

Feature Article:

Encouraging girls to save money

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Most children would choose to spend their daily allowance from their parents on candies and soda when they are in school, but Ms. Nidsa Panyasavat saves it.

Nidsa, who is in grade 8 at the Thatkao High School in the Sisattanak district, Vientiane capital, has been saving money since 2014 when the Smart Kids Project was introduced to her school.

The Smart Kids Project is an initiative of the Ekphatthana Deposit-Taking Microfinance Institution (EMI). The aim of the Smart Kids Project from EMI is to raise awareness and to provide financial literacy to school children. EMI opens and services savings accounts for them, trains the teachers on delivering financial education and conducts playful educational activities with the young students on the importance of saving and planning for the future.

EMI has been receiving technical support from Making Access to Finance more Inclusive for Poor People (MAFIPP), a project implemented by Bank of Lao PDR with technical assistance from UNCDF. In March, EMI will roll out its savings accounts offering in schools through the MAFIPP Fund for Inclusive Finance, supported by Australian Aid.

To encourage uptake EMI offers 2,000 LAK on each account opened for a child, and 5,000 on each adult's account. EMI also gives a 500,000 LAK grant for education support to one poor student per school. This has resulted in a 100% uptake by children and teachers at the school.

"I save money for emergency and for my future," said Nidsa.

In addition to the Smart Kids Saving account, she also has some money put in Village Fund.

"Staff from the project come to the school twice per month for account holders to deposit or withdraw money. But I have not withdrawn any money from my savings since I opened the account," Nidsa said. "I will if there is an emergency but otherwise it stays where it is."

Nidsa receives a daily allowance of 10,000 LAK from her parents from which a small portion also goes into her savings every month. Occasionally her father provides her up to 100,000 LAK to put on her savings accounts. Living 2 kilometers from the school, she even walks home to have lunch every day in order to save more money. She saves up to 10,000 kip in some months.

"I know some children don't put money in their savings account because they spend it on snacks," said Nidsa.

"I live with my father who is a temple artist and my aunt. She runs a small shop at home. When I am not at school, I mind the shop and help with household chores," Nidsa said.

Mrs Khamphan Ommala, Deputy Director of Thatkao High school, comments the success of the program to date. "The Smart Kids project is good because it teaches children how to manage their money and not spend it in a reckless way," she said.

Like her colleagues, other teachers and student alike, Mrs Khamphan has her savings with the project and has opened two accounts for her grandchildren.

"I save for their future. When they grow up, they will have some money for their education," Mrs Khamphan added.

The Smart Kids Project started in 2011 and now operates in 38 schools in Vientiane capital with more than 30,000 savers. In 2015, the project will be extended to 32 schools. Initial discussion on extending the project to private schools is under way.

"I want to be a teacher when I grow up, and one of the reasons I save is for my future," said Nidsa.

MAFIPP and Australian Aid are empowering young Lao women by educating them on sensible financial management skills. Access to financial services and products is critical for women and girls to increase their economic resilience, be it through saving money to withstand financial shocks, or through borrowing to start up or expand their own business.

This article is part of a series prepared by Laos-Australia Development Learning Facility, an Australian Aid Project, leading up to International Women's Day on March 8th



Nidsa with her teacher proudly showing her Smart Kids Saving account passbook.

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