting the participating girls. This was a time-consuming procedure for both the school-based and community-based samples. Schools were asked to send forms home with girls after school, which they would then return the next day. The Equal Step Center worked with the local political leaders of Khoroo 25, who called parents directly to explain the research and distributed the forms to them, which girls brought to focus groups. Parents contacted directly by XacBank or the Research Team were more reluctant to participate because their presence was required at the time of focus group discussions in order to sign consent forms. These focus groups were also more inconvenient, as the discussions had to be held at bank branches at times outside the regular school and work day.

A fourth limitation was the response level of parents of participating girls to the request for individual interviews. The consent forms which they signed asked whether they would agree to be interviewed, but fewer parents than anticipated chose to participate, even when the permitted their daughters to do so. This may be related to the frigid weather conditions at the time of the research, which were unusually cold for January.

Finally, several 13 year old girls came to participate in focus groups; they were asked to leave unless they would be 14 by the end of March, based on their eligibility to open Temuulel account by the time financial education training was scheduled to begin in early March.

## 3. FINDINGS

### 3.1. SAMPLE PROFILE AND UNIVERSAL INDICATORS

#### Sample Profile

Because sampling was conducted in two different districts, data on the sample profile and universal indicators are presented here to illustrate differences between the populations. Pertinent profile data address housing conditions, female-headed households, parents' or guardians' educational attainment and girls' cell phone ownership. While girls were not expected to know their family income and were therefore not asked to report that figure, these data suggest that overall, girls in Bayanzurkh came from more comfortable families than those in Songino Khaikhan.

**Table 7 - Profile and universal indicator data of sample, by district**

Profile data	Bayanzurkh	Songino Khaikhan
Ger households	43%	58%
House in <i>hasha</i>	47%	42%
Apartment households	9%	0%
Female-headed households	11%	42%
Universal indicators	Bayanzurkh	Songino Khaikhan
Marital status – single	100%	100%
Pregnancy incidence	0%	0%
Average age	15.2	15.1
Age started grade 1	7.3	7.3
No. of school years	8.5	8.2
Current grade	9.2	8.7
Contribute to family expenses	42%	33%

*Ger* households tend to be poorer than others, and more were found among the Songino Khaikhan sample, 58%. Forty-seven percent of Bayanzurkh girls lived in houses in a *hasha*, or a small plot of land, compared to 42% of Songino Khaikhan girls. This is considered to be an improvement over *ger* dwelling. Moreover, no Songino Khaikhan girls lived in apartments, which are attractive because they offer access to running water and central heat. More Bayanzurkh girls, 9%, were apartment-dwellers.

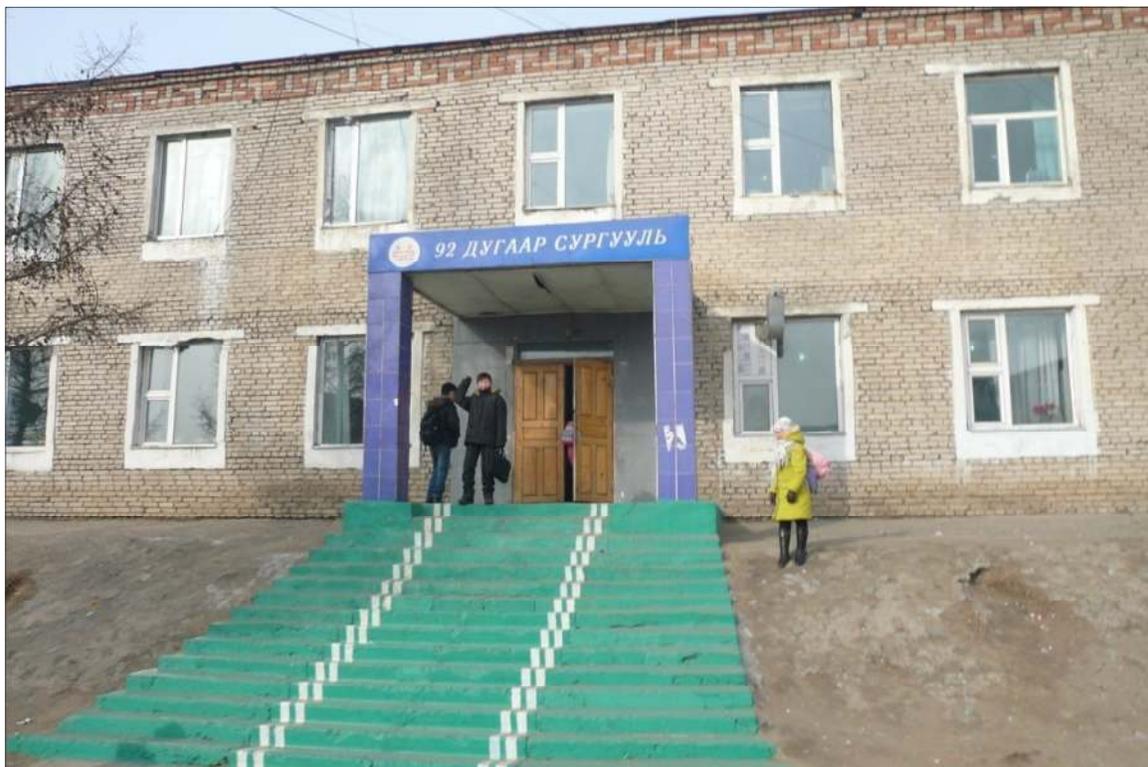
The socio-demographic data also revealed that many more Songino Khairkhan girls were from female-headed households: 42%, compared to 11% in Bayanzurkh. These households tend to be single-parent households, with fewer economic resources, which can place a greater burden on girls to share in housework and enter the workforce.

The socio-demographic questionnaire also gathered information on the educational attainment of all household members including the head of household and, in the case of married heads, of the spouse as well. Again, by this measure, girls in Bayanzurkh appear to be generally better off, as 97% of their parents have at least some secondary education, compared to 85% of Songino Khairkhan girls. This is especially significant in Mongolia, with its high literacy rate. Even though girls tend to receive more education than boys overall, girls from less-educated households will tend to receive less education themselves.

Finally, it was found that 42% of girls in Songino Khairkhan had cell phones, compared to 85% of girls in Bayanzurkh. Cell phones are extremely popular, but they remain a discretionary expenditure and tend to indicate the level of consumption of a girl's household.

Overall, the demographic data suggests that the girls from Songino Khairkhan came from more disadvantaged households. These girls registered larger percentages living in *ger* homes and female-headed households, as well as lower percentages coming from homes where the parents or guardian had attained post-secondary educations.

**Most girls in the Bayanzurkh Comparison Sample attended this school.**



**Figure 7 - Exterior of School No. 92.**

Data on the population of the schools the girls attend point to further differences within the samples. The Bayanzurkh Financial Education sample was drawn mainly from School No. 68, while the Bayanzurkh comparison group was drawn mainly from School No.92. The Songino Khaikhan Comparison sample was drawn mainly from students at School No. 104. School No. 68's students are 56% female, 93% live in *ger* districts and 24% are classed by their school as very poor<sup>4</sup>. School No. 92 draws 90% of its students from *ger* districts, and 60% of the total student population come from very poor households. School No. 104's students are 54% female and 20% are very poor; most are also reported to come from *ger* districts but the school could not provide an accurate percentage. In other words, within the Bayanzurkh sample, the girls who will take financial education go to a school whose students have a relatively higher socioeconomic standing than those in the Bayanzurkh Comparison sample, who go to School No. 92. At the same time, most of the girls in the Songino Khaikhan group attend a school, No. 104, whose student body is comparable in socioeconomic standing to the Bayanzurkh savers. In fact, in interviews XacBank staff indicated that they selected schools where they expected financial education to have a better chance of succeeding.

### Universal indicators

The universal indicators for the girls in this study reflect the generally positive position of women and girls in Mongolia compared to other countries with similar HDI ratings. As the background information showed, Mongolian girls are at an educational advantage relative to boys. Moreover, girls in Mongolia are not pressured to marry and have children before the completion of secondary school, permitting a high percentage to advance to vocational training schools or universities. However, the indicator for children's household education confirms the differences between samples revealed in the profile data.

The girls in the study were remarkable in the uniformity of their reports of marital status, pregnancy, and childbirth: none said they had ever been married, pregnant, or had a child. Therefore there is no data to report on their age at first marriage or first pregnancy, as none of the girls has yet experienced these life events.

The girls showed some differences in age, years of school, and current grade across samples. Again, the data suggest that girls in the Songino Khaikhan sample face greater challenges than do the girls from Bayanzurkh.

The Songino Khaikhan girls were, on average, 15.1 years old compared to 15.2 for the girls from Bayanzurkh. The average girl started Grade 1 at 7.3 years old, with no significant difference between districts. However, Bayanzurkh girls had spent an average of 8.5 years in school, compared to 8.2 years for the girls from Songino Khaikhan. Significantly, although the average age at which the girls started Grade 1 was uniform, girls in Bayanzurkh had gone farther or proceeded more quickly in school – to just past ninth grade – compared to girls in Songino Khaikhan, who on average had not yet completed eighth grade. It is possible that the Songino Khaikhan sample contains a higher proportion of migrant girls, who tend to not to advance as quickly as girls who stay in the same area.

---

<sup>4</sup> The schools did not offer the criteria by which families were categorized poor or very poor.

More differentiation can be seen in the percentage of girls who contribute to their families. Bayanzurkh girls reported contributing to family expenses at a rate of 42%, while 33% of Songino Khairkhan girls said that they contributed to their families financially. Most of these girls were contributing to daily expenses. The numbers of girls overall who contributed to family development (education, health and medical, household investments, or business investments) was extremely low, with one girl from the Bayanzurkh Savers group saying she contributed to educational expenses and one each from the Bayanzurkh and Songino Khairkhan samples saying they contribute to health and medical expenses, as discussed in the behaviors section below. In principle, girls in lower income households might be under more pressure to contribute to the family. In Mongolia, however, girls are expected to advance as far as possible in school, and even in low income households it is considered shameful for them to enter the workforce. Because most girls receive some type of small allowance from their families, and because what they receive from their parents will tend to be proportional to the family's overall income, it can be surmised that Songino Khairkhan girls are receiving less money in the first place and consuming more of it for personal expenses, leaving very little to return to the family when needed.

