

CASE STUDY



CaF Insieme (Institute of Higher Education "C.I. Giulio", Turin)

LABINS

Promoting Financial Education and Savings Groups in a mutually reinforcing manner

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THIS IS THE SECOND OF A SERIES OF CASE STUDIES ON FINANCIAL INCLUSION THROUGH SAVINGS GROUPS.

ABOUT LABINS

Labins, which stands for Laboratorio d'Innovazione Sociale (Social Innovation Laboratory), deals with innovative projects aimed at fostering social inclusion. It is a social enterprise registered in Turin (Italy) as a social cooperative and was created in 2012 by a group of professionals with different skills and knowledge in the field of social policies, social housing, media, environment research and financial education.

The team consists of 9 full-time and part-time employees and 10 freelance consultants with excellent competencies and expertise in social impact projects, including the creation and management of savings groups.

The activities of Labins are aimed at: people in a situation of vulnerability (socio-economic and/or housing), young people, newcomers and refugees, victims of violence, people at risk of social and financial exclusion, social workers, adults with mental health disorders and pathological gamblers, low-income families, non-for-profit organizations, micro-entrepreneurs and savings groups members.



Graduation Day at Labins EduFin Academy

We turn ideas into impact. We use our expertise and creativity to bring about projects that have a positive impact on people, our local communities and the global environment.



CaF Ritmo (Institute of Higher Education "G. Giolitti", Turin)

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"After the experience of creating my school class savings group, I discovered that I can count coins, I can count on me and I can count on my classmates! For the coming year, I want to save more and spend less."

Accountant of a School Savings Group called CaF Ritmo (Turin, Italy).

WHAT IS LABINS' SCOPE?



Financial Education Training at Labins

Labins offers consultancy and training services in the following areas:

Countering Educational Poverty

- Design and implementation of projects in partnership with schools and non-for-profit organizations, aimed at addressing Educational Inequality and Educational Poverty in order to counter social exclusion.

Social Housing

- Supervision and management of projects aimed at providing housing solutions to families and single parents living on a low income, senior citizens, young people, people at risk of social exclusion.

Visual Narrative and Documentaries

- Media production aimed at the non-for-profit organizations to communicate and promote their activities;
- Development and production of documentaries on social, cultural, anthropological and historical themes.

Monitoring and Evaluation of Social Impact Projects

- Design of evaluation processes;
- Analysis and presentation of evaluation data;
- Interviews and questionnaire-based evaluation processes.

Participatory Events

- Design and management of Conferences and Events based on Innovative and Participatory Methodologies, mainly aimed at the non-for-profit sector.

Financial Education and Entrepreneurship

- Consultancy and training services to organizations willing to promote savings groups;
- Training services and methodological support to savings group;
- Financial education and entrepreneurship training for savings groups members;
- Training courses for low-income families, adults and young people;
- Capacity building and non-financial services for microfinance institutions.

WHAT IS A SAVINGS GROUP?

Savings groups are self-managed groups of 8-15 people who get together regularly (once a week or once a month) to save into a joint saving box. In such meetings, they share with each other their recent life's happenings and, if needed, borrow money to cater for an emergency situation or some unexpected expenditures.

LABINS' SAVINGS GROUPS AT A GLANCE



FINANCIAL IMPACT

Number of youth savings groups created as of the end of 2020:

27

Savings groups in Italy as of the end of 2020:

60

Range in savings amount on average per month (per group):

10€ - 250€

Savings amount range on average per year:

120€ - 2.200€



MEMBER PROFILE

Number of participants per group:

6 - 34

Age of beneficiaries:

12 - 82

Percentage of women:

70%

Nationalities represented:

12

(Italy, Morocco, Tunisia, Egypt, Burkina Faso, Nigeria, Senegal, Ethiopia, Brazil, Albania, Romania, Spain)



SOURCES OF INCOME

Members' income comes mainly from the following sources:

- Income from occasional and underpaid jobs (70%);
- Financial support from not-for-profit organisations (60%);
- Citizenship Guaranteed Minimum Income (Reddito di Cittadinanza), Citizenship Guaranteed minimum Pension (Pensione di Cittadinanza) or Social Allowance (Assegno Sociale) (45%);
- Family support (25%);
- Part-time jobs (20%).



