

YOUTH FINANCIAL INCLUSION IN GOYN COMMUNITIES

OCTOBER 2024

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1. EXECUTIVE SUMMARY



This report aims to build a picture of the state of youth financial inclusion in GOYN communities to inform future intervention design

CONTEXT

- Increasing realization that **financial inclusion is closely related to livelihoods** - even if they are earning, financially excluded youth struggle to withstand economic shocks due to **lack of savings, insurance or investments in long-term assets**
- Some GOYN partners are already working on financial inclusion interventions, but this **work is currently poorly captured**
- GOYN Global wants to **better understand the range of youth financial inclusion challenges in GOYN communities** and **document existing interventions** to facilitate learning and future intervention design

OBJECTIVES

- **Design a framework** to analyze youth financial inclusion across GOYN communities
- **Collect key youth financial inclusion indicators** for GOYN countries/communities
- **Analyze main challenges and opportunities** related to financial inclusion in each community
- **Document the most promising financial inclusion interventions** in GOYN communities
- **Identify potential opportunities for future GOYN interventions** on youth financial inclusion

Findings are based on primary and secondary data from all current GOYN communities

1. Latin America

- ✓ Brazil (São Paulo + Rio)
- ✓ Colombia (Bogotá + Barranquilla)
- ✓ Mexico (Mexico City)

2. Africa

- ✓ Kenya (Mombasa)
- ✓ Tanzania (Tanga)
- ✓ Senegal (Thies)
- ✓ South Africa (eThekweni)

3. India

- ✓ Group 1 - Urban India – Lighthouse Communities Foundation (Pune, Pimpri Chinchwad Municipal Council & Bhubaneswar)
- ✓ Group 2 - Rural India – Transform Rural India (Ramgarh, Barwani)
- ✓ Group 3 - Rural India – Head Held High (Raichur, Gulbarga)

Interviews and focus groups took place between June-September 2024, based on communities' availability for participation

The research starts by connecting the dots between youth financial inclusion and youth economic opportunity

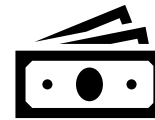
Why does youth financial inclusion matter for youth economic opportunity?

Appropriate financial services enable youth to...



Start a business

With savings and credit, youth can acquire the basic assets and have the risk-taking ability required to start an income-generating activity.



Manage their financial resources

Formal payment and saving products enable youth to manage their resources more efficiently and safely, enabling to make the most of their limited earnings.



Invest into the future

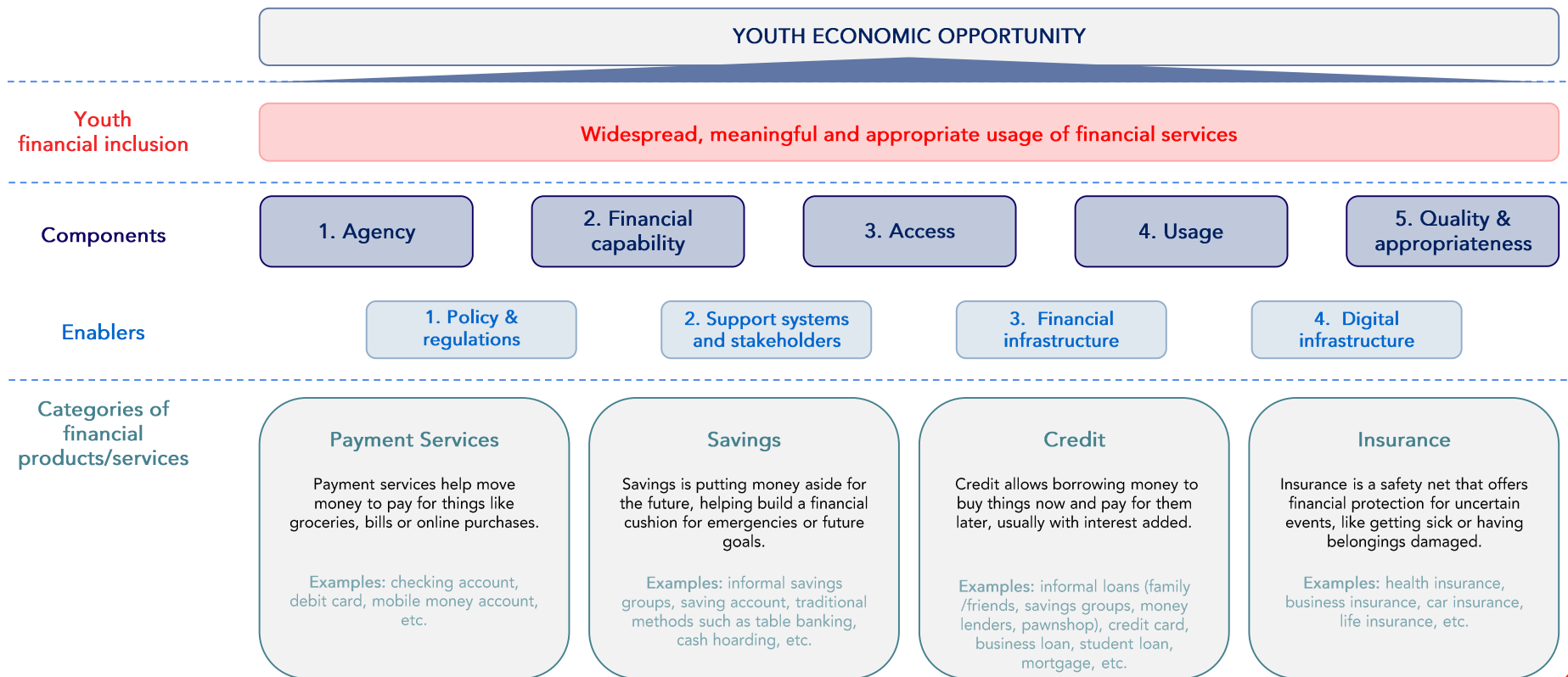
With access to credit, youth can make larger investments towards their future earning ability, such as pursuing a training course or formal education.



Build financial resilience

Savings and insurance products make youth less vulnerable to unexpected shocks (e.g., illness, pregnancy, job loss, family needs), enabling them to rebound more quickly.

The report looks at youth financial inclusion through five components, four enablers and four broad categories of financial products/services



At the national level, youth financial inclusion indicators suggest significant barriers in most GOYN communities

Financial inclusion indicators (youth age 15-24)	% with a financial institution account	% saving any money	% that have borrowed \$ formally	% that have or received a digital payments	Most pressing financial concern
<i>United States (comparator)</i>	94%	78%	39%	90%	Paying for medical costs in case of a serious illness or accident (22%)
India	68%	21%	10%	30%	Paying for medical costs in case of a serious illness or accident (30%)
Kenya	79%	67%	35%	78%	Paying school or education fees (45%)
Tanzania	50%	51%	11%	48%	Paying for medical costs in case of a serious illness or accident (49%)
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Colombia	50%	39%	14%	46%	Paying school or education fees (30%)
Mexico	50%	43%	18%	47%	Paying for medical costs in case of a serious illness or accident (49%)

Source: World Bank Global Financial Inclusion DataBank (latest year available)

Note

- There may be significant variations at the community level within each country, especially between urban and rural areas.

Legend



In relation to US comparator

These findings are confirmed at the community level, leading to seven overall key takeaways from the research

1 Youth demonstrate growing financial agency through active money management and decision-making.

Youths are comfortable discussing money with peers, family, and other close connections, indicating a willingness to seek financial advice and knowledge, especially online.

2 Low financial literacy and ineffective policy environments are major obstacles to youth financial inclusion.

Financial literacy and awareness and supportive policies are critical foundations for overall financial inclusion; however these are still weak in most GOYN communities.

3 There is limited correlation between levels of youth financial inclusion across dimensions and products.

There is very limited correlation between progress across the four financial inclusion dimensions (e.g., high literacy does not correlate with high access or usage) and the four different types of financial products (e.g., high access/use of saving products does not correlate with high access/use of credit or insurance).

4 Access does not necessarily translate into usage.

Most communities report high access to financial services (i.e. services are available), however other barriers prevent OY from actually using existing services (e.g., unsuitable products).

5 Payment services are the only products widely used by OY.

Digital technology has driven up access and use of payment services, but other financial services have not experienced the same impact in most communities. Expanding the range of suitable financial products and services for OY is essential. However, we are also noting limited device affordability in some of the rural communities.

6 Across most communities, saving products are well-understood and accessible, but there is significant room for growth in their usage by youth.

Overall, savings services adequately meet the necessary individual needs or requirements and perform very well, but usage is not yet widespread in all communities. Also the tendency to save in informal structures like table banking, chit funds or gold jewelry, rather than safer, higher-return formal instruments, leads to a cycle of debt and missed financial opportunities.

7 Financial inclusion gaps vary across communities and call for localized interventions.

Underlying barriers to youth financial inclusion vary significantly across regions, emphasizing the importance of localized strategies.

The report identifies eight concrete ways for GOYN to advance youth financial inclusion at the community and global levels

INTERVENTIONS AT THE COMMUNITY LEVEL

- 1 **Integrate a financial education component in youth entrepreneurship programs and initiatives**, e.g. Youth for Entrepreneurship platform being replicated across 5+ GOYN communities, with a focus on directing youth towards quality digital financial services (e.g. link to Visa Practical Money Skills global platform).
- 2 **Include a financial mentoring component in existing mentorship programs**, such as the case management program in Mombasa supporting 20K OY.
- 3 **Identify leading financial inclusion organizations in each community and connect youth to their services** as part of their GOYN onboarding and at key moments (e.g., graduation from skilling programs, first formal job).
- 4 **Partner with organizations managing informal savings groups to make the model more attractive to youth**, e.g. by encouraging **digital savings groups** and connections to formal financial institutions.
- 5 **Advocate for youth-friendly products with banks and other financial providers**, e.g. by hosting working groups with YAG members. Position this as an opportunity for financial institutions to increase their client base (win-win proposition).

INTERVENTIONS AT THE GLOBAL LEVEL

- 1 **Explore the addition of a financial education component in all global youth engagement activities**, e.g. Youth Innovation Fund, Equity Leadership Program, and Youth Advisory Group trainings.
- 2 **Find and leverage global partners with an interest and expertise in youth financial inclusion** to invest in community-level interventions (e.g., Prudential, Visa Foundation, MasterCard Foundation), advocating for more OY-focused programming – not just youth.
- 3 **Building on this report, expand GOYN's knowledge of the links between youth financial inclusion and economic opportunity**, e.g. through learning sessions, case studies, and the tracking of financial inclusion across all GOYN communities.

A young woman with dark hair in a ponytail, wearing glasses and a light blue button-down shirt, is seated at a table. She is looking off to the side with a thoughtful expression, her hand resting near her chin. In the background, other students are blurred, and a whiteboard is visible. A red banner with white text is overlaid on the left side of the image.

2. CONTEXT AND ANALYTICAL FRAMEWORK

This report aims to build a picture of the state of youth financial inclusion in GOYN communities to inform future intervention design

CONTEXT

- Increasing realization that **financial inclusion is closely related to livelihoods** - even if they are earning, financially excluded youth struggle to withstand economic shocks due to **lack of savings, insurance or investments in long-term assets**
- Some GOYN partners are already working on financial inclusion interventions, but this **work is currently poorly captured**
- GOYN Global wants to **better understand the range of youth financial inclusion challenges in GOYN communities** and **document existing interventions** to facilitate learning and future intervention design

OBJECTIVES

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- **Identify potential opportunities for future GOYN interventions** on youth financial inclusion

This report is based on a mix of primary and secondary sources

1. GOYN communities

For each group of communities:

- ✓ 1-1 interview with Anchor Partner or Collaborative Member specialized on financial inclusion
- ✓ Focus group with Opportunity Youth



2. Sector experts

Additional interviews with financial inclusion experts:

- ✓ Dan Ouko, GDI
- ✓ Samuel Diaz and Will Huang, Prudential
- ✓ Sarah Keh, Prudential



3. Secondary sources

- ✓ Over 100 global, regional and local reports on financial inclusion reviewed



GOYN communities from the same country were grouped to facilitate data collection and analysis (except in India – three separate groups)

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We define youth financial inclusion as the widespread, meaningful and appropriate usage of financial services by the youth

Breaking down youth financial inclusion



- **Widespread usage** refers to the broad adoption of financial products by youth, leading to greater financial resilience and empowerment. Widespread doesn't necessarily ensure meaningful usage.
- **Meaningful usage** refers to regular use of financial products and services, contributing to enhanced financial resilience and empowerment
- **Appropriate usage** refers to the use of financial products and services for the purpose they were designed to serve.

How can we measure youth financial inclusion?

Key indicators include:



Access to financial institutions

% of youths who have a financial institution account (i.e. bank, credit union, microfinance institution etc.)



Ability to save

% of youths who have personally saved or are setting aside any amount of money for any reason with any mode of saving



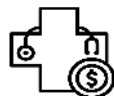
Ability to borrow money

% of youths who have borrowed from a formal financial institution or using a mobile money account



Access to digital payment services

% of youths who have made or received a digital payment using mobile money, a debit or credit card, or a mobile phone to make or receive a payment from an account



Most pressing financial concern

Top financial concern for youths (e.g., not being able to pay for medical costs in the case of a serious illness or accident, monthly bills, paying for education, saving for retirement, etc.)

Our starting point: why is financial inclusion relevant for GOYN?

Why does youth financial inclusion matter for youth economic opportunity?

Appropriate financial services enable youth to...



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Build financial resilience

Savings and insurance products make youth less vulnerable to unexpected shocks (e.g., illness, pregnancy, job loss, family needs), enabling them to rebound more quickly.

Lack of access to formal financial services is a critical issue for youth in developing economies

Only 53% of young people in developing economies have access to formal financial services.

Informal financial services are not adequate substitutes, for multiple reasons:

1. **Security and reliability:** Informal services do not offer the same protections than formal financial services (e.g., deposit and fraud protection).
2. **Limited in scope and scale:** Informal providers often cannot offer larger-scale financial opportunities (e.g., mortgages, larger loans for education or business investments, etc.). They also offer a much narrower range of products than formal financial providers.
3. **Regulation and consumer protection:** Informal providers are not subject to the same regulations and oversight than formal institutions, which ensure fair treatment, transparency, and legal recourse for customers. This leaves users vulnerable to predatory lending practices, high interest rates, and fraud. Lack of regulation also means that informal financial services are more likely to collapse in times of crisis, putting users' funds at risk.
4. **Credit history and future opportunities:** Using informal financial services does not enable individuals to build a public credit history, which is crucial for obtaining larger loans or making significant investments in the future.
5. **Higher costs:** Informal providers, like moneylenders, often charge much higher interest rates and fees due to the absence of regulation, which can trap people in cycles of debt.
6. **Technology and innovation:** Informal services are generally less innovative and technologically advanced, depriving users from access to more efficient and practical ways to manage their finances.

In addition to informality, youth worldwide share common financial inclusion challenges

1. Lack of funds

- Approximately 67% of young people cite not having enough money to open or maintain an account, with 29% indicating this as their sole reason.
- This suggests a gap between the cost of banking services and the financial capabilities of young individuals.

2. Costs of services

- The cost associated with maintaining a bank account is a significant barrier, with 27% of youth in developing economies noting it as a deterrent.
- **High transaction fees and minimum balance requirements often discourage low-income individuals from engaging with formal banking services.**

3. Family influence

- Approximately 24% of unbanked youth state that another family member having an account suffices for their needs.
- While this may be a form of indirect financial inclusion, it can also delay personal financial independence and the development of a formal relationship with banking institutions.

4. Lack of trust

- A significant number of young people show a lack of trust in formal financial services, with 62% expressing reluctance to engage with traditional banks.
- For many youth, informal support systems, such as family or community savings groups, offer more appealing and accessible alternatives.

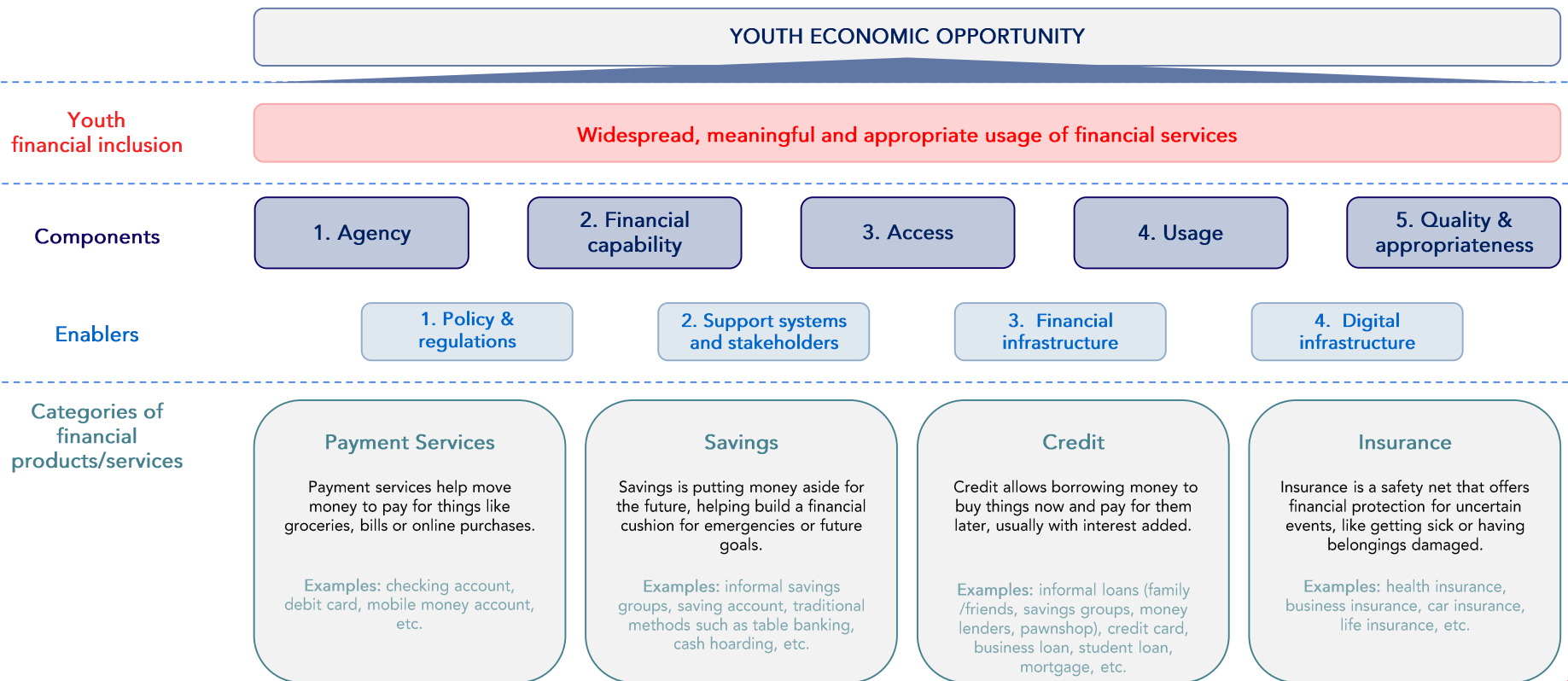
5. Barriers to access

- For example, official documentation requirements to open bank accounts disproportionately affects youth, as 20% of unbanked young people report lacking the necessary documents, compared to 16% of older adults.
- Factors such as limited mobility and financial literacy further impede youth access to financial services.

