
Do Savings Groups Work? Six Years of Evidence from the DRC

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Using a unique model for community development called the Church Empowerment Zone, World Relief partners with the local church in the Democratic Republic of the Congo to implement a high impact, sustainable economic development program called Savings for Life. An innovative longitudinal data collection tool brings data from six years of program implementation and reveals continued positive financial growth for beneficiaries, even after program staff left the area. World Relief collected 673 datasets from 196 savings groups to learn how savings groups evolve and grow over time; members average over 350% increase in savings after six years while group sizes remain at maximum membership. The data also reveal the program's positive outcomes on future savings groups: later-joining members saved nearly three times as much in their first year as early savings groups had in their first year.

Overview

World Relief, a Christian relief and development organization operating in nine countries internationally, uses a unique implementation model, called the Church Empowerment Zone, to create sustainable programming that grows in positive outcomes over time. One such program, dedicated to promoting village saving and enterprise, is called Savings for Life (SFL). Using the Savings for Life methodology, World Relief has trained over 400,000 members in eleven different countries to save together, and to give and repay loans from group savings.

For purposes of monitoring and assessment, World Relief utilizes a technological longitudinal data collection system called Text-it alongside the SFL program in the Democratic Republic of the Congo. Analysis of Text-it data reveals insights on the economic outcomes of the SFL program in the lives of savings group members. Key findings are:

1. There is high demand for SFL, evidenced by nearly 100% of groups maintaining maximum membership.
2. Members' savings increase over time; the most mature groups' savings increased more than 350% over six years.
3. Newer savings groups increase the share value, the unit of weekly savings, over 80% more than what older savings groups used in previous years during the same cycle.

4. The Covid-19 pandemic has had a limited negative impact on SFL members' ability to save. 70% of savings groups that shared out after saving during the pandemic distributed more per member than before Covid-19.
5. There is over a 2600% return on donors' investment after eight savings group cycles.

The paper begins by providing the context for how World Relief implements technical programs, using the Church Empowerment Zone as an operating model. Second, the paper discusses World Relief's community-managed savings group program and the longitudinal data collection tool World Relief used from 2016 to 2021 to gather economic data on its savings groups in the DRC. Third, the paper presents and explains five key findings from savings program implementation. Finally, the paper notes some research gaps and suggests ideas for further research.

Introduction and Program Implementation Context

Influenced by the early work of the Lausanne Movement and the 2001 Micah Declaration on Integral Mission, World Relief believes in integral mission, the practical demonstration of the gospel that bears social consequences alongside the verbal proclamation of the gospel (Lausanne Movement 2010; Micah Network 2001; Stott 1974). Moreover, World Relief believes that the local church must be at the center of development

work in order to produce lasting change.¹ Therefore, in its basic operating model, World Relief walks alongside local churches in geographic areas called Church Empowerment Zones (CEZ) to implement technical programs, such as child development, health and nutrition, peace and reconciliation, and economic development. In the CEZ, World Relief follows a multiyear process to empower networks of local churches, training key leaders and volunteers in the implementation of technical programs. When the time is right, World Relief hands responsibility for continuation of the programs over to the local church.

The Church Empowerment Zone process has four implementation phases. In the first phase, mobilization, World Relief works to build a network of local Protestant and Catholic churches. Living in the same geographic area is often not enough to bring churches or church leaders together. Instead, churches may feel like they cannot work together sometimes like they are in competition with each other. Through a long process of sensitization, identification, and introduction, local churches come to know each other in new ways and learn to behave more like teammates than competitors. World Relief also helps group local churches together in meaningful geographic areas, calling each group a Church Network. Each Church Network elects leaders, called the Church Network Committee (CNC) to represent 15-40 churches in their geographic area. During this first introductory phase, the goal is to bring churches together so they can coordinate their work in a variety of key community ministries.

In the second phase, World Relief conducts a needs assessment and baseline survey to understand the starting point of need in the community. After this, World Relief aims to transform mindsets, especially around the ideas of empowerment and poverty alleviation.² In this phase, the goal is to help local church leaders take a hard look at the capacities and assets they already have within the community along with the needs they would like to address. Continuing to focus on the empowerment of churches, World Relief challenges the network of churches to address one tangible need in their community using only their own resources.³ World Relief has seen churches from various denominations work together to repair roads, rebuild widows' homes, and even construct a new church building for one of the denominations in the

community. As churches begin to see each other as teammates instead of competitors, they work together across denominational lines on common projects that benefit the whole community, not just the members of one church.

In the third phase, World Relief focuses on capacity development of church leaders and volunteers as they introduce technical programs to address community needs discovered in phase two. World Relief field staff work alongside church leaders to select community-based volunteers to train in programs like child development, outreach groups for health and hygiene, agriculture, and savings groups. In this phase, World Relief staff take an active role in program implementation, always keeping in mind the final objective of handing the program over to the local church. World Relief's goal in this third phase is to multiply outreach in the community by training committed church-based volunteers to serve the broader community.

Once technical programs develop and mature, World Relief begins phase four: reflection, evaluation, and handover to the local church. By this point, teams of local volunteers have gained enough expertise in program implementation to carry on program growth with the support of church leaders. Many programs create sustainability mechanisms, such as local program committees, which act as the program authority and provide leadership and ongoing training for other volunteers in the community. As World Relief exits the community, local churches assume the responsibility of continuing valued technical programs as church ministries.

The Savings for Life Program in the Church Empowerment Zone

World Relief applied this Church Empowerment Zone model in 2015 in the Rutshuru region in the Eastern part of the Democratic Republic of the Congo. Prior to introducing technical programs, World Relief networked churches together, conducted baseline surveys and needs assessments, provided envisioning seminars with church leaders and challenged local churches to take on a seed project in the Kako region of Rutshuru. In the Kako CEZ, there are approximately 36,000 households with a total population of nearly 215,000; 89% of the total population lives under the

¹ World Relief is not alone in this belief; The Accord Network, and its member organizations, affirm this in the "Principles of Excellence in Integral Mission," which serves as guiding ideals for Christian organizations operating in international development. <https://accordnetwork.org/about/principles/>

² Gil Odendaal's book, *Standing with the Vulnerable* (2016) includes lessons like the ones World Relief uses in the field, contextualized for a North American audience.