“We have created a savings group and called it "Future" because we believe and want to invest in the future. Every Tuesday, we meet and try to put some money aside. We all do our best. Maybe instead of drinking a coffee at the bar, that day we drink it at home. The best thing is that we set the rules and we can change them if everyone agrees. It is a good experience of sharing and growing”

CaF Futuro (Turin, Italy)



CaF Futuro (“Alice nello Specchio” Social Cooperative)

ACHIEVEMENTS AND RESULTS

Since its creation, Labins - by working in close collaboration with several institutions and adopting a cross-sectorial partnership approach - has achieved important results:

- We have created 60 savings groups involving 909 direct beneficiaries in 5 Italian Regions: Piedmont, Lazio, Campania, Lombardy and Calabria;
- We have trained 1,887 people in Financial Education and how to manage savings groups by the provision of practical workshops: 70% of the participants of our training are women and 71% individuals from vulnerable social groups;
- We have developed a financial literacy curriculum to work in multicultural contexts;
- We have developed and implemented a psycho-social rehabilitation program through savings groups to foster the social and financial inclusion of people with mental health disorders and/or with addiction related problems;
- We have implemented the savings group methodology to promote school-based groups and to teach financial education in secondary and upper secondary schools;
- We have combined savings groups methodology and community entrepreneurship training, to boost the positive impact on local communities;
- Recently, during the COVID-19 pandemic, we have delivered financial education training online in order to motivate and to support savings groups members in these particularly difficult times.



Financial education training

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"Unity is strength and trust is always our starting point. Our group was born within the Burkinabè community of the Campania Region as a self-financing solution to address the social vulnerability and financial exclusion of migrants in Naples."

Alexis Lengani,
President of CaF Somefi (Naples, Italy)



CaF Somefi

REACHING OUT TO DIFFERENT TARGET GROUPS THROUGH PARTNERSHIPS

In the last decade, Labins has created partnerships with local authorities, microfinance institutions, co-operatives, schools and community organisations to help set up savings groups involving different target groups. At present, we mainly work with the following target groups: young people (60%); low-income families and migrants (20%); adults with mental health disorders and pathological gamblers (10%); social workers (10%).

Each of the group has its own needs and motivations to join a savings group which must be taken into consideration. During the first two sessions with the group, we ask each participant to share his or her motivations to be part of a savings group and to reflect on the osmotic balance between giving and taking: what they want to achieve but also how they can contribute to the success of the group and of its members. This step is important to build the identity of the group and of its members, but also to create meaningful rules that help them grow.



CaF Dream Solutions (Institute of Higher Education "S. Grandis", Cuneo)



CaF Vastandel Bank (Convitto Nazionale Umberto I, Torino)

The main reasons for young people to join a savings group are:

- to experience and to share a different and cool initiative with their friends;
- to increase their personal income (combining savings groups with entrepreneurial activities);
- to get a positive social pressure to save and to help others.

The main reasons for low-income families to join a savings group are:

- to have a positive pressure to save (in order to obtain more financial stability and income predictability, given that they have small and variable temporary incomes);
- to access small loans (to face unexpected expenses and to smooth the family cash flow);
- to have more control on household money (combining savings groups with financial education) and to broaden their social network.

As per the adults with mental health disorders and/or addictive disorders, their reasons are:

- to have more social interaction (they have extremely limited social interaction, a small or non-existent network of friends and family and they usually live alone or in social housing support structures);
- to have more control on their personal finances and to achieve the ability to manage them by themselves (they normally have a guardian who manages their personal finances).