Based on the universal indicators for marriage, pregnancy, childbirth, and education, girls in the sample are in a relatively positive developmental environment compared to girls in countries with a similar HDI score. However, the differences between girls in the sampled districts show that even when the general environment is favorable, differences in context can affect an individual girl's opportunity to develop.

### **3.2. IMPACTS ON GIRLS**

The effects of the project on girls will be measured using baseline and endline assessments of girls' knowledge, skills, attitudes, and behaviors. The long-term goal is to change girls' financial behaviors, but based on the model of behavior change underlying the project, girls must first acquire an appropriate set of knowledge and skills, and develop positive attitudes about the desired financial behaviors. Actual behavior change is a long-term process, therefore evidence of socially and economically empowered behavior may be only minimally apparent in participants by the end of the project. However, if positive knowledge, skill, and attitude outcomes result, then participants will be more inclined to social and economic empowerment than the general population.

#### **Knowledge**

In order to understand how knowledgeable girls are about financial services, they were asked what they know about banks, including their products and services. Based on market research and pilot reports, it was hypothesized that the girl participants would not be very well informed about financial services. After completing the program, the desired outcome would be an increase in girls' knowledge on all these topics, which would help equip them with the information they would need to open a formal savings account.

Knowledge indicators:

- % of girls who know where the nearest bank is and have visited it;
- % of girls who know how to access banking services;
- % of girls who know which types of formal savings services are available.

Girls were asked to identify the nearest bank. The girls in five out of thirteen focus groups were able to do so, including one of the Bayanzurkh Financial Education samples, two of the Songino Khairkhan Comparison samples, and both of the saver samples. In all cases, the nearest bank named was either XacBank or Khaan Bank. XacBank and Khaan were mentioned much more frequently than any other banks whether girls were discussing proximity to a bank or their familiarity with bank products and services.

Girls were also asked to discuss what experiences they had in going to banks, to gauge their actual exposure and further probe their knowledge. The depth of knowledge of banks displayed by the girls was generally low, but varied according to the sample and location. Most knowledgeable were the savers and the future financial education groups from Bayanzurkh, who were able to name banks and transactions that they or their parents had made. The comparison groups from Songino Khairkhan and Bayanzurkh as a whole showed much less knowledge of bank names and services. Three comparison groups out of six from Songino Khairkhan and two out of three groups from the Bayanzurkh Comparison samples showed virtually no knowledge of banks. Their comments were often vaguely positive reviews of bank interiors. For example, one girl offered that:

*Banks seem very clean and comfortable. People working at the bank are polite, and they interact with customers nicely. (FGD 13)*

While this assessment is positive, the generality of her response suggests that the girl did not have much actual knowledge of banks. Probes by the moderator in such situations did not tend to uncover deeper knowledge, though certain exceptional girls did show further understanding of banks and their services. One comparison group from Songino Khairkhan (FGD 7) demonstrated significantly more knowledge than the others, however, as previously noted, it included a girl who had already opened a Temuulel account.

The bank services most mentioned by girls across samples when talking about their general bank experiences were ATM withdrawals, accessing savings, transferring money, withdrawing Children's Money, making change for large bills, and paying utility bills.

As a follow-up question, girls were directly asked what their experiences were of going into banks alone. Four focus groups agreed in majority to having no experience going alone to a bank; one group was in the Bayanzurkh Financial Education sample, while three were in the Songino Khairkhan Comparison sample. Interestingly, the uses of banks mentioned by girls when they went by themselves were different than those mentioned when girls discussed visits made with parents, guardians, or siblings. When using banks by themselves, girls were much more likely to be making savings and bill payments, or transferring money and fewer reported using ATMS.

The Child Money Program CMP was launched by the Mongolian government in January 2005 as a targeted conditional cash transfer program. When the program began, it provided a cash allowance of 3,000 MNT (US \$2.07) per child under the age of 18 to all families with three or more children with updated vaccinations living under the Minimum Subsistence Level as defined by the National Statistical Office of Mongolia. Originally benefits were paid through the Khaan Bank.

In July 2006, the CMP was expanded to offer the benefit to all children living with their families and, for school-aged children, attending school or non-formal education. Also, payments were no longer paid solely through the Khaan Bank, but were deposited in savings accounts in the child's name at one of five banks. In 2007, after the influx of windfall revenue to the government from mineral concessions, a quarterly payment of 25,000 MNT (US \$17.24) was introduced for all children under the age of 18, in addition to the monthly payments.

Girls in the study referred frequently to the Child Money Program, and some mentioned going to the bank with their parents to withdraw the benefit. However, because the funds were deposited into accounts in their parents' name, girls had little control over the money.

XacBank is not involved in the distribution of Child Money. However, bank staff members speculated that some parents withdraw the benefit from their distribution accounts at other banks and deposit it in XacBank account. (UNICEF, 2007)

The baseline research therefore showed that girls' overall knowledge of banks was limited. Girls from slightly higher socioeconomic levels, such as those from the Bayanzurkh Financial Education sample and those in the Savings samples, tended to have more knowledge of banks. Also, the Songino Khairkhan Comparison sample showed less knowledge than others, which probably is a reflection of their lower socioeconomic standing. Negative experiences when visiting banks alone had a greater impact on girls than visits to banks with adults, as discussed below. It is expected that the financial education program, which incorporates a visit to a XacBank branch, will expose participating girls to banks and result in an increased level of knowledge as well as comfort.

## Skills

Most of the data on skills will be gathered through pre- and post-tests, administered only to financial education groups by their trainers. However, information was gathered from girl focus group participants regarding their power to manage money, which also offered them the opportunity to reveal their financial acumen. It is projected that the program will increase girls' decision-making power and therefore their financial empowerment. This is especially important for Mongolian girls, since women are usually in control of the household budget. When they are adults, girls who have acquired good money management skills will be better equipped to ensure the development of their families.

Skills indicator:

- Girls are increasingly able to make decisions over economic assets.

In order to gauge their current ability to control their money, girls were asked Who decided how their savings were spent. Generally, the girls involved in this study claimed to have autonomy over their savings. In nine of the fourteen focus groups, girls generally agreed that they made individual decisions about how to spend their savings; the groups were spread throughout the sample, with the highest concentration in the Bayanzurkh Financial Education sample. Four girls, two from the Bayanzurkh Financial Education sample and two from the Songino Khaikhan Comparison sample, indicated that their parents had sole control of their savings, though this was uncommon.

It seems, though, that the amount of control that girls have depends on the size of the sum of money in question. It was very common for girls to say that they had control over small sums of money, and that they consulted with parents when they wanted to spend large sums. The size of a large sum varied from 3,000 – 20,000 MNT (\$2.07-\$13.80), but the average amount mentioned by the girls was 8,285 MNT (\$5.70).

Girls were also asked if they ever gave part of their savings to either a parent or a guardian, in order to further probe whether they actually had control of their money. The answer to this question would be especially revealing for working girls. Not many girls reported giving their savings to parents or guardians - only seven in the entire study said they did so, and overwhelmingly to their mothers. The girls who gave savings to parents were split nearly evenly between the Bayanzurkh Financial Education group and the Songino Khaikhan Comparison group. Interestingly, two girls in the Bayanzurkh Financial Education sample said that when they gave savings to their mothers, they would not only receive the money back, but their mothers would pay them interest. This suggests that a minority of girls have gained financial skills through their families.

Many more girls reported giving money to siblings, especially younger ones. This was particularly true of the Bayanzurkh Comparison sample, where nearly half the girls per focus group said they did this. Some girls mentioned buying sweets for infant siblings:

*My younger brother is only 2 years old and sometimes he asks me to buy candy. If I have money I buy him what he wants. This usually costs from 200-1,000 MNT (\$0.13-\$0.68). (FGD 10)*

It is likely that in many cases, siblings help each other on an ad hoc basis when one is short of cash for necessities. These situations suggest that there may be personal pressures on girls that make it difficult to set money aside.

Girls were asked to describe their comfort level in discussing financial matters with their mothers, and then asked the same question about their fathers. This was intended to elicit attitudes about money management within girls' families, but in the focus groups girls mainly discussed the quality of their financial relationships with their mothers and fathers. This offers an indication of the ways that girls do or do not acquire money management skills from parents.

The data were coded inductively to derive categories of relationships described by the girls. Four general types of mother-daughter financial relationship types emerged from their responses, in increasing order of involvement for girls: control, asking, advising and consulting, and planning support.

### **Parental control:**

A significant minority of girls said that their mothers controlled the girls' finances with very little input from the girl. This was especially true of the Songino Khaikhan Comparison group, where between one and two girls per group said that their mothers controlled their finances. The Bayanzurkh Comparison group also had more than one girl per group with a mother who controlled her finances, but the Bayanzurkh Financial Education group had less than one girl per group with such a relationship. These girls might be given money, but they did not seem to be discussing how they should spend it with their mothers. In some cases, girls knew that their mothers were saving for them, but were ignorant of the ways their mothers saved or even how much they had saved:

*I have a savings account which my mom opened for me when I was little. We don't talk much about my savings. Mom just says it is for my future education. I only see the saving book. (FGD 8)*

One of the Bayanzurkh Financial Education girls recounted a similar story, stating that she didn't even know how much her mother had saved for her.

### **Asking:**

Nearly three girls per group in the Songino Khaikhan Comparison and Bayanzurkh Comparison samples said that financial discussions with their mothers consisted mainly of requests for money. The types of expenses varied, but their discussions are need-based and do not generally assist the girl in planning her finances. By contrast, less than one girl per group in the Bayanzurkh Financial Education group said that her relationship revolved mainly around requests for money. These girls didn't really discuss finances in a way that would permit girls to learn about managing their money.

### **Advising:**

Another significant minority of girls mentioned that their mothers advised, monitored, or consulted with them about financial matters. These girls were distributed in the Bayanzurkh and Songino Khaikhan Comparison samples, with less than one per group in the comparison groups describing their financial relationship in this way. In these cases, mothers and daughters were engaging in dialogue about girls' money needs:

*I am careless with money, meaning I am a wasteful person when I spend my money for buying candy. Mom advises me to save my money as much as I can. (FGD 1)*

This suggests that these girls both had a higher degree of autonomy to decide how they used their money, and through some level of dialogue, received at least minimal guidance from their

mothers in the process. However, it does not necessarily lead to empowerment, as the quote above shows.