³ World Relief adapted this concept of seed projects from Disciple Nations Alliance and the Global CHE Network (2012) and Bob Moffitt's "Seeds and Seed Projects" (2007).

poverty line. World Relief partnered with 107 churches and organized them into seven CNCs that provide leadership for program activities in their geographic areas.

In 2015, after six months of phase one and two work, the Kako CEZ became ready to implement technical programs. Bearing in mind the needs identified in phase two, church leaders decided one of the first issues they wanted to address was material poverty. World Relief staff linked their request to the economic development program, Savings for Life (SFL).

World Relief developed the Savings for Life program out of its deep history of starting and operating microfinance institutions (MFIs). Around 2008, World Relief intentionally refocused on partnering with the local church for community-based programming and identified MFIs, largely operating in urban centers, as outside their target focus. Instead, World Relief redirected their economic development efforts towards community-based savings groups. At that time, the Chalmers Center⁴ was the thought leader for faith-based savings programming, while secular organizations were starting to follow the Village Savings and Loan Association (VSLA) methodology, developed by CARE international⁵ and popularized by Hugh Allen of VSL Associates.⁶ World Relief piloted both the Chalmers model and VSLA in separate countries from 2008-2010. Experience in the field found more cohesive, financially successful savings groups who used VSLA, leading World Relief to employ only VSLA for future savings groups operations. In 2013, World Relief wrote narrative sections to complement the operations of the VSLA methodology and named this curriculum Savings for Life. The SFL curriculum brings a biblical understanding of stewardship and poverty alleviation that draws upon Bryant Myers' ideas that poverty is caused by brokenness in four key relationships (Myers 2011).

Once church leaders decided to address material poverty through SFL, World Relief followed a three-year process to hand over the SFL ministry to the local church. In the first year, World Relief field staff formed

and trained 24 savings groups in the SFL methodology. Through SFL, members contribute weekly to a common savings fund through share purchases, setting an initial share value at the beginning of the cycle. Members must buy a minimum of one share and a maximum of five shares at every weekly meeting. Initial savings groups in the Kako CEZ set a share value of 500 Congolese Francs, giving members the opportunity to save 500-2,500 Congolese Francs (\$0.25-\$1.25), in increments of 500, at each weekly meeting. This common savings fund provides loan money for group members, repayable to the group with an interest rate set by the group. In Kako CEZ, groups have chosen between 5-10% interest per month with a maximum loan term of three months. Groups also manage a social fund that acts as micro-insurance, providing small grants in times of need. Groups set a fixed amount for weekly contributions, ranging between 100-500 Congolese Francs (\$0.05-\$0.25) for the social fund and agree upon the amount of a grant for a member facing a financial crisis, such as an unexpected hospitalization of a child. The group has a metal box with three locks to hold all money for savings, loans, and the social fund. Three separate members hold keys for the box which may only be opened at SFL group meetings. After a period of 9-12 months, groups hold an annual distribution of funds, called a share out, at which each member takes home the amount s/he saved plus the portion of interest earned from loan activity (typically around 25-30% return on one's savings). After each share out, groups start a new cycle of savings and lending. The first twenty-four groups saved together and found great success following the SFL methodology; the average member saved \$36.15 but took home \$47.71 at the share out, a 32% return on their investment.

After a successful first cohort of savers, World Relief then selected volunteers⁷ from among those first groups and trained them on how to form, train, and support new savings groups in the community. World Relief's field staff then moved into a position of supporting teams of volunteers as the volunteers formed and trained new groups. In total, World Relief Congo now has thirty-three community-based

⁴ *When Helping Hurts* (Corbett and Fikkert 2009) and *From Dependency to Dignity* (Fikkert and Mask 2015) are two of the Chalmers Centers' most helpful resources on savings programs. The Chalmers Center has their savings group training materials available online at <https://chalmers.org/training/restore-savings/>

⁵ <https://www.care.org/our-work/education-and-work/microsavings/vsla-101/>

⁶ The VSL Associates' website, <https://www.vsla.net/> has a full description of the VSLA methodology, including downloadable training guides. Early work by Allen and Panetta (2010) summarizes VSLA-style savings group programs. [The Savings-Led Working Group](#) of the SEEP Network serves as a convener for implementing organizations in the savings group sector, worldwide. The website www.mangotree.org houses a resource library of this working group.

⁷ World Relief's volunteer structure largely follows the VSLA methodology's Village Agent approach. See <https://www.vsla.net/> for information and training guides for utilizing Village Agents.

volunteers working with the SFL program in the Kako CEZ. These volunteers receive annual refresher training from World Relief, a bicycle to help them get to savings groups, and, because the weather in Kako is often overcast and rainy, a raincoat and rain boots. Beyond this, there are no other financial incentives from the organization, churches, or savings groups. World Relief designed the volunteer structure with the eventual handover to the local church in mind, meaning in part that they did not want to pass on any financial cost to the church. Yet, even without financial incentives, the SFL program thrives, with volunteers typically meeting or exceeding target numbers of new savings groups to form and train.

After two years of implementation, World Relief started setting up the sustainability mechanism: the SFL Committee. This committee is a group of “super volunteers” who take on the roles and responsibilities of the field staff and sit under the authority and leadership of the CNC. This is the first step of World Relief phasing out of the community. World Relief organized four SFL Committees throughout the Kako area. These report to the CNC and support the remaining SFL volunteers as they continue to work with new and existing savings groups. In SFL implementation year three, the World Relief staff work to hand over their responsibilities, ensuring SFL Committee members understand and can follow their

roles successfully. Though World Relief staff phased out of the Kako CEZ in 2018, the SFL Committee continues supporting both groups and volunteers, and CNC members support and encourage SFL Committee members in order to keep SFL work going. At the time of the handover from World Relief staff to the SFL Committee in 2018, World Relief staff and volunteers had established 125 SFL groups. From 2018 until today, the SFL Committee continues to support these 125 existing groups, but have also added 72 new groups with 1,801 new members. The total number of SFL groups in Kako CEZ is now 197 with 4,906 members.⁸ Overall, group members save an average of \$62 annually and earn 27.4% return on their savings (Savix 2021).

