

## Beyond microcredit: the importance of savings products for women, children and youth



In Honduras the lack of employment opportunities has encouraged youth and adults, mainly male, to migrate in search of better living conditions. Migrants frequently leave their families behind, also their lands or businesses. As a result, rural areas in western Honduras have become communities populated predominantly by senior citizens, women and children.

In this context, PILARH OPDF, active since 2008, has been implementing a savings products project that aims to help women acting as the heads of households with limited access to financial products to manage their

income and money sent from overseas, to allow them to grow into entrepreneurs and to provide their children with access to education.

PILARH OPDF targets women and their children over a life cycle of thirty years through four independent but complementary savings products, each of which has a specific purpose and is accompanied by incentives that encourage clients to reinforce their saving habits. For instance, the “Baby savings accounts,” designed especially for pregnant women and the newest family member, come with baby accessories and medical services.

Additionally, two savings accounts are offered that aim to promote the importance of education and reduce the dropout rate: the “school savings accounts,” which is for children between 6 and 12 years attending primary school, and the “educational savings accounts,” for teenagers between 13 and 17 years. Both savings accounts come with incentives in the form of school supplies to promote the habit of saving from an early age.

PILARH OPDF has also developed an “entrepreneur savings account” for young adults between 18 and 30 that helps them create their own jobs and avoid migrating because of unemployment. This savings account incentivizes them with technical training and gives them access to an entrepreneur credit product called “Credi-Joven.”

After two years of implementation, more than 500 families have been supported by PILARH OPDFs savings products, and about 2,150 young adults have become active savers in five of the poorest departments of Honduras. Moreover, 63 young entrepreneurs have put their business plans into practice through the financing offered by PILARH OPDF.

This savings project has shown that poor households urgently need a variety of financial products to help them manage their money.