### **Planning support:**

Another third of the girls' mothers either showed support for girls' saving initiatives, or more actively helped the girls plan how they were going to manage their finances beyond their immediate needs. Over five girls per group in the Bayanzurkh Financial Education group said this characterized them, while just nearly two and a half per group in the Songino Khaikhan and just over one per group in the comparison group said the same. An example of this relationship came from the Bayanzurkh Financial Education sample:

*Mom gives me daily pocket money. Then I write down how I spend the money and calculate my expenditures in a month. My mom always asks me: "How much are you spending?" My needs are increasing. I spend a lot for transportation. But I try to save as much as I can. (FGD 2)*

These girls did not just receive advice from their mothers, but were actively encouraged in their planning initiatives by their mothers.

There were important differences between the financial relationships that girls had with their fathers and those they had with their mothers. Significantly, the financial relationships that girls reported sharing with their fathers were strikingly similar across samples.

Most importantly, girls' requests for money from their fathers often were made when either their mothers had rebuffed them, or when they wanted money for entertainment or other purposes outside of their allowance or daily spending money, which mothers generally provided. A typical comment was that

*When I talk about money with my dad, he agrees with everything. That's why there is no problem between us. If sometimes Mom doesn't agree to pay for something, I can ask my dad. For example: If I want to go out and see a movie with my friends and my mom won't let me, in this case I'll ask my dad. Then he allows me to go, and he gives me money. It happens during summer time a lot. (FGD 14)*

Most girls have more free time during the summer, so it is understandable that she would ask her father for money for leisure activities then. Also, girls across samples reported receiving less support from their fathers for savings or financial planning activities. This suggests that with mothers controlling the family budget, girls appeal to their fathers for additional discretionary spending.

These results of the "skills" questioning suggest that girls are given enough financial autonomy to develop basic money management skills. However, girls' money management skills are developed inconsistently, and depend on her family background and the nature of her relationships. While mothers often control their family budgets, they do not necessarily transfer their skills to their daughters. Girls will also need to have control over larger sums of money in order to develop a more complex understanding of money management and savings. Overall,

economically empowered girls would be expected to have acquired better money management skills than the girls in the baseline study.

## Attitudes

To gauge girls' attitudes about money management and savings, they were asked their opinion of the importance of saving, and about their comfort level in discussing financial matters with parents or guardians. Also, they were asked about their experience with banks, and their comfort level in banks and in interactions with bank staff members. Having a positive attitude towards savings and banks should motivate girls to use acquired knowledge and skills to change their behavior.

### Attitude indicators:

- % of girls who understand the importance of saving;
- % of girls who are comfortable asking bank staff about their products or services;
- Girls are increasingly comfortable discussing financial matters with a parent or guardian.

When asked about their attitudes regarding the importance of savings, girls generally agreed that savings were important in over half the focus groups overall and across samples. Girls sometimes addressed what they thought savings should be used for, but their individual comments often showed them to be unclear about the purpose of their own savings. Some girls felt that savings were important for their personal expenses, suggesting that they may think of savings as the collection of small amounts of money from one day to the next rather than the accumulation of a lump sum. Other girls felt that savings should be used for university tuition and expenses, though none of the Bayanzurkh Comparison sample mentioned this use. Interestingly, a minority of girls suggested that savings were important not only for future transactions, but as a sign of identity:

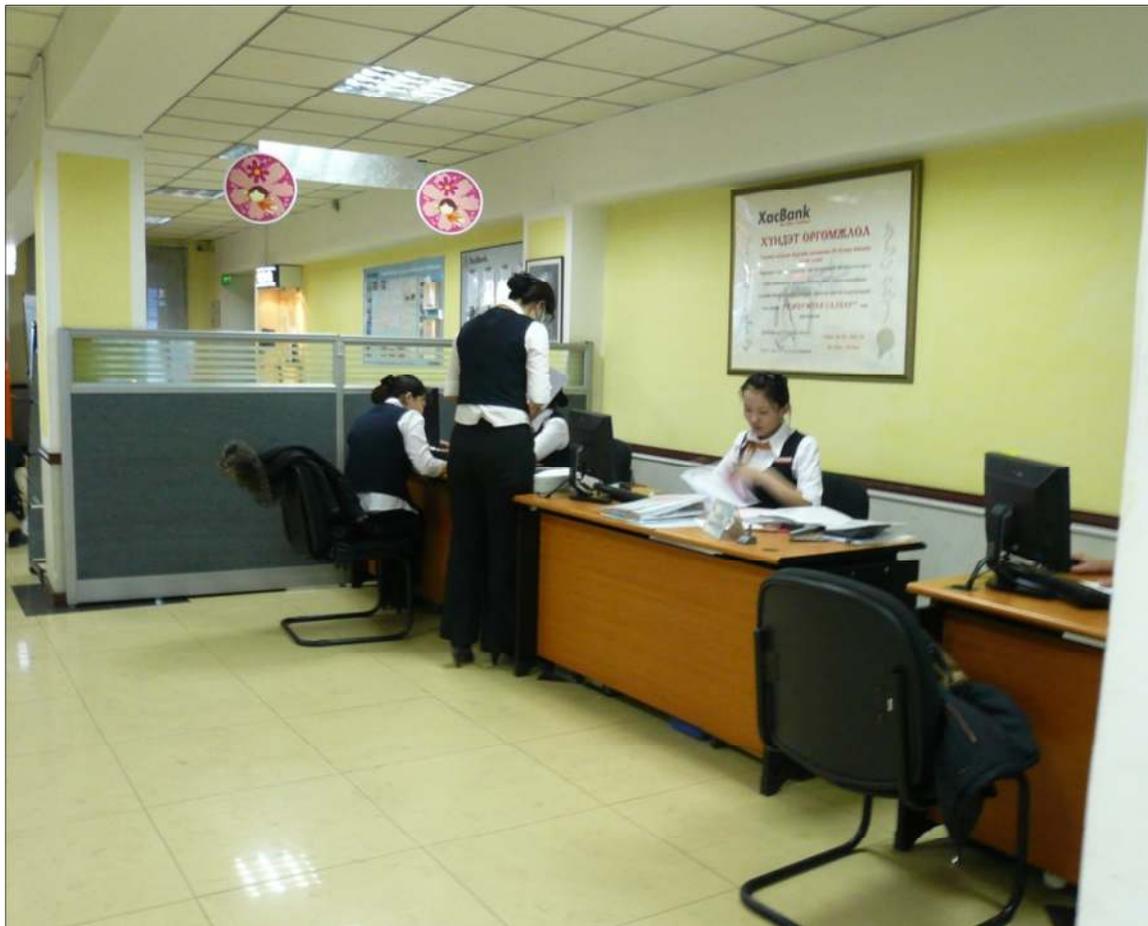
*If I save money I become more mature and organized. (FGD 2)*

The sense of maturity that girls feel from saving money may actually be intensified when saving in a bank. As mentioned above, until the rollout of Temuulel, accessing bank services were not targeted at those under 16. Owning a savings account in one's name therefore seems to indicate adult status.

Questioning about girls' relationships to their parents, mentioned in the skills section, drew out some information about the feelings that girls had during financial discussions with them. A small number of girls in the Bayanzurkh Financial Education and Songino Khairkhan Comparison samples felt that discussing money with their mothers was guilt-inducing. Several girls in the same samples said that their mothers scolded them about their spending habits. In contrast, none of the girls associated any guilt feelings with her financial discussions with their fathers. This is in line with the finding in the skills section that fathers tend to be an easier and more generous source of money for social events and entertainment.

Girls' attitudes towards banks were assessed by asking about their experiences in going to banks generally, and then they were asked about their experiences in going to banks alone. If girls are to successfully use banks, they will need first to feel comfortable in that environment. When asked about going to banks generally, girls tended to talk in vaguely positive terms, often praising banks' physical space. Most of the trips girls discussed in response to this question were made with family members, and most trips were also made to a branch of Khaan Bank. However, when describing these trips, they were noncommittal.

**Girls commented positively about bank interiors, even though many were uncomfortable approaching bank staff with questions.**



**Figure 8 - Interior of XacBank's Songino Khairkhan Branch.**

When asked about experiences where they went alone to banks, twenty-eight girls reported having gone done so. Nearly a third of the girls who had gone alone were from saver samples. Otherwise, more girls in the Songino Khairkhan and Bayanzurkh Comparison group had gone than the Bayanzurkh Financial Education group. When they talked about going alone to banks, girls overwhelmingly discussed Khaan bank, where they would have gone on an errand for a parent or guardian, and they also were much more likely to cite negative experiences. In fact two girls were very negative about Khaan and one was very negative about an experience at an unnamed bank. An example was offered by a girl from the Bayanzurkh Comparison sample:

*The bank service I received was not satisfactory because the service was slow. If I asked questions or filled in the forms wrong, the officers got mad or passed it to another one. The service made me really uncomfortable. (FGD 12)*

When girls did receive good service, and accomplished the tasks they set out to do, they felt "proud" of themselves and "grateful" to the staff. An example came from the Songino Khairkhan Comparison group:

*I transferred money to the bank myself once to pay for my identification card, which is 20,000 MNT (US \$13.80)<sup>5</sup>. I was proud of myself at that time. (FGD 6)*

The vivid descriptions of the individual experiences that girls had at banks contrasts with the bland descriptions they offered in discussing those trips made with adults. Because girls are unfamiliar with banks, their sensitivity to the treatment they receive seems to be heightened, creating a lasting impression that will affect their attitudes. On the other hand, a successful bank interaction is viewed as more than an economic accomplishment; girls feel a sense of social empowerment by doing something that signals maturity. The general discomfort that girls feel in transacting individually in banks represents an attitude that the project seeks to alter in order to empower girls and enable positive behavior change.

## Behaviors

Behavioral data were elicited both through the socio-demographic questionnaire and in focus group discussions, and covered both savings activities and spending activities. The data offers a snapshot of how girls earn and spend money, how and where they save it, and what they contribute to family development. The project seeks to empower more girls to save their money, making some of that money available for their own or their families' development. While it is projected that girls with savings accounts and/ or those who have taken financial education will ultimately save and contribute more, but these are long-term effects that may not be measurable by the time of the endline study.

Behavior indicators:

- % of girls who follow their savings plan and have experience or practice saving regularly;
- Girls increasingly invest in their own or families' development through educational support for themselves or younger siblings.