Many international organizations that implement VSLA-style savings groups, including World Relief, use the same management information system, the Savix. This shared platform allows organizations to compare key performance indicators. Table 1 shows indicators from the Savix comparing World Relief’s SFL program in Kako CEZ to other organizations’ savings program in the Congo, East Africa, all of Africa, and worldwide. World Relief’s lower average outstanding loan with higher return on savings indicates numerous turnovers of small loans to generate increased profit to members.⁹

	Savings Groups Programs Operating in:				
Key Performance Indicator	Kako CEZ (World Relief only)	Congo (all implementers)	East Africa (all implementers)	Africa (all implementers)	World (all implementers)
Attendance rate	96.6%	87.0%	86.0%	87.0%	87.0%
Average savings per member	\$62	\$28	\$25	\$25	\$28
Average outstanding loan size	\$27	\$38	\$37	\$37	\$41
Return on savings	27.4%	15.7%	19.3%	17.3%	16.6%

Table 1

The context of implementing SFL in the CEZ is one positive factor enabling the program’s success. Volunteers are committed to training and supporting groups with the encouragement of the CNC. Community members not yet in a SFL group see the

profit earned by current groups, which motivates and encourages them to form their own group. Although World Relief staff officially left the area in 2018, SFL Committees remain in the community to sustain the work carried on by volunteers. The framework of the

⁸ The Kako CEZ savings groups are one subset of the entire groups in the DRC. Throughout the DRC, World Relief has trained and formed 400 savings groups with nearly 10,000 members.

⁹ Researchers cannot know individual groups’ interest rates. VSL Associates promotes 10% interest rate per month, which many organizations also share with groups due to its ease of calculation. Ultimately, groups choose their own interest rate. A majority of World Relief SFL groups in Kako CEZ use 10% interest rate.

CEZ, especially the initial work of church networking, lays the groundwork for the SFL program to have ongoing positive outcomes in community members' lives.

Savings for Life Longitudinal Research Using the Text-it System

In order to monitor and assess the SFL program, in 2016 World Relief partnered with an innovative, longitudinal data collection service called Text-it to

supply group-level data about the savings groups in Kako CEZ. The Text-it system is a SMS-based bounce back service that allows group members to send quantitative data via text message for World Relief to analyze. Each group has a unique identification number, allowing World Relief to follow each group's incremental financial progress.

Since starting to use Text-it in 2016, World Relief has had five cohorts of savers, one starting each year, as depicted in Figure 1.

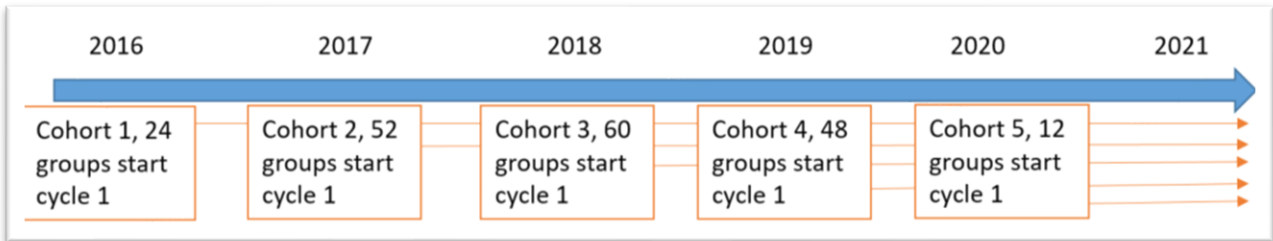


Figure 1

Each cohort is a cluster of savings groups that started their saving cycle roughly around the same time and therefore shared out roughly around the same time, approximately nine months later. Cohorts progress to the next cycle as a new cohort starts cycle 1. Cohort 1, the first 24 groups to use Text-it, completed eight cycles by the time of this data collection. World Relief collected 673 datasets from 196 groups across all cycles.¹⁰ Figure 2 shows the number of datasets World Relief collected per cycle.

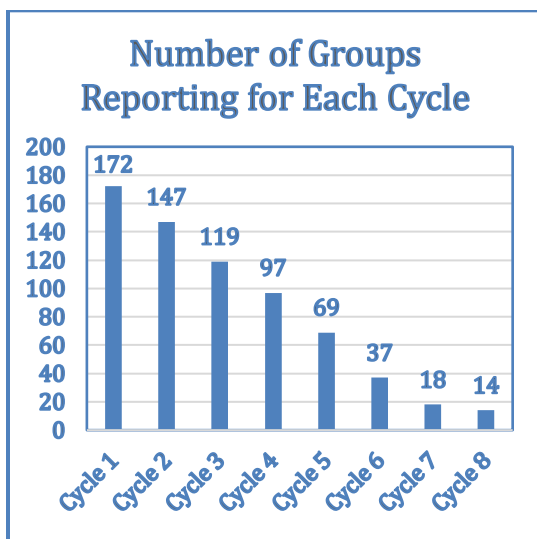


Figure 2

On the day of the share out and in the presence of the full group, a member of the savings group, usually the record keeper, sends a missed call to a local Text-it number that initiates a series of seven questions in text message form, written in the local language. Each question has a numeric answer with a preset acceptable range. If the response to the prompt is within the acceptable range, the system sends the next question. If an answer comes back outside the acceptable range, the system sends a response indicating the answer is outside the normal range and asks the member to verify and send a different response. The questions Text-it sends are:

1. What is your group number? (this is preassigned to each group and does not change cycle to cycle)
2. What cycle number has your group just completed?
3. What was the share value for your group this cycle?
4. What was the total number of shares collected this cycle?
5. What was the total amount shared out this cycle?
6. How many members did your group have this cycle?
7. Does your group plan to start a new cycle?

All of the data for this study came from within the Kako CEZ. Because World Relief's standard is to

¹⁰ This research would not be possible without the diligent work of Joseph Kalegamire, Emily Mugisha, and Sam Ferguson, as well as many field staff and volunteers in the Kako CEZ.

implement technical programs within the context of the CEZ, this study does not have similar data from outside the CEZ to compare. Similarly, there is a lack of other longitudinal research of this nature to compare to World Relief’s data. Therefore, this research does not attempt to show causality to the CEZ model or any other single factor for reported outcomes; instead, the research simply observes the context in which these outcomes take place.