6. Perceived irrelevance

- Many young individuals do not view traditional financial products and services as relevant to their lives.
- **Nearly 50% of the youth have never considered using some of the traditional financial services, suggesting a gap between the perceived and actual value and utility of formal banking.**

This is our proposed analytical framework for youth financial inclusion



We analyze youth financial inclusion through **five** different components and **four** enablers



1. AGENCY

Confidence and ability to independently access and manage financial services.

Key questions

- How free are OY in making decisions about financial matters without external influence?
- To what extent do family/friends influence OY's financial decisions?
- What does financial success or security mean to OY?



2. FINANCIAL CAPABILITY

Understanding and awareness of financial concepts and services.

Key questions

- How do OY view and interact with money?
- What is the knowledge level of OY regarding basic financial concepts and services?
- How aware are OY of available financial services?



3. ACCESS

Ease of obtaining and using financial services.

Key questions

- How easy is it for OY to access payment, credit, insurance or saving products?
- What are the key barriers preventing OY from accessing these products?



4. USAGE

Frequency of engagement with financial services.

Key questions

- How often do Opportunity Youth use financial services, and what influences their usage?
- How can we measure the effectiveness of financial service usage among Opportunity Youth?



5. QUALITY & APPROPRIATENESS

Suitability and effectiveness of financial services.

Key questions

- What defines appropriateness of financial services for OY?
- How do affordability and cost-effectiveness affect the quality of financial services for OY?
- What measures improve the reliability of financial services for OY?

ENABLERS

1. POLICY & REGULATIONS

Regulatory framework governing financial services.

- What kind of policies and industry regulations are governing the financial sector?
- What are the gaps and opportunities and how can they be addressed?

2. SUPPORT SYSTEMS AND STAKEHOLDERS

Presence and coordination of actors promoting youth financial inclusion.

- What ongoing initiatives or programs exist to promote financial inclusion among OY?
- How effective are current interventions in promoting financial inclusion, and what areas require improvement?

3. FINANCIAL INFRASTRUCTURE

Strength of institutions, networks, physical infrastructure, that enable the provision of financial services.

- How can financial infrastructure enhancements better support financial inclusion efforts for OY, ensuring equitable access to resources and fostering financial empowerment?

4. DIGITAL INFRASTRUCTURE

Technological systems and networks that enable access to and use of digital financial services, such as online banking and mobile payments.

- How accessible and reliable is the digital infrastructure OY use for managing financial transactions?
- How easily can OY use digital financial services in their daily financial activities?

Globally, financial inclusion interventions can be categorized into five main categories



1. Financial capability programs

Interventions focused on building the youth's understanding and awareness of financial services (includes financial education, financial mentoring, financial coaching).



2. Programs to expand access to basic financial services

Interventions designed to expand the youth's access to basic financial services, e.g. bank accounts. Can rely on digital services to expand access, but not always.



3. Savings programs

Interventions focused on increasing the youth's ability to save regularly (typically includes both a behavioral component and an access to savings products component).



4. Entrepreneurship finance programs

Interventions focused on building the youth's ability to start and manage a business from a financial standpoint.



5. Regulatory and policy change

Interventions designed to improve the regulatory and policy environment governing youth financial inclusion.

Note: some programs combine several of these interventions (e.g., entrepreneurship finance + savings + financial capability)

Examples of successful financial inclusion interventions (1/3)

Kenya: M-Shwari (Digital Finance)



Category: Basic financial services + Savings

Description: Launched by Commercial Bank of Africa in partnership with Safaricom, M-Shwari provides mobile savings and loans through the M-Pesa platform. It is accessible to many young people, allowing them to save small amounts and access micro-loans without formal banking infrastructure.

•**Impact:** M-Shwari has enabled over 30 million users to save and borrow money through their mobile phones, with more than 50 million loans disbursed since its inception.

Senegal: Youth Savings Program by Youth Start (UNCDF)



Category: Financial capability + Savings

Description: UNCDF's Youth Start initiative in partnership with PAMECAS (a microfinance institution) offers youth-focused savings products alongside financial literacy training. The program aims to build youth savings habits and entrepreneurship skills.

•**Impact:** Reached over 600,000 youth, opened 200,000+ savings accounts, and provided financial education to 400,000 young people.

Tanzania: BRAC Microfinance for Youth



Category: Financial capability + Entrepreneurship finance

Description: BRAC Tanzania focuses on providing micro-loans to young entrepreneurs, especially women, along with mentoring and business training. They also provide small group loans to encourage collective economic activity.

•**Impact:** Disbursed 50,000+ loans, trained 30,000 young entrepreneurs, with 80% of businesses still operational after two years.

South Africa: National Youth Development Agency



Category: Financial capability + Entrepreneurship finance

•**Description:** The NYDA provides young entrepreneurs with access to funding, mentorship, and training, focusing on youth from disadvantaged backgrounds. Additionally, they provide financial education to ensure youth can manage their businesses and personal finances.

•**Impact:** Created 70,000+ jobs, supported 10,000+ youth-owned enterprises, and trained over 100,000 young people in skills development.

Examples of successful financial inclusion interventions (2/3)

India: PMJDY (Pradhan Mantri Jan Dhan Yojana)

Category: Basic financial services



Description: PMJDY is a national financial inclusion initiative that provides zero-balance bank accounts to every citizen, including youth. It also integrates insurance and pension schemes. Many young people who previously lacked access to banking services can now participate in the formal economy.

Impact: The PMJDY initiative has brought over 530 million people into the formal banking system, with total deposits exceeding approximately \$28 billion USD. Around 340 million RuPay cards have been issued, and 1.16 million Bank Mitras are delivering branchless banking services across the country.

Colombia: Bancamía's Youth Financial Products

Category: Financial capability

Description: Bancamía, a microfinance institution in Colombia, offers specific financial products aimed at young people, including digital accounts, microcredit, and insurance products. Additionally, it provides digital financial literacy training.

Impact: Bancamía's youth financial products in Colombia have reached over 100,000 young people, providing them with tailored savings and credit products to support their financial independence.

Mexico: Prospera Digital Savings Program

Category: Basic financial services + Savings



Description: Mexico's Prospera program, originally a conditional cash transfer program, was digitized to include digital savings products for beneficiaries, many of whom are young people. This was done in partnership with Bansefi, a state-owned development bank, to promote financial inclusion.

Impact: The Prospera digital savings program in Mexico has facilitated digital savings for over 1 million low-income families, promoting financial inclusion and economic stability.

Brazil: Youth Entrepreneurship Program (SEBRAE)

Category: Entrepreneurship finance



Description: SEBRAE (Brazilian Service of Support for Micro and Small Enterprises) offers youth-focused entrepreneurship programs, including access to finance, training, and mentorship. These programs are designed to help youth start and manage small businesses.

Impact: SEBRAE's Youth Entrepreneurship Program in Brazil has trained over 200,000 young entrepreneurs, helping them start and grow their businesses through workshops, mentorship, and financial support.

Examples of successful financial inclusion interventions (3/3)

USA: MyPath



Category: Basic Financial Services + Financial capability

Description: MyPath connects youth from under-resourced communities with opportunities to bank, save, and build credit and financial confidence as they earn their first income. MyPath helps cities, nonprofits and financial institutions integrate banking, saving, and credit-building tools directly into their existing youth-serving programs.

Impact: 70% of MyPath participants report an increase in financial knowledge and confidence, and 100% set aside emergency savings after financial mentoring.

Americas: Flourish FI



Category: Financial capability

Description: Financial wellness and customer engagement platform integrated within a bank's digital and mobile banking platform. Drives revenue by increasing customer savings and sharing financial education tips through gamified content and rewards.

Impact: Partnered with leading Bolivian MFI BancoSol to encourage MSME borrowers to save and invest.

Africa: Banking on Change



Category: Basic Financial Services + Savings

Description: Partnership between CARE International, Plan International and Barclays that combined creation of savings groups (including youth savings groups) with financial literacy and business training, with an objective of linking mature savings groups (2+ years) to formal financial services from Barclays or other banks.

Impact: 310,000+ youth joined informal savings groups, 5,000 groups (125,000 individuals) linked to formal financial services, 2,200+ individual accounts opened by group members (66% youth).

South Africa: TymeBank



Category: Basic Financial Services

Description: Fully digital bank with a financial inclusion focus, offering checking accounts, savings accounts, money transfer services, "buy now, pay later" service, and credit cards. Cost savings realized through the no-branch model enables TymeBank to offer lower banking fees to customers, including zero-fee account opening.

Impact: Acquired 3.5 million customers in 25 months. 60–65% of customers are from low-income and underserved groups.



3. KEY TAKEAWAYS

At the national level, youth financial inclusion indicators suggest significant barriers in most GOYN communities...

Financial inclusion indicators (youth age 15-24)	% with a financial institution account	% saving any money	% that have borrowed \$ formally	% that have or received a digital payments	Most pressing financial concern
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Source: World Bank Global Financial Inclusion DataBank (latest year available)

Note



















































- There may be significant variations at the community level within each country, especially between urban and rural areas.

Legend







































In relation to US comparator

...and indeed, all GOYN communities scored low or medium on all five key financial inclusion components

Financial inclusion components	1. Agency 	2. Financial capability 	3. Access 	4. Usage 	5. Quality/ Appropriateness 
Urban India – LCF (Pune, PCMC, Bhubaneswar)					
Rural India - TRI (Ramgarh, Barwani) HHH (Raichur, Gulbarga)					
Kenya (Mombasa)					
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Senegal (Thies)					
South Africa (eThekwinì)					
Brazil (São Paulo + Rio)					
Colombia (Bogotá + Barranquilla)					
Mexico (Mexico City)					





































Source: GOYN community Interviews, secondary sources

However, there are clear differences between services/products, with payment and savings services being most accessible and used

Categories of financial services/products	1. Payment services	2. Credit	3. Insurance	4. Savings
Urban India – LCF (Pune, PCMC, Bhubaneswar)				
Rural India - TRI (Ramgarh, Barwani) HHH (Raichur, Gulbarga)				
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Brazil (São Paulo + Rio)				
Colombia (Bogotá + Barranquilla)				
Mexico (Mexico City)				

Source: GOYN community Interviews, secondary sources

Strength of financial inclusion enablers varies significantly across communities, e.g. strong digital infrastructure in Kenya and Brazil

Financial inclusion enablers	1. Policy & regulations	2. Support systems and stakeholders	3. Financial infrastructure	4. Digital infrastructure
Urban India – LCF (Pune, PCMC, Bhubaneswar)				
Rural India - TRI (Ramgarh, Barwani), HHH (Raichur, Gulbarga)				
Kenya (Mombasa)				
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Source: GOYN community Interviews, secondary sources



Overall key takeaways from the research

1 Youth demonstrate growing financial agency through active money management and decision-making.

Youths are comfortable discussing money with peers, family, and other close connections, indicating a willingness to seek financial advice and knowledge, especially online.

2 Low financial literacy and ineffective policy environments are major obstacles to youth financial inclusion.

Financial literacy and awareness and supportive policies are critical foundations for overall financial inclusion; however these are still weak in most GOYN communities.

3 There is limited correlation between levels of youth financial inclusion across dimensions and products.

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Overall, savings services adequately meet the necessary individual needs or requirements and perform very well, but usage is not yet widespread in all communities. Also the tendency to save in informal structures like table banking, chit funds or gold jewelry, rather than safer, higher-return formal instruments, leads to a cycle of debt and missed financial opportunities.

7 Financial inclusion gaps vary across communities and call for localized interventions.

Underlying barriers to youth financial inclusion vary significantly across regions, emphasizing the importance of localized strategies.

Youth demonstrate growing financial agency through active money management and decision-making

Findings

OYs are comfortable discussing money with peers, family, and other close connections, indicating a willingness to seek financial advice and knowledge, especially online.

- Young people from all the GOYN communities actively engage in financial conversations, indicating their willingness to talk about money. However, young people from the India, Mombasa, eThekwini and Tanga communities highlighted the information they receive is often generic and not specifically targeted to youth.
- Although youths are comfortable discussing financial topics, they remain guarded about revealing their earnings, mindful of the potential impact on their peers' feelings.
- In multiple communities, OYs mentioned looking to social networks and 'financial influencers' for advice on managing their finances. While these platforms can give OYs access to a wide range of resources, information shared may be inaccurate or incomplete.

Recommendations

- **Invest in youth-centric financial products and trainings:** develop financial products and services tailored to the needs of young people through co-relation with organizations such as banks that can design youth friendly products. i.e ABSA bank in Kenya is working with OYs from Mombasa to provide entrepreneurship & financial training, mentorship, and access to friendly credit finance to support youth-led businesses.
- **Support peer-learning networks:** invest in establishing mentorship programs that connect youth with financial experts and successful young entrepreneurs, where youths can share experiences and knowledge.

Low financial literacy and ineffective policy environments are major obstacles to youth financial inclusion

Findings

Financial literacy and awareness and supportive policies are critical foundations for youth financial inclusion, however these are still weak in most GOYN communities. Investing in financial education and policy advocacy efforts are necessary enablers for youth financial inclusion.

- For example, in rural India, financial literacy programs often do not adequately cover practical aspects of financial management and investment strategies. An example of addressing this gap is the formation of a task force by GOYN Anchor Partner Head Held High (HHH) that includes various ecosystem partners, such as UNICEF, with an aim to develop comprehensive programs and ensure coordinated efforts across different sectors.
- Governments are increasingly prioritizing financial inclusion. For example, the Indian government has launched schemes like Pradhan Mantri Jan Dhan Yojana (PMJDY), which aims to ensure access to financial services, including banking, savings, and insurance, to the unbanked population. However, there is still a need for more localized policies that address specific regional challenges and cultural contexts.

Recommendations

- **Advocate for policy reform and support:** fund initiatives that advocate for policy reforms supporting financial inclusion, e.g. The task force set up by the government of India, that HHH is part of in rural India collaborates with policymakers to promote financial education and youth-friendly financial products. Their advocacy has led to mobile banking units in rural districts and the inclusion of financial literacy programs in school curriculums, enhancing access to banking services and equipping young people with essential financial skills.
- **Encourage holistic ecosystem partnerships:** invest in partnerships between governments, financial institutions, young people and non-profit organizations to pool resources and expertise for comprehensive financial education initiatives. A great example of this model is from FSD Kenya, which collaborates with the Central Bank of Kenya, commercial banks, microfinance institutions, and NGOs to promote financial inclusion. Their initiatives include the development of digital financial services like M-Shwari, which has reached millions of young people, providing them with savings and credit facilities through mobile phones.



There is limited correlation between levels of youth financial inclusion across dimensions and products

Findings

There is very limited correlation between progress across the four financial inclusion dimensions (e.g., high literacy does not correlate with high access or usage) and the four different types of financial products (e.g., high access/use of saving products does not correlate with high access/use of credit or insurance).

- Need to design interventions that address gaps in each dimension/product, as opposed to investing in one dimension only and assuming progress will spill over to other areas.
- For instance 86% of the GOYN young people who participated in the study find it easy to open bank accounts in their communities but this reduces to 64% who frequently use their bank accounts and reduces even further when it comes to quality and appropriateness to 49%.
- For instance 100% of the GOYN young people who participated in the study are aware and knowledgeable on credit services, however only 45% use the service and 36% have access to it but 62% report this service meets their needs.

Recommendations

- **Support programs that address multiple dimensions of financial inclusion simultaneously**, ensuring that improvements in one area (e.g., Literacy) are supported by advancements in others (e.g., Access and usage).
- **Support integrated product offerings**: fund the development of financial products that bundle various services (e.g., savings, credit, insurance) to provide a comprehensive solution that meets the diverse needs of youth.

4 Access does not necessarily translate into usage

Findings

Most communities report high access to financial services (i.e. services are available), however other barriers prevent OY from actually using existing services (e.g., unsuitable products).

- For example, Kenya and South Africa have better access compared to many African countries, but usage and quality remain challenges.
- Some locations often have fewer financial service providers, making it difficult for youth to frequently use these services. E.g., Tanga youths emphasize that despite the availability of banking facilities, high transportation costs make frequent use of these services financially burdensome.
- Unaffordability of services, including hidden charges, create additional challenges for OYs to breach the gap between access and usage.