## Accessing and spending money

In focus groups, girls revealed that most had access to small sums of money on a regular basis for their daily expenses, but that they only had access to larger sums irregularly. According to the girls, a small sum might be from 500 to 1500 MNT (US \$0.34-\$1.03), and a large sum would be from 2,000 to 10,000 MNT (US \$ 1.38 - \$6.90). Girls said that they were largely dependent on their parents and families for money, often in the form of an allowance for daily expenses such

---

<sup>5</sup> When a child reaches the age of 16, she is eligible to receive a citizenship identification card, which is called a "passport" in Mongolian, for a fee of 20,000 MNT.

as bus fare and snacks. Many girls also received gifts around holidays, either from their parents or visiting relatives.

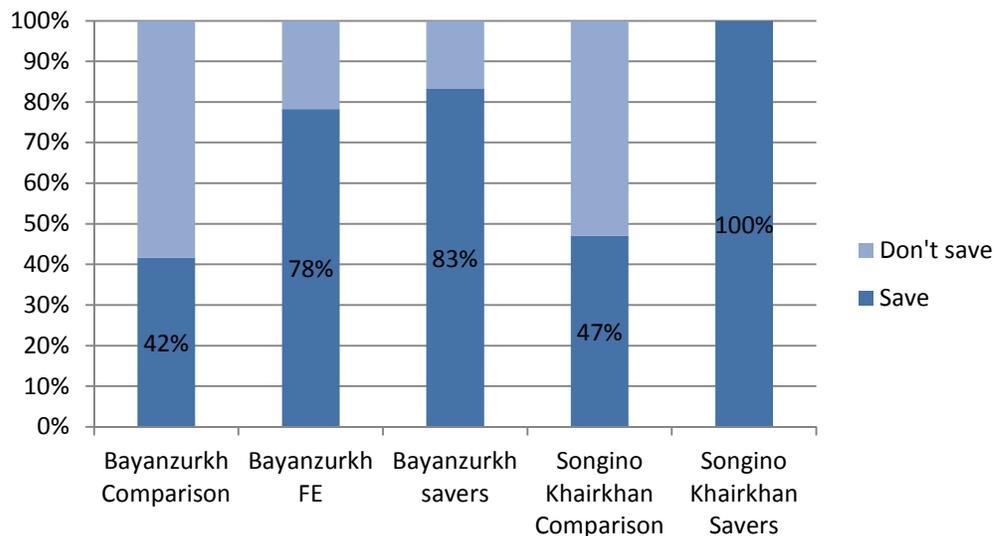
None of the girls was working full time for a wage at the time of the focus group discussions. In fact, in individual interviews, parents were strongly opposed to the idea of girls working instead of attending school. The only girl who was working at the time of the research did so for her mother, with no wage. Many more girls engage in summer work – 25% each of the Bayanzurkh and Songino Khairkhan Comparison samples, and 10% of the Bayanzurkh Financial Education sample. Girls who worked in the summer earned an average of 17,000 MNT (US \$11.75) per week<sup>6</sup>. During the school year, however, girls do not receive these wages and apparently are not encouraged to earn money by their parents.

When asked what they needed money for, girls mostly mentioned birthdays and gifts; outings with friends; makeup and accessories; clothes; cell phones, cell minutes, and internet fees; and snacks. In half of all the focus groups, girls felt they required money for educational needs, including books, bus fares to school, and school fees. None of the girls mentioned needing money for savings, although they may have interpreted the question as pertaining solely to expenses.

### Saving money

Analysis of the socio-demographic data revealed that the proportion of girls who save was much greater in the Bayanzurkh Financial Education, Bayanzurkh Savers, and Songino Khairkhan Savers groups, at 78%, 83%, and 100% respectively<sup>7</sup>. Less than half the girls in the Bayanzurkh Comparison and the Songino Khairkhan Comparison samples reported saving at all.

**Table 8 - Percentage of girl savers**



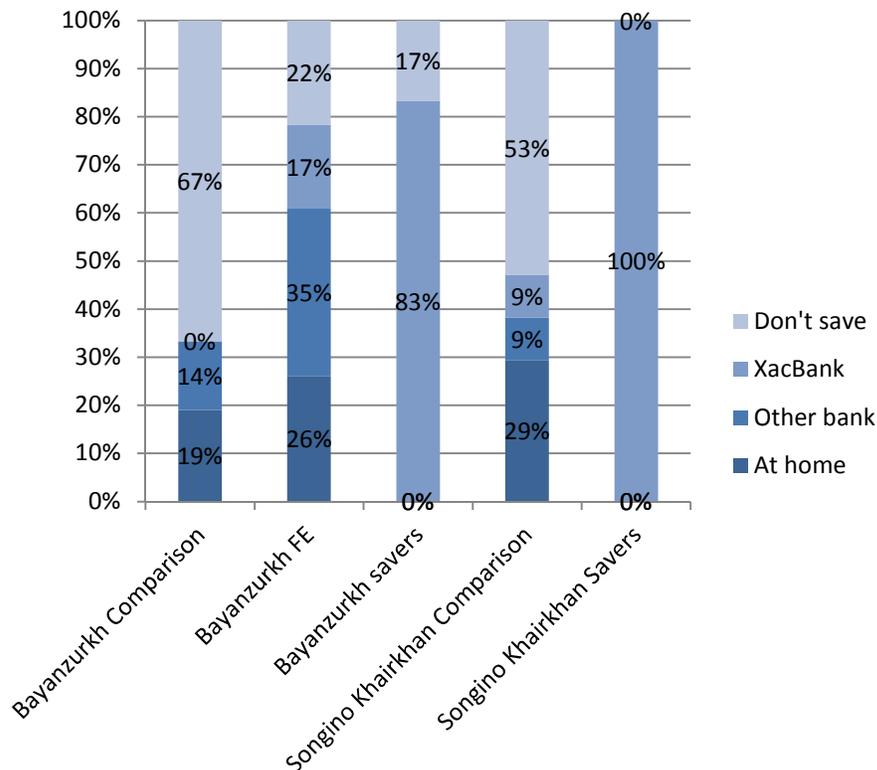
<sup>6</sup> One girl worked as a tour guide and translator at a reported wage of 210,000 MNT (US \$144.80) per week, which was excluded from this figure. With her salary included, the average weekly wage increases to 30,000 MNT (US \$20.70).

<sup>7</sup> The Bayanzurkh savers were selected based on XacBank's Temuulel enrollment data, and 100% should have reported having a savings account. However, one of the Bayanzurkh savers reported on the socio-demographic survey that she did not have one, for reasons that are unclear.

The samples also showed distinct differences in terms of where they saved. The highest percentages of bank savers were found in the Bayanzurkh Financial Education and Bayanzurkh Savers samples. Besides the Bayanzurkh Savers, the sample with the highest percentage of XacBank account holders was Bayanzurkh Financial Education at 17%, though 35% of girls in the Bayanzurkh Financial Education sample also reported that they had accounts at banks other than XacBank. Still, Bayanzurkh Financial Education girls also saved a great deal at home - 26% reported this as their main savings location, compared to 29% for the Songino Khairkhan Comparison group and 19% of the Bayanzurkh Comparison group.

Not surprisingly, focus group data revealed that girls in the two samples which saved less also complained nearly three times as much as girls in the other samples about the difficulty of saving money. It is important to remember that these problems are related not only to their opportunities to accrue money, but also to where and how they save.

**Table 9 - Savings location**



In the focus group discussions, girls mainly addressed two aspects of their savings experiences: the location in which they saved, and the process and outcome of saving.

The vast majority of girls said that if they save money, they were doing so by hiding it at home or keeping it in a purse or wallet. Often, girls described their hiding places in detail because of their impenetrability (taped up boxes) or beauty (animal-shaped piggy banks). Also, because Mongolia circulates only paper currency, many girls described hiding their money in the pages of books:

*During the New Year my brother gave me 10,000 MNT (US\$6.89). I was planning to spend it when I went out with my friends, and saved it in the between pages of the book, but I lost it. I was shocked, but afterwards I knew that mom took it. Then she gave me advice, saying not to do this again, this is not safe place because if you lose your book you will lose your money too<sup>8</sup>. (FGD 1)*

**Many girls use banks like this one to save money at home.**



**Figure 9 - Girl with piggy bank.**

---

<sup>8</sup> This girl mentioned later that she saves money in a bank, so her mother might have been teaching her about the benefits not just of finding a more secure physical space, but to use formal financial services.

Many of these girls related similar problems around kinds of saving. Not all these situations were related to others finding the money, for instance:

*I save 100 MNT to 200 MNT (US \$0.07-\$0.14) of the daily pocket money in my wallet. Saving money requires a lot of patience and personal strength. Even saving a small amount of money on a regular basis is good. (FGD 11)*

This quote illustrates that many girls consider saving to be accumulating relatively small sums of money for use in the near term - to go to movies or out with friends. One of the main problems that girls experienced was spending their money impulsively, often on sweets. In other words, they are not considering the possibility of saving larger sums over the medium- to long-term. For example, one girl mentioned that

*My friends influence me because most of my friends go to the cinema to see movies. That's when I need money. In order to go out with my friends I need to save money. (FGD 13)*

What this suggests is that if a girl thinks of saving on this small scale, it follows that she might not see the value of a savings account, particularly if a girl can access the sum through a parent (usually her father) or another sibling.

Significantly, none of the focus groups agreed that they had or followed savings plans, not even the Bayanzurkh Savers. Two individual girls in the Songino Khaikhan Comparison sample offered examples of writing down savings plans, and one girl in the Bayanzurkh Comparison sample discussed learning about budgeting in her social studies class. Other girls offered instances where they were able to use intermittent savings to accumulate enough money to reach a specific savings goal:

*When I want to buy something, I always set a goal to myself, and I try to follow it. For example: once I needed 11,000 MNT (US \$7.60) to buy a psychology book; so I got 5,000 MNT (US\$ 3.45) from my older brother and my sister contributed 5,000 MNT, my mom gave me 2,000 MNT (\$1.40) including transportation cost. So I bought the book. (FGD 9)*

While this girl achieved her goal, she had not planned a steady accumulation of money, with an estimated point in time when her goal would be accomplished. She knew the fixed sum necessary to make her purchase, and accumulated the money by asking for portions of that sum from various family members.