Key terms:	
Shares	SFL members save in the form of shares , saving one to five shares at each weekly meeting.
Share Value	The share value is the cost of one share, for example, 500 Congolese Francs (about 25 cents in US currency).
Cycle	Each saving group saves, gives loans and repays loans within the group for 9-12 months, which constitutes one cycle of saving and lending.
Share Out	At the end of each cycle, groups have a distribution of funds, called the share out .
New Cycle	After the share out, groups have the opportunity to start a new cycle with a starting balance of zero.

Table 2

Key Findings

Key Finding 1: There is high demand for SFL

Savings for Life appears to meet a strong need for members. Across all 673 datasets, 100% of the groups started a new cycle. Additionally, 98.2% of groups have the maximum group size of 25 members (Figure 3). While World Relief does not expect that all group members are exactly the same from the time the group formed (as members may have moved away or dropped out of the program), this means the group replaced any departing member with a new member to keep the group size at 25. Finally, data from the management information system, the Savix, reveal the average weekly attendance rate is 97%. This rate is higher than averages from other implementers in the Congo, Africa, or worldwide (Table 1) and also the savings group sector standard of 85%, set by Hugh Allen, the founder of VSL Associates (Allen 2007, Mersland et al. 2019). The high attendance rate of SFL members suggests that they

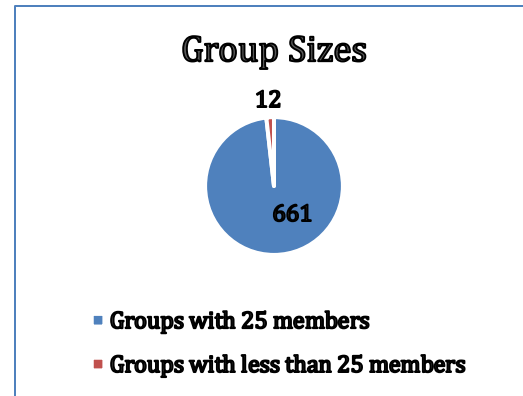


Figure 3

are

eager and willing to attend group meetings regularly. From 2016 until 2018, while World Relief set annual targets for new groups, field staff and volunteers regularly exceeded the targeted numbers, reflecting the demand from the community. Many new members testified that their reasons for joining a savings group included the simplicity of the saving and loan recording processes, the ease of applying for and obtaining loans, and also the testimony of current savings group members who earned a significant profit on their savings.

The geographic context of the Kako CEZ may influence the high demand for SFL; there is virtually no other financial institution available for savings or loan activities for community members. The closest formal financial institution is approximately 70 kilometers away. Local moneylenders charge up to 50% monthly interest rate and demand significant collateral, one’s home for example. In addition, no other development organization implements a savings group program in the Kako region. The shortage of other available financial services, combined with the continued success of SFL groups, as indicated by regular 25-30% return on savings, contributes towards the high demand for SFL in Kako CEZ.

Key Finding 2: Members’ savings increase over time

The data from Cohort 1 (groups 1-24) show significant savings growth over sequential cycles. The graph below shows the average amount a member in Cohort 1 saved and the amount s/he took home at the share out (savings plus profit from loan interest) for each of the eight cycles. An average member in Cohort 1 increased their savings 351% from cycle one to cycle eight, as depicted in Figure 4.¹¹

¹¹ This finding reports savings in local currency only. The DRC experienced greatly varying exchange rates from 2016 to 2021, as low as 950 CF to 1 USD to as high as 1969 CF to 1 USD, respectively. Even so, rural SFL members likely experienced little impact from these exchange rate changes; for example, the standard daily wage for a farm laborer or

This increase in savings occurred in two ways. First, members increased the number of shares they purchased as they progressed in cycles, as shown in Figure 5. At the beginning of each cycle, members set the share value, then purchase a minimum of one to a maximum of five shares at each weekly meeting. The average number of weekly shares saved increased from 1.9 in cycle one to 3.4 in cycle 3 and then remained relatively steady over the next five cycles, reaching a maximum of 3.7 in cycle 8 (Figure 5). Second, as groups progressed from one cycle to the next, they increased the group share value from the previous cycle, as seen in Figure 6. After the share out, members who regularly

saved the weekly maximum of five shares, challenged the group to increase the share value so that, in the next cycle, they would be able to save more. Many times, members attempted to save the same number of shares each week as the previous cycle, even though the share value increased, leading to much higher savings. All groups in Cohort 1 started their first cycle with a share value of 500 Congolese Francs (CF) and by the eighth cycle, the share value had increased to 1000 CF for 71% of groups and 2000 CF for 29% of groups, bringing the average share value in cycle eight for Cohort 1 to 1,285 CF.