Recommendations

- **Invest in tailored financial solutions for youth:** There is a significant opportunity to support financial institutions in developing products specifically tailored for young people. These could include low-cost accounts with transparent fee structures and accessible digital banking solutions. By involving youth in the design process, these products are more likely to meet their needs, leading to higher adoption rates and customer loyalty.
- **Launch awareness campaigns:** support campaigns to raise awareness about available financial services and educate youth on how to effectively use them. Use multiple channels, including social media, community events, and educational institutions.

Findings

Digital technology has driven up access and use of payment services, but other financial services have not experienced the same impact in most communities. Expanding the range of suitable financial products and services for OY is essential. However, we are also noting limited device affordability in some of the rural communities.

- For example, credit and insurance products are underdeveloped in most communities, and the usage of available services is often low.
- Bank accounts, including savings and current accounts, are widely recognized by OYs for their role in managing money and facilitating transactions. Confidence in bank accounts is typically high due to their direct and practical application in everyday financial management.
- High adoption rates reflect advanced digital payment systems in Kenya (36.8%) and South Africa (54.1%) . SA's leading rate is attributed to its sophisticated financial technologies and widespread use of digital payment platforms, such as the popular South African payment app, SnapScan. In Kenya, M-Pesa's extensive reach has significantly increased digital payment usage.

Recommendations

- **Enhance digital financial literacy with a focus on other services:** fund programs to enhance digital financial literacy among youth, focusing on the safe and effective use of the other various digital financial services, including savings, credit, and insurance.
- **Incentivize broader use of financial services by youth:** support the development of incentives (e.g., rewards, discounts, lower fees) to encourage youth to explore and use a broader range of financial products beyond payment services.

Saving products are well-understood and accessible, but there is significant room for growth in their usage by youth

Findings

Savings services are well-understood with recognition of the workings and benefits of savings accounts.

- Access to these services is perceived as easy or very easy, with many finding the process of opening and using savings accounts straightforward.
- The frequency of savings activities varies, with individuals saving either daily, monthly, or occasionally, reflecting different levels of engagement.
- All the OYs engaged feel confident about savings accounts due to their knowledge and firsthand experience. They understand the importance of saving for future stability and have applied these principles in their daily lives.
- The tendency to save in informal structures like table banking, chit funds or gold jewelry, rather than safer, higher-return formal instruments, leads to a cycle of debt and missed financial opportunities. However, In some communities like Thies and Tanga, informal savings groups can be critical to encourage youths to start saving and borrowing and build a financial history, as a first step towards the use of more formal financial services.

Recommendations

- **Scale up initiatives** such as the Tanga Yetu Savings and Entrepreneurship program that improve the accessibility of savings services and raise awareness about their benefits.
- **Support and invest in programs that provide education on advanced savings strategies and financial management.**
- **Invest in outreach and education campaigns and tools** that reinforce the importance of consistent saving and provide practical guidance on how to effectively use savings services.
- In highly informal settings where formal saving products are not easily accessible, **partner with organizations managing informal savings groups** and encourage OYs to join them as a gateway towards future access to the formal financial system.

Findings

Underlying barriers to youth financial inclusion vary significantly across regions, emphasizing the importance of localized strategies.

- For example, initiatives in Tanga emphasize youth savings, accessible financing and community support, addressing barriers by offering low-cost loan options and financial services. The focus on reducing interest rates and providing loan access directly targets financial constraints faced by youth.
- TRI programs in Ramgarh (rural India) combine financial education with practical lending solutions. Rang De's peer-to-peer lending model and training support both financial knowledge and digital skills, addressing barriers through education and accessible financial services.
- In Mexico, the national financial inclusion plan includes media campaigns and personal finance courses with an aim to improve financial literacy more broadly.

Recommendations

- **Facilitate knowledge sharing and collaboration among successful programs** to promote cross-collaboration of ideas, for example through a community of practice or learning series.
- In rural or underserved areas, **focus on leveraging technology** to expand access to financial services (e.g. rural India, Tanga, peripheries of cities).
- **Take a community-based approach**, implementing region-specific strategies to address the unique needs and challenges of different communities.
- **Enhance the capacity of local institutions and communities** to develop financial education and trainings adapted to their own context.

How could GOYN start acting on these recommendations?

INTERVENTIONS AT THE COMMUNITY LEVEL

- 1 **Integrate a financial education component in youth entrepreneurship programs and initiatives**, e.g. Youth for Entrepreneurship platform being replicated across 5+ GOYN communities, with a focus on directing youth towards quality digital financial services (e.g. link to Visa Practical Money Skills global platform).
- 2 **Include a financial mentoring component in existing mentorship programs**, such as the case management program in Mombasa supporting 20K OY.
- 3 **Identify leading financial inclusion organizations in each community and connect youth to their services** as part of their GOYN onboarding and at key moments (e.g., graduation from skilling programs, first formal job).
- 4 **Partner with organizations managing informal savings groups to make the model more attractive to youth**, e.g. by encouraging **digital savings groups** and connections to formal financial institutions.
- 5 **Advocate for youth-friendly products with banks and other financial providers**, e.g. by hosting working groups with YAG members. Position this as an opportunity for financial institutions to increase their client base (win-win proposition).

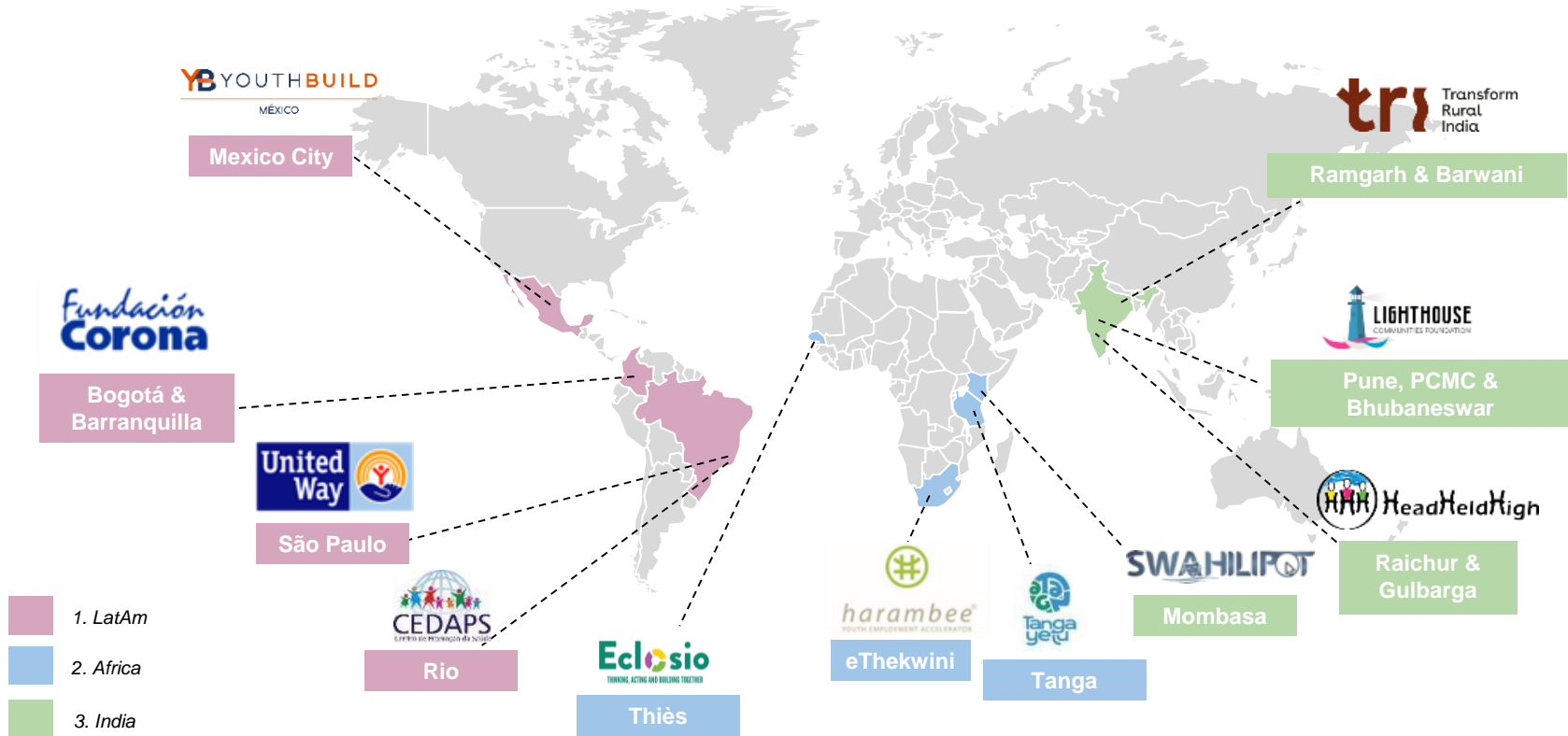
INTERVENTIONS AT THE GLOBAL LEVEL

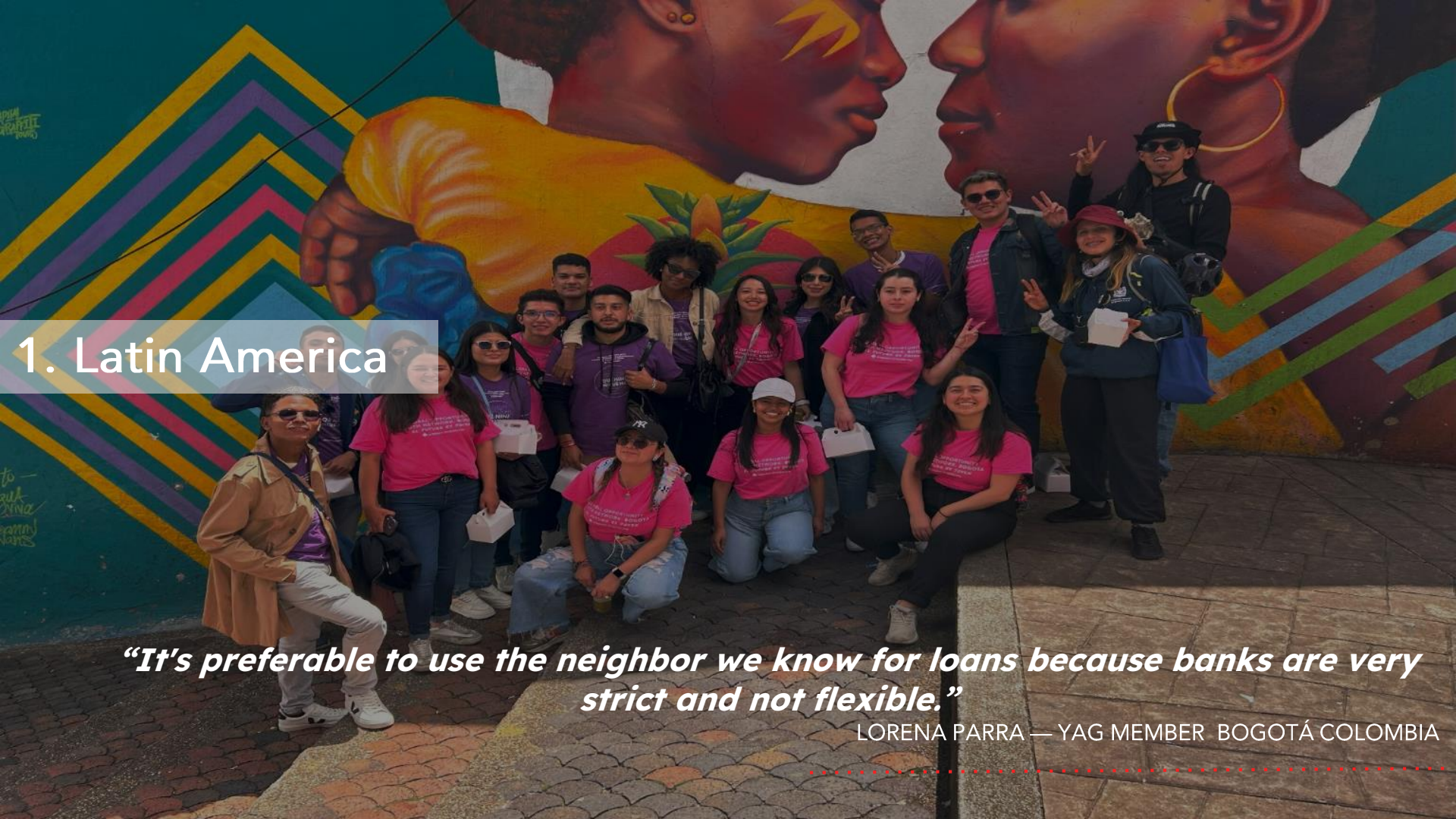
- 1 **Explore the addition of a financial education component in all global youth engagement activities**, e.g. Youth Innovation Fund, Equity Leadership Program, and Youth Advisory Group trainings.
- 2 **Find and leverage global partners with an interest and expertise in youth financial inclusion** to invest in community-level interventions (e.g., Prudential, Visa Foundation, MasterCard Foundation), advocating for more OY-focused programming – not just youth.
- 3 **Building on this report, expand GOYN's knowledge of the links between youth financial inclusion and economic opportunity**, e.g. through learning sessions, case studies, and the tracking of financial inclusion across all GOYN communities.



4. COMMUNITY SNAPSHOTS

The Global Opportunity Youth Network (October 2024) – Communities covered in the report





1. Latin America

“It’s preferable to use the neighbor we know for loans because banks are very strict and not flexible.”

LORENA PARRA — YAG MEMBER BOGOTÁ COLOMBIA

Brazil – National financial inclusion statistics

Key youth financial inclusion statistics (all of Brazil)

% for youth age 15-24, 2021



79.9%

have a financial institution account



67.4%

Saved any amount of money



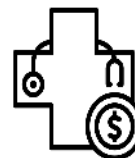
37.1%

Borrowed from a formal financial institution or using a mobile money account



77.9%

Made or received a digital payment



40.6%

Most worrying financial issue: paying for medical costs in case of illness or accident

1.1. Brazil

Brazil (São Paulo + Rio) – OY profiles



Population

- São Paulo : 765,525 Opportunity youth
- Rio: 255,000 Opportunity youth
- Youth unemployment rate in Brazil in 2023 is at 17.9%



Livelihoods & income

- 35% of young people in São Paulo currently out of work
- Income levels include: **Entry-level or less skilled positions**: USD 277 - USD 300 per month. **Skilled positions** (with some vocational training or higher education): USD 315 - USD 630 per month.



Education levels

- The literacy rate among this age group in São Paulo is typically over **98%**. This means that the vast majority of youths in this age bracket can read and write at a basic level.
- Approximately 10-15% of youths have incomplete or complete primary education, 60-70% have complete secondary education, and 15-20% have incomplete or complete higher education.



Key takeaways

1. **Gap in financial education:** OYs noted a significant lack of formal financial education, often learning about finances reactively due to immediate needs and moral dilemmas, as highlighted by their experiences of juggling responsibilities and desires.
2. **Difficulty with financial terminology:** Many OYs struggled with understanding complex financial jargon and agreements, leading to frustration and avoidance of financial services.
3. **Distrust in financial institutions:** There is a prevalent distrust of financial institutions and public figures among OYs, exacerbated by fears of losing assets and negative experiences with scams and misleading endorsements.
4. **Lack of financial role models:** OYs observed a scarcity of positive financial role models in their social circles, leading them to seek inspiration from external figures like CEOs and financial influencers.
5. **Self-learning and influencers:** Despite challenges, many OYs have taken initiative to self-educate about financial products, with social media influencers and financial apps playing a growing role in their financial education.

OY Quotes

"Even when I knew what to do, controlling myself not to buy things was very difficult. I always wanted to have the best sneakers, because I do sport. And I was lucky that I hadn't had contact with a credit card yet."

Kaique Julio – OY São Paulo

"The type of relationship we have with money is passed down by our parents. It's very difficult to see that through different lenses."















Larissa – OY from GOYN Rio de Janeiro

"Most of us here have to be our own foundation and our own support. It all comes down to class. And not just class, but race, gender and everything else that makes us have to learn on our own. Being self-taught and solving your own problems."