## An Ideal Saver?

What does an ideal saver look like? One of the Songino Khairkhan savers interviewed for the baseline study serves as an example. Odval (a pseudonym) is a 14 year old eighth grader. She lives in a ger in the Songino Khairkhan district with her parents, her 9 year old brother, and her one year old baby sister. Her mother is a vendor in the market, and Odval works with her 14 hours a week during the summer, earning 5000 MNT (USD \$3.45). Her step-father is a taxi driver who works at nights.

Odval receives a daily allowance of 1000MNT (USD \$ 0.69) from which she must pay her everyday transportation costs of 500 MNT (USD \$ 0.34). With her mother's encouragement, she tried saving her extra money on her own, but concluded that the best way to save was with a bank account:

*I have experience with saving money. I saved money in 3 different ways. First, I saved money in my school bag, but I learned that it is not good way to save because I can spend it easily. I like candies and buy candy if I have money. Next, I saved money in a piggy bank. It wasn't successful because my brother broke in and got my money. Finally I saved money in XacBank, opening my own savings account.*

The trigger that finally drove her to open her own account was a sudden personal need, coupled with her reluctance to ask her parents for assistance:

*Recently I lost my cell phone. I didn't want to bother my parents.*

Her mother, who was also interviewed, explained that Odval wanted a more expensive cell phone than her parents were willing to buy. Having seen a Temuulel ad on television, she attempted to open an account, but first went to Khaan Bank:

*When I had accumulated 20,000 MNT (USD \$13.80), I went to open a savings account at Khaan bank. They told me 'You are not 16 years old.' Then I went home. Khaan Bank officers seem very busy.*

Odval was not deterred by her negative customer service experience at Khaan Bank. However, she encountered difficulty at the first XacBank branch she went to, as explained by her mother, who only learned later that Odval was interested in opening a savings account:

*The original copy of her birth certificate was not available. She only had a copy. When she came to this branch, they told her she needed her original birth certificate. So she went to another branch and the bank officers there opened the account based on her copy of the birth certificate.*

Odval was pleased when she finally managed to open her account:

*XacBank people seem polite. I came alone to the bank and opened savings account. I had many questions to ask, but they helped me politely. I liked that if I have only 3000 MNT (USD \$2.07), XacBank would let me open a savings account. I was surprised and so happy for that! XacBank's service is easy and fast, it doesn't matter if I am young or old or what amount of money I have.*

Odval did not stop learning about savings once she opened one account. Temuulel's flexibility permitted her to open accounts to meet both her short-term and her long-term goals. Her parents reacted positively:

*I opened a demand savings account a month ago. I didn't tell my mom I opened it, but one day she found my savings notebook from my schoolbag, then she was proud of me. The term account I opened a week ago. Opening a savings account at the bank was my idea.*

Odval is also unusual in that she is able to distinguish between her short-term savings goal (a cell phone) and her longer term goal - the costs of attending university. She tries to save 1200 MNT (USD \$0.83) per week in each account.

Odval's overall savings experience also suggests that over time, she develops the proper attitude to save money, and some of the skills, knowledge, and behavior needed. XacBank's Temuulel savings product facilitated her behavior change.

## Contributing to the family

Because girls had irregular and/or small sources of money, and had a very difficult time saving when they tried, it is understandable that they did not tend to invest heavily in their families' development; most girls still depend on them for support.

Girls were also asked if they ever gave part of their savings to either parent or a guardian. Not many girls reported giving their savings to parents or guardians - only seven in the entire study said they did so, and overwhelmingly to their mothers.

Many more girls reported giving money to siblings, especially younger ones. This was particularly true of the Bayanzurkh no intervention sample, where nearly half the girls per focus group said they did this. Some girls mentioned buying sweets for infant siblings:

*My younger brother is only 2 years old and sometimes he asks me to buy candy. If I have money I buy him what he wants. This usually costs from 200-1,000 MNT (US \$0.14-\$0.70). (FGD 9)*

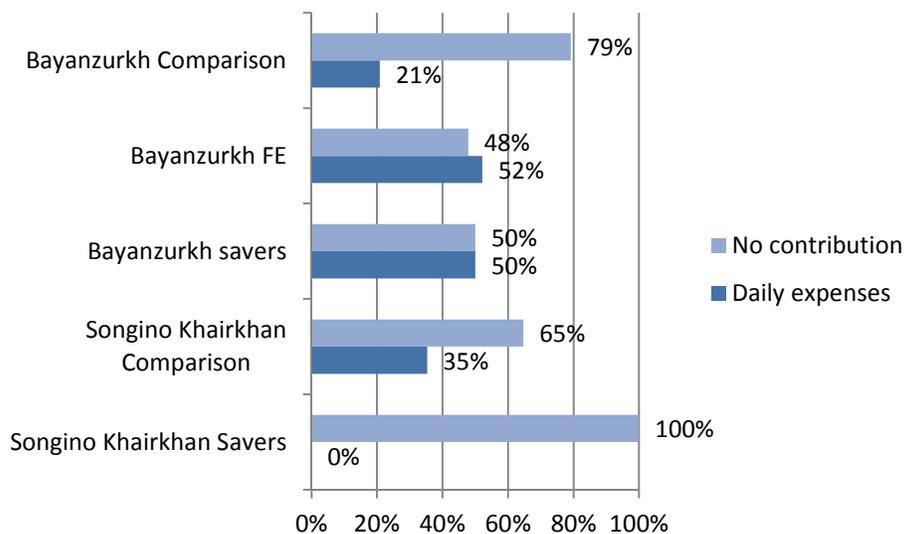
Not many of these exchanges were for development-related expenses, however. One girl mentioned that "Sometimes I give my father cigarette money," but a more typical transaction was described in another focus group:

*Sometimes when my parents don't have money, I give money to my younger sister for her school related expenses and for transportation cost. Usually it's around 2,000-3,000 MNT (US \$1.40-\$2.05). (FGD 12)*

More girls gave money to younger siblings than older ones, particularly in the Songino Khairkhan Comparison sample. However, girls across samples also gave money to older siblings, so it is likely that they engage in extensive but ad hoc reciprocal lending with siblings.

Based on these comments, it should not be surprising that very few girls mentioned contributing to their families' well-being, other than incidental daily expenses. In fact, in the socio-demographic questionnaire, only two girls mentioned contributing money for anything other than daily expenses. The number of girls contributing to daily expenses was highest in the Bayanzurkh Financial Education sample at 52%. The Bayanzurkh Comparison sample had the lowest percentage of contributors at 21%.

**Table 10 - Percentage of girls who contribute to family**



The average weekly contribution per contributing girl shows weekly contributions to be under 5,000MNT (US \$3.45). However, there was one girl in the Bayanzurkh Comparison sample who claimed to contribute 100,000 MNT (US \$69) per week to her family's expenses; she also reported working at a high-paying (210,000 MNT per month) summer job. When her contribution was excluded, the results showed that the Songino Khairkhan girls contribute nearly twice as much on average than girls in the next highest sample, the Bayanzurkh Financial Education sample. The two other Bayanzurkh samples showed average weekly contributions in the range of 2,000 MNT (US \$1.40).

**Table 11 - Average contribution to monthly budget for girls who contribute**

Sample	Average weekly contribution	Weekly contribution, in US\$
Bayanzurkh Comparison	MNT 2,000	\$1.38
Bayanzurkh FE	MNT 3,550	\$2.45
Bayanzurkh savers	MNT 2,250	\$1.55
Songino Khairkhan Comparison	MNT 7,068	\$4.87
<b>Total</b>	<b>MNT 4,512</b>	<b>\$3.11</b>

The household education indicator presents a more differentiated picture of all children in the homes of the girls across samples. These percentages could be affected by the age and gender of the children in the samples - a sample where more girls had older siblings would probably have higher general education levels. The socio-demographic data were filtered to eliminate siblings under 7 to derive percentages of siblings who had engaged in elementary, secondary, vocational, and university education. The homes of Songino Khairkhan girls have the lowest percentage of children (outside the Songino Khairkhan savers sample) with postsecondary schooling. The Bayanzurkh FE and savers show significant numbers of siblings in university than other samples. Savers in Bayanzurkh - a relatively small sample - show large numbers of siblings

whose educational level was unknown to the participating girls, so definitive conclusions should not be drawn from the high number of siblings reported to have university-level enrollment compared to other samples.

## Social empowerment impacts

The Girl Effect model predicts that girls will not only be financially empowered by the financial education program, but that they will be empowered socially as well. Social empowerment refers to the ability of girls to set and achieve goals and to build effective personal networks. While these indicators are separated for the purposes of the study, in practice they are related because girls will need to access resources from their networks in order to attain their goals. The baseline study used both attitude and behavior indicators to set a benchmark for girls' social empowerment. Girls' attitudes will be assessed based on their increasing belief in their own power to set goals and accomplish them. Their behavior will be assessed by asking if they are making new friends when they participate in financial education, and if they are able to plan for their future.

### Social empowerment impacts

#### Attitudes:

- Girls increasingly believe in their own power to set goals and accomplish them ;
- Girls increasingly plan for the future.

#### Behaviors:

- % of girls who have new friends as a result of participating in financial education training.

## Attitudes

In order to assess their belief in their power to set goals and accomplish them, girls in the study were asked to discuss their ability to save money and what they have done to achieve their future goals for themselves. Financial education training should give girls the ability to identify a savings goal and effectively plan to achieve it. The skills needed to plan and achieve savings goals should also be applicable in reaching other goals – for example, determining what individual steps must be accomplished, calculating how long they will take, and deciding what resources will be needed.

When asked about what they were doing to achieve their future goals, girls focused on what they would need to do to pursue further studies. There were no strong differences in thinking between samples. Their thoughts overwhelmingly focused on the importance of studying hard and maintaining their motivation. They also cited money as an issue, but didn't discuss plans to address it. In fact, very few girls mentioned specific strategies for planning for the future. One exceptional girl in the Songino Khaikhan Comparison sample had thought about her planning abilities, and had adjusted her expectations and goals based on her experience:

*I make goals for myself but sometimes I lose my motivation. But lately I have been attending different lectures and I am learning to make more realistic*

*goals. I came to realize that the goals I have been for myself were rather unachievable in such a short time. As time goes by, and as I learn more lessons about life, I have understood that I have to achieve my goals step by step one at a time. (FGD 10)*

This girl identified her motivation as a problem, but also that reaching her big goals in life was a matter of setting a series of smaller goals. Most other girls did not seem to have this understanding. At the endline, more girls would be expected to have this kind of understanding of how to set and reach their goals.