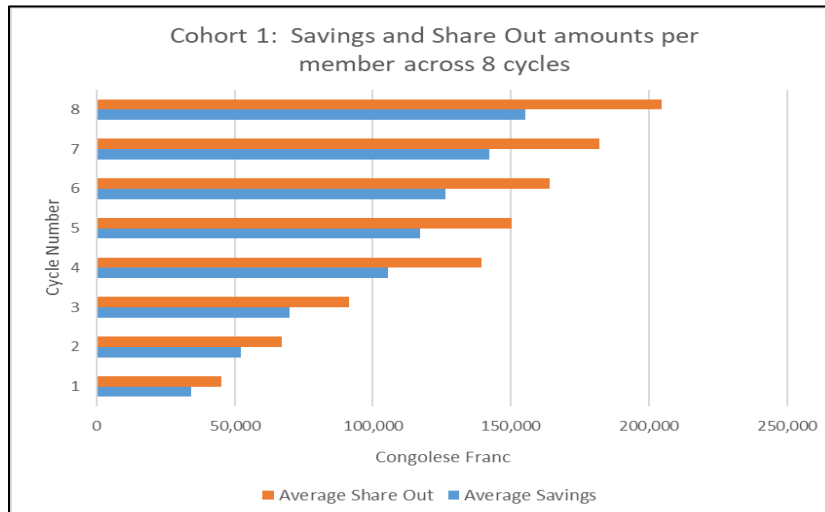


Figure 4

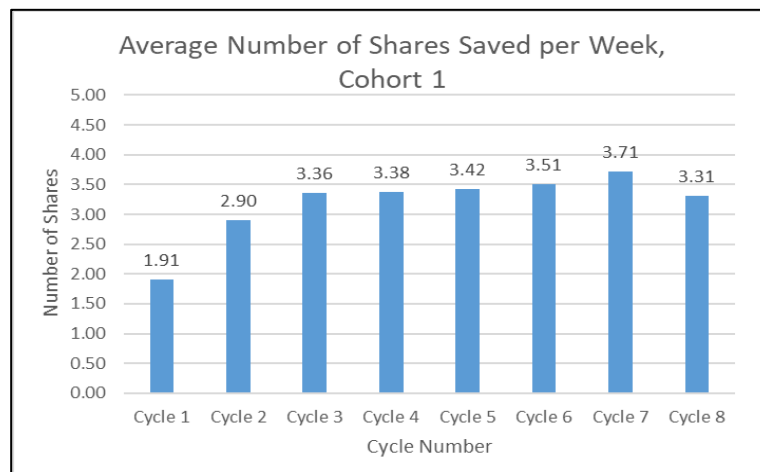


Figure 5

the price for locally grown foods remained unchanged during these years. Therefore, observing the change in saving amounts over the years in local currency, not USD, is a better representation of the SFL member experience.

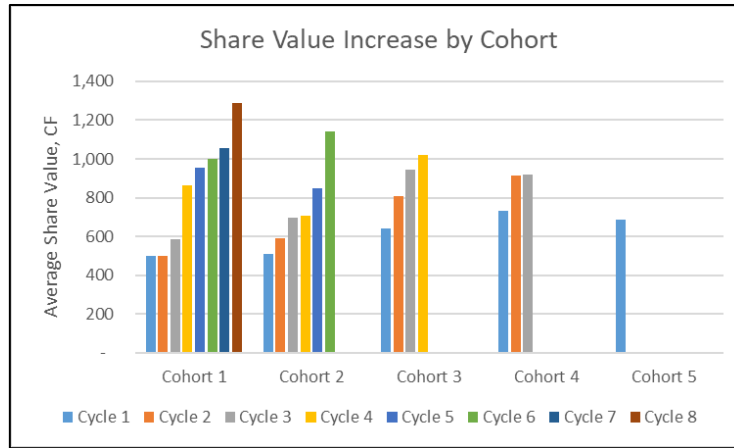


Figure 6

Key Finding 3: Share values increase for successive cohorts

A different way to analyze the change in share value is to look at how it changes within the same cycle over successive years and cohorts. When SFL started in the DRC, 100% of groups used 500 CF as their share value. Savings group implementers may expect to observe increasing share values as groups progress in cycles (Key Finding 2) but one notable finding from this study is that new cohorts started the same cycle but with a higher share value. For example, when Cohort 4 started their first cycle, 37% of groups opted to increase the

share value to 1000 CF or 2000 CF from the previous standard of 500 CF, Figure 7. This increase is even greater comparing cycle two data between Cohort 1 and 4; in 2017, when Cohort 1 held the second cycle share out, again 100% of groups used a share value of 500 CF. By 2020, when Cohort 4 held their second cycle share out, the average share value increased to over 900 CF, Figure 7. Only 35% of Cohort 4 groups maintained the 500 CF share value; 56% of groups increased their share value to 1000 CF and 9% of groups increased to 2000 CF.

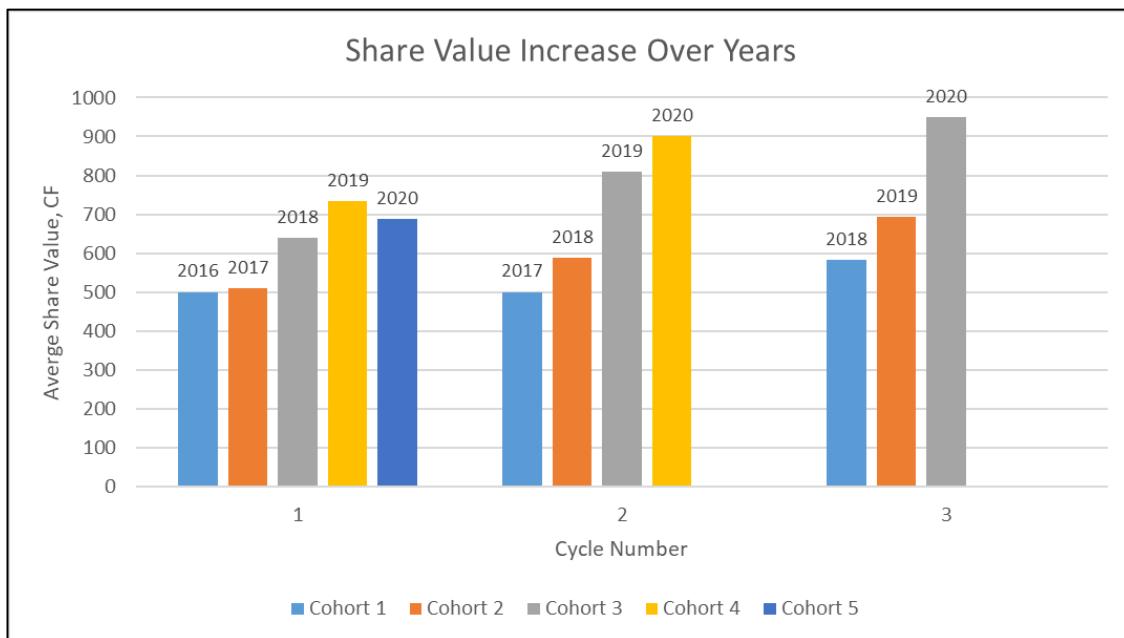


Figure 7

World Relief has a few hypotheses on why newer cohorts start cycles with share values higher than the preceding cohorts. First, when World Relief introduced