Matheus - OY from GOYN São Paulo

1.1. Brazil

Brazil (São Paulo + Rio) – State of youth financial inclusion (1/2)

Financial inclusion components	Agency 	Financial capability 	Access 	Usage 	Quality/ Appropriateness 	Overall assessment
Financial inclusion products						
Payment services	Medium Youth use digital payments like Pix and mobile wallets effectively but face issues with digital literacy and security.	Low According to a study by the OECD, only 28% of Brazilian students achieved at least the baseline level of proficiency in financial literacy.	High The Central Bank of Brazil reports that 75% of Brazilians aged 15-24 have a bank account, providing them access to payment services.	High According to the Brazilian Payment System report, 60% of youth use digital wallets or mobile payment platforms regularly	High According to the community in Brazil Payment Service is high among the OYs, Over 60% of youth use payment services widely.	
Credit	Low Limited credit history and understanding make accessing and managing credit challenging for young people.	Low According to a study by the OECD, only 28% of Brazilian students achieved at least the baseline level of proficiency in financial literacy.	Low Approximately 21% of young Brazilians have access to formal credit.	Low Only about 15% of young people have active credit lines or loans, mainly due to lack of financial history and income	Medium According to the community in Brazil credit Service are relatively known among the OYs, with a grown need for young people taking loans for lifestyle purposes.	
Insurance	Low Awareness and use of insurance services are minimal among youth, hindered by complexity and lack of education.	Low According to a study by the OECD, only 28% of Brazilian students achieved at least the baseline level of proficiency in financial literacy.	Low A report by Swiss Re indicates that less than 10% of young people in Brazil have any form of insurance.	Low Fewer than 5% of young people actively use insurance services, often due to lack of awareness and perceived high costs	Low According to the community in Brazil insurance services appropriateness among young people is really low.	
Savings	Medium Access to savings accounts is available, but engagement and effective management are often low due to financial pressures and limited literacy.	Low According to a study by the OECD, only 28% of Brazilian students achieved at least the baseline level of proficiency in financial literacy	Medium Around 35% of youth have access to savings accounts. This data comes from a survey by the World Bank's Global Findex database.	Low Around 30% of young Brazilians actively save money, often using informal methods or saving within their bank accounts.	Low According to the community in Brazil Savings appropriateness among young people is really low.	
Overall assessment						

Financial Inclusion Enablers

Policy and regulations	<p>Ineffective - Policies and regulations provide minimal support for financial inclusion.</p> <ul style="list-style-type: none"> The "Young Savers Program" (Programa Jovem Aprendiz) offers financial education and vocational training to youth, aiming to improve their financial literacy and employability. While it provides valuable skills, the reach and impact of this program are limited by the need for broader integration into school curriculums and the availability of similar programs in rural or underserved areas. 	
Support systems and stakeholders	<p>Moderately Effective- Initiatives provide some support for financial inclusion.</p> <ul style="list-style-type: none"> Organizations like "Instituto Unibanco" and "Fundação Roberto Marinho" support financial education for youth through various initiatives and educational programs. These efforts are crucial in fostering financial literacy among young people. However, gaps remain in reaching marginalized youth who may not have access to these programs due to socioeconomic barriers or geographic constraints. 	
Financial infrastructure	<p>Ineffective: Services and tools are limited. Many youth do not have access to necessary services.</p> <ul style="list-style-type: none"> "Banco do Brasil's Conta Jovem" provides a banking option specifically designed for young people, with lower fees and simpler requirements. This product aims to introduce youth to formal financial services. Nonetheless, the uptake is limited, and many young people still engage with informal financial practices or struggle with traditional banking services due to lack of awareness or accessibility. 	
Digital infrastructure	<p>Effective: Access to digital services and tools is improving, but some areas need better support.</p> <ul style="list-style-type: none"> "Nubank" and "C6 Bank" offer user-friendly digital banking solutions that appeal to tech-savvy youth. These fintech companies have been successful in attracting younger users with their innovative digital platforms. However, digital literacy is still a barrier for some youth, particularly in less connected areas, and issues related to cybersecurity and privacy can deter young users from fully embracing digital financial tools. 	

Source: [USAID...AFI Homepage](#) AND [GOYN ANCHOR PARTNER \(www.unitedwaybrasil.org.br\)](#)

Legend



Ineffective



Moderately Effective



Effective



Gaps

- **Inadequate usage of financial instruments:** despite possessing sophisticated managerial and financial skills, low-income individuals often do not use available financial instruments or engage in basic cash transactions.
- **Varied financial profiles:** the diverse profiles within the community—conservatives, planned, and disorganized—reveal a gap in understanding and utilizing financial products based on their distinct behaviors and needs.
- **Negative impact of poorly adequate products:** financial products that are poorly suited to low-income families generate a negative impact due to limited knowledge and understanding of financial rules and mechanics.
- **High acquisition costs:** challenges in acquiring low-income customers stem from low credit history, lack of asset guarantees, and limited digital transactions, which make credit more expensive and access to financial services more difficult.
- **Difficulty in reaching non-digitalized customers:** reaching non-digitalized customers is challenging due to high acquisition costs and low-value transactions, making it difficult to offer scalable and cost-effective financial solutions.



Opportunities

- **Increase usage of financial instruments:** launch financial literacy workshops in community centers that include practical, hands-on sessions on how to use banking products and services. Partner with local non-profits to provide financial counseling tailored to low-income individuals.
- **Address varied financial profiles:** create a range of financial products such as low-fee savings accounts for conservatives, budget-friendly investment plans for planned individuals, and simple, automatic savings tools for disorganized individuals. Offer personalized financial advice based on their profiles.
- **Improve product suitability:** develop financial products like low-cost microloans or accessible prepaid debit cards with clear, easy-to-understand terms. Implement user-friendly platforms that provide step-by-step guidance on financial management.
- **Reduce acquisition costs:** introduce products with no minimum credit history requirements or asset-backed credit options. Offer introductory incentives or low-fee accounts to attract new customers and encourage digital transactions through mobile-friendly platforms.
- **Expand reach to non-digitalized customers:** implement mobile banking units or partner with local businesses to offer basic banking services in person. Provide educational materials and support through community outreach programs that cater to individuals without reliable internet access.

1.1. Brazil

Case study: Sebrae & Meu Trampo Empreender

The partners: Sebrae and Meu Trampo Empreender

- Meu Trampo Empreender is a nonprofit Initiative recognized by national entities like Sebrae in Brazil.
- Mission: Empower small and micro-entrepreneurs with financial literacy and entrepreneurial skills.
- Key Initiatives: "Educação Financeira Empresarial" and "Meu Trampo Empreender."
- Focus: Supporting entrepreneurship and financial sustainability for small businesses across Brazil.

The initiative: Educação Financeira Empresarial and Entrepreneurial Empowerment

- Provides essential financial education tailored for business owners.
- Helps entrepreneurs understand cash flow, budgeting, and financial planning.
- Guides entrepreneurs in navigating formal financial systems, including loans, investments, and savings.
- Equips entrepreneurs with tools to manage risks and ensure long-term business viability.
- Engages with a network of financial institutions and business organizations to extend the reach of financial education.

Impact to date

- Significant improvements in business sustainability and financial health: Entrepreneurs who completed the courses reported a 30% increase in profitability and a 25% reduction in business failures.
- Better financial management: Participants have observed improved financial management skills.
- Improved access to financial services: Enhanced access to loans, investments, and savings options for over 7,699 young entrepreneurs who have been certified through the Meu Trampo Empreender program.

Opportunities for GOYN

- Replicate best practices in financial education and entrepreneurship support.
- Implement similar programs in different regions to boost local entrepreneurship.
- Leverage collaborations with financial institutions and business organizations to replicate the initiative.



Colombia – National financial inclusion statistics

Key youth financial inclusion statistics (all of Colombia)

% for youth age 15-24, 2021



50%
have a financial
institution account



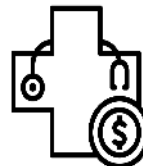
39.2%
Saved any amount
of money



13.9%
Borrowed from a formal
financial institution or
using a mobile money
account



46.4%
Made or received
a digital payment



30.1%
Most worrying financial issue: paying
school or education fees, young

1.2. Colombia

Colombia (Bogotá + Barranquilla) – OY profiles



Population

- Bogotá: 836,000 Opportunity Youth
- Barranquilla: 197,276 Opportunity Youth



Livelihoods
& income

- The minimum wage in Colombia for 2023 is COP 1,300,000 (about 295USD) per month.



Education
levels

- High enrollment in primary and secondary education, with about 50% participating in higher education in Bogotá.
- Approximately 35-40% of youths aged 18-24 in Barranquilla are enrolled in higher education institutions.



Key takeaways

1. **Lack of formal financial education:** there is a noticeable gap in formal financial education, with most young people relying on informal sources such as family or personal experiences. This contributes to limited knowledge of financial products and services.
2. **Role of informal and social media learning:** while parents and friends are primary sources of financial learning, social media platforms and influencers are becoming increasingly important for youth. However, these sources often provide inconsistent or incomplete education.
3. **Challenges in accessing financial services:** barriers such as age restrictions, complex information, and logistical difficulties prevent young people from accessing credit and other financial services. These challenges discourage engagement with formal financial institutions.
4. **Mistrust of formal financial institutions:** a prevalent lack of trust in financial institutions, especially among youth from lower socioeconomic backgrounds, drives them toward informal credit systems (individual creditors etc.) which are easier to access due to their locations and less requirements. Fear of misunderstood financial products and strict repayment terms further alienates them from banks.
5. **Physical and logistical barriers:** bank operating hours and limited physical presence of financial institutions in certain areas make it difficult for youth to access these services. This misalignment often forces them to rely on more accessible but risky informal credit systems.
6. **Financial literacy gaps despite education:** despite having some level of formal education, many young people lack basic financial literacy, especially concerning credit and taxes. This gap highlights the need for formal, structured financial education early on, even for those pursuing business-related careers.

OY Quotes

"Accessing credit is the most complicated because of the requirements like credit history and income."

Carlos Rodriguez- YAG Member Barranquilla

"The services are often not suitable for our needs, and the costs can be prohibitive."















Valeria Riaño - Opportunity Youth from Bogotá

"So when I entered university, I still didn't know anything about the importance of having a credit history despite studying a career in administrative sciences. I had no idea what a tax was, what a management fee was. I had no idea what was being deducted monthly from my savings account."

Whitney Bowie - OY from Barranquilla

1.2. Colombia

Colombia (Bogotá + Barranquilla) – State of youth financial inclusion (1/2)

Financial inclusion components	Agency 	Financial capability 	Access 	Usage 	Quality/ Appropriateness 	Overall assessment
Financial inclusion products						
Payment services	Medium Digital payment services are becoming more common, and youth, particularly in urban areas, are increasingly confident in managing these services independently.	Medium 50-60% of youth are aware of basic payment services like bank accounts and mobile payments	Medium 60% of youth have access to basic banking and payment services	Medium 60% of youth regularly use payment services for transactions	Medium 50% of youth find payment services suitable and effective for their needs	
Credit	Low Access to formal credit is limited, especially for youth. Microcredit exists but is underused, and financial literacy around credit services is relatively low.	Low Only 30-40% of youth understand personal or business loan products	Medium Access to credit is lower, with only 25% of youth able to obtain personal or business loans	Low Usage of credit services is minimal, with only 20% of youth using loans	Low Only 20% of youth consider credit services appropriate, citing high interest rates and complex application processes	
Insurance	Low Insurance services remain underdeveloped, with limited youth engagement. Confidence in accessing and managing insurance services is low.	Low Awareness about insurance services remains low, with only 20-30% of youth having a basic understanding	Low Access to insurance services is limited, with just 15% of youth having easy access	Low Only 10% of youth use insurance services	Low Insurance services are deemed appropriate by 20% of youth, with cost and lack of customization being major issues	
Savings	Medium While savings services are available, there's a mixed level of confidence in using them independently. Urban youth have better access and understanding of savings products.	Medium Around 60% of youth are familiar with savings products like bank accounts and savings groups	Medium 40% of youth can access savings products with relative ease	Medium About 50% of youth actively use savings accounts and savings groups	Medium 45% of youth find savings products suitable, though some face challenges with minimum balance requirements and limited interest rates	
Overall assessment						

Source: <https://www.superfinanciera.gov.co/>, <https://globalindex.worldbank.org/>, <https://www.bancadelasoportunidades.gov.co/>, Financial Inclusion report AND Goyn Anchor Partner(www.goynbogota.org)

Legend



Low



Low/ Medium



Medium



Medium/ High



High

Colombia (Bogotá + Barranquilla) – State of youth financial inclusion (2/2)

Financial Inclusion Enablers

Policy and regulations	<p>Ineffective - Policies and regulations provide minimal support for financial inclusion.</p> <ul style="list-style-type: none"> Political changes from the regulation of the financial sector so that they can give access to young people with potential, motivate the connection of young people to the financial sector, for example with subsidized interest rates so that they can access education and/or housing loans or free investment. Earlier and more autonomous linking, for example Nequi can be opened by a minor 	
Support systems and stakeholders	<p>Moderately Effective- Initiatives provide some support for financial inclusion.</p> <ul style="list-style-type: none"> In Bogotá, partners, it motivated financial inclusion, because they were paid through formal means of the financial sector and subsidies for higher education and virtual wallets, icetex, 	
Financial infrastructure	<p>Ineffective: Services and tools are limited. Many youth do not have access to necessary services.</p> <ul style="list-style-type: none"> Support to finance entrepreneurial ideas or strengthen budding businesses of young people with potential Bank policy, they do not allow autonomy before the age of 18 	
Digital infrastructure	<p>Moderately effective: Access to digital services and tools is improving, but some areas need better support.</p> <ul style="list-style-type: none"> Young people could receive information and training about the system, how it works, what possibilities it offers, what the access requirements are, because in general they do not know much about these issues. 	

Source: <https://www.superfinanciera.gov.co/>, <https://globalfindex.worldbank.org/>, <https://www.bancadelasoportunidades.gov.co/>, Financial Inclusion report AND Govn Anchor Partner(www.govnbogota.org)

Legend



Ineffective



Moderately Effective



Effective



Gaps

- **Lack of formal data on youth financial inclusion:** many insights into youth financial inclusion are based on perceptions and informal conversations, rather than research-driven, data-backed information. This lack of empirical data limits the ability to assess actual needs and behaviors of youth.
- **One-size-fits-all approach to youth financial programs:** youth are often treated as a homogeneous group despite wide variations in their financial needs, behaviors, and challenges based on their age (e.G., 14–28 years old). Younger and older youth face significantly different circumstances, yet financial programs often fail to address these distinctions.
- **Restrictive environment for financial inclusion:** systemic barriers—such as restrictive financial policies, lack of access to banking infrastructure, and high costs of financial services—hinder youth from fully participating in the formal financial system. These barriers are particularly problematic in Colombia and other developing regions.
- **Limited collaboration between stakeholders:** while multiple organizations are working towards financial inclusion, efforts are often fragmented, leading to duplication of work and missed opportunities for scaling successful programs.
- **Insufficient focus on income generation and financial empowerment:** existing financial programs may help youth access financial products but fail to provide the necessary support to help them generate steady income and grow financially.



Opportunities

- Establish comprehensive **data collection frameworks** that capture quantitative and qualitative insights from youth. By conducting surveys, focus groups, or leveraging digital platforms for data collection, organizations can build a more robust evidence base to inform policies and programs.
- **Develop age-specific financial inclusion strategies.** Tailor programs for different segments of youth, such as creating financial literacy initiatives for school-aged youth and offering access to credit and entrepreneurial support for older youth transitioning into the workforce..
- **Advocate for policy reforms** and work with financial institutions to create **youth-friendly financial products.** Programs could focus on reducing fees, simplifying requirements for account access, and expanding mobile or digital banking solutions tailored to youth.
- **Foster collaborative partnerships** across sectors (e.G., Ngos, government, private sector) to share resources, knowledge, and best practices. By working together, stakeholders can pool expertise, pilot programs across different regions, and scale up successful interventions to reach more youth.
- **Integrate income generation programs** with financial inclusion initiatives. For example, offer entrepreneurship training, job placement services, or micro-financing options alongside financial education. This dual approach ensures that youth not only access financial services but also have the economic means to sustain themselves and grow financially.

1.2. Colombia

Case study: Banco Caja Social and Grupo Social Foundation

The partners: Banco Caja Social and Grupo Social Foundation

- Nonprofit initiative supported by Banco Caja Social and the Grupo Social Foundation, both instrumental in promoting social development and financial inclusion in Colombia.
- Mission: Enhance financial inclusion and economic development by providing comprehensive financial services, education, and support to underserved populations.

The initiative: Financial literacy and economic empowerment

- Financial Literacy Programs: Tailored educational programs aimed at improving financial knowledge and management skills among low-income individuals and families.
- Access to Financial Services: Initiatives to increase access to essential banking services such as savings accounts, credit, and loans, particularly for underserved communities.
- Economic Development Projects: Programs designed to stimulate local economic growth through community development projects, entrepreneurship support, and small business development.

Impact to date

- Improved Financial Management: 700 out of 1,000 participants now regularly track their expenses and save, up from less than COP 300,000 (USD 68). Additionally, 850 out of 1,000 can manage their debt effectively, up from COP 400,000 (USD 91).
- Enhanced Access to Financial Services: Access to banking services has increased from 1,000 to 1,500 underserved individuals and small businesses. Microloans issued have risen from 1,000 to 1,600.
- Economic Development: New business formations have increased from 1,000 to 1,350. 800 out of 1,000 new businesses remain operational after two years, compared to a national average of 500. Economic vulnerability has decreased, with 250 out of 1,000 households moving above the poverty line.

Opportunities for GOYN

- Adopt and replicate successful financial literacy and inclusion programs in other regions or countries.
- Develop new partnerships with financial institutions and community organizations to extend reach and impact.
- Align with broader goals of economic development and poverty alleviation through targeted financial education and support.

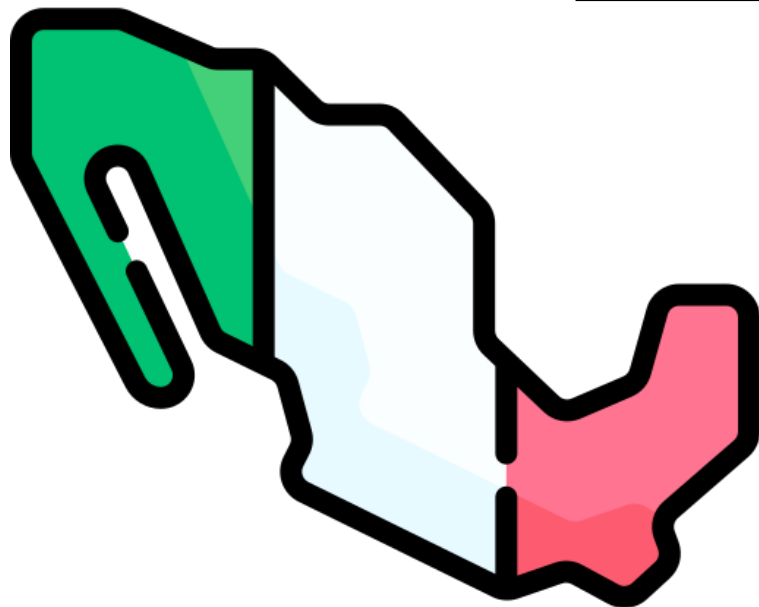
55 Leverage insights and best practices to enhance future initiatives and improve overall program effectiveness.