Some of the other important challenges that a few groups mentioned were health and family matters. For example, another girl in the Songino Khairkhan Comparison group was realistic about the potential conflict she would face when she was married:

*I see myself being pressured by my husband to stay at home and take care of my children and ignoring my want to improve myself. That kind of thing may be challenging for me. (FGD 7)*

She is not resigned to losing her autonomy, but she is also not confident that she will have the ability to assert herself and convince her husband to permit her to continue to develop personally and professionally.

If the project has the predicted impact, more girls will understand that goal attainment is an incremental process, and will be able to identify the steps that they need to take. They will also have thought about what resources they have or will need to have to face challenges, and therefore feel confident about overcoming them.

## **Behaviors**

To understand the behaviors that indicate social empowerment, the final assessment will examine if girls make new friends through financial education training and if they are better able to plan for the future. Because none of the girls in the baseline study have taken financial education yet, they were not asked if they have made friends through that training. Instead, they were asked if and how they had made new friends during the past year. Their ability to plan for the future was assessed through their answer to questions about savings and accomplishing future goals.

The financial education classes may prove to have a bigger impact in poor schools where girls do not have as much access to activities outside their classes. Girls tended to make the most friends through their schools and in their neighborhoods. This was especially true of the Bayanzurkh and Songino Khairkhan Comparison groups. The Bayanzurkh FE and savers samples tended to have more diverse activities where they said they met friends. For example, one girl described this experienced:

*When I go to courses I can make new friends. Recently a debate club was formed in my school, and I made a lot of new friends there. (FGD 1)*

In extracurricular activities, girls meet students outside their classes and immediate social circles. However, after school activities are very popular with middle class girls, but they often cost money. Therefore, girls in very poor areas may not have access to these courses.

At the endline, the financial education training course may prove to have less of an impact on the networks of middle class girls. This is not because girls' activities are limited by their parents, but a question of resources. If the project has the desired impact, however, it may be that poor girls gain more social resources than middle class girls. Likewise, because poor girls have less access to money in the first place, they may not find themselves saving as much as middle class girls who have taken financial education.

### 3.3. IMPACTS ON PARENTS

The theory of change predicts that providing financial education and savings accounts to girls will positively affect their families. Two indicators were selected to assess the impact of the girls' involvement in the program on parents.

Parent-level indicators:

- Parents and guardians are increasingly exposed to financial education concepts through their girls;
- Parents and guardians have increased awareness of XacBank's savings products and/or financial education program.

Parents in the baseline study were interviewed to better understand how they relate to their daughters concerning money matters. Of course, because their daughters had not taken financial education, they were not expected to be exposed to financial education concepts through their girls.

Usually, parents and particularly mothers expose their children to financial management ideas and strategies, because there are few other sources for financial education available in Mongolia. This was a point that the girls also made in their focus groups. Many parents found that their budgets were very tight and found girls' requests for money to be stressful. In some cases they avoided discussions of money with their daughters for this reason; in other instances they felt that large expenses should be the sole decision of the parent. The only father in the study, a parent of a saver in Songino Khaikhan, said that

*At the beginning of the school year, I provide everything for her for the year, all her school supplies. Her duty is to study hard. She doesn't have to worry about household issues like food or anything.*

This father perceived money management to be a chore that he was protecting his daughter from, rather than a skill that she should be trained in to prepare her for adulthood.

However, some parents discussed the ways they educate their daughters about budgeting and finances at home. For example, one mother of a Songino Khaikhan Comparison girl who lives on her husband's disability payments said that

*We discuss the family budget. How much to spend on food, how much for clothing and other things. We all discuss what to buy and what not to buy and then spend. We're comfortable discussing the budget together. We sometimes disagree about it. For example, she might want to buy new shoes and I say "you already have shoes, why do you want new ones?" Or she may want new clothes but there is no money.*

The family works together to lay out their priorities, and the parents discuss what to spend with their daughter, who is an only child. However, they currently are not able to save money. Their daughter therefore may understand some aspects of budgeting but does not benefit from savings lessons from her parents.

Some girls were exposed to financial education in their sociology classes at school. For example, the mother of a girl in the Songino Khairkhan Comparison sample recounted that her daughter was exposed to financial management lessons in this way:

*In her school classes, like sociology, they have topics on budgeting, monthly budget or yearly budget. In terms of her class, she comes home and asks me how much I spent on different grocery items and she writes it down. She is very interested in the homework and she comes back home and asks me where I went and what did I buy. And she writes down everything and tells me how much I have left. At first I was keeping the budget by myself and now that my daughter is grown, we discuss it and we keep the budget together.*

This suggests that while some parents have difficulty talking about money with their children, some parents may be receptive to their daughters' interest in and assistance with budgeting when the girls receive training in financial management.

Parents were asked about their own banking practices, with two purposes. The first was to gauge their own level of banking knowledge and skill, and the second was to gather information on their knowledge and perception of XacBank.

Many more parents in the study were aware of Khaan Bank than XacBank, and they rarely mentioned any other financial institutions. None of the parents in the Songino Khairkhan Comparison sample knew XacBank's nearest location or any of its products. All of the Bayanzurkh Comparison, FE and Saver sample parents knew about XacBank.

Mongolian girls are likely to follow their mothers in taking responsibility for household budgeting after they marry and start their own families.



**Figure 10 - A Temuulel saver and her mother.**

One mother of a Songino Khairkhan Saver girl was not aware of XacBank savings accounts until her daughter told her, however. This girl was inspired by the television commercial to open her own account in order to save for a cell phone:

*My daughter was saving some of her money from her daily allowance. She opened a Temuulel savings account secretly without telling me. I didn't know about it until I found the savings passbook among her school books. She said she is saving money to buy an expensive cell phone. I offered to buy her a cheap one, but my daughter said I don't want this kind of cheap cell phone.*

This girl, who lives in a *ger*, displays behaviors that the project ultimately seeks to inculcate in all participants. This mother's description suggests that when girls do open their own accounts, their families will eventually be affected, spreading awareness of XacBank's products and services.

The grandmother of one future financial education girl in Bayanzurkh was familiar with XacBank and its savings products through her granddaughter's Future Millionaire account. However, this account was controlled by the girls' parents who were living in the countryside, and the grandmother only deposited money into it when necessary. Otherwise, this grandmother did

not discuss financial matters such as the upcoming financial education trainings or her granddaughter's Temuulel account with her. She said she had heard of both, but the girl spoke with her father about the training and did not seem to remember much about Temuulel from discussions with the girl. The grandmother's lack of knowledge may be due more to the nature of their relationship, because the girl lives with her grandmother but still refers to her parents for advice on many issues. The other parent of a Bayanzurkh Financial Education girl also said that she was supportive of her girls' participation, but the girl is already active in budgeting the family's monthly expenses with her mother.

Preliminary indications suggest it is possible for girls to have an impact on their parents through their savings activities. The endline study will assess whether parents of savers and financial education participants have more financial discussions with their daughters, and hear about XacBank products from them.

### **3.4. INSTITUTIONAL IMPACTS**

The Girl Effect model predicts that the financial education and savings product programs will positively impact not just girls and their communities, but also project partner institutions. Positive effects on the institutions will be evident through their increased awareness of the benefit of providing programming directed specifically at girls. In programming terms, this will mean institutions devoting more resources to Temuulel programs, seeking more partners, and expressing a commitment to continuing the program or a similar one past the lifetime of the project. Additionally, it is expected that the public profile of XacBank will be raised and its reputation improved among participants and their families over the course of the project.

Institutional impact indicators:

- Increased funding for providing financial services for girls;
- New or expanded partnerships for providing financial services for girls;
- Increased or continued funding for providing financial education for girls;
- New or expanded partnerships for providing financial education for girls;
- Increased level of commitment of XacBank to continuing to provide savings products for girls;
- Increased level of commitment of XacBank and local education partners to continuing to provide financial education to girls;
- Change in XacBank's public image among girls.

No conclusions can be drawn from the baseline research for any of these indicators. However, based on interview comments from the project partners, it is possible to foreshadow which program areas may be continued and improved in the future.

### **Financial services**

In baseline interviews, XacBank headquarters staff members were enthusiastic about the Temuulel savings product as a tool to attract adolescent customers and build brand loyalty. In fact, having pioneered adolescent savings accounts in Mongolia for girls, XacBank is preparing to launch a similar savings product for boys. Because the retail banking sector is becoming more competitive in Mongolia, XacBank employees would prefer to launch the boys' product prior to their competition, to corner the market on adolescent savings accounts in the country.

The bank expected adolescents to carry low balances in their accounts but is willing to invest resources in products for this market in anticipation of future gain, when their girl (and boy) customers will have more money to save, and a greater need for loan products, leasing, money transfers, telephone banking, and other services. In order to keep adolescents of both genders, XacBank is considering what products may be attractive to them when they reach the age of 18. Most often, XacBank employees mentioned offering student loan products for Mongolians in university and vocational schools.

Based on the baseline interviews with key informants at XacBank, the endline study is likely to show that the bank remains committed to adolescent girls' savings products.

## Financial education

While the savings product design process for the Temuulel project was more involved than usual for XacBank, it was not altogether new. However, the bank has no experience in administering a financial education program, and generally leadership at the headquarters view the program as too costly. MEA and Equal Step are more concerned with the social impact of the program, but feel dependent on XacBank for funding for the program. They also felt that the rights to the program belonged to XacBank, and in interviews indicated that they did not intend to continue the program beyond the grant period.

While this research was conducted to establish a baseline, it seems likely that if the program continues to be implemented as it has been to date, the prospects for the continuation of the financial education program are uncertain.

## XacBank

XacBank employees expressed ambivalence about the financial education program. The general perception is that the financial education classes may be effective pedagogically, but they are not generally accepted as a cost-effective marketing tool for the bank.

The financial education coordinator at XacBank was enthusiastic about the program, saying that

*The FE program, especially the lessons, is very good. It has advantages for girls, and it's very useful to know about financial education. I learned about savings myself from attending the financial education classes!*

As the coordinator of the program, she thought that XacBank would continue to support financial education after completion of the project. The senior manager of consumer banking said that the bank had used all grant funds for financial education by the time of the roll out, and that it was intended for only one cycle of financial education programming.

In interviews, headquarters employees suggested a variety of remedies, including eliminating pay for peer educators, working with an educational broadcaster to have the program adapted to television, and convincing the Ministry of Education to adapt the program into vocational training curricula.