SFL in the community, group members were uncertain about the program and if or how it would benefit them. After the initial cohort held a share out with 25-30%

return on their savings, testimony spread throughout the community. This may have led future cohorts to trust the SFL system and lead them to save more than the initial savers. When members in Cohort 1 start new, advanced cycles, with a share value of 1000 CF or more, and new members join a freshly formed cycle-one SFL group, these new members may look to the seasoned members for modeling and setting expectations. New groups may choose to save with a 1000 CF share value simply because they observe it modeled by their peers. Another possible explanation is that, when the initial cohort started saving, field staff reported that members did not believe in their own ability to save. Once members shared out with profit and started the next cycle with a higher share value, however, others were also encouraged and started saving at a higher share value. Yet another explanation may be that a general increase in small business activities, which World Relief definitely noticed, contributed to the members' ability to save more. A final possibility is that some members in early cohorts may have joined later cohorts to be part of a second savings group, even though World Relief does not encourage this practice. When this happens, the more mature members may encourage the entire

group to start with a higher share value because they know it is possible.

While World Relief does not know the exact reasons behind the higher share value, the increasing share value across successive cohorts does seem to demonstrate members' increased appreciation for and trust in the SFL program.

Key Finding 4: Covid-19 had limited negative impact on SFL members' ability to save

World Relief assigned each savings group a unique number in the Text-it system so it could compare savings and share out amounts from cycle to cycle. At first glance, data appear to show a strong negative outcome for members saving during the Covid-19 pandemic: only 70% of groups increased the amount they shared out in 2020 (when a majority of savings occurred during Covid-19) compared to the share out during Covid-19 compared to the year before, 2019, and 30% of groups decreased the amount they shared out during this period. In contrast, during the year before Covid-19 (2019), 83% of groups increased their share out over the share out in 2018 while only 17% of groups decreased their share out during this period (Figure 8).

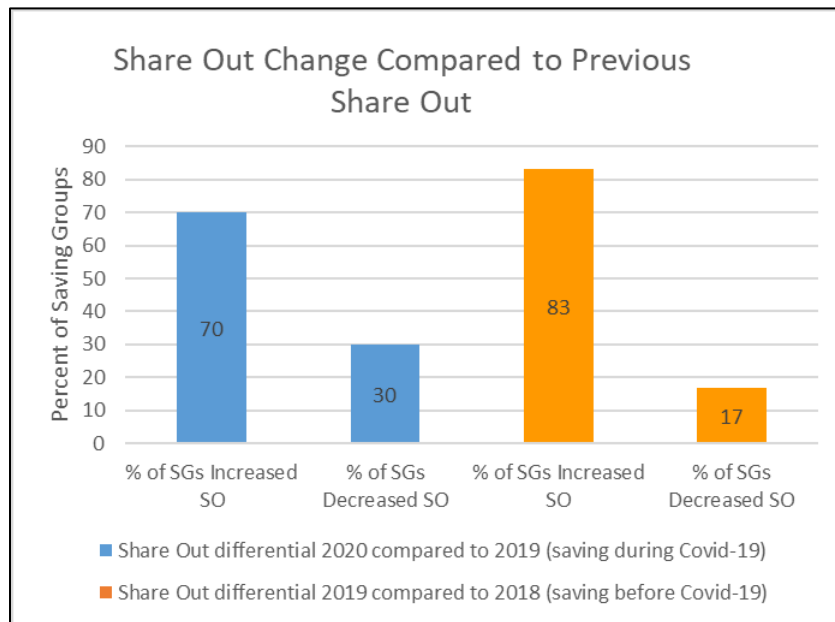


Figure 8

Still, although fewer groups increased their share out amounts during the pandemic, the average amount each member earned at share out actually increased compared to the share out pre-pandemic. The average change in share out, across groups in all cycles, comparing the 2020 share out to the 2019 share out was 22,099 Congolese Francs (CF). This is slightly higher,

1,104 CF more, than the share out differential between 2019 and 2018 (Figure 9). Although fewer groups had an overall increase, those that did increased at a greater rate, making the average change higher for savings during the Covid-19 pandemic compared to savings from the previous year.

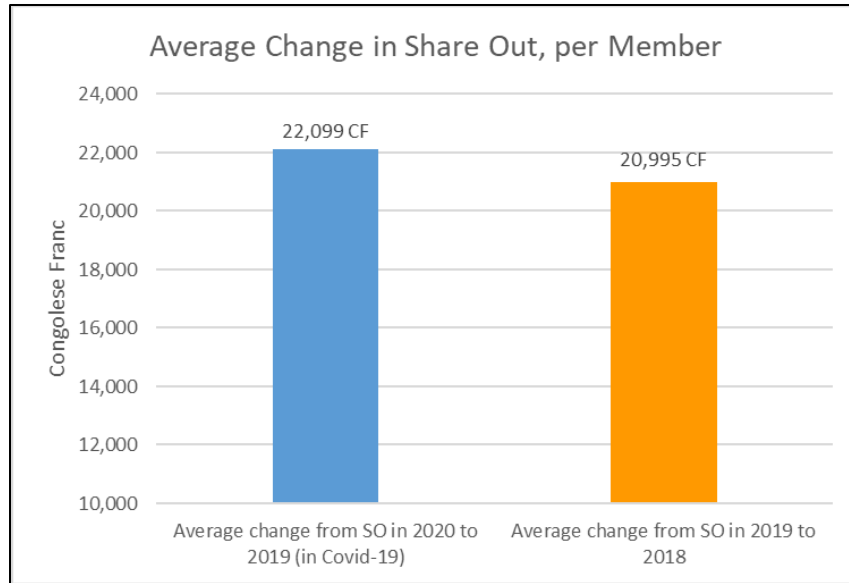


Figure 9

Figure 10 depicts the percent of groups that increased or decreased their share out in three different cycles: 2019 compared to 2018 (savings prior to Covid-19, orange bars), 2020 compared to 2019 (savings during the first half of Covid-19, blue bars) and 2021 compared to 2020 (savings during the second half of Covid-19, grey bars). While there were groups that increased in 2019 (orange bars), the increase was

relatively low, with a majority of groups only increasing 0-20,000 CF per member. This contrasts with a greater percentage of groups that increased their share out in 2020 (blue bars) or 2021 (grey bars) but did so at a higher rate, with a majority of groups in 2020 increasing 20,000-100,000 CF per member and a majority of groups in 2021 increasing 20,000-50,000 CF per member.