Mexico – National financial inclusion statistics

Key youth financial inclusion statistics (all of Mexico)

% for youth age 15-24, 2022



50.0%

have a financial institution account



42.9%

Saved any amount of money



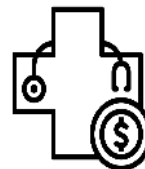
18.4%

Borrowed from a formal financial institution or using a mobile money account



47.1%

Made or received a digital payment



48.5%

Most worrying financial issue: paying for medical costs in case of illness or accident

Mexico City – OY profiles



Population

- Mexico City: 722,618 Opportunity Youth
- Half of the young people in Mexico city are men (50.2%) and half are women (49.8%)



Livelihoods & income

- Mexico's youth unemployment rate for individuals aged 15-24 is higher than the national average. In 2023, the youth unemployment rate was around 7-8%
- 48% of young people in formal jobs do not have sufficient wages



Other characteristics

- Among youth (ages 15-24), the literacy rate is higher, close to 99%, reflecting improved access to education for younger generations compared to older age groups.



Key takeaways

1. **Lack of formal financial education:** youth highlighted a significant gap in formal financial education, with only a few programs like the *Condusef* initiative offering remote, module-based self-learning opportunities.
2. **Lack of guarantees against schemes:** there is prevalent distrust of financial institutions, especially among youth from lower socioeconomic backgrounds, due to fears of asset loss, misunderstood financial products, harsh repayment terms, and scams.
3. **Difficulty in comprehending terminology and economic jargon:** many youth struggle with technical terminology and economic jargon, particularly in fine print agreements, which they find deceitful and motivated by greed, discouraging them from engaging with financial services.
4. **Lack of role models within social circles:** youth noted a scarcity of financial role models in their social circles, often seeing their families as poor examples of financial planning. Consequently, OYs seek advice from work friends, professionals, and financial influencers online; whom at the time are limited to their own personal experience.
5. **Willingness to engage in self-taught learning:** despite the challenges, half of the youth have taken an interest in self-learning the basics about financial products and services, leveraging social media and financial influencers like [“mi conta virtual”](#) for education.

OY Quotes

“My friends don’t have a healthy relationship with money. Sometimes they even end up getting into debt because they feel obligated to help out their boyfriends. One of them actually pawns things of value to pay for her credit card bills”

Hannia Yohali - Opportunity Youth from Mexico

“They don’t teach us anything about financial education at school so we are on our own. Most things we do without thinking much, on autopilot, such as paying bills and all.”















Eduardo Shlomi - Opportunity Youth from Mexico

“It’s also harder to talk about money in contexts where insecurity is prevalent. For example, in a context like Mexico you often hear about rent scams.”

Tania Gayosso- Opportunity Youth from Mexico

1.3. Mexico

Mexico – State of youth financial inclusion (1/2)





Financial inclusion Dimensions	Agency 	Financial capability 	Access 	Usage 	Quality/ Appropriateness 	Overall assessment
Financial inclusion products						
Payment services	Low While there's growing adoption of digital payments, many youth lack the confidence to fully integrate these services into their daily lives, particularly in rural areas.	Medium Around 60% of youth are familiar with financial accounts products like bank accounts	High Mexico has made progress in digital payment adoption. However, there's room for improvement.	High The National Survey of Financial Inclusion (ENIF) shows that 32% of adults have made or received digital payments	Medium Efforts to promote digital financial inclusion are ongoing, but challenges remain	
Credit	Low Credit access is low, with youth generally lacking confidence in using formal credit systems. Microcredit is available but underutilized.	Low Awareness to formal credit remains constrained for youth due to barriers like lack of collateral and credit history.	Medium Access to formal credit remains constrained for youth due to barriers like lack of collateral and credit history.	High Usage of credit services is minimal, with only 20% of youth using loans	Low Only 20% of youth consider credit services appropriate, citing high interest rates and complex application processes (
Insurance	Low Insurance services are not widespread, and youth generally lack knowledge or interest in these products. The confidence to use insurance services independently is very low.	Low Insurance services are not widespread, and youth generally lack knowledge or interest in these products. The confidence to use insurance services independently is very low.	Low Insurance services are not widespread, and youth generally lack knowledge or interest in these products. The confidence to use insurance services independently is very low.	Low Insurance services are not widespread, and youth generally lack knowledge or interest in these products. The confidence to use insurance services independently is very low.	Low Insurance services are not widespread, and youth generally lack knowledge or interest in these products. The confidence to use insurance services independently is very low.	
Savings	Low Youth savings levels are low, particularly in rural areas where there's less access to formal financial institutions. Savings behavior is more informal.	Medium Around 60% of youth are familiar with savings products like bank accounts and savings groups	Low 55% of youth can access savings products with relative ease	Medium About 50% of youth actively use savings accounts and savings groups	Low 45% of youth find savings products suitable, though some face challenges with minimum balance requirements and limited interest rates	
Overall assessment						

Source: GOYN anchor partner (<https://youthbuildmexico.org/>), <https://www.cgdev.org>

1.3. Mexico

Mexico – State of youth financial inclusion (2/2)

Financial Inclusion Enablers

Policy and regulations	<p>Ineffective - Policies and regulations provide minimal support for financial inclusion.</p> <ul style="list-style-type: none"> The policies could provide primary access to microloans at preferential rates, entry-level banking opportunities to help youths understand available services, and tailored training based on their needs and development levels. 	
Support systems and stakeholders	<p>Moderately Effective- Initiatives provide some support for financial inclusion.</p> <ul style="list-style-type: none"> The support systems for financial inclusion encompass a variety of resources, including educational courses offered by CONDUSEF, services provided by financial institutions such as Santander and Banamex, and the availability of online learning platforms like Coursera, among others. 	
Financial infrastructure	<p>Ineffective: Services and tools are limited. Many youth do not have access to necessary services.</p> <ul style="list-style-type: none"> Regarding financial infrastructure, although the government has initiated numerous youth support programs, the processes often remain inaccessible and slow. Additionally, the institutions involved have not modernized their procedures. 	
Digital infrastructure	<p>Moderately effective: Access to digital services and tools is improving, but some areas need better support.</p> <ul style="list-style-type: none"> To address digital infrastructure, young people could benefit from receiving information and training about the system, including how it works, the opportunities it offers, and the access requirements. This is crucial as they generally lack knowledge in these areas. 	

Source: GOYN anchor partner (<https://youthbuildmexico.org/>), <https://www.cgdev.org>

Legend



Ineffective



Moderately Effective



Effective



2. Africa

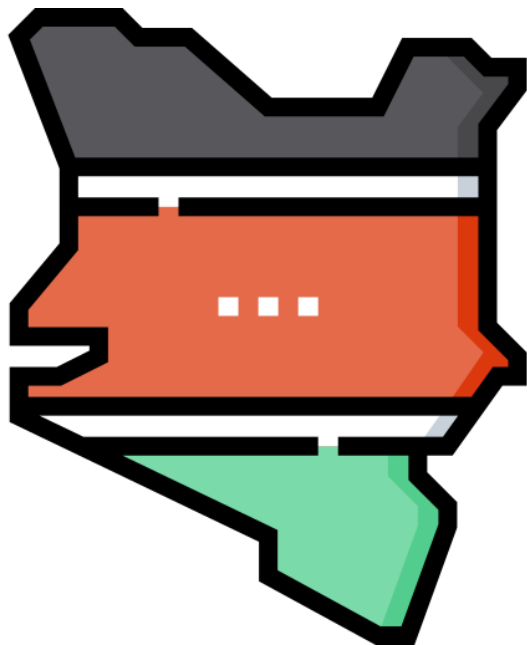
“I think about money every day. It’s a constant struggle to balance needs and wants.”

FATMA YAHYA – YAG MEMBER MOMBASA

Kenya – National financial inclusion statistics

Key youth financial inclusion statistics (all of Kenya)

% for youth age 15-24, 2022



78.9%

have a financial institution account



66.8%

Saved any amount of money



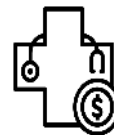
34.9%

Borrowed from a formal financial institution or using a mobile money account



77.7%

Made or received a digital payment



45.1%

Most worrying financial issue: paying school or education fees, young

Mombasa – OY profiles



Population

- 373,000 Opportunity Youth in Mombasa
- Mombasa has the highest % of unemployed youth in Kenya standing at 66%



Livelihoods
& Income

- Over 60% of opportunity youth earn less than 50 dollars per month
- According to the Kenya National Bureau of Statistics (KNBS), the average monthly income for employed youths in urban areas, including Mombasa, ranges between KES 10,000 to KES 20,000



Education
levels

- 21% of youths in Mombasa complete high school education level, leaving 79% of youths currently reported as dropped out
- Over 50% of the youths in Mombasa are the sole financial support for their family



Key takeaways

1. **Good general understanding of services:** Most OYs have a good understanding of the financial services offered, with variations in confidence levels and access.
2. **Confidence increases with usage:** Confidence in using services often correlates with the frequency and duration of interaction with these services.
3. **Mixed experiences with access to services:** There is a wide range of OY experiences regarding the ease of accessing and using financial services, from very easy to very difficult. This suggests a need to simplify access to these services.
4. **Mixed levels of engagement:** Usage frequency varies, with some OYs interacting with services weekly or monthly, while others do so rarely or never. Enhancing engagement strategies could help increase the frequency of use among the youth.
5. **Services maladapted to youth's needs:** OY gave mixed feedback on the adequacy of services, with many finding them adequate in some areas but lacking in others, particularly when it comes to financial education and access to loans.
6. **Barriers to credit access:** High-interest rates and limited access to loans are significant barriers for many OYs.
7. **Systemic access issues:** Some OYs lack access to essential services despite being familiar with them, indicating systemic access issues.

OY Quotes

"I think about money every day. It's a constant struggle to balance needs and wants."

Fatma Yahya - YAG Member Mombasa

"They should conduct capacity building and training programs so that more youths can understand the importance of saving and using banks."















Rehema Chivatsi - Opportunity Youth from Mombasa

"In my family we don't talk about money enough. It's like a taboo, when I come to Swahilipot that's when I listen to some trainings on money"

Ian Kanji - YAG Member Mombasa





2.1. Kenya

Mombasa, Kenya – State of youth financial inclusion (1/2)

Financial inclusion components	Agency 	Financial capability 	Access 	Usage 	Quality/ Appropriateness 	Overall assessment
Financial inclusion products						
Payment services	High Widespread use of mobile money services like M-Pesa, with 90% of the population having access to formal financial services.	High 70% of youth are aware of basic payment services like bank accounts and mobile payments	High 80% of youth have access to basic banking and payment services	High 75% of youth regularly use payment services for transactions	High 65% of youth find payment services suitable and effective for their needs	
Credit	Low Access to formal credit is still limited, with informal credit systems playing a key role. Although digital loans are growing, there's still low confidence in formal credit channels	Medium Only 40% of youth understand personal or business loan products	Low Access to credit is lower, with only 30% of youth able to obtain personal or business loans	Low Usage of credit services is minimal, with only 35% of youth using loans	Medium Only 40% of youth consider credit services appropriate, citing high interest rates and complex application processes.	
Insurance	Low While insurance penetration is improving with the advent of mobile-based insurance products, the uptake remains low	Low Awareness about insurance services remains low, with only 20% of youth having a basic understanding	Low Access to insurance services is limited, with just 15% of youth having easy access	Low Only 10% of youth use insurance services	Low Insurance services are deemed appropriate by 15% of youth, with cost and lack of customization being major issues.	
Savings	High Mobile savings platforms and formal savings institutions are widely accessible, allowing individuals to confidently manage their savings	Medium Around 60% of youth are familiar with savings products like bank accounts and savings groups	Medium 55% of youth can access savings products with relative ease	Medium About 50% of youth actively use savings accounts and savings groups.	High 60% of youth find savings products suitable, though some face challenges with minimum balance requirements and limited interest rates	
Overall assessment						

Source: (Kenya Financial Inclusion Insights), <https://www.centralbank.go.ke>, <https://www.knbs.or.ke> and GOYN anchor partner (www.swahilinothub.co.ke)

Financial Inclusion Enablers

Policy and regulations	<p>Moderate effective - Policies and regulations provide minimal support for financial inclusion.</p> <ul style="list-style-type: none"> Simplifying regulatory frameworks could substantially alleviate barriers, potentially increasing youth access to financial services by up to 40%. This might involve streamlining documentation requirements for opening bank accounts and obtaining credit facilities. 	
Support systems and stakeholders	<p>Ineffective- Initiatives provide some support for financial inclusion.</p> <ul style="list-style-type: none"> Presently, only 20% of youth have access to organizations providing financial education and mentorship. By expanding such supportive networks, the potential exists to enhance youth financial literacy and empowerment, contributing significantly to improved inclusion rates. 	
Financial infrastructure	<p>Moderate effective : Access to services and tools is improving, but some areas need better support.</p> <ul style="list-style-type: none"> Without the digital infrastructure, Kenya's financial system is still functional but faces challenges in reaching marginalized and rural populations. Traditional banks and capital markets serve urban and high-income individuals effectively, while SACCOs and MFIs provide partial coverage for the rest, with moderate overall effectiveness 	
Digital infrastructure	<p>Effective: Access to services and tools is improving, but some areas need better support.</p> <ul style="list-style-type: none"> Despite the ubiquity of mobile technology, nearly 70% of young people in Mombasa have limited access to digital payment systems. Strategic investment in digital infrastructure could boost financial inclusion by approximately 35%, offering youth greater convenience and affordability in financial transactions. 	

Source: (Kenya Financial Inclusion Insights), <https://www.centralbank.go.ke>, <https://www.knbs.or.ke> and GOYN anchor partner (www.swahilipothub.co.ke)

Mombasa, Kenya – Gaps and opportunities



Gaps

- **Limited access to formal banking services:** Many youth in Mombasa lack access to traditional banking services, such as savings accounts and loans, due to factors like high account fees and stringent documentation requirements.
- **Digital exclusion:** While mobile phone penetration is high among youth, there's still a digital divide, with some lacking access to smartphones or internet connectivity. This limits their ability to use mobile banking and other digital financial services.
- **Financial literacy deficits:** A significant portion of youth lack basic financial knowledge and skills, hindering their ability to understand and effectively use financial products and services.



Opportunities

- **Mobile money solutions:** Leveraging mobile money platforms like M-Pesa presents a significant opportunity to increase youth financial inclusion. Simplified mobile banking interfaces and targeted educational campaigns can enhance their access and usage.
- **Digital financial education:** Investing in digital financial literacy programs tailored to youth can empower them with the necessary knowledge and skills to manage their finances effectively in the digital age.
- **Fintech innovation:** Encouraging the growth of fintech startups that cater to youth needs, such as digital savings platforms or peer-to-peer lending apps, can expand the range of accessible financial services.
- **Youth-focused banking products:** Financial institutions can develop specialized products and services tailored to the needs and preferences of young people, such as student bank accounts with reduced fees or mobile-first banking apps.
- **Partnerships and mentorship:** Collaborations between government, financial institutions, NGOs, and youth organizations can facilitate the delivery of targeted financial inclusion initiatives. Mentorship programs can also provide guidance and support to youth as they navigate the financial landscape.

2.1. Kenya

Case study: Hazina Connect – Interest-Free Microloans

The partners: Hazina Group in Mombasa and Swahilipot

- Nonprofit recognized by Swahilipot as an anchor partner of GOYN Mombasa.
- Mission: Empower impoverished youth and marginalized women through financial inclusion and skill-building.
- Key initiatives: Interest-free microloans and financial literacy training through Hazina Connect.
- Focus: Uplifting rural and peri-urban communities across Coastal Kenya.

The initiative: Interest-free microloans and financial literacy training

- Advances financial inclusion by offering interest-free microloans to start or grow businesses.
- Enhances financial literacy through Hazina Connect, providing essential financial management skills.
- Facilitates access to formal financial services: saving, budgeting, and investing.
- Reduces vulnerability to financial instability, fostering economic resilience in rural populations.
- Collaborates with corporate partners to amplify initiatives.

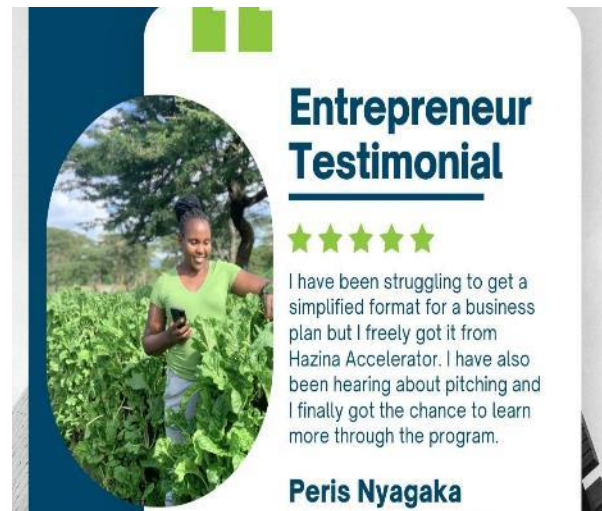
Impact to date

- Hazina Group has provided 3,500 interest-free microloans over the past three years, enabling many to start or expand businesses.
- 4,200 individuals have received financial literacy training through Hazina Connect, gaining essential skills in budgeting, saving, and investing.
- 2,800 individuals have gained access to formal financial services, including savings accounts and credit.
- 1,500 households report improved economic stability, with reduced reliance on informal lending and increased savings.
- Partnerships with local banks have resulted in 1,200 new business accounts being opened, providing entrepreneurs with necessary financial tools.

Opportunities for GOYN

- Learn from Hazina's integrated approach to financial inclusion and empowerment.
- Replicate Hazina's successful model in other communities.
- Scale up the initiative by leveraging strategic corporate partnerships.