COMBINING SAVINGS GROUPS WITH FINANCIAL EDUCATION

Labins methodology combines savings group methodology with financial education in order to cater for those who want to make informed choices and take responsible decisions on how to use and manage their money. In 2019 Labins created the “EduFin Academy” an educational financial literacy training program that offers various courses for individuals, families, communities, and savings groups. Since then, Labins has trained over 1,200 people in financial education and entrepreneurship, promoting financial inclusion but also gender equality and strengthening women’s roles in financial management. Labins methodology is suited to a broad and multicultural audience and it is based on a learning-by-sharing and learning-by-doing approach. Some of the training programmes we offer:

- “Training of trainers in emotional financial education: how emotions affect money decisions and how the relationship with money influences our emotions.”
- “Start Your Business programme”, training for micro-entrepreneurs with the methodology of the International Labour Organization (ILO).
- “Social Housing and Financial Literacy Programme” for social workers and volunteers.
- “Women Empowerment and Household Economics Programme” for women victims of violence.
- “Match-your-Savings Programme”, a financial literacy and savings groups programme for unaccompanied foreign minors.
- “Race to Save”, a psycho-social rehabilitation programme through savings for people with mental health disorders.
- “The Money of Sociability” a financial literacy and savings groups programme aimed at students in secondary schools.
- “Investing in my Community” - savings groups and entrepreneurship programme for youth at risk.
- “Saving, Sharing and Timing” - a financial literacy programme for TimeBank members.

Labins uses two main ways to blend savings groups and financial education: the “integration model” and the “combination model”. In the first model, we start with an activity (it can be a savings group or financial education) and at a certain point, we add the second one within the same time framework. In the second model, both activities (financial education and savings groups) are different paths that can be run in different times and locations.

If we plan to implement the integration model starting from a savings groups, we wait until the group is “mature” (they perform well in terms of time and group management; they feel confident to work together and to share their thoughts and the identity of the group is shared and felt by all the group members). At that moment, we can deal with financial education topics that are relevant for the members of the group: setting financial goals, creating a savings plan, understanding interest rate and loan repayments, etc. Sometimes we also start with a financial education training and at some point, when we face the issues regarding the different methods of savings, we introduce the “savings groups” and propose the participants to create one as a part of the programme.

We mostly use the “integration model” in schools, rehabilitation centers and as a part of educational programs. In the “combination model”, it is the group itself that, while participating in an activity (savings group or financial education class) asks to organize a new activity of interest. Some savings groups asked Labins to organize an entrepreneurship training while others were more interested in financial education. It also happened that people who were participating in a financial education training asked us to help them setting up a savings group. In that case, both activities (savings group and financial education) are separated and not all the group members have to join the second one. We mostly use the integration model with associations, informal groups and self-managed groups.

CHALLENGES & LESSONS LEARNED

During all these years we have been constantly faced with challenges and obstacles along the way. The most relevant ones are:

CHALLENGES

- Lack of funding resources: Initiating savings groups projects relies entirely on external donors, which may affect the sustainability and the continuity of the projects and programmes, especially if the donors are public bodies and the economy is facing severe contractions;
- Lack of a regulatory framework to scale up savings groups: Despite Italy still being a “high-saving” country, there is no specific legal framework for savings groups. A legally registered option would give more opportunities to accumulate larger amount of savings overtime, to open a group bank or mobile money account, to allow that interest earned on loans can become income earned for savers, to access to microinsurance services, etc.;
- Lack of digitalization and MIS (Management Information System): Labins does not have a tool (platform, app) for collecting and elaborating quantitative and qualitative information on the profile and the credit history of the groups. Having a MIS may help us build a credit history of the members currently excluded from the financial sector, to improve group performance and/or to give feedback to the groups and to the donors.
- Scarce visibility of the savings groups and recognition of their potential: Savings initiatives should be recognized by microfinance institutions, ethical banks and policy-makers as part of the social finance sector in Italy and in Europe.



“Every week we save at least € 0.50 and we put it in our savings box. Each person has a role: president, secretary, accountant... We have involved teachers and other school members: they are also our investors! We have decided to create a Platinum Card for each investor to demonstrate that we really care for them”

CaF Platinum, School Class Savings Group (Cuneo, Italy).