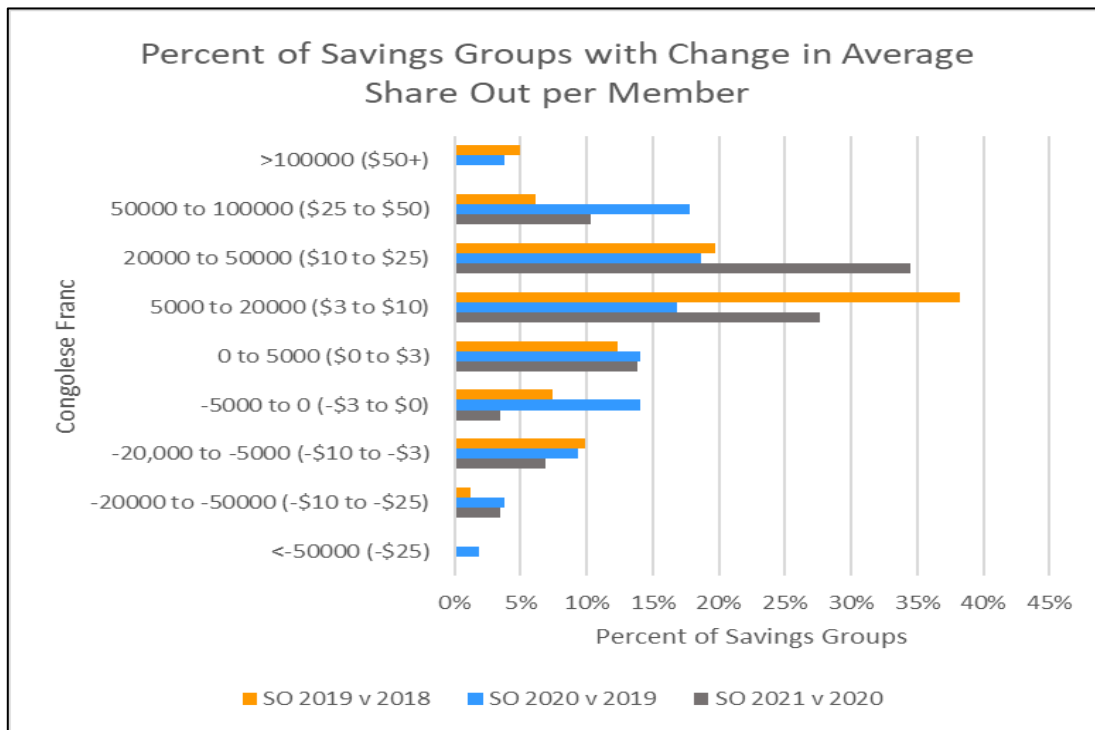


Figure 10

Government-imposed Covid-19 restrictions may explain these varying increases and decreases of members' savings. When the government imposed a lockdown, community members could not travel from the countryside to the city. This affected farmers who now could not travel to sell their produce in densely populated city markets. Instead, many farmers attempted to sell their produce in countryside markets where, due to the competition, prices were low. On the other hand, some community members may have financially benefitted from the travel restrictions, because they did not spend money on travel expenses and were available to work on others' farms as day laborers. Overall, these changes in share out amounts indicate that although the Covid-19 pandemic may have impacted some group members, causing them to save a bit less, overall, the general progression has continued; as members progress through cycles of savings, the amount saved in each cycle increases.

Key Finding 5: There is a strong positive return on donors' investment

The average cost for World Relief to implement SFL in the DRC is \$21.56 per member¹² (as indicated by the star in Figure 12). The amount of money the average member saves in the SFL program far outweighs the cost running the program. This research does not have counterfactual data to compare savings of non-SFL members in Kako to the savings of SFL

members, so this paper cannot assign causality to the savings rates.¹³ But World Relief does not know of any other external factors that would drive up savings rates of SFL members such as savings groups or other economic development programs offered by development organizations or government programs. Therefore, this research compares the cost per member to the amount the member saved in the cycle for the return on the donor's investment, using the following return on investment (ROI) calculation of:

$$\frac{\text{Share Out amount} - \text{Cost per member, from donor}}{\text{Cost per member, from donor}}$$

(Final Value of Investment - Initial Value of Investment)
Cost of Investment

Figure 11

In cycle one, the average member in Cohort 1 earned \$47.71 at the time of the share out. Using the above calculation, there is already a 121% ROI on the donors' investment. Because the investment for the member is a one-time cost (World Relief directs future investments to future cohorts), any savings beyond the cost of \$21.56 is a positive return, as indicated by the circled sections on Figure 12.

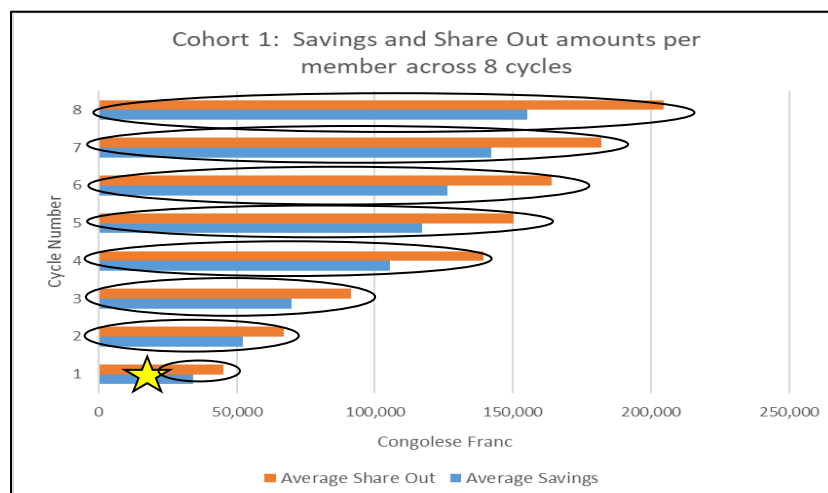


Figure 12

¹² Cost per member is one standard ratio, calculated by the management information system, the Savix. The Savix calculates this as the prorated cost of the program divided by total number of savings group members. Implementing organizations have not agreed upon what to include in the program cost, making this a ratio difficult to compare across programs. World Relief includes all field costs (staff salaries, training, monitoring and evaluation costs, and a portion of field office expenses) but not US home office overhead.