Source: [goyn.collaborativepartner\(www.swahilipothub.co.ke\)](http://goyn.collaborativepartner(www.swahilipothub.co.ke)and) and [Hazina Group](#)



Tanzania – National financial inclusion statistics

Key youth financial inclusion statistics (all of Tanzania)

% for youth age 15-24, 2022



49.9%

have a financial institution account



51.0%

Saved any amount of money



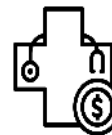
10.9%

Borrowed from a formal financial institution or using a mobile money account



47.6%

Made or received a digital payment



49.4

Most worrying financial issue: paying for medical costs in case of illness or accident



Population

- Youths aged 15-35 constitute approximately 420,000 of Tanga's total population.
- Approximately 70% of the youth population resides in rural areas, while 30% are in urban areas.



Livelihood & Income

- Approximately 60% of youths are engaged in agricultural activities with a monthly earning of \$21.37 to \$64.12.
- About 20% of youths are engaged in small-scale trading and entrepreneurial activities. Earning monthly income of \$42.73 to \$128.19.



Education & Social Level

- Enrollment rate in primary education is about 90%, Transition rate to secondary education is approximately 60%. Only about 5% of youths advance to higher education institutions.
- The literacy rate for youths in Tanzania is approximately 85-90%.



Key takeaways

1. **Good access to savings, but challenging access to credit:** Youths are trained on saving and starting savings groups but face challenges in accessing affordable loans and managing finances due to limited resources.
2. **Financial inclusion through entrepreneurship:** Training programs focus on mindset, entrepreneurship, and ecosystem mapping. Most youths have participated in mindset training and have started savings groups or opened bank accounts. There is a need for additional financial education and greater access to funds to improve business outcomes.
3. **Local initiatives to improve access to credit:** Current initiatives and policies are moderately effective in supporting financial inclusion and entrepreneurship among youths. Initiatives like the Tanga Yetu Project, TCC Loans, and NMB Loans offer some financial support, including 0% interest loans for youth, but challenges remain such as limited resources and geographical constraints, Strict eligibility criteria.
4. **Business costs:** Small businesses and startups struggle with paying taxes and insurance, especially in the first three years.
5. **Mentorship:** Coaching and mentorship are identified as crucial needs for improving youth entrepreneurship and business success.

OY Quotes

"Money is a secret, I used not to speak about money or issues like that since when I do people would think I'm rich then they borrow money from me."

Nasibu Musa - YAG Member Tanga

"Youth view payment accounts to be a service for people with a lot of money"















Abdallah Mselem- YAG Member Tanga

" Talking about money is difficult for me because I don't have much, unless I'm asking about how to make money"

Elizabeth Gerald- YAG Member Tanga

2.2. Tanzania





Tanga – State of youth financial inclusion (1/2)

Financial inclusion components	Agency 	Financial capability 	Access 	Usage 	Quality/ Appropriateness 	Overall assessment
Financial inclusion products						
Payment services	Medium Mobile money platforms like Tigo Pesa are increasingly used, and youth have moderate confidence in using these services independently, especially for day-to-day transactions.	Low 30% of youth are aware of basic payment services like bank accounts and mobile payments	Medium Average number of youth have access to basic banking and payment services .	Medium Average number of youth regularly use payment services for transactions	Medium Mobile payment services are seen as convenient and suitable, especially for the youth demographic.	
Credit	Low Youth face challenges accessing credit services. Microcredit is available but underutilized due to low confidence and understanding.	Medium Only 45% of youth understand personal or business loan products	Medium Access to credit is lower, with only 15% of youth able to obtain personal or business loans	Low Usage of credit services is minimal, with only 15% of youth using loans	Medium Existing credit products often do not meet the needs of young people, requiring more flexibility and lower interest rates.	
Insurance	Low Insurance products are underdeveloped, and youth show very low confidence and engagement with these services.	Low Awareness about insurance services remains low, with less than 10% of youth having a basic understanding	Low Access to insurance services is limited, with less than 10% of youth having easy access	Medium Less than 10% of youth use insurance services	Medium The market lacks insurance products tailored to the youth, contributing to low penetration and usage	
Savings	Medium There's moderate use of savings accounts, particularly through mobile platforms. However, traditional bank savings are less commonly used by youth.	Medium Around 25% of youth are familiar with savings products like bank accounts and savings groups	Medium 25% of youth can access savings products with relative ease	Medium About 25% of youth actively use savings accounts and savings groups	Medium Savings products often have high minimum balances and fees, making them less attractive to youth with irregular incomes.	
Overall assessment						

Source: [FinScope Tanzania 2023 Report](https://tangayetu.or.tz/) and [GOYN Anchor partner \(https://tangayetu.or.tz/\)](https://tangayetu.or.tz/)

Tanga – State of youth financial inclusion (2/2)

Financial Inclusion Enablers

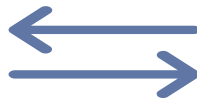
Policy and regulations	<p>Ineffective - Policies and regulations provide minimal support for financial inclusion.</p> <ul style="list-style-type: none"> • Payment Services: Mobile money services are widely used due to supportive policies, with 70% of youth utilizing these services. • Credit: Stringent lending regulations restrict youth access to credit, with only 15% of youth able to obtain formal credit. • Insurance: Insurance regulations are underdeveloped, with less than 10% of youth having access to insurance products. • Savings: Regulatory frameworks support basic savings products, yet do not significantly promote youth-specific savings schemes, with about 25% of youth actively saving. 	
Support systems and stakeholders	<p>Moderately Effective - Initiatives provide some support for financial inclusion.</p> <ul style="list-style-type: none"> • Payment Services: Financial literacy programs have increased understanding, with 70% of youth knowledgeable about basic payment services. • Credit: Support from microfinance institutions has improved access, but only 20% of youth find these services suitable due to high interest rates. • Insurance: Partnerships between insurance companies and educational institutions exist, but only 10% of youth use insurance services due to inadequate support. • Savings: Savings groups and cooperative societies help 55% of youth access savings services, though support effectiveness varies. 	
Financial infrastructure	<p>Moderately Effective- Access to services and tools is improving, but some areas need better support.</p> <ul style="list-style-type: none"> • Payment Services: With expanded banking networks and digital platforms, 70% of youth now have access to payment services. • Credit: Only 15% of youth can easily obtain loans due to the limited reach of formal credit institutions, especially in rural areas. • Insurance: Just 10% of youth access insurance services conveniently, indicating underdeveloped infrastructure. • Savings: About 40% of youth access savings accounts through banks and cooperatives, showing moderate infrastructure development. 	
Digital infrastructure	<p>Ineffective- Access to services and tools is improving, but some areas need better support.</p> <ul style="list-style-type: none"> • Education on financial literacy would improve with access to better digital infrastructure. 	

Source: [FinScope Tanzania 2023 Report](https://tangayetu.or.tz/) and GOYN Anchor partner (<https://tangayetu.or.tz/>)



Gaps

- **High exclusion rates:** While overall inclusion has improved, youth, particularly rural youth, remain disproportionately excluded. The 2017 FinScope Tanzania survey found 45% of rural youth (16-24 years old) lacked access to formal or informal financial services and the number gets lower in Tanga. However, challenges such as limited program reach, awareness issues, and strict eligibility criteria still pose barriers to full financial inclusion for youth in Tanga
- **Limited financial products:** Financial institutions often lack products tailored to the needs of young people with lower incomes and irregular cash flow.
- **Low financial literacy:** Many young people lack the knowledge and skills to manage money effectively and make informed financial decisions.
- **Difficulties with documentation:** Opening accounts often requires formal documentation which some youth, especially those living rurally, may not have readily available.



Opportunities

- **Leverage mobile money:** Tanzania has a high mobile money penetration rate. Financial institutions can develop mobile-based financial products and services designed specifically for young people.
- **Financial education programs:** Government and NGOs can work together to develop financial literacy programs targeted at young people. These programs can be delivered in schools, through community outreach programs, or online.
- **Youth-focused products:** Financial institutions can develop products like savings accounts with lower minimum balances, microloans for small businesses, and insurance products tailored to young people's needs.
- **Collaboration with youth groups:** Financial institutions can partner with youth groups and NGOs to reach out to young people and promote financial inclusion initiatives.

Case study: RLabs (Mindset change and entrepreneurship)

The partner: RLabs Tanzania

- Organization: RLabs Tanzania, in collaboration with the Botnar Foundation, Tanga City Council, and Tanga Economic Research Council (ESRF).
- Mission: Enhance the quality of life for youth in Tanga by bolstering their confidence, income, and community engagement.
- Focus: Equip young individuals with entrepreneurship skills and a transformative mindset to combat unemployment and improve living standards.

The initiative: Mindset change and entrepreneurship

- Empower youth with entrepreneurship skills and a positive mindset to overcome unemployment and elevate their standard of living.
- Leadership training for 1,036 young individuals (547 males, 489 females).
- Establishment of 17 Youth Savings and Loans Associations (YSLAs).
- Introduction of financial management skills and community engagement strategies.

Impact to date

- Youth Savings and Loans Associations saved a total of 1,324 million TZ shillings (approximately USD 500,000).
- Participants, who initially earned no income, saw substantial increases in their weekly earnings.
- Positive changes in mindset and significant increases in income for participants.
- Young individuals and graduates from higher learning institutions overcoming unemployment and enhancing their livelihoods.
- Improved financial stability and increased savings among youth.

Opportunities for GOYN

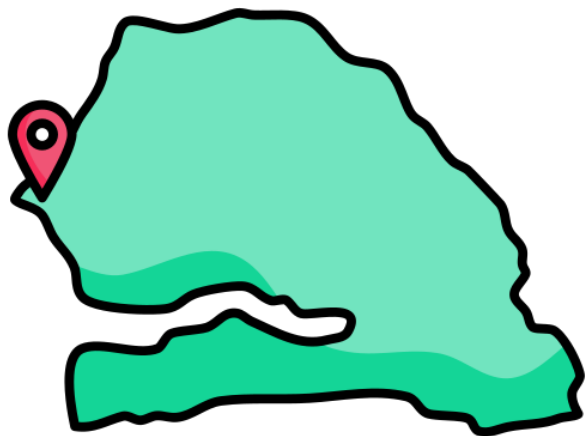
- Gain insights from RLabs' approach to mindset change and entrepreneurship training.
- Replication: Adapt and implement similar models in other regions/countries.
- Scaling: Leverage strategic partnerships and successful practices to expand the reach and impact of the initiative in Tanga.



Senegal – National financial inclusion statistics

Key youth financial inclusion statistics (all of Senegal)

% for youth age 15-24, 2022



47.8%

have a financial institution account



51.9%

Saved any amount of money



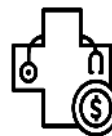
9.6%

Borrowed from a formal financial institution or using a mobile money account



44.5%

Made or received a digital payment

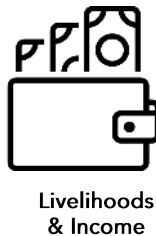


39.6%

Most worrying financial issue: paying for medical costs in case of a serious illness or accident, young



- 401,000 Opportunity Youth in Thies
- Approximately 70% of the youth population resides in rural areas, while 30% are in urban areas.



- Approximately 62.3% of youths (age 15-34) are currently unemployed in Senegal.
- Almost 90% of youth employment in Senegal is in the informal sector and most of those jobs can be characterized as precarious in terms of job security and income level



- Approximately 34% of youth have no formal education and 17% of youth have attained at most incomplete primary education, meaning that in total 51% of 15-24 year olds have not completed primary education in Senegal.
- The literacy rate among the youths in Senegal is approximately 69%.



Key takeaways

1. **Frequent money talks:** Youth often talk about money with peers and older individuals, showing openness and a need for financial discussions.
2. **Broad support network:** Money is commonly discussed with friends, family, and young entrepreneurs, indicating a broad support network.
3. **Mixed relationships with money:** Varied descriptions, from complicated to essential, highlight diverse OY financial perspectives.
4. **Varied sources of information:** Financial information is accessible through banks, social networks, the internet and programs like DER, which offer crucial financial education on money management and credit.
5. **Credit access challenges:** Key obstacles include the need for guarantees, long waiting times, and rural accessibility issues.
6. **Underuse of insurance:** Insurance is underused due to skepticism and lengthy processes, suggesting a need for better education and streamlined procedures.
7. **Needed improvements:** Reducing fees, administrative delays, and aligning with mobile money could make financial services more accessible to youth.

Source: GOYN Opportunity Youth focus group discussions

OY Quotes

"Speaking about money is not a problem for me."

Nino Grégoire NDENE - YAG Member Thies

"Money solves problems. It allows for dignified living"















Baye Lat Ndiaye- YAG Member Thies

"I cannot live without money, many responsibilities to handle alone"

Mouhamadou Seck - YAG Member Thies





2.3. Senegal

Thies – State of youth financial inclusion (1/2)

Financial inclusion components	Agency 	Financial capability 	Access 	Usage 	Quality/ Appropriateness 	Overall assessment
Financial inclusion products						
Payment services	Low Digital payment systems are not widely used by youth, particularly in rural areas, due to infrastructure and digital literacy challenges.	Medium 30% of youth are aware of basic payment services like bank accounts and mobile payments	Medium 70% of youth have access to basic banking and payment services .	Medium 60% of youth regularly use payment services for transactions	Low Mobile payment services are seen as convenient and suitable, especially for the youth demographic.	
Credit	Low Access to formal credit is very limited for youth. Microcredit options exist but are not widely trusted or used independently.	Low Only 45% of youth understand personal or business loan products	Low Access to credit is lower, with only 15% of youth able to obtain personal or business loans	Low Usage of credit services is minimal, with only 15% of youth using loans	Medium Existing credit products often do not meet the needs of young people, requiring more flexibility and lower interest rates.	
Insurance	Low Insurance services are almost non-existent among youth in Senegal. The understanding and use of these products are minimal.	Low Awareness about insurance services remains low, with less than 10% of youth having a basic understanding	Medium Access to insurance services is limited, with less than 10% of youth having easy access	Low Less than 10% of youth use insurance services	Medium The market lacks insurance products tailored to the youth, contributing to low penetration and usage	
Savings	Low Savings services are not widely accessed, and youth show low confidence in using formal savings accounts. Most savings are informal.	Medium Around 25% of youth are familiar with savings products like bank accounts and savings groups	High 25% of youth can access savings products with relative ease	Medium About 25% of youth actively use savings accounts and savings groups	High Savings products often have high minimum balances and fees, making them less attractive to youth with irregular incomes.	
Overall assessment						

Source: [Challenges linked to digital financial services in Senegal](#) and GOYN anchor partner (www.eclosio.org)

Financial Inclusion Enablers

Policy and regulations	<p>Ineffective - Policies and regulations provide minimal support for financial inclusion.</p> <ul style="list-style-type: none"> The State has put in place many mechanisms to facilitate financial inclusion such as the DER, the FONGIP, the FONGIG, however we often note a politicization of actions and inefficiency in implementation. We have the impression that banks do not finance the real economy. Savings groups remain an effective solution for inclusion, especially among women. The central bank must lower its interest rate to allow commercial banks to also lower their rates, credits are too expensive 	
Support systems and stakeholders	<p>Moderately Effective - Initiatives provide some support for financial inclusion.</p> <ul style="list-style-type: none"> DER FONGIP with subsidized interest rates Savings groups (tontine, AVEC) Projects and programs offering subsidies. 	
Financial infrastructure	<p>Moderately Effective - Access to services and tools is improving, but some areas need better support.</p> <ul style="list-style-type: none"> Payment Services: With expanded banking networks and digital platforms, 70% of youth now have access to payment services. Credit: Only 15% of youth can easily obtain loans due to the limited reach of formal credit institutions, especially in rural areas. 	
Digital infrastructure	<p>Moderately Effective - Access to services and tools is improving, but some areas need better support.</p> <ul style="list-style-type: none"> Mobile money remains an effective mechanism for accessing credit 	

Source: [Challenges linked to digital financial services in Senegal](#) and [GOYN anchor partner \(www.eclosio.org\)](#)



Gaps

- **Limited knowledge of financial products:** youth have a low understanding of credit and insurance services, leading to misconceptions, such as believing credit is only for the wealthy and fearing imprisonment for defaults.
- **Access barriers to credit and insurance:** the lack of personal guarantees, formalized business structures, and difficulty in presenting bankable projects prevent youth from accessing formal credit and insurance.
- **Social pressures affecting financial management:** many youth face challenges in managing money due to family obligations and irrational spending on luxury items, leading to poor saving habits.
- **Inadequate access to formal financial services:** traditional banking services are inaccessible to most youth, especially credit and insurance products. Formal institutions are not tailored to their needs, and high-interest rates are a deterrent.
- **High costs of financial services:** the cost of financial services, particularly high-interest rates on loans, remains a significant barrier, preventing many youth from accessing credit or formal banking services.
- **Politicization and inefficiency in existing programs:** government initiatives such as DER and FONGIP are seen as moderately effective but face issues of political influence and inefficiency, limiting their impact.



Opportunities

- **Tailored financial products:** design microloans and nano-credit services with minimal collateral and low interest rates to support youth without formal business structures or guarantees.
- **Expand and formalize savings groups:** strengthen popular savings models like tontines to bridge informal savings with formal financial systems, increasing accessibility for youth.
- **Leverage mobile money:** utilize mobile money platforms (e.g., Wave, orange money) to offer financial services such as credit, savings, and education, taking advantage of the widespread use of smartphones.
- **Boost financial literacy:** launch enhanced financial education programs focusing on critical areas such as budgeting, loan management, and credit, correcting misconceptions and fostering safe financial practices.
- **Support business formalization:** provide youth with the tools to formalize their businesses, including help with business plans and financial records, enabling better access to loans and formal credit systems.