If ongoing measures of Temuulel uptake show that girls in financial education classes are much more likely to not only open accounts, but to keep higher balances, XacBank may wish to continue investing in the financial education program itself. Alternatively, if additional external grant funding is received to support the program, the bank is likely to continue offering it because of perceived positive impacts on the bank's image and social mission. But if strong evidence of impact on account numbers and balances does not emerge, then XacBank is likely to reduce or discontinue investment of its own resources in financial education programming for adolescent girls.

## **NGOs**

Employees and staff members at MEA and Equal Step Center were enthusiastic about the promise of the financial education program but unsure about the prospects for future funding, which they felt were dependent on XacBank.

As NGOs, MEA and the Equal Step Center largely depend on donors to fund their activities. In this case, the funding is being provided by XacBank, and there are few clear alternative funding sources for MEA and Equal Step. In this way, the novelty of financial education training for adolescents may be detrimental at least until successful results are produced.

## **MEA**

Staff members at MEA had not considered actively seeking funding to expand the program themselves, and MEA is looking to XacBank to provide leadership in continuing the program. Financial education is seen by MEA as valuable for Mongolian adolescents, and the program is viewed as largely successful. They perceive an interest among not only girls, but among boys as well. While they view it as valuable, they have no plans to seek further funding or partners for the program, in part because of a perception that XacBank owns rights to the curriculum. MEA's expertise makes them ideally suited to implement financial education for adolescents. Furthermore, if the curriculum is implemented in the future, it is possible that MEA will seek to include boys in the financial education program.

## **Equal Step Center**

While MEA has other active programs, the Equal Step Center is wholly dependent on the Temuulel program for their current funding. Staff members at Equal Step Center were uncertain about the duration of XacBank's commitment to the financial education component of the program and about their right to use the materials outside of the Temuulel program. Therefore, Equal Step has not so far sought new funding or partners for the financial education program.

Equal Step staff members and trainers expressed concerns about the structure of the financial education program, in particular its adaptability to the needs of low-income girls. However, the biggest challenge that they face in continuing the program is their lack of certainty about their relationship with XacBank.

## XacBank public perception

XacBank has experienced rapid recent growth in market share but remains uncertain about its public image. It expects to increase its recognition among adolescent girls and their families through the Temuulel project. In order to evaluate the baseline knowledge that girls have of XacBank, focus group discussions included questions asking girls to identify bank logos and explain what they knew about the banks.

While there was little differentiation between samples in this baseline study, the recognition of XacBank was high, mostly from girls' recognition of XacBank's television ads and Temuulel accounts. Girls also associated XacBank with savings in general and the Amar mobile phone banking service, probably because of the strong marketing that has gone behind it.

All the focus groups recognized the XacBank logo, though one Songino Khairkhan Comparison group admitted that they knew little about banks in general besides their logos. That group was also the only one that did not mention Temuulel accounts.

Because of the Temuulel and Future Millionaire products, participants across samples also associated XacBank with children and girls. This association was strongest in the two savings samples and the Bayanzurkh Comparison sample, but most of the groups in the other samples also mentioned that XacBank served children more than other banks.

Girls also tended to associate XacBank with its television advertising. The Songino Khairkhan Comparison sample associated XacBank most strongly with its ads, more than any other sample; by contrast, the Bayanzurkh Financial Education group did not mention television advertising at all. Not all the girls mentioned Temuulel television advertisements; some also mentioned XacBank's ads for the Amar mobile phone banking service.

While the adolescent girls in the study showed familiarity with XacBank, in large part through its television advertising for Temuulel and Amar, the parents interviewed had a much lower familiarity with XacBank. If girls have the effect on their families that the project predicts, the endline should show that girls who have opened savings accounts have made their parents more familiar with XacBank.

## 4. CONCLUSIONS

This report presents the baseline impact assessment findings of the WWB Savings Innovations and Expansion for Adolescent Girls and Young Women in Mongolia project. This project seeks to empower adolescent girls through the provision of financial education and savings products. The impact assessment will evaluate the degree to which the Temuulel savings and financial education program improved the financial management knowledge, skills, attitudes and behaviors of girls, empowered them socially, and impacted the local institutions which administered the project.

The project's location in Mongolia presents both opportunities and challenges to the program. Conditions for girls and women, and the prospects for their education, are high in Mongolia compared to other countries. Therefore, girls in the country are relatively empowered to begin with. At the same time, women are expected to be the money managers in their families, so improving the financial capabilities of girls should prove to have a powerful impact in the long run. This is especially true of low-income girls such as the ones in this study, whose money management skills will be critical to the future development of their families.

The findings show that girls are starting with a relatively low level of knowledge about finances, saving, and banking, and there is great potential for the program to improve the measured levels by the time of the endline study. This was more pronounced for girls from households in lower socioeconomic positions. Furthermore, the research suggests that if their mothers do have money management and savings skills, not many are actively passing them on to their daughters.

Few girls demonstrated the behaviors that the project seeks to inculcate in girls. The endline research is expected to show some improvement, but the baseline demonstrates that even with improved knowledge, skills, and attitudes, low-income girls will struggle to actually save and open accounts. Their ability to do so is affected most of all by their poverty and lack of access to money. While some of the girls worked during the summer, almost none of them did during the year, and the idea of working in addition to, or instead of, attending school was viewed very negatively by the parents interviewed. Even if girls find themselves with the resources to start saving, behavioral change generally takes time to develop in any population, and may not be apparent until well after the end of the study.

It is also questionable whether many girls will show signs of improved social empowerment. Many girls in UB are active in after-school courses and groups, where they meet new friends and are exposed to adult role models other than their teachers. Therefore, the training classes may be of more benefit to girls in schools where free after-school programming is minimal.

On the other hand, because of the important role that women play in managing household finances, the baseline research suggests that parents will be receptive to girls' financial education, and that girls will share their knowledge with their families. Girls who do take up Temuulel savings accounts also tended to discuss their accounts, and XacBank, with their parents.

The impact of the project on institutions should be much clearer by the endline. XacBank has shown enthusiasm for creating future clients, and is seeking to start a product for adolescent boys. However, even as they are continuing the savings product with girls, there is doubt within XacBank as to the value of the financial education program in encouraging girls to take up Temuulel accounts. If it can be shown that the trainings promote uptake, the prospects for sustaining the financial education program will be improved.

# REFERENCES

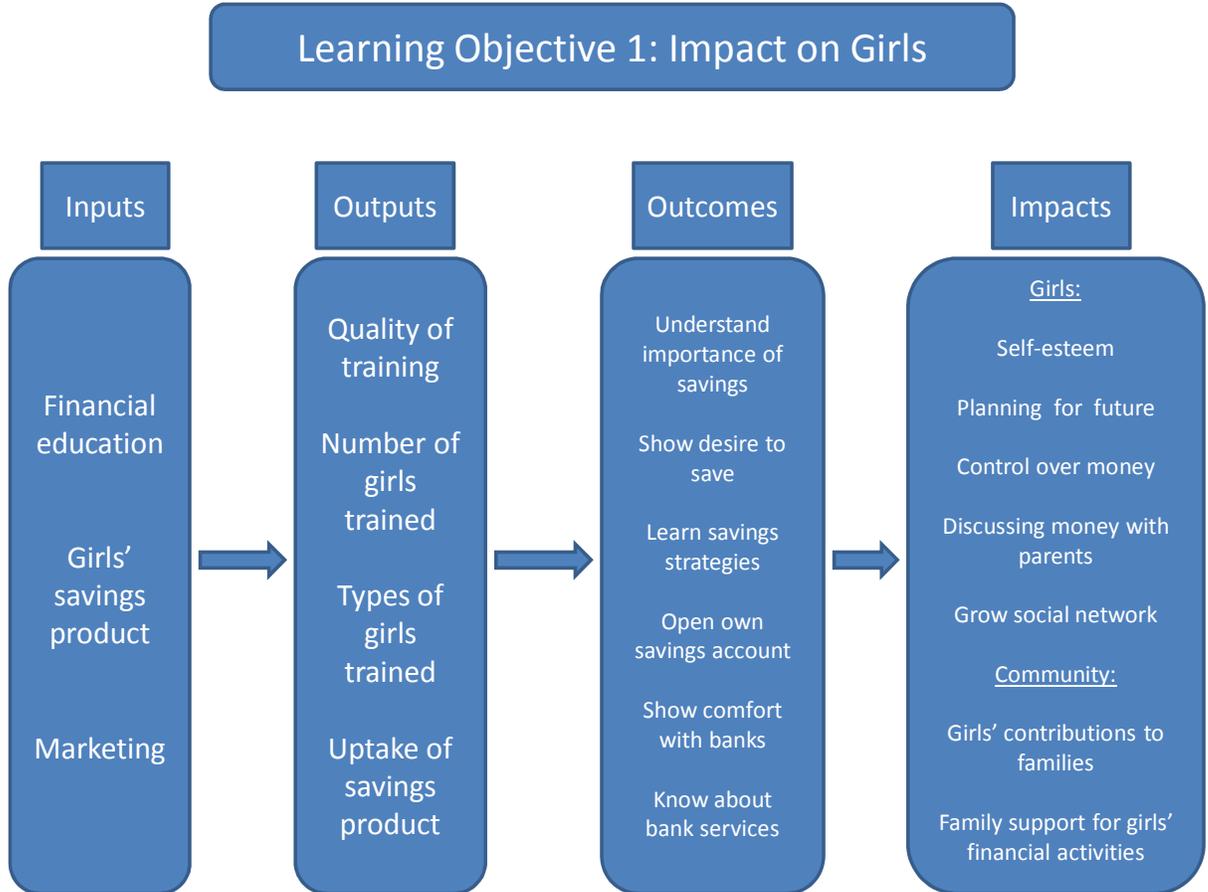
- CIA. (2010). *CIA World Factbook - Mongolia*. Retrieved March 10, 2010, from [www.cia.gov](http://www.cia.gov)
- ESCAP. (2009). *Statistical Yearbook for Asia and the Pacific 2008*. Retrieved March 8, 2010, from United Nations Economic and Social Commission for Asia and the Pacific: <http://www.unescap.org/stat/data/syb2008/index.asp>
- Herro, M. (2003). *Ulaanbaatar Rapid Needs Assessment*. Ulaanbaatar, Mongolia: USAID.
- IFC and KfW Bankengruppe. (2009). *Mongolia: Microfinance and Financial Sector Diagnostic Study Final Report*. Retrieved March 8, 2010, from [http://www.frankfurt-school.de/dms/international/en/publications/MIFA---Mongolia/MIFA\\_Mongolia\\_Diagnostic\\_2009.pdf](http://www.frankfurt-school.de/dms/international/en/publications/MIFA---Mongolia/MIFA_Mongolia_Diagnostic_2009.pdf)
- Kamata, T., Reichart, J. A., Tsevegmid, T., Kim, Y., & Sedgewick, B. (2010). *Mongolia: Enhancing Policies and Practices for Ger Area Development in Ulaanbaatar*. Washington, DC: The World Bank.
- Mix Market. (2010). *MFI Report: XacBank*. Retrieved March 10, 2010, from Mix Market: <http://www.mixmarket.org/mfi/xacbank>
- NSO. (2009). *Monthly Bulletin of Statics - December 2009*. Retrieved March 10, 2010, from National Statistical Office of Mongolia: [http://www.statist.mn/bull/2009/bulletin\\_2009\\_dec.pdf](http://www.statist.mn/bull/2009/bulletin_2009_dec.pdf)
- NSO. (2010). *Socio-economic situation of Mongolia (As of the January of 2010)*. Retrieved 8 2010, March, from National Statistical Office of Mongolia: [http://www.nso.mn/v3/index2.php?page=news\\_more&id=286](http://www.nso.mn/v3/index2.php?page=news_more&id=286)
- Perry Castañeda Map Collection. (2010). *Mongolia Maps*. Retrieved March 15, 2010, from Perry Castañeda Map Collection - UT Library Online: <http://www.lib.utexas.edu/maps/>
- The World Bank. (2006). *Mongolia Poverty Assessment*. Washington DC: The World Bank.
- UN Statistical Division. (2007). *Social Indicators*. Retrieved March 17, 2010, from United Nations Statistical Division: <http://unstats.un.org>
- UN Statistics Division. (2009, October 9). *Demographic Yearbook*. Retrieved March 10, 2010, from United Nations Statistics Division.
- UN Statistics Division. (2009, July 14). *Millenium Indicators*. Retrieved March 12, 2010, from United Nations Statistical Division: <http://mdgs.un.org>
- UNDP. (2009). *Human Development Report Mongolia*. Retrieved March 10, 2010, from Human Development Reports - United Nations Development Program: <http://hdr.undp.org>