CaF Monllurico (Institute of Higher Education “S. Grandis”, Cuneo)

LESSONS LEARNED

- Savings groups are a powerful tool for providing people a safe environment for saving, fostering social cohesion and helping the participants extend their network of contacts. Savings Groups are a great opportunity for those who are facing economic difficulties but still have a small income.
- Every person has an inner potential to save, to improve his/her life and to help others; savings groups create a reliable and positive environment that helps members face life challenges, improve their strength, and reach their full potential.
- A savings group is not only a place to meet up and save money, its foundation and existence relies on the relationship among its members and their positive interaction: it is a living ecosystem.
- Today, more than ever, it is necessary to have a community reference group and to support each other facing the current economic and health crisis derived by the COVID-19 pandemic. There is also a moral duty to support the most vulnerable people in the community through education and savings, not exploiting them through credit and debt.
- Mutualism and community-managed microfinance practices reinforce the savings culture, increase financial security and reduce vulnerabilities and barriers, fostering a safe way to save.
- Savings groups are a platform to promote financial education and community entrepreneurship among members. Equally, financial education courses can be an excellent opportunity to promote savings groups.
- Financial education allows individuals to make informed decisions and to improve their financial well-being, but it is important to provide meaningful financial education opportunities for every step in life and to develop financial education resources specific for each target group.
- Financial education is an opportunity to reflect on the role money plays in life, how money makes us feel and how emotions can affect the way we use money.
- The involvement of the educating community (teachers, educators, parents, guardians..) in school financial education programs has been shown to positively impact children's learning and confidence in financial matters.



CaF Gold (Institute of Higher Education "S. Grandis", Cuneo)

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“We are members of a school savings group called “Gold”. We decided that each one of us would save at least € 1 per week and we also decided to put all our savings in a common wooden box with 3 locks. We share the responsibilities and tasks within the class: we have a president, a secretary, an accountant, a cashier, 3 key-keepers... We involved some teachers and we learned that Saving can be Fun!”

CaF Gold, School Class Savings Group (Cuneo, Italy).

SAVINGS GROUPS DURING COVID-19 PANDEMIC

In February 2020, when the Italian Minister of Health issued an order to restrict face to face training courses and community meetings due to the global COVID-19 pandemic, the savings groups members and trainers started thinking how they could continue helping each other and save together.

The pandemic spread rapidly in Italy and the message from the Government was clear: "stay at home, do not meet other people, not even friends or family". So, how could savings groups survive if everybody had to stay at home and they could not meet?

Everything started with a phone call: on February 25th Labins decided to simply reach out by phone to the members of a savings group (named CaF Futuro) to make enquiries about their personal situation. We started with a one-to-one phone call, then other participants joined in one by one...

Eventually we realized that all the group participants were talking together. And they unanimously decided to continue savings group activities despite the COVID-19 pandemic related lockdown. These phone calls turned into online video calls to train the members on the use of new digital tools to run and manage savings groups. In this digital mode, new roles were assigned, such as "tecno- accountant" or "digital secretary".

In less than a month, the savings groups members learned how to manage online meetings, how to set the mobile phone camera, how to fill in shared documents for accounting and to use the microphone during a video call. As far as the saving activity is concerned, Labins devised a new procedure: each member uses a personal piggy bank at home to deposit their money during the meetings.

“This is the way they have been meeting and saving during these times of uncertainty; despite the distance, they still feel remarkably close to each other!”

Patricia Pulido, Labins.

LABINS' OUTLOOK

Labins has been working in partnership with local organizations and co-operatives mostly in the Piedmont Region. Its main priorities are: a) to prepare a business plan to promote the methodology and to present it to future investors; b) to expand towards new regions and local communities; c) to adapt the services according to the needs of the beneficiaries in the current post-emergency situation. We would like to continue working with low-income families, migrants, young people, adults with mental health disorders and pathological gamblers. We would like to reach other target groups such as homeless people, elderly people and primary school students. We would like to improve the online methodology in order to train and to follow-up the savings groups more effectively.

GET IN TOUCH



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Photos by: Patricia Pulido

ABOUT THIS CASE STUDY

The case studies are one of the deliverables of the Erasmus Plus funded project "LEARNING, TEaming up and Saving- Saving groups for Employability and Empowerment). The project aims at developing an innovative methodology for a hands-on-experience training opportunity for adults from vulnerable groups to develop their skills. It is implemented by seven partner organizations based in different countries across Europe: ACAF – Asociación de Comunidades Autofinanciadas (Spain), Cash2Grow (The Netherlands), Fundació Servei Solidari (Spain), LAB.IN.S Società Cooperativa Impresa Sociale (Italy), MFC - Microfinance Centre (Poland), The Hague University of Applied Sciences (The Netherlands) and SavingBuddies (Germany).