Case study: Delegation for Rapid Entrepreneurship

The partner: DER (Delegation for Rapid Entrepreneurship)

- Organization: Delegation for Rapid Entrepreneurship (DER), Senegal.
- Mission: Support young entrepreneurs by providing accessible financing for both startup projects and scaling ventures.
- Focus: Offers financial services with low interest rates to youth entrepreneurs, focusing on formalizing businesses and facilitating financial transfers through mobile money.

The initiative: Financing for Startup and Scaling Projects

- Two types of financing:
 - For startups: Between 50,000 and 500,000 CFA.
 - For scaling businesses: Up to 50 million CFA.
- Mobile money services are used to facilitate financial transfers.
- Comprehensive business formalization support (financial and non-financial).
- Maximum interest rate of 5%, lower than traditional bank rates.

Impact to date

- DER has provided financing to over 50,000 youth entrepreneurs since its inception.
- Approximately 30,000 businesses have been formalized with DER's support.
- Enhanced operational support has led to a 70% success rate for businesses receiving DER funding.
- Strong recovery mechanisms have ensured a 90% loan repayment rate, highlighting the sustainability and accountability of the program.

Opportunities for GOYN

- Learning: Insights into using mobile money for financial inclusion.
- Replication: Partner with DER to expand young entrepreneurs' access to credit in Thies and look for public sector partners with similar capabilities in other countries (e.g., SIDBI in India).



Case study: Savings groups (Tontine, AVEC)

The partners: Savings Groups (Tontine, AVEC): Collective Savings Mechanisms

- **Organization:** Community-based savings groups (Tontine and AVEC models).
- **Mission:** Promote financial inclusion through collective savings and lending among youth.
- **Focus:** Community-driven savings groups (Tontine, AVEC) where members pool resources and offer small loans to each other.

The initiative: Collective Savings and Lending

- Members contribute regularly to a collective fund.
- Loans are distributed within the group based on need and availability of funds.
- Financial literacy and savings management are key components.

Impact to date

- Over 5,000 youth have participated in financial literacy programs, leading to improved understanding of savings and money management.
- Participants have collectively saved over 163,800 USD through these savings groups.
- More than 3,000 small loans have been distributed to members for personal or entrepreneurial needs, with a repayment rate of 95%.
- These initiatives have empowered communities by fostering a culture of savings and mutual support, leading to increased economic stability.

Opportunities for GOYN

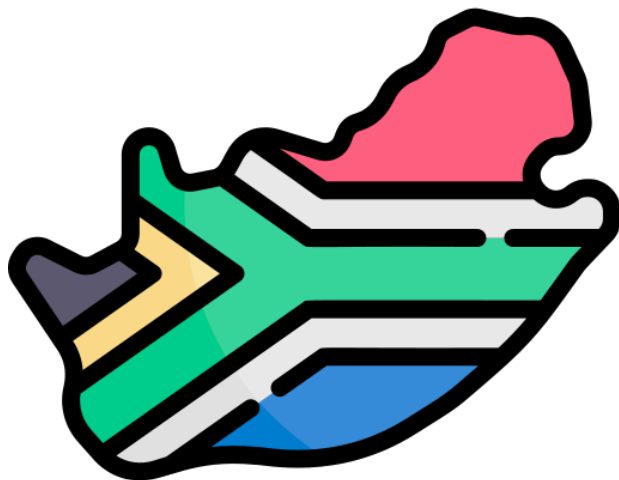
- **Learning:** Understand how community-based savings models foster financial inclusion.
- **Replication:** Encourage the adoption of Tontine and AVEC models in other regions to increase access to microcredit for young people.



South Africa – National financial inclusion statistics

Key youth financial inclusion statistics (all of South Africa)

% for youth age 15-24, 2021



79.1%
have a financial
institution account



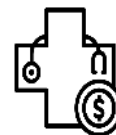
45.3%
Saved any amount
of money



12.6%
Borrowed from a formal
financial institution or
using a mobile money
account



71.2%
Made or received a
digital payment

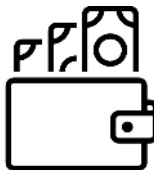


21.5%
Most worrying financial issue:
money to pay for monthly
expenses or bills



Population

- 600,101 Opportunity Youth in eThekwini
- 55.2% of 15 to 24-year-olds in South Africa are unemployed.



Livelihoods
& Income

- In eThekwini alone, over one million youths aged between 15 and 24 are unemployed.
- The median job-search costs of an unemployed youth are R550 per month; of that, R350 is attributed to transport, R200 to print, data and other administrative costs.



Education
levels

- The education system feeds learners up to the next level, regardless of readiness, which results in high dropout rates and low graduation rates.
- About 78% of students in South Africa are unable to read for meaning by age 10.



Key takeaways

1. **Financial literacy gaps:** Most OY lack confidence and understanding of financial services, particularly in areas like loans, insurance, and savings, limiting their ability to make informed financial decisions.
2. **Loan accessibility issues:** OY generally find it difficult to access loans and credit, with many expressing discomfort or distrust toward credit products.
3. **Mixed ease of access:** Basic services like savings accounts are easier to access for OY, but more complex services like loans and insurance remain a challenge.
4. **Reliance on informal advice:** Many OY depend on family or friends for financial decisions, indicating the need for more formal financial education.
5. **Youth-specific financial needs:** OY are calling for youth-focused financial literacy programs and more flexible services (e.g., blockchain or tailored savings products) to better address their unique financial challenges.

OY Quotes

"I didn't learn about money from my family or at home; I learned about it through other platforms online, like YouTube "

Ntuthuko Maphumulo - OY eThekwini

"Speaking about money is easy since my friends have business and they tell me about it "















Bayanda Gumbi - OY eThekwini

"I talk about money a lot with my grandmother, since she has taken loans before and I help her manager her accounting"

Ziyanda - OY eThekwini

2.4. South Africa

eThekweni – State of youth financial inclusion (1/2)

Financial inclusion components	Agency 	Financial capability 	Access 	Usage 	Quality/ Appropriateness 	Overall assessment
Financial inclusion products						
Payment services	High Digital payment systems are not widely used by youth, particularly in rural areas, due to infrastructure and digital literacy challenges.	High 70% of youth are aware of basic payment services like bank accounts and mobile payments	High 70% of youth have access to basic banking and payment services .	High 60% of youth regularly use payment services for transactions	Medium Mobile payment services are seen as convenient and suitable, especially for the youth demographic.	
Credit	Medium Access to formal credit is very limited for youth. Microcredit options exist but are not widely trusted or used independently.	Medium Only 45% of youth understand personal or business loan products	Medium Access to credit is lower, with only 15% of youth able to obtain personal or business loans	Low Usage of credit services is minimal, with only 15% of youth using loans	Medium Existing credit products often do not meet the needs of young people, requiring more flexibility and lower interest rates.	
Insurance	Medium Awareness and understanding of insurance products among youth are low, with limited access and usage. The market lacks tailored insurance products for youth.	Medium Awareness about insurance services remains average, with less than 50% of youth having a basic understanding	Medium Access to insurance services is limited, with less than 10% of youth having easy access	Low Less than 10% of youth use insurance services	Medium The market lacks insurance products tailored to the youth, contributing to low penetration and usage	
Savings	Medium Savings services are not widely accessed, and youth show low confidence in using formal savings accounts. Most savings are informal.	Medium Around 55% of youth are familiar with savings products like bank accounts and savings groups	Medium 25% of youth can access savings products with relative ease	Low About 25% of youth actively use savings accounts and savings groups	Medium Savings products often have high minimum balances and fees, making them less attractive to youth with irregular incomes.	
Overall assessment						

Source: (GOYN anchor partner(<https://www.harambee.co.za/>) <https://govn.org/resource/govn-ethekweni-market-intelligence-report/>)

Financial Inclusion Enablers

Policy and regulations	<p>Ineffective - Policies and regulations provide minimal support for financial inclusion.</p> <ul style="list-style-type: none"> Ensuring that OY are aware of all available financial services, not just the basic ones, is crucial. Providing in-depth information can empower youth to make informed financial decisions.. 	
Support systems and stakeholders	<p>Moderately Effective - Initiatives provide some support for financial inclusion.</p> <ul style="list-style-type: none"> No current financial inclusion going on in eThekweni however, the government is exploring a lot more support in the country The government and stakeholders are exploring more support mechanisms to enhance financial inclusion. Access to financial services is improving, but certain areas still require better support to ensure comprehensive coverage. 	
Financial infrastructure	<p>Moderately Effective - Access to services and tools is improving, but some areas need better support.</p> <ul style="list-style-type: none"> Financial services need to reach underserved communities in eThekweni. Improving digital access and literacy is crucial for effective financial inclusion. 	
Digital infrastructure	<p>Moderately Effective - Access to services and tools is improving, but some areas need better support.</p> <ul style="list-style-type: none"> Extending digital tools can provide easy access to the different financial services made available to them. 	

Source: (GOYN anchor partner(<https://www.harambee.co.za/>) <https://goyn.org/resource/goyn-ethekweni-market-intelligence-report/>)



Gaps

- **Credit, insurance, and savings services awareness:** medium awareness suggests a lack of detailed knowledge or engagement with these services, limiting the ability of opportunity youth (OY) to fully utilize these financial products.
- **Information gaps:** OY may not be fully aware of the available financial products or how to access them, preventing them from making informed financial decisions and accessing beneficial services.
- **Debt accumulation:** OY face more debt than savings, constrained by financial barriers due to unemployment and social challenges, leading to financial instability and increased debt that hinder financial inclusion.
- **Effectiveness of current policies and regulations:** policies and regulations provide minimal support for financial inclusion, indicating that the regulatory framework does not adequately support or enable financial inclusion for OY.
- **Reactive usage of financial services:** OY use financial services in a reactive manner, indicating a lack of proactive financial management, which limits the potential for long-term financial stability and growth.
- **Financial constraints:** insufficient money to pay for insurance or save due to unemployment or social challenges, making financial services inaccessible even when oy are aware of them.



Opportunities

- **High awareness of payment services:** there is a high level of awareness of basic payment services among OY, which can be leveraged to introduce more advanced financial products and services.
- **Basic financial concepts familiarity:** oy are familiar with fundamental financial concepts like loans, savings, income, and expenses, providing a foundation to build on for introducing more complex financial education.
- **Existing financial literacy programs:** community-based organizations (CBOs) provide financial literacy programs, indicating a foundation to build upon and enhance to cover more advanced financial topics.
- **Affordable financial products:** providing affordable financial products or offering debt relief and savings incentives could address financial constraints and encourage savings and investment among oy.
- **Technology and digital tools:** technology can bridge some of the accessibility gaps, making it easier for oy to use financial products, especially in areas where physical infrastructure is limited.
- **Income generation strategies:** focusing on income generation strategies alongside financial education can help oy manage financial responsibilities better and reduce financial stress.

3. India

“I don’t believe in saving; I believe in investment - and I don’t influence people to save either. I talk openly and a lot about money, and I am open to lending money to people, but clearly share with them about investment opportunities.”

SAMRAT PAWAR — GOYN PUNE YAG MEMBER

Key youth financial inclusion statistics (all of India)

% for youth age 15-24, 2021



67.5%

have a financial institution account



21.1%

Saved any amount of money



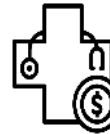
10.2%

Borrowed from a formal financial institution or using a mobile money account



29.7%

Made or received a digital payment



29.6%

Most worrying financial issue: paying for medical costs in case of illness or accident

Urban India – OY profiles

GOYN Urban India communities (Pune, PCMC, Bhubaneswar)



Population

- Pune and PCMC: 250,000 OY
- Bhubaneswar: Overall youth population is approximately 438,260 (GOYN community demand mapping still ongoing for OY population)



Livelihoods & income

- Average annual income in Pune: ages 14-20: \$7,202.68; ages 21-25: \$9,803.64, ages 26-30: \$15,105.61
- Average annual income in Bhubaneswar: \$3,500-\$5,000



Other characteristics

- Almost 59% OY in are educated up till class 12 or below in Pune.
- In Bhubaneswar, most OY (58%) do not own a smartphone or mobile phone; among those who do, there is a higher percentage of females (57%) compared to males (43%)



Key takeaways

1. **Comfort with money talks:** Youth are generally comfortable discussing money, with parents playing a key educational role. Money is often discussed within families and among friends.
2. **High product awareness:** Awareness of financial products like bank accounts, loans, and insurance is high, but deeper knowledge is needed.
3. **Mixed levels of confidence in financial services:** Confidence in using financial services varies, being high for bank accounts and savings, mixed for loans, and varied for insurance.
4. **Varied information sources:** Youth gain financial knowledge through books, internet, family, investment groups, and community programs.
5. **Opportunities to improve financial education:** Early and ongoing financial education, practical models, and peer learning can enhance financial literacy and inclusion.
6. **Early saving habits:** Students often save a portion of their income and focus on prudent financial management.
7. **Mix financial strategies:** Some youth prefer investing over saving, displaying a mix of financial strategies.

Source: GOYN Opportunity Youth focus group discussions

OY Quotes

"I don't like talking about money, I may have the other person may not have money. Because everyone has different pocket money and spending capacity and avoid to talk about it to not make them feel bad. I have a budget and make a plan to spend. I initially had money but would spend it soon. Now I feel the need to save for my future and have a clear plan"

Gousiya shaikh - YAG Member LCF

"I am currently studying so I don't spend or save a lot. My parents give me money and I usually save 50% of what they give me to buy things for myself. We try and help out friends with less money. Our source of income itself is less so saving and investing in such situations is very tough. So when our income increases, we will automatically learn to save and manage money."















Krushna Rakhmaji – OY from Bhubaneswar

"I know more about loan, because my family has taken loan and repaid them. At the time of taking a loan, people are told of its benefits, but not about the implications when you have to repay them. On Share market I have a basic understanding of it but I don't know how to go about it"

Prerana Ovhal - OY from Pune





3.1. Urban India

Urban India – State of youth financial inclusion (1/2)

Financial inclusion components	Agency 	Financial capability 	Access 	Usage 	Quality/ Appropriateness 	Overall assessment
Financial inclusion products						
Payment services	High 70% of Indian youth are aware of basic payment services like bank accounts and mobile payments, it suggests a moderate to high level of agency.	High 70% of Indian youth are aware of basic payment services like bank accounts and mobile payments	High 65% of youth have access to basic banking and payment services	High 60% of youth regularly use payment services for transactions	Medium 50% of youth find payment services suitable and effective for their needs	
Credit	Low only 30% of youth understand personal or business loan products, their capacity to act independently regarding credit is lower.	Low Only 30% of youth understand personal or business loan products	Medium Access to credit is lower, with only 25% of youth able to obtain personal or business loans	Low Usage of credit services is minimal, with only 20% of youth using loans	Low Only 20% of youth consider credit services appropriate, citing high interest rates and complex application processes	
Insurance	Low only 20% of youth having basic understanding. This reflects limited confidence and ability to access and manage insurance services effectively.	Low Awareness about insurance services remains low, with only 20% of youth having a basic understanding	Low Access to insurance services is limited, with just 15% of youth having easy access	Low Only 10% of youth use insurance services	Low Insurance services are deemed appropriate by 15% of youth, with cost and lack of customization being major issues	
Savings	High Around 80% of youth are familiar with savings products like bank accounts and savings groups, suggesting they have a relatively high level of confidence and ability to access and manage savings products.	Medium Around 60% of youth are familiar with savings products like bank accounts and savings groups.	Medium 55% of youth can access savings products with relative ease	Medium About 50% of youth actively use savings accounts and savings groups	Medium 45% of youth find savings products suitable, though some face challenges with minimum balance requirements and limited interest rates	
Overall assessment						

Source: USAID, AFI Homepage, GOYN anchor partner (<https://ighthousecommunity.org/>)

Financial Inclusion Enablers

Policy and regulations	<p>Ineffective - Policies and regulations provide minimal support for financial inclusion.</p> <ul style="list-style-type: none"> Payment Services: Over 400 million bank accounts were opened under the Pradhan Mantri Jan Dhan Yojana (PMJDY), enhancing access to basic financial services. Credit: Despite the Mudra Yojana, only about 20% of youth report easy access to formal credit due to stringent requirements. Insurance: Policies like the Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) increased awareness, but only 15% of youth have easy access to insurance due to high premiums. Savings: About 45% of youth are engaged in savings activities, influenced by schemes like the Sukanya Samridhi Yojana. 	
Support systems and stakeholders	<p>Moderately Effective- Initiatives provide some support for financial inclusion.</p> <ul style="list-style-type: none"> Payment Services: Financial literacy programs have boosted understanding, with 70% of youth knowledgeable about basic payment services. Credit: Support from microfinance institutions (MFIs) has improved access, yet only 20% find these services suitable due to high interest rates. Insurance: Partnerships between insurance companies and educational institutions exist, but only 15% of youth use insurance services due to inadequate support. Savings: Savings groups and cooperative societies help 55% of youth access savings services, though support effectiveness varies. 	
Financial infrastructure	<p>Effective: Access to services and tools is improving, but some areas need better support.</p> <ul style="list-style-type: none"> Payment Services: With expanded banking networks and digital platforms, 65% of youth now have access to payment services. Credit: Only 25% of youth can easily obtain loans due to limited reach of formal credit institutions, especially in rural areas. Insurance: Just 15% of youth access insurance services conveniently, indicating underdeveloped infrastructure. Savings: About 55% of youth access savings accounts through banks and cooperatives, showing moderate infrastructure development. 	
Digital infrastructure	<p>Moderately Effective- Initiatives provide some support for financial inclusion.</p> <ul style="list-style-type: none"> Mobile banking and payment platforms, digital financial literacy programs, E-KYC and digital onboarding, digital savings and investment platforms, online credit and microfinance solutions, digital insurance services, peer-to-peer lending platforms digital financial inclusion initiatives, remote advisory and support services social media and digital marketing 	

Source: [USAID, AFI Homepage, GOYN anchor partner \(https://lighthousecommunities.org/\)](https://lighthousecommunities.org/)

Urban India – Gaps and opportunities



Gaps

- **Limited financial education:** Youth lack structured opportunities to learn about finance.
- **Limited youth involvement:** Financial businesses are predominantly run by adults, limiting youth participation.
- **Age-related education gaps:** Younger individuals struggle more with grasping financial concepts compared to those 20 years and older.
- **Low awareness:** Poor knowledge of insurance, savings, and credit systems among youth.
- **Misunderstanding of financial products:** Lack of proper understanding of financial products and services, leading to low usage or inappropriate use.
- **Affordability and accessibility Issues:** Financial barriers hinder youth from accessing and purchasing financial services.