UNICEF. (2010). *At a glance: Mongolia*. Retrieved March 10, 2010, from UNICEF:  
[http://www.unicef.org/infobycountry/mongolia\\_statistics.html](http://www.unicef.org/infobycountry/mongolia_statistics.html)

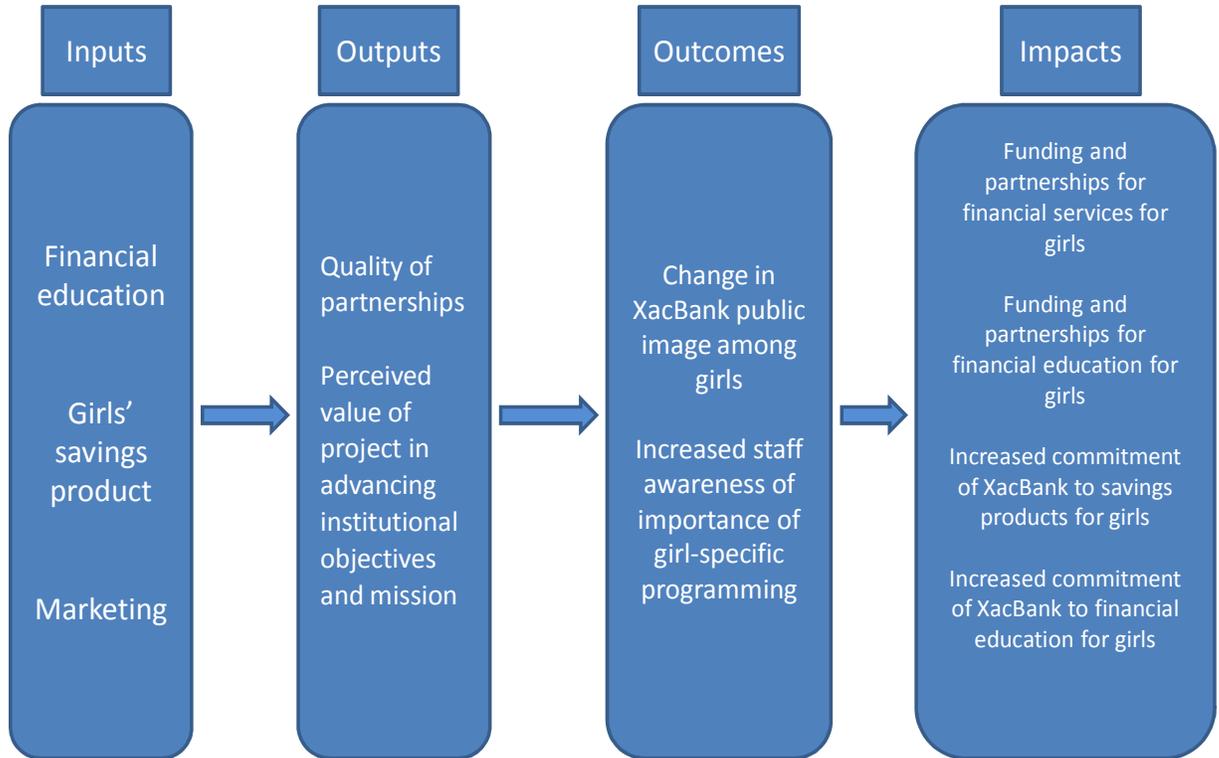
UNICEF. (2007). *Child Benefits and Poverty Reduction: Evidence from Mongolia's Child Money Program*. New York: United Nation Children's Fund.

XacBank. (2010). *Highlights of the year: 2008-09*. Retrieved March 11, 2010, from XacBank:  
<http://www.xacbank.mn/en/107/about-xacbank/report/highlights-of-the-year>

# ANNEX 1: THEORY OF CHANGE DIAGRAMS



## Learning Objective 2: Impact on Institutions



# ANNEX 2: TEMUULEL SAVINGS ACCOUNT INTAKE FORM, IN MONGOLIAN

The intake form XacBank requires girls to fill out before opening a Temuulel account is reproduced below. The form gathers information specific to the Temuulel program, including the girls' phone number, grade, school name and how they heard about the Temuulel program.

*Intake form*

ХасБанк Гүйцэтгэх Захирлын 2009 оны  
... дугаар тушаалын хавсралт № 3

Энэхүү анкет нь ХасБанк харилцаагийн үйлчилгээ болон судалгааны зорилгоор анх байгаа төлбөр хэргийн үйлчилгээг хөгжүүлэх зорилгоор хэрэглэгдэх бөгөөд заруулахгүй тул үгүйсгэх зорилгоор хэрэглэгдэхгүй.

ХасБанк Манил 32309-02

## ОХИДЫН "ТЭМҮҮЛЭЛ" ХАДГАЛАМЖ ЭЗЭМШИГЧИЙН АНКЕТ

1. Огноо: \_\_\_\_\_ Нар: \_\_\_\_\_
2. Төрсөн огд: \_\_\_\_\_ сар: \_\_\_\_\_ олоор
3. Төрсөн газар аймаг/хот: \_\_\_\_\_ сум/дүүрэг: \_\_\_\_\_
4. Сургууль: \_\_\_\_\_ Анги: \_\_\_\_\_ Бүлэг: \_\_\_\_\_
5. Иргэний үнэмлэхийн дугаар (байгаа бол): \_\_\_\_\_  
Иргэний үнэмлэхээ авсангүй бол төрсний гэрчилгээний дугаар: \_\_\_\_\_
6. Олоо амьдарч буй хаяг: \_\_\_\_\_
7. Амьдарч буй гэр чинь: \_\_\_\_\_  
 орон сууц,  ханга байшинд,  ханга гэр,  бусад \_\_\_\_\_
8. Амьдарч буй гэр, байшин чинь хэний өмчлөлийнх болохыг тэмдэглэнэ үү: \_\_\_\_\_  
 мааньх,  хамаатан садных,  түүрээсийнх,  бусад \_\_\_\_\_
9. Үэргээ ам бүлийн тоо: \_\_\_\_\_
10. Хэн хэнтэйгээ амьдардаг вэ? Тэд ямар ажил, сургуультай тэмдэглэнэ үү  
 эв \_\_\_\_\_,  ээж \_\_\_\_\_,  
 өвөө \_\_\_\_\_,  эмээ \_\_\_\_\_,  
 ах \_\_\_\_\_,  эгч \_\_\_\_\_,  
 дүү \_\_\_\_\_,  бусад \_\_\_\_\_
11. Удсанбаатар(аймгийн төв)-т ишлэнж ирсэн үү?  Тийм,  Үгүй  
Тийм бол хаанаас? \_\_\_\_\_ Хэзээ? \_\_\_\_\_
12. Огноо нь банканд үйлчлүүлж байсан уу?  Тийм,  Үгүй  
Тийм бол ямар банканд \_\_\_\_\_ Хэзээ \_\_\_\_\_ Ямар үйлчилгээ \_\_\_\_\_
13. Өмнө нь аль нэг банканд хадгаламжтай байсан уу?  
Тийм бол ямар банканд \_\_\_\_\_ Хэзээнээс хойш \_\_\_\_\_
14. Тасал гэр бүлийнхэн аль нэг банканд хадгаламжтай юу?  
Тийм бол ямар банканд \_\_\_\_\_ Хэзээнээс хойш \_\_\_\_\_
15. ХасБанкиаас зохион байгуулж буй санхүүгийн бэлэвэрлэл олгох сургалтад хамрагдсан уу?  
Тийм бол хэзээ \_\_\_\_\_ Ямар хэлбэрээр \_\_\_\_\_
16. Энэ хадгаламжийн таниарх мэдээллийг хаанаас авсан бэ?  
Хаанаас \_\_\_\_\_ Хэзээ \_\_\_\_\_
17. Энэ хадгаламжийг хэзээ, юунд зарцуулахаар төлөвлөн нээлтэж байгаа вэ?  
Гарчиг үест: \_\_\_\_\_ 200\_ он \_\_\_\_\_ сар \_\_\_\_\_ олоор