

Staff

Emmanuel Hakizimfura
Senior Research Associate

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FINANCIAL INCLUSION | PRELIMINARY RESULTS BRIEF



The Impact of Financial Education through Savings and Credit Cooperatives in Rwanda



Limited financial knowledge, skills, and confidence are associated with suboptimal financial behavior such as low rates of formal savings, limited usage of deposit and traditional accounts, and overindebtedness. The Government of Rwanda, World Bank, and Innovations for Poverty Action (IPA) partnered to evaluate the impact of financial education delivered through Savings and Credit Cooperatives (SACCOs) on members' financial knowledge, skills, attitudes, and behavior.

Key Findings*

- Providing financial education to members of SACCOs, and giving the SACCOs more operational autonomy to implement the program, made members more knowledgeable of key financial rules of thumb.
- Members in this group were more likely to report financial attitudes that emphasize saving and responsible borrowing, and to report having—and strictly adhering to—a written budget and financial plan.
- They were also more likely to report saving regularly towards financial goals.
- However, no impacts were found on account usage, borrowing behavior, or financial security, highlighting the challenge of translating changes in knowledge and attitudes into behavioral change.

* These results are preliminary and may change after further data collection and/or analysis.

RESEARCHERS	FUNDERS
Douglas Randall (World Bank)	World Bank
Emmanuel Hakizimfura (Innovations for Poverty Action)	Government of the Netherlands
PARTNERS	COUNTRY
Ministry of Finance and Economic Planning, Rwanda	Rwanda
World Bank	PERIOD
Rwanda Cooperatives Agency	2015-2017
Rwanda Institute of Cooperatives, Entrepreneurship, and Microfinance	SAMPLE
	200 Savings and Credit Cooperatives (6,000 individuals)

IPA Rwanda Presents Preliminary Results of SACCO Project

Principal Investigator Douglas Randall and Senior Research Associate Emmanuel Hakizimfura for the Financial Education through Savings and Credit Cooperatives (SACCOs) in Rwanda project shared preliminary results which showed very positive effects of training SACCO members on financial management, saving, budgeting and other aspects of financial literacy. However, no impacts were found on account usage, borrowing behavior, or financial security, highlighting the challenge of translating changes in knowledge and attitudes into behavioral change. The preliminary results brief is attached to this page, and a more technical paper with quantitative results is currently being drafted. One key highlight of the workshop is that the Director of Banking and Non-banking at the Ministry of Finance and Economic Planning

recognized IPA as a "trustworthy and independent evaluator who will always tell the truth." The Ministry intends to follow up on these results by scaling up implementation of the training of SACCO members across the country.

City

Kigali

Country

Rwanda