¹³ Other randomized control trials from the savings group community confirm that savings groups contribute towards increased household savings (Gash and Odell, 2013).

As the cycles continue and share out amounts increase, the return on the donors' investment rises to 2661% by cycle eight (calculated by adding up all the share out amounts over cycles 1-8, subtracting the cost of

investment, \$21.56, then dividing by the static cost of investment, \$21.56), as shown in Figure 13.¹⁴

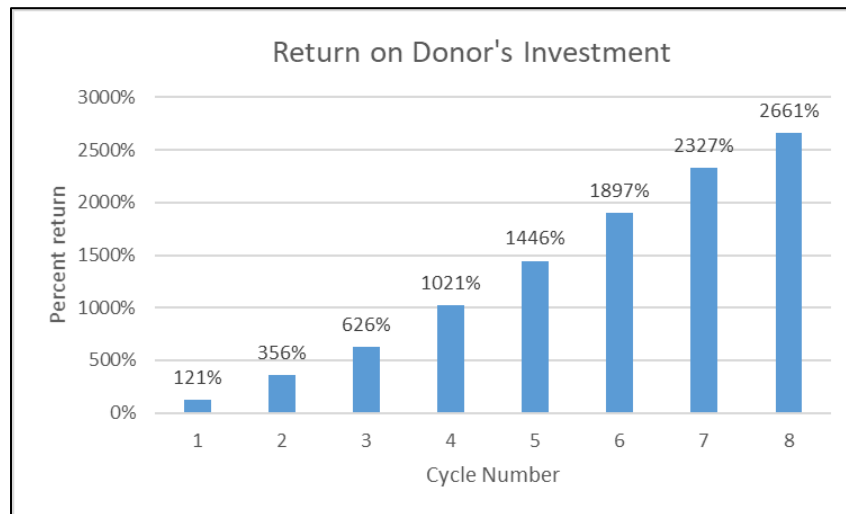


Figure 13

The implications of this finding may encourage donors to know how the outcomes of their giving exponentially increases over years, as members continue to save more and more in new cycles.

Research Gaps and Call for Further Research

This research has the obvious limitation in that there is no control group, or a group similar in demographics where World Relief does not implement the SFL program, to compare data with. Because of this limitation, this research is not able to show definitively that SFL is the factor driving positive outcomes. It is possible, for example, that other factors are playing a role in the saving experiences of SFL members. Given the village context, however, and World Relief's knowledge of that context, it is not unreasonable to conclude that the SFL program has been a major factor in the change. Still, in order to prove causality, World Relief, or perhaps an independent researcher, would need to conduct further research using a randomized control trial (RCT), designating a control group to compare to the treatment group of SFL members.

Other savings group implementing organizations have conducted RCTs to link savings groups to the causality of economic impacts in treatment areas (Gash and Odell 2013; Gash 2017). Most research, however, has a limited timeframe, such as one to three years, because RCTs are difficult to conduct over a long

period. These studies reveal increases in savings and the use of credit in treatment areas. Researchers have also examined household expenditures to determine if increased savings came about because members simply reduced household expenses and therefore had more money to save. Yet researchers found no reduction in household expenses, suggesting that the increase in savings did not negatively affect household consumption. Some RCTs have also found an increase in total household expenditures for the treatment group, suggesting that savings groups may allow for increased household purchases (Ksoll et al. 2013; Amman et al. 2013). Finally, for RCTs that measure asset ownership, nearly all studies find reasonable increases for savings group members, while no study finds negative effects on asset ownership (Gash 2017).

Evidence from these RCTs suggests a story similar to what World Relief believes has occurred in the DRC with the Savings for Life program; participation in the savings group program leads to higher savings among participants. The full extent of these impacts, however, remains uncertain until a fuller RCT is conducted.

Another limitation of this research is the lack of analysis into members' utilization of SFL funds for business, health, education, or other outcomes. Although researchers may accomplish this with robust RCT work, the complicated nature of money management likely calls for a mixed methods approach

¹⁴ Admittedly, this figure ignores any net present value calculations. Its purpose is only to show that return on donors' initial investment is indeed significant.

to research (Rutherford 2003). In the qualitative section, researchers may find financial diaries as an effective technique to chart and monitor community members' income and expenditure and how participation in a savings group may change these amounts (Collins, Morduch et al. 2009). A further analysis into the use of SFL funds would provide a deeper understanding into how the SFL program impacts important everyday aspects of community members' lives.

Conclusion

Following the financial data of savings groups in the DRC from 2016 until today, World Relief has witnessed significant growth in members' savings. Savings groups continue to increase their share values as they move to subsequent cycles, which leads to higher weekly savings. Groups continue to have high profits from internal loans and distribute those profits at the annual share out. New members continue to join SFL groups, saving at higher rates than the earlier groups.

World Relief believes lasting community change only happens when the community, and especially community leaders, are not only champions of change but are also leading the change. This is why World Relief invests so much time in the Church Empowerment Zone doing church networking, envisioning seminars, and mindset transformation trainings before introducing technical programs in the community. Like the SFL, the network of cooperating churches continues after World Relief hands the program over to them. With this framework in place, churches are able to select community and church-based volunteers who are the main trainers for programs like Savings for Life. Within SFL, the volunteer SFL Committee continues to support other volunteers and train new groups in the SFL methodology.

Although World Relief staff phased out of the Kako CEZ SFL program in 2018, testimonies reveal ongoing positive economic outcomes, such as volunteers continuing to form new groups with the maximum number of members, groups increasing their share value as they progress into new cycles, and continued increased savings shared out at the annual distribution. With its holistic understanding of human development, World Relief knows that progress involves much more than increased saving, but it also knows that increased saving is an important step in the direction of better lives in the economic sphere. Importantly, as this article tries to show, World Relief's SFL program is helping communities take that step.

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