Opportunities

- **Early financial education:** Incorporating financial education into school curriculums to teach children and youth about money management from an early age.
- **Youth participation in financial businesses:** Creating opportunities for young people to run small financial enterprises or participate in financial decision-making processes.
- **Age-Based learning modules:** Designing age-specific financial education materials to better cater to different understanding levels, particularly for those under 20.
- **Awareness campaigns:** Launching initiatives to raise awareness about insurance, savings, and credit systems among youth.
- **Improving accessibility and affordability:** Developing affordable and accessible financial services and products tailored to youth needs, potentially with subsidies or incentives.

Source: GOYN anchor partner (<https://lighthousecommunities.org/>)

Rural India – OY profiles

OY Profile in Rural India - HHH (Raichur, Gulbarga)



Population

- 749,906 Opportunity Youth in Raichur
- 623,131 Opportunity Youth in Gulbarga



Livelihoods & Income

- In Raichur **Average household size is 6.9 members with an average of 1.9 earning members.**
- In Gulbarga, Average household size is 5.5 members with an average of 1.9 earning members.



Education levels

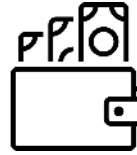
- In Raichur, the dropout rate is 27%, 41% of males and 31% of females studied up to grade 10; 4% of males and 7% of females graduated.
- In Gulbarga, the dropout rate is 15%, highest at the secondary education level among 15-18-year-olds.
- Senior Secondary education is the highest attainment, with 39.8% of females.

OY Profile in Rural India - TRI (Ramgarh, Barwani)



Population

- 250,000 Opportunity Youth in Ramgarh
- 304,000 Opportunity Youth in Barwani



Livelihoods & Income

- Average annual household income in rural areas of Madhya Pradesh in 2016-17 was approximately \$975.61 USD.
- The average annual household income in Barwani is approximately \$922.00 USD.



Education levels

- Almost 82% OY are educated up till class 12 or below in Barwani.
- 30% of the migrant population is illiterate and only 3% are graduates in Ramgarh.

Key takeaways

1. **Understanding of Money Management:** OY express needs for money but lack understanding of budgeting and money management, leading to dependency on parents for financial guidance and a lack of skills in managing expenses.
2. **Lack of Awareness:** In rural areas, there's minimal knowledge about financial management tools (e.g., crop insurance), and young people have inadequate academic preparation and low awareness of financial inclusion concepts.
3. **Educational Gaps:** Youth recognize gaps in financial education, indicating a significant need for improved financial literacy programs.
4. **Infrastructure Challenges:** Limited access to mobile and internet hinders information dissemination, making it difficult for OY to access financial education and services.
5. **Cultural and Social Influences:** Culturally, parents often discourage children from engaging in financial conversations, leading to a lack of knowledge and financial independence among youth.
6. **User Experience and Barriers:** Some OYs encounter barriers when trying to access financial services, often stemming from a lack of information on where to start, and there's a lack of interest in engaging with financial services beyond basic transactions.

OY Quotes

"I talk about money when I need to express a need, but I don't understand the nature of how to create and where it comes from also I don't do any budgeting etc"

Atiya Yasmeen - YAG Member HHH

"I take a different approach to financial services based on if I'm employed or not. Also until I start my own family or face a family situation, I often don't feel the need to spend wisely. Therefore, it's crucial to expose young adults like me and even YAG members to financial inclusion tools at the school level"















Mahesh Birge - YAG Member HHH

"I found out about investments and information about savings on YouTube and other online platforms - learnt about insurance, stocks, mutual funds on learning in the community"

Ravi- OY from TRI

3.2. Rural India





Rural India – State of youth financial inclusion (1/2)

Financial inclusion components	Agency 	Financial capability 	Access 	Usage 	Quality/ Appropriateness 	Overall assessment
Financial inclusion products						
Payment services	High 70% of Indian youth are aware of basic payment services like bank accounts and mobile payments, it suggests a moderate to high level of agency.	High 70% of Indian youth are aware of basic payment services like bank accounts and mobile payments	Medium 65% of youth have access to basic banking and payment services	Medium/High 60% of youth regularly use payment services for transactions	Medium 50% of youth find payment services suitable and effective for their needs	
Credit	Low only 30% of youth understand personal or business loan products, their capacity to act independently regarding credit is lower.	Low Only 30% of youth understand personal or business loan products	Low Access to credit is lower, with only 25% of youth able to obtain personal or business loans	Medium Usage of credit services is minimal, with only 20% of youth using loans	Low Only 20% of youth consider credit services appropriate, citing high interest rates and complex application processes	
Insurance	Low only 20% of youth having basic understanding. This reflects limited confidence and ability to access and manage insurance services effectively.	Medium Awareness about insurance services remains low, with only 20% of youth having a basic understanding	Low Access to insurance services is limited, with just 15% of youth having easy access	Medium Only 10% of youth use insurance services	Low Insurance services are deemed appropriate by 15% of youth, with cost and lack of customization being major issues	
Savings	High Around 80% of youth are familiar with savings products like bank accounts and savings groups, suggesting they have a relatively high level of confidence and ability to access and manage savings products.	Medium Around 60% of youth are familiar with savings products like bank accounts and savings groups.	Medium 55% of youth can access savings products with relative ease	Medium About 50% of youth actively use savings accounts and savings groups	Medium 45% of youth find savings products suitable, though some face challenges with minimum balance requirements and limited interest rates	
Overall assessment						

Source: [USAID . AFI Homepage](#), [GOYN anchor partners \(www.head-held-high.org\)](#) and [\(https://www.trif.in/\)](https://www.trif.in/)

Rural India – State of youth financial inclusion (2/2)

Financial Inclusion Enablers

Policy and regulations	<p>Ineffective - Policies and regulations provide minimal support for financial inclusion.</p> <ul style="list-style-type: none"> Payment Services: Over 400 million bank accounts were opened under the Pradhan Mantri Jan Dhan Yojana (PMJDY), enhancing access to basic financial services. Credit: Despite the Mudra Yojana, only about 20% of youth report easy access to formal credit due to stringent requirements. Insurance: Policies like the Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) increased awareness, but only 15% of youth have easy access to insurance due to high premiums. Savings: About 45% of youth are engaged in savings activities, influenced by schemes like the Sukanya Samridhi Yojana. 	
Support systems and stakeholders	<p>Moderately Effective- Initiatives provide some support for financial inclusion.</p> <ul style="list-style-type: none"> Payment Services: Financial literacy programs have boosted understanding, with 70% of youth knowledgeable about basic payment services. Credit: Support from microfinance institutions (MFIs) has improved access, yet only 20% find these services suitable due to high interest rates. Insurance: Partnerships between insurance companies and educational institutions exist, but only 15% of youth use insurance services due to inadequate support. Savings: Savings groups and cooperative societies help 55% of youth access savings services, though support effectiveness varies. 	
Financial infrastructure	<p>Effective: Access to services and tools is improving, but some areas need better support.</p> <ul style="list-style-type: none"> Payment Services: With expanded banking networks and digital platforms, 65% of youth now have access to payment services. Credit: Only 25% of youth can easily obtain loans due to limited reach of formal credit institutions, especially in rural areas. Insurance: Just 15% of youth access insurance services conveniently, indicating underdeveloped infrastructure. Savings: About 55% of youth access savings accounts through banks and cooperatives, showing moderate infrastructure development. 	
Digital infrastructure	<p>Ineffective: Access to services and tools is improving, but some areas need better support.</p> <ul style="list-style-type: none"> Inadequate Connectivity: These areas often suffer from poor internet connectivity, which hampers access to online services and digital tools. Limited Access to Technology: There is a shortage of digital devices such as computers and smartphones, making it difficult for OY to engage with digital platforms. Insufficient Digital Literacy: Many OY in these regions lack the necessary skills to effectively use digital tools and technology, which limits their ability to benefit from digital infrastructure. Lack of Support and Resources: There is often a lack of local support and resources to maintain and improve digital infrastructure, leading to persistent issues and slow progress. 	



Gaps

- **Low financial literacy:** Barriers to education prevent many OY from gaining financial literacy, limiting their understanding of financial concepts.
- **Low awareness:** OY often lack knowledge about financial products and services, leading to missed opportunities.
- **Disconnected ecosystem:** While a task force has been formed to address these issues, it struggles with effective implementation.
- **Barriers to information:** Many OY find it difficult to obtain reliable financial information, creating a knowledge gap. There is a noticeable lack of comprehensive content on financial inclusion, making it hard for individuals to educate themselves.
- **Low engagement:** Even with widespread technology access, there is still low engagement in financial services among OY.
- **Parental influence:** Some parents' reluctance to provide smartphones restricts their children's access to digital financial resources.



Opportunities

- **Early and comprehensive financial education:** Introduce financial education into school curriculums to teach children and youth about money management from an early age. Offer detailed information sessions on financial products and services to improve understanding and utilization.
- **Targeted age-based learning modules:** Design age-specific financial education materials to better cater to different understanding levels, especially for those under 20.
- **Ecosystem partnerships:** Collaborate with organizations like UNICEF to leverage their expertise in financial education.
- **Content development:** Develop more effective and engaging educational materials on financial topics.
- **Awareness campaigns:** Run campaigns to prioritize and promote financial inclusion.
- **Centralized information:** Create a centralized hub for financial resources to provide easy access to information.
- **Financial advisory services:** Offer guidance on diversified investment options to help individuals make informed financial decisions.

Rural India – Case study: Make India Capable

The partners: Head Held High (HHH) and UNICEF South Asia

- HHH is a nonprofit recognized by UNICEF South Asia.
- Mission: Combat poverty and promote financial inclusion.
- Key initiatives: Make India Capable (MIC) and Global Action on Poverty (GAP).
- Focus: Uplifting rural communities across India.

The initiative: Make India Capable (MIC)

- Advances financial inclusion by equipping illiterate villagers with essential life skills.
- Enhances employability and creates entrepreneurial opportunities.
- Facilitates access to formal financial services: banking, savings, credit, and insurance.
- Reduces vulnerability to financial shocks, fostering financial resilience in rural populations.
- Collaborates with corporate partners like Asian Paints to amplify initiatives.

Impact to date

- Engaged with over 500 community members, providing them with essential skills and knowledge to improve their livelihoods.
- Youth placed in jobs earning approximately USD 120 with 200+ youth placed in jobs through HHH's initiatives.
- Over 1,000 youths trained in financial literacy and facilitated access to banking services for over 800 youths.

Opportunities for GOYN

- Adapt HHH's successful models to new communities by conducting needs assessments and tailoring programs to local contexts.
- Replicate successful models in other communities.
- Partner with corporations to secure funding and resources, expanding the reach of programs.
- Integrate financial literacy and entrepreneurship support into programs, fostering long-term societal change and improving quality of life.



Rural India – Case study: TRI and Rang De

The partner: TRI (Transform Rural India Foundation)

- Mission: Enhance welfare and development of tribal communities in India.
- Initiatives: Education, health, financial literacy, and livelihood programs.
- Aim: Empower tribal populations and improve quality of life.

The initiative: Financial inclusion through entrepreneurship

- Objective: Equip community members with fundamental financial management skills.
- Training: Use of banking facilities and making informed loan decisions.
- Goal: Prepare participants for financial literacy assessment and application of key financial concepts.
- TRI has partnered with Rang De, a peer-to-peer social investing platform, to increase OY access to credit for rural entrepreneurship.

Impact to date

- Leveraging Rang De, OY were able to access approximately 4,410 USD in loans within Jharkhand.
- 2,250 USD repaid, remaining balance being repaid by OY borrowers.
- Current loan products: up to 45 USD; proposal for higher loan products of 67.5 USD and 90 USD.
- Scaling program to seven more blocks, covering four additional districts in Jharkhand.

Opportunities for GOYN

- Financial literacy training helps community members assess loan requirements, savings, credit, and other financial aspects. Includes interactive sessions and exposure to entrepreneurs' experiences and success stories.
- Hub team guides borrowers, assists in preparing and comprehending business plans.
- Insights essential for cross-learning and exploring new possibilities within other communities.



A photograph of three individuals at a conference. On the left, a woman in a black hijab and a blue and black patterned dress holds a microphone. In the center, a man with a beard wears a black baseball cap with 'A. J. J. J. J. J.' on it, a blue patterned shirt over a white t-shirt, and a lanyard with two blue 'CODE HYPO' badges. On the right, a woman in a white lace top and a red skirt also wears a lanyard with a 'CODE HYPO' badge. In the background, a man is holding a camera. A red arrow-shaped overlay points to the right across the middle of the image.

5. APPENDIX

Key pieces of secondary research reviewed (non-exhaustive)

	Title of reference	Region	Short description
1	Pune, Ramgarh, Barwani, Bhubaneswar, Basti, Bahraich, Lakimpur	Community	<ul style="list-style-type: none"> Snapshots from all communities highlighting aspects of % of OY who have PAN, Aadhar, etc., % OY who have bank accounts, % OY who have savings, information around loans and access to finance, etc. here is where you will find for each community
2	National Financial Inclusion Strategy (French)	Country	<ul style="list-style-type: none"> NFI report outlines Senegal's strategy to enhance financial inclusion through various initiatives aimed at improving access to financial services for underserved populations. It emphasizes policy measures, financial education, and the role of digital tools in bridging gaps in access.
3	Challenges linked to digital financial services in Senegal	Country	<ul style="list-style-type: none"> FinDev Gateway report examines the obstacles facing the adoption of digital financial services in Senegal, including infrastructure limitations, regulatory hurdles, and issues of digital literacy. It also suggests potential solutions to overcome these challenges and improve service delivery.
4	State of financial inclusion in West Africa	Country	<ul style="list-style-type: none"> BCEAO report provides an overview of the current state of financial inclusion across West Africa, highlighting progress made, existing gaps, and regional disparities. It focuses on the effectiveness of financial services, the impact of digital innovations, and ongoing efforts to expand access.
5	Global Financial inclusion	Global	<ul style="list-style-type: none"> World Bank Report: How countries have made significant progress in financial inclusion, with a focus on expanding access to financial services and improving the digital finance ecosystem
6	Youth barriers to financial inclusion	Global / Country	<ul style="list-style-type: none"> FSDT Report: The Financial Sector Deepening Trust (FSDT) in Tanzania has published reports on the progress of financial inclusion, focusing on the role of mobile banking and other financial services in rural areas like Tanga.
7	Strategic household savings kenya	Global / County	<ul style="list-style-type: none"> IPA reports on rural Kenya looked at how differing financial preferences within couples affected decision-making. It found that when preferences diverged, couples often chose individual accounts, leading to less efficient savings and financial outcomes.
8	Financial Inclusion in Mexico	Country	<ul style="list-style-type: none"> CNBV report: Review the access and usage of a portfolio of financial products and services for the population, under an appropriate regulatory framework that protects the interests of users and promotes its financial capabilities
9	Instilling a savings culture in Kenya - Business Daily	County	<ul style="list-style-type: none"> The Business Daily report explores Kenya's low savings rate, linking it to poverty and insufficient financial education. It highlights President William Ruto's efforts to enhance savings and improve pension contributions, while also noting the range of savings products available to encourage better saving practices among Kenyans.
10	FinYouth	Global	<ul style="list-style-type: none"> The GDI report addresses the need for diverse solutions to youth employment issues, including financing for skilling and entrepreneurship. It highlights the importance of new, scalable financing models and the lack of familiarity among stakeholders. The report reviews financing mechanisms, identifies effective models, and recommends products for scaling in different markets.

GOYN Convening 2024: Promoting youth financial inclusion discussion



From left: **Daisy Chesang**; Senior Associate, Global Development Incubator,
Mahesh Brige: Opportunity Youth from Gulbarga (Head Held High)
Kumar PM; Director Operations, (Head Held High)
Fatma Mwinjuma: Saving and credit pathway Lead, (Tanga Yetu/HDCA)
Sarah Keh; Vice President, Inclusive Solutions (Prudential)



Summary of Key Panel Discussion Areas

1. Introduction to Youth Financial Inclusion

- Financial inclusion is critical for reducing youth economic vulnerability by providing access to savings, insurance, and credit services.
- GOYN, with Prudential's support, conducted comprehensive research in 2024 to assess youth financial inclusion, involving focus groups, expert interviews, and secondary data reviews.

2. Components and Importance of Youth Financial Inclusion

- Youth financial inclusion enables starting businesses, managing financial resources, investing in the future, and building financial resilience.
- The framework includes components, enablers, and products to promote financial inclusion.

3. Challenges Faced by Youth

- Limited access to formal financial services, lack of funds, family influence, and barriers such as limited mobility and financial literacy.

4. Research Takeaways

- Youth show growing financial agency but face low financial literacy and ineffective policies.
- Access to financial services does not always translate into usage and savings products are accessible but underutilized by youth.

5. Panelist Contributions and Discussions

- Mahesh Brige discussed his personal challenges in accessing financial services as an OY.
- Kumar PM highlighted financial inclusion barriers in Raichur and Gulbarga and efforts to address them.
- Fatma Mwinjuma emphasized the importance of savings and efforts to increase usage in Tanga.
- Sarah Keh provided insights from Prudential's experience in youth financial inclusion in the US and relevant lessons for other communities.